

April 4, 1964

Sen-Raleigh Limited

Chairman's Review

THE Fourteenth Annual General Meeting of Sen-Raleigh Limited was held in Calcutta on the 31st March 1964. Below is the statement of Mr Abhijit Sen, Chairman of the Company:

As anticipated in my last statement to you, the year under review turned out to be one of our more difficult ones. In spite of a continuing demand for our products, sales were appreciably lower than in the preceding period as it was not possible to maintain production at desired levels owing to chronic shortages of raw materials, when sections of the factory had to be laid-off for periods extending up to 2/3 months at a time. As a consequence the financial results of the Company for the year have been extremely disappointing. For the first time in some years, your Directors have been unable to recommend payment of a dividend on the Ordinary Share Capital of the Company.

I am sure you would agree with me that in view of the heavy financial commitments ahead of the Company for implementing its expansion schemes about which reference was made in my last report to you, the wisest course for the Company to follow would be to conserve its resources to the fullest extent for the present.

Towards the end of the year under review your Company was ready to put into effect this vital scheme for expansion of bicycle production but it was not till the end of 1963 that it was entirely satisfied that the material Row required for such expanded production would be forthcoming. The expansion of bicycle production which is now under way, is one of a number of steps that the Company needs to take to bring back reasonable profits in its operation.

After three years of near stagnation, the demand in general for bicycles and some of its components has once again started looking up. Your Company intends to reap the full benefit of this rise in demand. In some components where the de-

mand has grown to the degree that it is embarrassing for the Company to have to refuse orders even for supplies to other cycle manufacturers, the matter of expanding production is now actively engaging the attention of your Directors.

Progress in the House Service Meter Scheme of the Company has been limited to sending over the first batch of trainees to Associated Electrical Industries Ltd., Manchester and completing the import application for the plant. It is expected that with the first batch of trainees now actively associated with the planning of the Indian production in the U. K., this scheme will gather necessary momentum.

The protection granted to the Bicycle Industry fell due for review in 1963 and a Tariff Enquiry was held on the subject in July of that year. After the enquiry, the Tariff Commission recommended that protection be withdrawn in the case of the Bicycle Industry and this recommendation was accented by the Government of India. However, to protect the interests of the consumer, the Tariff Commission further recommended that the manufacturers' prices of bicycles be brought under a system of voluntary control, and as this recommendation was also accepted by Government, today bicycle manufacturers cannot increase their prices without reference to Government. A further recommendation sought to establish a ceiling on retail prices of the bicycle. Both these latter recommendations appear inconsistent with the conditions prevailing at the moment. Whilst it may be possible to effect a control on manufacturers' prices voluntarily, there is little possibility of maintaining a voluntary ceiling on dealers' prices in a market where demand far outstrips supply.

After many years of consistent effort on the part of manufacturers, the export performance of the Bicycle Industry as a whole is showing a satisfactory trend. In common with other manufacturers your Com-

pany's exports rose appreciably in the period under review. Orders are now flowing in steadily for the Balaka bicycle which was introduced to African and Middle Eastern markets during the year

A disquieting feature of exports — particularly from the port of Calcutta is the pilferage that appears to take place at the docks here. Few of the consignments sent out over the last year from Calcutta seem to have escaped pilferage and importers in other countries are now chary of placing orders on Indian manufacturers as a result of this evil. No dealer in a competitive market can be expected to risk losses by ordering on India when he is assured of certain supplies by ordering on other countries. This matter deserves the serious attention of the Ministry of International Trade, as a remedy to this problem is only possible at Government level and does not lie in the hands of the exporter.

A fresh Five Year Agreement in replacement of the expiring one has been negotiated with the Employees Union and is now in the final stage of drafting. It is hoped that the New Agreement would bring in improved operations on the part of the Company and even better relations with its workers.

It was with deep sadness and a sense of personal loss, that the news of the sudden demise of Mr. G. H. Wilson, in an unfortunate car accident was received in December. Many of you, who also knew him must have felt the loss acutely. Mr. Wilson was a man of rare vision whose interest in the cause of spreading cycling stained for him the sobriquet of "Mr. Bicycle" in his own country and for India its thriving bicycle industry.

I would extend a welcome to Mr. D. P. Harris, the Works Director of Raleigh Industries Limited who now joins our Board. The experience Mr. Harris brings to this Board would be of great value to the Company in

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its efforts to tide over its present difficulties.

We were very pleased to receive a visit from Mr R, D. Young, the

Chairman of Raleigh Industries Ltd. Although fleeting, the visit was extremely helpful, and it is hoped it would be the precursor of many

more in future.

Note: This does not purport to be a record of the proceedings of the Annual General Meeting.