Alkali and Chemical

FURTHER, good progress has been recorded by Alkali and Chemical Corporation in the year ended September 30 last in its various manufacturing units. Both the polythene units were, operated at full capacity throughout the year. All units producing rubber chemicals are now operating at full rate, and an application has. been made to the government for permission to increase capacity. Production of caustic soda continued at the maximum. There was a substantial increase in technical BHC and liquid insecticides production as compared with the previous year.

A new unit for the production of hydrochloric acid was commissioned and production increased. A further unit is expected to come into operation in 1966. Abloc formulation was, however, lower due to the restricted supplies of raw materials. Liquid chlorine safes were also lower due to the conversion of larger quantities of chlorine to hydrochloric acid to meet market demands. New resin and paints plants have been commissioned and capacity over an extended range of products has been increased. Production rose despite recurring raw material difficulties. The company has secured services of Imkemex (India) Ltd, a registered export house, and exports were raised to over Rs 50 lakhs in the year.

Improved raw material availability made possible full utilisation of plant capacity and, as a result, sales were pushed up sharply from Rs 8.66 crores to Rs 12.79 crores, and gross earnings from Rs 1.80 crores to Rs 3.42 crores. Of this, depreciation has claimed Rs 89.97 lakhs (Rs 68.20 lakhs) and development rebate reserve Rs 17 lakhs (Rs 38 lakhs), leaving a pretax profit of Rs 2.35 crores, over three times the preceding year's Rs 73.68 lakhs. The tax liability, including Surtax of Rs 14.51 lakhs, demands Rs 1.11 crores as against only Rs 11,67 lakhs. Besides, Rs 5.68 lakhs have been provided for taxation in respect of a previous year. For the second year in succession, total dividend is stepped up rive points, this time to 25 per cent requiring Rs 77.50 lakhs compared to Rs 62 lakhs a year ago. The usual dividend on preference capital takes away, as before, Rs. 2.02 lakhs. Transfer to general reserve is lowered from Rs 10.37 lakhs to Rs 8.07 lakhs but that to dividend equalisation reserve is as much as Rs 31 lakhs (nil).

Looking back over a period of 10 years, one finds that the company has made impressive progress. In this period, fixed assets have risen from Rs 2 crores to Rs 12.41 crores, sales from Rs 1.88 crores to Rs 12.79 crores and gross earnings from Rs 40 lakhs to Rs 3.42 crores. Income before taxation and transfer to development rebate reserve as a percentage of total net assets employed in business has increased from 10.7 to 17.8. After paying dividends at the rate of 80 P per share on an equity capital of Rs 62 lakhs in the first two years of the decade, these were gradually raised to Rs 2.50 a share payable on a capital of Rs 3.10 crores for all the subsequent eight years.

Ashok Leyland

SATISFACTORY progress is being made by Ashok Leyland in implementing its new programme of manufacturing heavy duty chassis. The construction of buildings for the machine shop is well advanced, and these should be soon available for occupation. Meanwhile, the assembly of the new range of vehicles has already begun and the order book is fully taken up. There is, however, a sting in the latest report from the company, it says that the year 1965-66 has begun with a serious powercut, the adverse effect of which is already reflected in the output of chassis from the works. The directors, however, hope that the setback in production on account of the powercut and the uncertain conditions due to the emergency will be of a tempo, rary nature and that in the later part of the year conditions will considerably improve enabling achievement of the target of performance.

The financial results for the year to September last show sales turnover up from Rs 17.38 crores to Rs 20.24 crores and gross earnings from Rs 2.42 crores to Rs 2.59 crores. After making necessary provisions and writing back an excess provision of Rs 0.24 lakh, there is left a disposable surplus of Rs 1.06 crores to compare with the previous year's Rs 83,54 lakhs. The cover for the dividend raised by a point to 10 per cent has, thus, looked up from 1.68 times to 1.92 times. The balance shea at the year-end shows capital almost unchanged at Rs 5.52 crores and reserves up from Rs 1.36 crores to Rs 1.45 crores. The net block stands at Rs 5.14 crores (Rs 5.17 crores).

It may be noted that these results reflect the unsettled conditions in the closing months of the year due to the outbreak of hostilities between India and Pakistan.

John Oakey and Mohan

A PERCEPTIBLE improvement has been recorded by John Oakey and Mohan in the third year ended June last. Both the plants (waterproof and glue bond) worked satisfactorily, and a new range of products was introduced. These were well received by manufacturing units. More important, the quality of products is being further improved. The technical manager of the

West Coast Paper