

Business Notes**Associated Cement**

THE operations of Associated Cement Companies during the year ended July 31, 1963, have yielded better results over the previous year in respect of production, sales and pre-tax profit but not of net profit. Production in India and Pakistani increased from 40.52 lakh tonnes to 41.45 lakh tonnes. Despatches were also higher by 2.10 lakh tonnes at 41.91 lakh tonnes. Utilization of rated capacity improved from 93.1 per cent to 94.4 per cent. Sales and other incomes fetched Rs 37.45 crores compared with Rs 35.07 crores in the previous year, showing a rise of 6.8 per cent. Manufacturing and other expenses and interest charges went ahead by Rs 2.41 crores. Managing Agents' Commission and Provision for depreciation were less by about Rs 17 lakhs. As the total expenditure was higher by Rs 2.04 crores, the pre-tax profit was only marginally higher by Rs 14 lakhs, i.e., by 2.8 per cent at Rs 5.14 crores. Again taxation absorbed about Rs 25 lakhs more with the result that the net profit fell from Rs 1.93 crores to Rs 1.80 crores. Eventually from the amount available for disposal, Rs 1.63 lakhs have been transferred to Amortisation Reserve and the balance of Rs 179 lakhs to General Reserve. The Directors have recommended a dividend at 12 per cent (same as last year) which will however absorb Rs 230 lakhs from the General Reserve.

The profit earned, the Directors observe, would have been appreciably lower but for the increased profits from ancillary activities. Costs of production have contiguously shown a rise; railway freight has gone up by 15 per cent, coal prices by 12.5 per cent and stores and spares by 15 per cent. Increased royalty, higher contributions to Government Provident Fund and State Health Insurance Scheme etc, have imposed additional burdens on the Company. Besides inferior coal and power cuts have also been responsible for rising costs. The increase of Rs 2.75 per tonne granted by Government in the retention price of cement from June 1963 is still deemed inadequate by the industry, as costs have further in-

creased since then on account of factors beyond the industry's control.

To combat the rising costs, the Company has taken steps to increase productivity, and in order to centralise and co-ordinate such steps a productivity division has been established comprising industrial engineering, statistical quality control, Organisation and Methods and technical audit. The Central Research Laboratory at Thana is expected to be brought into use by end of March next.

Although Government revised the packing ratio of old to "new bags" from 1:1 to 1:2 from August 1963. Shri D M Khatau, Chairman of the Company, feels that the ratio is still high and that it should be revised to 1:3.

As regards the Company's expansion programme, the Jamul Works will start operations by the end of 1964. ACC-Vickers-Babcock started production last year and incurred a loss of Rs 92 lakhs till March 31, 1963, a good portion of the loss being attributed to provision for depreciation.

**Nirlon Synthetic**

NYLON has become a vital synthetic fibre for industry. In India also it is in great demand for tyre cord, rain wear fabrics, ground sheets, lightweight tents, gum equipment covers, safety belts, parachute harnesses, etc. It is because of its tensile strength, resistance to water, durability, lightness, etc, that it has become eminently suitable for commercial, industrial and defence requirements.

It is in this context that the "nylon plant of Nirlon Synthetic Fibres and Chemicals assumes importance. The Company will now go ahead with its Rs 10 crore programme of expansion of its present capacity for nylon yarn production. This was disclosed by Shri S Vaidyanatha Aiyar, Chairman of the Company, at the last Annual General Meeting. The Company will be undertaking for the first time in this country the production of nylon tyre cord and also Caprolactum, a principal raw material for the nylon industry.

To meet the growing demand for nylon in the country, the Company has decided to raise its present capacity of 2 tons of nylon yarn to 5.6 tons a day at a cost of Rs 2.77 crores. The Company has also plans to manufacture stretched nylon yarn used by the hosiery industry.

At present, the Company's requirements of Caprolactum the main raw material, are imported from USA against exports of fabrics to Europe, Middle East and Far East. Licence has now been obtained for establishing the Company's own Caprolactum plant with a daily capacity of 12 tons which will also supply the requirements of other units. The factory will be set up at Thana with American collaboration. Besides when the Caprolactum plant is in full production it will yield per day 60 tons of Ammonium Sulphate, a "nitrogen-rich fertiliser, as a by-product, and it will also be possible to tap cyclohexanone, an intermediary compound used in a number of industries like paints, lacquers, etc.

The Company started production from December 1962 and the working results of the four months showed a sales turnover of Rs 28.59 lakhs, and a profit before depreciation of Rs 2.70 lakhs. As depreciation had to be provided for Rs 16.74 lakhs there was a net loss of Rs 14.04 lakhs for the year ended March 31, 1963.

The Company proposes to issue 106,000 equity shares of Rs 100 each at par.

**Cotton Agents Sugar Group**

THE four sugar units under "the management of Cotton Agents, viz, Upper Ganges, New India, Gobind and Bharat have all reported lower crushing during the year ended June 30, 1963. Upper Ganges crushed only, 2.85 lakh tonnes of cane (4.35 lakh tonnes in the previous year). New India 1.24 lakh tonnes (1.97 lakh tonnes), Gobind 1.44 lakh tonnes (1.52 lakh tonnes) and Bharat 57,608 tonnes (1.17 lakh tonnes). The crushing was abnormally low owing to a cut in the sugarcane area and diversion of cane to gur and khandsari. Working days were therefore fewer. But in all the factories the average recovery was slightly higher, the recovery in Upper Ganges being 9.76 per cent (9.64 per cent), in New