

between Rs 21.50 and Rs 21.80 for the past few weeks on sustained buying by vanaspati manufacturers.

The price trend in coming weeks is likely to be guided mainly by conjectures about the Government's export policy for vegetable non-essential oils. Prices are unlikely to register any appreciable decline so long as the uncertainty continues about the export policy. Prices are expected to record a marked rise if the Government decides to allow a substantial quantity of groundnut oil for export; a great deal will of course depend on the export incentives. If the Government desires oil prices to come down to more reasonable levels before permitting exports, it would be well-advised to announce that it has no intention to permit exports so long as the price of groundnut oil keeps above a particular level. Fortunately, the overall supply position of edible oils this season is fairly satisfactory and it may be possible to release some groundnut oil

for export if speculative tendencies can be kept under check. About 10,400 tons of soyabean oil have already reached India and another 13,000 tons are expected before the end of April. The entire quantity of 23,300 tons of soyabean oil and 1,700 tons of cottonseed oil will reach the country before the end of May. Purchase authorisation for the remaining 45,000 tons of soyabean oil is expected to be issued shortly and this oil will reach the country in October and November which will ensure satisfactory supply of edible oils near the fag-end of the current season.

Export activity in groundnut extraction has continued to be restricted recently. Exporters seem reluctant to put through fresh business in the absence of details about the tax credit certificates which are to be given to exporters of various commodities. Exporters reported fair business in cottonseed cakes last week.

manufacturing facilities for its own use and for that of its associate company, Tractor Engineers, which has been formed¹ on a 50 : 50 partnership basis with Caterpillar Overseas S A, and in technical collaboration with the Caterpillar Tractor Company of U S A. Caterpillar is a leading manufacturer of earthmoving machinery with total sales last year of more than one billion dollars. Tractor Engineers, which has obtained a Cooley loan from the A I D, is manufacturing undercarriage parts for crawler tractors.

Commenting on the likely effect of the new Budget proposals, Holck-Larsen said that it would not have any marked effect on the company. He said that all the plants were working to full capacity. Output and sales and also profits were likely to be higher in the current financial year. A total turnover for Larsen and Toubro, its subsidiary and associate companies, of about Rs 18 crores had been forecast for 1965-66. The new debenture issue of Rs 1.75 crores would take care of the company's requirements for finance for its expansion plans during the next two years or so. The company might come out with a new rights issue in the future, he said.

BUSINESS NOTES

Atul Products

THE 1964 results of Atul Products are good for more than one reason. According to the preliminary profit figures, sales and other receipts have shot up by Rs 1.78 crores, or nearly 37 per cent, to Rs 6.61 crores. Gross profit has advanced at a faster pace to show a rise of about 50 per cent to Rs 1.32 crores, reflecting increase in the ratio of profit margin to sales from 18.21 per cent to 19.90 per cent. If despite such a happy position the dividend rate is only maintained at 12 per cent, it is because the necessary provisions have taken away a much bigger chunk of profits leaving behind actually a lower net profit compared to the previous year's.

The provision for depreciation at Rs 75.39 lakhs is more than double the last year's provision of Rs 34.25 lakhs and that for development rebate at Rs 20 lakhs is nearly three times the amount of Rs 6.90 lakhs set aside a year ago. Thus, virtually three-fourths of the gross profit has been syphoned off by these two provisions. Consequently, the tax charge is halved to Rs 8.50 lakhs, but even then the remaining profit is lower than last year's. Accordingly, the directors have, withdrawn from reserves Rs 11 lakhs, Rs 8 lakhs more than in the last year. With the addition of Rs 0.37 lakh, being income-tax refund, as against Rs 3.54 lakhs being excess provision of income-tax for previous

year written off, the total for disposal comes to Rs 39.05 lakhs compared to Rs 36.32 lakhs. Of this, the proposed unchanged dividend should absorb Rs 38.90 lakhs against Rs 36.74 lakhs. The increase in the total disbursement has resulted because of a higher payment now due on the partly-paid shares which have become entitled to a full year's proportionate dividend instead of only three months last year.

Larsen and Toubro

TO acquaint its shareholders with the expansion in its manufacturing facilities and the increase in its range of products, Larsen and Toubro invited some time ago some of its shareholders to its Powai estate, wherein are also situated the workshops of its subsidiaries, Alu Capsules and India Crown Cork Company and of its associate, Audco India. The company's chairman, H Holck-Larsen, told the shareholders that since their last visit in February 1962, an additional sum of Rs 1.12 crores had been invested by the company in its own workshops at Powai alone and that the estate produced engineering goods of the value of over Rs 5 crores per year.

Across the road from its present Powai estate, at a 36-acre site called "Powai East", the company will commence the building of additional

Henley Cables

LOOKING to the keen competition and other difficulties experienced by the cable industry, Henley Cables India has shown a distinct improvement in its results for the year ended October 1964. The company's sales turnover has risen by 20 per cent to around Rs 75 lakhs on which it has earned a profit of Rs 3.20 lakhs compared to a loss of Rs 3.46 lakhs incurred a year ago, without charging depreciation. After providing Rs 6.50 lakhs for depreciation for 1962-63, a loss of Rs 14.36 lakhs is carried to the balance sheet as against a loss of Rs 11.07 lakhs carried a year ago. No provision has been made for depreciation for the year 1963-64 which is estimated at Rs 6.74 lakhs.

Bank of Baroda

R D Birla has been unanimously appointed chairman of the Bank of Baroda. He succeeds Tulsidas Kilachand, who resigned earlier this year,

R D Birla is the managing director of Birla Brothers and chairman of Century Spg & Mfg Co and Hind Cycles. He was a director of the Bank of Baroda for many years.