

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, have 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 of the water available to the Company needs to be controlled if production is not to be a fiasco.

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 know-how, 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 sugar

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 the 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 for 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