

Company Notes**Alkali & Chemical Corporation**

DESPITE larger sales, the profits of the Alkali & Chemical Corporation of India Ltd for the year ended September 30, 1952 were lower than in the previous year mainly because of much higher manufacturing expenses. Sale proceeds improved from Rs 160.6 lakhs to Rs 168.66 lakhs while manufacturing expenses rose from Rs 72.78 lakhs to Rs 106.55 lakhs. Consignment expenses and selling expenses were also higher by more than Rs 3 lakhs and Rs 8 lakhs respectively. The closing stock of finished goods was also Rs 24.5 lakhs higher at Rs 43.77 lakhs. Profits, in consequence, declined from Rs 31.16 lakhs to Rs 26.64 lakhs.

The profits together with Rs 3.82 lakhs brought forward from the previous year and the previous Provision for Taxation of Rs 1.73 lakhs no longer required make up Rs 32.19 lakhs. Out of this, Taxation will absorb Rs 10.83 lakhs. The directors have allocated Rs 3 lakhs each to Central Reserve and Reserve for Deferred Income-tax Liabilities due to Initial Allowances, bringing the total under these heads to Rs 23 lakhs and Rs 4.71 lakhs respectively. They have also created a Dividend Equalisation Reserve with Rs 7.5 lakhs. After the usual payment of dividend on 5 per cent Cumulative Preference shares the directors recommend the maintenance of the dividend on ordinary shares at 6 per cent free of Income-tax.

The balance sheet of the company reveals a sound position, current assets at Rs 201.93 lakhs being much above current liabilities at Rs 62.72 lakhs. Net Block stands at Rs 165.05 lakhs. During the year, additions were made to capital assets amounting to over Rs 62 lakhs. On the Liabilities side there has been an increase of Rs 106 lakhs in unsecured loans to Rs 156.50 lakhs.

The Calcutta Chlorine-Caustic Soda and Hydrochloric Acid plants were worked to capacity during the year. Demand for hydrochloric acid increased appreciably during the year owing to shortage of sulphuric acid. Severe competition had to be met again, however, in benzene hexachloride dusts. The additional benzene hexachloride formulation plant and the crude benzene hexachloride plant were completed.

Construction of the extension to the Chlorine-Caustic Soda plant continued. This plant is expected to come into production before the end of the current year.

The plant manufacturing unit, the construction of which was completed is now in full production. Disposal of the production caused no difficulty.

Sale of the Khewra Factory in Pakistan in accordance with last year's resolution could not be effected. The consent of the Pakistan Government is yet to be obtained. Profits made in Pakistan, therefore, continue to accrue to the Corporation.

Rallis India

ASUDDEN and substantial fall in world demand for commodities in general, and in the price of raw materials, affected the working of the Rallis India Ltd during the year ending August 31, 1952, Between February 28 and August 31, 1952, local prices of most of the commodities in which the company has a large business fell substantially. Jute, gunnies and shellac receded by about 35 per cent, cotton by about 7.1 per cent and bones by about 33 per cent. The result was considerable trading loss especially in the second half of the year. As a reasonable profit had been earned in the first half year's trading the result for the whole year, after taking into account the sum of Rs 2.4 lakhs in respect of provisions made in the previous years no longer required, was a profit of Rs 8.02 lakhs. Depreciation of fixed assets and investments however amounted to Rs 11.07 lakhs, and therefore the Profit and Loss account shows a net loss of Rs 3.05 lakhs.

Receipts from sales, less allowances amounted to Rs 46.04, crores as against the cost of purchases of Rs 44.63 crores. The closing stock at Rs 5.83 crores is Rs 35.82 lakhs lower than the opening stock. Establishment charges, including Rs 68.35 lakhs salaries, bonus and clearness allowance amounted to Rs 95.73 lakhs.

The directors have naturally not recommended any dividend on Ordinary shares. Last year a dividend of Rs 9 was paid. The 6 per cent dividend on Taxable Cumulative Preference shares is being paid from Rs 4.62 lakhs brought forward from the last Profit and Loss Account and a further Rs 2 lakhs taken from the Contingencies Reserve,

The balance of the company can still be said to be in a sound position for Current Assets are Rs 187 lakhs more than Current Liabilities. As against the Paid-up Capital of Rs 3 crores. Fixed Capital Expenditure stands depreciated at Rs 132.16 lakhs.

The current quotation of Rs 100 paid-up Ordinary shares is steady around Rs 70. Outlook for the current year is considered much better.

Malayan Rubber Output Declines

Malaya's rubber production declined from 603,880 tons in 1951 to 582,646 tons in 1952 largely due to smaller output from the small holdings, according to official statistics. The output of estates actually increased from 327,957 tons in 1951 to 338,328 tons in 1952. The decline in the output of small holdings was from 275,924 tons in 1951 to 241,318 tons in 1952.

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