

Sen-Raleigh Industries of India Limited

Review of the Chairman, Mr Abhijit Sen

THE following are extracts from the Statement of Mr Abhijit Sen, Chairman of Sen-Raleigh Industries of India Limited, at the 12th Annual General Meeting of the Company held in Calcutta on March 29, 1962 :

In the year under review the Company's overall sales increased by 11%, but profits declined. Though bicycle sales dropped slightly owing to production bottle-necks, a greater production of components and accessories helped to realise the larger turnover. In the main, two factors affected bicycle production—a cut in import licence ceilings, and the failure of some indigenous manufacturers to meet commitments for supply of semi-finished components that could no longer be imported. The reduction in profit can be ascribed to :—

- (a) The failure of individual indigenous suppliers to meet commitments, which resulted in a disbalance of stocks and in turn led to higher inventories with consequent higher financing charges,
- (b) Poorer material utilisation, than had been anticipated, as, in many cases, as a result of changing import policies, materials had to be obtained from unknown and untested sources both within the country or abroad,
- (c) High rectification costs where these non-standard materials had to be consumed,
- (d) The higher cost of materials where indigenous or DLF buying from America replaced buying from usual sources in Europe,
- (e) And lastly, the impact of unabsorbed overheads on a turnover, much smaller than planned.

Most of the factors which adversely affected our operating results in the past year were of a nature where solution was a matter of time and of adjustment to changing patterns of operation — as indeed our activities in the intervening period have tended to show. Indigenous supplies in general have improved remarkably both in respect of quality and in the honouring of commitments.

Import problems still remain a factor to contend with as the pace of development of ancillary and feeder industries has yet to catch up with the faster developing requirements of the consuming industries. The only predictable features of import policy would seem to be a reduction in ceilings from period to period and a change in sources from which the limited imports could take place, and all production planning now has to start from these premises.

Whilst we accept this situation as unavoidable, and have taken whatever steps are within our powers to meet it, there are two aspects of import licensing which we find it difficult to face with equanimity. The first is the fact that the bicycle industry appears to be the only one to have had cuts in import licence ceilings linked with export performance. We wonder why this industry should have been singled out for this distinction. The second is that in many cases the policy makers too readily agree to deletion of items from the import list even when indigenous manufacture is very much in the air, leading at a later stage to licensing policies having to be reversed, with its consequent delays, added paper work and very often production failures—when a more careful check on the progress of the industries could have made for smoother sailing all round.

A redeeming feature of the past few months has been the remarkable progress achieved by the steel producing industries and one can now safely assert that almost all categories of rolled or drawn steel required for the bicycle industry are being produced within the country. The bicycle industry is still however far from obtaining all its supplies of steels from local sources in such quantities as would allow utilisation of capacities to maximum advantage but the future of the bicycle industry appears to be more assured than in the immediate past.

The bicycle industry has now left the easy sellers market to enter an era of closer competition. Your Company has been lucky that there has been no slackening in demand for its products, and particularly in its major line—bicycles, it enjoys the reputation of marketing the fastest selling brands. In specific components, there is now a tapering off of sales which can be ascribed, in the main, to the unfortunate Government decision of allowing imports of friction parts in very large quantities for Small Scale assemblers,

A question that might arise in this context is why the Company should persist with a large production of components, when the same resources used for making more bicycles in preference to components would have fetched it better returns. The answer lies in the fact that releases of materials are very often earmarked for production of specific components, and so a smaller production of these would not necessarily lead to any increase in bicycle production. We have to accept the fact that in the larger interests of a planned economy operational decisions cannot always be taken on the basis of profitability alone.

A sanction has been received for a further issue of capital. The

Company's future plans envisage expansion of bicycle and chain production and diversification into the manufacture of Dynamo Lamps and House Service Meters. The successful implementation of these schemes depends largely on the availability of foreign exchange for import of plant through further foreign participation in the capital of the Company. Realising this, your Directors have been active in exploring the possibility of increased capital participation in the Company hv Raleigh Industries Ltd.

At our invitation, a Raleigh Consultancy team visited our factories in November last — mainly for discussions on expansion schemes. Valuable contributions were made by it to our plans for the future. Raleigh have in the recent past developed new techniques and processes which would lead to more effective use of materials. As a result of the visit, it is proposed to incorporate a number of these new processes into our future scheme of operations.

For sometime, changes in the Company's methods of operation over the past few years had been highlighting the need for radical changes in the Company's organizational structure to improve efficiency and tighten controls. Very recently changes in the organizational set-up were introduced to meet these changing conditions and whilst it is too early yet to comment on the long-term benefits of this move, the working of the factories in the months following the change has certainly shown marked improvement.

If the operating results for the year have been disappointing to our shareholders, they have been disheartening for our staff and workers, whose sincere efforts, have so often foundered on the rocks of frustration. I would close on a note of thanks to all staff and workers for the effort they have put in and the understanding they have extended to the Company in a year of, difficult operations, and share with them the hope of better operations in the future.

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

The Indian Iron & Steel Co Ltd.

NOTICE is hereby given that a General Meeting of the Company will be held at 12, Mission Row, Calcutta on Wednesday the 25th day of April, 1962 at eleven o' clock in the forenoon for the purpose of considering and, if thought fit, passing the following resolution :—

That subject to Mich approval of the Central Government as is required by section 372 of the Companies Act, 1956 being duly obtained this general meeting having taken under consideration the scheme of collaboration between the Company and The Stanton Ironworks Company Limited do sanction the investment by the Company which is thereby contemplated in the purchase or acquisition of shares in the proposed company to be known as IISCO Stanton Pipe and Foundry Com-

pany Limited notwithstanding that such investment will exceed ten per cent of the subscribed capital of that Company.

A member entitled to attend and vote at the meeting is entitled to appoint a proxy (who need not be a member of the Company) to attend and, on a poll, to vote in his stead.

By Order of the Board
MARTIN BURN LIMITED
F. G. Liversedge
Managing Director
Managing Agents.

Registered Officer
12, Mission Row,
Calcutta-1
26th March, 1962

We : An Explanatory Statement as required under the Companies Art. 1956, has been forwarded to the members of the Company.

PERSPECTIVE

No 3

December 1961

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To be had from :

National Book Agency Private Limited
12, Bankim Chatterjee Street,
Calcutta-12

People's Publishing House
Rani Jhansi Road,
New Delhi

National Publishers
206, Cornwallis Street,
Calcutta-6

Price Rs. 2.00

THIS IS ONLY AN ANNOUNCEMENT AND NOT A PROSPECTUS

CONSENT OF THE CENTRAL GOVERNMENT has been obtained to this issue by an Order of which a complete copy is open to public inspection at the Registered Office of the Company. It must be distinctly understood that in giving this consent the Central Government do not take any responsibility for the financial soundness of any scheme or for the correctness of any of the statements made or opinions expressed with regard to them.

A LICENCE has been obtained from the Central Government for the establishment of a new expanded manufacturing unit at Vallabh Vidyanagar, Gujarat in addition to the existing manufacturing unit at Bombay, of which a copy is open to public inspection at the Registered Office of the Company. It must be distinctly understood that in granting this licence the Government of India do not undertake any responsibility for the financial soundness of this undertaking or for the correctness of any of the statements made or opinion expressed in regard to it.

A COPY OF THE PROSPECTUS together with the copies of the documents specified therein as required under section 60 (2) of the Companies Act, 1956, has been filed with the Registrar of Companies, State of Gujarat, Ahmedabad, for registration.

APPLICATION WILL BE MADE TO the Bombay and/or Ahmedabad Stock Exchanges for permission to deal in and for official quotations of the shares of the Company.

THE SUBSCRIPTION LIST will open at the commencement of Banking hours on 2nd April, 1962 and will close at the close of Banking hours on 7th April, 1962 or earlier at the discretion of the Directors as soon as the subscription to the amount issued to the public have been received, but not earlier than the close of Banking hours on 4th April, 1962.

Elecon Engineering Company Limited

Incorporated as a "Private Company" on 11th January 1960, and converted into a "Public Company" by a Resolution of the Company passed on 26th September 1961.

Authorised Capital :

1,00,000 Equity Shares of Rs. 100/- each Rs. 1,00,00,000

Issued and Paid Up Share Capital :

10,000 Equity Shares of Rs. 100/- each fully paid up as follows :
 6,824 shares of Rs. 100/- each for consideration other than cash Rs. 6,82,400
 3,176 Equity shares of Rs. 100/- each for cash Rs. 3,17,600
 Rs. 10,00,000

Present Issue :

50,000 Equity shares of Rs. 100/- each Rs. 50,00,000

OUT OF THE PRESENT ISSUE :

(i) Messrs. Alfred Wiseman & Co. Ltd., London, one of the foreign collaborators has agreed to subscribe for and will be allotted 2,400 Equity shares of Rs. 100/- each Rs. 2,40,000
 (ii) The Directors, their friends, associates and existing shareholders have agreed to subscribe for and will be allotted 13,100 Equity shares of Rs. 100/- each Rs. 13,10,000
 (iii) Agreed to be subscribed by Life Insurance Corporation of India 5,000 Equity Shares of Rs. 100/- each. Rs. 5,00,000
 20,50,000

Now Offered at Par for Cash for Public Subscription :

29,500 Equity Shares of Rs. 100/- each Rs. 29,50,000

The entire issue has been underwritten.

TERMS OF PAYMENT OF ABOVE SHARES

	Per share
On application	Rs. 25
Within one month from the date of allotment	Rs. 25
Balance Rs. 50/- per share in two calls of Rs. 25/- each, as may be determined by the Board of Directors	

Directors :

Shri Nanubhai B. Amin, Chairman, Race Course Road, Baroda—Director of the Alembic Works Ltd., The Jyoti Ltd., Jyoti Calor Emag Ltd., The Sanitex Chemical Industries Ltd., The Baroda Industries Development Corporation Ltd., The Baroda Co-Operative Land Mortgage Bank Ltd., Businessman, etc.

Shri Harishchandra Prasad, M. L. A., Tanuku, West Godavari District, Andhra Pradesh — Director of the Andhra Sugars Ltd., Sree Akkamamba Textiles Ltd., Hyderabad Chemicals & Fertilizers Limited, Andhra Pradesh Industrial Development Corporation Limited etc. Industrialist.

Mr. Alfred John Arthur (Nominice of Messrs. Alfred Wiseman & Co. Ltd., one of our foreign Collaborators), C/O Messrs. Alfred Wiseman & Co. Ltd., Glover Street, Birmingham 9, England — Chairman of M/s. Alfred Wiseman & Co. Limited.

Shri Ranjit Vithaldas Kanji, 7 B, Worli Seaface, Bombay — Businessman.

Shri Ishwarbhai B Patel, "Sahakar", 31, 'B Road, Church-gate Reclamation, Bombay-1. Landlord and Businessman.

Shri Ambalal Parikh, C/O M/s. Manilal Kher Ambalal & Co., 51, Mahatma Gandhi Road, Bombay-1. Director of Larsen & Toubro Limited, S. L. M. Maneklal Industries Ltd., Rajesh Textile Mills Ltd., Solicitor.

Shri Rajendralal Shadilal, Flat No. 412, Olympus Apartments, Altamount Road, Bombay-26. Director of the Upper Doab Sugar Mills Ltd., Machinery Paints & Chemicals (India) Pvt. Ltd., etc. Managing Agent of the Upper Doab Sugar Mills Ltd., Banker & Millowner.

Shri Bhanubhai I. Patel, 6B, Suresh Colony, Vile Parle (West), Bombay. Landlord & Businessman.

Shri Chandrakant H. Amin, Rajendra Marg, Vallabh Vidyanagar, Gujarat, Businessman. Director of M/s. Comet Paints Private Ltd.

Shri Shantilal I. Patel, "Sadhana", Law College Gardens, Ahmedabad — Businessman.

Registered Office

"Saurabh", Mahatma Gandhi Road, P. O. Vallabh Vidyanagar, Anand (Gujarat).

Bankers to the Issue :

The Bank of India Ltd., Bombay.
 The Central Bank of India Ltd., Bombay.
 Devkaran Nanjee Banking Co. Ltd., Bombay.
 The Union Bank of India Ltd., Bombay.

Bankers

The Bank of India Ltd., Mahatma Gandhi Road, Bombay-1.
 The Central Bank of India Ltd., Bombay.
 Devkaran Nanjee Banking Co. Ltd., Bombay.
 The Union Bank of India Ltd., Bombay-1.

Auditors

Messrs. Thakorebhai & Shirish Desai,

Noble Chambers, Parsee Bazar Street,
Bombay 1.

Solicitors

Messrs. Manilal Kher Ambalal & Co.,
Jehangir Wadia Building,
51, Mahatma Gandhi Road,
Bombay 1.

Managing Director

(Subject to the approval of Govt. of India)
Shri Shantilal I. Patel,
"Sadhana",
Law College Gardens,
Ahmedabad.

Resident Director

(Subject to the approval of Govt. of India)
Shri Chandrakant H. Amin,
Rajendra Marg,
Vallabh Vidyanagar,
Gujarat.

Underwriters

	Total amount underwritten.	Shares Reserved for firm allotment to underwriters	Now unconditionally offered for public subscription
	Rs.	Rs.	Rs.
Investment Corporation of India Ltd., Bombay.	7,00,000	—	7,00,000
Life Insurance Corporation of India, Bombay	5,00,000	5,00,000	--
The Central Bank of India Limited, Bombay	5,00,000	—	5,00,000
The Devkaran Nanjee Banking Co. Ltd., Bombay	5,00,000	—	5,00,000
The Bank of India Ltd., Mahatma Gandhi Road, Bombay-1	3,00,000	—	3,00,000
M/s. P. R. Subramanyam 70-A, Stock Exchange Bldg., Fort, Bombay 1.	2,50,000	—	2,50,000
M/s. Mahadevia Bros., Stock Exchange Bldg., Bombay 1.	2,00,000	—	2,00,000
M/s. Jashwantlal V. Bhagat, 5, Hamam Street, Fort, Bombay-1.	2,00,000	—	2,00,000
M/s. Merwanjee Bomanjee Dalal, Allahabad Bank Bldg., Apollo Street, Bombay 1.	1,00,000	—	1,00,000
M/s. Macnochie & Co., Mercantile Bank Bldg., Madras 1.	1,00,000	—	1,00,000
M/s. Somayajulu & Co., Andhra Insurance Bldg., 337, Thambu Chetty St., Madras-1.	1,00,000	—	1,00,000
Total	34,50,000	5,00,000	29,50,000

Brokers to the Issue

Bombay :

M/s. P. R. Subramanyam, Bombay.
M/s. Mahadevia Brothers, Bombay.
M/s. Jashwantlal V. Bhagat, Bombay.
M/s. Devkaran Nanjee & Co., Bombay.
M/s. Merwanji Bomanji Dalal, Bombay.
M/s. Batlivala & Karani, Bombay.
M/s. Dhirajlal Maganlal Purshotamdas, Bombay.
M/s. A. B. Pandit & Co., Bombay.
M/s. D. S. Purihoodas & Co., Bombay.

Calcutta :

M/s. Place Siddon & Gough Pvt. Ltd., Calcutta.
M/s. G. M. Pyne, Calcutta.
M/s. Chunilal T. Mehta, Calcutta.

Madras :

M/s. Macnochie & Co., Madras.
M/s. Somayajulu & Co., Madras.
M/s. Kothari & Sons, Madras.

Delhi :

M/s. P. S. Khambete & Co., New Delhi.
M/s. Raj Paul Chadha & Co., New Delhi.
M/s. Desh Bandhu Gupta & Co., Delhi.

Ahmedabad :

M/s. Chimanlal Lalbhai, Ahmedabad.

Profits

Subject to unforeseen contingencies, the Directors are of the opinion that the Company should be able to pay a reasonable dividend from the financial year 1963.

Sales and Sales Prospects

The demand for the products of the Company is growing rapidly as mentioned hereinbefore and after implementing the expansion programme, it is anticipated that the sales figures on a very conservative estimate of various products will be as follows :—

	Total	Rs One crore & Twenty lakhs
Conveyors	Rs 35 lakhs	} Vallabh Vidyanagar Existing Unit, Bombay Unit.
Troughing Idlers	Rs 25 lakhs	
Worm Reduction Gears	Rs 35 lakhs	
Conveyors	Rs 25 lakhs	

The present minimum needs of the country of Conveyors and Reduction Gear Units are estimated to be very high which is bound to increase still further in direct relation to the industrial development of the country. The Company has in hand major contracts for the supply of conveying equipments of the value of Rs. 45 lakhs. Another major contract of the value of Rs. 25,00,000 is also being finalised.

Underwriting Commission

The Underwriters to this issue will be paid an underwriting commission of 2½% on the face value of shares underwritten by them respectively.

Reserves and Dividends

The Company has transferred in the first year of its working a sum of Rs 91,622/- to development reserve and a sum of Rs. 441/- is being carried forward to next year after declaring a dividend of 12%. It can be seen from the accounting results of the first year and also the results of the firm taken over by the Company that the returns have been attractive.

Brokerage

Brokerage will be paid to members of recognized Stock Exchanges in India and to the Bankers at the rate of 1% on the nominal value of Shares allotted in respect of applications bearing their stamps. Brokerage on the same basis will be paid to the underwriters in addition to the underwriting commission on all allotments made in respect of applications bearing their stamps.

Application for Shares

Applications for Shares must be for a minimum of five Shares or multiples of five shares and must be made on the form accompanying the prospectus or printed form thereof which can be had from the company's Bankers and Brokers to the issue.

Application forms duly completed together with the cheques or drafts at the rate of Rs 25/- per share applied for must be lodged before the closing of the subscription list with the office of the underwriters or official Brokers or at the office of the company or with any of the Bankers to this issue at their head office or any of their principal branches at the following places, namely AHMEDABAD, ANAND, BANGALORE, BARODA, BOMBAY, CALCUTTA, CAMBAY, COCHIN, COIMBATORE, DELHI, GWALIOR, HYDERABAD, INDORE, KANPUR, MADRAS, MADURAI, NADIAD, NAVSARI, NEW DELHI, POONA, RAJKOT, SURAT AND TRIVANDRUM.

Cheque or Draft accompanying each application must be in favour of "ELECON ENGINEERING COMPANY LTD." Cheques or Drafts must be drawn on a bank in the city in which the application is tendered. No cheques or drafts drawn on banks in other towns will be accepted and the application will be refused.