

Business Notes**Sen - Raleigh**

THE fears expressed last year by Shri Abhijit Sen, Chairman of Sen-Raleigh, proved to be correct; for the Company which was paying B per cent for the last four years passed over the Ordinary dividend for the year ended September 30, 1963. Sales dropped to Rs 4.68 crores (Rs 4.86 crores) and the pre-tax profit was squeezed to Rs 11.62 lakhs (Rs 23.37 lakhs). High cost of raw materials and operations much below the capacity due to dislocation of material supplies on account of the emergency accounted for the lower profit for the year. Taxation provision was less at Rs 7.18 lakhs (Rs 11.86 lakhs) during the year, and the Company had also the benefit of a Taxation Equalisation Reserve of Rs 2.33 lakhs which was no longer required and of other sundry items, though SPT for 1961-62 had to be provided for a small amount of Rs 32.914. Development rebate reserve was increased to Rs 1.12 lakhs (Rs 57.757) and a Reserve for repayment of loan was created for Rs 3.75 lakhs (same). Preference dividend absorbed Rs 1.95 lakhs and ordinary dividend was skipped as there remained a balance of only Rs 4.301. The Company has a general reserve of Rs 17.50 lakhs which is left untouched. The Directors have not thought it advisable to recommend payment of ordinary dividend having regard to the need for conserving resources for implementing expansion plans.

Demand for the company's products was maintained but production could not be maintained due to short supply of raw materials and the factory had to be closed down for 2-3 months. With improvement in the flow of materials, the Company is now trying to expand its bicycle production. But at the same time, on account of increased costs of raw materials and services and a ceiling on selling prices, the Chairman is reluctant to forecast how effectively any increased production would be reflected in the working results during the current year. After stepping up production of bicycles for which demand has now started looking up, it is the intention of the Company to expand

component production also wherever justified. With a rising trend in exports of bicycles from India, the Company has orders for its 'Balaka' brand which was introduced in African and Middle East markets during the year. The Chairman complains against pilferage in the Calcutta docks which tends to discourage foreign dealers from placing orders.

The Company's scheme of manufacturing House Service metres is still under way.

Syndicate Bank

SYNDICATE Bank has made impressive progress during 1963. Not only did its deposits, advances and gross and net incomes increase, but its activities have extended to new fields of banking. Deposits rose from Rs 32.65 crores to Rs 45.49 crores, i.e., by Rs 12.84 crores compared with Rs 8.02 crores in the previous year. The largest rise was in fixed deposits accounting for Rs 7.82 crores while Savings Bank and Current and contingency accounts went up by Rs 2.50 crores and Rs 2.52 crores, respectively. Advances improved by Rs 9.56 crores to Rs 27.83 crores. Investments in Government securities were higher by Rs 5 crores at Rs 21.43 crores. Income from all sources went up sharply by Rs 63 lakhs to Rs 2.62 crores while expenditure rose by Rs 53 lakhs to Rs 2.22 crores. Profits for the year showed an increase of Rs 9.59 lakhs at Rs 39.92 lakhs. Out of the profits, statutory and contingent Reserves got Rs 9.08 lakhs (Rs 6.50 lakhs), provision for taxes Rs 14.78 lakhs (Rs 12 lakhs) and bonus to staff Rs 5 lakhs (Rs 3 lakhs). Preference dividends at 8.57 per cent and 7.15 per cent and ordinary dividend at 20 per cent (same) will absorb Rs 1.84 lakhs and Rs 9.83 lakhs, respectively.

The Bank started foreign exchanges business during the year and intends to assist small industries in their exports. It has opened an industrial finance department to give special attention to financing of industries including those in the co-operative sector.

The Bank took over during the year, under the scheme of transfer of assets and liabilities, 3 banks, namely, the Citizens Bank at Robertsonpet, the Pollachi Town Bank at Pollachi and the Sri Kannikaparameshwari Bank at Coimbatore. It opened 13 branches during the year. The total number of branches of the Bank is now 190. Availing of the facilities extended by the Agricultural Refinance Corporation the Bank proposes to provide finance even without security to small and middle-class owner-cultivators either to bring new areas under cultivation or to expand agricultural production.

Dunlop Rubber

DUNLOP Rubber (India) has stepped up the ordinary dividend by 2.5 per cent to 17.5 per cent for the year ended December 31, 1963, thereby restoring half of the cut effected in 1962. Sales improved by Rs 3.61 crores during 1963 to Rs 40.75 crores, compared with a rise of Rs 4.27 crores to Rs 37.13 crores in 1962. While the total income rose by Rs 3.60 crores, aggregate expenditure took away Rs 3.63 crores more with the result that the pre-tax profits suffered a small decline of about Rs 3 lakhs at Rs 327.69 lakhs, the gross profit margin being slightly lower at 8 per cent compared with 8.8 per cent previously. However, net profit available for disposal after taxation provision, has shown a sharp rise of Rs 73.28 lakhs as against Rs 168.87 lakhs (Rs 95.59 lakhs in 1962 and Rs 161.75 lakhs in 1961) increasing the net earnings per ordinary share to Rs 3.65 from Rs 2.02. This is partly due to a higher development rebate allowance of Rs 10.25 lakhs (Rs 3.00 lakhs) and partly to a reduction of Rs 11 lakhs in the tax incidence under the new budget proposals, apart from an excess provision of Rs 24 lakhs for SPT made in the previous year.

Including the last years balance of Rs 25.88 lakhs (Rs 25.39 lakhs) and writing back Rs 5 lakhs, being the Retirement Gratuities Provision, the amount available for disposal has been raised to Rs 199.75 lakhs (Rs 120.98 lakhs) from which development rebate reserve has absorbed Rs 10.25 lakhs (Rs 3.00 lakhs) and Guaranteed Preference dividend at