



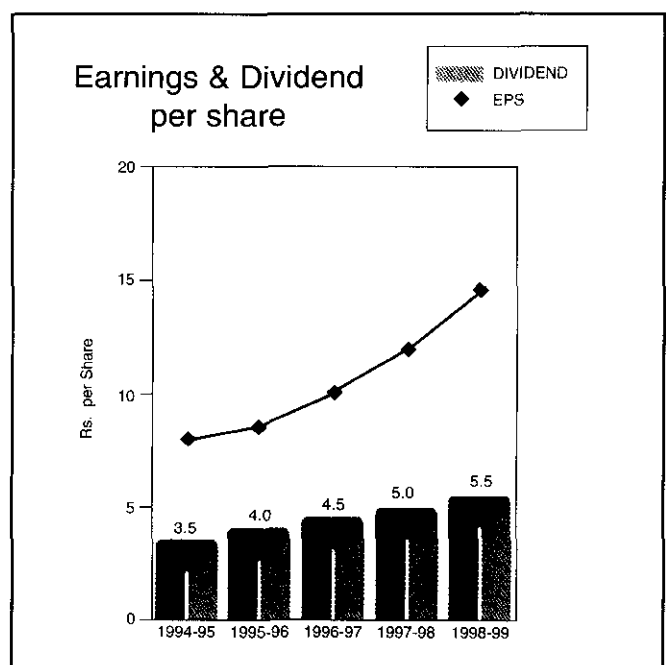
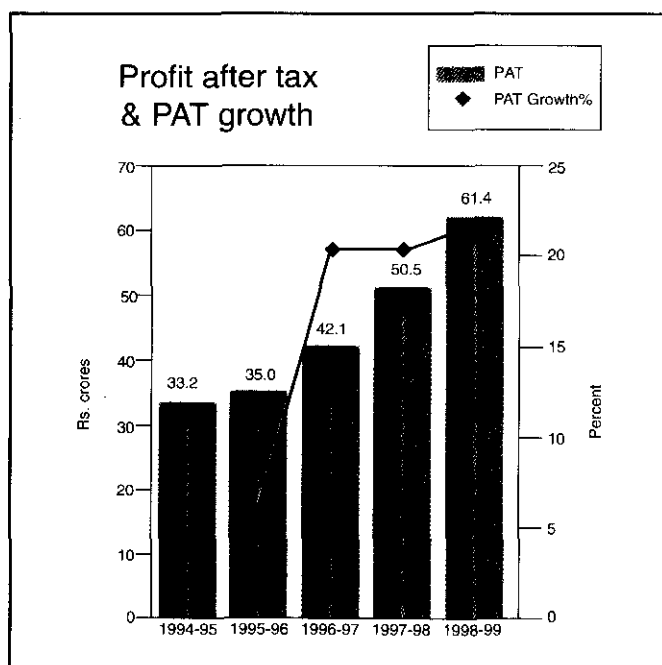
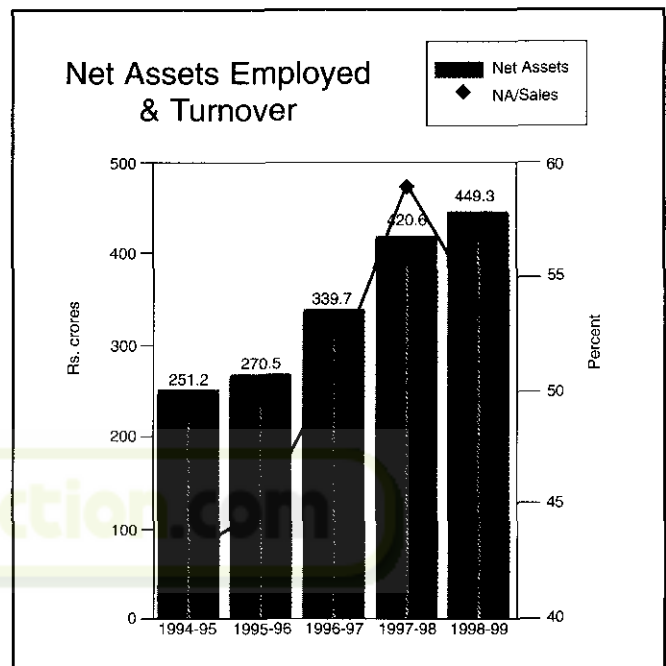
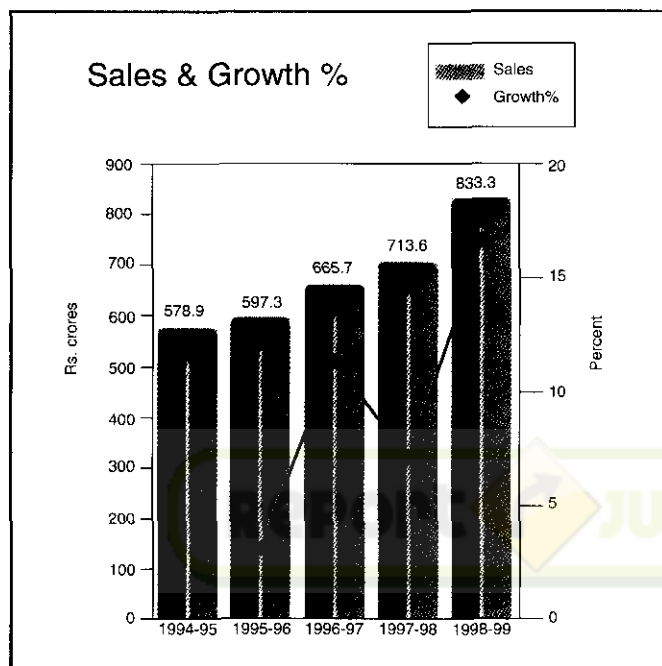
ICI India Limited



A n n u a l R e p o r t 1 9 9 8 - 9 9

ICI India Limited

Growth Trends





ICI INDIA LIMITED ANNUAL REPORT 1998-99

BOARD OF DIRECTORS

CHAIRMAN

Dr A S Ganguly

MANAGING DIRECTOR

A Narayan

DIRECTORS

V K Bahree (Whole-time Director)

R L Jain (Whole-time Director)

M R Rajaram (Whole-time Director)

R Gopalakrishnan

DBC O'Shea

D S Parekh

M V Subbiah

S K Dash

BOARD SUB-COMMITTEES

AUDIT SUB-COMMITTEE

D S Parekh (Chairman)

M V Subbiah

DBC O'Shea

REMUNERATION AND NOMINATION COMMITTEE

M V Subbiah (Chairman)

D S Parekh

DBC O'Shea

SECRETARY

Ajit Yadav

AUDITORS

Lovelock & Lewes

BANKERS

State Bank of India

ANZ Grindlays Bank

Central Bank of India

Citibank N.A.

Deutsche Bank AG

SHARE REGISTRARS

C B Management Services Limited

P-22, Bondel Road

Calcutta-700019

REGISTERED OFFICE

ICI House,

34, Chowringhee Road,

Calcutta - 700 071

CORPORATE OFFICE

ICI India Limited,

DLF Plaza Tower,

DLF Qutab Enclave, Phase-I

Gurgaon - 122002

WEBSITE

www.iciindia.com



DIRECTORS' REPORT 1998-99

THE BUSINESS ENVIRONMENT

Though the Indian economy registered a 5.8% growth in GDP during 1998-99, industrial growth slipped to about 3.8% making 1998-99 a tough year. While inflation was below 6%, the rupee depreciated by around 7% during the period and exports declined. However, signs of revival are becoming visible and a clear mandate in the Parliamentary election and a good monsoon should make 1999-2000 a better year.

FINANCE AND ACCOUNTS

Sales grew by over 17% as compared to last year, with several businesses improving their market positions. Margins were under pressure reflecting increased competition from imports and lower demand in a slowing economy. The higher depreciation and interest charges represent investments of over Rs. 55 crores in fixed assets made in the current year and the investments made in previous years. However, Profit after tax improved by 22% to Rs. 6138 lacs, with exceptionals covering divestments of shareholding in Nalco, ZIAL and some Animal Health brands, all consistent with our strategy, more than offsetting the drop in operating profit. Tax charge was lower than last year.

The Directors are pleased to recommend a dividend of Rs. 5.50 per share amounting to Rs. 2248 lacs.

The performance highlights for the year are summarised below :

	Rs. Lacs	
	<u>1998-99</u>	<u>1997-98</u>
Income	83333	71361
Operating Profit from Businesses	10112	10833
Depreciation	2416	1829
Interest	2756	2012
Exceptional items	2648	57
Profit before tax	7588	7051
Tax	1450	2000
Profit after tax	6138	5051

The disposition of profit in 1998-99 is as follows :

	Rs. Lacs
	<u>1998-99</u>
Profit after tax	6138
Proposed Dividend	2248
Tax on Dividend	247
Transfer to Debenture Redemption Reserve	440
Transfer to General Reserve	1500

The balance Rs. 1703 lacs in the Profit and Loss Account is carried forward along with the opening balance of Rs. 8486 lacs.

During the year the Company accepted fresh deposits of Rs. 16 lacs, renewed no existing deposits and repaid Rs. 580 lacs.

BUSINESS PERFORMANCE

Paints

Decorative Paint volumes grew impressively ahead of market growth through improved distribution and strengthened by 1500 new outlets. "Wash & Wear" and "Supercote Textured Finish" were successfully launched this year. Colour Solutions network was expanded to cover over 200 outlets. Technical Paints, supported by Herberts GmbH technology, attracted important customers like Fiat, Daewoo, Hero Honda and TAFE and approvals were obtained from major car manufacturers including Maruti, Fiat, Hyundai and Telco for our new PU based Refinish 2K system.

The Mohali Plant, which was fully commissioned during the year, pioneered the Movable Mixer Manufacturing technology for Refinish paints and developed and implemented the ACS Market Mix system for Autocolor in India. This now enables us to meet customers' demands for different products at short notice. A World Class Innovation Centre for Autocolor was commissioned at Mohali.

Explosives

Volumes grew 12% driven by enhanced service and technical support provided to customers. Replacement of the hazardous nitro-glycerine based explosives with environment friendly emulsion explosives is now complete.

Uniqema

Surfactants Business has been renamed Uniqema from 1st Jan, 1999 and the product range expanded to include Oleochemicals. During the year, the business successfully established usage of Uniqema Spin Finishes at Reliance Industries PSF operations in Thane which will help growth at other PSF locations in the current financial year.

Competitive pressures specifically in Textiles Auxiliaries & Agrochemicals have led to pressure on prices, resulting in reduced profitability. In Personal Care, the industry witnessed a halving of the growth rate.

Synetix

The ICI plc catalyst business world-wide was relaunched after the merger of several entities under a new identity - Synetix. In India, the business performance was impressive with a doubling of profit by winning new projects, developing exports of catalysts, improved margins and achieving significant productivity improvements. Three new products were launched and customers in the Fertiliser and Refinery sector were able to save on operating costs and improve efficiencies as well. Some of the prestigious projects were Reliance Petrochemicals refinery at Jamnagar and Chambal Fertilisers expansion at Kota.

Polyurethanes

The business doubled sales over 1997-98 by increasing market share and focused development in the Automotive and Footwear segments. Improved service and support to all major accounts, significant improvement in logistics through local warehousing



and sale and technical support in partnership with ICI PU experts, continued to improve the market position.

A PU Customer Innovation Centre at Thane, consisting of a Systems House with a capacity of 12000 tpa and a well equipped application centre to test and develop formulations for specific customer needs, made important contributions to the growth of the business.

Acrylics

The business grew significantly through increased market penetration of Monomer and Sheet in an intensely competitive scenario. With the help of international business, effective customer management, a strong distribution network and opening up of new markets ICI secured a strong position in a growing market.

Rubber Chemicals

In 1998-99, Rubber Chemicals grew 15% in sales value supported by an improved product mix, over the previous year. Better management of key customers enabled the business to increase market share inspite of intense global and domestic competition. Global prices declined sharply during the year putting pressure on gross margins.

Pharmaceuticals

In the core area of Cardiovasculars the business grew with the help of ICI's original research products such as Tenormin and Inderal. Diprivan was launched and achieved leadership in the anaesthetic segment. In its quest for delivering customer satisfaction, distinctive value adding services "Heartline" and "Anaesthesia Rounds" were launched for cardiologists and anaesthetists which have been well received.

Pharmaceuticals divested some Animal Health brands to focus more strongly on its core areas of Cardiovasculars and Anaesthetics. Major initiatives including channel deblocking and improved business systems were introduced to strengthen business operations.

Nitrocellulose

The Nitrocellulose business recorded an impressive growth of 115% through successful integration of the acquired Nitrocellulose business of Asha Nitrochem. With a comprehensive product range and a backward integrated manufacturing facility, the business is well positioned to service its domestic and international customers and grow rapidly.

RESPONSIBLE CARE - SAFETY, HEALTH AND ENVIRONMENT

The Company's safety performance continued to be amongst the best with the lowest ever classified injuries rate. Recognition of performance came through a number of prestigious awards for different businesses - RoSPA awards for Pharmaceuticals operations at Ennore and Paints at Rishra and Hyderabad; British Safety Council's National Safety Award to Pharmaceuticals Ennore Works for the third time in succession; ICI Chief Executive's SHE Excellence Award for Explosives at Gomia and for Ennore Works. Yet another laurel earned was ISO 14001 Certification for the

Thane Paints plant, reaffirming the Company's commitment to sound environment management and Responsible Care.

A new lead separator unit was commissioned at Gomia which successfully reduced the hazardous waste load by more than 50%. The joint project with Tamil Nadu Agricultural University for converting process waste from Pharmaceuticals to a "safe" fertiliser progressed and field trials have started.

No cases of work related occupational illnesses were reported from ICI India for 1998 - again an outstanding example of health care amongst all ICI Companies in the world. The Company has also put into place an integrated Product Stewardship programme aimed at meeting Customer demands for improved products which are safer, have fewer adverse health effects and low environmental impact.

CORPORATE GOVERNANCE

ICI aims to achieve the highest standards of corporate governance. The Board's objectives were strengthened by an Audit Committee and a Remuneration & Nomination Committee each comprising three Non-Executive Directors.

The Audit Committee chaired by Mr Deepak Parekh met four times during the year. Apart from a review of internal and external audit reports for ensuring continuous improvement in the state of internal controls, its deliberations included important areas such as Y2K preparedness and business continuity planning, debtors control and cash management. All recommendations of the Committee were endorsed by the Board and duly implemented by the management.

The Remuneration & Nomination Committee chaired by Mr MV Subbiah met three times during 1998-99. The Committee reviewed the remuneration of the Executive Directors in the background of competitive practices and based on surveys carried out by independent agencies. The Committee also reviewed the performance of the Executive Directors and recommended salary increments and commissions payable to them which were approved by the Board.

RESEARCH AND DEVELOPMENT

Recognising that innovation will be one of the major drivers of business success for ICI India, a new Innovation Management process has been put into place to convert market opportunities into realisable business. The ICI India R&T Centre effectively leverages the considerable expertise and talent available. Benefits of this process are already visible in the accelerated pace of new product introduction in the Uniqema business; development of new and cost effective products for decorative paints; development of cost effective substitutes for key raw materials for the PU business and reducing variable cost of packaged explosives.

Process development continued to play a key role in cost reduction, improving process consistency and debottlenecking capacity development of a superior process for manufacture of spin finish oil in Uniqema; major improvement in Right First Time at Hyderabad Works and significant improvements in plant capacity utilisation at Panki. With an aim to further broaden the scope of



DIRECTORS' REPORT 1998-99 (Contd.)

Research to include breakthrough technology, efforts have been made during the year to collaborate with reputed national research institutions and academia, thus enhancing the network of resources.

HUMAN RESOURCES

Excellent employee relations and productivity improvements in all locations contributed significantly to the improved performance of the Company. Greater emphasis is being put on training and empowerment in the work place and raise committed employee participation. A well-equipped Learning Centre has been established at the new office in Gurgaon to allow distance learning using the latest media and communication technologies. This modern office also consolidates various corporate and business establishments, which were earlier at multiple locations, helping to improve co-ordination and enhance an open, high performance culture.

INFORMATION TECHNOLOGY, YEAR 2000 COMPLIANCE

The Company has made good progress in ensuring millennium compliance. The work started as early as 1997 and the progress has been reviewed regularly by the Executive team and the Audit Sub-committee of the Board. All internal operations have been covered for this purpose. The Company has also been working with its supply chain partners to ensure that there are no problems during the changeover. Business Continuity plans to take into account the contingencies related to Y2K are under preparation.

The Company has commissioned its internet web site - www.iciindia.com and plans to exploit the full potential of this technology to reach out to our existing and potential customers, suppliers, business partners and investors.

DIRECTORS

During the year Dr S Raha, an Executive Director and Mr P Rai, a nominee of the Government of India, resigned from the Board with effect from 1 Aug 1998 and 26 Nov 1998 respectively. The Board records its deep appreciation of the valuable services rendered by Dr Raha and Mr Rai during their tenure.

At the Board Meeting on 19 May 1999, Mr R Gopalakrishnan was appointed an Additional Director of the Company. Mr Gopalakrishnan is an Executive Director of Tata Sons Limited and has earlier held several senior positions within the Hindustan Lever Group of companies, including that of Vice Chairman. The Board extends a warm welcome to Mr Gopalakrishnan. As an Additional Director, Mr Gopalakrishnan holds office till the conclusion of the forthcoming Annual General Meeting. The Company has received due notices under Section 257 of the Companies Act, 1956 proposing his appointment as a Director of the Company. The Board recommends the resolution.

Mr V K Bahree, Mr R L Jain and Mr M R Rajaram retire by rotation at the forthcoming Annual General Meeting and being eligible, seek reappointment. The Board recommends their reappointment.

The Board regrets to inform the Members of the sad demise of Mr A M M Arunachalam, a former Director, on 1st Jan, 1999 at Chennai. Mr Arunachalam served with distinction on the Boards of the ICI Group of companies in India for over two decades. The Board offers its heartfelt condolences to Mr Arunachalam's family.

AUDITORS

The current auditors, Messrs Lovelock & Lewes who retire at the conclusion of the forthcoming Annual General Meeting have informed the Board that they do not wish to offer themselves for reappointment. Messrs Lovelock & Lewes have been the Company's Auditors since inception and the Board records its deep appreciation for the valuable services rendered by them during their long tenure.

It is proposed that Messrs BSR & Co., a well known firm of Chartered Accountants and a member firm of the KPMG Group, who have confirmed their eligibility under Section 224 of the Companies Act, 1956, be appointed as Auditors of the Company at the forthcoming Annual General Meeting. The Board recommends the appointment. In view of the provisions of Section 224A of the Companies Act, 1956, the appointment requires approval of the members by a Special Resolution.

SUBSIDIARY COMPANY

The statement and particulars relating to the Company's subsidiary, Initiating Explosives Systems India Limited, pursuant to Section 212 of the Companies Act, 1956, are attached.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information required as per the prescribed particulars pursuant to Section 217(1)(e) of the Companies Act, 1956 is given in the Annexure to this Report.

PARTICULARS OF EMPLOYEES

Statement of particulars of employees, pursuant to the provisions of Section 217(2A) of the Companies Act, 1956, is attached.

ACKNOWLEDGEMENTS

The Directors wish to extend their thanks and appreciation to all the employees of the Company for their valuable support during the year. The Directors would also like to express their appreciation of the assistance and co-operation received from the Company's customers, financial institutions, bankers, agents, suppliers, distributors and other business associates.

On behalf of the Board

Gurgaon
19 May 1999

Dr. A S Ganguly
Chairman



ANNEXURE TO THE DIRECTORS' REPORT

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO SECTION 217(1)(E) OF THE COMPANIES ACT, 1956

A. DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

		1998-99	1997-98
1. Power & fuel consumption			
a. Electricity			
(i) Purchased			
Unit	Lac Kwh	476.33	410.08
Total amount	Rs lacs	1940	1430
Rate	Rs/Kwh	4.07	3.49
(ii) Own generation			
(a) Through diesel generator			
Units	Lac Kwh	15.18	3.13
Units/KL of diesel oil	Kwh	2983	3552
Cost/unit	Rs/Kwh	2.51	3.33
(b) Through steam turbine generator			
Units	Kwh	NA	NA
Units/te of Coal	Kwh	NA	NA
Cost/unit	Rs/Kwh	NA	NA
b. Coal			
Quantity	Tes	31058	27687
Total cost	Rs Lacs	393	437
Average rate	Rs/Te	1266	1579
c. Fuel			
Quantity	Kl	5780	3573
Total amount	Rs lacs	422	306
Average rate	Rs/Kl	7305	8568

2 Consumption per unit of production

	Electricity (Kwh/Te)		Fuel oil (Kl/Te)		Coal (Te/Te)	
	1998-99	1997-98	1998-99	1997-98	1998-99	1997-98
Paints	250	166	0.01	0.03	1.80	0.08
Rubber Chemicals	2916	2470	0.33	0.26	3.39	3.37
Uniqema	250	260	0.07	0.07	NA	NA
Explosives	103	103	NA	NA	0.06	0.12
Nitrocellulose	2503	2538	1.01	0.11	1.20	1.49
Synetix	4032	4507	1.88	2.00	NA	NA
Pharmaceuticals	9005	19170	NA	NA	NA	NA
Polyurethanes	1680	NA	NA	NA	NA	NA

NA = Not applicable

B. DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION OF TECHNOLOGY

1. Research & Development (R&D)

(a) Specific areas in which R&D is carried out by the Company

- New product and formulation development
- Enhancement of product properties
- Reduction of cost
- Improved product consistency

(b) Benefits derived as a result of R&D

The benefits have been discussed in detail in the main report.

(c) Future plan of action

Multifunctional innovation teams will focus on :

- improving operational efficiency in manufacturing and introducing cheaper substitutes
- offering new products and new concepts.

(d) Expenditure on R&D

	1998-99	Rs. Lacs 1997-98
(i) Capital	101	334
(ii) Recurring	428	484
(iii) Total	529	819
(iv) Total R&D expenditure as a percentage of turnover (as per P&L A/c)	0.6 %	1.2 %

2. Technology Absorption, Adaptation and Innovation

(a) Efforts

The Company maintains a continuous interaction with ICI world-wide and this is facilitated through a well co-ordinated programme.

(b) Benefits

The benefits have been discussed in detail in the main report.

(c) Particulars of technology imported in the last five years from the beginning of the financial year

Technology imported	Year of import	Has technology been fully absorbed	If not fully absorbed, reasons and future plans of action
Herberts Cathodic electro coat technology	1997	Partly	Application know how absorbed; manufacturing know-how will follow

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company achieved higher foreign exchange earnings through higher exports of Synetix, Rubber Chemicals, Nitrocellulose & Pharmaceuticals in spite of tough trading conditions in the international market.

Future Plans

- Sustain and grow exports in Synetix and Pharmaceuticals.
- Improve foreign exchange earnings through agency and trading activities.

Total foreign exchange earned and used :

	1998-99	Rs. Lacs 1997-98
Earned	2456	1849
Used	9600	5987

On behalf of the Board

Gurgaon
19 May 1999

Dr. A S Ganguly
Chairman



AUDITORS' REPORT 1998-99

TO THE MEMBERS OF ICI INDIA LIMITED

We have examined the attached Balance Sheet of ICI India Limited as at 31st March 1999, and the annexed Profit and Loss Account for the year ended on that date, which are in agreement with the books of account.

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988, and on the basis of such checks of the books and records of the Company as we considered appropriate and the information and explanations given to us during the course of audit, we report that in our opinion:

- A i. Proper records for fixed assets compiled by management on a reasonable basis showing full particulars including quantitative details and situation have been maintained. Physical verification of fixed assets have been carried out by the management during the year including the verification of certain assets over a period of three to five years based on phased programmes. The frequency of verification based on phased programmes is considered reasonable. No material discrepancies have been noticed on such physical verification.
- ii. The fixed assets of the Company have not been revalued during the year.
- iii. The stocks of finished goods, stores and spare parts, raw and packing materials of the Company in its possession have been physically verified by the management at reasonable intervals. Stocks in the possession and custody of third parties and stocks-in-transit as on 31st March, 1999, have been verified by the management with reference to confirmations or statements of account or correspondence of the third parties or subsequent receipt of goods.
- iv. The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- v. The discrepancies noticed on physical verification of stocks as compared to book records were not material and these have been properly dealt with in the books of account.
- vi. On the basis of our examination of the valuation of stocks, we are of the opinion that such valuation is fair and proper, in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
- vii. The Company has not taken any loans, secured or unsecured, from firms or other parties as listed in the Register maintained under Section 301 of the Companies Act, 1956, or from the companies under the same management as defined under Section 370(1B) of the Companies Act, 1956. In respect of a secured and an unsecured loan taken from a Company in which director is interested as per the Register maintained under Section 301 of the Companies Act, 1956, the rates of interest and other terms and conditions of such loans are prima facie not prejudicial to the interests of the Company.
- viii. The Company has not granted any loans, secured or unsecured, to companies, firms and other parties listed in the Register maintained under Section 301 of the Companies Act, 1956, or to the companies under the same management as defined under Section 370 (1B) of the Companies Act, 1956.
- ix. The parties including employees to whom loans, or advances in the nature of loans have been given by the Company, where applicable, are generally repaying the principal amounts as stipulated and are also regular in the payment of interest and where such payments are not received, reasonable steps have been taken for recovery thereof.
- x. There are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of stores, packing materials, raw materials including components, plant and machinery, equipment and other assets and for the sale of goods.
- xi. The transactions of purchase of goods and materials and sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956, and aggregating during the year to Rs. 50,000 or more in respect of each party, have been made at prices which are reasonable having regard to the

explanations that for purchases of certain specialised items alternative sources are limited and others are made with reference to price lists, quality, delivery schedules and prevailing market prices for such goods, materials or services or the prices at which transactions for similar goods or services have been made with other parties.

- xii. The Company has a regular procedure for the determination of unserviceable or damaged stores, raw and packing materials and finished goods and necessary adjustments for the loss have been made in the accounts.
- xiii. The Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 58A of the Companies Act, 1956, and the rules framed thereunder with regard to deposits accepted from the public.
- xiv. Reasonable records have been maintained by the Company for the sale and disposal of significant realisable by-products and scrap.
- xv. The Company has an internal audit system commensurate with its size and nature of its business.
- xvi. The Central Government has prescribed under Section 209 (1)(d) of the Companies Act, 1956, cost records in respect of certain products of the Company, and prima facie it appears that the prescribed accounts and records have been maintained.
- xvii. Provident Fund and Employees' State Insurance dues have regularly been deposited with the appropriate authorities.
- xviii. There are no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty as at 31st March, 1999, which are outstanding for a period of more than six months from the date they became payable.
- xix. We have not come across any personal expenses which have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
- xx. The Company is not a sick industrial company within the meaning of Clause (O) of Sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
- xxi. Shares, Debentures and other securities held by the Company as investments are held in its own name.

B In respect of the Company's service activities :

- i. The Company has a reasonable system of recording receipts, issues and consumption of materials and stores and allocating materials consumed to the relative jobs commensurate with its size and nature of its business.
- ii. The Company has a reasonable system of allocating man-hours utilised to the relative jobs, commensurate with its size and nature of its business.
- iii. The Company has a reasonable system of authorisation at proper levels, and an adequate system of internal control commensurate with its size and nature of its business, on issue of stores and allocation of stores and labour to jobs.

C In respect of the Company's trading activities, damaged goods have been determined and provision for loss has been made in the accounts. Further to the above, we report that :

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the Company as required by law so far as appears from our examination of those books. In our opinion, the Profit and Loss and the Balance Sheet comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956 to the extent applicable.
- ii. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and the Balance Sheet gives a true and fair view of the state of the Company's affairs as at 31st March, 1999, and the Profit and Loss Account gives a true and fair view of the profit for the year ended on that date.

For LOVELOCK & LEWES
Chartered Accountants

New Delhi
19 May 1999

Kaushik Dutta
Partner



TEN YEARS AT A GLANCE

	(Rs. Lacs)									
	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99
ASSETS EMPLOYED										
Gross Fixed Assets	45940	46632	49880	51212	26540	27388	29861	35105	36622	41854
Accumulated Depreciation	26019	29012	31736	34633	14440	15820	16759	17673	12588	14386
Net Fixed Assets	19921	17620	18144	16579	12100	11568	13102	17432	24034	27468
Investments	379	380	339	1118	3275	4140	4565	3144	3144	1476
Current Assets	31329	31681	36245	39306	30466	29654	30762	35359	39415	41294
Current Liabilities	19100	15423	18192	21425	20794	21846	23718	23434	26046	26434
Net Current Assets	12229	16258	18053	17881	9672	7808	7044	11925	13369	14860
Total Assets employed	32529	34258	36536	35578	25047	23516	24711	32501	40547	43804
Capital Work in Progress	278	656	425	751	775	1604	2342	1471	1512	1127
Net Assets Employed	32807	34914	36961	36329	25822	25120	27053	33972	42059	44931
FINANCED BY										
Share Capital	4087	4087	4087	4087	4087	4087	4087	4087	4087	4087
Capital Reserves	4258	4853	5777	5669	4867	4821	4772	4723	4679	4608
Revenue Reserves	6797	7843	7482	7092	9394	11279	13141	15324	18127	21770
Shareholders' Funds	15142	16783	17346	16848	18348	20187	22000	24134	26893	30465
Borrowings	17665	18131	19615	19481	7474	4933	5053	9838	15166	14466
Total Funds Employed	32807	34914	36961	36329	25822	25120	27053	33972	42059	44931
SALES AND PROFIT										
Sales & services	50717	59824	70768	77927	72943	57894	59730	66567	71361	83333
Profit before Depreciation & Interest	5187	6442	7845	7765	7271	7639	7342	9225	10835	10112
Depreciation	3051	3022	2790	2919	2399	1855	1941	2128	1829	2416
Interest	3355	3243	3684	4648	2975	761	657	1351	2012	2756
Profit before Taxation	-1219	177	1371	198	1897	5023	4744	5746	6994	4940
Exceptional items	-	1890	1290	352	5382	892	1453	1210	57	2648
Taxation	-	-	1300	328	3750	2600	2700	2750	2000	1450
Profit After Taxation	-1219	2067	1361	222	3529	3315	3497	4206	5051	6138
Earnings per share (Rupees)	-3	5.1	3.3	0.5	8.6	8.1	8.6	10.3	12.4	15.0
Equity Dividend - Amount	-	-	511	613	1226	1430	1635	1839	2044	2248
- Percentage	-	-	12.5	15.0	30.0	35.0	40.0	45.0	50.0	55.0
Debt Equity Ratio	0.5 : 1	0.5 : 1	0.5 : 1	0.5 : 1	0.3 : 1	0.1 : 1	0.1 : 1	0.2 : 1	0.3 : 1	0.3 : 1
NUMBER OF EQUITY SHAREHOLDERS										
SHAREHOLDERS	62154	62019	61189	61782	61387	59678	58369	57480	56977	56063



BALANCE SHEET

As at 31st March, 1999

		31.3.99		31.3.98	
	Schedule	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)
I) SOURCES OF FUNDS:					
1. Shareholders' funds -					
a) Capital	(1)	40,87,06		40,87,06	
b) Reserves & surplus	(2)	263,77,80	304,64,86	228,05,50	268,92,56
2. Loan funds -					
a) Secured loans	(3)	87,11,17		75,62,06	
b) Unsecured loans	(4)	57,55,30	144,66,47	76,04,50	151,66,56
Total			449,31,33		420,59,12
II) APPLICATION OF FUNDS:					
1. Fixed assets -					
a) Gross block	(5)	418,53,74		366,21,94	
b) Less : Depreciation		143,85,75		125,87,62	
c) Net block		274,67,99		240,34,32	
d) Capital work-in-progress at cost including advances		11,26,91	285,94,90	15,11,93	255,46,25
2. Investments	(6)		14,76,34		31,44,18
3. Current assets, loans & advances -					
a) Inventories	(7)	127,42,17		118,47,24	
b) Sundry debtors	(8)	172,16,40		159,35,61	
c) Cash & bank balances	(9)	33,92,75		34,05,43	
d) Loans & advances	(10)	79,43,02		82,26,93	
		412,94,34		394,15,21	
<i>Less: Current liabilities & provisions -</i>					
a) Liabilities	(11)	215,96,40		217,97,27	
b) Provisions	(12)	48,37,85		42,49,25	
		264,34,25		260,46,52	
Net current assets			148,60,09		133,68,69
Total			449,31,33		420,59,12
Notes on the Balance Sheet	(13)				

The Schedules (1) to (13) and the Statement on Accounting Policies form an integral part of the Balance Sheet.

Dr. A S GANGULY
Chairman

A NARAYAN
Managing Director

R L JAIN
Wholtime Director

D S PAREKH
Director

AJIT YADAV
Secretary

This is the Balance Sheet referred to in our Report of even date.

For LOVELOCK & LEWES
Chartered Accountants

KAUSHIK DUTTA
Partner

Gurgaon
19 May 1999