five profit-taking brought down the rate to around Rs 93.70 near the week-end. The rise in prices was due more to scarcity of offerings than to any sudden increase in off-take though traders reported fairly satisfactory demand from paint manufacturers. Despite a fairly good harvest, the supply of linseed oil is said to be poor for this time of the season. The movement of goods is said to have been affected by the recent rains in Uttar Pradesh, Madhya Pradesh and Rajasthan. Apart from the restricted flow of supplies, sentiment in linseed was also aided by rumours that Pakistan was interested in purchasing Indian linseed oil. Linseed prices have been merely following the trend in mustardseed prices which have been moving up and up despite a record harvest. In Delhi, mustardseed oil was bid up to Rs 29 (per 10 kgs) last week; the quotation has been appreciably lower around Rs 23 some weeks ago.

The strength in linseed and mustardseed has had a profound impact on the general market psychology. Groundnut oil ready has been marked up from Rs 22 to Rs 23.10 (per 10 kgs) and what is more, centres which are the traditional suppliers of groundnut oil to Bombay have been making purchases of oil in the Bombay market recently. Castor futures have risen from Rs 77.40 to Rs 79.10. Bullish psychology seems to have firmly seized the market. Goods are no longer moving out from the producing centres in desired quantities. Growers and traders are reluctant to part with their stocks at the current prices, which, though quite high from the consumer angle, look low compared to the fantastic rates obtaining near the fag end of the last season. Stockists are in no mood to ponder over the marked improvement in the supply position of edible oils this season, partly due to record harvests and partly due to the import of 75,000 tonnes of soyabean oil for the vanaspati industry and 50,000 tonnes of mutton tallow for soap manufacturers. Unless the authorities take firm action to discourage holding and hoarding of stocks at various levels and inter-State movement of goods is freely allowed, it might become difficult to check the rise in oilseeds prices, improved supply notwithstanding. The way prices are surging forward at a time when the movement of mustardseed and linseed crops is expected to be in full swing is quite disturbing. Any relaxation of export curbs at this juncture is likely to complicate the situation further.

Export houses did not mention any important fresh business during the week. The further rise in groundnut oilcake prices has made fresh export business difficult, particularly with the U K. The buying by Communist countries too has been restricted of late. Cottonseed cake also did not evoke much interest. Export business in oils remains at p standstill. With the decline in overseas prices and a rise in domestic prices, the disparity between Indian and world prices has increased further.

BUSINESS NOTES

Madras Rubber

UNTIL a few months ago, the new tyre units were experiencing keen competition from well-established brands as a result of over-capacity in the industry, and had to keep their production much below installed capacity. But conditions have since changed for the better not only on account of improvement in demand, but also because concession and reliefs in the 1965-66 Budget have brought some benefits for the industry. Besides, there are indications of increased purchases of tyres from the new companies by the Government and semi-Government undertakings. In view of the unfavourable conditions then prevailing, Madras Rubber Factory worked at only 35 per cent of installed capacity during its financial year ended September 1964. Production has been stepped up gradually in the current year; towards the middle of March it ran at around 600 tyres per day and is expected to reach 75 per cent of the capacity by September. Some of the well-known automobile manufacturers now use the company's tyres as original equipment. The company is also steadily increasing its exports of types; the current year's exports are expected to be substantially higher than those of the past year when goods worth Rs 8 lakhs were exported.

In the meanwhile, the company has reported a set-back in its lesults for the year 1963-64. While sales turnover has nearly doubled to exceed Rs 5 crores, the gross profit has shrunk by more than a third to Rs 21.60 lakhs. After providing Rs. 18.92 lakhs (Rs 11.86 lakhs) for depreciation and nil for managing agents* commission and development rebate, which received Rs. 1.07 lakhs and Rs 18.40 lakhs, respectively, last year, the accounts show a profit of Rs 2.68 lakhs against Rs 3.12 lakhs a years ago. The dividend is skipped, and the profit together with the previous year's surplus of Rs 1.02 lakhs is carried foiward.

Phillips Carbon Black

A SUBSTANTIAL imorovement in its results has been recorded by Phillips Carbon Black in the second year of operation ended November 1964, when its sales expanded from Rs 91.08 lakhs to Rs 197.24 lakhs, and after providing Rs 24.23 lakhs (Rs 38.32 lakhs) for depreciation, the company earned a profit of Rs 24.16 lakhs compared to a loss of Rs 39.64 lakhs incurred in the previous year. After adjusting the profit against the previous losses, there still remains a debit balance of Rs 23.51 lakhs to be carried forward.

Considering trend of earnings, however, it seems the company wili not take long to wipe off this deficit. Production was increased to nearly 70 per cent of the installed capacity during the year, and is likely to be increased further. Interruptions in power supply have been greatly reduced following the installation of a new distribution system, and a much higher production rate has been recorded for the past few months. What is more encouraging is that the company's product has been in good demand, and all production is readily taken up by the market. The expansion of ten million pounds of capacity is expected to be completed by the beginning of next year.

From June 1964, the company raised its prices by about 5 per cent in order to counter the steadily rising costs of raw materials. The recent ten per cent duty on all imported materials will substantially increase costs, and a further revision of selling prices may become necessary, though the management says it shall make every effort to avoid this.