

Company Notes**Bombay Burmah Trading**

**T**HE trading results of the Bombay Burmah Trading Corporation Ltd for the year ending May 31, 1952 show that improvement continues although the company earned a profit of Rs 32.76 lakhs only as against Rs 79.67 lakhs in the previous year, subject to provision for Indian Income Tax. This is so because the profit of 1950-51 included Rs 60.26 lakhs received as compensation of loss through enemy occupation of Siam.

The provision for Indian super tax and foreign tax is lowered to Rs 14.75 lakhs from Rs 22.36 lakhs in the previous year.

A notable feature of the latest balance sheet is the further strengthening of the reserves by the addition of Rs 79.19 lakhs from Burma Forest Assets Realisations. The recoveries in this account have been made in full. Further, a sum of Rs 934 lakhs has been added to Fixed Property Reserve from sales of property, mainly in Burma.

An excess of Rs 3.1 lakhs was received from the Liquidators over the face value of the company's investments in its subsidiary Bombay-Burmah Plantations Ltd and has been taken to the Investment Reserve Fund. In spite of this the Fund is reduced by Rs 56,163 because of the fall in the market value of the sterling securities.

The Siam branch again achieved good results but profit margins were somewhat lower because of adverse movements of the exchange rate which increased costs and the royalty payments. The Namshan Tea Factory produced a total of 8.34 lakh lbs. Difficult trading conditions accounted for a slightly reduced figure than the previous year.

The accounts of the estates of the Bombay-Burmah Plantations Ltd which have been taken over have been appended in the balance sheet. The total crop with the reabsorption of the Bombay-Burmah Plantations Ltd shows a record figure, even before the addition of crop from the former Bombay-Burmah Plantations Ltd at 49.46 lakh lbs for the year. The cost of production was slightly reduced because a larger crop was harvested. That is why the return from sale was larger by 1.41 annas a lb in spite of the general fall in tea prices which started in the later part of the year under report. Costs amounted to

18.16 annas per lb and return 29.44 annas per lb, as against 18.43 annas and 28.03 annas respectively in the previous year.

But as far as the returns to shareholders are concerned the directors recommend the same 12 per cent Final dividend as last year. Taking the 6 per cent interim already paid, the dividend for the year works out to 18 per cent. Last year the company also paid a 12 per cent Bonus over and above the 18 per cent dividend. This was from the windfall income of over Rs 60 lakhs obtained from the Siam Government.

**Nizam Sugar Factory**

**T**HE Nizam Sugar Factory Ltd made a net profit of Rs 36.27 lakhs for the year ending June 30, 1952 as against Rs 27 lakhs in the previous year. Improvement is even greater than these figures suggest because the provision for depreciation has been raised from Rs 7.5 lakhs to Rs 18.99 lakhs. Interest paid on loan amounted to Rs 4.42 lakhs and Managing Agent's commission, Rs 4.03 lakhs. Rs 1.75 lakhs was provided towards contribution to Employees' Provident Fund before arriving at the profits.

The directors recommend maintenance of the dividend on ordinary shares at 9 per cent plus a bonus of 3 per cent, free of in-

come-tax. The dividend distribution to ordinary shareholders is Rs 11.04 lakhs as against Rs 7.18 lakhs in the previous year, as the dividend this time is payable on the Bonus shares issued last year in the proportion of one new share for every three ordinary shares on payment of Rs 10 per share. Bonus to employees also absorbs a larger amount of Rs 6.8 lakhs compared with Rs 5.5 lakhs last year. Taxation Reserve gets Rs 14 lakhs against Rs 7.25 lakhs in the previous year.

The Net Block of the company stands at Rs 145.82 lakhs after providing for depreciation Rs 91,50 lakhs.

The company has realised by sale of sugar, molasses and other miscellaneous items Rs 243.19 lakhs; against this the cost of Factory cane and Ryots cane amounted to Rs 229.32 lakhs. The closing stock as on June 30, 1952 of Rs 220.06 lakhs is nearly three times the opening stock on hand on July 1, 1951. The huge unsold stock is, however, a common feature of most of the sugar companies.

The company purchased during the year 142,470 tons of Factory cane and 270,131 tons of Ryots cane out of which 396,554 tons were crushed, 16,047 tons having been lost in transit, or chriage. The total sugar manufactured amounted to 38,635 tons; recovery was 9.73 per cent.

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