Delhi Cloth and General Mills

FAIRLY satisfactory progress has been recorded in the year to June last by Delhi Cloth and General Mills in its various units engaged in the manufacture of diverse products such at textiles, sugar, confectionery, chemicals, vanaspati, artsilk fabrics, caustic soda, P V C resin, tyre cord, etc. The company continued its policy of modernisation and renovation of textile units. In order to meet the increasing demand for mixed yarns' 18,000 additional spindles are being installed at the Hissar Textile Mills. Poor crop conditions, coupled with heavy diversion of available supplies of cane to the gur and Khandsari industries, affected the •working of the sugar factories. The distillery and confectionery sections, however, did well. The 'production capacity of the Daurala Confectionery plant is being increased. The chemicals plant in Delhi worked satisfactorily. The vanaspati unit faced problems of availability and high cost of oil, but the rate of output was well maintained.

The Rajasthan Vinyl unit, which had its first fully year of operation, worked satisfactorily; the performance would have been still better but for the heavy power cut for the major part of the year. The rayon tyre cord plant was commissioned in the beginning of 196-5, and its products have been well received by tyre manufacturers. Notwithstanding adverse conditions, the company maintained its position in respect of textile exports. P V C resin was also exported during the year.

Despite all-round rise in costs, the financial results show advance in sales from Rs 42.38 crores to Rs 48.27 crores and in gross earnings from Rs 3.84 crores to Rs 4.35 crores, But the improvement is more than wiped off by the increased provisions for depreciation and development rebate, the former requiring nearly Rs 69.50 lakhs more at Rs 3.10 crores and the latter about Rs 6.80 lakhs more at Rs 1.02 ciores, Even though there is a saving of Rs 11 lakhs in taxation which claims Rs 16 lakhs, the balance profit is only Rs 6,53 lakhs compared to the previous year's Rs 21.37 lakhs. The unchanged distribution of 17 per cent on the equity capital demands Rs 74.68 lakhs (Rs 74.40 lakhs) and that on preference capital Rs 10.50 lakhs (Rs 8.23 lakhs). The shortfall In the balance of profit is to be made up by a sizeable withdrawal from reserves. What, however, is more significant from the shareholders' point of view is that gross retained profit, after taxes, provisions and proposed dividends, is higher at Rs 3.34 crores as compared to Rs 2.75 crores last year. Also, looking back one finds that over the five-year period ended June last, fixed assets (net after depreciation) have risen from Rs 6.81 crores to Rs 18.73 crores, share capital from Rs 4.11 crores to Rs 5.76 crores and reserves from Rs 6.33 crores to Rs 9.68 crores, lifting the net worth from Rs 10.44 crores to Rs 15.44 crores,

Orient Paper

THE existing capacity of the Brajrajnagar unit of Orient Paper Mills is to be increased by 11,600 tonnes with the installation of balancing equipment, besides carrying out the modernisation and renovation programme. The Amlai Paper Mills having a rated capacity of 48,000 tonnes of paper per annum was commissioned in the record period of about two years from the date of arrival of the first consignment of imported machinery at the site. The paper machine and some other ancillary units went into trial production in February last, and the pulp section was partially stated in June. Normal production is expected shortly after overcoming the usual teething troubles.

During the year ended March last, the production and turnover of paper and board were nearly the same as in the preceding year, but there was further increase in the wage bill, power and fuel, general expenses, etc, with the result that gross earnings dropped from Rs 1.74 crores to Rs I.19 crores. Of this, development rebate reserve alone requires Rs 1.15 crores; last year it had taken up only Rs 0.75 lakh. Depreciation charge demands Rs 91.97 lakhs (Rs 50.40 lakhs), and for this purpose Rs 89 lakhs have been withdrawn from general reserve. The tax liability is nil (Rs 47 lakhs), but for payment of usual dividend on preference shares and at Rs two a share on equity capital the company has to resort to ransfer from dividend equalisation reserve. Of the proposed dividends, 63 per cent will be exempt from the tax.

New Standard Engineering

FAIRLY encouraging progress has been reported by New Standard Engineering in the first half of the current financial year ending March next. As against sales of Rs 132.7 lakhs for the corresponding period in 1964, the sales this year were Rs 156.4 lakhs, The highest sales were for .structural works, which increased by over 45 per cent. Foundry sales wen[1] better more than 99 per cent. The sales of textile machinery at Rs 57.1 lakhs were over 18 per cent more than those of the corresponding period in the previous year, but since then there has been a stagnation in the textile indusry. Although the only manufacturer of blow room machinery in India at present, N S E has on hand blow room equipment worth Rs 20 lakhs which has as yet not been lifted by the mills. The extremely tight credit conditions and the surplus unsold stock with the mills have given rise to these conditions. But the stocks are expected to be lifted in a couple of months, as the company has secured deferred term facilities from I D B I.

The new machinery and equipment for the foundry at Goregaon has been practically set up and is expected to be completed by March next. The Coregaon foundry specialises in large castings and has recently commenced castings of 20 tonne anvil blocks for the Massey-NSE hammers. The company will shortly undertake single castings of upto 30 tonnes a piece. The prototype of the company's new line of manufacture, trimming presses, has already heen completed, and the regular manufacture of 200 tonne, 120 tonne and 60 tonne trimming presses in collaboration with B and S Massey of the U K will shortly begin.

Bharat Ball Bearing

BHARAT Ball Bearing is continuing negotiations for technical collaboration for the manufacture of roller bearings. Meanwhile, the company's existing products are well received in the market, and in spite of difficulties of raw materials and untrained labour, production has been increasing steadily. In the fifth year ended June 1965 the company has produced encouraging results: sales have risen from Rs 33.88 lakhs to Rs 1.02 crores and gross earnings from Rs 8.53 lakhs to Rs 17.15 lakhs. This outcome has enabled the company not only to provide Rs 9.06 lakhs for depreciation and wipe off the brought forward loss of Rs 3.92 lakhs hut also clear arrears of preferential dividends upto end-June 1964 absorbing Rs 3.77 lakhs.