

IBRD Loan to India				
(\$ million)				
	No of Loans	Amount	Amount Drawn*	Amount Repaid*
1 Railways	8	328	208	19
2 Steel Companies	4	158	147	1
3 Power (DVC Trombay & Koyna)	6	101	60	6
4 Ports	2	43	4	—
5 ICICI	2	20	4	—
6 Agriculture	1	7	7	7
7 Air India International	1	6	6	—
Total	24	662	435	33

* Upto September 30, 1959.

\$ 85 million worth of foreign exchange required by railways for their purchases abroad of rolling stock, track materials and other equipment during the current year.

The most important objectives of the railway programme were the acquisition of 2,161 locomotives, 8,836 passenger coaches and 111,739 wagons; the doubling of 1,300 miles of main-line track; the replacement of 8,000 miles of track; the construction of 830 miles of new lines to give access to coal and ore fields and to areas lacking transportation; the electrification of 886 miles of mainlines in regions of high density passenger and freight traffic, particularly the Calcutta area and lines serving steel plants; the construction of bridges; and improvements in yards and signalling facilities.

By December 31, 1959, the Railways had received delivery of 1,817 locomotives, 5,700 passenger coaches and 83,606 wagons. About 6,500 miles of rail have been replaced; track doubling has been completed on 700 miles; 600 miles of new lines have been opened to traffic; the electrification of 675 miles was scheduled for completion in the first half of 1961 with the balance later, and final shipment of 110 electric locomotives in January 1961. One of the largest bridges in the programme, the Ganga bridge in Bihar State, was opened in May 1959 and carries 80 per cent more traffic than the ferry service it replaced. Work on other bridges and on improvements in yards and signalling is proceeding well.

Tata Power System

THE Tata electric system will celebrate its golden jubilee in November this year. Tata Hydro, the oldest of the three Tata power companies, was incorporated on

November 7, 1910. It started with a total installed capacity of 40,000 kW. Andhra Valley was launched in 1916 and Tata Power in 1919. The three undertakings are operated as an integrated system, the rates of which have been consistently among the lowest in India, comparable with the lowest standard rates in other countries. The installed capacity of the group now exceeds 470,000 kw of which about a third is thermal.

Total energy sales during 1959-60 amounted to 1939 mn kWh, nearly 11 per cent higher than in the previous year. About 65 per cent of the energy sold was hydro and the remaining thermal. Group sales fetched Rs 710 lakhs against Rs 665 lakhs in the previous year. Return on net worth was maintained at 10 per cent. The table below shows the consolidated financial position of the group.

The group has a gross capital investment now of nearly Rs 42 crores and a net capital investment of Rs 33 crores. Cross capital formation during the year aggregated

Rs 348 lakhs, of which gross fixed assets accounted for Rs 317 lakhs and inventory for the balance. Net ploughback during the year exceeded Rs 1 crore: gross of depreciation, it amounted to Rs 178 lakhs, against the distributed profit of Rs 66 lakhs.

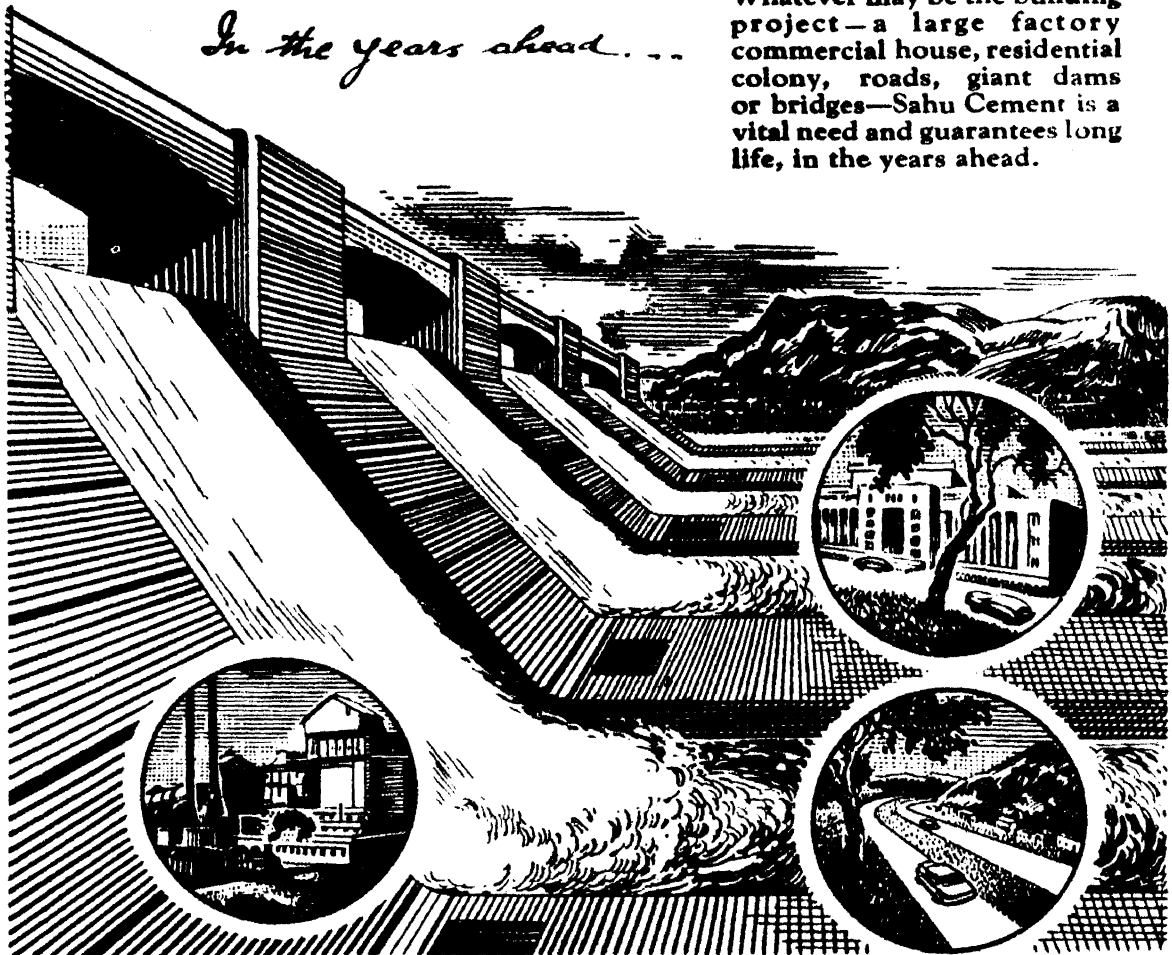
In keeping with its past record, the group has not been deterred by the fall in the market value of its shares and the stringent limitations on profits from contemplating further expansion of capacity. The demand for energy in the area served by the system is expanding at a cumulative rate of 8 per cent a year. The installed capacity of the Tata-cum-Railway system at present is nearly 600,000 kW. Assuming that both the stages of the Koyna project are taken up and completed on schedule, the Tata Koyna-Railway inter-connected grid will have a firm load-carrying capacity of about 700,000 kW by 1965. Studies made by engineers of the group indicate that peak demand in the area will catch up with this capacity. Plans have, therefore, to be made to meet further expansion of demand beyond 1965. The nuclear power plant of 300,000 kW capacity proposed for serving the requirements of the Bombay-Ahmedabad region may take more than five years to come into operation. Barring a couple of small hydel projects, the only possibility open to the Tatas is to expand thermal generation at Trombay. The group is preparing its expansion plans independently of the Government project for the time being, but they will be co-ordinated with it at a later stage if necessary.

Consolidated Financial Position of Tata Electric Companies

	(Rs lakhs)	
	1959-60	1958-59
1. Sales	710	665
2. Gross profit	311	274
3. (2) as % of (1)	44	41
4. Profit before tax	215	185
5. Taxation	42	19
6. Net Profit (4)-(5)	173	166
7. Net Capital Investment	33.38	30.42
8. (6) as % of (7)	5.2	5.5
9. Net Worth	17.39	16.81
10. (6) as % of (9)	9.9	9.9
11. Share Capital	12.83	12.83
12. (6) as % of (11)	13.5	12.9
13. Profits distributed	66	61
14. Profits written off, etc.	4	7
15. Profits retained	104	98
16. Current depreciation	74	71

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