India 9.92 per cent (9,03 per cent) in Gobind 10.38 per cent (9.64 per cent) and in Bharat 9.94 per cent (9.58 per cent).

All the four units have recorded higher sales. Sales of Upper Ganges went up from Rs 3.97 crores in 1961-62 to Rs 4.54 crores in 1962-63. New India's sales increased from Rs 1.59 crores to Rs 1.75 crores, Gobind's from Rs 1.28 crores to Rs 1.55 crores and Bharat's from Rs 0.92 crore to Rs 1.09 crores. Pre-tax profits after providing for depreciation and development rebate reserve m the case of Upper Ganges and New India were higher at Rs 39.43 lakhs and Rs 10.75 lakhs respectively compared with Rs 36.15 and Rs 8.16 lakhs in the previous year. But in the case of Gobind and Bharat, pre-tax profits were less at Rs 5.87 lakhs (Rs 7.43 lakhs) and Rs 5.98 lakhs Rs 6.89 lakhs) respectively. Taxation Reserves absorbed Rs 26.75 lakhs (Rs 17.80 lakhs) in Upper Ganges, Rs 6 lakhs (Rs 4.62 lakhs) in New India. Us 4,10 lakhs (Rs 3.94 lakhs) in Bharat and Rs 3.70 lakhs (Rs 4,57 lakhs) in Gobind. Dividends in all the companies have been maintained, Upper Ganges declaring Rs 7.25, New India Rs 3.65, Gobind Rs 2 and Bharat Rs 1.50 per share of Rs 10 in each case. Bharat however had to transfer Rs 1 lakh from the Dividend Equalisation Reserve to repeat the previous dividend.

Having set a production target of 33 lakh tonnes of sugar for the current season, Government have increased the price pay aide by the sugar factories to cane. The price varies from area to area; the price payable by Upper Ganges is fixed at Rs 5.36 per quintal (Rs 4.34,) while New India, Gobind and Bharat have to pay Rs 4.82 (Rs 4.38), Rs 5.36 (Rs 4.38), Rs 4.82 (Rs 4.38) per quintal respectively, The price of sugar is fixed at Rs 115.25 (Rs 108.50) per quintal for Upper Ganges and Gobind and at Rs 112.75 (Rs 106.50) per quintal for New India and Bharat. The Directors of the four units say that the price of sugar fixed is not adequate keeping in view the increased price of sugarcane and the increase in the cost of production.

The export quotas of all the units were handled by the Oudh Sugar Mills by arrangement for the sake of convenience.

Blue Mountain Estates

THE production and sales of Blue Mountain Estates have shown much improvement during the year ended June 30, 1963. The tea crop harvested was higher at 8.54 lakh kilos compared with 7.16 lakh kilos in 1961-62. The coffee crop realised was also better at 8 lakh kilos as against 6.12 lakh kilos in 1961-62. Due to intensive cultivation the crop has increased by nearly 2.50 lakh kilos during the two years and is expected to reach 15.00 lakh kilos by 1970.

Likewise, sales realisations of tea alul coffee were substantially higher at Rs 45.53 lakhs and Rs 30.7M lakhs compared with Rs 36.11 lakhs and Rs 21.39 lakhs respectively.

The Company's superphosphate factory which went into production in August 1962 produced 20,500 tons of superphosphate. Proceeds of fertilisers sold amounted to Rs 37.70 lakhs as against Rs 1.19 lakhs in the previous year. In spite of higher sales realisations, the net profit available for appropriation fell from Rs 8.19 lakhs to Rs 5.88 lakhs. Expenditure under various heads show, ed a sharp rise; more particularly depreciation absorbed Rs 9.03 lakhs as against Rs 2.03 lakhs. Taxation provision also took away Rs 6.50 lakhs being Rs 2.26 lakhs more than before. The Company had lo draw Rs 2.50 lakhs from Dividend Equalisation Reserve to repeat the equity dividend at 10 per cent.

Export incentives, incentives for 1iew plantings for coffee and tea, long term loans from the commodity Boards and facility to purchase plant and machinery on hire purchase and similar measures have by and large helped the industry. But the basic factor to put the industry on a stable basis and help its advancement, according to Shri D C Kothari. Chairman of the Company, is the cost structure of the produce. The industry cannot always live on extraneous assistance; it will have to rely on itself and that is possible only if the present tax burdens are lightened. In the export market Indian coffee is not competitive but there is no complaint about its qua. lity. Hence the need arises to adjust cost and price to expand the exports, says Shri Kothari

FACT

FERTILIZERS and Chemicals, Travancore, is coming again into the limelight. The Company has been directed by the Central Government to plan the construction of more fertilizer plants in the near future. This is part of the plan to attain the production target for fertilizers during the Fourth Plan period.

It may be recalled that the Company had embarked upon some major expansion programmes since. i960. In the first stage, completed in I960, the Company manufactured Factamfos (ammonium phosphate). At the second stage, completed in 1962, the wood gasification plant of the Company, which was uneconomic, was replaced by an oil gasification plant based on naphtha, whereby the production capacity was to be raised to 30,000 tons of nitrogen and to 13,600 tons of phosphorous pentoxide which would secure as end products 100.000 tons of ammonium sulphatr. .33, 000 tons of ammonium phosphate, 8,000 tons of ammonium chloride and 4-1,000 tons of superphosphates. At the third stage of its expansion programme, which is now in hand, the Company intend to raise its capacity to 70,000 tons of nitrogen and 33, 500 tons of phosphorous pentoxide which would in turn lead to a correspondingly higher output of end products.

Although the second stage of expansion marked a significant advance in technology, in using naphtha as feedstock, the progress did not fulfil the expectations. There were severe setbacks in production, which hardly reached 75 per cent of the rated capacity, in 1962-63 on account of various factors like drastic power cuts, salinity in water and shutdowns for the change over from one process to another. Again teething troubles in the new plan! and minor fire accidents causing damages to some instruments haw also affected production. Production of ammonia fell to the extent of 8,200 tons affecting the output of end products also. Only in items like fertilizer mixturs which arc not dependent on ammonia, has the Company maintained its production during the year 1962-63.

The third stage of expansion is sanctioned, and even substantially financed, by the Central Government. The Government has subscribed shares of the value of Rs 3.5 crores and has granted a loan of Rs 4 crores. Besides, a foreign exchange credit of Rs 4.27 crores has been allocated to the Company to import 'necessary plant and machinery. The third stage is expected to be completed in 1965-66.

Rising costs and enhanced customs duty and taxes, however, haw put up the estimated cost of the third stage to Rs 12 crores as against the original estimate of Rs 11 crores. Further, the power cut is likely to last till 1965 and will tend *to* hamper the production of the Company. The salinity cf the water available to Ihe Company needs to be controlled if production is not to be a fleeted.

Government of India is now the major shareholder in the Company. Besides, the Kerala and- Madras Governments have also substantial shareholding interests. The Company was founded in 1913 and passed over dividends for several years during the 19 years of its existence. The last dividend paid was for the year 1961 at 6 per cent. The Rs 10 share is currently quoting at Rs 6.45.

During the 15 months ending March 31, 1963 the Company's operations have resulted in a net loss of Rs 35.66 lakhs as against a profit of Rs 32.64 lakhs during the 12 month period ended December 31, 1962. The loss was met in full by drawing from the previous profits carried over and from the taxation reserves not required.

The Company is now planning a joint venture with an English firm for the fabrication of chemical equipments in order to serve the needs of the fertilizer, petroleum and petro-chemical industries in the country and to save foreign exchange. The cost of the project is estimated at Rs 1.50 crores.

Steel and Allied Products

STEEL and Allied Products has maintained its sales at Rs 60.62 lakhs for the year ended June 30, 1963, but the turnover would have been better but for the go-slow tactics of workers and a three-month strike. Labour relations later on improved and resulted in higher productivity and maintenance of sales. Pre-tax profit after providing depreciation at Rs 3.44 lakhs (Rs 2.91 lakhs) amounted to Rs 6.54 lakhs compared with Rs 8.82 lakhs in the previous year. No amount has been taken to General Reserve which got Rs 1.50 lakhs last year. Taxation including SPT absorbed Rs 4.65 lakhs (Rs 4.50 lakhs). Dividend on the ordinary shares has been maintained at 10 per cent subject to the approval of the Industrial Finance Corporation of India and will absorb Rs 2.25 lakhs.

The Company has now completed arrangements to start manufacturing Cold Segmental Saws from early 1964. The expansion programme for the manufacture of taps, dies and chasers in collaboration with Vermont American Corporation of U S A is under way and awaits import licence. The foreign collaborators will provide machinery of the value of 50.000 dollars as their capital investment against shares in the Company. The draft amendment providing for technical knowhow, etc, has already received the preliminary approval of the Central Government. To finance this project the Company proposes to make a fresh capital issue of Rs 2.50 lakhs which will be allotted to the foreign collaborators.

The Directors are hopeful of better working results for the current year.

Mysore Sugar

MYSORE Sugar's profit for the year ended June 30. 1963 shows a sharp fall to Rs 1.57 lakhs from Rs 12.17 lakhs in 1961-62. This is attributed to various reasons, such as smaller tonnage of cane milled and sugar produced owing to shortage of cane supply, revised scales of pay and wages under the Central Wage Board's recommendations, heavy interest charges, loss on account of sugat export quota and payment of additional bonus to employees for the preceding three years. The amount for appropriation was, however, raised to Rs 9.21 lakhs by writing back Rs 1.50 lakhs, being excess provision made in the previous year, by withdrawing Rs 5.80 lakhs from the Dividend! Equalisation Reserve and by taking into account the previous year's balance of Rs 26,000. Appropriations include: Donations Rs 1.04 lakhs (Rs 7000), Development rebate reserve Rs 0.81 lakh (Rs 0.23 lakh), Taxation provision Rs 0.70 lakh (Rs 10 lakhs). A sum of Rs 6.54 lakhs is taken to Dividend Reserve Account from which dividend will be paid at 30 per cent taxable, same as last year.

The Directors state that matters relating to increase of share capital, issue of bonus shares and investment of Rs 30 lakhs in shares of Mysore Acetate and Chemicals have been submitted to Central Government for approval. The Company has applied to Government for permission to expand its crushing capacity. As part of the Company's expansion programme some of the existing units in he factory will be replaced by new machinery and equipment for which orders have been placed* The Table below highlights the progress of the Company during the past five years.

Scindia Steam

SCINDIA Steam Navigation has added three motor cargo vessels to its fleet and intends to acquire two more to meet the requirements of its overseas trade.

Six vessels, ideally suited foi coastal trade to handle coal and salt traffic centred at the Calcutta port, have also been purchased. The Company has further acquired one small coaster for the west coast trade and intends to procure two more small coasters for the same purpose.

Mysore Sugar

(Rs lakhs)

	1958-59	1959-60	1960-61	1961-62	1962-63
Gross profit	31.89	42.33	38.92	36.59	29.59
Pre-tax profit	20.82	27.10	20.07	12.10	1.57
Taxation provision	8.00	13.50	11.00	10.00	0.70
Reserves	90.00	104.39	113.81	118.47	119.08
Dividends	6.54	6.54	6.54	6.54	6.54
Dividend (Per cent)	30	30	30	30	30
Sugar produced (Tons)	35771	31550	38949	37938	27390