

Sixteenth Annual Report & Accounts 1998-99

www.reportjunction.com



**BENGAL TEA &
FABRICS LIMITED**



Bengal Tea & Fabrics Limited

BOARD OF DIRECTORS

Sri B D Kanoria
Chairman & Managing Director

Sri A Kanoria
Jt. Managing Director

Sri R S Saraogi
Executive Director

Sri S P Sengupta

Sri G Momen

Sri S K Hada

Sri H Khaitan

COMPANY SECRETARY

Sri D Arya

AUDITORS

M/s. Jain & Co.
Chartered Accountants

BRANCH AUDITORS

M/s. Dalal & Shah
Chartered Accountants

COST AUDITORS

M/s. N D Birla & Co.
Cost Accountants

BANKERS

State Bank of India
Punjab National Bank
ICICI Banking Corporation Ltd.

REGISTERED OFFICE

9, Biplabi Trailokya Maharaj Sarani
(Formerly Brabourne Road), 5th Floor
Calcutta 700 001, India

TEA DIVISION

Ananda Tea Estate
P.O. Pathalipam
Dist. North Lakhimpur (Assam)

Pallorbund Tea Estate
P.O. Banskandi
Dist. Cachar (Assam)

TEXTILE DIVISION

Asarwa Mills
Asarwa Road
Ahmedabad 380 016 (Gujarat)

Industrial Yarn Unit
1402, GIDC Estate, Dholka
Dist. Ahmedabad (Gujarat)

CONTENTS

Notice	2
Directors' Report	4
Auditors' Report	10
Balance Sheet	12
Profit & Loss Account	13
Schedules to Balance Sheet and Profit & Loss Account	14
Cash Flow Statement	29
Subsidiary Company	31

**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE is hereby given that the SIXTEENTH ANNUAL GENERAL MEETING of BENGAL TEA & FABRICS LIMITED will be held at "KALAKUNJ", 48 Shakespeare Sarani, Calcutta-700 017 on Wednesday, the 15th day of September, 1999 at 11 A.M. for the following purposes:

1. To receive and adopt the Balance Sheet as at 31st March, 1999, Profit & Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. B D Kanoria, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. G Momen, who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors and to authorise the Board to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit to pass, with or without modifications, the following as an Ordinary Resolution :

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgaging and/or charging by the Board of Directors of the Company of all or any of the immovable and movable properties of the Company pertaining to the Textile Division comprising Asarwa Mills, a Composite Textile Mill at Ahmedabad, a Spining Mill at Dholka, District Ahmedabad, wheresoever situate, present and future, and/or conferring power to enter upon and to take possession of assets of the Company's Textile Division in certain events, to or in favour of the lenders, namely;

1. Industrial Development Bank of India (IDBI)
2. Industrial Finance Corporation of India (IFCI)

to secure:

- (i) Rupee Term Loan not exceeding Rs. 850 Lakhs (Rupees eight hundred fifty lakhs) only lent and advanced/agreed to be lent and advanced by Industrial Development Bank of India (IDBI) to the Company's Textile Division;
- (ii) Rupee Term Loan not exceeding Rs. 750 Lakhs (Rupees seven hundred fifty lakhs) only lent and advanced/agreed to be lent and advanced by Industrial Finance Corporation of India (IFCI) to the Company's Textile Division;

together with interest thereon at the respective agreed rates, additional interest, liquidated damages, up front fees, premia on prepayment or on redemption, costs, charges, expenses and other monies including any increase as a result of devaluation/revaluation/fluctuation in the rate of exchange of foreign currencies involved payable by the Company to the lenders under their Loan Agreements/Letters of Sanction/Memorandum of Terms and Conditions entered into/ to be entered into by the Company in respect of the said term loans."

"THAT the Board of Directors of the Company be and is hereby authorised to finalise with the lenders the documents for creating aforesaid mortgage and/or charge and to do all such acts and things as may be necessary for giving effect to the above resolution."

6. To consider and if thought fit to pass, with or without modifications, the following as an Ordinary Resolution :

"RESOLVED THAT the Board of Directors be and is hereby authorised to appoint individual(s) or firm other than the Company's Auditors at Head Office, as Branch Auditors pursuant to Section 228 of the Companies Act, 1956 and to fix their remuneration, for the audit of accounts of its Textile Division at Ahmedabad for the financial year ending 31st March, 2000."

By Order of the Board

Calcutta
Dated : 26th day of July, 1999

D. ARYA
Company Secretary

**NOTICE OF ANNUAL GENERAL MEETING (Contd.)****NOTES :**

1. **A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead and a proxy need not be a member of the Company.**
2. The Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business is annexed to this Notice.
3. The Register of Members of the Company will be closed from **10th September to 15th September, 1999** (both days inclusive).
4. Shareholders holding shares in identical order of names in more than one folio are requested to write to the Company's Registered Office enclosing their share certificates to enable the Company to consolidate their holdings in one folio.
5. **Shareholders who are still in possession of the old Share Certificates are requested to IMMEDIATELY surrender these to enable the Company to send the fresh share certificates for the reduced shareholding in lieu thereof.**
6. In accordance with the recent amendments, dividend declared for the year ended 31st March, 1995 and remaining unpaid/unclaimed will be transferred to a separate Fund on due date but from out of which no payment will be made to the shareholders. The members who have not received/encashed their dividend warrants for the said year are requested to contact the Registered Office for the needful.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**Item No. : 5**

The Company has approached Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI) for financial assistance in the form of term loans in connection with its projects at its Textile Division at Asarwa Road, Ahmedabad by replacement of old machinery with state-of-art new generation machinery required for manufacture of textiles, particularly cotton yarn at an aggregate capital outlay of about Rs. 23 Crores to be financed partly by loans including privately placed equity with Promoters and/or otherwise.

The financial assistance from the institutions/banks has to be secured by a first mortgage of all the immovable and movable properties present and future pertaining to the Textile Division of the Company.

Pursuant to Section 293(1)(a) of the Companies Act, 1956 consent of the members is being sought to enable the Board of Directors to do the needful in this respect. Passing of the resolution is recommended.

Copy of the letters No. BY.CFD-III.22.B.18 (4815)/576A dated September 30, 1998 and ARO/TEXT/98-5698 dated October 9, 1998 received from IDBI and IFCI respectively and other relevant documents are open for inspection at the registered office of the Company between 11 A.M. and 1 P.M. on any working day prior to the date of the meeting.

None of the Directors is concerned or interested in the said resolution.

Item No. : 6

The Company has been appointing Branch Auditors other than the Auditors appointed for Head Office for carrying out audit of the accounts of its Textile Division in Gujarat. The resolution seeks to obtain the members' consent as required by Section 228 of the Companies Act, 1956. The Directors recommend passing of the resolution.

None of the Directors is concerned or interested in the said resolution.

Bengal Tea & Fabrics Limited



Annual Report & Accounts 1998-99

DIRECTORS' REPORT

Dear Shareholders,

The Directors present their Sixteenth Annual Report and Audited Accounts for the year ended March 31, 1999.

FINANCIALS

The financial results for the year ended March 31, 1999 and the corresponding figures for the last year are as follows:

	1998-99		1997-98	
	(Rs. in lacs)		(Rs. in lacs)	
Profit before Interest, Depreciation and Tax	1259.85		1282.42	
Less : Interest	645.48		728.85	
Gross Profit for the year		614.37		553.57
Less : Depreciation	417.88		371.90	
: Taxation	132.00	549.88	122.20	494.10
Profit for the year		64.49		59.47
Adjustments :				
Add : Adjustment in respect of earlier years (net)	6.94		1.33	
: Profit on Sale of Stock of Tea Season 1997-98	1.09	8.03	3.18	4.51
Add/Less		72.52		63.98
: Excess/Short Provision of Bonus written back	1.22		(32.52)	
: Excess/Short Provision of Income Tax for earlier years	12.82		(0.03)	
: Income Tax Refund for earlier years	2.38	16.42	—	(32.55)
		88.94		31.43
Less : Debit Balance Brought Forward from last year		407.14		438.57
Debit Balance carried to Balance Sheet		318.20		407.14

CAPITAL

The Company's Share Capital increased to Rs. 600.87 lacs by preferential allotment of 20,00,000 Equity Shares of Rs. 10/- each to the Promoters, on January 29, 1999 to part finance the modernisation and installation of a power plant at the Textile Unit in Gujarat.

DIVIDEND

In the absence of available surplus, the Directors regret their inability to recommend any dividend for the year under review.

OPERATIONS**Tea Division**

Sale of teas during the year under review recorded an impressive growth in value of about 8% as compared to last year, an acknowledgement by the market of growing popularity of quality teas produced by the Company. The crop declined by almost 3% due to severe drought at the year end bringing down profit of the Division correspondingly which was buttressed by improved sales realisations. While the industry's average sales realisation was down by over 5% this Division recorded an impressive increase of 9% as compared to the last year.

Manufacture of quality teas and stricter monitoring of costs provide the strategic platform for survival and sustainable markets in this seasonal industry. During the year under review 25 Hectares of area was brought under tea by new extension and replacement. Further, plans are being drawn up to invest prudently for modernising the facilities for manufacture of quality teas at the Tea Estates and also to equip the Estates with suitable irrigation machinery for combating drought in future.

The current year has witnessed unprecedented drought during the first quarter resulting in substantial loss of crop. All India crop had declined by about 50 million kgs. till end May, 1999 and export of tea by the Indian Industry has also been sluggish. Moreover, imposition of excise on Bulk Teas, rising input costs and abundant supply of cheaper teas due to the Government's policy on allowing import of teas on concessional duty/no duty, from SAARC countries will add to the strain on margins. However, with improved weather conditions, emphasis on quality and suitable adjustments in field practices etc., the Division is expected to perform reasonably.

**DIRECTORS' REPORT (Contd.)****Textile Division**

General Review : The Textile Industry continued to be in the grip of demand recession for the third consecutive year reflecting the adverse impact of downturn in most of the industrial sectors in the country. Production of cotton crop though reasonable at 162 lakh bales was lower than the estimated 170 lakh bales. As a result cotton prices remained firm. Though the Division recorded a modest increase in sales, depressed conditions in the economy, burden of rising input costs and undercutting by the manufacturers in India and South East Asian countries exerted tremendous pressure on the margins.

Exports : The Division's performance on the export front continues to be excellent. During the year under review, export turnover at Rs. 2941 lakhs recorded a healthy increase of about 9% over that in the previous year.

During the first quarter of the current year, export of Yarn valued at Rs. 731 lakhs has already been achieved and presently orders worth Rs. 1122 lakhs are on hand. The consistently growing exports are an indication of this Division having carved a niche in the international markets. However, the efforts are focused on expansion and growth in this area.

Modernisation : During the year under review, the Division replaced 1008 spindles with balancing preparatory machinery and added Autoconers and a D.G. Set.

Implementation of the modernisation project with financial assistance from Industrial Development Bank of India and Industrial Finance Corporation of India, at Asarwa Mills, Ahmedabad is progressing smoothly in accordance with the schedule. During the current year, 12624 spindles have been replaced with balancing preparatory machines with autoconers and generation of power by installation of 4.1 MW Power Plant is expected to commence from August, 1999.

Future Prospects : Modernisation of manufacturing facilities and installation of Power Plant at the Textile Unit will result in manufacture of quality products and savings expected in cost of power together with higher export turnover will lead to improved results.

FIXED DEPOSITS

The amount outstanding on account of Fixed Deposits accepted from public was Rs. 212.27 lacs. out of which a sum of Rs. 2.26 lacs relating to 36 depositors remained unclaimed as at March 31, 1999 although the same had matured for repayment. Notices reminding the said depositors to make the claim, have been sent.

Y 2K PREPAREDNESS

A detailed study to identify and suitably deal with the factors that could cause any risk to continuity of the Company's operations due to Y 2K bug including a review of the issue with all its business partners concerned, has been undertaken. The Directors expect that the subject systems will be Y 2K compliant around September, 1999 at an estimated cost of Rs. 4 lacs. The Company is prepared to handle key operations in any emergency arising out of the Y 2K's influence.

LISTING

The Company's Equity Shares are listed at the Calcutta, Mumbai, Ahmedabad and Guwahati Stock Exchanges. The annual listing fees have been duly paid.

SUBSIDIARY

The Annual Report and Accounts of Kanoria Exports Limited, a subsidiary of the Company for the financial year ended 31st March, 1999 are annexed to this Report.

DIRECTORS

Mr. U Kanoria resigned on September 18, 1998 and in accordance with the Loan Agreement, nomination on the Board of Mr. M V Badrinath was withdrawn w.e.f. March 22, 1999 by Industrial Development Bank of India. The Board expresses, its appreciation of valuable counsel extended by Mr. U Kanoria and Mr. Badrinath during their respective tenure.

Mr. B D Kanoria and Mr. G Momen retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

AUDITORS

Messrs Jain & Company, Auditors of the Company retire at the conclusion of the 16th Annual General Meeting and have consented to continue if so appointed.

Bengal Tea & Fabrics Limited



Annual Report & Accounts 1998-99

DIRECTORS' REPORT (Contd.)**AUDITORS' REPORT**

As regards the Auditors' comments, the Notes No. 16 & 19(8)(v) in the Notes on Accounts covered under Schedule 'P' are self-explanatory.

PERSONNEL

Personnel relations remained cordial during the year. The Board expresses its appreciation of the contribution of employees at all levels.

A statement pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed to and forms part of this Report.

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

A Statement showing additional information on conservation of energy, technology absorption, foreign exchange earnings and outgo as required pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed forming part of this Report.

ACKNOWLEDGEMENT

The Directors wish to place on record their appreciation for the co-operation and timely assistance from Participating Financial Institutions and Banks and look forward to continued fruitful association with all business partners of the Company.

For and on behalf of the Board

Calcutta,
26th day of July, 1999

B. D. KANORIA
Chairman

ANNEXURE TO DIRECTORS' REPORT

STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 1999

Name	Designation/ Nature of Duties	Annual Remuneration Rs.	Qualification	Experience (Years)	Date of Comm. of the Employment	Age (Years)	The last Employment	Designation
------	----------------------------------	-------------------------------	---------------	-----------------------	---------------------------------------	----------------	------------------------	-------------

Head Office :

1. Sri B. D. Kanoria	Managing Director	8,28,345	I.A.	56	1.1.1988	75	Bengal Tea & Industries Limited	Managing Director
----------------------	-------------------	----------	------	----	----------	----	------------------------------------	----------------------

Notes : (1) Remuneration includes Salary, Gratuity, Contribution to Provident, Superannuation and Gratuity Funds and Personal Accident Insurance Premium and taxable value of perquisites.

(2) The appointment of the Managing Director is contractual.

For and on behalf of the Board

Calcutta,
26th day of July, 1999

B. D. KANORIA
Chairman

Bengal Tea & Fabrics Limited



Annual Report & Accounts 1998-99

ANNEXURE TO DIRECTORS' REPORT (Contd.)

INFORMATION AS PER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 1999

CONSERVATION OF ENERGY

Energy Conservation measures taken :

In order to utilise energy in the best possible manner and to reduce the cost of energy for the manufacturing process under a tight control, the Company has taken various steps.

During the year under review :

- (a) The process of installing spindles having less diameter of spindle wharve in ring frames has also been continued this year under which 1,008 spindles were replaced resulting into 15% saving in the energy consumption per unit in respect of new spindles.
- (b) The power generation units were increased with the existing facility resulting in overall reduction in cost in power requirements.
- (c) At Textile Division, one more Autoconer 338 was installed which helps in reducing power requirement per kilogram of yarn wound due to equipped with inverter drive on individual spindle.
- (d) Total energy consumption per unit of production is furnished in the prescribed Form "A" annexed hereto.

FORM-A

Particulars with respect to Conservation of Energy

	TEA		TEXTILE	
	Current Year	Previous Year	Current Year	Previous Year
(A) POWER & FUEL CONSUMPTION				
1. Electricity				
(a) Purchased (Units)	6,47,005	5,51,948	1,15,32,470	2,00,10,019
Total Amount (Rs.)	23,74,356	20,71,629	4,54,89,722	7,37,25,368
Rate/Unit (Rs.)	3.70	3.75	3.94	3.68
(b) Own Generation				
i) Through Diesel (Units)	16,22,828	16,52,337	2,15,44,240	1,51,56,651
Unit per ltr. of Diesel	2.38	2.34	3.48	3.39
Cost/Unit (Rs.)	4.29	4.01	2.50	2.83
2. Coal (Specify quality and where used)				
Quantity (Tonnes)	1,921	2,103	8,278	8,030
Total Cost (in Rs.)	25,81,858	32,87,155	1,01,41,254	96,39,399
Average Rate (Rs.)	1,344	1,563	1,225	1,200
Quality : Dust khasi, 4500 kilo calories/kg. used in drier : Ash 40% to 60% and 30% to 35%				
3. Furnace Oil				
Quantity (K. Ltr.)	237	214	—	—
Total Amount (Rs.)	16,87,187	16,41,279	—	—
Average Rate (Rs.)/K.Ltr.	7,119	7,670	—	—

Bengal Tea & Fabrics Limited



Annual Report & Accounts 1998-99

ANNEXURE TO DIRECTORS' REPORT (Contd.)

FORM-A (Contd.)

(B) CONSUMPTION PER UNIT OF PRODUCTION

	Unit	Current Year	Previous Year
(i) Black Tea	Kgs.		
Electricity	Unit	0.86	0.81
Furnace Oil	Ltrs.	0.09	0.08
Coal (Quality as above)	Kgs.	0.73	0.78
(ii) Yarn	Kgs.		
Electricity	Unit	3.16	3.05
Coal	Kgs.	1.50	1.47
(iii) Cloth	Mtr.		
Electricity	Unit	0.75	0.75
Coal	Kgs.	0.83	0.76
(iv) Industrial Yarn	Kgs.		
Electricity	Unit	—	2.10

For the above, there is no prescribed standard.

The variation in consumption of power and fuel from previous year is due to change of quality and process.

FORM-B

RESEARCH & DEVELOPMENT (R & D)

	TEA	TEXTILE															
(1) Specific areas in which R & D carried out by the Company	The Division subscribes to Tea Research Association which is registered u/s 35(1) (ii) of the Income Tax Act, 1961.	(a) Improvement in methods for controlling day to day quality parameters with the help of latest testing instruments. (b) Testing of raw material, material in process and finished material for quality assurance. (c) Optimisation of mechanical parameters for manufacture of the yarn and fabric. (d) Effective measures have been taken for cost reduction, controlling waste and increase in utilisation.															
(2) Benefits derived as a result of the above R & D	The Division benefits from the suggestions received from the Association out of R & D activities.	(a) Improvement in yarn quality to meet with the requirement of competitive export market. (b) Proper selection of raw material. (c) Improvement in process control and material in process. (d) Improvement in plant efficiency. (e) Production of yarn with low contamination level.															
(3) Future plan of action	The Division wishes to continue the membership of Tea Research Association.	(a) Process of installing new "Wartsila" 4.1 MW Power Plant which is being imported from Finland to reduce power cost. (b) Planning to install machinery to increase combed yarn production, blended yarn and further to improve yarn and fabric quality. (c) Planning to install warping and sizing machinery to improve quality of warping, sizing and to manufacture high value fabric. (d) Pollution control for better environment. (e) Installation of new machinery in blow room and Lapfe Barco cotton sorter.															
(4) Expenditure on R & D	NIL	<table> <tr> <th></th><th>1998-99</th><th>1997-98</th></tr> <tr> <td>(a) Capital</td><td>Rs. —</td><td>Rs. 38,49,208</td></tr> <tr> <td>(b) Recurring</td><td>Rs. 8,29,255</td><td>Rs. 6,79,666</td></tr> <tr> <td>(c) Total</td><td>Rs. 8,29,255</td><td>Rs. 45,26,874</td></tr> <tr> <td>(d) Total R & D Expenditure as a percentage of total turnover</td><td>0.09%</td><td>0.47%</td></tr> </table>		1998-99	1997-98	(a) Capital	Rs. —	Rs. 38,49,208	(b) Recurring	Rs. 8,29,255	Rs. 6,79,666	(c) Total	Rs. 8,29,255	Rs. 45,26,874	(d) Total R & D Expenditure as a percentage of total turnover	0.09%	0.47%
	1998-99	1997-98															
(a) Capital	Rs. —	Rs. 38,49,208															
(b) Recurring	Rs. 8,29,255	Rs. 6,79,666															
(c) Total	Rs. 8,29,255	Rs. 45,26,874															
(d) Total R & D Expenditure as a percentage of total turnover	0.09%	0.47%															

Bengal Tea & Fabrics Limited



Annual Report & Accounts 1998-99

ANNEXURE TO DIRECTORS' REPORT (Contd.)

FORM-B (Contd.)

TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

	TEA	TEXTILE
1. Efforts, in brief, made towards technology absorption, adaptation and innovation.	Not applicable	(i) Installation of sophisticated drawing and combing technology. (ii) Improvement in winding & sizing shed. (iii) Improvement in the environment condition in spinning plant for consistent quality of yarn.
2. Benefits derived as a result of the above efforts.	Not applicable	(i) Overall improvement in yarn quality, increase in quantity of yarn comparable with 5% U.S.P. standards, acceptable in international market. (ii) Fabric quality, fabric dyeing and finishing has been improved considerably. (iii) Developed T.F.O. Multiplied Special Yarn for export for carpet industry. (iv) Considerable improvement in the productivity level in spinning and weaving.
3. There is no imported technology involved.		

FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company continues its efforts to enhance exports with vigorous steps to find new markets and develop existing ones.

(Amount in Rs. '000)

	1998-99	1997-98
1. Foreign Exchange Earnings	29,49,52	27,28,14
2. Foreign Exchange Outgo	1,77,73	2,95,81

For and on behalf of the Board

Calcutta,
26th day of July, 1999

B. D. KANORIA
Chairman

STATEMENT PURSUANT TO SECTION 212(1)(e) OF THE COMPANIES ACT, 1956, ATTACHED TO THE BALANCE SHEET OF BENGAL TEA & FABRICS LIMITED AS AT 31ST MARCH, 1999

1. The interest of Bengal Tea & Fabrics Limited, in the Subsidiary at the close of its financial year was as under :

Name of the Subsidiary	Financial year ended	Total Number of Shares of the Subsidiary	Number of Shares held by the Company
Kanoria Exports Limited	31st March, 1999	25,000 Equity Shares of Rs. 10 each	23,800 Equity Shares of Rs. 10 each

2. The net aggregate amount so far as it concerns the members of Bengal Tea & Fabrics Limited, and is not dealt with in the attached accounts of the Company, of the Subsidiary's Profits after deducting Losses or vice-versa.

Name of the Subsidiary	For the Previous years of Subsidiary since it became Subsidiary	For the financial year ended	Amount
Kanoria Exports Limited	Profit : Rs. 1,26,975	31st March, 1999	Profit : Rs. 1,13,147

The net aggregate of Profits or Losses of the above Subsidiary, which are dealt with in the attached accounts of the Company :

- (a) For the aforesaid respective financial year — Nil.
(b) For the respective previous financial years — Nil.

Calcutta,
26th day of July, 1999

D. ARYA
Company Secretary

B. D. KANORIA
A. KANORIA
S. P. SENGUPTA
S. K. HADA

Managing Director
Jt. Managing Director
Directors