

Industrial Credit and Investment Corporation of India Ltd, Bombay for an additional loan in foreign currency to the extent of Rs 12 lakhs. Further, the expanded Plant requires larger working capital for purchase of raw materials, chemicals and consumable stores etc, and your Directors have made arrangements for a cash credit accommodation upto Rs 80 lakhs with the State Bank of Mysore, on the hypothecation of floating assets.

I am glad to inform you that Labour-Managements relations continue to be cordial. The peace settlement with our Labourers' Association having expired, our Labourers' Association have placed a number of demands, chief of them being revision of wages and salaries, enhancement of D A etc, and these demands are receiving sympathetic consideration consistent with the capacity of the Mills to bear additional expenses.

On behalf of the Company, it is my pleasant duty to express my thanks to the authorities of the Common-

wealth Development Finance Co, Limited, London, the Industrial Credit and Investment Corporation of India, Ltd, Bombay; the Industrial Finance Corporation of India, New Delhi, the State Bank of Mysore (Trustees), the State Bank of India and the Canara Banking Corporation Ltd, for their support and assistance in the implementation of the Development Plans.

I take this opportunity to express our grateful thanks to Messrs J M Voith of Heidenheim, Messrs Escher Wyss of Ravensburg, Germany, Messrs Millspaugh of England, Messrs Bobcock and Wilcox, Messrs English Electric Company Ltd, and Messrs Ernest Scott, Messrs Masson Scott of London the suppliers of Plant & Machinery for their prompt delivery of equipments and for having deputed efficient technical officers for erection of various equipments at our factory. I should also express my grateful thanks to the Mysore Construction Co for their satisfactory execution of Civil Engineering Works and to Messrs Aswathanarayana

and Esvara our Consulting Architects for their technical advice and assistance.

I would also wish to express on behalf of the Directors and Shareholders our grateful thanks to the Central and State Governments for the continued interest they are evincing in the progress of the Mills.

I am very grateful to my colleagues on the Board for their whole-hearted support and valuable guidance.

I wish also to express on behalf of the Directors and my own warm appreciation of the willing and efficient co-operation of all our employees.

Ladies and Gentlemen, with these observations, I now move that the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 31-3-1965 be APPROVED AND ADOPTED.

N B This does not purport to be a report of the proceedings of the Shareholders' meeting a copy of which shall be sent to the Shareholders separately.

# The Jay Engineering Works Ltd, Calcutta

## A Year of Progress

### Export Performance Back to High Level

THE following is the Speech of the Chairman, Lala Charat Ram, at the 28th Annual General Meeting of the Jay Engineering Works Ltd, held in Calcutta on September 20, 1965:

Friends,

I have great pleasure in welcoming you to the 28th annual general meetings of the company.

#### Pledge To Meet The Emergency

We meet in the shadow of open hostilities between our country and Pakistan, aggravated by the ulterior interests of Communist China. The hostilities are not of our seeking, but now that they are upon us, it is our paramount duty to play our role as individuals, and as social groups, to support our Government, in seeing these hostilities to a successful conclusion in the country's interest. Our hearts go out to the men of our armed forces who are giving a gallant account of themselves. Our Prime Minister Shastri has shown his mettle, by accepting Pakistan's challenge, as indeed in the apt handling of many matters which in earlier years had been allowed to drift. We offer Shastriji our whole-hearted

support and offer the promise of our best endeavours, so that we may emerge from the present difficulties with our heads high.

#### Profit Performance

The annual report for the year's operations has been with you for some time now. You will observe that the profits for the year show a substantial increase, touching about the highest absolute gross profit level figure ever reached before. This is specially gratifying in view of the fact that there were no operations in the first two months of the year due to the continuing strike of the previous year, and the results therefore reflect the operations of only 10 complete months. This speaks of the improved effort, which all ranks of personnel of the Company have put in.

#### Bonus Shares Issued

During the year, the amount standing to the credit of the share premium account was capitalized by issuance of bonus shares. This has raised the equity capital of the company by over 30 per cent from Rs 1.52 crores to Rs 1.97 crores.

In view of the improved profit position, the Directors have been able to recommend an equity dividend distribution of Rs 15.8 lacs for the year, against Rs 12.2 lacs last year; this represents an increase of 30% dividend disbursement over last year.

#### Increased Costs

In the present stage of the country's economy, price maintenance is both an economic necessity and a social responsibility. Lately, however, all efforts at cost reduction have been more than neutralised on account of vastly increased governmental imposts, which have made selective price increases unavoidable, in order to maintain the economic viability of the Company. The burden of all taxation, direct or indirect, and that of consequential inflation, is in the ultimate analysis always borne by the common man, either in the form of increased prices of goods and services, or of lower return on his savings.

#### Pro-Production and Anti-Production Policies

The Plan-frame of the 4th 5-Year Plan is now on the anvil. The Government has wisely decided to eschew

deficit financing, and to emphasise food production in this Plan. The extent to which the Plan can be successfully executed without undue strain on the economy, will depend upon the efficiency of capital investment and the efficiency of operating costs. It is my submission, that a stage has now been reached in national economic affairs, when doctrinaire considerations need to be made subservient to economic considerations, and investment directed strictly through channels which will mean the lowest investment costs per unit of output and lowest costs of production. In this context, there is a need in my view for having a relook at what may be termed as the social philosophies. Here again one bane of our country seems to have been that doctrine has ridden rough shod over economic considerations. In a country like ours, in its present state of development, it is not a question of capitalism or socialism, or management or labour or the government. Every single policy, economic or political should be measured only by the simple yardstick of its being either "pro-production" or "anti-production". No social or economic or political action can do good to the country or

the people, if it is likely to affect production adversely in terms of quantity or costs. If this yardstick of evaluating decisions on the basis of their being "anti-production" or "pro-production" is used, then we might be able to avoid a great many pitfalls, which we have not been able to avoid so far.

**A Call To The Workers**

I have mentioned earlier, that we have been able to repair the economic damage done to the corporation by the labour strike of 1963-64. Our executives merit great credit for this. I shall be failing in my duty, however, if I do not unreservedly compliment the bulk of the rank and file of our workers, whose dynamism alone made the return to constructive endeavour possible, in the face of the hostility of a band of self-seeking labour leaders, having anti-national attachments, and echoing a foreign voice. I hope and pray, that the workers will in the coming time, withstand with greater courage the pressures of those whose interests and loyalties conflict with the productive system of the nation.

**Export Earnings Revived**

In our current operations, two things continue principally to claim

our attention. One is the strengthening of the fabric of the management structure at all levels, and the other is the improvement of liquidity position of the Company. I am happy to say, that we have made a fair progress in these fields, and these are reflected in the improved operations of the current year. I am hopeful, that unless some unforeseen developments occur, we should end the year on a considerably better financial showing, than even of the last year, which itself has been a year of good progress.

Our exports which had gone down TO Rs 55 lacs in the year ended March, 1964, due to the strike, reached back to a level of Rs 90 lacs in the year under review. Efforts are continuing to enlarge our contribution to the national earnings in this sphere.

Friends, I hope that you find the results of the year satisfactory, and will join me in complimenting all the executives and the operatives of the company whose sincere and devoted efforts have made these possible.

Thank you.

Note: This does not purport to be a record of the proceeding of the annual general meeting.



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