Dunlop Rubber

THE year 1964 was another sue-cessful one in the history of Dunlop Rubber Co (India). Despite the problems arising out of keen competition and uneven flow of raw material supplies, the company established new peaks in production and sales. The years to follow are expected to bring not only fresh problems, but also greater opportunities; and with a view to meeting the challenge of future, the company has already set before it the aim of "further expansion through increased productivity, additional capacity, improved quality and service second to none". Meanwhile, the major expansions of both the factories at Sahaganj and Ambattur have already made considerable progress, and outlets for further diversification are constantly being explored.

With the growing demand for its products both in the home and export markets, sales during the year jumped by Rs 4.60 crores to Rs 4534 crores, and gross profit expanded by Rs 75.71 lakhs to Rs 4.63 crores. After charging depreciation of Rs 65.67 lakhs (Rs 59.83 lakhs) and providing for tax liability Rs 194.77 lakhs (Rs 158.82 lakhs), the after-tax profit was Rs 202.79 lakhs as compared to Rs 168.87 lakhs for the previous year. Development rebate reserve claimed Rs 21 lakhs (Rs 10.25 lakhs), preferential dividends *Rs* 4.60 lakhs (same) and ordinary dividend Rs 109.37 lakhs (Rs 78.75 lakhs). The dividend rate is kept unchanged at 17.5 per 'Jent, and of this the half payment proposed as final is payable on the capital as enlarged by the issue of rights and bonus shares. The remaining surplus of Rs 67.81 lakhs is to be transferred to general reserve which last year received Rs 106.15 lakhs, but then that was possible after taking credit for the preceding year's surplus of Rs 25.88 lakhs and for Rs 5 lakhs being the provision for retiring gratuities written back.

Associated Bearing

INURING the year to December 31 1964, Associated Bearing Company incurred a loss of Rs 16.49 lakhs, as against a profit of Rs 0.78 lakh earned in the previous year, even though sales of textile products were almost double at Rs 48.08 lakhs. After transferring Rs 5,000 (Rs 39,000) to development rebate reserve and pioviding Rs 14,143 (Rs 35,000) for tax liability, the years net loss aggregated Rs 16.69 lakhs which together with the previous loss makes a total loss of Rs 22.99 lakhs to be carried forward. There is good reason to expect better results in the current year, as production of bearings started early this year and is progressing at a good tempo, and increasing quantities of ball bearings have already been sold, The 10 per cent regulatory customs duty will, however, affect the company's working because it will increase the duty on machinery and tools and raw materials to be imported. This will force the company to raise prices of its products.

The company proposes to issue debentures of Rs 1 crore carrying irterest at eight per cent oer arnum. A public issue is proposed to be made for this purpose after getting it fully underwritten by well-known financial institutions. During 1964, the company raised loan capital of Rs 1.65 crores by way of debentures from ICICI.

Killick Industries

AS in the previous year, Killick Industries' results have been again affected by a set-back in the earnings of John Baker and Sons. A year before, its margins had diminished and the last results are poor because of the go-slow policy of labour at its steel tiles factory, culminating in a strike that continued for three months. Despite the end of the strike, the current year's prospects for this division are not rated high, as the recent increase in import duty on steel is expected to affect profitability. Practically all the steel used in the manufacture of files is at present imported from abroad.

\n welcome contrast to the poor showing by John Baker, however, the various managed and subsidiary companies of Killick have generally produced good results. The company's income by way of commission and office allowance from the managed companies has gone up by Rs 5 lakhs but this improvement has been nullified by an almost equal contraction in the company's sales of products. The total income is slightly up from Rs 101.26 lakhs to Rs 103.03 lakhs but, with expenses rising at a faster pace, the outcome is a lower gross profit of Rs 17.37 lakhs compared to Rs 19.66 lakhs a year ago. The directors have provided Rs 2.78 lakhs (Rs 2.60 Jakhs) lor depreciation, Rs 4.95 lakhs (Rs 7.20 lakhs) for the tax liability and Rs 0.10 lakh (Rs 0.15 lakh) for development rebate. Together with the sum of Rs 0.85 lakh (Rs 0.28 lakh) being refund of previous year's taxes, the disposable profit is slightly higher at Rs 10.39 lakhs compared to Rs 9.99 lakhs last year. The equity dividend is increased by 50P to Rs S a share, and should absorb Rs 10 lakhs against Rs 9.37 lakhs previously.

Hindustan Lever

HINDUSTAN Lever's preliminary results for the year 1964 showed that despite an impressive jump in sales the company had earned lower profits, because vanaspati had a very difficult year due to the shortage of edible oils. Now the directors report shows that during the year the company recorded satisfactory progress in most of its other lines of manufacture.

Sales of soap recorded a small increase, while those of the non-soapy detergent, Surf, continued to expand steadily. Toilet preparations experienced a further substantial increase in demand, sales of feeds and concentrates for poultry expanded rapidly in Western and Northern India, and those of cattle food remained steady. But the milk products plant at Knh, which came into operation from mid-1964, experienced shortage of milk.

The modernisation of the company's soap plants both at the Bombay and Garden Reach factories is proceeding on schedule, and the major works are expected to be completed by the end of this year. Also, the new Surf plant, under construction at Calcutta, should be ready by that time. The company has begun work on the installation of a nickel catalyst plant in its Bombay factory, and this should come into operation in early 1966. It will help save a good deal of foreign exchange required for imports of the catalyst.

A small scale unit for animal feeding stuffs was started at Ghaziabad. where the company has its dehydration plant. Besides, the company has started there a poultry development unit to investigate efficient poultry rations for stock kept under Indian conditions. It is also proposed to take up marketing of quality razor blades, and for this purpose the company is entering into a partnership with a razor blade manufacturer of New Delhi.