operation of the new vessels will be reflected partially in the current year ending June 30, 1964 and fully in 1964-65.

The Company has also placed an order with a Japanese Shipyard for a bulk carrier of 36,000 tons for Rs 2 crores with option to order a second carrier at the same cost. The carriers are expected to be delivered liy the end of 1965 and 1966 and will he utilized for carrying bulk cargoes like ore and foodgrains. The results from 1965-66 onwards will reflect the operations of these carriers,

The terms of the Company's proposed bonus issue have been changed. According to the revised scheme sanctioned by the Government, one fully-paid equity share of Rs 10 will be issued for every three existing fully paid shares of Rs 10 each, and one such share for every six partly-paid shares of Rs 5 each. The bonus shares will be issued to shareholders whose names were in the books of the Company as on January 1, 1964, but after the partly-paid shares are made fully paid up, for which the call amount of Rs 5 per share is payable on or before February 1,

Changdeo Sugar

THE improved results of Shree Changdeo Sugar Mills have enabled the Company to step up the dividend from 12 per cent to 20 per cent, i e from Rs 150 per equity share of Rs 12.50 to 2.50 per share for the year ended September 30, 1963, The Directors have further declared an interim dividend of Rs 2.50 per equity share as a Silver Jubilee gift

The factory established a record by crushing 1.27 lakh tonnes of came as against 1.15 lakh tonnes in the previous year, and by producing 1.46 lakh bags (1.34 lakh bags) of sugar. The whole of the production was sold during the financial vear at favourable controlled rates. The recovery of sugar, however, was slightlyy lower at 11.56 per rent (11.71 per cent). The capacity of the Comoany being below the economic minimum according to Government standards, it has applied for permission to expand its capacity.

Cross profits spurted up from Rs 27.04 lakhs to Rs 40.47 lakhs. Managing Agents' Commission amounted to Rs 2.40 lakhs (Rs 148 iakhs); depreciation absorbed Rs 2.61 lakhs (Rs 2.92 lakhs); taxation provision took away Rs 22.25 lakhs as against Rs 12 lakhs. Net profit was better at Rs 13.21 lakhs compared with Rs 10.64 lakhs in the previous year. Sales of agricultural and other assets to the Maharashtra State Farming Corporation fetched Rs 7.04 lakhs. The Company's requirements for the current crushing season will be supplied by Government against payment at Rs 63.50 per ton of cane delivered at the factory. After making necessary adjustments, the amount available for disposal was Rs 21.89 lakhs (Rs 11.89 lakhs) from which Rs 20.98 lakhs (Rs 3 lakhs) was transferred to General Reserve and Rs 3.50 lakhs (nil) to the Rehabilitation Reserve. The aggregate dividend of Rs 5, including the Jubilee gift, will be paid out of the General Reserve and will absorb Rs 15 lakhs (Rs 4.50 lakhs).

The Company had an export quota of 23,567 bags (17,149 bags) of sugar on which it reports a loss of Rs 5 lakhs.

Ashok Leyland

THE turnover of Ashok Leyland was lower at Rs 10.92 crores during the year to September 30, 1963. compared with Rs 13.02 crores in the previous year. The Directors have attributed this to lower chassis production owing to a number of difficulties, namely, (i) delay in issuing import licences and curtailment of foreign exchange allocation which resulted in shortage of materials and loss of 58 working days; (ii) imposition of an 80 per cent power cut in June-July. affecting production for 12 working days; (iii) unsatisfactory initial supplies of materials from indigenous sources. The Company's profits, however, were affected only to a small extent. Profits amounted to Rs 1.09 crores as against Rs 1.12 crores in the previous year. But the dividend has been pruned from 8 per cent to 7 per cent on the increased capital and it absorbs Rs 32.07 lakhs (Rs 29.39 lakhs). Allocations are: denudation Rs 41.63 lakhs (Rs 40.46 lakhs) ; Development rebate reserve Rs 14.00 lakhs (Rs 16.42 lakhs); taxation Rs 21.45 lakhs (Rs 22.00 lakhs)

Ambika Silk Mills

AMBIKA Silk Mills completed 25 years on January II, 1964. It made a small beginning in 1939 in the manufacture of man-made fibres, which were not much known in this country at that time, and was a pioneer in the industry in India. With World War II intervening, it had to pass through hard days, but from 1946 it began to show progress. It was however, during the last 10 years that the fabrics of the Company became very popular. The Company installed latest types of machinery and diversified production. To-day, the Company is one of the leaders in nylons and terylenes.

The future of the Company is considered bright by the Chairman as man-made fibres have come to stay. More varied types of yarn are bound to be introduced as a result of the intensive research now underway.

During the period of a quarter of a century, the Company's share capital has been raised from Rs. 3.95 lakhs to Rs 25 lakhs, sales improved from Rs 1.21 lakhs to Rs 2.21 crores and gross profit rosei from Rs 22,702 to Rs 31.35 lakhs. Dividend to shareholders, except for some five years in the initial stages, was regular and satisfactory. During the 24 years ending 1962, the Company earned a gross profit of Rs 1.31 crores out of which the shareholders got Rs 25.48 lakhs by way of dividends and bonus shares representing a return of about 239 per cent over a period of 24 years. The Managing Agents' remuneration amounted to Rs 11.33 lakhs and taxation took away Rs 43 lakhs. The balance was used for depreciation and to build up reserves. The Company paid a dividend at 20 per cent for the years 1961 and 1962.

Bank of America

BANK of America's Condensed Statement of Condition as at December 31, 1963 shows that this gigantic institution has made farther all-round progress during the year. Demand, savings and time deposits have in the aggregate increased bv $ 147 million to $ 13 243 million. Similarly loans outstanding on the closing date are un by $ 777 million to $ 8,365 million. Net operating earnings are higher at $ 91 million or $ 3.18 per share on 28.5 million shares compared with S 83 million or $ 2.92 per share in 1962.

The Bank has a capital of $ 178 million which is supported by funds amounting to $ 981 million. This is again $ 35 million higher than in the previous year. Dividends amounting to $ 56 million were paid at $ 2 per share to more than 2 lakh shareholders of the Bank. The total resources of the Bank have grown by $ 1.3 billion to $ 14.7 billion.

The Bank's loans to individuals and business stand higher by $ 1.5 million. Loans against real estates, mostly residential, amount to $ 1 billion and instalment loans largely for purchase of cars, houses, business equipment totalled $ 4 billion.

The Bank has its main offices in San-Francisco and Los Angeles and has branches throughout the State and in other leading financial centres overseas.

Lintas

IT is always satisfying to look back ovvr years of hard work and achievement. Lintas, the advertising agency, celebrates its Silver Jubilee this month. Set up in Bombay on January 2, 1939, as a mere shadow of the British organisation, it started operations at a time when little was known about effective media of advertisement. Sliri P L Tandon and Shri R Ramaswami, who arc at present Chairman and Vice-Chairman of the Company, were among those who had to grapple many unfamiliar problems. The medium of film publicity has grown to what it is to-day through the pioneering efforts of Lintas.

Lintas has made very fast progress since 1947 and in 1952 its Marketing Research Unit began to function. Since 1957 the organisation has been entirely managed by Indians.

International General Electric

TPHE largest single piece of electric generating equipment ever to be shipped to India, a 207.5 ton Generator supplied by International General Electric, arrived this week hi Bombay from the US.

The giant 150,000 kW steam turbine generator is to be installed in the Trombay Thermal Power Station of Tatas. It will have the largest capacity and highest steam pressure and temperature of any unit in India. Its import is being financed by the U S Agency for International Development.

Money Market

Thursday, Morning

THE inter-bank call money rate continued to rule at half per cent above the Bank Rate during the past week, If anything, the tendency was towards firmness in the rate both for renewals and for fresh money. In fact, Calcutta has stolen a march by quoting upto 5.75 per cent on occasions during the week. In Bombay also, scarcity and stringency appear to be round the corner. Not only has the demand for funds sizably increased, but supplies are getting thinner, tending towards stringency. That demand for funds has grown appreciably is evident from the consistent rise in bank advances almost every week in the current busy season, particularly from the sharp rise of Rs 45.35 crores during the week ended January 3, 1964, closely following the increase of Rs 24.28 crores in the preceding week. Bunk credit during the current busy season has so far expanded by Rs 152.39 crores compared with Rs 53 crores in the corresponding period of last busy season.

Although there has been simultaneously a growth in bank deposits, it has not kept pace with the rising credit needs, so banks were liquidating their investments, which were accumulated in the last slack season, to put themselves in adequate funds without borrowing from Reserve Bank as far as possible. Between November 1, 1963 and January 3, 1964 deposits of scheduled banks increased by only Rs 8.84 crores and investments unloaded amounted to Rs 79.97 crores. During the week ended January 3. aggregate deposits have fractionally come down by Rs 58 lakhs and investments have shrunk by Rs 12.42 crores, in the face of a rise of Rs 45.35 crores in advances. It is, therefore, obvious from this that the gap between supply and demand has already widened to cause substantial pressure on the floating funds. The more the gap widens, the more will be the need of scheduled banks to step up their borrowings from the RBI, especially when floating supplies are getting dried up and call rates stiffening as a consequence. In fact, this tendency has already appeared and banks" borrowings from the RBI have moved up from Rs 7.71 crores on December 27, 1963 to Rs 20.15 crores on January 3, 1964. Even then it appears that resort is made to the call loan market to bridge the deficiency in the supply of funds and this to an extent explains the firmness in the call loan market.

The prevailing conditions are increasingly reflected in the Reserve Bank's returns for the week ended January 10. Notes in Circulation have sharply risen by Rs 43.31 crores and in addition, rupee coins have flowed out to the extent of Rs 2.25 crores. Treasury Bill tenders accepted on January 14 reveal only the usual support at the last discount rate of 2.315 per cent, but the dearth of funds to flow into Treasury Bills is clearly reflected by the meagre amount of Rs 15 lakhs which sales of Intermediates between January 8 and January 11 fetched.

The Banking Department having given away Rs 5.56 crores, the net Note Issue amounted to Rs 37.75 crores and against this expansion and outflow of Rupee coins. Rupee securites in the Issue Department have been inflated by Rs 40 crores, to provide the necessary cover.

Central and State Governments' deposits went up by Rs 5.22 crores and, at the same time, their loans and advances outstanding fell by Rs 4.43 crores. thus reversing the position that existed in the preceding week. Scheduled banks' deposits fell by Rs 6.42 crores as against a rise of Rs 4.19 crores previously, and their loans which rose by Rs 18.71 crores last week increased further by Rs 4.53 crores as on January 10, reflecting the extent of their drawings from these sources to meet their credit needs. Larger borrowings from the RBI or sales of investments to a greater extent will be come inevitable for scheduled banks under the existing conditions.

During the week, Bills purchased and discounted by the RBI were higher by Rs 6.54 crores and investments acquired rose by Rs 5.69 crores. Foreign balances improved by Rs 98 lakhs.

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