

|                                    |                    |                         |
|------------------------------------|--------------------|-------------------------|
| 2 Tailor                           | 7 Chamar           | 12 Sheik (Saddiqi)      |
| 3 Carpenter                        | 8 Chura            | (b) Functional          |
| (b) Low                            | 9 Jatava           | 13 Sheik (Ansari)       |
| 4 Jhinawar                         | 10 Pasi            | 14 Sheik (Kumhar)       |
| 5 Kumhar                           | 11 Dhanik          | 15 Sheik (Banjara)      |
| 6 Dhunia                           | 12 Kachin          | 16 Sheik (Dhunka)       |
| 7 Dhola                            | 13 Dhunka          | 17 Sheik (Kurachi)      |
| 8 Jullaha                          | (v) Muslims        | 18 Sheik (Nakkarchi)    |
| 9 Sunahar                          | (a) Non-Functional | 19 Sheik (Dappulachi)   |
| 10 Lohar                           | 1 Turk             | 20 Sheik (Nuzaim)       |
| 11 Rangras                         | 2 Sheik            | 21 Kasai                |
| 12 Teli                            | 3 Syad             | 22 Sakka                |
| 13 Kahar                           | 4 Pathan           | 23 Fakir                |
| (iv) Backward and Scheduled Castes | 5 Muslim Rajput    | 24 Teli                 |
| 1 Galaria                          | 6 Nai              | 25 Dhobi                |
| 2 Kawat                            | 7 Barabaj          | 26 Lohar                |
| 3 Sansi                            | 8 Sheik (Beopari)  | 27 Rangras              |
| 4 Bhartooya                        | 9 Sheik (Tailor)   | 28 Muslim (Non-Nansari) |
| 5 Bhar                             | 10 Mir Sahib       | 29 Muslim (Dhunia)      |
| 6 Lunia                            | 11 Muslim          | (vi) Christian          |

### Around Bombay Markets

## All Eyes on Bhubaneswar

Thursday, Morning

DALAL STREET looked quite gay and full of hope and promise when it closed for Christmas holidays on December 24, to reopen on January 2. But the mood soon changed. The holiday feeling was marred by excited discussions on nationalisation of banks, ceiling on incomes and extension of State control over the economy which preceded the Congress draft resolution on democracy and socialism. In the confusion that followed animated discussions on democratic socialism there was a fair amount of anxious selling and prices suffered a sizeable setback from their earlier kerb highs. Hopes revived when the Finance Minister persuasively told the Congress Working Committee that nationalisation of banking could yield very little at this stage and that it deserved a low priority in the programme of economic development. The market was again in jitters on Tuesday night when it heard that the draft resolution sought to place a limit on incomes, inherited wealth and urban property and pleaded for a larger share for the State in capital gains and unearned incomes. The initial reaction was quite impulsive and the market turned steady when the full details of the draft resolution became known on Wednesday.

Indeed, there is very little in the Congress Working Committee's draft resolution on democracy and social-

ism which need cause any scare in the stock market. There is no reference to nationalisation of banks, though a plea has been made for more effective Government control over credit and investible resources so as to direct them along the lines of national priorities and social purposes. But this is precisely what is sought to be achieved through the recent amendments to the Banking Law. Public sector is to play a progressively larger role in large-scale industry and trade but there is full recognition of the importance of the private sector in the economy of the country. Controls have been recommended only when they are deemed indispensable in the larger interests of the community.

Reference to limitation of incomes and urban property, especially inherited wealth and to securing by the State of a larger share of capital gains and unearned incomes and plea for sterner measures to deal with unaccounted Wealth which has been corrupting society is perhaps about all that might cause some uneasiness in business and stock market circles. But here again, there is nothing new and already income tax, wealth tax and death duty are taking away quite large slices of income and inherited wealth. And since unaccounted, wealth is not finding its way to the investment market, the stock exchange commu-

nity should welcome measures aimed at checking tax evasion.

The stock market has no cause for worry on account of the Congress Working Committee's resolution on democracy and socialism, more particularly when the Finance Minister Krishnamachari has already assured that the fiscal policy will be suitably modified in order to stimulate production, saving and investment. And T T K imaginative and bold. The stock market perhaps realises all that. But it is not quite certain whether the draft resolution on democracy and socialism will go through the Bhubaneswar session without any modifications. All eyes are therefore on Bhubaneswar. And if the draft resolution does not undergo any change, the stock market will turn buoyant again and this time cash shares, which have hitherto been lagging behind speculators' favourites, are likely to forge ahead appreciably.

### Cotton

#### Subdued at Week-end

ON 26th December Jarilla March was bid up to Rs 737.25 — a record high for the season. Thereafter it drifted lower to Rs 728.50 on corrective profit-taking and the month-end closing was only a little higher at Rs 729.75. The setback from Rs 737.25 to Rs 728.50 seems

essentially technical and it is likely that the reactionary trend may continue for some time and in the process the market might beat a further modest retreat. Prospects of any important break in prices are, however, generally discounted. With the 1963-04 crop estimated around 55/56 lakh bales and import prospects far from encouraging, the supply position can be regarded as comfortable, especially if cloth output is to be stepped up to anywhere near the Plan target. It is idle to speculate on the carryover at the end of the current season because apart from the trend of consumption in the months ahead, quite a great deal will depend on the volume of imports this season. On the basis of the current assessment of the demand and supply position, cotton prices are likely to maintain a firm tendency throughout the season with short-term movements guided mainly by the flow of arrivals and technical considerations. The market has not encountered anything like a pressure of arrivals so far which explains why the market has been slowly edging its way up. Most market men are, however, inclined to the view that the movement of the Maha Gujarat crop after January will have a slightly depressing effect on the market.

Spot cotton prices also have registered a small setback from their highest levels recorded about a week ago, the declines ranging between Rs 10 and Rs 20 per candy. This does not reflect any significant change in the mills' assessment of the basic outlook for cotton. Mills have been inclined to go slow a little because most varieties are quoted at levels where buying for stock building ceases to be remunerative; cost of carrying stocks will push prices to beyond the statutory ceiling rates. Compared to spot prices, futures appear cheap. Spot houses therefore have been persistent buyers in futures. Fortunately, unlike the hedge contracts in the previous seasons, the 1963-64 hedge contract is not bearish in character, though it is still not a very dependable hedge.

The performance on the export front is reported to be fairly encouraging. Sales registered up to 26th December are placed at 95,333

bales and actual business is believed to have exceeded 1.20 lakh bales. Current indications are that the present quota for two lakh bales might get exhausted before the end of February. In view of the tight supply position of Deshi cotton it is doubtful whether it will be feasible to release a further quantity for export unless the mills can be persuaded to use less of Bengal Deshi.

### Oilseeds

#### **Firm Tendency**

GROUNDNUT and linseed price, have been showing a distinctly firm tendency over the past few weeks. Linseed March which could be had around Rs 35.50 about the beginning of December were marked up to Rs 37.44 (per 50 kgs) on 24th December the highest rate for many months. During the same period groundnut January rose from Rs 213.75 to Rs 224.62 (per 250 kgs)—a record high for the season. The month-end quotations are a little lower due to corrective profit-taking. Improvement in prices from the December low levels cannot be dismissed as speculative because the strength in the spot material has been more marked than in futures. In groundnut, inferior Kanpur Bold ready is currently quoted almost at par with futures.

It is amazing that Maharashtra's Minister for Civil Supplies Shri Homi Talcyarkhan should have expressed serious concern over the rise in groundnut futures when futures have been merely following the trend in the spot material. It is even more astonishing that he should have hinted at extending the Margin of Profit Order to groundnut. One would have expected the State Minister to know that groundnuts are not covered by this Order. The Chairman of the Forward Markets Commission has done well in telling Shri Talcyarkhan (who appears to have been under the influence of certain prominent bear operators) that there is nothing wrong with the behaviour of the futures market, that futures are well below the prescribed ceiling and that there has been no evidence of cornering of stocks by speculators in order to rig up prices.

The growing strength in groundnut prices despite forecasts of a

better crop and the fairly satisfactory flow of arrivals has intrigued many observers. But the explanation seems to be fairly simple. There has come about an appreciable increase in off-take both for domestic requirements and for export commitments. Arrivals in upcountry centres have not been unsatisfactory but they have been readily absorbed by crushers and vanaspati manufacturers. Crushing is quite remunerative and there is a ready and profitable market for vanaspati. According to informed sources, official statistics of vanaspati production do not tell the complete truth. Quite a substantial part of production is being marketed without going on official record in order to evade the heavy burden of sales tax. And with the abolition of excise duty on oil, the off-take of oil is not being properly recorded. Market reports are that vanaspati plants are working at their full rated capacity and there has been a steady increase in the rated capacity over the years. Linseed prices have been showing a hardening tendency on sustained north Indian buying. Castor futures have continued to move up and down irregularly in a narrow range due to lack of any exciting business in castor oil exports. Cottonseed futures have been quietly subdued with limited turnover.

The export trade has been having quite a dull time recently which is not unusual for this time of the year. Overseas buyers have been enjoying Christmas holidays. A few thousand tons of groundnut extractions and cottonseed cake and some stray deals in castor oil was about all that shippers had to report about their business over the past week or two. Overseas quotations for groundnut extractions were slightly easier due to reduced demand and satisfactory offerings from the manufacturers. Export business is expected to pick up in coming weeks but that might not bring about any significant improvement in prices because of larger Indian offerings as a result of increased crushing operations. Castor oil continues to be as inactive as ever and export business in linseed remains at a standstill. Not much has been heard of groundnut oil for some weeks.