

Kalyani Brakes Limited



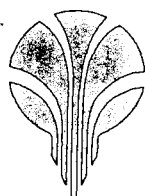
MD	✓		BKC	✓
CS	✓		DPY	ND
RO	✓		DIV	ND
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		

15TH

ANNUAL
REPORT

1996-97

A Joint Venture of



KALYANI

NABCO
J A P A N



BOSCH
G E R M A N Y

FIFTEENTH ANNUAL REPORT

Kalyani Brakes Limited**BOARD OF DIRECTORS**

NEELKANTH A. KALYANI
Chairman - Emeritus

B. N. KALYANI
Chairman

S. D. DESHMUKH

HIROMI FURUTA

NOBUJI OKAZAKI

KAZUO MATSUMURA

HANNES BERTLING

JAGJIT LAL PASRICHA

DONALD PAYNE

C. L. GHALSASI
(ICICI Nominee)

SATISH SEKHRI
Managing Director

NOBUJI OKAZAKI
Alternate Director to Hiromi Furuta

BANKERS :

State Bank of India
State Bank of Hyderabad
State Bank of Patiala
The United Western Bank Ltd.
The Ratnakar Bank Ltd.
ICICI Banking Corporation Ltd.

SOLICITORS AND ADVOCATES :

M/s. Crawford Bayley & Co.

AUDITORS :

M/s. Bansi S. Mehta & Co.

REGISTERED OFFICE :

Aurora Towers, 4th Floor,
9 Moledina Road,
Pune 411 001.

WORKS :

- 1) Off NH 6, Bambhori, Taluka Erandol,
Dist. Jalgaon 425 001.
- 2) Gat No 306, Village Nanekarwadi
Taluka Rajgurunagar, Dist. Pune.
- 3) Plot No. 308, Udyog Vihar,
Phase II, Gurgaon (Haryana)



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NOTICE

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Members of KALYANI BRAKES LIMITED will be held at 'Forum', Hotel Blue Diamond, 11, Koregaon Road, Pune 411 001 on Friday, the 22nd day of August, 1997 at 10.00 A.M. (I.S.T.) to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at March 31, 1997 and the Profit & Loss Account for the year ended on March 31, 1997 and Reports of the Directors and of the Auditors.
2. To appoint a Director in place of MR. S. D. DESHMUKH who retires by rotation; but being eligible, offers himself for reappointment.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modifications, the following resolution as an ORDINARY RESOLUTION :

"RESOLVED THAT MR. NOBUJI OKAZAKI WHO WAS APPOINTED A DIRECTOR OF THE COMPANY TO FILL THE CASUAL VACANCY ON THE BOARD CAUSED BY RESIGNATION OF DR. S. M. PATIL WHO WOULD HAVE RETIRED BY ROTATION AT THIS ANNUAL GENERAL MEETING AND THE COMPANY HAVING RECEIVED A NOTICE IN WRITING FROM A MEMBER UNDER SECTION 257 OF THE COMPANIES ACT, 1956 PROPOSING MR. OKAZAKI'S CANDIDATURE, BE AND IS HEREBY APPOINTED A DIRECTOR OF THE COMPANY LIABLE TO RETIRE BY ROTATION."

By Order of the Board of Directors
For KALYANI BRAKES LIMITED

PUNE
MAY 24, 1997

S K SATPUTE
COMPANY SECRETARY

NOTES :

1. The relative Explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of business to be transacted at the Annual General Meeting is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. Members are requested to advise the Company immediately of any change in their addresses.
4. The Share Transfer Books and the Register of Members of the Company will remain closed from Wednesday, the 13th day of August, 1997 to Friday, the 22nd day of August, 1997 (both days inclusive).
5. Documents referred to in any of the items of the Notice are available for inspection at the Registered Office of the Company on any working day upto August 22, 1997 during business hours of the Company.

ANNEXURE TO THE NOTICE

Explanatory Statement as required by Section 173 of the Companies Act, 1956.

The following Explanatory Statement sets out, as required by Section 173 of the Companies Act, 1956, the material facts relating to Item No. 4 mentioned in the accompanying Notice dated May 24, 1997.

Item No. 4

Mr. Nobuji Okazaki was appointed as Director of the Company in the casual vacancy caused by the resignation of Dr. S. M. Patil. Dr. S. M. Patil was liable to retire by rotation at this Annual General Meeting and accordingly, Mr. Nobuji Okazaki holds office as Director till the conclusion of the ensuing Annual General Meeting. The Company has received Notice under Section 257 of the Companies Act, 1956 from a member proposing the candidature of Mr. Okazaki to the office of Director.

Your Directors feel that it is in the interest of the Company to reappoint Mr. Nobuji Okazaki as a Director, and accordingly recommend his reappointment. None of the Directors of the Company is interested in the resolution except Mr. Okazaki who is proposed for reappointment as a Director.

By Order of the Board of Directors
For KALYANI BRAKES LIMITED

PUNE
MAY 24, 1997

S K SATPUTE
COMPANY SECRETARY

DIRECTORS' REPORT

For the year ended on March 31, 1997

To

The Members,

Your Directors have pleasure in presenting their Fifteenth Annual Report on the business and operations of the Company and the Accounts for the Financial Year of 12 months period ended on March 31, 1997.

PERFORMANCE OF THE COMPANY

We are happy to report that your Company achieved a total income of Rs. 1 233 084 761 and profit (before Extra Ordinary Item) of Rs. 71 098 788 during the last 12 months period under Report. Previous year's figures are not really comparable since previous year was for six months period. However, if these are compared with previous 12 months period, it represents a growth of 7% in sales and 37% in profits. Due to its efforts in localisation and product mix rationalisation, your Company could increase its gross contribution (Sales less Material Cost) by nearly 2.5%. These efforts will continue next year too and contribution levels are likely to improve further despite price reductions being offered to the highly competitive OEM segment.

CHANGE IN THE ACCOUNTING POLICIES

Hitherto your Company was accounting deferred sales tax liability at its present value based on actuarial valuation upto March 31, 1996. During the year, your Company has changed the method of accounting of deferred sales tax from present value to full value. Consequently, your Company has written off the accumulated amount of Rs. 87 201 610/- upto March 31, 1996, as an "Extra Ordinary Item". As a result of this change in the method of accounting, the loss for the year after extra-ordinary item is higher by Rs. 92 148 771/- and liabilities are higher by the same amount. We hope the members will appreciate this step taken by the Company.

NEW CAR PROJECTS

Last few months have witnessed arrival of many world-class Auto makers in India. This represents a good opportunity for Auto Component manufacturers. We are happy to inform you that your Company has secured supply contracts from DCM-Daewoo, Mahindra-Ford, PAL-Peugeot & Telco-INDICA. Discussions are at advanced stage with HM-Mitsubishi and Ford-Fiesta. These new businesses will provide a sustained long term growth for the Company.

CHAKAN PROJECT

As we informed you last year, your Company has gone in for a major expansion by setting of a new modern plant at Chakan near Pune. This Plant is designed on the principles of modern and lean manufacturing, has totally balanced machining and assembly lines, single piece flow, quick change overs and flexible capacities. To support this modern facility, Information Technology will play a big role. Your Company is implementing world's best known ERP solution Called SAP with the help of MICO and HCL-HP.

Chakan project is progressing very well. Civil construction is over and most of the machines have already arrived from Japan. These machines will be installed and commissioned during June '97 and after trial production during July and August '97, we plan to start the commercial production from September '97. Once fully commissioned, this plant should provide your Company world-class manufacturing capability which will be useful to get international business.

EXTERNAL COMMERCIAL BORROWING (ECB)

For Chakan Project your Company obtained the necessary approvals from Central Government and Reserved Bank of India and negotiated an ECB from The Fuji Bank Ltd., Singapore. The amount borrowed is Japanese Yen 270.00 Million for the imported equipment and US Dollar 3.00 Million for Indian equipment and infrastructure, at very competitive rate of Interest.

RE-ENGINEERING

The onset of World-class manufacturers in the Indian Automotive Market is certain to raise the quality and reliability labels of Indians vehicles. As a result most existing and new vehicle manufacturers are increasingly laying emphasis on Zero Defect and TQM. Your Company has launched a major re-engineering program in its Jalgaon Plant which entails re-layout, small batch production, high throughput, low change over time and better product handling during the course of manufacture. Our Collaborators' representatives from NABCO are assisting us in this improvement activity.

OPERATIONS**A) Development :**

During the period, the Company developed Hydraulic Brake Systems and Components thereof for additional vehicle models.

B) Conservation of Energy :

The Company has implemented a number of energy saving measures to save electricity and power. This has resulted in reduction of consumption of electricity & power considerably. For further savings and optimum utilisation of the available energy, further actions are planned in various areas. The impact of these measures has reduced the cost of production.

Our Industry is not specified in the Schedule to Form "A" of the Annexure to Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

C) Technology Absorption :

The efforts made in technology absorption are given in the prescribed Form "B" as Annexure "A" to this Report.



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D) Foreign Exchange Earnings and Outgo :

- i) During the year the Company has earned Foreign exchange equivalent to Indian Rs.1 183 323 from export sales.
- ii) The foreign exchange outgo, on account of imports in line with our PMP approved by DGTD was of the order of Rs. 73 891 864.

EXPORT

The export during the year has been mainly to Indonesia for Mercedes Benz Vehicle MB800 and SriLanka for after sales market.

Your Company is working very closely with its collaborators to secure buy-back arrangements.. One interesting opportunity has already been identified by NABCO Ltd. and product development is currently underway. Your Company plans to have significant levels of exports to its collaborators in future.

INDUSTRIAL RELATIONS

Industrial relations at all plants and offices continue to be cordial. A Three years Wage Agreement was signed with the union of bargainable Employees in August 96.

QUALITY

Being in safety industry, product quality is of highest importance to your Company. Your Company achieve ISO 9000 certification in 1994 and is currently preparing for QS 9000. During the year our major customers found Company's quality and warranty ratings better than other suppliers of same product category.

COMPARISON OF PROJECTED AND ACTUAL PERFORMANCE

As required under Clause 43 of the Listing Agreement with the Stock Exchanges, the comparison of projections for the year ended March 31, 1997 as per Letter of Offer dated October 6, 1995 and actual performance is given hereunder :

	(Rs. in Million)	
	Projections	Actuals
Total Income including excise duty	---	1 233.085
Total Income excluding excise duty	1 128.190	1 074.200
Profit/(Loss) before Extra Ordinary Item	76.080	71.099

The small difference between projected and Actual figures is due to drop in production of certain Vehicle models where your Company has 100% supply status.

SUBSIDIARY

A statement pursuant to Section 212 of the Companies Act, 1956, relating to Precision Seals Mfg. Ltd., a subsidiary of the Company, as on 31st March, 1997,

is attached to the Accounts of the Company.

PARTICULARS OF EMPLOYEES

The information required under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended from time to time and forming part of this Report, is annexed herewith as Annexure "B".

DIRECTORS

Mr. C. L. Ghalsasi has been nominated on the Board w. e. f. September 13, 1996 as nominee of the Industrial Credit and Investment Corporation of India Ltd., in place of Mr. N. J. Hatkar who was associated with the Board of the Company as such nominee since March 26, 1993. The Directors place on record their sincere appreciation for the useful contributions made by Mr. N. J. Hatkar during his association with the Board.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. S. D. Deshmukh, Director of the Company retires by rotation and being eligible, offers himself for re-appointment.

AUDITORS' REPORT

As regards Note No. 4(a) & 4(b) of Schedule 19 to the Accounts, subject whereof has been referred to by Auditors in their Report to the Members, the Directors have duly taken note of the same while according their approval to the Accounts and wish to state that the Notes No. 4(a) & 4(b) of Schedule 19 are self explanatory.

AUDITORS

M/s Bansi S. Mehta & Co., Chartered Accountants, Mumbai, the Auditors of the Company, retire at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment. You are requested to re-appoint Auditors for the current year to hold office from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting.

APPRECIATION

Your Directors wish to place on record their appreciation for the co-operation and help received from the Govt. of India, Govt. of Maharashtra, Financial Institutions & Banks and the timely help and assistance from our Promoters - M/s Kalyani Steels Limited, Robert Bosch GmbH, Germany and NABCO LTD., Japan. The Directors would like to place on record their appreciation of the unstinted efforts and contributions made by the Management Team and the employees of the Company at all levels.

For and on Behalf of the
Board of Directors,

PUNE
DATED : May 24, 1997

B. N. KALYANI
Chairman

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE - A

FORM "B"

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION

Research and Development (R & D) —

1. Specific areas in which R & D carried out by the Company :
 - 1) Totally indigenous design and development for Brake Systems for certain Indian Vehicles.
 - 2) Import substitution.
2. Benefits derived as a result of the above R & D : If this technology was imported, it would have cost approximately Rs. 4.00 million in foreign exchange. Due to Indigenous R & D, this foreign exchange is saved.
3. Future Plan of action :

Development of items for export oriented vehicles.

Development of items for various European cars being launched in India.
4. Expenditure on R & D
 - a) Capital : Approximately Rs. 1.70 million
 - b) Recurring : Approximately Rs. 2.30 million
 - c) Total : Approximately Rs. 4.00 million
 - d) Total R & D expenditure as a percentage of total turnover : 0.33 %

Technology absorption, adaptation and innovation —

1. Efforts, in brief, made towards technology absorption, adaptation and innovation : All efforts have been made for absorption and adaptation of the technology obtained from Bosch & NABCO for Brake Systems for various Indian manufacturers of Cars and Light Commercial Vehicles.
2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution, etc. : The above efforts enabled saving the foreign exchange. Along with the import substitution the items were modified to suit Indian conditions.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished : —
 - a) Technology imported : For critical Brake Systems for Maruti New models for EC Markets & for certain European Cars being launched in India.
 - b) Year of Import : 1992-93
 - c) Has technology been fully absorbed? : Being absorbed.
 - d) If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action. : These brake systems are under development. Hence it will take about 3 years to get full commercial benefits.



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ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE - B

Information required per Section 217 (2A) (b) (ii) 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 March 31, 1997.

Sr. No.	Name	Age	Qualification & Experience	Designation/ Nature of duties	Gross Remuneration	Date of commencement of employment	Particulars of past Employment, Designation held, Organisation and Period
1	2	3	4	5	6	7	8
1	Deshpande A. K	46	B.E.(Elect.) M.B.A 26 years	D.G.M. (Projects)	323 052	01-07-1988	Manager, Product Devpt Services Laxmi Vishnu Textile Mills 7 1/2 Years.
2	Ekbote R. P	45	B.A.,D.M.M., D.B.M., M.B.A 23 years	G.M. (Materials)	376 188	06-07-1984	Stores Officer Greaves Lombardini Ltd., 2 years
3	Gautam Das	41	B.S.C (Engg) 18 years	G.M.(Process Engg.)	395 688	17-11-1986	Manager Hindustan Aeronautics Ltd., 7 years
4	Joshi S. R.	44	B. E. (Mech.) 22 years	Execu.Vice President (Jalgaon)	680 184	03-08-1984	Manager - I Kiroskar Pneumatic Co. Ltd., 10 years
5	Khadikar J. S.	50	M. Tech. 26 years	Vice President (Engg. & T.Q.M.)	531 984	01-04-1983	Manager (Manufacturing) Eicher Goodearth Ltd., 5.1/2 years
6	Kihara Minoru	41	B. E. 16 years	Advisor - Q.A.	418 925	22-02-1996	Nabco Ltd., Japan Manager 15 years
7	Madiwale S.P	41	B.E.(Mech) 18 years	G.M.(Manufacturing)	380 688	01-02-1983	Engg Q.C Bharat Forge Ltd., 5 months
8	Mahendra D. S.	44	B. Tech. 20 years	Execu.Vice President (Chakan.)	668 184	01-01-1988	Manager (Materials) Bharat Forge Ltd., 8 years
9	Matsumura Kazuo	44	B. E. 23 years	Whole time Director	883 925	19-01-1996	Nabco Ltd., Japan Manager 22 years
10	Palkar M.M	48	B. Tech 26 years	G.M. (Marketing)	376 188	06-02-1984	Asst. Manager-R&D Escorts Ltd., 2 years
11	Satpute S.K	59	B.A.,B.Com, A.C.S 40 years	Company Secretary	304 296	14-08-1989	Asst. Company Secretary Bharat Forge Ltd., 12 years
12	Sekhri S.	47	B.E. (Mech) M.B.A. 23 years	Managing Director	1 008 500	04-08-1994	Vice President (Engg.) Escorts Limited New Delhi 3.1/2 years
13	Thatte D. R.	46	B. Com. M.B.A. 23 years	G. M. (Finance)	418 488	13-09-1993	M/s. Morris Electronics Manager-Finance 5 months

Notes :

- 1) Designation denotes the nature of duties also.
- 2) Gross remuneration includes salary, Company's contribution to provident fund and superannuation scheme, allowances, perquisites, etc.
- 3) Nature of employment and terms and conditions : The nature of employment in the cases of Managing Director & Whole Time Director are contractual. In the case of other employees, as per Company's Rules & Regulations, the employment is terminable on giving stipulated notice on either side.
- 4) None of the above employees is related to any of the Directors of the Company.
- 5) Experience includes number of years of service elsewhere wherever applicable.

For and on behalf of the Board of Directors,

Place : Pune
Date : May 24, 1997

B. N. KALYANI
Chairman

AUDITORS' REPORT

For the year ended March 31, 1997

To the Members of
KALYANI BRAKES LIMITED

We have audited the attached Balance Sheet of KALYANI BRAKES LIMITED as at March 31, 1997 and also the Profit and Loss Account of the Company for the year ended on that date, annexed thereto, and report that :

- (a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion, proper books of accounts as required by law have been kept by the Company, so far as appears from our examination of the books;
- (c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account;
- (d) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, subject to the following notes in Schedule 19 :

1. Note No. 4(a) of Schedule 19 regarding non-receipt of confirmation from sundry debtors. As the final adjustments, if any, will be made on obtaining the confirmations and making necessary reconciliation, the impact thereof on Company's Loss and the financial position is not ascertainable at this stage;

2. Note No. 4(b) of Schedule 19 - Advances to Suppliers :

Advances to Suppliers include an amount of Rs. 3 004 131/- for which the company has filed suits for recovery which are still pending. The accounting adjustments, if any, will be made subject to the final outcome of the suits. The impact thereof on company's Loss and the financial position is not ascertainable at this stage,

read together with other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :

- i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 1997; and
- ii) In the case of Profit and Loss Account, of the Loss for the year ended on that date.

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we further report that :

- A) 1. The Company is generally maintaining proper records to show full particulars, including quantitative details and situation of fixed assets. As explained to us, the company has a procedure to carry out a physical verification of

fixed assets at periodic intervals, which in our opinion is reasonable.

2. None of the fixed assets have been revalued during the year.
3. The stock of finished goods, stores, spare parts, and raw materials have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
4. In our opinion and according to the information and explanations given to us, the procedures of physical verification of stocks followed by the management were found reasonable and adequate in relation to the size of the Company and the nature of its business.
5. The discrepancies noted on verification between physical stocks and book records were not material and the same have been properly dealt with in the Books of Accounts.
6. In our opinion, the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles, and is on the same basis as in the previous period.
7. The Company has not taken any loan during the year from the companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. We have been informed that there are no Companies under the same management within the meaning of Section 370 (1B) of Companies Act, 1956.
8. The Company has granted unsecured loan to a company listed in the register maintained under Section 301 of the Companies Act, 1956. The rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the Company.
9. Loans or advances in the nature of loans have been given to the employees and other parties and wherever stipulations have been made are generally repaying the principal amount as stipulated and are also regular in payment of interest thereon, wherever applicable.
10. In our opinion, and according to the information and explanations given to us, internal control procedures are commensurate with the size of the Company and the nature of its business with regard to the purchase of stores, raw materials including components, plant and machinery, equipments and other fixed assets and for the sale of goods.
11. According to the information and explanations given to us, transactions with different Parties for purchase of goods, materials and made in



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pursuance of contracts or agreement 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, are reasonable as compared to the price of similar items supplied by other parties. According to us the Company has not sold any goods, materials and services to such parties during the year.

12. As explained to us, the Company has a regular procedure for determining the unserviceable and damaged stores, raw materials and finished goods. In respect of slow moving stocks the company has made adequate provisions for possible losses arising out of such items.
13. The Company has not accepted any deposits from the public during the year. Hence, the question of complying with the provisions of Section 58-A of the Companies Act, 1956 and the Rules framed thereunder, does not arise.
14. The Company, in our opinion, is maintaining reasonable records for the sale and disposal of realisable scrap. According to the information and explanations given to us, the Company has no by-Product.
15. In our opinion and according to the explanations given to us, the Company has an internal audit system commensurate with its size and nature of its business.
16. As informed to us, the Central Government has not prescribed maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 for any of the Company's product.

17. According to the records of the Company, Provident Fund and Employee's State Insurance dues have been generally deposited with the appropriate authorities. There are no arrears of such dues as at the close of the financial year.
18. According to the information and explanations given to us, there were no undisputed amounts payable in respect of income-tax, wealth-tax, sales-tax, customs and excise duty which have remained outstanding as at 31st March, 1997, for a period of more than six months from the date they became payable.
19. According to the information and explanations given to us and the records of the Company examined by us, no personal expenses have been charged to revenue account other than those payable under contractual obligations with the company's employees and/or generally accepted business practices. The Directors have also confirmed that no personal expenses have been charged to revenue account.
20. 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.
21. As explained to us, in respect of trading activities of the Company, there were no damaged goods during the year.

For BANSI S. MEHTA & CO.,
Chartered Accountants

Mumbai
Dated : 26th May, 1997

M. D. INAMDAR
Partner

Kalyani Brakes Limited**BALANCE SHEET AS AT 31st MARCH, 1997**

	Schedule	Rupees	1997 Rupees	1996 Rupees
SOURCES OF FUNDS :				
1. Shareholders' Funds				
(a) Share Capital	1	103 965 000		103 965 000
(b) Reserves and Surplus	2	<u>366 014 023</u>		<u>366 014 023</u>
			469 979 023	469 979 023
2. Loan Funds				
(a) Secured Loans	3	230 752 541		90 788 700
(b) Unsecured Loans	4	<u>123 419 066</u>		<u>45 066 615</u>
			354 171 607	135 855 315
TOTAL			<u>824 150 630</u>	<u>605 834 338</u>
APPLICATIONS OF FUNDS :				
3. Fixed Assets				
(a) Gross Block	5	381 543 075		321 920 540
(b) Less : Depreciation		<u>113 315 366</u>		<u>87 975 893</u>
(c) Net Block		268 227 709		233 944 647
(d) Capital Work-In-Progress (Includes Capital Advances)		<u>109 191 526</u>		<u>25 592 252</u>
			377 419 235	259 536 899
4. Investments	6		1 350 000	1 350 000
5. Current Assets, Loans and Advances				
(a) Inventories	7	220 461 304		184 798 626
(b) Sundry Debtors	8	190 859 373		244 927 664
(c) Cash and Bank Balances	9	35 818 974		25 986 884
(d) Loans and Advances	10	<u>127 787 950</u>		<u>71 123 736</u>
		574 927 601		526 836 910
6. Less : Current Liabilities and Provisions				
(a) Current Liabilities	11	176 789 511		214 034 570
(b) Provisions		<u>5 528 331</u>		<u>6 677 387</u>
		182 317 842		220 711 957
7. Net Current Assets			392 609 759	306 124 953
8. Miscellaneous expenditure (to the extent not written off or adjusted)	12		1 270 648	3 424 320
9. Profit & Loss Account			<u>51 500 988</u>	<u>35 398 166</u>
TOTAL			<u>824 150 630</u>	<u>605 834 338</u>
Significant Accounting Policies	18			
Notes to Accounts	19			

As per our report of even date

For and on behalf of the Board of Directors

For **BANSI S. MEHTA & CO.**
Chartered Accountants**B. N. KALYANI**
Chairman**M. D. INAMDAR**
Partner**S.K.SATPUTE.**
Secretary**SATISH SEKHRI**
Managing DirectorMumbai
May 26, 1997Pune.
May 24, 1997