Company Notes

Indian Life Assurance

THE Indian Life Assurance Co Ltd recorded a notable increase of Rs 12.61 lakhs in the Life Insurance Fund for the year ended December 31, 1952, according to the 61st Report presented by the directors on the working of the company. The fund which stood at Rs 164.46 lakhs at the beginning of the year rose to Rs 177.07 lakhs at the end.

Though the registered office of the company is in Pakistan, it is interesting to note that its business in India is about four times that in Pakistan, which speaks much for the initiative and enterprise of the management here. In the year under review, the company received 3,414 proposals for amounts totalling Rs 95.55 lakhs and issued 3,046 policies, assuring an aggregate sum of Rs 81.3 lakhs with an annual premium of Rs 4.16 lakhs. The total amount assured at the end of the year was Rs 594.84 lakhs and the income from premium, Rs 29.27 lakhs.

The company paid Rs 10.29 lakhs in claims during the year. Of them, claims by death amounted to Rs 3.86 lakhs, by maturity, to Rs 4.8 lakhs and by surrender, to Rs 1 .63 lakhs. The mortality experience of the company continues to be favourable. The policies which lapsed, less those revived, accounted for 5.49 per cent of the total sums assured (excluding bonus addition) at the end of the year. The expenses of the management amounted to Rs 10.6 lakhs.

The total investments of the company stand at Rs 176.31 lakhs, of which Rs 161.01 lakhs consist of gilt-edged and other first class securities. Valuable house property, policy loans and well-secured mortgages, etc, make up the other assets.

The directors have proposed payment of a dividend of 25 per cent on the paid-up capital, free of income-tax. It will absorb Rs 36,250. The balance of the Dividend Appropriation Account, with the addition of Rs 65,000 from the Shareholders' Reserve Fund and Rs 27,519 comprising the shareholders' share of the surplus disclosed by valuation as at December 31, 1951, will amount to Rs 74,361. The Shareholders Reserve Fund stands at Rs 5,85,000.

Amounts stated in the report and accounts are in Pakistani currency. Items in Indian currency have been converted at the official rate of exchange; Rs 100 (Pakistan) equal to Rs 143-13-3 (Indian).

Indian Cable: Bright Prospects

INDIAN CABLE CO LTD has had a very enviable record of progress for over a decade. Indeed, it is the pioneer in this country in the manufacture of electrical cables, having started business in 1920. In the war period, the company did very useful work and improved its financial position considerably.

Since then, very important developments have taken place. Apart from the fact that the company was engaged in implementing large schemes of expansion during the year ended 1953, the acquisition from the Government of India of the ' D ' class cable factory, erected and operated by the company during the Mar, was completed. Besides, a new non-ferrous hot rod rolling mill went into production early this year, while a spacious factory to house the new paper insulated power cable project is nearing completion.

The balance sheet has been published in a completely new form, and more details have been given. Apart from this, shareholders have been furnished with a statement, by the Chairman.

It is pointed out in this statement that the non-ferrous rod rolling mill, which started operations in January this year, will be eventually capable of rolling approximately 12,000 tons of copper rod and 10,000 tons of aluminium rod a year. Till recently, copper rod for the manufacture of electric wires had to be purchased from outside sources.

Savings in this respect, apart from the advantage of ready availability, arc expected to be considerable. Plans for the production of plastic wires and cables, which are expected to be finalised by the middle of next year, will also lead to a higher turnover. The future prospects are, therefore, considered satisfactory.

As regards the working results for 1952-53, the net profit, after providing a larger sum towards depreciation, Rs 54 lakhs (Rs 1.64 lakhs) and setting apart against loss on forward purchases, Rs 3.36 lakhs (nil), is higher by Rs 3.6 lakhs at Rs 64.63 lakhs. The provision for taxation is very much larger at Rs 36.4 lakhs (Rs 27.04 lakhs). The transfer to general reserve is. therefore, lower at Rs 5 lakhs (Rs 12.4 lakhs). The dividend and bonus has been maintained at the level of 1951-52 at 10 per cent. The amount carried forward is substantially higher at Rs 15,94,449 against Rs 9,29,554 brought in.

The financial position of the company is very satisfactory. Even after the issue of bonus shares recently, as a result of which the paid-up capital was stepped up to Rs 1.06 crores, the general contingency and basic stock reserves amount to nearly a crore of rupees.

Even so, with the huge increase in stocks and stoics as a result of the expansion programme and the increase in turnover, it has been necessary to borrow on a large scale. Consequently, the loans taken from various banks amount to as much as Rs 52 lakhs. Current liabilities are Rs 1.52 crores against only Rs 24.33 lakhs. The block has increased considerably to Rs 1,11 crores, there being additions during the year under reference to the extent of Rs 53.2 lakhs. Allowing for depreciation written off to date, the net. block has been shown *in* books at Rs 73.2 lakhs.

The accounts for 1951-52 showed that a sum of Rs 32 lakhs had been advanced towards the purchase of the ' D ' class factory. The balance is probably represented by the expenditure on the non-ferrous rod rolling mill and the construction of buildings to house the machinery for manufacture of enamel and plastic wires. The stocks of raw materials, work in progress and finished goods were worth as much as Rs 2.54 crores. As existing resources have been fully utilised, cash balances have naturally conic down sharply. At the end of 1951-52, cash balances were Rs 70.33 lakhs. They were only Rs 3.63 lakhs at the end of 1952-53.

With a conservative policy in regard to dividend distribution and increase in earnings, it should certainly be possible to reduce indebtedness. It is also likely that stocks in 1952-53 were built up to a very high level. If outstandings arc reduced, the position will be very different at this time next year.

For some time, there was an expedition that the dividend would be increased. The directors could have easily paid 212 per cent more. But the decision to raise the dividend has been postponed to a later date, pending the realisation of the fill fruits of the expansion policy that is now being implemented.

Sholapur Spinning & Weaving

THE only cotton mill in the country ' taken over' by the Government and run by a Board of Directors nominated by the Government, the Sholapur Spinning &

Weaving Co Ltd showed extremely poor results for ' the year ended March 31, 1953. The mill's operations during the year shows a loss of Rs 11.83 lakhs, subject to a depreciation or" Rs 4-61 lakhs, as against a profit of Rs 17.05 lakhs in the previous year our of which a provision of Rs 11.21 lakhs was made for depreciation. The loss incurred during the year brings the total loss to Rs 80.86 lakhs to be earned for waul.

The mill, it is reported, suffered from the severe slump which set in about March last year. Goods manufactured from high priced cut tun, particularly foreign varieties, had to be sold at heavy discounts. The overseas demand was slack and the export margin winch had largely contributed to profits in the previous year dwindled away.

As a result of the changes made during the year and the transfer of machinery from ' A ' to ' B and ' B ' to ' C ' mills, the installed and workable capacity of ' C ' mill is now 65,420 spindles and 1,012 looms, and that of ' B ' mill is 20,628 spindles and 1,222 looms. The 'C' mill is working two shifts and ' B ' mill only one shift

The profit and loss account reveals a drop in receipts by sales of cloth and yarn from Rs 299.81 lakhs to Rs 213.03 lakhs. As against this, the cost of purchases has also dropped from Rs 200.02 lakhs to Rs 127.72 lakhs. The closing stock at the end of the year stood higher, as in the ease of many other mills, at Rs 110.13 lakhs against Rs 83.3 lakhs in the previous year. Other items of costs, however, were higher, stores increased In Rs 4.72 lakhs, coal consumed by Rs 1.23 lakhs and salaries and wages by Rs 0.89 lakh.

The company has a paid up capital of Rs 47.96 lakhs, consisting of Rs 16 lakhs in ordinary shares of Rs 1,000 each and the balance in 3 per cent redeemable cumulative first preference shares, free of income tax, of Rs 100 each. As against this, reserve and other funds total Rs 150.30. lakhs. The net block stands at Rs 83.45 lakhs after providing for depreciation Rs 203.51 lakhs. The stock-in-trade is higher by Rs 9.85 lakhs at Rs (169.92 lakhs, the most significant increase being in finished goods of Rs 30 lakhs as against a drop of over Rs 17 lakhs in corton at average cost and of about Rs 3 lakhs in vain.

The most significant, feature in the balance sheet is the loan liability, It is surprising to find that the Government of Bombay "has' thought it fit to advance Rs 37 lakhs to the mills unsecured. The secured loans amount to over Rs 105 lakhs. These loans have been guaranteed by the Government of Bombay instead of the managing agents who usually secure such loans from banks on their own indemnity.

The contingent liability for the dividend on cumulative preference shares up to March 31, 1953 is Rs 4.32 lakhs. Even the donation to Mahatma Gandhi Memorial Fund of Rs 2.9 lakhs sanctioned by the shareholders has not been fully paid yet, only Rs 10.000 has been paid up to now.

The null property and stocks have been insured against fire, riot and civil commotion risks for Rs 496.59 lakhs and the profits and standing charges for Rs 40 lakhs for 24 months' benefit.

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Wallace Flour Mills

EXCELLENT working results due to the improvement in the food situation and relaxation of controls has been reported by the Wallace Flour Mills Co Ltd for the year ended Match 31, rg53. During the year the Government of India decided to supply imported wheat to Roller Hour Mills in the country for the milling of fines for free trade and removed inter-State restrictions on the movement and prices of hues so produced and on the byproducts. This decision enabled the directors to restart from last October company's 'A' null, which had remained closed since 1948. As a result, there was appreciable increase in grinding which is reflected in the accounts for the year.

The net profits of the company increased from Rs 3.68 lakhs in the previous year to Rs 10.61 lakhs in the year under review. The receipts by sale of flom, bran, etc, at Rs 500.91 lakhs were more than double. On the debit side, there was an equivalent rise in the costs of raw materials and manufacturing charges at Rs 472.69 lakhs. The improved working has prompted the directors to recommend a handsome increase in the dividend on ordinary shares of Rs 250 each to Rs 47-8, free of income-tax, from Rs 12-8 in the previous year, after meeting the usual dividend on 5 per cent cumulative first and second preference shares of Rs 250 each.

The prospects for the milling industry are likely to improve further with continued improvement in the food situation in the country and gradual decontrol followed by the Government. Recently, the Government of India permitted flour mills to export wheat flour and other products and import wheat in order to help them to regain their foreign markets. The directors greatly welcome and appreciate this step as it will be of great help to the industry which has so much suffered in the last decade. There has been considerable curtailment in grinding after the close of the year following heavy imports of flour from abroad. But thanks to the distribution of imported flour through roller floor mills, the company's mills had a fair share in the hand ling of such flour.

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Fort Gloster Reduces Loss

FORT GLOSTER JUTE MFG. CO LTD. in which Bangur Brothers have an interest as they have taken over Kettlewell Bullen & Co Ltd recently, however, have not clone well. The present management cannot probably be held responsible for the working results for March 1953. There, may be some improvement alter some time. But this unit is reputed to be one of the efficient units in the industry. In the half-year under reference, there was a net loss of Rs 2.97 lakhs. It has been necessary to wipe out the loss by transferring Rs 3.6 lakhs from reserves. In the half-year ended September 1952, there was a loss of Rs 12.07 lakhs and as much as Rs 12.50 lakhs were transferred from reserves. 'The ordinary dividend has not been paid in both half years.

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Lower Dividend for Hukumchand Jute Mills

CONSIDERING the recession in prices, the working of Hukumchand Jute Mills Ltd' (Mg Agents: Ramdutt Ramkissendas, Calcutta) should be considered satisfactory during the year ended March 31, 1953. Sales during the year were practically halved to Rs 4.83 crores from Rs 8.69 crores in the preceding year. The profits before taxation and direction were 'Correspondingly smaller, being only Rs 38.76 lakhs as against Rs 67.95 lakhs in 1952. Depreciation charges were slightly lower at Rs 5.67 lakhs (Rs 5-87 lakhs). Because of smaller profits, taxation provision was considerably lower at Rs 20 lakhs (Rs 34.50 lakhs).

A sum of Rs 6 lakhs (Rs 7.75 lakhs) has been transferred to reserves and the dividend on ordinary shares has been reduced to Rs 3 per share from Rs 5. The dividend works to 40 per cent per annum on the nominal value of the share.

Employment Index

In October 1953 there was a decline of over 12,000 in the number of fresh registrants at Employment Exchanges, and a slight rise in the number of vacancies notified. These fluctuations were seasonal, and the total number of the registered unemployed continued to rise, though less steeply. The number of persons seeking employment assistance at the end of the month was 5,14,975 'The number of fresh registrants in October was 1,08,739 as against 1,21,600 in September. The number placed in employment was 12,038

BHOODAN

The following figures give the targets, statewise, to be achieved by April 1954 and the total landgifts up to September 5, 1953:

State	Target acres upto April, 1954	Collection upto Sept 5, 1953	Distribution	
			Acres	Families
Assam	25,000	1,349		
Andhra	1,00,000	7,097		
Uttar Pradesh	11,00,000	5,11,414	24,263	3,459
Utkal	1,50,000	28,514		
Karnataka	50,000	1,197		
Kerala	25,000	6,500		
Gujerat	75,000	16,765		
Tamilnad	1,50,000	14,000	255	
Delhi	10,000	7,539		
Punjab- Pepsu	1,00,000	2,435		
Bengal	2,00,000	354		
Bihar	32,00,000	11,12,343		
Madhya Pradesh	2,00,000	56,535	928	
Madhya Bharat	1,25,000	51,221		
Maharashtra	1,00,000	8,922		
Mysore	1,00,000	1,642		
Rajasthan	1,00,000	2,20,000		
Vindhya Pradesh	40,000	3,467	125	
Saurashtra	9,000	3,000		
Himachal Pradesh	....	1,350		
Hyderabad	1,50,000	66,543	9,910	2,117
Total	60,09,000	21,27,217	35,481	5,576

Courtesy: *AICC Economic Review.*