

U S government has in the past brought up agricultural produce to destroy it for the sake of maintaining high prices. On the other hand, during the last war England instituted a system of subsidies for agriculture and continues it in one form or another even now. The principle is to fill the gap between the cost of production and the selling price of the produce from the general income of the state.

To subsidise a necessity, in itself

Company Notes

Premier Automobile

THE Eighteenth Annual Report of Premier Automobiles for the year to June 30, 1962, shows that the income from sales has declined sharply by Rs 1.26 crores to Rs 21.48 crores and that the profit, after providing depreciation, development rebate and taxation, has fallen to Rs 39.54 lakhs compared with Rs 60.59 lakhs in the previous year. Adding Rs 4.71 lakhs being the balance of previous year brought forward and Rs 14.60 lakhs transferred from deferred taxation reserve, a total of Rs 58.88 lakhs is available for disposal. From this, a sum of Rs 17.72 lakhs is appropriated to make adjustments in respect of expenses, etc, and provision for taxation of previous years, and out of the balance of Rs 41.16 lakhs, the Directors have proposed a dividend of Rs 7 per share, subject to tax, as against Rs 9 in the previous year, which will absorb Rs 39.32 lakhs and leave a balance of Rs 1.84 lakhs.

The poor performance of the Company is attributed by the Directors mainly to a lower turn over due to a fall in demand for trucks, a rise in costs, particularly in wage bill (including Rs 15.08 lakhs paid to staff as bonus for 1959-60), and a larger provision for taxation at higher rates. Further, the Company had to pay from July 1, 1961, enhanced fees for technical assistance under the new agreement with Fiat S P A.

The manufacture of components and parts is progressing satisfactorily. Premier manufactured transmissions are being used on Fiat cars since October last year. The front and rear axles produced in the factory form 17.84 per cent of the indigenous content of trucks.

uneconomical, to run on commercial base, is not a new phenomenon. Education was considered at one time as solely a source of income for those who dispensed it. People got such education as* they could afford to pay for. The same applied to medical care. And yet now these are accepted almost universally as the duty of the Government towards the society they are ruling, and are paid for from general taxation.

As regards the Company's sheet metal component project, orders for machinery and equipment of the value of 6.5 million dollars have been placed through Chrysler Corporation, and the machinery is expected to be received shortly. The cost is being met from the loan of 7.2 million dollars granted to the Company by the U S Agency for International Development.

An agreement for a further loan of 3 million dollars from the A I I for the purchase of dies, jigs, fixtures and other machinery and equipment for the S M C project was signed in June this year.

The Company has entered into an agreement with Henry Medows, England, securing an exclusive licence to manufacture and sell India Medows engines and component parts. The production of Meadows engines has begun. Full productive capacity will be reached as soon as new machine tools ordered are received and installed.

Government has allocated Rs 1 crore in foreign exchange for the import of machinery and equipment required for the expansion of the Company's plant. The Company is now producing Shock Absorbers under an agreement with Monroe Auto Equipment, U S A and has appointed Monroe S A as exclusive selling agents to market the Company's Shock Absorbers in territories not covered by the Company. The agency is for a period of 5 years subject to sanction by the shareholders.

The Company's subsidiary, Premier Auto Electric, has taken up distribution of Beacon dynamos, etc, manufactured by Best & Co, in collaboration with Simms Motor, England. P A E has also extended

the range of Prakash products which are in the market.

Investment Corporation

THE Investment Corporation of India completed 25 years on March 5, 1962, and to mark this event, the Board has recommended an additional dividend of 1 per cent on its ordinary shares as Silver Jubilee bonus for the year ended June 30, 1962.

The Corporation's income during the year by way of dividend and interest has moved up to Rs 29.45 lakhs on its investments which stood at the end of the year at Rs 517.73 lakhs, against Rs 27.07 lakhs on an investment of Rs 504.66 lakhs in the previous year. Other sources of income such as service charges, underwriting commission, etc have yielded Rs 8.28 lakhs (Rs 7.43 lakhs) raising the total income to Rs 37.72 lakhs (Rs 34.50 lakhs). Expenditure excluding provision for taxation has increased to Rs 13.97 lakhs (Rs 11.14 lakhs). The net profits, however, have remained slightly higher at Rs 23.75 lakhs (Rs 23.36 lakhs). The Directors have written back Rs 3 lakhs being the amount provided in excess for taxation in the previous year, and have allocated Rs 1.75 lakhs this year for taxation, as against Rs 5 lakhs previously. Taking into account the balance from the last year of Rs 0.71 lakh, the net profits for the year available for disposal amounts to Rs 25.71 lakhs (Rs 18.53 lakhs), from which Rs 5 lakhs (Rs 0.59 lakh) is transferred to the General Reserve, Rs 19.38 lakhs (Rs 17.34 lakhs) is allocated for payment of dividends and Rs 1.32 lakhs (Rs 0.71 lakh) is carried forward. The dividend on ordinary shares is proposed at Rs 9.50 per share of Rs 100 each including Re 1 as Silver Jubilee bonus as against Rs 8 per share for the previous year.

The Corporation's holdings in unquoted Indian shares amounts to Rs 1.60 lakhs on which it has realised an average return of 5 per cent. The Corporation's investments as on June 30, 1962 shows an appreciation of Rs 35.20 lakhs, working out at 6.8 per cent. Sales of investments during the year resulted in a profit of Rs 10.53 lakhs out of which Rs 1.99 lakhs is provided for Capital Gains tax and Rs 8.54 lakhs is transferred to Capital Re-

serve which now stands at Rs 114.18 lakhs (Rs 105.63 lakhs). The Corporation's paid up capital continues unchanged at Rs 220.22 lakhs.

The Corporation's subsidiary, India Standard Metal, in which it holds 53 per cent of the ordinary shares and 29 per cent of the preference shares has paid dividend at 10 per cent on the ordinary shares.

In his statement accompanying the Report, the Chairman observes that during the 25 years of its existence the Corporation has been active in almost every field normally covered by an Investment or Issue House. In addition to promoting and managing industrial concerns of its own, the Corporation has taken a leading part in the promotion and financing scores of new enterprises and has participated to the extent of Rs 9 crores in the underwriting of a large number of capital issues. Many of the Companies the Corporation has promoted or assisted such as National Rayon, National Kkco, Ceat Tyres, Henley Cables are today in a position to contribute substantially to the essential defence requirements of the country.

Nirlon Synthetic Fibres

THE nylon plant of Nirlon Synthetic Fibres and Chemicals, Bombay, (formerly Nanubhai Industries) was formally inaugurated by the Union Finance Minister, Shri Morarji Desai, on Sunday last. The plant has a capacity of 2 tonnes of nylon yarn per day, (making it perhaps the largest of its kind in India), which can be expanded to 54 tonnes per day. When expanded, the plant will produce high tenacity tyre cord which can be used for truck, jeep and aeroplane tyres. The company will also establish a caprolactam (raw material for nylon) plant so as to make it self-sufficient in its raw material requirements.

There has been a growing demand for nylon in India in recent years. Imports have rapidly increased from 97,647 lbs in 1956 to 3,401,350 lbs in 1961 valued at Rs 300 lakhs.

Apart from meeting civilian requirements, nylon is of use in defence production, particularly for the manufacture of fabrics, ground-sheets, lightweight tents, gun and equipment covers, parachutes etc.

The company has secured technical and financial collaboration from

the Von Kohorn International Corporation of New York who have invested Rs 50 lakhs in the company's equity shares and will invest a further amount of Rs 41 lakhs when the expansion scheme is taken in hand. For the caprolactam project, the company proposes to enter into financial and technical collaboration with some other reputed U S firms.

According to present schedule, the expanded plant will be ready to go into production some time in the first quarter of 1964 and the caprolactam plant in the middle of 1965.

Humphreys and Glasgow

AT a time when the country is in need of technical know-how in different directions, the offer by Humphreys and Glasgow, the well-known firm of international consultants, contractors and engineers to make available specialised service of a much more elaborate nature than are available in India at present and to accept payment in rupees will

Around Bombay Markets

Commodity Prices Decline

Thursday, Morning

UNLIKE the stock market which is always quick to beat a sharp retreat on any deterioration in the political situation, commodity markets are known to shoot up on war news. Rut instead of recording a rise, commodity markets generally have shown a distinctly easy tendency since the Chinese attack on India's northern borders. And the decline in prices has been quite heavy in many cases. Cotton futures have come down from Rs 754 to Rs 681 per 3 quintals and the fall has not been less pronounced in spot cotton prices. Among oilseeds, groundnut futures have moved down from Rs 233 to Rs 204.50. castor from Rs 172 to Rs 156.50 and linseed futures from Rs 40.50 to Rs 36.50. Bullion prices also have had a sharp break, with gold ready down from Rs 124 to Rs 85 (*per 10 grams*) and silver ready from Rs 224 to Rs 188 (*per kilogram*) — the latest quotations are, however, substantially higher. Non-ferrous metals, jute, chemicals, spices and copra — all have suffered sizable losses in recent weeks.

evoke much interest. This may make a significant contribution to the industrial development of the country.

Humphreys and Glasgow have a large team of chemical engineers and their processes for the manufacture of ethylene and other petrochemicals are specially significant. The firm has offices in different parts of the world and through them is widening its contacts and services to the chemical industry.

Despite its recent start, the Bombay office has on hand contracts valued at over Rs 8 crores, two of which are for the setting up of a plant for the manufacture of dyestuffs, intermediates and allied products for ATUL and a plastics and sulfadruugs plant for CIBATUL at Bulsar. Though a foreign firm, Humphreys in conformity with its international policy, recruits qualified local personnel and, where necessary, trains them in its offices abroad.

Food grains and pulses have also been showing an easier tendency.

The cease-fire by China and the gradual withdrawal of the troops from the Indian territory have brought little respite to markets which had rudely shaken by the unprovoked aggression. The prevailing depressed mood of the commodity markets is in sharp contrast to the Government's serious concern about holding the priceline. It would be naive to suggest that the market bull has responded to the Government's appeals seeking full co-operation in this hour of national crisis. He has been forced to beat a hasty retreat in sheer self defence. Bette harvests, increased pace of new crop arrivals, growing monetary stringency, increased liquidity preference because of the political uncertainty, official warnings against a rise in prices and the assumption of wide powers by the Government under the Defence of India Rules — all these factors have contributed in varying degrees to the profound