

July 28, 1951

### The Patiala Cement Company Limited

**A**N increase of Rs. 2.65 lakhs in the profits of the Patiala Cement Co. (one of the groups in A.C.C.) to Rs. 19.5 lakhs, compared to the previous year, has enabled the directors to step up the final dividend from 7 per cent to 10 per cent free of income tax. The Company has already paid an interim dividend at 7 per cent for the half year, and so dividend for the whole year would come to 8½ per cent.

It was decided to increase the installed capacity of the factory by one lakh tons last year to bring up the total capacity to 3 lakh tons per annum. The entire installation will be completed by the end of this year. During the year under review the additional plant has already increased the production capacity. As a result, production and offtake have shown substantial increase, and have contributed to higher profits.

The Profit and Loss account of the company shows increases in the manufacturing cost resulting mainly from higher labour costs. The operation expenses rose by more than Rs. 11 lakhs to Rs. 53.44 lakhs and expenses on salaries and wages by Rs. 2.62 lakhs to Rs. 18.32 lakhs. The other expenses and provisions have also increased likewise as can be seen from the following figures:

Managing Agents' Commission from Rs. 2.7 lakhs to Rs. 3.52 lakhs.

Provision for Depreciation from Rs. 6.5 lakhs to Rs. 8.35 lakhs.

Provision for Taxation from Rs. 9.87 lakhs to Rs. 15.5 lakhs.

Despite higher disbursements, however, profits have been higher, on account of the increase in sales by more than Rs. 30 lakhs to Rs. 127.81 lakhs.

The bloc stands at Rs. 84 lakhs. The total depreciation upto the end of this year amounts to Rs. 56.65 lakhs.

Out of the profits of Rs. 19½ lakhs for the year, the directors recommend an appropriation of Rs. 8 lakhs to Reserve for Plant Reinstatement, Rs. 1 lakh to Reserve for Gratuities and Rs. 1.70 lakhs to Bonus to Employers. The Reserve for Plant Reinstatement would now come to Rs. 17 lakhs.

### Kumardhubi Fireclay and Silica Works Ltd.

**K**UMARDHUBI made trading profits of Rs. 2 lakhs for the year ending December 1950 after allowing for all charges, providing for depreciation and taxation and setting aside Rs. 1½ lakhs as reserve

for Tax Contingency and Rs. 1 lakh as reserve for Plant Renovation. The directors propose to maintain the dividend at Re. 1-8 per ordinary share, without any deduction of income tax, after meeting the dividends on the two preference issues.

The workers were busy and production was maintained at a high level throughout the year. The company's Silica and Sillimanite bricks were in keen demand and made up for the fall in demand for lire bricks last year so that the profits of the company remained unaffected. The cost of the company's products are considered to be higher than that of other producers.

The despatch of finished products kept pace with the output throughout the year, thanks to improved transport conditions. Raw materials are also being received regularly.

The net bloc stands at Rs. 12 lakhs. Total Depreciation provided for up to December 31, 1950 amounts to Rs. 35.6 lakhs. The aggregate sales reached Rs. 73 lakhs during the year while the cost of General Manufacturing amounted to Rs. 45 lakhs. Salaries and Establishment charges together accounted for more than Rs. 13½ lakhs.

The Birla Jute Manufacturing Company Ltd.

The working of the Birla Jutes

for the year ended March 1951 resulted in a profit of Rs. 69.5 lakhs taking into account Rs. 5.28 lakhs brought forward from the last year. The directors have proposed the following allocations:

Rs. 15 lakhs for depreciation,  
Rs. 20 lakhs for reserve fund and  
Rs. 21.5 lakhs for taxation for the year.

This will leave a balance of Rs. 13 lakhs from which, after meeting dividend on 7½ per cent preference shares, the ordinary shareholders will receive a dividend at Rs. 3 per share, free of income tax. The two will absorb Rs. 10.45 lakhs.

The net bloc stands at Rs. 190 lakhs while the total provision for depreciation amounts to Rs. 19 lakhs. The Capital Reserve Account and Reserve Account stand at Rs. 145 lakhs and Rs. 80 lakhs respectively, as against a paid-up capital of Rs. 55 lakhs. Total investment, at book value, amounts to Rs. 81.5 lakhs, of which Rs. 120 lakhs are in subsidiary companies.

The total receipts by sales amounted during the year under report to Rs. 374 lakhs while the cost of raw jute consumed was Rs. 212 lakhs. The expenses on salaries and wages amount to Rs. 61.7 lakhs and the Managing Agents' Remuneration at Rs. 7.73 lakhs. The closing stock is much higher at Rs. 23.42 lakhs as against the opening of Rs. 8 lakhs.

### Oilseeds

## Slump in Oilseeds

**D**ISCOURAGING foreign advances, good rains in the more important producing areas, prospects of peace in Korea and absence of any outlet for groundnuts and linseed as well as their oils have led to a considerable fall in oilseed prices. Castor seeds were relatively quiet on account of stray export business in oil.

The Government of India have allowed an export quota of castor oil for the period October to December 1951 equal to 20 per cent of the quantity shipped by each exporter during the basic year, April 1950 to March 1951. Shipments against this quota will be allowed during July-September 1951 if the exporters so desire. A quantity has also been set aside for allotment to new comers for the period July 1951 to June 1952. This is to be allocated to crushers of castor oil who do not qualify for quotas as established exporters.

A quota of 30 per cent for export

of linseed oil for the period July to October has also been announced. The export quota for an established shipper of this commodity during the period July to September 1951 will be equal to 30 per cent of the exports he had shipped during any of the three financial years 1948-49, 1949-50 and 1950-51. A quota has also been earmarked for new comers for the period July '51 to June 1952. Allotments will be made against the above quota to crushers of linseed oil who do not qualify for quotas as established shippers.

No export quotas have been announced for groundnuts and groundnut oil, castor seeds and linseed. The announcement of inadequate export quotas coming on the heels of export duty is considered rather disappointing. Arrivals of groundnuts of the summer crop in Southern India were on the increase while oil stocks were also on the upgrade due to absence of any export out-

let. Expectations of release of groundnut oil for exports to Burma did not materialise. In view of the test; case challenging the validity of Saurashtra Government's prohibition of exports of groundnuts and groundnut oil, it was expected that the Saurashtra Government, having settled the issue with the merchants, might allow exports to territories in the Indian Union by stages. Some of the forward markets in the Nizam territory faced difficulties due to heavy decline in prices. All these factors led to considerable pressure on the Bombay market in groundnut as well as oil which recorded steep decline. The crop prospects in the main producing areas except for Saurashtra, where rains have been inadequate so far, are considered good, but it would be hazardous to build up crop ideas at this stage.

The vulnerable supply position of linseed to which reference has been made from time to time has resulted in a severe, slump and prices have dropped to new low levels after a year. There is very little of export demand for linseed and its oil, though quotas for oil have been dec land.

The Bombay Oilseeds Exchange has started hedge, trading in 10,52 May delivery contract from July 19. This might appear strange considering the fact that this crop has not been sown yet It is rather premature to deal in a crop which has not even been planted. Speculative activity is encouraged therein' but forward markets thrive on speculation. The outlook is bearish.

Receipts of oilseeds in Bombay from January I, to July 24, 1951 were as follows as compared to those of the corresponding period of last year:—

(In cwts.)

	1951	1952
Groundnuts	1,201,40(3)	1,561,441
Linscvd	398,387	619,791
Castor seed	679,108	611,220

**Land Reforms Acts**

The Vacation Judge of the Supreme Court of India, Mr. Justice Mehr Chand Mahajan, directed the Governments of Uttar Pradesh and Bihar not to enforce the provisions of the Zamindari Abolition Acts, and to maintain the status quo pending the hearing of 35 petitions filed under Article 32 of the Constitution challenging the validity of the Constitution (First Amendment) Act and the competence of the present "provisional Parliament" to amend the Constitution.

**Price Range of Oilseeds in Three Weeks**

(Oilseeds per cwt.; oil per quarter)

	July 4 Rs. As.	High Rs. As.	Low Rs. As.	July 25 Rs. As.
<i>Groundnuts:</i>				
Bold Ready	48-04	48-12	41-12	41-14
Bold July	48-06	48-06	41-06	41- 8
Bold Aug.-September	48-04	48-06	41-08	41-10
Bold Dec.-January	-	40-00	37-04	37-06
Khandesh quality	50-00	50-04	43-08	43-08
<i>Linseed:</i>				
Bold ready	40-12	40-06	35-12	35-12
July	40-12	40-06	35-12	35-12
August-September	40-14	40-08	36-00	36-02
October-November	---	38-04	36-08	36-08
<i>Castorseeds:</i>				
Madras ready	45-08	45-00	42-08	44-00
Sept. delivery	220-00	224-08	210-00	212-12
May 1951 delivery	---	197-00	185-00	186-00
<i>Oils:</i>				
Groundnut ex-mill	27-08	27-08	24-04	24-04
Groundnut Rly. receipt	26-10	26-08	23-10	23-12
Groundnut August	26-01	26-01	23-08	23-08
Groundnut September	25-14	25-12	23-02	23-02
Linseed oil ready	23-12	23-10	21-12	21-12
Castor oil commercial	25-08	25-08	22-08	22-08

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