

Company Notes**Scindia Steam**

THE operating results of Scindia Steam Navigation Co for the year to June 30, 1962 reflect the depression in the shipping industry. Despite continuous efforts towards rationalisation and economy, decrease in remunerative cargoes and increase in operational costs have affected the Company's working. The 10 per cent increase in the freight rates in the east-bound trade in the U K-Continent Pool effective from October 1, 1961 is only partly reflected in the results. The Directors point out that apart from effecting economy, it is necessary to bring about an improvement in the level of freight rates to compensate the increasing costs.

The operation of the coastal services continued to be unsatisfactory because of reduced draft in the Hoogly, unsatisfactory turn-round of vessels, and strikes at Calcutta port. The Government sanctioned an increase of 15 per cent in all coastal rates, with some exceptions, effective from June 1, 1962.

The total cargo lifted by the Company during 1961-62 amounted to 25.04 lakh tons compared with 25.95 lakh tons in the previous year. Freight and passage money earned is also less at Rs 16.49 crores as against Rs 17.91 crores in the preceding year. The gross profit, however, is higher at Rs 226.92 lakhs (Rs 195.70 lakhs), due to lower expenses under some of the heads such as coal and fuel oil, stevedoring, Commissions, interest, etc. A sum of Rs 18.79 lakhs (Rs 5.85 lakhs) bring surplus on sale of assets is added to the profit to bring it to Rs 245.71 lakhs (Rs 201.55 lakhs). After deducting Rs 195.38 lakhs (Rs 196.45 lakhs) as normal depreciation, and Rs 1.57 lakhs (Rs 0.50 lakh) as remuneration to the Committee of Directors, the net profit for the year is set at Rs 48.76 lakhs (Rs 4.60 lakhs). After adding Rs 2.83 lakhs, being balance brought forward from the previous year, Rs 7.18 lakhs, being excess provision made in previous years, and Rs 48 lakhs, being the amount transferred from General Reserve, and setting aside Rs 64.50 lakhs as provision for Statutory

Development Rebate Reserve and Rs 5.05 lakhs for expenses relating to previous years the amount available for disposal is Rs 36.62 lakhs (Rs 36.62 lakhs). From this amount the Directors propose to pay a dividend at 60 p per share (same as last year) absorbing Rs 33.79 lakhs and carry forward the balance of Rs 2.83 lakhs.

It is pointed out by the Directors that the Statutory Development Rebate Reserve required to be provided at 75 per cent on the S D R allowance of Rs 128 lakhs for ships purchased in 1960-61, was Rs 96 lakhs, but this amount could not be fully provided in that year as the assessable income was less than the claimable rebate. Hence a further provision of Rs 64.5 lakhs has been made in this year's accounts. The profit of Rs 14.20 lakhs derived from sale of investments has been transferred to Investment Reserve Account.

Out of the three 17-knot motor vessels of the Mitsubishi type ordered last year from Hindusthan Shipyard, the first is expected to be launched during the current year.

**Standard Batteries**

THE net profit of Standard Batteries after providing for depreciation, development rebate reserve, taxes and other usual charges has declined substantially to Rs 2.62 lakhs (Rs 8.05 lakhs) for the year ended June 30, 1962. This sharp setback is partly due to lower sales during the year at Rs 115.31 lakhs (Rs 120.84 lakhs) and partly to increase in expenditure, noticeably on establishment and administration. Provision for depreciation is higher at Rs 4.41 lakhs (Rs 3.73 lakhs) while that for taxation has been reduced to Rs 5.60 lakhs (Rs 7.35 lakhs). The disposable amount is brought to Rs 3.90 lakhs by adding to the net profit a sum of Rs 1.15 lakhs transferred from the Dividend Equalisation Fund and the previous year's balance of Rs 0.13 lakh. From this it is proposed to pay a dividend at Rs 10 per share (Rs 15 per share) subject to tax, which will absorb Rs 3.75 lakhs and leave Rs 14.979 for the next year.

The Directors attribute the lower profits to greater competition and exports. The general trend of working for the current year is encouraging. Production of all types of lead acid batteries and special batteries for industrial and other uses has been geared up. The state of the Company's order book is considered satisfactory.

The Company has built machines in its workshop according to its own designs based on its experience and on the advice of technical collaborators in order to make the factory self-sufficient. New and improved type of equipment had also been installed in some departments to step up production.

**Structural Engineering**

THE Nineteenth Annual Report of Structural Engineering Works for the year to June 30, 1962 states that the disposable profits after taking into account the amounts transferred from Reserves for Contingencies, and Reserves for Gratuities, and after providing depreciation, taxation, Managing Agents' remuneration, and Development Rebate Reserve amounts to Rs 5.77 lakhs (Rs 7.33 lakhs). The Directors have brought in Rs 19,739 being excess provision made for bonus previously and Rs 9,319 being balance from last year's accounts, and appropriated Rs 15,000 towards Reserve for Contingencies, and Rs 10,000 towards Reserve for Gratuities. With the above adjustments, a sum of Rs 5.76 lakhs is left from which the Preference dividend payable will absorb Rs 2.21 lakhs and the Ordinary dividend at Rs 8 per share (proportionate dividend on shares allotted on or after July 1, 1961 on the amount paid up) will amount to Rs 3.51 lakhs leaving Rs 3.713 to be carried forward.

The lower net profits for the year are attributed by the Directors to the higher provision for taxation and provision for Development Rebate Reserve for additional machinery installed. The Company's income from sales and work done has gone down during the year due to keen competition in the structural and fabricating industry. The Company has had to accept works at competitive rates while wages and