

From the Chair

# The Metal Box Company of India Limited

## Review by the Chairman — H. Chiswell Jones, O.B.E.

THE Twenty fourth Annual General Meeting of The Metal Box Company of India Limited was held on Thursday, 18th July, at 59C Chowringhee Road, Calcutta,

The following is a copy of the Review by the Chairman, Mr. H. Chiswell Jones, O.B.E., which has already been circulated to members.

### Sales

Sales for the year were a record at Rs. 567 lakhs compared with Rs. 495 lakhs last year. All Branches showed commendable initiative in attracting and meeting the increased volume. Government spending continued at a high level and not unnaturally as the economy expanded considerable strains appeared; the prices of consumer goods advanced over a wide front and the foreign exchange situation deteriorated sharply. In fact, the last quarter of the year was dominated by foreign exchange considerations affecting the fortunes of our customers as well as our own raw material supply. Restrictions were imposed in January on the import of a variety of consumer goods calculated to save many crores of rupees in foreign exchange, creating a gap in the internal supply of packed consumer goods which must be bridged by increased local production. This is a challenge which your Company and its customers can readily meet provided sufficient raw materials particularly tinplate, are available.

We recently explored the more promising of the South East Asia markets and secured initial orders worth some Rs. 2½ lakhs. Substantial exports to these markets in the face of keen competition from U.S.A., Japan, Hong Kong and Europe could be realised through intensive sales promotion provided that a special allocation of tinplate for export was made available.

Also on the export front, goods packed in our containers are making an impressive showing. In the year to March, 1957, goods to the value of Rs. 4 crores were exported in containers of our manufacture, the quality of which was, in every case, an important selling point.

Prepared spices, cashews, edible oils, paint, pharmaceuticals, foodstuffs and toilet goods went to all five continents and there is still scope for a considerable expansion of these exports. Additionally there is the opportunity to increase the value of exports of products which at present are exported mainly in bulk, India is well equipped to supply consumer-packed goods of the highest quality and it is the export of these that should be officially encouraged so that this potential can be fully exploited with benefit to the foreign exchange position.

### Profit

In my last Review, I said that despite rising costs we hoped to maintain profits by increasing sales. Our efforts were successful and profits were held at the level of the previous year on a turnover increased by Rs. 72 lakhs. We began this financial year with a record order book and if we are not deprived of raw materials we should earn satisfactory profits.

### Raw Materials

For most of the past financial year we were free from major anxieties in the supply of raw materials, though steadily rising costs and the necessity to keep an adequate stock level have produced their own financial problems. The value of our stock policy in these days of international anxiety and crisis may be judged against the American Steel Mill strike of two months last year the Suez Canal closure with consequent disorganisation and delay in shipping schedules and now import cuts here. Our stocks saw us safely through the 1956 crises. Our later performance will be determined by Government's import policy.

The production capacity of indigenous tinplate was expanded towards the end of the year by one additional rolling mill. Output unfortunately restricted by labour-trouble, was almost unchanged from the previous year and provided us with about 60% of our total needs the balance came from imports. Further success has attended our efforts to achieve local production of other raw materials hitherto imported, and our depen-

dence on imports is now near the irreducible minimum. Desirable as it is to conserve foreign exchange and support local enterprise, it is to be hoped that the policy will not be pressed to a point where quality and efficiency will suffer, as well they may, if consumers are forced to accept local substitutes without regard to quality or performance.

The past year has seen further substantial price advances in almost every raw material we use, either on account of higher manufacturing costs or increased freight charges following the Canal closure. Enhanced customs duties, and price increases through shortage of supplies resulting from import restrictions, have also contributed to raising our cost of production.

### Employee Relations

The clamour during the reorganisation of the States and more recently, the General Elections, had an unsettling effect upon labour. Despite this, we have had another year of industrial peace at all factories. There was a steady increase in the consumer price index throughout the year, and adjustments were made in the emoluments of our employees.

Training in all its aspects and at every level, continues to receive a great deal of our attention. Qualified T.W.I. instructors are working at our two largest factories, and the continuous training classes there will shortly be extended to the other factories. Members of our staff have taken courses in scientific management at local Universities and the Company is working closely with Management Associations in four States. Our U. K. consultants, The Metal Box Company Limited, afford unique training facilities for our young Indian managerial, technical and scientific staff. More than thirty have now received training in this way, and many more are planned for the next few years. We have special apprenticeship schemes covering all skilled operations in our factories, and we have recently offered to train a number of skilled artisans for the Government Steel Plants.

All this adds up to an expression of our belief and faith, that, given

education, training and opportunity, workers will through their own efforts and initiative demonstrate their fitness to play an increasing part in management. All our full-time Directors, and the majority of our senior executives and technicians began their careers with us in junior positions. We are proud of their success and we believe it is a major factor in our good employee relations, and in the high level of production in our factories.

Last year we introduced a Long Service Award for employees who have completed twenty years continuous service with the Company. On the occasion of the first presentation no less than thirty-two employees received a Rolex watch and certificate. To all employees whatever their length of service, I send my thanks for another year of sustained effort.

**Development and New Projects**

We made progress with our development items during the year. Our industrial component section was improved with the opening of a new self-contained manufacturing department. In Calcutta equipment was installed for the manufacture of aluminium tubes and we have recently commenced the extrusion

of aluminium components for the radio Industry.

To meet the demand for quality printed polyethylene bags a new three colour printing machine was installed and further equipment for producing pouches from laminated materials is due to arrive shortly.

The R. S. or Roll Seal Pilferproof and Non-pilferproof Closures continue to gain popularity and are now generally accepted as attractive, easily-applied and, in the case of the former, effectively tamper-proof seals. Our Technical Development Section have designed and produced two new closing machines with rotating heads which keep the bottle or can stationary to avoid spilling during the sealing operation. They are already popular with customers and in considerable demand.

In pursuance of our efforts to foster the canning industry we have engaged an expert from the U. K. who will assist in the solution of the problems of the industry. His services will also be available to those government organisations pursuing processed foodstuffs development. We have presented to the Central Food Technological Research Institute a mobile demonstration van in

connection with a pilot scheme aimed at educating the urban population on the wholesomeness and use of canned foods. Government have been examining a proposal to subsidise the cost of cans for the processed food industry, to the extent of one-third of the cost of the tinplate used. This scheme aims at saving a considerable proportion of the present wastage of fruits and vegetables, estimated at between 15% and 20% of the total crop, stimulating horticultural production and providing the public with a round-the-year supply of fruits and vegetables at reasonable prices.

Our Research Division has made good progress in the task of improving finishes and developing indigenous materials to replace products hitherto imported.

**Consultants**

During the last year our consultants, The Metal Box Company Limited, London, have made available to us the services of a number of their Directors and senior staff in connection with revaluation of assets, training of staff in the U.K., research and the overhauling and recalibrating of all our printing ovens. I take this opportunity to express to them our appreciation of their continued valuable services.

**DESOUTTER**  
**PNEUMATIC TOOLS**

SOLE AGENTS IN INDIA

**MACHINE TOOLS (INDIA) PRIVATE LTD.**

CALCUTTA BOX 385      BOMBAY BOX 131      BANGALORE BOX 197

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