

### Tin Weak

**N**ON-FERROUS metals were generally dull. Copper, zinc and lead held steady, while tin suffered a further setback due to persistently weak advices from Malaya and Singapore. After being done up to Rs 103 tin "Asharh" delivery declined to Rs 97-12. Prospects of an early peace in Korea has pushed Malayan tin to 289-} Straits Dollars per picul, the lowest level for about three years. The fall is also attributed to renewed American interest in Bolivian tin. The mercury market was almost deserted with "Asharh" delivery fluctuating at between Rs 425 and Rs 428 per flask of 75 pounds. Although prices are low, buyers have been scared by the fear of large deliveries at the maturity of the contract.

Black pepper was steadier with small business. New York was not an eager buyer, but growers were reluctant sellers. August delivery was further up by Rs 30 at Rs 2,430 per candy. Cloves suffered a further heavy fall due to lower Zanzibar advices. The spot quotation was marked down from Rs 535 to Rs 475 but improved later to around Rs 490 per Bengal maund on reports that arrivals might not be as heavy as anticipated earlier. Sugar continued steadier with "Shravan" delivery fluctuating at between Rs 88-12 and Rs 88 per bag.

### US Cotton Estimates

The area under cotton in the USA on July 1 this year was 24,618,000 acres, 9 per cent less than last year, according to the US Department of Agriculture. Production will not be estimated until next month since some loss of acreage is expected to result from drought and other weather factors. In other areas also yields will be lower.

On the basis of an average yield of 275 lbs per acre (obtained during the last five years), the crop from the present acreage would be over 14 million bales of 500 lbs each compared with last year's crop of 15,136,000 bales.

The surplus as on August 1 is expected to exceed five million bales which will be added to 1953 cotton product'dii. Against this over 13 million bales are expected to be used up, through domestic consumption and exports during the 1953-54 marketing year. Cotton exports are estimated at 3.3 million bales, approximately half of the volume for 1952-53.

### Company Notes

## Hind Cycles

**D**ESPITE the slump in the cycle trade, the year ending December 31, 1952 was very good indeed for the Hind Cycles Ltd. The company was able to step up its production of bicycles by 20 per cent, from 1,08,810 to 1,30,053 complete units. Despite strenuous efforts of the sales organisation of the company, and because of the slump in the trade, the increased output could not be sold and there was a heavy accumulation of stocks, quite unprecedented in the life of the company, the stock-in-trade at the end of the year rising to Rs 34.80 lakhs from Rs 7.17 lakhs.

Selling, however, does not remain a problem, thanks to the scheme that has been worked out by the Ministry of Commerce and Industry in consultation with manufacturers and the trade for allocation of home-produced bicycles to importers on a fixed basis. With disposal of stocks thus assured, the directors have thought fit to recommend a modest rise in the dividend on ordinary shares by annas 8. Actually, as stocks of the company have always been valued at net selling contract rates for finished and assembled units and for the balance, including processed materials at cost, there has been no departure in this respect. It would have been interesting to know, however, if the scheme evolved by the Ministry of Commerce and Industry has helped the company in securing selling contracts, or these contracts have been arranged independently.

Despite lower sales, profits for the year were nearly maintained at Rs 3.7 lakhs after providing for depreciation, deducting Managing Agents' commission on profits and setting aside Rs 2.82 lakhs for taxation. The directors propose to maintain the appropriation of Rs 1 lakh to Dividend Equalisation Fund and Rs ½ lakh each on Debenture Sinking Fund and Reserve Fund. The dividend to shareholders is proposed to be raised from Rs 7-8 to Rs 8 per share, free of income-tax.

The Profit and Loss Account shows the revenue from sales at Rs 125.07 lakhs. Deducting the commission paid at Rs 17.76 lakhs, the net sales amount to Rs 107.31 lakhs. On the debit side, the cost of stores and materials consumed amounted to Rs 70.65 lakhs and salaries and wages, including bonus for 1551, to Rs 35.87 lakhs. The sales and manufacturing expenses

stand at Rs 8.61 lakhs while the provision for depreciation has been kept at Rs 7.8 lakhs,

### Tomco

**D**OES the fall in sales of soaps and other toilet products reported by the Tata Oil Mills Co for the year ending March 1953, reflect a fall in middle class incomes or of consumer spending in general? A breakdown of sales by products suggests it would be hasty to draw such a conclusion, though the directors refer to the "general economic depression" and hazard the statement that the fall in demand for Tomco soaps was "believed to be due to the general decline in purchasing power of the middle class consumer".

One has to be cautious because, though the company's production of toilet soaps had to be curtailed because of a fall in demand, the total soap production in the organised factories during the year to March 1953 does not show a corresponding fall. The total production for these 12 months amounted to 85/230 tons as compared with 85,946 tons in the previous period. As figures of year-end stocks of soaps are not published, one cannot be quite sure, but the inference is difficult to resist that even if the market for soap was shrinking, Tonieos were not maintaining their share of sales. To whom were they losing their sales? The fall in sales of hair oils which led to a curtailment of production by about 18 per cent is not open to any such dispute.

Consumer preference has shifted from Cocogem to Vanaspati because of its lower price and this led to a reduction in the output of this product which the company has sought to establish for two decades. This is compensated, however, by the increased production of Pakav, as a result of the new gas plant, going into operation.

These set-backs, however, have not discouraged the company from forging ahead with a number of technical improvements and new constructions. The first is a protective measure, putting into commission a diesel generator capable of supplying about 50 per cent of the total requirements of the Tatapuram factory as a safeguard against recurrence of power cuts. The company is setting up equipment for the manufacture of soap powder. As a

'first step towards utilisation of cotton seed oil, it has installed two delinters for delinting cotton seeds prior to crushing. A solvent extraction plant is under erection for recovering the residual oil from oil cakes and should be ready for operation by the end of this month. Finally, there is the new building for the company's research laboratory which was completed during the year. The laboratory started functioning from last March.

The gross revenues for the year were lower by Rs 33 lakhs at Rs 381.12 lakhs. Profits, before providing for depreciation, Managing Agents commission and taxes, were lower by about Rs 4 lakhs. Consequently, the provision for depreciation has been lowered from Rs 12 lakhs in the previous year to Rs 10 lakhs.

The net profits of the company are, however, only slightly lower at Rs 24 lakhs as against Rs 26 lakhs in the last year. The dividend on ordinary shares has been recommended to be reduced from Rs 2 to Rs 1-12 per share, free of income-tax.

The prices of oils which had slumped heavily in the last quarter of the previous accounting year, rose steadily during the year. The movement of prices of oils were as follows:

	(in Rs per ton)		
	Coco-nut	Groundnut	
April 1952	1,290	1,200	1,350
March 1953	1,785	1,750	1,650

The two factories of the company crushed about the same quantity of copra as in the previous year, but the tonnage of groundnut and mowra seeds crushed was substantially lower, partly because of poor crops and partly because the price of oil was more favourable than that of seeds. The company was able to make up the shortage of groundnut and mowra oil by using cotton seed oil purchased locally and palm oil imported at a favourable price from the Far East. During the latter part of the year castor seeds were crushed in the Bombay factory and the oil exported to the USA. The company is hopeful of developing this business.

Although the sales of laundry soap showed some improvement over the previous year, production was lower by about 12 per cent during the power cuts at the Tatapuram factory for a certain period. On the other hand, the production of toilet soap had to be curtailed to some

extent because of a fall in demand. There has been a slight improvement in the demand since January.

While the output of glycerine declined proportionately with the reduced production of laundry and toilet soap, sales in the local market were maintained at about the same level as in the previous year, the surplus being exported. In contrast with the position in previous years, the price of glycerine abroad was lower than in the Indian market, because of a fall in demand consequent on the Korean truce negotiations. Whilst the production and sales of Eau-de-cologne were about the same as before, the production of hair oil had to be curtailed by about 18 per cent due to a fall in sales.

During the year under review, there was a fall in sales from Rs 447 crores in the last year to Rs 4.15 crores mostly on account of the de-

pressed state of the market. Market conditions, however, showed a general improvement during the last quarter of the year.

### German Industrial Exhibition

The Government of India has decided to participate in the German Industrial Exhibition which will be held in Berlin from September 29, to October 11. Goods produced or manufactured in India will be eligible for exhibition only after being approved by Government.

The list of exhibits meant for exhibition or publicity (except products of handicrafts) is to be forwarded to the Director of Exhibitions, Ministry of Commerce and Industry, for approval. For handicraft products, participants may forward small consignments of their exhibits to the Central Cottage Industries Emporium, New Delhi, under advice to the Director of Exhibitions.

**Concessional**  
**RETURN-TICKETS**  
**TO HILL STATIONS**

I, II and Inter Class Return tickets at one and half single journey fares will be issued up to October 31, 1953, from all stations over this Railway to the following stations:

<b>Simla,</b>	<b>Kodaikanal,</b>
<b>Dehra Dun,</b>	<b>Abu Road,</b>
<b>Pathankot,</b>	<b>Coonor,</b>
<b>Kathgodam,</b>	<b>Darjeeling,</b>
<b>Ootacamund,</b>	<b>Kurseong</b>

**and Shillong**

Tickets will be available for completion of return journey for a period of three months from the date of issue. No break of journey on outward trip is permitted.

*Full particulars can be had from Stations.*

**CENTRAL  RAILWAY**