at Rs 418.84 lakhs consist of a paid-up capital of Rs 250 lakhs and reserves and surplus of Rs 168.84 lakhs.

West Coast Papers Profit Drops

AN increase of 1.5 per cent to 7.5 per cent in the dividend on ordinary shares has been recommended by the directors of West Coast Paper Mills for the year ended June 30, 1961, following the maiden distribution made last year, in spite of the drop in earnings. This is evidently due to the fact that the lower net profit adequately covers the higher dividend distribution. It is. nevertheless, a matter of some concern to the shareholders that no addition to the reserves has been made.

The gross profit of the company has declined from Rs 112.30 lakhs earned in 1959-60 to Rs 105.77 lakhs. The provision for depreciation and development rebate has been raised from Rs 83.26 lakhs to Rs 87.33 lakhs, leaving a net distributable profit (including a small surplus brought in from last year) of Rs 18.98 lakhs, against Rs 28.74 lakhs, whereas last year a sum of Rs 19.23 lakhs had to be paid out as preference dividend including the arrears for four years, the absence of any such heavy burden — the preference dividend for 1960-61 requires only Rs 6.53 lakhs-—has enabled the directors to recommend a higher distribution on the ordinary shares. As in the previous year, no addition is being made to the reserves: almost the entire profit available for distribution is being utilised to pav the dividend on ordinary and preference shares.

The company's production of paper has increased from 22,461 metric tons (in 1959-60) to 25,771 metric tons, but the reduction in paper prices from January 1, 1960 which has been effective for a full year, has been responsible for the drop in the profit for the veer under review.

Indian Hume Pipe Broadens Activities

THE decision *of* the directors of Indian Hume Pipe to repeat the dividend at 13 per cent., albiet on a higher capital, for the year ended June 30, 1961, does not fully reflect the very encouraging results achieved by the company during the year. Thanks to the large contracts secured by the pre-stressed concrete pipe division and the opening of two more factories, one in Gujarat and the other at Hyderabad, the turnover has grown from Rs 2.32 crores to 2.60 crores and the gross profit has recorded a 51 per cent increase from Rs 37.87 lakhs to Rs 57.12 lakhs.

The rise in net profit is not of the same order as that in the gross profit, being only Rs 3.03 lakhs — from Rs 1 1.51 lakhs to Rs 17.57 lakhs. This is because of the larger statutory allocations that have been made. The provision for depreciation absorbs Rs 5.49 lakhs more at Rs 13.95 lakhs, and tax liability, which claims the largest share of the gross profit at Rs 21.75 lakhs, is higher by Rs 9.75 lakhs. The managing agents' remuneration amounts to Rs 3.85 lakhs, against Rs 2.88 lakhs.

The bulk of the increase in net profit is absorbed by the dividend on a higher ordinary capital. While the distribution on preference shades is unchanged at Rs 2.50 lakhs the ordinary dividend amounts to Rs 7.80 lakhs, against Rs 5.63 lakhs.

In addition to the manufacture of concrete pipes for city water supply, the company has, lately undertaken the manufacture of steel penstocks and concrete poles in collaboration with the Swiss firm, Giovanola Brothers. It has secured contracts, for supply and erection of penstocks and concrete poles for the koyna hydro-electric project and for the first stage of the Saraswathi hydro-electric project of the Government of Mysore.

To finance its expanding activities, the company proposes to issue further capital. The authorised capital is to be raised from Rs 1.10 crores to Rs 5 crores by the issue of 390,000 unclassified shares of Rs 100 each. The company has also made an application to the Controller of Capital Issues for permission to issue debentures of the value of Rs 50 lakhs carrying interest at a rate not exceeding 7 per cent.

Cooper Engineering Maintains Dividend

NOTWITHSTANDING higher turn over and larger earnings, Coo per Engineering proposes to main tain the distribution to the share holders for the year ended June 30, 1961 at 13 per cent, including a bonus of 3 per cent. This is because almost the entire increase in net profit has had to be utilised to make a larger provision for the develop merit rebate reserve.

The turnover of the company has increased from Rs 2.03 crores to Rs 2.10 crores and the gross profit from Rs 29.42 lakhs to Rs 32.63 lakhs. The net profit too has risen from Rs 10.64 lakhs to Rs 13.60 lakhs after increasing the allocation to depreciation from Rs 1,82 lakhs to Rs 9.35 lakhs and reducing the provision against tax liability from Rs 11.50 lakhs to Rs 7.50 lakhs on account of the larger development rebate benefit which is indicated by the increase in the transfer to the development rebate reserve from Rs 2.99 lakhs to Rs 5.92 lakhs. The other reserves have been strengthened by Rs 2.47 lakhs, against Rs 2 lakhs added last year.

The company's earning capacity is bound to enlarge further when the expansion schemes take shape. Collaboration agreements have been signed with a German firm for the manufacture of single column vertical turret lathes and horizontal boring mac bines and with a British firm for setting up a new pattern shop. The company also proposes to manufacture automatic looms with foreign collaboration. It has received a licence for the manufacture of 600 automatic looms per annum and another for 500 high-speed diesel engines per month.

In order to finance its expansion programmes, the company issued during the year under review 45 200 new equity shares of Rs 100 each at a premium of R^ 25 per share. It has obtained sanction to issue debentures of the value of Rs 50 lakhs carrying interest not exceeding 7 per cent and redeemable after 30 years.

Sober Assessment of Outlook for D C M

WHILE the policy of diversification and expansion in the last few years has been a source of strength to the Delhi Cloth aird General Mills and has been responsible for the sustained improvement in its working. any optimism about the outlook for the company has to be tempered by a proper assess merit of the adverse factors which are likely to affect the individual industries in which D C M is interested. Lala Uharat Kam, Chairman of the company, has dwelt at length on these problems in his speech at the annual general meeting held a few days ago. He is of the view that the continued stringency in cotton is bound to increase the price of cotton which in turn will affect the cost of production and the exports of cloth further. The general upward pressure on wages, following the implementation of the Wage Board's award in the absence of any degree of rationalisation, will, he feels, affect further the competitiveness of Indian cloth abroad.

In case of the sugar industry also, the problem is one of raw materials. Lala Bharat Ram feels that the industry is not unlikely to face another crisis in the current year, in spite of the restriction on output. unless sufficient quantities are exported or cane prices are reduced to bring down sugar prices and stimulate internal consumption.

Manufacture of vanaspati is one of the major activities of D C M and here also the prices of finished product and profitability are highly erratic, on account of the speculation in oilseeds and oil trade. It is not surprising that such trends cause considerable worry to producers of edible oils. The future of the industry depends on the steps taken to minimise the impact of these trends.

In the case of D C M the effect of these adverse factors is likely to be minimised, if not more than made good by further diversification and expansion into plasties and rayon tyre-cord.

Khandelwal Udyog

KHANDELWAL Udyog, Bombay, have concluded a technical cob laboration arrangement with lug F Ferre and Co, of Italy, for the manufacture of industrial furnaces. When in full production, the furnaces department of Khandelwal Udyog will manufacture electric and combustion furnaces worth Rs 25 lakhs per annum to meet the growing needs of the engineering and metallurgical industries.)

Ferre and Co are one of the leading furnace manufacturers of Italy and their equipment is manufactured in European countries.

A Decade of Colombo Plan

THE success of the Colombo Plan in providing financial and technological assistance to South and South-East Asia is indicated in a report published recently.

Total cost of technical cooperation under the Colombo Plan since it was started 10 years ago is estimated at £ 66 million. Experts and consultants numbering 3,155 visited the countries of South and South-East Asia to undertake technical assignments; 19,533 trainees from the region were able to gain new skills or to develop those they already possessed; and equipment valued at over £ 20 million was sent to countries of the region.

The report does not deal with national development plans of the region and capital aid from outside the region, which form part of the Colombo Plan as a v\hole. The Plan's Consultative Committee, which is currently meeting in Malaya, will deal with all these aspects.

The report mention-, that during the last year the exchange of tech nical assistance between Colombo Plan Governments continued to expand. Total expenditure on Colombo Plan technical co-operation during the year was about *X* 20.2 million compared with 16.9 million in 1959-60.

The report comments that technical cooperation has "been a means of sharing scientific knowledge and technical skill in the best way that they can be shared — by personal contact and the exchange of experience. Dividends from this investment will continue to enrich the region for many years to come, not only in the form of social and economic advancement, but also in international understanding and good will"