Company Notes

The Burrakur Coal Company Ltd.

For the half-year ended June 30, 1951, the Burrakur Coal Company has tarried a profit of Rs 4.38 lakhs, after providing Rs 2.13 lakhs for depreciation, Rs 5.5 lakhs for taxation and after transferring Rs 1.25 lakhs to the Contingency Reserve. During the period, raisings and despatches were higher than the preceding half-year. This improvement is mainly due. to improving quantities of sand supplied by the Loyabad Ropeway for stowing at the collieries. The Company is in the forefront of the mining concerns in extracting coal with sand replacement to ensure the maximum conservation, of India's coal resources.

During the hall-year, the Loyabad Coke Plant manufactured 30,515, tons of coke and despatched 31,565 tons as against 36,345 tons and 34.863 tons respectively in the previous period. The output was restricted by the repair programme, which is essential in order to maintain the plant in efficient working order.

The marketing conditions became unfavourable on account of general over-production in the industry, transport limitations and Governmental interference with the distribution of selected grade coals, which form the bulk of the Company's output.

The export business in which the Company participated, increased in spite of the surcharge imposed by the Government. This was on account of world-wide demand for Indian coal, treated by the shortage in the output of the various producing countries and transport difficulties in South Africa. The export business is not likely to remain at a high level for Iong, as usually the world coal market is highly competitive.

In spite of the improvement in the working results, the directors do not think its proper to raise the dividend, and instead have maintained the dividend at 7½ per cent per annum. With the substantial capital expenditure still lying ahead, it is most essential to conserve the liquid reserves of the Company.

The net block, as per balance sheet, stands at Rs 237 lakhs. The total depreciation provided up to June 30, 1951 amounts to Rs 152 lakhs. There has been a surplus of current assets over current liabilities of Rs 32.66 lakhs. The general reserve is at Rs 20 lakhs. The company realised by sales a sum of Rs 189.97 lakhs. The closing stock is higher by more than Rs 6 lakhs than the opening stock. On the expenditure side the production account, including wages, has cost the Company Rs 79.82 lakhs, freight and delivery Rs 69.67 lakhs and the cost of coal and coke purchased amounted to Rs 38.58 lakhs.

The Blue Mountain Estates Ltd.

It is a matter of great pleasure that for the year ended June 30, 1951. the Company has earned a record profit of Rs 10.7 lakhs after providing Rs 1½ lakhs for depreciation. The other appropriations that are recommended by directors are Rs 1½ lakhs as provision for taxes, Rs1 lakh to Dividend Equalisation Fund and Rs 6 lakhs to General Reserve Fund. The better working has enabled the Company to declare a higher rate of dividend at 10 per cent, free of income-tax, to the ordinary shareholders. This good performance is due to the increased crop and higher prices.

The tea crop during the year improved from 9.47 lakh lbs. to 10.87 lakh lbs. The net price realised per lb. is also higher by Rs. 0-1-10 compared with the previous year, though the cost production per lb. has dropped by Re. 0-1-3 in the same period. As against an estimated crop of 9.82 lakh lbs. the Company has harvested 10.87 lakh lbs. which is over 1 lakh lbs. more than the estimate.

The coffer crop during the year also registered an increase from 1,013 cwts, to 3,866 cwts. The. cost of production per cwt. has dropped to Rs 152 as against Rs 181 in the previous year. It must be noted here that internal prices are yet below the world price of coffee. Fortunately, the estates are producers of good quality coffee and if there is any possibility of returning to normal trading conditions, the coffee produced by the Company will fetch better prices than the other inferior and less well-known qualities.

Due to the conservative policy-adopted to strengthen the reserves of the Company, it was able to purchase the Santamerry Estates from the reserves without any increase in capital. The crop harvested during the year in this estate was 120 tons of coffee and it is expected that the next year's crop will be 250 tons.

The Company realised by sales Rs 25.28 lakhs as against Rs 20.42 lakhs in the previous year. Expenditure incurred from Rs 11.7 lakhs to Rs 12.26 lakhs. The higher profits have enabled the directors to take fairly large sums to various reserve funds.

Waterfall Estates Limited

The trading profits of Waterfall Estates Ltd. for the year ended June 30. 1951 is highest ever recorded by the Company. The profits for the year are placed at Rs 8.32 lacs after providing for depreciation. The tea crop harvested is also higher than the previous year at 8.12 lakhs lbs. and the yield per acre registered a good recovery from 754 lbs. to 911 lbs. The cost of production per lb. decreased by Re 0-2-4, The better performance is reflected in an increase in the dividend from 7½ per cent to 10 per cent, free of tax, on ordinary shares.

The Company had a very poor coffee crop. This was more or less expected. The Company has realised Rs 141 per cwt. and is expecting amounts from the Coffee Pool which will make a total realisation of approximately Rs 150 per ewt.

The estimates for the next season are 8 lakhs lbs. of tea at a cost of Re 0-13-3 per lb. The Company's total funds stand at Rs 20.32 lakhs as against the paid-up capital of Rs 19 lakhs, out of which cash and other balances figure as Rs 12.40, lakhs.

The Chairman in his annual speech has sounded a note of warning with reference to the Government's policy on plantations. He remarks that " the tea industry is the most heavily taxed industry in this country and any increase in taxation will naturally fall upon the price which the consumer will have to pay. for his cup of tea".

ECONOMIC DEVELOPMENT OF THE SUDAN

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though its composition has not changed much in recent years. No less than half of the Indian exports comprises cotton manufactures. From Rs 2.5 lakhs in 1938-39, exports of cotton manufactures went up to Rs 3,02 lakhs in 1949-50, though there was a decline in exports in the following year. Gunny bags, tea, and artificial silk piece-goods were the other principal exports.

The Sudan offers a good market for a number of Indian goods. There is a persistent; demand in the Sudan for cotton textiles, jute manufactures, coffee, tea, leather manufactures, etc. The recent estrangement in the political relationship between the Sudan and the United Kingdom and the agitation for unity of the Sudan and Egypt under a common Crown are likely to have far-reaching effects on the economic front as well. It is not improbable that the entire pattern of trade of the Sudan with the United Kingdom may, in coining years, undergo a considerable change. An increase in Indian exports of manufactured goods can make good, to a large extent, the likely reduction in the British exports to the Sudan, in return for higher imports of raw cotton for her textile mills.

Many development schemes have been taken in hand by the Government of the Sudan. The Five-Year Post-War Development Plan launched by the Sudanese Government provides a budget of £E 11.5 million. Large sums have been earmarked for the railways, agriculture, irrigation and public works. The irrigation development! schemes aim at making full use of the Nile waters to which the rights of the Sudan have been recognised under the Nile Waters Agreement of 1929. The public works programme contemplates road development and the provision of electric power and water supply in various towns. Indeed, " the plan aims at promoting balanced programmes between economic development and extension of social services ", and promises a bright future for the country.