pate any significant changes in prices—up or down—in the immediate future While the general market psychology continues to remain bullish, the overall supply position is considered as reasonably comfortable. There was a scramble for edible oils towards the end of the previous season and prices were pushed to fantastically high levels. Nobody expects that experience to be repealed this time. Oil prices are unlikely to register any important rise from the highest levels recorded recently, provided, of course, the monsoon is timely and its progress is satisfactory. With the supply of edible oils reasonably comfortable and groundnut oil prices fluctuating between Rs 24 and Rs 25 for a long while, the recent increase in vanaspati prices by the industry has evoked considerable comment in market circles. The increase in prices is said to be quite unwarranted particularly when the industry has been able to acquire a fairly large quantify of soyabean oil which is considerably cheaper than groundnut oil.

Export houses reported fairly good business *in* groundnut extractions though the prices realised were lower than in the preceding week. Poland, East Germany and the U K were mentioned as the main buyers. There has been an appreciable decline in intern d prices of extractions, the spot quotation having come down by about Rs 30 per tonne over the past month or so. The decline in prices is attributed to increased offerings by the manufacturers. Export business in cottonseed cake also continues to be good though here again overseas prices have registered a moderate decline in recent weeks. The delay in the issue of import licences against exports of cottonseed cake has pushed up the premium on copra licences from Rs 700 to about Rs 1000 per tonne.

Money and Banking

Thursday Morning

THE Bombay short-term money market held steady during the week. Demand seemed to have slackened somewhat even as the supply position became a little easier. The call rate now stands at between 7.75 and 7.50 per cent as against 7.75 per cent quoted at closing on Saturday, May 29.

Net deposits of scheduled banks showed in increase of Rs 9.37 crores at Rs 2,653.53 crores during the week ending May 21. Investments in government securities increased by Rs 3.07 crores at Rs 721.22 crores. Bank credit dipped by Rs 13.07 crores to Rs 2,105.94 crores. Borrowings from the Reserve Bank were lower by Rs 39.84 crores at Rs 126,45 crores. Money at call and short notice rose by Rs 5,89 crores to Rs 51.92 crores.

A further contraction in notes in circulation by Rs 31.34 crores at Rs 2,698.43 crores is revealed by the Reserve Bank's statement for the week to May 28. Notes held with the banking department increased by Rs 32.58 crores to Rs 52.66 crores. Total notes issued showed a nominal increase of Rs 1,24 crores at Rs 2,751.09 crores. Central Government deposits were marked down by Rs 3.26 crores and stood at Rs 64.12 crores, State Government deposits were lower as well by Rs 2.05 crores at Rs 15.93 crores, Deposits of scheduled banks were higher by Rs 10.51 crores at Rs 104.62 crores while their borrowings decreased by Rs 21,92 crores to Rs 102.84 crores.

BUSINESS NOTES

Svadeshi Mills

IN pursuance of its objective of diversifying activists, Svadeshi Mills has obtained a licence for the manufacture of laminated plastics which will enable it to produce water and acid proof packing material for textile and other goods. Besides, steps are being taken to effect economy in operation, improve the quality of cloth and expand the weaving and processing sections. A completely new modern weaving department is now nearly complete to house about 300 automatic looms. During 1964, 3,520 additional spindles were installed, inereaoing the installed capacity to 91,228 spindles and thereby nearly achieving the required balance between spinning and weaving. Also, 32 autematic looms were added. Further 244 automatic looms are expected to be installed by the end of 1965 when the automatic weaving capacity would be about 38 per cent of the total weaving capacity.

The management has formulated a seven-year plan of renovation, modernisation and expansion. Estimated to cost Rs 2.70 crores, the plan envisages replacement of worn out and obsolete plant, equipment *and* of her related facilities with modern up-to-date plant and equipment. For financing this plan, Rs one crotes have already been raised by the issue of debentures, and the balance amount of finance will be met from internal resources to be generated in the course of the next seven years.

The company during the past year produced satisfactory results despite adverse trading conditions in the latter part of the year. *Gross* profit was higher by more than Rs twelve lakhs at Rs 89.99 lakhs, though sales and other income improved only by less than Rs five lakhs to Rs 6.93 crores. With depreciation taking away about Rs nine lakhs more at Rs 32.21 lakhs, taxation Rs eight lakhs more at Rs 31 lakhs and development rebate a lakh more at Rs six lakhs, here is left for disposal a lower amount of Rs 20.79 lakhs compared to Rs 36.63 lakhs a year ago. Of this, the unchanged equity dividend requires Rs 19 lakhs and preference dividend Rs 1.07 lakhs.

The company was able to better its export performance in spite of the difficult conditions obtaining in world markets. There was increased competition from Pakistan, Hongkong and Korea, which were making a conceited drive to expand their exports. Indian cloth was being outpriced owing to the high cost of cotton, labour, stores and plant and equipment. The company is making efforts to find new markets, and a start has been made by exporting cloth to some of the Eastern European countries.

Jyoti

BETTER utilisation of manpower and newer and better substitutes for costlier raw materials have helped Jyoti considerably in holding the production cost despite rising prices of raw materials, higher wages and taxation. The company's modern research and development centre suited working last year, beginning with the hydraulic section. This year the electrical rotating machine and switchgear sections have also commenced functioning. Equipment for the metallurgical section has been ordered, and is likely to be received by the end of the year. Various laboratories of the centre are usefully utilised for extensive tests on all critical raw materials and for type tests and endurance tests on finished products. With these facilities at its disposal, the company is now in a happy position to study the problem of substituting the imported raw materials with indigenous materials and components.

In view of the expanding market for electric motors, switchgear and switchboards, the management has decided to expand the manufacturing facilities of these products. The possibility of expanding the manufacture of small and medium motors and switch gear and instrument transformers on a considerably larger scale is being examined. A separate electrical machines testing shop equipped to test generators upto 500 kW rating is being set up. This will help in consolidating and stepping up the manufacture of generators. A collaboration agreement has been concluded with a French firm for the manufacture of power relays and allied products, and a concessionaire agreement has been entered into with a U K firm specialising in the production of large pumps and both hydraulic and electric naval auxiliary equipment.

The company during 1964 introduced some new products such as sand and cement slurry pumps, rubber lined chemical pumps to handle abrasive and corrosive liquor:; and other difficult chemicals, large turbines and generators, 11 kV potential transformers, 33 kV circuit breakers and switchboard panels. The company's sales promotion efforts in overseas markets have started shewing results as evidenced by the rise in export business. The 1964 export performance has exceeded the records of the past years.

The financial results fer the year to December 1964 show sales higher by 22 per cent at Rs 3.14 crores and profit before taxation nearly a half more at Rs 21.26 lakhs. Of this, the tax liability has taken up Rs 12.30 lakhs (7.71 lakhs), gratuity reserve Rs 0.50 lakh (same) and reserve for doubtful debts Rs 0.10 lakh (same). The allocation to genera! reserve has-been raised from Rs 1.20 lakhs to Rs 2.50 lakhs and the dividend stepped up by two per cent to 12 per cent claims Rs six lakhs against Rs five lakhs a year ago.

Synthetics on Chemicals

THE synthetic rubber industry is in a difficult situation owing to poor offtake and high cost of production. This is reflected in the working of Synthetics and Chemicals, the only unit in the country. Though imports of synthetic rubbers manufactured by the company are banned and imports of natural rubber restricted, the company's plant remained closed for a third of the year in 1964 and produced only 11,808 tons of synaprcne rubbers against the rated capacity of 30,000 tons, On the company's representations, for the first time last year the government started making specific allocation of company's synthetic rubber to individual units of industry borne on the list of Development Wing, but the total allocation for twelve months to end-March 1965 was about 15,000 tons only. The company has made representations that there is scope for the increased usage of synthetic rubber, and has submitted detailed break-up for each product and each unit of industry in support of its contention. It has urged the government to help in utilising its idle capacity when providing for any imports of natural rubber.

The company's cost of production continues to be high, mainly on account of high cost of raw materials like benzene and high import duties on imported raw materials and chemicals. It has made many repiesenrations to the government that the cost of production of synthetic rubber can not be brought down unless reasonable reliefs are given on these counts and the company is assured of the fullest utilisation of the rated capacity of the plant. Meanwhile, in deference to the wishes of the government, the company had further reduced the price from August last even when the earlier price schedule was adopted with the apporval of the government.

During the year 1964, the company sold 10,982 tons of synaprene rubber compared to 2,246 tons in the previous year. The turnover increased from Rs 93.72 lakhs to Rs 4.37 crores, and 'he company earned a gross profit of Rs 16.49 lakhs as against a loss of Rs 29.26 lakhs incurred a year ago. After adjusting the profit against the previous accumulated loss and making some other adjustments, the balance loss of Rs 23.06 lakhs is carried to the balance sheet. As in the previous year, no amount has been provided for depreciation. Total arrears of depreciation amount to Rs 2,10 crores. Besides, there are preliminary expense amounting to Rs 23.26 lakhs which too have not been provided for.

Indian Copper

THE year 1964 has proved a profitable one for Indian Copper Corporation. Net sales during the year rose from £4,246,511 to £4,341,905 and the company earned thereon a higher profit before taxation of £1,304,591 compared to £1,193,181 in the previous year, after providing £172,105 (170,000) for depreciation, Of the higher profit, taxation demands £880,160 (821,855), leaving a balance of £424,431 (371,326). To this is added £465 being the balance from the previous year and £12,406 being other adjustments relating thereto. A sum of £47,813 (28,125) is allocated to development rebate reserve, £57,375 (nil) to capital development reserve and £332,000 (98,000) to general reserve out of which the unchanged dividend of 12 per cent is proposed to be paid. No amount has been earmarked for transfer to reserve for gratuities which had last year received £67,500.

The company produced 9,475 tonne, of refined copper in 1964 compared to 9,582 tonnes in 1963. The overall recovery from ore to refined copper was 92.162 per cent, as against 92.403 per cent for the previous year. The loss in production is attributed to the high ash content of the coal, coupled with a breakdown to the reverberatory furnace. Sales were lower at 11,418 tonnes, including 1,015 tonnes of refined copper ingots compared with 14,029 tonnes, including 3,057 tonnes of refined copper ingots during the previous year. The average per tonne selling prices were considerably higher over those of the previous year: copper ingots were up from £241.08 to £268.17, rolled brass from £283.55 to £356.56, Y M circles from £301.45 to £345.74 and rolled copper from £353.38 to £404.61. But at the same lime, the overall operating cost of production of refined copper rese from £179.11.4d to £214.5.8d.

The construction of the new electrolytic refinery suffered further delays due largely to poor quality of locally manufactured equipment and the failure of manufacturers to adhere to delivery schedules. With the completion of cast housing section, how. ever, work commenced on the production of anode moulds. The manufacture of electrolytic wire is expected to begin soon.

New India Industries

THE year to December 1964 has proved a good deal better for New India Industries, manufacturers of cameras, photographic paper, etc. The financial results show all-round progress in production, sales, and profits. During the year, sales expanded from Rs 1.50 crores to Rs 2.14 crores and gross profit from Rs 36.77 lakhs to Rs 48.53 lakhs. Of this,