

### United Commercial Bank

THE earnings of the United Commercial bank in 1963 rose by Rs 82 lakhs (Rs 72 lakhs in 1962) at Rs 7.15 crores. Expenditure also rose by Rs 78 lakhs (Rs 71 lakhs) to Rs 6.38 crores; as a result the net profit of the Bank rose by only Rs 3.10 lakhs to Rs 76/13 lakhs.

The rise in the Bank's deposits was larger during the year, being Rs 15.24 crores as against Rs 6.84 crores in 1962. Fixed deposits accounted for Rs 10.38 crores in the growth, savings bank deposits for Rs 1.38 crores and current and contingency accounts for Rs 2.98 crores. Total deposits stood Rs 120.98 crores (Rs 105.74 crores) at the end of the year. Advances also rose by Rs 14.87 crores to Rs 85.95 crores (as against Rs 6.87 crores in 1962).

Among appropriations. Reserve Fund got Rs 17 lakhs (Rs 28 lakhs). Gratuity Trust Fund Rs 4 lakhs (same), Donations Rs 2.26 lakhs (Rs 2.15 lakhs) and Bonus to Staff Rs 19 lakhs (Rs 16.50 lakhs). Dividend at Rs 6 per share of Rs 50, i.e., at 12 per cent (same) on the increased paid-up capital will absorb Rs 33.60 lakhs (Rs 24.56 lakhs).

The Directors propose to capitalise Rs 20 lakhs out of Rs 40 lakhs in the share premium account and have applied for the sanction of the CCI; but they will await the final outcome of Government's proposal to tax bonus shares.

The Bank opened 15 new branches during 1963, bringing the total number of branches to 175.

### Union Bank of India

THE Union Bank of India has shown satisfactory progress during 1963. Income rose by Rs 47.66 lakhs (Rs 38.48 lakhs in 1962) to Rs 2.71 crores while expenditure also moved up by Rs 42.37 lakhs (Rs 22.07 lakhs) to Rs 243.86 lakhs. Profit was higher by Rs 5.29 lakhs at Rs 27.36 lakhs.

The Bank's deposits expanded by Rs 9.42 crores to Rs 52.04 crores. Of this rise, fixed deposits accounted for Rs 4.22 crores, savings deposits for Rs 1.20 crores and current

and contingency accounts for Rs 4.00 crores. Advances exceeded those of the previous year by Rs 7.89 crores and stood at Rs 31.12 crores at the year-end.

Out of the total profits of Rs 28.76 lakhs inclusive of balance of last year, the Directors have appropriated Rs 6 lakhs (same) to reserve, Rs 50,000 (same) to Premises Account, and Rs 9.28 lakhs (Rs 7.66 lakhs) to Bonus to Staff Account. Out of the balance of Rs 12.98 lakhs, dividend at 57 p per share of Rs 5, i.e., at 11.04 per cent (same) will absorb Rs 11.40 lakhs (Rs 7.96 lakhs).

The Bank opened 10 new branches during the year.

### United Bank of India

UNITED Bank of India's income in 1963 was higher by Rs 48.07 lakhs at Rs 404 lakhs while its expenditure rose by Rs 42.87 lakhs to Rs 377 lakhs. The Bank thus made a profit of Rs 26.40 lakhs, being Rs 5.20 lakhs more than in 1962.

Deposits went up by Rs 7.90 crores, representing a growth of 12.2 per cent. Savings deposits were higher by Rs 3.54 crores and current and contingency accounts by Rs 4.42 crores but fixed deposits were lower by about Rs 6 lakhs. The Bank's advances were Rs 47.16 crores, being Rs 3.26 crores more than in 1962. The credit deposit-ratio fell from about 67.7 per cent to 64.4 per cent.

The larger profit has enabled the Bank to step up the dividend from 6 per cent to 7.5 per cent which will absorb Rs 20.20 lakhs (Rs 16.08 lakhs) and to allocate to Reserve Fund Rs 5.30 lakhs (Rs 4.26 lakhs). The balance carried forward to next year is Rs 4.16 lakhs (Rs 3.26 lakhs).

The Bank opened 7 branches during the year.

### Money Market

*Thursday, Morning*

THE inter-bank call money rate hardened further by a quarter per cent during the past week. Demand for funds continued to expand while supply diminished

further. Even at the new rate of 6.5 per cent stringent conditions persist

The revised terms of Reserve Bank advances to scheduled banks caused immediately a return flow of funds into the Reserve Bank. Scheduled banks' borrowings fell by Rs 10.59 crores during the week ended March 13. This, however, did not result from a contraction of bank credit which actually increased further by Rs 12.83 crores during the week, raising the credit-deposit ratio from 78.71 per cent to 78.88 per cent as against 77.97 per cent a year ago. Simultaneously, scheduled banks' deposits went up by Rs 11.61 crores as against a fall of Rs 17.32 crores in the previous week. In addition, sales of securities of Rs 6.41 crores which reduced the ratio of investments in government securities to aggregate deposits to 28.02 per cent from 28.45 per cent a week ago and 29.04 per cent a year ago) and withdrawal of cash and balances with the Reserve Bank of Rs 6.74 crores financed bank credit.

The Reserve Bank's statement for the week ended March 20 shows a slight relaxation in the demand for money. Note issue has contracted during the week by Rs 13.63 crores and the Banking Department's holdings of notes have swelled by Rs 2.55 crores with the result that notes in circulation have declined by Rs 16.17 crores. There has also been an inflow of rupee coins of the value of Rs 1.38 crores. Due to the return flow of Rs 15.01 crores in notes and coins to the Issue Department and a rise of Rs 5 crores in foreign securities, there was a withdrawal of Rs 20.01 crores of rupee securities from the Issue Department. This has led to a rise in the investments of the Banking Department of Rs 19.30 crores.

That expansion of bank credit has not yet abated is evidenced by the rise in scheduled bank's borrowings during the week by Rs 3.45 crores. At the same time the scheduled banks increased their balance with the Reserve Bank by Rs 3.75 crores so that the banks' resources position was not much altered during the week.