ning Commission that additional transport to the extent of 2 million tons should be provided for the next 10 years to carry out the industrial expansion scheme.

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Other companies in the Bird-Heilgers Coal group have also published their accounts for the half year ended December 31, 1953. Only Borrea has reduced the dividends to 25 per cent per annum from 30 per cent, in the preceding half year. Other companies have maintained dividends at the previous level. Standard at 20 per cent per annum, Ondal at 20 per cent and Churulia at 1 9/16 per cent per annum. Sendra, Bhulanbararee and Karanpura Development have again passed over their dividends.

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Bengal Jute Mills

THE accounts of Bengal Jute Mills Ltd (Managing Agents: Soorajmull 'Nagarmull, Calcutta) for the year ended June 30, 1953 disclose a profit of Rs 14.94 lakhs, compared with Rs 7.77 lakhs in 1952. Depreciation charges were slightly higher at Rs 2.73 lakhs (Rs 2.19 lakhs) while provision for taxation accounted for Rs 5.36 lakhs (Rs 2.57 lakhs). After transferring Rs 2.5 lakhs as provision for bad and doubtful debts and advances, the dividend on ordinary share has been stepped up from Re 1 per share in 1952 to Re 1-4.

During the year under review, the company capitalised a sum of Rs 22.5 lakhs standing to the credit of Reserve Account and distributed the same as bonus shares to ordinary shareholders in the proportion of one new share for every old share held.

With the current quotation around Rs 15-4-0, the latest dividend works out to 8 per cent tax free.

Trend and Progress of Banking in India 1953

THE year 1953 marked the return to normalcy from the high level activity in 1951 and relatively stringent monetary conditions of 1952. Despite higher level of business activity, production and prices credit demand remained restrained clue mainly to uncertain state of main export industries. Bank credit, however, declined moderately by Rs 10 crores as against a contraction of Rs 66 crores in 1952 and an expansion Rs 118 crores in 1951. These developments have been noted in the annual report of the Reserve Bank for 1953 published under section 36(2) of the Banking Companies Act 1949.

The average cash ratio of schedule banks declined to 9.2 in 1953 from 10.0 in 1952 and 10.8 in 1951. Average excess balances of scheduled banks with Reserve Bank have continued to fall since 1951. Paid up capital and reserves of Indian scheduled banks also showed a small decline due to a reduction in the number of reporting banks. Net deposit liabilities increased by Rs 8.2 crores over the year, demand deposits, however, registering a decline of Rs 4.4 crores and time deposits increasing by Rs 12.6 crores. On the whole it seems that post-partition declining trend of deposits has been lately reversed. The increase in deposits, however, does not match with the increase in total money supply of Rs 39 crores (as against decline of Rs 96 crores in 1952). Little change, however, is disclosed in the pattern of ownership of deposits. The more important development brought out in this respect is the keen competition for deposits between scheduled banks and exchange banks which persists even after the reduction in bank rate in England. Exchange banks have now come to depend more on local market for resources. Consequent increase in deposit rates however is expected to be halted by mutual agreement among the banks.

A welcome development is noted in respect of investment portfolio of banks which now largely consist of short-dated and medium-dated securities. The report regrets that a component of highly liquid asset, *viz*, treasury bills, yielding adequate returns, is still negligible. Decline in investment in Government securities in the busy season of 1953 was much more marked than in corresponding period of 1952, Increase of Rs 32.8 crores in the gilt edged portfolio of scheduled banks, however, reflected larger holding of treasury bills on the part of scheduled banks and more active participation in Government issues, "the ratio of total investment to deposits did not show any appreciable variation and scheduled bank investment continued to concentrate on Government securities which accounted for 86 per cent of the total investment.

Advances of scheduled banks on the whole declined by Rs 10 crores. An increase in the commercial advances as compared with industrial advances in the year 1953 shows the re-establishment of usual distributive pattern of bank credit which was a little disturbed to the detriment of commercial sector after the initiation of disinflationary policy. Commerce, however, has continued to get over one-half of advances as against below one-third by industry. Production credit for agriculture remained at a low level of Rs 12 crores.