

Company Notes**Central Bank's Deposits, Advances and Profit at Peak**

THE year 1961, which marked the completion of fifty years of working of the Central Bank of India was the most prosperous one in its history with deposits, advances and profit all at their peak.

The gross income of the bank has gone up by Rs 2.05 crores to Rs 12.23 crores, after making provision for taxation out of interest and discount earned. This is higher than the increase in any recent year and has raised the gross income nearly two times in the last five years. The bulk of the increase is accounted for by interest and discount which have risen by Rs 1.76 crores to Rs 10.16 crores. The income from commission and discount at Rs 1.0% crores shows an increase of Rs 28 lakhs. The outgo by way of interest paid on deposits and borrowings is up by Rs 92 lakhs at Rs 5.26 crores. The expenses have risen by Rs 63 lakhs to Rs 5.14 crores. It is noteworthy that for the first time, at least in recent years, the interest paid has exceeded the other expenses, evidently due to the marked growth in time deposits. While the ratio of interest paid to income has increased slightly from 12.6 per cent to 43 per cent, that of other expenses has declined from 44.3 per cent to 42 per cent. The ratio of net profit to income has improved from 13 per cent to 14.9 per cent.

After a lapse of years, there has been an addition of Rs 45 lakhs to the general reserve with a view to strengthening the capital funds in accordance with the Reserve Bank's suggestion to bring the total capital funds to 6 per cent of the deposits. The dividend has been raised from 18.4 per cent in 1960 (excluding the golden jubilee bonus of 2 per cent) to 20 per cent.

The increase of Rs 20.67 crores to Rs 220.10 crores in the bank's deposits is the highest recorded in any year. Of this, the high interest bearing fixed deposits and cash certificates at Rs 114.52 crores account for Rs 13.19 crores. Savings bank deposits at Rs 38.12 crores for Rs. 2.56 crores and current accounts, call deposits, etc at Rs 67.55 crores for Rs 4.93 crores.

The large addition to the deposits has enabled the bank to reduce its borrowings from Rs 15.76 crores to Rs 6.15 crores, after meeting the increased demand for credit, which has risen by only Rs 10.31 crores to Rs 160.99 crores. In fact, the ratio of advance to deposits has been brought down from 75.6 per cent to 73.1 per cent. The pace of increase in advance during 1961 is much lower than that recorded in the previous two years.

The investments have been strengthened by Rs 2.20 crores to Rs 58.80 crores, but their ratio to deposits has declined from 28.4 per cent to 26.7 per cent. Similarly, in spite of an addition of Rs 1.22 crores, cash balances and money at call and short notice at Rs 23.91 crores bear a lower ratio of 10.9 per cent, against 11.4 per cent.

**Sharp Rise in Profits of Kohinoor Mills**

NOTWITHSTANDING many handicaps, such as the increased incidence of excise duties, the reduction in prices of cloth, restrictions on the manufacture of new varieties of cloth, price control on staple fibre yarn and the sharp rise in prices of cotton towards the end of the year, the performance of cotton textile mills during 1961 has been encouraging and many of them have been able to step up the dividend to the shareholders. In consonance with this trend, the sales of Kohinoor Mills have risen by over Rs 45 lakhs to Rs 7.20 crores. and the gross profit by Rs 27.19 lakhs to Rs 59.38 lakhs, raising the ratio of profit to sales from 1.8 per cent to 8.2 per cent. With this increase, the gross profit has maintained an upward trend for the third year in succession. From Rs 10 lakhs earned in 1958 it has gone up nearly six times in 1961.

The net profit shows a rise from Rs 14.84 lakhs in 1960 to Rs 22.71 lakhs in 1961, after making larger provisions for Managing Agents commission Rs 3.97 lakhs (Rs 2.18 lakhs), depreciation Rs 17.02 lakhs (Rs 10.92 lakhs) and taxation Rs 15.68 lakhs (Rs 4.25 lakhs). This gives adequate cover to the proposed dividend of Rs 18 per

share, the earning per share being Rs 22.71. But the allocation of Rs 14.90 lakhs (against Rs 7.07 lakhs) to the development rebate reserve has reduced the net profit to Rs 17.81 lakhs, which is not sufficient to pay the enhanced dividend absorbing Rs 18 lakhs. The shortfall is made good by drawing on the previous year's surplus. At the current market value of Rs 313.50, the Rs 100 fully paid-up shares offer a tax-free yield of 4.13 per cent.

In spite of the acute shortage of cotton during the current year, the Directors do not take an unduly pessimistic view of the outlook. Of course, they feel that the cotton supply position is quite alarming, as the chances of obtaining American cotton do not appear to be bright, but the mill's position with regard to cotton, though not as strong as one would have wished, is comparatively satisfactory.

The company has considerably strengthened its financial position during the year by reducing the outstanding borrowings from Rs 116.64 lakhs to Rs 95.84 lakhs. The additions to the fixed assets including capital works in progress amount to Rs 41.88 lakhs, raising the gross value thereof to Rs 4,56 crores. The written down value is Rs 1.38 crores. Investments and current assets aggregate Rs, 2.59 crores. The paid-up capital and reserves amount to Rs 2.07 crores, giving a net worth of Rs 207 per share.

**Madras Rubber's Maiden Dividend**

THE working of Madras Rubber Factory during the period November 16, 1960 to December 31, 1961 has resulted in a gross profit of Rs 23.51 lakhs on a sales turnover of Rs 164.48 lakhs, thus giving a profit margin of 14.29 per cent. This profit has been earned entirely on the manufacture of tread rubber and repair materials.

The net profit amounts to Rs 9.30 lakhs after providing Rs 63,120 for Managing Agency commission, Rs 4.58 lakhs for depreciation and Rs 9 lakhs for taxation and gives an earning of over 9 per cent. This more than adequately covers the dividend which is to be paid at the rate of 6 per cent from the date of allotment. At the current market value of Rs 22 the Rs 10 fully