Company Notes

Martin Burn Limited

A CONSIDERABLE improvement in the trading of Martin Burn Limited resulted in higher profits earned by the company for the year ended September 30, 1052, The profits for the year amounted to R s 50-15 lakhs a s a gains t Rs 3975 lakhs in the previous year. The provision for taxation is likewise higher at Rs -"22 75 lakhs. Among other appropriations a sum of Rs 2 lakhs is transferred to capital redemption reserve fund and Rs 6 lakhs to investment reserve. The better working has prompted the directors to recommend a rise in the dividend to ordinary shareholders to Rs 1-4 *plus* a special payment of 2 as per share. as against Re 1 *plus* a special payment of 2 as per share paid in the previous year.

The company carries on business as general merchants. managing agents, contractors and constructional and mechanical engineers. The realisation by sales for the year increased from Rs 403 lakhs to Rs 473.49 lakhs. Higher earnings during the year were largely due to the improved -working of most *of* the units managed by the company. The stock and works in progress as at the end of the year amounted to Rs 102.25 lakhs. The profit and loss account reveals an income f rom trading account of Rs 49.56 lakhs and by managing agency allowances and commission of Rs 35.95 lakhs. The net block of the company stands at Rs 8.21 lakhs after providing for total depreciation upto Septemher 30, 1952, of Rs 3.14 lakhs.

Indian Aluminium

THE accounts *(A'* the Indian Aluminium Co Ltd have been closed on December 31, 1952 to cover a period of 35 months, so as to bring the accounting year in line with the calendar year. Sales for the fifteen months amounting to Rs 161.4b lakhs as against Rs 120.62 lakhs in the previous *12* months, were at a higher average monthly rate than in any other year, in spite *(A'* the slump in the aluminium market which started in March 1952.

This improvement was largely due to aluminium powder and paste being sold by the company for the first time during the year. Of the total sales of Rs 161.46 lakhs, aluminium accounts for Rs 142.74 lakhs and aluminium paste and powder for Rs 11.07 lakhs. The management must be congratulated for their action in stopping the purchase of ingots from outside and cutting down the production of the Belur Rolling Mill, as soon as it became apparent that the slackness that had set in the market was not temporay. This lower rate of production combined with continued low output at the Loharidaga Mines and Mini Alumina Works inevitably meant increased unit cost, and a smaller margin of profit.

As a result of all these factors, the profit for the period before providing for depreciation amounts to Rs 1 1.7 lakhs only (for fifteen months) as against Rs 21.64 lakhs in the previous accounting period. After making provision for income-tax, the net profit for the year was Rs 8.20 lakhs. The balance carried forward from last year laised the amount available: for disposal to Rs 32.12 lakhs. The dividend has been maintained at Rs 5 per ordinary share, free of income-tax. which, along with the dividend on preference shares less income-tax ference shares less income-tax and surcharge will absorb Rs 0.8.4 lakhs, leaving Rs 22.28 lakhs to be carried forward.

Production of ingots at Alupurarn was maintained, although sales of aluminium were less than production of ingots from May onwards. Aluminium ingots do not deteriorate with keeping" and the company has been accumulating the extra production as will be seen from the increase in stocks of aluminium from Rs 61.68 lakhs to Rs 94.62 lakhs. The increase is partly due to the starting *up* of the Aluminium Powder and Paste Plant at Kelwa.

A sum of Rs 25 lakhs has been transferred from current earnings to a reserve for bad and doubtful debts. The provision has been found necessary to meet possible losses on debts from two large customers against whom legal proceedings have been taken.

The net block stands at Rs 186.88 lakhs after providing a sum of Rs 121 lakhs for depreciation reserve. During the period. Rs 25.63 lakhs were added to the block account. Of this, Rs 17.64 lakhs was for expenditure on the expansion of the Alupurarn Smelter and Belur Rolling Mill. It is estimated that the total cost of the expansion will be Rs 1 crore. To finance this expenditure, the company has borrowed on favourable terms a sum of Rs 50 lakhs from Aluminium Limited, repayable between 1955 and 1962.

The aluminium industry has been given a high priority in the .Five-Year Plan and listed under " Expansion of capacity in capital and producer goods industries". The initiative and responsibility lor securing the necessary expansion, however, has been left with private enterprise. The Plan envisages the expansion of rated capacity and production from 4.000 to 3,677 tons respectively in 1950-51 to 20,000 and 12,000 tons respectively by

Titaghur Paper

THE upward trend in production shown by the Titaghur Paper Mills Co Ltd during the previous half years was maintained for the half year ended September 30. 1952. These steady- increases in production reflect the benefits now accruing from successive improvements effected under the company's renovation programne.

The net profit for the year amounting to Rs 12.47 lakhs is arrived at alter providing Rs 17.3 lakhs for taxation. Rs 7.21 lakhs for depreciation. Rs 2.25 lakhs to reserve for taxation contingencies, Rs 7.5 lakhs to general reserve, Rs 2.5 lakhs to reserve for labour quarters and labour welfare. Rs 17 lakhs to reserve lor plant replacement and development and Rs 1 lakh to reserve for dividend equalisation.

The profit and loss account reveals an income from sales of paper of Rs '269.86 lakhs. The manufacturing expenses at Rs 159.71 lakhs and salaries and wages at Rs 49.21 lakhs are higher than in the previous half year. The increase in manufacturing expenses is due partly to the higher production and partly to the increase in freight on coal from April 1, 1952, higher costs of general and consumable stores, etc.

The receipts from paper sales have fallen slightly from Rs 2.73. crores to Rs 2.69 crores. This fall in the value of sales and the ' go slow ' movement amongst the finishers at No *2* Mill, which covered the best part of two months, have resulted in higher stocks at the end of the half year. During the half year, the company recovered the refund of excess profits tax previously paid, after deducting tax at

Rs 9.77 lakhs from the amount of Rs 25.27 lakhs of excess profit tax refunded. The net amount of Rs .15.5 lakhs has been credited to profit and loss account.

The net block of the company stands at Rs 19598 lakhs alter providing for total depreciation of Rs 283 lakhs upto the end of the period. During the half year, the additions to block account amounted to Rs 11.29 lakhs. Moreover, the works in progress in the current half year accounted for Rs 5.4 lakhs. The total investments are at Rs 62.31 lakhs. The balance sheet position is quite satisfactory since the current assets at Rs 267.74 lakhs are more than double the current liabilities at Rs 130.09 lakhs.

Though a larger amount was available for disposal, the dividend on A and B ' ordinary shares lias been maintained at 12 annas *plus* a bonus of 4 annas per share, free of income-tax. The total dividend distribution on share capital will absorb only Rs 12.22 lakhs out of the total amount of Rs 48.74 lakhs available for distribution. This is itself a measure of the liberal provision made for various reserve funds.

Steel Allotments in 1952

	1952	1951
	(In 'ooo	tons;
Government demands :		
Defence ...	11	13
Railways	156	241
Govt. Development Schemes ---	148	120
Displaced person's housing schemes	24	29
Private Demands :		
Industrial main-tendncc and packing ...	106	105
Steel processing industries ...	287	252
Private industrial development schemes ...	58	41
-Agriculture ...	133	in-
states.	.119	130
Govt. sponsored housing schemes	5	8
plus ...	50	
Total ...	1.007	1.09701.131
Availability:		
Production ...	1,101	1,074
Imports ... v.	105	150
Total ...	1,296	1,224

Source: *Report of the Ministry of Commerce and Industry for* 1952-53.

Extent of Nationalisation in Italy

THE extent of government ownership and control in the various branches of the Italian economy is given in the Italian Trade News issued by the Italian Embassy in New Delhi, This is largely a legacy of the Fascist regime and is now-being reorganised. The latest position may be summarised as follows:

(a) Banks—Those directly controlled by the Italian Government-sponsored Industrial Finance Corporation account for 25.6 per cent of the total deposits with Italian banks; the percentage rises to 37 if the deposits of Banca Nazionale del Lavoro, winch is wholly State-owned, is included.

(b) Iron and Steel Industry—The Industrial Finance Corporation con trols 60.$ per cent of the output of pig iron and 43 per cent of steel output.

(c) Mechanical Engineering—The Corporation controls 85 per cent of the production capacity of shipbuilding, 40 per cent of the production of rolling stock (railway and tramway) and 10 per cent of the production of internal combustion engines.

(d) Mining Industries—The Industrial Finance Corporation controls 56.3 per cent of iron ore and 60 per cent of quicksilver output. Other Government agencies control 75 per cent of the output of natural gas and 40 per cent {1950 data) of the output of crude oil, 99 per cent of coal production; 85 per cent of the output of anthracite and 30 per cent of iron ore output; 10 per cent of antimony, 70 per cent of tin, 3o per cent of zinc and 1 5 per cent of lead production.

(c) Transportation and Communications—The Corporation controls 18 per cent of the total tonnage of merchant fleet; other Government agencies own 59 per cent of all telephones in operation and have the monopoly in the held of radio broadcasting; all national passenger airlines are controlled by the Industrial Finance Corporation which also controls 22.6 per cent of the output of electric power. This percentage was 3o in 1950 but has declined on account of new plants built by private enterprises.

The Government agencies which own and control industrial enterprises are different for different industries, but these arc mostly affiliates of the Government-sponsored Industrial Finance Corporation.