

Company Notes**Andhra Insurance**

FOR the year ending 1951, the Andhra Insurance Company Ltd. received 9,852 proposals assuring a sum of Rs 249.05 lakhs. Out of these and others pending at the end of the previous year, 8,028 proposals resulted in policies assuring a sum of Rs 207.60 lakhs. Compared with the figure for 1950, the paid up new business increased by Rs 17 lakhs.

The total of net premium income during the year amounted to Rs 38.46 lakhs as against Rs 36.19 lakhs in the preceding year. The gross interest yield on the Life Fund works out at 3.95 per cent, while the net interest yield is 3.21 per cent. The Life Fund, even after providing an additional investment reserve of Rs 4.7 lakhs, stands at Rs 160.73 lakhs.

During the year, claims arising from Death and Maturity amounted to Rs 3.93 lakhs and Rs 5.59 lakhs respectively. All the claims arising from maturity and from deaths proved to the satisfaction of the Company were promptly settled. The death claims reveal a consistently favourable mortality experience. The expenses of management have been kept well within the limits prescribed by the Insurance Act 1938, in spite of the rising prices and consequent higher costs.

Though the depreciation in the market value of Government securities was over 7 per cent on the average, the Company was fortunate enough to cut down the depreciation to the extent of about 3 per cent, by anticipating the fall in long and medium dated securities and investing only in short dated scrips. The difference between the market and the book values of these investments was less than Rs 6 lakhs. As the Company already held Rs 1.3 lakhs in the Investment Reserve Account, a further transfer of Rs 4.7 lakhs was made during the year. As the Company has invested mostly in short dated loans it will realise these at par in a short time, the Investment Reserve Fund should strengthen the Company's financial reserves in future.

The working of the Fire and General Departments showed further improvement during the year. The net premium income in all these departments showed an in-

crease of Rs 1.64 lakhs over the previous year. The premium income in the Fire Department increased from Rs 1.69 lakhs to Rs 2.54 lakhs while the premium income in the Accident \* Department increased from Rs 1.24 lakhs to Rs 2.47 lakhs. The Company started writing Marine Insurance business for the first time during the year. One bright feature of the working of all these departments is the considerable reduction in total expenses for the year from 70.8 per cent of the gross premium to 54.6 per cent.

**United Nilgiri Tea Estates**

A FEATURE of the tea market last year was that only quality teas were sold at fair prices. The United Nilgiri Tea Estates Co. Ltd. was fortunate in this respect as its teas have long been known as the quality teas of South India.

The profits for the year ending March 31, 1952 however lower than those of the previous year at Rs 4.76 lakhs on account of lower receipts from tea sold and higher cultivation charges. The proceeds from tea sold have fallen from Rs 17.09 lakhs to Rs 15.28 lakhs, while the cost of cultivation and crop expenses have risen from Rs 7.94 lakhs to Rs 8.10 lakhs. The net profits for the year are arrived at after providing the

Reserves for Taxation, Depreciation and other charges. The directors have recommended a final dividend of 12 per cent, which together with the interim already paid at 8 per cent will give a total of 20 per cent for the year. Out of the profits, a sum of Rs 1.5 lakhs has been recommended for transfer to the Development Reserve.

The crop of made tea for the year at 8.10 lakh lbs was a record one against 7.42 lakh lbs in the previous year, it has caused disappointment however as it fell far short of the estimate of 8.5 lakh lbs. "This was due to the prevalence of Blister Blight as this disease undoubtedly did some damage.

On account of insufficient rain, the current year's production has been only 8 lakh lbs instead of the estimated 9 lakh lbs. One good feature for the current year is the higher prices realised on quality teas sold. The estimated cost of production for the current year was 128.23 cents (20.52 annas) per lb based on a crop of 9 lakh lbs made tea which it is not possible to realise now owing to the very short rainfall this year. With a smaller crop the cost of production will be higher than this. The crop and the future prospects of the Company are mostly dependent however on adequate rainfall in the immediate future.

*At Home and Abroad***Provident Fund for Workers**

ARRANGEMENTS have been completed for setting machinery for administering provident fund for workers in the six industries scheduled under the Employees Provident Fund Act passed during the last session of the Parliament. The six industries are—cotton textiles, iron and steel, cement, engineering, paper and cigarette. A (halt scheme framed under the Act and circulated for comments in April last has been finalised and published in the Government of India Gazette Extraordinary.

Collection of the contributions from about 1½ lakh employees in the scheduled industries from about 1,600 factories employing them will start from November 1. There is an important change in the final scheme by which an employee will be entitled to the employer's contribution to the extent of fifty per cent, if he

has completed five years' service instead of ten years' service as originally provided. To be entitled to the full share of the employer's contribution, the employee will have to complete only 20 years' service and not 25 years' service as had been originally laid down. Conditions for forfeiture of the fund have been also liberalised in favour of workers.

The fund will be administered by a Board of Trustees at the Centre and similar boards in each State. Government, industry and labour will be represented on all these boards.

Some 400 factories are understood to have applied, as allowed, for exemption from the Act on the ground that they already have provident funds, rules of which are in conformity with the provisions of the Act or even more favourable to the workers.