Company Notes

SHREENIWAS COTTON

THE entire ring frame department of Shreeniwas Cotton, the Bangur mill in Bombay, was completely renovated by the end of I960. The whole spinning department has been equipped with the latest type of humidification and ventilation plant. With the installation of on? more mercerising machine, the entire production of the mill can be processed. A further programme of machinery erection involving an expenditure of about Rs 45 lakhs for the current year is in hand. Might new American combers are under erection and a sanforising machine is expected to come into operation before the end of the current year. Orders have also been placed for 96 automatic looms. The mill's fabrics continue to be popular with consumers.

Current earnings during 1960 readied an all-time record of Rs 450 lakhs and fetched a gross profit margin of more than 14 per cent. The net earning of Rs 32 lakhs represents nearly 16 per cent net on capital invested. 21 per cent on worth and 40 per cent on equity capital. Dividends absorb Rs 15 lakhs, bonus for 1958 Rs 5 lakhs, and the remaining Rs 12 lakhs has been retained.

The company has two subsidiaries, Shree Madhusudan Mills (formerly Hall & Anderson) and Shree Gopal Industries. Shree Madhusudan has cleared off all its accumulated losses and has now only to make up the arrears of depreciation. Its Hall and Anderson business at Calcutta earned Rs. 272 lakhs from sales while the mills at Bombay reached a sales figure of nearly Rs 4 crores; the two together made a profit of Rs 38 lakhs. The company added plant and machinery worth Rs 33 lakhs during the year ended June 30. 1960. Almost all the warp spinning frames consisting of about 41.000 spindles out of the total capacity of 67.000 spindles are expected to be replaced by the end of next month. The installation of combers and mercersing plant has enabled the mills to switch over gradually to the manufacture of finer fabrics which earn higher profits.

Shree Gopal Industries did not earn anything during the year ended June 30. 1960. The National Industrial Development Corporation has sanctioned assistance of Rs 16.20 lakhs for modernisation of the mills. Orders for machinery worth about Rs 15.70 lakhs were placed during the current year. Some of the machinery which has arrived at site is under erection. The Directors hope that the mills will start functioning in June next.

DALMIA IRON & STEEL

THERE has been a marked improvement in the working of the spun iron pipe plant of Dalmia Iron & Steel during the rear ended September 30, 1960, but production has been suspended since April this year owing to shortage of low manganese, high silicon, pig iron and coke. Production will be resumed with the availability of raw materials and restoration of cuts in power supply. Production in the grinding media plant exceeded installed capacity but the steel casting plant could not achieve full production due to delay in receiving the licence for import of two automatic moulding. plants.

Demand for the company's products continued to be in excess of production. Licences have been obtained from Government to double the capacity of cast steel grinding media, and application has been made for more than doubling the steel casting capacity to 3,500 tons per annum.

Sales during the year fetched Rs 130 lakhs and earned a gross profit margin of 19 per cent. The net profit of nearly Rs 12 lakhs represents 7 per cent on capital invested, 26 per cent on net worth and 29 per cent on equity capital.

STANDARD MOTORS

IN 1960, Standard Motors reached a peak production of 3,364 vehicles. Plans have been made for stepping up production to 4.500 vehicles during the current year, reaching 7,500 vehicles in 1963, depending upon the licensing position. The new Standard Herald is expected to be in the market in June next. The current model has a two-door body but a 4-door body has been completed for India and is undergoing tests in England. Subject to availability of import licence, the 4-door saloon is expected to be manufactured during the latter part of 1962, Representations are being made to Government for a suitable margin of profit on the new model.

The introduction of a 1-ton truck in the latter part of the current year should also augment income substantially.

Sales during the year amounted to Rs 390 lakhs and net profits to Rs 12.42 lakhs, which represents 7.5 per cent on capital invested. 10 per cent on net worth and more than 18 per cent on equity capital.

KOTHARI COTTON MILLS

THE two Kolhari Cotton Mills, Kothari Textiles and Adoni showed disparate working results in 1960. Kothari Textiles, much the older of the two. increased its sales from Rs 141 lakhs to Rs 177 lakhs but its gross profit margin went down from 17 to 11 per cent; net profit declined from Rs 16 lakhs to Rs 10 lakhs. The latter represents less than 5 per cent on capital invested, 9 per cent on net worth and Rs 1.25 per equity share. Out of the net profit. Rs 8 lakhs has been distributed and the remaining Rs 2 lakhs retained. Gross capital formation during the year was Rs 28 lakhs, of which fixed assets accounted for Rs 15 lakhs and inventories for the rest.

All the spindles at Mill No 2 have been working two shifts since June last. Third shift working has not been possible owing to want of adequate power supply. It is the first mill in the South to install high-productive Whitin combers, yarn from which will meet the handloom demand for fine counts. Additional cone winding machines have also been installed or ordered to meet the needs of powerloom factories. About 40 per cent of the cloth produced in 1960 was exported but market conditions have now become uncertain following the political turmoil in Congo.

Adoni's sales went up from Rs 72 lakhs to Rs 130 lakhs and net profit doubled to more than Rs 11 lakhs. This represents 13 per cent on capital invested. 20 per cent on net worth and after providing for all arrears of preference dividend, Rs 1.25 per equity share. A maiden dividend of 80 nP per share has been declared.