

received manufacturing licence for Crosrol-Varga high production units and letter of intent for high production draw frames. It has also received licence for the import of tooling from Carding Specialists of the UK. Under the expansion programme, which is phased over a period of 3-4 years, the corporation proposes to manufacture two new products — Cross-Varga high production units (2,000 Nos) and high production Whitin draw frames (200 Nos). Besides, the manufacturing capacity of some other products is to be expanded — of speed frames to the licenced capacity of 90 and of PH diesel engines from 2,400 units to 5,000 units. The company has been sanctioned a foreign exchange loan of Rs 1.38 crores and a rupee loan of Rs 25 lakhs by I F C for implementing the expansion programme.

Raymon Engineering

SATISFACTORY progress is being made by Raymon Engineering in implementing its scheme for expansion of existing units and setting up of new lines of manufacture with foreign financial and technical collaboration. Final offers for the required machinery and equipment are awaited from abroad. Meanwhile, steps are afoot to purchase/acquire land adjacent to the existing works, and indigenous machinery is being purchased. The foreign participants, Garvey Grain of the U S and Phoenix-Rheinrohr and Handels Union, both of West Germany, have subscribed to the fresh equity capital of the company. A loan of Rs 21.4 million has been obtained from (ment). In addition, increased banking facilities have been provided by the company's bankers. The company has thus secured considerably improved USAID under PL 480 (Cooley amendment) financial resources. When this scheme is fully implemented, there would be a substantial improvement in the quality, variety and volume of wagons, forgings, pressings and structural fabrication, and the company would also undertake production of new items such as large diameter spirally welded pipes, cranes and heavy steel construction. The future outlook for this growing concern, therefore, appears promising.

Meanwhile, the year to March 31 last has again been a period of "stress and strain" when, though the structural fabrication and forgings, stampings and pressing operations showed slight improvement, the wagon production operations received a set-back.

with the labour troubles continuing and hampering the work. The order for 1,000 'O' type broad-gauge wagons, however, has since been completed, and work on the two orders for 1,750 'CR' (covered) type wagon has been taken in hand under more favourable conditions. The large inventories of matching steel and other items which were procured in advance should stand the company in good stead in the manufacture of these wagons. The 1964-65 results show that, despite increase in the amount billed from Rs 60.27 lakhs to Rs 68.12 lakhs, the outcome was a bigger loss of Rs 9.70 lakhs (5.60 lakhs) due mainly to the increased interest charges on borrowings and higher wages paid to workers. Together with the previous losses of Rs 28.73 lakhs and miscellaneous expenditure yet not written off or adjusted amounting to Rs 7.01 lakhs, the total deficit has amounted to Rs 45.44 lakhs.

Bombay Suburban

WHILE the proposal to amend the Electricity (Supply) Act, 1948 to provide inter alia, for a measure of liberalisation of the rate of permitted "reasonable return" is still in suspense, this rate has undergone an upward revision following the two increases of one-and-a-half per cent in the Bank Rate during the past about a year. The basic proposal now pending before Government is to permit licensees to treat as operating expenditure the actual interest plus a half per cent on loan capital if a licensee is obliged to raise such capital at a rate of interest higher than the "standard rate".

Bombay Suburban Electric Supply intends to issue debentures of the face value of Rs 2.5 crores at a rate of interest not exceeding eight per cent for raising additional finance to cover capital expenditure required for further expansion. In his Chairman's review circulated to shareholders with the company's report for the year 1964-65, A N Haksar says that over the last decade system demand and energy off-take has been doubling itself every five years and that barring some temporary recession, demand for electric power will continue at the present pace for some time to come. Haksar has pleaded for prompt release of foreign exchange and quick issue of import licences for the very essential requirements of the electricity industry, which has been accepted as a basic industry.

Meanwhile, the company has well maintained growth in sales and earnings during the year ended March last when energy sales increased nearly 19.5 per cent to exceed the 300 million kilowatt-hours mark and revenue receipts over 19 per cent to top Rs 3 crores mark. The company earned a profit of Rs 48.83 lakhs, against Rs 34.09 lakhs, after providing for depreciation and taxation. Of this, the increased total dividend of 10 per cent requires Rs 21.01 lakhs (15.85 lakhs).

Hindustan Ferodo

IN order to keep abreast of market trends, Hindustan Ferodo has set up a market research department and plans to add during 1966, two new products to its manufacturing range; one is asbestos millboard, which is used for heat insulation and as an alternative form of gasket material, and the other is "Ferobcstos" asbestos-based industrial plastic materials. This was stated by Kenneth Neve in his Chairman's statement read at the first annual meeting of shareholders held in Bombay recently. The demand for products of all the three main manufacturing divisions — friction materials, textiles and jointing materials has been at a high level, and extra plant is to be installed to meet anticipated demand.

During the nine-month period ended March last, the company's total turnover amounted to Rs 3.04 crores and profit before tax Rs 1.37 crores, exceeding the last year's comparative performance of Asbestos, Magnesia and Friction Materials, whose entire manufacturing business was acquired by Hindustan Ferodo from July last year. H D S Hardie, Managing Director, who presided in the absence of the Chairman, told shareholders that the current year's turnover was likely to be around Rs 4 crores and that the company could look forward with confidence to steady progress in the future.

Khatau Makanji

IN a year when things have not been pleasing for textile mills, erosion of margins revealed by Khatau Makanji Spinning and Weaving Company is scarcely surprising, particularly because nearly half of the company's production has been under statutory price control and costs have increased owing to continuous rise in dearness allowance, interest charges and prices of cotton, stores, chemicals and colours. Commenting on the current

year's prospects the directors say that unless prices of controlled varieties of cloth are suitably revised margins will continue to be under pressure. In addition, fresh increase in import duties and excises on various commodities announced on August 19 last is also likely to lower margins. The company continues to face the problem of getting its foreign exchange requirements due to the difficult foreign exchange situation, though new foreign markets continue to be explored for the company's products with a view to earning more foreign exchange.

The building for the Company's Borivli unit is nearing completion and the machinery is being installed. Some 1,500 spindles are expected to begin production by June next. The processing activities of Fashion Prints, the company's subsidiary, have been expanded to increase its earnings capacity. The financial results for the year to June last show sales slightly up from Rs 5.43 crores to Rs 5.51 crores and gross profit down from Rs 85.53 lakhs to Rs 74.53 lakhs. Of this, taxation absorbs a little more but there is a considerable saving in the provisions for depreciation and development rebate, with a result that equity earnings are a shade better at Rs 23.80 lakhs (23.36 lakhs).

Ashoka Cement

THE improved performance of the foundry division has helped Ashoka Cement to produce better results for the year ended March 1965, even though production and despatches were almost at the same level as last year. Production of clinker and cement in 1964-65 stood at 1,59,822 tonnes and 1,66,006 tonnes as against 1,59,963 tonnes and 1,67,036 tonnes, respectively, a year before. Similarly, despatches totalled 1,65,104 tonnes compared to 1,66,218 tonnes previously.

The year's trading resulted in a bigger net profit of Rs 9.49 lakhs against Rs 5.61 lakhs, after making necessary provisions. Of this, the proposed dividend raised by one per cent to eight per cent requires Rs 4.80 lakhs (Rs 4.20 lakhs) and has a much better earnings cover.

Bradbury Mills

RISING costs of manufacture with no corresponding increase in realisation coupled with substantial increase in interest charges due to heavier borrowings on account of expansion programme, brought down

Bradbury Mills' gross earnings in the year ended March last to Rs 8.64 lakhs from the previous level of Rs 14.03 lakhs even though sales were up from Rs 2.36 crores to Rs 2.54 crores. After making necessary provisions, net profit is reduced to only Rs 0.49 lakh (2.53 lakhs). The usual dividend on preference capital and that on equity dividend lowered from 30 per cent to

20 per cent together demand Rs 3.48 lakhs (4.48 lakhs). The shortfall is to be made up by a sizable transfer from reserves. During the year, the company added new machinery worth Rs 32.37 lakhs. All the major items of machinery like bleaching, dyeing and processing plants and automatic looms have already arrived and are in the course of installations.

It is time, now to start a **FESTIVAL ACCOUNT** for the next Diwali.

Monthly deposit of Rs. 5/- over the next year will yield Rs. 61.75 in time for the next Diwali.

Deposits of higher amounts in multiples of Rs. 5/- are also accepted.

THE BANK WITH SERVICE PLUS

United Bank of India Ltd.

REGD. OFFICE: 4, CLIVE GHAT STREET, CALCUTTA-1.

Bombay Office: Sir P. M. Road.
Ahmedabad Office: 13, Relief Road & Maneck Chowk.