

and castor June which had been marked down to Rs 83.20 and Rs 73.15 in the preceding week were bid up to Rs 85.85 and Rs 77.15 respectively (per quintal). During the same period, castor March rose from Rs 201.75 to Rs 207 (per 250 kgs) and linseed March hardened from Rs 43.62 to Rs 44.50 (per 50 kgs). Groundnut oil ready recovered from Rs 19.75 to Rs 20.60, linseed oil from Rs 17.25 to Rs

18 and castor oil Commercial from Rs 15.75 to Rs 16.15 (all per 10 kgs). Last week's recovery was due both to short covering and fresh bull support induced partly by technical considerations and partly by optimism about early announcement about export of vegetable non-essential oils. Export houses reported fairly good business in groundnut extractions and cottonseed expellers and extractions.

84 lakhs and development rebate Rs 5.60 lakhs more at Rs 14.75 lakhs. But even then the net profit is sizably higher than last year's. As before, the preference dividend claims Rs 9.67 lakhs. After taking credit of Rs 6 lakhs, being the excess provision for taxes in previous years compared to Rs 1.90 lakhs withdrawn last year from deferred taxation reserve, equity profit works out at Rs 57.43 lakhs about a half more than last year's Rs 38.55 lakhs. The proposed equity dividend requires Rs 48.22 lakhs against Rs 38.55 lakhs and is covered 1.19 times by earnings, whereas the previous lower distribution was slightly short-earned.

BUSINESS NOTES

Dalmia Iron

DURING the year to September 1964, Dalmia Iron and Steel had to contend with a number of difficulties and some of these are yet not over. Apart from the temporary suspension of production due to a sudden breakdown of the main power supply equipment, the licensed capacity of steel foundry could not be achieved due to non-receipt of the new arc furnace. The suppliers had promised to deliver it in April 1964 but they could not keep to the schedule. It is now expected to be commissioned by the middle of 1965. The production of spun iron pipes was limited to about a third of the installed capacity due to non-availability of pig iron. The company has modified the plant to suit the changed pattern of demand for smaller diameter pipes, but the management says that unless the pig iron quota is trebled the plant will have to run much below the installed capacity.

In spite of these difficulties, the 1963-64 results are satisfactory. There has been a fair increase in production, turnover and gross profits, but higher provisions for depreciation and taxation have more than erased the improvement. Sales are up from Rs 2.17 crores to Rs 2.73 crores and gross profits have advanced from Rs 40.09 lakhs to Rs 47.73 lakhs. Inclusive of Rs 1.55 lakhs being the triple shift allowance in respect of last year, the provision for depreciation at Rs 15.80 lakhs is Rs 2.44 lakhs more than the previous year's. Due to a smaller amount of development rebate to which the company is entitled and a provision of Rs 1.10 lakhs for the estifinated liability of sur-tax, taxation is much higher at Rs 15.50 lakhs compared to Rs 8.75 lakhs last year. Allocation to development rebate reserve has been lowered from Rs 4.50

lakhs to Rs 2 lakhs but that to general reserve has been raised from Rs 4.50 lakhs to Rs 6.45 lakhs. A sum of Rs 8 lakhs, against Rs 10 lakhs, is transferred to dividend equalisation reserve out of which the proposed dividend of 10 per cent is to be paid.

In December last there was a *strike* by workers that lasted for 13 days, and the matter was settled by raising the dearness allowance which will inflate the wage bill by Rs 3 lakhs per year.

National Rayon

THE year 1964 has proved more profitable for National Rayon than generally expected. The company has produced impressive results which, according to the preliminary statement; show a jump of well over Rs 2.5 crores to Rs 14.9 crores in sales. This is accompanied by a proportionately larger rise of over Rs 70.5 lakhs to Rs 3.25 crores in profits. There is, consequently, a rise in margins on sales from 21.81 per cent in 1963 to 22.88 per cent in 1964. This outcome is the more satisfactory in view of a prolonged period of labour unrest culminating in sit-down strikes by factory workers. There was also a huge accumulation of unsold yarn stocks which the company had to carry for a considerable period during the year as a result of the unfavourable conditions in the yarn market. In fact, in view of these adverse factors very few in the stock market expected such good results from the company and the actual announcement caused a quick spurt in the price of the share.

The necessary provisions have taken away more out of the profits than in the last year: depreciation has absorbed Rs 34.21 lakhs more at Rs 164.73 lakhs, taxation Rs 18 lakhs more at Rs

J K Synthetics

THE 1963-64 report of J K Synthetics is impressive on three counts. First, the dividend is raised by 2.5 per cent to 12.5 per cent of which nearly a half is estimated to be exempt from tax. Secondly, both sales and profits have recorded substantial improvements over the previous levels, providing a stronger earnings cover for the increased dividend despite much larger amounts required for necessary provision. Lastly, the company has embarked upon its scheme for first stage expansion for which purpose loans of Rs 10 lakhs each have been secured from Rajasthan Financial Corporation and Bank of Rajasthan, besides a foreign exchange loan of Rs 16 lakhs from I F C.

During the year to June 1964, sales have jumped 93 per cent to Rs 2.78 crores and gross profit about 83 per cent to Rs 1.06 crores. After providing for depreciation Rs 23.41 lakhs against Rs 11.87 lakhs, for taxation Rs 26.50 lakhs against nil and for development rebate Rs 16.50 lakhs against Rs 20 lakhs, equity profit of Rs 40.78 lakhs is over a half more than last year's Rs 26.31 lakhs. The proposed dividend should cost Rs 15.63 lakhs against Rs 12.50 lakhs previously.

Asian Cables

LOSS of 25 working days *due* to two strikes and rise in costs and interest rates have not only belied expectations of "better results", from Asian Cables in the year ended September 1964, but the performance has actually turned out to be disappointing. Though sales are over Rs 10 lakhs more at Rs 74.78 lakhs, the net: outcome is a bigger loss of Rs 5.37 lakhs than last year's Rs 0.59 lakh. This loss has been arrived at after provid-