

Company Notes**Hind Cycles**

THOUGH the sales of Hind Cycles Ltd for the year ended December 31, 1953 increased to Rs 1.42 crores from Rs 1.07 crores in 1952, net profits show a decline from Rs 3.70 lakhs to Rs 3.33 lakhs. This was mainly due to the steep rise in the sales and manufacturing expenses to Rs 13.1 lakhs (Rs 8.61 lakhs) and establishment expenses to Rs 1.38 lakhs (Rs 84 lakhs) despite the fall in production from 1,30,000 bicycles to 1,20,000, *ie*, by 7½ per cent. The Company's contribution to Provident Fund and Employees' State Insurance has also increased to Rs 2.34 lakhs (Rs 1.47 lakhs). Consequently provision for depreciation this year has been reduced from Rs 7.80 lakhs to Rs 6.09 lakhs and that for taxation from Rs 2.82 lakhs to Rs 2.56 lakhs. The total depreciation funds stand at Rs 47.40 lakhs against a gross block of Rs 70.51 lakhs. On shareholders' funds the Company has earned a little over 4 per cent which is rather low.

In the more industrially advanced countries a cycle manufacturing concern usually does not manufacture all the parts but gets its supplies of the components from other manufacturing units, planned and designed to produce only those parts on a mass scale. A cycle consists of more than 200 parts and the Hind Cycles Ltd, the biggest unit in India, manufactures today all those parts, including free wheels and chains, under one roof and the only component now being imported is bicycle spokes.

The Company has an invaluable asset in a satisfied labour force, with no man in the factory getting less than Rs 4-4 per day. The highest paid worker gets Rs 17 per day in the Polishing Department, the lowest being in the Automat Department. It is thus interesting to note that Hind Cycles daily paid workers have the highest annual earnings in India and it is a revelation that some daily wage labourers pay even income-tax.

The Company has an installed capacity to manufacture 1,50,000 bicycles in a year. The other three manufacturers in India have a total capacity of 1,70,000, but they turn out only about one lakh cycles per year. The estimated consumption of bicycles in India is four lakhs and the Company has a production pro-

gramme of manufacturing practically half of the total consumption. Today the total number of cycles used in the country is about 22 lakhs out of which Hind cycles number over 7 lakhs. One out of every three cycles on the road is thus a "Hind".

With the improvement in roads in our country the Company has a bright future.

Before 1939, we imported bicycles worth Rs 50 lakhs and spare parts worth Rs 60 lakhs, making up a total of 1.5 lakh bicycles. In 1947-48 imports rose to 2.5 lakh bicycles costing Rs 2.5 crores. In 1946 the number of bicycles manufactured in the country was 50,650; in 1951 it rose to 1,13,500 and today the figure stands at 2,25,000 cycles. Thus the rise in Bicycle Industry has helped in conserving and fortifying our foreign exchange reserves. The Tariff Commission has completed its enquiry on Protection to Bicycle Industry and its decision is anxiously awaited.

The Company has maintained a dividend of Rs 8 on its Rs 100 Ordinary share which has improved from Rs 117 to Rs 130. The report is sumptuously illustrated and very well produced. There is one omission, however. In the Profit & Loss Account, figures for the previous year are not given. It would facilitate easy reference, and evaluation of the Company's progress if the practice of giving comparative figures is followed.

British India General

THE British India General Insurance Company's accounts for the year 1953 show continued progress. With a paid-up capital of Rs 20 lakhs, the Reserve Funds amount to Rs 1.25 crores. The shareholders' reserves have improved to Rs 20.78 lakhs from Rs 19.35 lakhs in 1952. The total investments are Rs 52.55 lakhs in the General Account and Rs 56.43 lakhs in the Life Accounts. The book values of Investments are in the aggregate above the market prices as at December 31, 1953, though investments show a depreciation at Rs 9.76 lakhs for which there is an adequate reserve of Rs 10 lakhs.

The dividend is maintained at Re 1 per share of Rs 50 (Rs 10 paid-up) and the current price of the share is Rs 13-8.

Industrial & Prudential

THE Industrial & Prudential Assurance Co showed an all round improvement during the year 1953. The new business completed during the year amounted to Rs 3 crores as against Rs 2.54 crores in the previous year. The Life Insurance "Fund" increased from Rs 5.83 crores to Rs 6.40 crores. The investments amount to Rs 5.10 crores (fat cost) showing a depreciation of Rs 36.64 lakhs which is fully covered by the Reserve for Depreciation on Investments which stands at Rs 46.32 lakhs. Of the investments, those in Government and Approved Securities amount, to Rs 3.17 crores.

The expenses of management amounted to 25.8 per cent of the premium income for the year as against 23.9 per cent in the previous year. The renewal expenses ratio was 14.8 per cent.

The improved results have been reflected in a higher distribution of dividend at Rs 2 against Re 1-4 in 1952 on Rs 6 share which is now quoted at Rs 42. The results of the year can be considered satisfactory and are likely to improve in future.

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Further Rise in Silver

SHEIKH MEMON

STREET lacked animation last week. The general tone was steadier due to short covering and professional support on reactions. Interest was mainly in silver which recorded a further sizable improvement although the best levels could not be sustained. Gold was dull but quite steady.

After rising from Rs 152.14 silver "Asharh" delivery moved irregularly lower to Rs 153-6 but recovered quickly to Rs 155.10 on Wednesday. Later it receded on profit-taking to Rs 154.2 and ended at Rs 154.11 on Thursday. Sentiment in silver was helped by reduced arrivals of "kutchu" metal from up-country centres. The trading pattern of silver suggested that some professional bulls are trying to accumulate 'long' positions when the off-take is still slack and outside public buying is not aggressive enough to push up prices. After easing from Rs 84-9 to Rs 83-6 gold "Asharh" delivery moved irregularly higher to Rs 84-13 and ended at Rs 84-7½ on Thursday. Heavy backwardation charges induced short covering.