

in different States cannot but undermine national unity. Imagine the prevailing wide difference of nearly Rs 1,000 per tonne in the prices of groundnut oil in Rajkot and Bombay. The difference exists simply because the Gujarat Government has banned the export of groundnut and groundnut oil and vanaspati from the State. Hitherto, the export ban did not apply to vanaspati which had exposed the State Government to the charge of being partial to the vanaspati manufacturers in the State. The Government has therefore done well in extending the ban to vanaspati.

New Delhi will be well-advised to formulate a national policy for the equitable distribution of edible oils which are going to be in acute supply in the 1965-66 season. It bears rendition that despite serious shortages, it is possible to check the rising trend in prices if only the Government means business.

Authorities can take little comfort from the thought that the Forward Markets Commission is taking all possible measures to discourage speculation through penal margins. Even at best, margins can only bring about a decline in the volume of speculative activity. There is little that the Commission can do when prices keep snarling on account of serious physical shortages. That is precisely the situation obtaining at present, and that is why futures have continued to seek new high levels. Last week, despite exorbitant margins, linseed futures were bid up to Rs 130 (per quintal), castor futures to Rs 112 and lentil-seed futures to Rs 75. Oilcake prices also rose in sympathy with the remarkable strength in oilseeds. Reports from New Delhi indicate that the Government is thinking of banning the export of oilcakes as far as possible. Considering that oilcakes have been earning huge sums of valuable foreign exchange for the country, the ban on export would seem quite ill-advised under the present circumstances when all possible measures are being devised to boost export earnings.

MONEY AND BANKING

Conditions Unchanged

No change was evident in the Bombay short-term money market during the week to November 10. Demand for funds continued around the previous week's level with minor fluctuations. Supply was well held at last week's level, keeping the interest rates stationary at 4.5 per cent throughout the week,

Scheduled banks increased their deposits by Rs 9.68 crores to Rs 2,812.54 crores during the week to October 29 according to the statement of affairs of the scheduled banks. Bank credit, however, increased very slightly by Rs 62 lakhs to Rs 2,018.47 crores. A major part of the increase in deposits was passed on to The Reserve Bank as balances and the remainder was held with the banks as reflected by the rise in cash in hand by Rs 1.32 crores. In Rs 711.21 crores. Borrowings from the Reserve Bank moved down from Rs 3.22 crores to Rs 3 crores. The credit-deposit ratio was lower at 71.77 per cent against 71.99 per cent the week before. Investments in government securities declined from Rs 851.85 crores to Rs 857.34 crores.

Notes in circulation increased sharply during the week in November 5 from Rs 2,612.40 crores to Rs 2,683.46 crores. This increase of Rs 41.06 crores followed a decline of Rs 3.43 crores during the preceding week. It was

BUSINESS NOTES

Life Insurance Corporation

THE financial year ended March 1965 has proved fairly satisfactory for the Life Insurance Corporation of India. The average sum assured per policy increased from Rs 4,269 to Rs 4,854; new business amounted to just above Rs 7.1 crores under 14.44 lakh policies as against Rs 703 crores under 16.46 lakh policies. The noticeable fall in the number of policies is chiefly attributed to the slowing down of activity in the second half of the year due to dissatisfaction among class I and II officers over their terms and conditions of service. The total business in force as at the year-end increased by Rs per cent to Rs 3,887 crores. The ratio of lapses to mean life assurance business in force fell from 8.2 per cent to 7.5 per cent. The premium income rose from Rs 146.73 crores to Rs 162.25 crores and the total net income from Rs 179.50 crores to Rs 205.09 crores. The life fund as at the close of the year stood at Rs 901.61 crores, an increase of Rs 93.25 crores over the year,

Of the total investments in India of Rs 779.98 crores, the public sector accounted for 74.5 per cent, the private sector for 19.4 per cent, the co-operative sector for 5.2 per cent and the joint sector for 0.9 per cent. During the year, the Corporation ad-

made possible by an increase in total notes issued by Rs 37.70 crores and a small withdrawal of Rs 3.36 crores from banking department Rupee coins at Rs 101.87 crores were lower by Rs 2.30 crores than in the previous week. Government of India rupee securities, however, advanced from Rs 2,335.44 crores to Rs 2,175.44 crores. While the Central Government's deposits continued to move downwards state Governments further increased their deposits. Central Government's deposits declined from Rs 56.65 crores to Rs 50.6 crores while State Government's depo-

sits increased by Rs 5.63 crores in Rs 12.30 crores. This was higher than the

increase of Rs 3.45 crores recorded during the preceding week. Scheduled bank deposits dropped from Rs 108.24 crores to Rs 103.69 crores. Advances advanced by Rs 32 lakhs to Rs 3.69 crores. Investments aggregated Rs 857.34 crores. Investments aggregated Rs 857.34 crores to State Electricity Boards for development schemes, and agreed to underwrite 84 new issues to the extent of Rs 93.25 crores. Total assets amounted to Rs 986.64 crores, as against Rs 880.57 crores a year before, the net increase in assets since its inception thus amounting to Rs 572 crores. Income from interest, dividends and rent before deduction of income-tax was Rs 43.96 crores as against Rs 18.25 crores in the preceding year. The gross rate of interest realised on the mean life fund increased from 5.11 per cent to 5.27 per cent and the net rate realised increased from 4.07 per cent to 4.90 per cent. The overall expense ratio rose from 27.46 per cent to 27.53 per cent, while the renewal expense ratio increased from 12.46 per cent to 14.09 per cent, the increase in expenses being due partly to the revision of the terms and conditions of service of employees at all levels.

During the year claims inclusive of bonus additions amounted to Rs 4046 crores under matured policies and Rs 12.36 crores under policies becoming claims by death. In the first year of operation of general insurance business, gross direct premium amounted to Rs 46.52 lakhs and net claims Rs 5.14 lakhs. A sum of Rs 11.06 lakhs

that the net working results for 1963-64—which were the highest in the history of the company—will be repeated.

The major units of the Company's manufacturing works at Thana have reached completion. The Mining Equipment Shop has been in operation for the last 8 months, and production has now commenced in the Airconditioning & Refrigeration unit, which will produce vital plant and equipment for Defence and other essential projects. The manufacturing divisions contribution of Rs 2.42 crores towards the Company's total sales in 1964-65 is expected to increase by almost 80 per cent in the current financial year. Steadily increasing production is also becoming available to the Company from its various joint ventures, such as Scottish Indian Machine Tools, International Tractor Co of India, Lakshmi Machine Works, and Lakshmi Card Clothing Manufacturing Co.

Window Glass

THE wired and figured glass industry has been suffering from "sizable" indigenous over-production resulting in considerable idle capacity. In order to help the industry, the State Trading Corporation has provided relief to manufacturers on particularly benefit producers, like the Calcutta-based Window Glass, whose products have been already well received in the export markets. In this context, the management of their exports. This measure should Window Glass is hopeful that "within capacity will be utilised for a very short period" the manufaturports and that will considerably improve the overall sales position.

Meanwhile, in the year to March last the company was able to nearly double its sales from Rs 24.91 lakhs to Rs 49.20 lakhs, but the outcome was a loss of Rs 14.92 lakhs which together with the previous losses lifted the total loss to be carried forward to Rs 17.18 lakhs.

Phoenix Mills

S ATISFACTORY working results have been reported by Phoenix Mills for the year to March last, with sales of cloth, yarn, surgical dressings and waste rising from Rs 4.11 crores to Rs 4.53 crores and gross profit up a little from Rs 50.13 lakhs to Rs 50.7} lakhs. After making necessary provisions, net profit is a shade lower at Rs 14.73 lakhs (14.90 lakhs). Of this, the unchanged dividend of Rs 20 a share demands Rs 9.60 lakhs, and is adequately covered by earnings. During the year, machinery of the value of Rs 31.10 lakhs was added to the mills.