

The results for the year show marked improvement, with sales at Rs 2 crores against Rs 1.50 crores and pre-tax profit at Rs 13.82 lakhs against Rs 8.67 lakhs, after providing for depreciation Rs 39.03 lakhs (Rs 23.11 lakhs). A sum of Rs 10.96 lakhs (Rs 6.62 lakhs) is transferred to development rebate reserve. The equity dividend is raised to Rs 10 per share for payment of dividends requiring Rs 13.71 lakhs (Rs 8.91 lakhs) Rs 10.80 lakhs are withdrawn from general reserve, while last year Rs 6.60 lakhs were withdrawn from development reserve. The results would have been better but for a labour strike that lasted for about three weeks and boiler failure for about a month; both these factors affected production during the year.

### Escorts

**ESCORTS** is acquiring management and control of a running concern of Bombay known as Bahri Automobile which owns a specialised factory for the manufacture of transmission gears of all types for passenger cars, trucks and heavy earth moving equipment. It also manufactures axle shafts, crown wheel and pinion king pins, rear king pins, etc. These items are needed by Escorts for the manufacture of its agricultural tractors. In fact, Escorts had planned to establish a factory of its own for the manufacture of transmission parts for its tractors similar to those being produced by Bahri Automobile. By acquiring controlling interest of this firm, Escorts will be able to advance its plans for the manufacture of parts for tractors by at least two years by saving the time required in obtaining import licences for machinery and raw materials and for getting the machinery installed and buildings completed. Besides, it will reduce its requirements of investments which otherwise would be required for putting up a completely new workshop.

It is proposed to make Bahri Automobile a subsidiary of Escorts by owning majority share capital of this firm. Shares of the value of Rs three lakhs out of the total paid-up capital of Rs 30.21 lakhs have already been purchased by Escorts from the existing shareholders. The directors of Bahri Automobiles have decided to issue further equity capital of Rs 25 lakhs and to allot these shares to Escorts. The proposed fresh investment will be made by Escorts after obtaining sanction of shareholders. Meanwhile, it has been appointed sole selling agent for the entire range of production. There is already a good market for

these products and, if necessary, Escorts will arrange technical know how from foreign countries with a view to enabling this unit to further improve its quality.

Escorts also proposes to appoint Commercial and Industrial Exports, a Tata group organisation, as sole exporter to export products manufactured or supplied by it to all countries except Iran and Afghanistan where it has already appointed distributors for agricultural equipment.

### Ultramarine and Pigments

**DURING** the past several months, demand for indigenous ultramarine blue has been rising as is evident from the latest annual report of Ultramarine and Pigments. The company was able to sell its entire production during the year to December 1964. From the beginning of this year, demand has been more buoyant, with orders coming in faster than the company can execute and both production and sales have been to the full capacity. With a view to raising the production capacity, the company has already taken in hand the work of expansion. For this purpose additional land has been purchased, and new machinery and equipment are being installed. It is proposed to double the manufacturing capacity to 1,200 tons per year by the end of this year.

The company has produced pleasing results for the year 1964, with sales rising more than four times to Rs 33.86 lakhs and gross profits at Rs 12 lakhs nearly seven times the 1963 level. After providing Rs 5.48 lakhs (Rs 3.38 lakhs) for depreciation, Rs 0.89 lakh (Rs 2.53 lakh) for development rebate and Rs 0.35 lakh (nil) for taxation, there is a net profit of Rs 5.28 lakhs compared to a deficit of Rs 4.10 lakhs a year ago which has now been wiped off. The directors have proposed payment of a maiden dividend of seven per cent, free of tax.

With the improvement in the company's financial position, borrowings have been reduced considerably. As at the end of December 1964, the company owed to I C I C I only Rs 6.25 lakhs against Rs 11.30 lakhs a year before, and a further sum of Rs 2.69 lakhs was repaid this year.

### Investa Machine

**INVESTA** Machine Tools and Engineering Company has achieved a steady improvement in the rate of production and is engaged in extending the range of its products. It has planned to have a regular production of four models of PD-25 drill in the second half of this year. Steps are

being taken to develop a bigger model of PD-40 drill and LEA type heavy lathes and SM type shapers. The last two items are to be manufactured with the help of Japanese technicians. The formalities connected with the import of a few machines have been completed, and a technical collaboration agreement is being finalised with Okuma Machinery Works of Japan. The company's chairman, K C Bakhle, is hopeful of better prospects for the current year, with a turnover of about Rs one crore compared to Rs 77.26 lakhs in 1964 and Rs 63.40 lakhs in 1963.

During the year to December last, the company sold 513 machines as against 431 machines sold a year before. Despite a higher provision for depreciation and a much bigger interest charge, the results showed a net profit of Rs 6,775 against a loss of Rs 1.25 lakhs incurred previously. The dividends are once again skipped. The liability for the accumulated preference dividend now amounts to Rs 9.36 lakhs.

### Mahindra and Mahindra

**WITH** a view to further widening the field of its activities, Mahindra and Mahindra proposes to form three new companies in collaboration with foreign concerns for undertaking the manufacture of several new products. Addressing the shareholders at their annual general meeting held in Bombay some days ago, Keshub Mahindra, Chairman, stated that one of these companies would manufacture, in collaboration with Vickers-Sperry Rand of the U.S., hydraulic control gears which have wide applications ranging from machine tools to aircraft. Another company will specialise in the manufacture of current limiters, automatic and voltage regulators, manually-operated circuit breakers and starters in collaboration with Van Wijk and Visser of Holland. In collaboration with Natvar Corporation of the U.S., another company will undertake the manufacture of high temperature synthetic flexible electrical insulations. The public would be invited to participate in the capital of these three new companies.

Mahindra also told shareholders that the company's scheme of expansion aimed at raising the production from 10,000 to 25,000 vehicles per year would involve an estimated outlay of Rs 10 crores, half of which would be in foreign exchange. The company had already applied to the Government for permission for negotiating a loan of Rs 5 crores from A I D for this expansion.