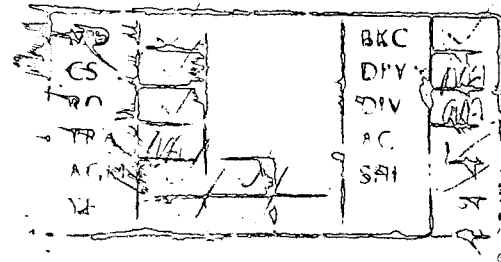
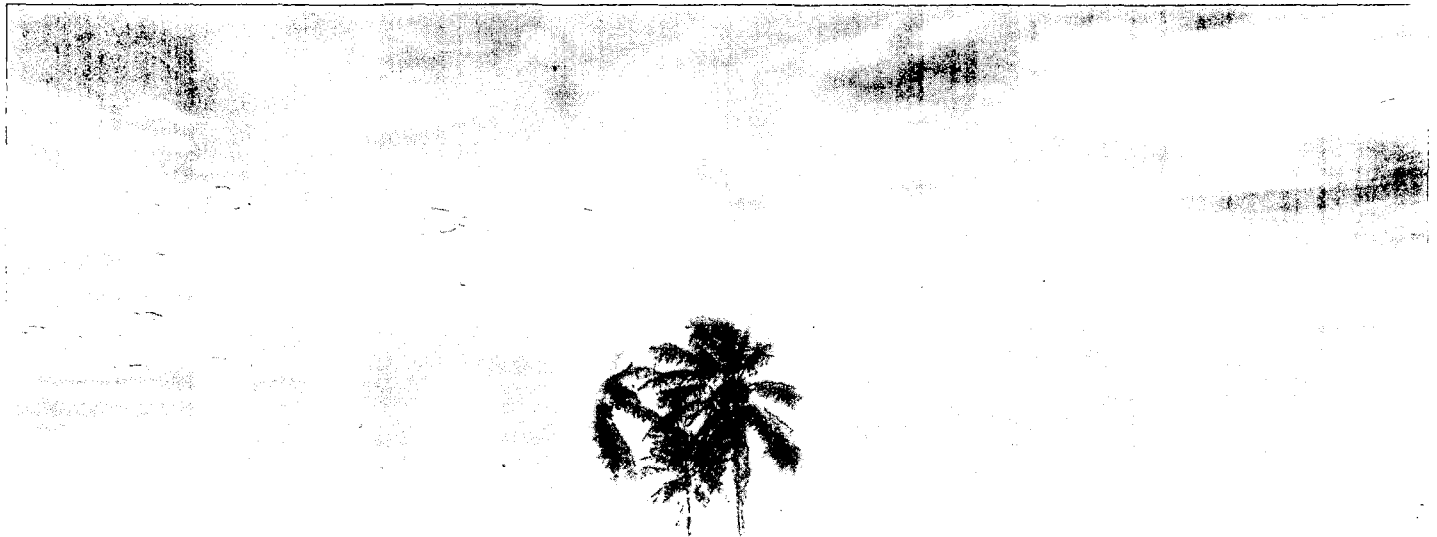


Pollex
Industries Limited



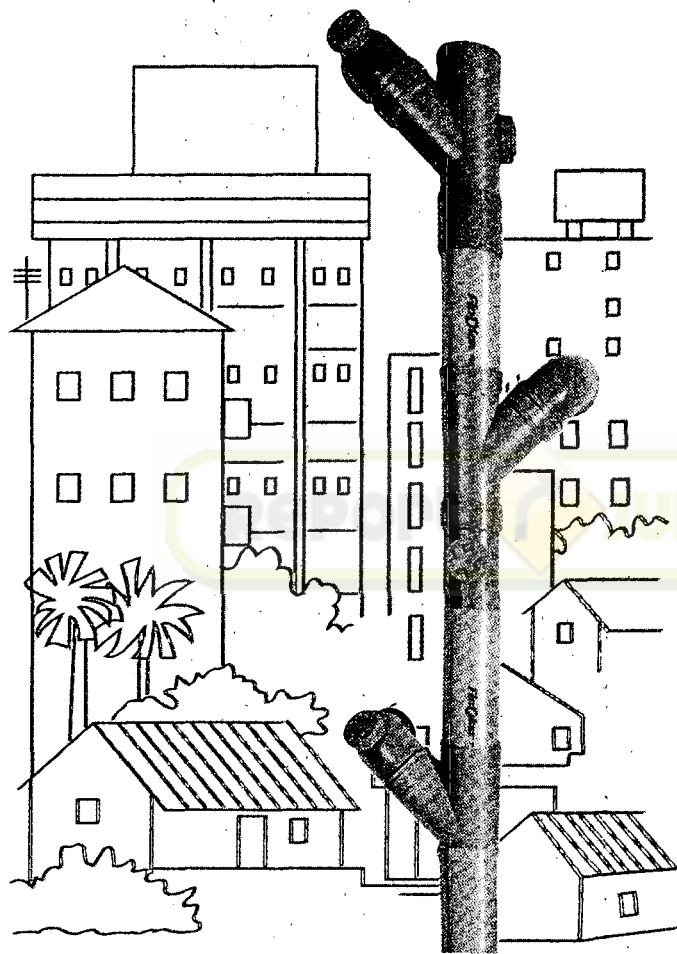
Report  junction.com

17TH ANNUAL REPORT 1997 - 98



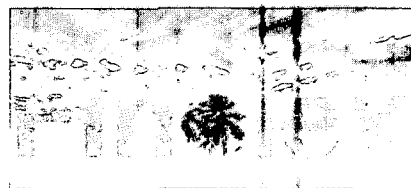
NEW

FOR YOUR HOUSE
FinOlex
SWR PIPES & FITTINGS



Finolex offers the new and unique range of SWR (Soil, Water and Rainwater) Pipes and Fittings for your house. Cost effective and technically superior. Unique feature of using SELFIT SWR (solvent cement joining) and RINGFIT SWR (rubber ring jointing). Takes care of thermal expansion, easy to install and easy to maintain.

India's first PVC Pipes manufacturer
with ISO 9002 certification



Complementing Success with Eco-consciousness

Nurturing an attitude towards environmental consciousness. Reinforcing our core competencies to deliver value. And attaining success.

Success that is not at the cost of the environment.
Success that strives to give back what has been taken from nature. Success that is responsible.

Finolex Industries - a responsible corporate citizen that has planted over 30,000 trees near the PVC plant. And helped green our planet for our children to inherit.

Finolex Industries Limited

BOARD OF DIRECTORS

Mr. P.P. Chhabria
Chairman

Mr. S.N. Inamdar

Dr. N.A. Kalyani

Mr. S.S. Marathe

Mr. M.P. Modi
LIC Nominee Director

Mr. G.R. Pai

Mr. R. Raman
ICICI Nominee Director

Mr. K.P. Chhabria
Managing Director

Mr. Prakash P. Chhabria
Deputy Managing Director

Mr. J.S. Arora
Wholetime Director

Mr. S.S. Dhanorkar
Wholetime Director

Company Secretary

Mr. P.B. Parasnis

Bankers

Bank of India
Bank of Baroda
Bank of Nova Scotia
Bank of Maharashtra
Central Bank of India
Citibank N.A.
Corporation Bank
IndusInd Bank Ltd.
State Bank of India

Auditors

B.K. Khare & Company
Chartered Accountants

Solicitors & Advocates

Crawford Bayley & Company

Registered Office

D1/10, M.I.D.C., Chinchwad,
Pune - 411 019.

Finolex Industries Limited

Directors' Report

To the Members

Your Directors have pleasure in presenting their Seventeenth Annual Report and Audited Accounts of your Company for the period ended 31st July, 1998.

Financial Results

	(Rs. in million)	
	1997-98	1996-97
	(16 months)	(12 months)
Profit before Depreciation & Finance Charges	1031.883	1131.517
Finance Charges	647.505	558.066
Profit before Depreciation	384.378	573.451
Additions/(Deductions) for		
(i) Depreciation	(493.950)	(332.105)
(ii) Provision for Taxation	(0.600)	(31.600)
(iii) Excess provision for Taxation for prior years	—	0.067
Profit/(Loss) after Depreciation, Prior years' adjustments and Taxation	(110.172)	209.813
Add		
(i) Surplus of Profit and Loss Account of earlier year	1.729	5.107
(ii) Transferred from Investment Allowance (Utilised) Reserve	—	8.751
Appropriations		
(i) Debenture Redemption Reserve	—	140.300
(ii) Proposed Dividend	—	74.220
(iii) Provision for Dividend Tax	—	7.422
(iv) Balance carried over to Balance Sheet	(108.443)	1.729

New Accounting Year

During the period under review, the Board of Directors decided that the financial year of the Company be August to July and accordingly the financial year 1997-98 ended on 31st July, 1998 instead of 31st March, 1998. The decision of the Board of Directors was based on the experience of four completed years of PVC production wherein seasonal effects were becoming more prominent when accounts were ended on 31st March. Season for the Company's products ends by about July every year. The decision of the Board of Directors was subject to the approval of the Registrar of Companies, which has been received.

Operations

The gross total income for the period under review including value of interdivisional transfers of PVC was Rs. 8358.874 million as against Rs. 5842.342 million of the previous year showing growth of 7.31% on annualised basis. PVC production increased from 109,494 metric tons in the previous year to 156,000 metric tons in the period under review showing annualised growth of 6.86%. Performance of PVC plant could have been better but for the suspension of its operations during the period from 21st March till 16th May, 1998 due to an illegal strike by a section of the workers. The strike not only affected the productivity of the PVC plant but also increased per metric ton allocation of fixed expenses, thereby lowering profitability during a crucial period. PVC plant faced many power interruptions during the period which also affected the production. PVC Division, Ratnagiri recorded sales of Rs. 6311.340 million during the period under review as against Rs. 4523.464 million in the previous year showing annualised growth of 4.64%. PVC Pipes and Fittings Division, Pune recorded sales of Rs. 1953.615 million in the period under review as against Rs. 1244.376 million in the previous year showing growth of 17.75% on annualised basis. The production of PVC pipes and fittings also increased from 22,553 metric tons in the previous year to 35,275 metric tons in the period under review showing annualised growth of 17.31%.

Your Company was able to increase its sales volume by creating a wider customer base and, accordingly was able to sustain growth in its business despite slow down of the Indian economy in general and retardation of industrial growth in particular. The operations for the period under review resulted in loss of Rs. 109.572 million as against profit of Rs. 241.346 million for the previous year. The depressed realisations due to the South East Asian crisis and loss of PVC production due to the strike eroded the margins of the Company.

Dividend

In view of the loss for the period, the Directors have not considered dividend.

PVC Plant

The period under review witnessed full utilisation of PVC capacity, except for the period of disruption in activities due to the illegal strike.

17th Annual Report 1997-98

Your Directors are happy to report that on 24th July, 1998 the PVC plant achieved FIVE MILLION MAN HOURS without any reportable loss time accident. This speaks volumes for the management's and employees' commitment to maintain high level of safety.

The Company has obtained clearance from Pollution Control Board for its proposed 25 MW co-generation captive power plant. Clearance from Environment Ministry is awaited.

LPG import and storage facilities set up by the Company have been successfully commissioned. These facilities have been licensed to Bharat Shell Limited for an initial period of ten years.

Your Company is considering various options to further utilise its cryogenic jetty and other infrastructural assets in view of the deregulation of import of petroleum products.

Pipes Plant

The Company has developed speciality fittings for large diameter pipes with elastomeric sealing ring joints. Your Company continues to maintain its leading position in the rigid PVC Pipes industry.

The members are aware that your Company was the first PVC pipes company in India to be granted the Quality Systems Certification Licence as per IS/ISO 9002 by Bureau of Indian Standards, accredited by Raad Voor de Certificatie, Netherlands. Five post certification surveillance audits of IS/ISO 9002 Quality System Licence have been successfully completed.

Current Year

The demand for PVC has been steadily growing. However, domestic and international prices of PVC continue to remain soft. The PVC feed stock prices which were ruling high have shown signs of softening. The long term outlook for PVC industry is encouraging with demand growth expected to remain in the double digit. The order book position of the Company is satisfactory.

The demand for PVC pipes and fittings has been growing at a healthy rate. In the recent Union Budget, there has been a substantial increase in the allocation of funds for Watershed Management and Rural Infrastructure Development. The Government has, for the first time, decided to permit private participation in rural water supply

on 'Own, Operate and Maintain' basis. These measures are expected to give a fillip to the PVC pipes and fittings industry.

Turnover of PVC Pipes and Fittings Division for August, 1998 was Rs. 102.7 million as against Rs. 88.7 million for August, 1997 and of PVC Division (including the value of interdivisional transfers) was Rs. 332.5 million as against Rs. 405.9 million for the equivalent period.

Exports

The international prices of PVC remaining soft for major part of the period under review, the Company did not thrust the export sales. However, the Company continued to supply PVC to its regular customers. During the period under review, the Company exported PVC valued at Rs. 297.768 million.

Finance

During the period under review, the Company redeemed 1989 Series Debentures fully and paid the second instalment of Nonconvertible Debentures. The Company availed corporate loans from Industrial Development Bank of India, Bank of Baroda, The Jammu & Kashmir Bank Limited, KBC Bank N.V. (under ECB guidelines), Housing Development Finance Corporation and The Industrial Credit and Investment Corporation of India Limited. The Company enjoys working capital facilities sanctioned by the consortium of banks led by Bank of India.

Fixed Deposits

The Company did not accept any fixed deposits during the period under review. No deposits were outstanding as on 31st July, 1998.

Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

In terms of above Rules, your Directors are pleased to give the particulars as prescribed therein in the Annexure which forms a part of this Report.

Dematerialisation of Equity Shares

On 13th February, 1998, the Company signed the Agreement with National Securities Depository Limited dematerialising its equity shares for the benefit of its members.

Finolex Industries Limited

Listing Agreement Compliance

Pursuant to Clause 49 of the Listing Agreement, it is stated that :

- (a) the Company's securities are listed at :
 Pune Stock Exchange Limited
 The Stock Exchange, Mumbai
 National Stock Exchange of India Limited
 The Delhi Stock Exchange Association Limited
 Bangalore Stock Exchange Limited;
 and
- (b) the Company has paid annual listing fee to each of the above stock exchanges.

Industrial Relations

Industrial relations continued to be cordial during the period under review, except for the period of strike. With increasing emphasis on training employees to help them improve upon their working skills, a 'Learning Centre' has been set up at the Registered Office of the Company.

Directors

Mr. G.P. Bhargava, LICI Nominee Director and Mr. U.M. Chitale, UTI Nominee Director stepped down the Board of Directors of the Company during the period under review. The Board of Directors places on records its sincere appreciation of the services rendered by Mr. Bhargava and Mr. Chitale during their tenure of office as Directors of the Company.

During the period under review, Mr. M.P. Modi was nominated as a Director on the Board of Directors of the Company by Life Insurance Corporation of India.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association, Mr. G.R. Pai, Mr. P.P. Chhabria and Mr. S.N. Inamdar retire by rotation at the Seventeenth Annual General Meeting of the Company, and being eligible, offer themselves for reappointment.

Auditors

M/s. B.K. Khare & Company, Chartered Accountants, retire as Auditors of the Company at the conclusion of the Seventeenth Annual General Meeting and are eligible for reappointment.

Particulars of Employees

Information as per Section 217(2A) of the Companies Act, 1956 read with the Rules framed

thereunder forms a part of this Report. However, as per the advice received by the Company, pursuant to the provision of Section 219 (1)(b)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to the shareholders of the Company excluding the statement of particulars of employees under Section 217(2A) of the Act. Any shareholder interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company.

Social Activities

Your Company's commitment to the Society continues. The Company helps regularly the educational institutions in and around Ratnagiri in many ways.

In the early hours of 18th August, 1997 a major fire broke out in Bazar Street of Ratnagiri City. Your Company was given a call for help and without any loss of time, the Company rushed fire tenders, fire fighting equipment and trained personnel to the site. The fire was brought under control with assistance from local authorities in about six hours. Thus a major disaster was averted. The Company as well as the local authorities praised and rewarded members of the Finolex rescue team for their valour.

The Company has planted more than 30,000 trees near PVC plant to maintain ecological balance. These trees are being grown on water treated in the effluent treatment plant of the Company.

Appreciation

Your Directors place on record their sincere appreciation of the services rendered by the employees of the Company at all levels and express their gratitude to the financial institutions and banks for timely assistance. Your Directors are grateful to shareholders, debentureholders, customers and suppliers of the Company for their continued valuable support. Your Directors are thankful to the local authorities at Ratnagiri for their continued co-operation.

For and on behalf of the Board of Directors

Pune
22nd September, 1998

P.P. Chhabria
Chairman

17th Annual Report 1997-98

Annexure to the Directors' Report

Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

A) Conservation of Energy

a) Energy conservation measures taken :

PVC Plant :

- The hot insulation of steam lines was coated with a layer of cement plaster to reduce heat losses.
- Modification of pump for quench bottoms flash condensate, to high speed pump design, reducing motor from 40 to 9.3 KW.
- In the multistage boiler feed water pump, one stage was eliminated to reduce power consumption from 62 to 53 KW.
- In E-PVC dryer section, a bigger blower was replaced with a smaller one saving 47 KW/Hour.
- Bagging machine was modified by eliminating bag flattener top belts.
- In S-PVC plant's cooling tower, the cooling water pump's 760 KW motor was replaced by a smaller pump's motor and of 365 KW.
- In S-PVC plant's cooling tower, one set of fan blades of hollow FRP design was installed.

PVC Pipes and Fittings Plant :

- Installation of ceramic band energy saving heaters on extrusion lines to minimise the radiation losses.
- Automatic temperature sensing and loading/unloading of refrigeration compressor by introducing three-point temperature indicator and controller.
- Provision of idle run protection relays to heavy duty roots blower to prevent dry cycles.
- Provision of idle run protection relays for welding transformer to conserve electrical energy during idle cycles.
- Additional single pipe extrusion lines converted to dual pipe extrusion lines.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy :

- Replacement of additional cooling tower fan blades with hollow FRP blades of special design.
- Corrocoating of cooling water pump's casing and impeller blades.

c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods :

- Reduction in consumption of electricity and product wastage. Impact has not been measured.

d) Total energy consumption and energy consumption per unit of production as per Form A :

Form A (PVC Plant)

A. Power and fuel consumption :

	Units	1997-98 (16 months)	1996-97 (12 months)
1. Electricity			
Purchased Units	Million KWH	136.359	95.193
Total amount	Rs. Million	457.852	301.555
Average rate/unit	Rs./KWH	3.36	3.17
2. (a) Furnace Oil (LSHS)			
Quantity	Metric Tons	16680.393	12550.250
Total amount	Rs. Million	110.058	79.846
Average rate	Rs./Ton	6598.045	6362.00
(b) LDO/HSD/SKO			
Quantity	Kilo Litres	15038.737	10174.820
Total amount	Rs. Million	109.123	76.811
Average rate	Rs./KL	7256.175	7549.09
(c) LPG			
Quantity	Metric Tons	641.262	503.620
Total amount	Rs. Million	8.273	7.433
Average rate	Rs./Ton	12901.823	14759.72

B. Consumption per metric ton production of PVC :

1. Electricity	KWH	874.095	869.386
----------------	-----	---------	---------

	Units	1997-98 (16 months)	1996-97 (12 months)
2. (a) Furnace Oil (LSHS)	MT	0.1069	0.1146
(b) LDO/HSD/SKO	KL	0.0964	0.0929
(c) LPG	MT	0.0041	0.0046

Note : Figures of the previous year have been regrouped wherever necessary.

B) Technology Absorption

Form B

Research & Development (R&D)

1. Specific areas in which R&D efforts have been put in by the Company are :

- "Destruction of chloral in oxy EDC" project was completed to reduce coking in EDC cracker, resulting in longer decoking cycles.
- Replacing oxy catalyst by MEDC-B catalyst to increase heat removal capacity by operating at higher capacity.
- Capacity of waste water treatment unit was increased by replacing imported PVDF AOD pumps by high capacity indigenous PTFE lined pumps.
- EDC tanks were provided with Nitrogen blanketing to reduce atmospheric moisture absorption. It also results in reduced energy requirement in drying of such EDC in distillation columns.
- PVC Polymeriser successfully developed indigenously and put in operation.
- Speciality fittings were developed for large diameter pipelines with elastomeric sealing ring joints.
- Special type of repair couplers were developed so that leakages in the pipelines can be removed with a little excavation resulting in cost reduction.

2. Benefits derived as a result of the above R&D :

- Improvement in polymerisation section on stream factor.
- Improvement in on stream time of incinerator.
- Conservation of steam energy in EDC drying.
- Environmental protection and effluent quality improvement.

3. Future plan of action :

- A process modification in oxyhydrochlorination from ethylene lean to ethylene rich is being implemented for better operational safety and improvement in reaction efficiencies.
- A residence vessel for recycled EDC chlorination is being implemented for improving reaction of chlorination of chloroprene in EDC, thereby improving the quality of EDC to cracker feed.

4. Expenditure on R&D :

- (a) Capital) The development work is carried on
- (b) Recurring) by the concerned departments
- (c) Total) continuously. The expenses and the cost
- (d) Total R&D) of assets are grouped under the respective
- Expenditure) heads.
- as a percentage)
- of total turnover)

Technology Absorption, Adaptation and Innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation :

- Efforts for improvement in productivity and reduction in raw material, power and steam consumptions.
- Efforts to reduce product wastage by continuous and uninterrupted production cycles.

2. Benefits derived as a result of the above efforts :

- Reduction in overall raw material and energy consumption per ton of the product.

3. Imported Technology :

- (a) Technology Imported : VCM & PVC technologies from Udhe GmbH, Germany.
- (b) Year of Import : 1990
- (c) Has technology been fully absorbed : Absorbed.

C) Foreign Exchange Earnings and Outgo

1. Activities relating to exports: initiatives taken to increase exports: development of new export markets for products: and export plans :

- Mentioned in the Directors' Report
- 2. (a) Total foreign exchange earned : Rs. 297.768 million
- (b) Total foreign exchange used : Rs. 2356.351 million

Finolex Industries Limited

Auditors' Report

To the Members of Finolex Industries Ltd.

We have audited the attached Balance Sheet of M/s. Finolex Industries Ltd. as at 31st July, 1998, and also the Profit and Loss Account for the period ended on that date annexed thereto. We report as follows :

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988, issued by the Company Law Board, in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement of the matters specified in the paragraphs 4 & 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above :
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us.
 - c) The Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of account.
 - d) (i) We have relied upon the representation made to us by the management, this being a complex technical matter, to the effect that the PVC Plant at Ratnagiri as a whole is a continuous process plant on the cost of which the Company has provided depreciation at 5.28% on SLM basis as per Schedule XIV to the Companies Act, 1956.

- (ii) Reference is invited to Note No. 13 of Schedule 16 to the Accounts stating that in the case of Project of turnkey continuous process plant, the whole plant complex is designed and engineered in line with the manufacturing process and the need for carving out on estimate a portion of the total consideration for process know-how requiring different accounting treatment does not arise. This being a highly technical matter, we have relied upon the representation made to us by the Company in this behalf.

Subject to the foregoing, in our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the Company's Accounting Policies and the Notes thereto, more particularly, Note No. 15 with reference to which, we have relied on the management's perception, 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 Balance Sheet, of the state of affairs of the Company as on 31st July, 1998; and
- ii) in the case of Profit and Loss Account of the Loss of the Company for the period ended on that date.

For **B.K. Khare & Company**
Chartered Accountants

Place : Pune
Dated : 22nd September, 1998

U.B. JOSHI
Partner

17th Annual Report 1997-98

Annexure to the Auditors' Report

Referred to in paragraph 1 of our Report of even date :

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. All the assets have not been physically verified by the management during the period but there is a regular programme of verification, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. The Company is in process of reconciliation of physical inventory of fixed assets with book records.
2. None of the fixed assets have been revalued during the period.
3. The stocks of finished goods, stores, spare parts and raw materials have been physically verified during the period by the management except certain goods and materials sent to the third parties for conversion or other job work, in respect of which certificates have been obtained from the parties concerned. In our opinion, the frequency of verification is reasonable.
4. According to the information and explanations given to us, in our opinion, 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.
5. The discrepancies noticed on physical verification of stocks as compared to the book records were, in our opinion, not material.
6. On the basis of our examination of stock records, we are of the opinion that 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 preceding years.
7. In our opinion, the rate of interest and other terms and conditions on which loans have been taken from the parties listed in the Register maintained under Section 301 of the Companies Act, 1956, are not, prima facie, prejudicial to the interest of the Company. We are informed that there are no companies under the same management as defined under Section 370 (1B) of the 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. According to the information and explanations given to us, the rate of interest and other terms and conditions of the loan, are not prima facie, prejudicial to the interest of the Company. We are informed that there are no companies under the same management.
9. According to the information and explanations given to us, except in a case where part of the principal amount and interest thereon outstanding as on 31st July, 1998 for which the Company has taken necessary legal action, parties to whom loans and advances in the nature of loans have been given, are repaying the principal amount as stipulated and are also regular in payment of interest where applicable.
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to the purchase of stores, raw materials including components, plant and machinery, equipment and other assets and with regard to the sale of goods.
11. In our opinion and according to the information and explanations given to us, the transactions of purchase and sale of goods and materials made in pursuance of contract or arrangements entered in the Register maintained under Section 301 and aggregating during the period to Rs. 50,000/- or more in respect of each party have been made at prices which are reasonable having regard to the prices at which transactions of similar goods and materials have been made with other parties or quoted by the other parties except, where comparable quotation are not available having regard to the specialised nature of materials purchased by the Company.
12. As explained to us, the Company has a regular procedure for the determination of unserviceable or damaged stores, raw materials and finished goods. Adequate provisions have been made in the accounts for the loss so determined.
13. The Company has not accepted deposits from the public and therefore, the provisions of Section 58A of the Companies Act, 1956 and Rules thereunder are not applicable to the Company.
14. The Company has maintained reasonable records in respect of sale and disposal of realisable by-products and scrap.
15. In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
16. The Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, for any of the products of the Company.
17. According to the records of the Company, Provident Fund and Employees' State Insurance dues have been regularly deposited during the period with the appropriate authorities.
18. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty were outstanding as on 31st July, 1998 for a period of more than six months from the date they became payable.
19. On the basis of examination of the books of account of the Company carried out by us and in accordance with the information and explanations given to us, no personal expenses of the employees or the Directors have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
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. In respect of the trading activity of the Company there were no damaged goods in closing stock.

For **B.K. Khare & Company**
Chartered Accountants

Place : Pune
Dated : 22nd September, 1998

U.B. JOSHI
Partner

Finolex Industries Limited

Balance Sheet

as at 31st July, 1998

(Rs. in million)

	Schedule	As At 31.07.98	As At 31.03.97
Sources of Funds			
Shareholders' Funds			
Share Capital	1	1485.477	1485.076
Reserves & Surplus	2	2688.509	2691.433
		<u>4173.986</u>	<u>4176.509</u>
Loan Funds			
Secured Loans	3	2834.432	3365.754
Unsecured Loans	4	1430.837	987.898
		<u>4265.269</u>	<u>4353.652</u>
		<u>8439.255</u>	<u>8530.161</u>
Application of Funds			
Fixed Assets	5	6500.858	6227.252
Investments	6	849.616	950.766
Current Assets, Loans & Advances	7	1619.054	1958.782
Less : Current Liabilities & Provisions	8	658.959	636.189
Net Current Assets		<u>960.095</u>	<u>1322.593</u>
Miscellaneous Expenditure :			
(To the extent not written off or adjusted)			
Deferred Revenue Expenditure	9	20.243	29.550
Profit & Loss Account		<u>108.443</u>	<u>—</u>
		<u>8439.255</u>	<u>8530.161</u>
Notes	16		

As per our report of even date
For B.K. Khare & Company
Chartered Accountants

K.P. CHHABRIA
PRAKASH P. CHHABRIA

Managing Director
Deputy Managing Director

U.B. JOSHI
Partner

P.B. PARASNIS
Vice President (Finance) &
Company Secretary

Pune : 22nd September, 1998

Pune : 22nd September, 1998