

help of Mr S C Joshi, the Chief Labour Commissioner of the Government of India. This agreement did not cover the staff at the Calcutta Branch in whose case an award

had already been given by the Industrial Tribunal at Calcutta and against which the local Union had filed an appeal before the Appellate Tribunal which is still pending. My

thanks are due to all the Officers, the staff and the field force for the satisfactory work done during the year.

September 16, 1954

Around Bombay Markets

Tax Changes Awaited

Wednesday Evening

THE RE was a sharp setback on the Bombay stock market during the week. There was considerable unloading by bulls as well as pressure from bears. Prices turned sharply lower on sales being effected on an unwilling market. Several factors such as the 'uncertainty about the recommendations of the Taxation Inquiry Commission, the high contango charges following- the increasing load of delivery and tight conditions in money market and the vulnerable technical position influenced the market on the bearish side. The enhancement of the export duty on tea from 4 annas to 7 annas per lb is interpreted bearishly for tea shares. Advices from the cloth market also provided a damper while the lower output of Tata Steel for the month of September as against earlier better expectations adversely affected sentiment. After a continuous fall, the market tried to stabilise in late dealings on Tuesday.

Bears who had been losing all along the line during the last several months have for once got the held all to themselves and at the moment they are inclined to take quick turns. Anyway, they have got an upper hand in the dealings and until something is known about the Taxation Commission's recommendations, the market may continue to be in this sec-saw state. The Commission is to submit its report to the Government after a fortnight, but it remains to be seen whether the Government will think it wise to make these recommendations public as soon as they are submitted. "Though the recommendations will be important by themselves, it is the Government's decision on them which will decide the future of the private sector and of the investment markets. That the Government would need more and more funds for the development plans in the public sector is admitted, but whether the Taxation Inquiry Commission would see its

way to provide the necessary incentive to private sector as well, that is the question for the investor. Whatever it is, the final decisions on taxation and dividend policy will make or mar investment prospects. And hence the coming weeks will be anxious waiting for the stock markets.

Cotton mill shares met with heavy long liquidation, with prices dropping all round but, at lower levels, there was some short covering as well as replacement buying. The market is likely to steady up

but much depends on whether the seasonal domestic demand for cloth will expand. Whether China will be a big buyer of Indian cloth is still a matter of mild speculation though in the trade pact to be signed with China in the next few days, cloth is not likely to figure at all.

Steel shares slumped rather badly and in the downward movement touched new low levels. Calcutta continued to lend its support consistently to Indian Iron to all declines. With the support level of Rs 235 broken Tata Ordinary

MARKET LEADERS DURING THE WEEK

(In Rupees and Annas)

	Closing	Week's		Closing	1954	
	Sep 23	High	Low	Oct 6	High	Low
STEELS:						
Tata Steel	250-0	248-12	229-8	234-0	254-12	334-0*
Indian Iron	36-3	36-2½	34-7½	34-13	36-4	24-15½
TEXTILES:						
Bombay Dyeing	547-8	546-4	495-0†	507-8†	551-4	386-14
Central India	187-0	186-8	181-0	184-8	196-8	169-8
Century	385-0	385-0	365-4	374-0	403-0	275-0
Kohinoor	355-8	357-0	337-12	344-8	362-8	291-4
Simplex	176-8	177-0	172-0	174-0	178-8	148-0
Swadeshi	241-8	249-8	235-0	240-8	246-0	246-8*
BANKS, INSURANCE:						
Central Bank	56-4	56-4	55-0	55-0	64-8	54-4
Imperial FP	1730-0	1728-12	1718-12	1720-0	1847-8	1765-0
Bank of India	147-12	149-8	146-8	146-8	157-0	145-0
New India	57-12	58-0	53-8	54-0	60-0	39-8
ELECTRICS:						
Ahmedabad Elec	114-6	114-6	110-5	111-9	119-6	107-8
Andhra Valley	1510-0	1510-0	1502-8	1503-12	1512-8	1217-8
Tata Hydro	161-0	160-0	158-0	158-0	163-0	135-8
Tata Power	1655-0	1652-8	1620-0	1622-8	1660-0	1330-0
MISCELLANEOUS:						
ACC	188-12	189-8	178-4	181-12	192-8	147-12
Belapur	303-8	304-8	290-0	294-0	305-0	242-8
B'bay Burmah Old	497-8	501-4†	450-10	465-10	501-4	358-12
National Rayon	218-0	218-0	193-0	202-0	223-8	133-0
Premier Constn	175-8	176-0†	159-8	166-4	176-0	111-0
Scindia	21-7½	21-8	19-4½	19-11	22-4	15-4½
Tata Chemicals	19-15	20-0	18-8	18-15	20-12	11-2
* cum right.						
		† ex dividend.			‡ Highest for the year.	

October 9, 1954

declined further to recover to a small extent.

The miscellaneous section also suffered the same fate as the muket leaders. Scindia touched a new low after a break of three months as sentiment remained bearish on the ground that the dividend will not be more than annas 12.

Associated Cements were marked down. It is expected that the dividend will be Rs 8-8 on the increased capital for the year ended 31st July.

Bombay Burniah were hit by the enhancement of tea export duty but met good support around Rs 450. B B Petrol eased off on liquidation by tired bulls. Premier Construction ruled weak.

National Rayons were friendless but subsequently looked up. Tata Chemicals having cleared up the arrears of dividend for four years, the outlook for the company has improved and next year a maiden dividend may be expected on ordinary shares, besides clearing off the balance of arrears on Pref dividend.

Electric shares were quietly steady. Banks were a shade lower and so were Insurance share.. "The gilt-edged market continued to be listless.

Cotton Lower

AFTER remaining firm at the outset, cotton turned lower on encouraging weather reports which led to renewed selling pressure. Even in spot, delivery contracts dropped by about Rs 15 to Rs 20 from the previous week's high level. The new crop February contract on the futures market came down to Rs 632 from Rs 650, Advices from the cloth market are still not satisfactory and this in turn has acted as a contributory factor from the depressed tone in cotton.

At long last, trading in cotton futures is to commence officially on Thursday morning, the Forward Markets Commission having approved the amended by-laws and given permission to EICA for trading. The Hoard of the EICA on Tuesday finally permitted the trade to have dealings in new crop from Dassera day. Trade quarters are happy over the end of the controversies. It is however significant that Sir Purshottamdas Thakurdas, the President of the EICA, did not attend the last special meeting of the Board.

Bullion Dull

PRICE variations on the bullion market were rather small and

THE ECONOMIC WEEKLY irregular. Though the under current perhaps indicates steadiness, the market lacks incentives for resumption of upward trend.

Silver August delivery fluctuated between Rs 157-12 to Rs 156-14 to close at Rs 157-12 while the new Kartik delivery was quoted at a premium of annas 11. Gold August was traded at Rs 87-7 to Rs 86-14, closing around Rs 87-1 and the next settlement at annas 2 higher.

Oilseeds Weak

PRICES on the oilseeds market recorded new low levels, Sentiment was bearish on excellent crop prospects and on export business in groundnut oil as well as castor oil coming to a standstill, pending near exhaustion of quotas.

Castor 1955 May delivery came down to Rs 96-8 while castor oil commercial was sold down to Rs 10.

Groundnuts bold December-January, after declining to Rs 23-10, rallied to Rs 24 while Khandesh quality new crop for RR was placed at Rs 24-6. Groundnut oil ex-mill was marked down to Rs 13-7, October to Rs 13-0 and November Rs 12-11.

Linseed was easier at Rs 22-4 for spot and Rs 21 for new crop February-March delivery.

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