red to reserves raising them to Rs 35.10 lakhs.

Although dividend on ordinary shares has been skipped, the Directors have decided to issue 224,000 bonus shares of Rs 10 each by utilizing Rs 22.40 lakhs from the Share Premium Account, where there is a balance of Rs 30.95 lakhs. The bonus shares will be issued in the ratio of one new share for every five shares held. Consent of the Controller of Capital Issues has already been received subject to the condition that the existing shares should be first made fully paid up. The Company's 'Reserves and Surplus' even after withdrawing Rs 22.40 lakhs from the share premium account will amount to Rs 55.69 lakhs, being almost the same as at the end of 1962, and support the paid up capital of Rs 136 lakhs.

The manufacturing schemes for which the Company had secured industrial licences have progressed satisfactorily during the year in spite of several handicaps. Were it not for short and irregular supply and defective quality of raw materials, manufactures and sales of the Company's own products would have expanded still further. Sales of pistons and piston rings manufactured by the Company's Bahadurgarh (PatiaIa) plants have shown an increase of 23 per cent. Automobile parts manufactured by the Company continued to be in keen demand. Order book for 'Rajdoot' motor cycle is almost full against 1964 production. But sales of tractors suffered a setback on account of import restrietiors. Production of tractor-drawn agricultural implements, however, made good progress. The company has designed and developed its own tractors by utilizing India-made engines and components and has been able to secure export orders also. Among the Company's subsidiaries, Goetze (India) has done very well during 1963 repeated the dividend of 10 per cent on its equity shares. Sharpedge, another subsidiary, encountered difficulties in production and sale and has, therefore, entered into technical collaboration and sales agreement with a leading international consumer products manufacturing company.

Machinery Manufacturers Corporation

MACHINERY Manufacturers' Corporation has earned a higher profit of Rs 66.68 lakhs during the year ended March 31, 1964 as against Rs 55.43 lakhs in 1962-63. After providing for depreciation, development rebate reserve and taxation, the balance of profit has amounted to Rs 18.72 lakhs (Rs 2275 lakhs). Taxation provision absorbed Rs 14 lakhs more at Rs 31 lakhs. General Reserve got less at Rs 12 lakhs (Rs 17.30 lakhs). But the dividend on the ordinary shares has been maintained at Rs 1.50 per share.

The Directors state that the upward trend in production was maintained during the year. The Company's order book is full. Manufacture of Speed Frames designed by the Company's engineers has commenced and schemes of further expansion initiated by the Company are now under the examination of Government.

New Standard Engineering

NEW Standard Engineering has fared well during the year ended March 31, 1964. Revenues from sales and services have risen by about 30 per cent to Rs 240.29 lakhs from Rs 182.91 lakhs in 1962 63, and likewise gross profit is better at Rs 26.88 lakhs (Rs 22.89 lakhs). After providing for taxes and development rebate reserve and including the previous year's balance, the disposable surplus has worked out to Rs 10.32 lakhs (Rs 7.86 lakhs). The Directors have transferred Rs 2.75 lakhs (Rs 75,000) to General Reserve and declared a dividend of 10 per cent inclusive of 1 per cent as Silver Jubilee bonus.

During the year, the Directors stale, there has been a considerable increase in manufacturing activities which have accounted for a larger sales revenue. Substantial increase in the designing and manufacturing of cranes as also in blow room machinery has been achieved.

The Company has promoted a new Company called Indabrator Limited in collaboration with Wheelabrator Corporation, U S A, and Tilghman's Ltd, U K, for the manufacture of shot blasting equipment, and will act as its Secretaries and Treasurers. The new Company is expected to go into production by the end of the year.

India Cements

NET profit earned by the India Cements, Madras, for the year ended March 31, 1964 is shown at Rs 69.95 lakhs comparing favourably with Rs 48.83 lakhs in 1962-63. Production of cement has been to rated capacity al 4.65 lakh tons in the Company's Sankarnagar factory. The new factory at Sankaridrug started commercial production only in February 1964. After expansion of this factory is completed, the rated capacity of the Company's two factories is expected to be of the order of 9 lakh tons of cement per annum.

Cement sales have recorded a rise to Rs 4.66 crores during the year as against Rs 3.95 crores in the previous year, but the rise in sales has not been fully reflected in the profits as there has been a rise in the production costs due to higher coal prices, increased railway freight and the surcharge on electricity. Against the year's profit the Company has provided in full for the development rebate reserve at Rs 40.72 lakhs (Rs 35,000). Income-tax and super tax for previous years absorbed Rs 3.27 lakhs (nil). No separate allocation has been made towards rehabilitation, modernisation and development in view of the full provisions made under the Statutory Reserve for Development Rebate. The Company has also provided Rs 1 lakh (nil) for Investment Reserve. The additional changes made during the year against the profits have resulted in a cut in the ordinary dividend to 6 per cent absorbing Rs 20.98 lakhs (Rs 26.75 lakhs). The Directors state that the increase of Rs 1.25 per tonne in the retention price effective from July 1, 1964 has not fully covered the actual increase in costs.

New India Assurance

NET premium income of New India Assurance Co for the year 1963 declined to Rs 13.22 crores from Rs 13.67 crores in 1962. Though the Company's business in India showed an increase, foreign business, both direct and reinsurance, registered a sizeable fall due to the interplay of several factors such as devaluation of Indonesian currency, restrictive legislation in Burma and Ceylon and measur;s adopted by the Company itself in several countries.

Claims costs also rose by 5 per cen* to 58.7 per cent in 1963. This is also ascribed to the adverse experiences in overseas territories particularly the U. K., Europe, Singapore and Australia.

The Fire Department's premium income fell from Rs. 4.47 crores in 1962 to Rs. 3.93 crores during the year. Claims costs and expenses of management recorded rises by 6.7 per cent and 1.7 per cent. The Department earned a profit of Rs 42.6 lakhs as against Rs 59.9 lakhs in the previous year.

Premium income in the Marine Department declined by Rs 9 lakhs to