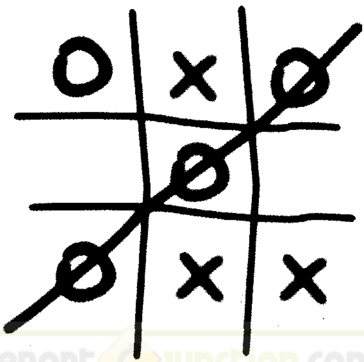
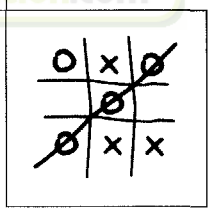
Finolex
Industries Limited



18th annual report 1998-99

Finolex has won over challenging *situations. This is reflected in the* turnaround and Finolex is poised for growth in the coming millennium.



[redacted]

BOARD OF DIRECTORS

Mr. P.P. Chhabria
Chairman

Mr. S.N. Inamdar

Dr. N.A. Kalyani

Mr. S.S. Marathe

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

Mr. P.B. Parasnis
Vice President (Finance) &
Company Secretary

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.

[redacted]

Directors' Report

To the Members

Your Directors have pleasure in presenting their Eighteenth Annual Report and Audited Accounts of your Company for the year ended 31st July, 1999.

Financial Results

	(Rs. in million)	
	1998-99 (12 months)	1997-98 (16 months)
Profit before Depreciation & Finance Charges	**1451.835**	1031.883
Finance Charges	**511.915**	647.505
Profit before Depreciation	**939.920**	384.378
Deductions for		
(i) Depreciation	**397.595**	493.950
(ii) Provision for Taxation	**62.262**	0.600
Profit/(Loss) after Depreciation and Taxation	**480.063**	(110.172)
Add		
Surplus/(Deficit) of Profit and Loss Account of earlier year	**(108.443)**	1.729
Appropriations		
(i) General Reserve	**30.000**	—
(ii) Dividend	**185.980**	—
(iii) Corporate Dividend Tax	**20.458**	—
(iv) Balance carried over to Balance Sheet	**135.182**	(108.443)

Operations

The year under review was a year of good operational performance for the Company. The salient growth features are given hereunder :

	1998-99	1997-98 (Annualised)	% Comparison
PVC			
Production (MTs)	**126,558**	117,000	8.17
Sale (MTs)	**128,805**	118,852	8.37
Sale (Rs. million)	**4,378**	4,484	(2.36)
PVC Pipes and Fittings			
Production (MTs)	**28,404**	26,456	7.36
Sale (MTs)	**28,352**	26,297	7.81
Sale (Rs. million)	**1,518**	1,445	5.05

Your Company was able to increase its volume of business. The improvement in operational performance of the Company was due to better utilisation of production capacity and lower feedstock prices, increased sales realisation during the course of the year. It is also to be noted that net cashflow from operating activities increased to Rs.1076.133 million from Rs.877.083 million. The Company has a wide and satisfied customer base for its products. The profit before tax for the year was Rs.542.325 million as against the loss of Rs.109.572 million for the previous year.

The turnover of PVC division for August, 1999 was Rs.412.7 million as against Rs.340.6 million for August, 1998 and of Pipes division was Rs.109.8 million as against Rs.102.7 million for the equivalent period.

Dividend

Your Directors are pleased to recommend for your consideration tax free dividend of 12.50% (Rs.1.25 per equity share) for the year ended 31st July, 1999.

The dividend outgo will be Rs.185.980 million. The Company will pay tax of 11% on dividend amount.

PVC Plant

Your Directors are pleased to report that on 4th September, 1999, the Company was honoured with the Mahratta Chamber of Commerce, Industries and Agriculture's prestigious Dr.R.J.Rathi 'Environmental Pollution Control' award for outstanding efforts in controlling pollution and protecting the environment at the plant.

The Directors are happy to report that on 25th March, 1999, the plant completed six million man hours of functioning without any reportable accident. These achievements were possible due to commitment and co-operation of everybody at the PVC plant to maintain high standard of environmental management and safety.

The year under review witnessed higher utilisation of the plant capacity. The quality of power received at the plant by and large was stable; however, requires further improvement for production cycles to remain uninterrupted. In the current year, the demand for PVC is good and is continuing to grow at a steady rate. The strong price of crude oil in the global market has pushed up the prices of EDC and ethylene, the main feedstock and as a consequence, the PVC prices have also strengthened internationally as well as domestically. Margins are being maintained as of now. The order book position continues to be satisfactory.

PVC consumption in India has maintained a double digit growth, thanks to the increasing use of pipes and fittings, electrical cables, footwear, packaging film, etc. Enthused by the growing PVC consumption, the Company is actively planning to enhance the existing capacity. The technical aspects of expanding the capacity are being looked into by the experts.

The Company has obtained environmental clearance from Environment Department, Government of Maharashtra for its proposed 25 MW captive co-generation power plant. The Company had floated tenders calling for bids from EPC contractors. The bids have been received and are under evaluation. Being an infrastructure project, a variety of options are available with the Company to finance the cost of the power plant.

LPG import, storage and evacuation facility set up by the Company is being increasingly used with the involvement of Bharat Petroleum Corporation Limited in the licensing arrangement in place of Bharat Shell Limited. Encouraged, the Company is looking for similar arrangement for other products in order to utilise the jetty potential and eventually may take steps to upgrade the present jetty into an "all weather jetty".

Pipes Plant

The year under review witnessed full utilisation of the plant capacity. The growth in business was positive and encouraging. The 1999-2000 Union Budget has once again underlined the critical importance of agriculture in our economy and several initiatives like watershed development programmes, accelerated irrigation benefit programmes, etc., have been announced/continued and funds have been allocated. The housing activity has been offered several incentives. The cumulative impact of these measures is likely to give a further boost to the PVC pipes industry.

India is an agrarian economy and there exists a vast scope for bringing irrigatable land under irrigation. Further, rigid PVC pipes are being increasingly used in substitution of GI, CI and cement pipes in construction industry, as ducting pipes by telecom industry, for conveyance of potable water especially in rural areas and difficult terrains, sewage, etc. The industry is therefore only expected to better upon the growth it has shown every year during the last few years. Keeping in mind the potential of growth of the industry, the Company has taken a decision to expand its existing capacity. Accordingly, the Company is setting up a PVC pipes plant of about 10,000 metric tons per annum capacity adjacent to its PVC plant. The new plant is likely to commence manufacturing operations during December, 1999.

The Quality Systems Certification Licence as per IS/ISO 9002 granted by Bureau of Indian Standards *accredited by Raad Voor de Certificatie, Netherlands* has been reconfirmed for another term of three years.

Your Company continues to maintain its leading position in the PVC pipes industry.

Finance

In view of the internal accruals during the year under review, the Company retired in advance of the due period some of its high cost debts. Further, the Company intends to restructure its borrowings to lower the interest cost.

As the members will recall, the Company had issued Nonconvertible Debentures in the year 1990 which were fully redeemed on 30th November, 1998. The Company will redeem the 1990 Series Secured Redeemable Convertible Debentures on their due date, namely 30th November, 1999.

Corporate Governance

Your Company recognises the importance of good Corporate Governance which builds trust with customers, suppliers, lenders and more importantly with investors, establishing an everlasting mutually beneficial relationship with them.

Your Company is managed by a team of professional managers subject to control and supervision of the Board of Directors. The Board of Directors currently comprises of ten Directors, of which four are wholetime Directors. For convenience in functioning, the Board of Directors has formed an Audit Committee, a Transfer Committee and a Finance Committee having a fair representation of wholetime and nonwholetime Directors.

The Board of Directors and Committees thereof meet as frequently as is required. The Agenda papers of a Board or a Committee meeting are circulated well in advance of the date of the meeting and important documents and key papers referred to therein are tabled at the meeting. The members of the Board or its Committee actively participate in the deliberations at the meeting. The minutes of a Committee meeting are confirmed at the subsequent Board meeting. Only the nonwholetime Directors are paid sitting fees for attending the Board and Committee meetings.

Important information for the benefit of the shareholders relating to stock exchange listing, shareholders' services, dematerialisation of equity shares, nomination facility, dates of book closure period and Annual General Meeting, and dividend payment is given elsewhere in this Report or in the notice of the Eighteenth Annual General Meeting circulated alongwith this Report.

Fixed Deposits

The Company did not accept any fixed deposits during the year under review. No deposits were outstanding as on 31st July, 1999.

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

The Company signed during the year under review Tripartite Agreement with Central Depository Services (India) Limited and MCS Limited for dematerialisation of equity shares. Your Company thus participates in the dematerialisation programmes of National Securities Depository Limited as well as Central Depository Services (India) Limited, for the benefit of its members.

Listing Agreement Compliance

Pursuant to the requirements 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 and Bangalore Stock Exchange Limited. The Company has paid annual listing fee to each of these stock exchanges.

(b) The Y2K compliance of critical hardware and software systems has been ensured. Total Y2K compliance is expected to be achieved by 30th September, 1999. The cost of Y2K compliance has been estimated to be Rs.3.036 million. The Company does not envisage a system break down or failure due to Y2K problem and as a consequence its operations, processes and functions getting adversely affected. Nonetheless, the Company has an adequate contingency plan to meet any exigency. The Company is maintaining a regular follow up with suppliers of materials and services as to the status of their Y2K compliance.

Industrial Relations

Industrial relations continued to be cordial during the year under review. Efforts are made on a regular and continuous basis to provide opportunities to all the employees, cutting across the organisational hierarchy, to participate in training and developmental programmes organised by the Company. For example, the employees from the Pipes Division of the Company have recently undergone a three day training programme titled "Key to Success" in which groups of around twenty-eight individuals were formed and each group had a mix of the employees representing all levels in the organisation. The employee response for the training programme held at our Learning Centre was extremely positive. Such training and developmental programmes help in bringing together employees of all levels within the organisation at an informal platform and also help in confidence building amongst them. Employees are encouraged to give their valuable suggestions for improvement in work areas.

Directors

The Company having redeemed the Nonconvertible Debentures fully, Life Insurance Corporation of India withdrew its nominee, Mr. M.P. Modi, from the Board of Directors of the Company. The Board of Directors places on records its sincere appreciation of the services rendered by Mr. M.P. Modi during his tenure of office as Director of the Company.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Dr. N.A. Kalyani, Mr. S.S. Marathe and Mr. Prakash P. Chhabria retire by rotation at the Eighteenth 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 Eighteenth 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

As a part of the national effort in bringing some relief and succour to our gallant heroes and their families affected by the recent operations on the country's border, the workmen and staff of the Company and the Company itself have contributed to the Army Central Welfare Fund.

The Company continued to help educational and social institutions in and around Ratnagiri in many ways during the course of the year. The Company had organised a seminar on latest advances in medical science in association with Indian Medical Association and eminent faculties from Pune for the benefit of doctors of Ratnagiri.

The Company took further tree plantation activity for maintaining ecological balance and the trees planted so far are about 36,000 in number which 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 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,
23rd September, 1999

P.P.Chhabria
Chairman

[redacted]

Annexureto 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 :

- Replacement of fan blades with hollow blades in VCM & PVC cooling towers.
- Alternate running of surface aerator agitators in effluent treatment plant.
- Replacement of air compressor by air compressor with smaller motor.
- Removal of one impeller from the second multistage boiler feed water pump.
- Use of steam/condensate in place of DM water for P-6405-A/B.

PVC Pipes and Fittings Plant :

- Provision of auto start/stop system for the pump house.
- Installation of energy saving electronic equipment for lighting.
- Installation of new screws/barrels resulting in increase of output and reduction in cost of power per unit of production.

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

- Conversion of existing refrigeration unit in S-PVC plant from freon to ammonia.
- Installation of smaller capacity vacuum pump in place of P-6405-B.
- Installation of a drying column for imported EDC to save steam in heads column and high boils column.

c) Impact of 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 :

Sr. No.	Description	Units	**1998-99 (12 months)**	1997-98 (16 months)
1.	Electricity			
	Purchased Units	Million KWH	**104.730**	136.359
	Total amount	Rs. Million	**400.714**	457.852
	Average rate/unit	Rs./KWH	**3.82**	3.36
2.	(a) Furnace Oil (LSHS)			
	Quantity	Metric Tons	**12541.713**	16680.393
	Total amount	Rs. Million	**74.297**	110.058
	Average rate	Rs./Ton	**5923.999**	6598.045
	(b) LDO/HSD/SKO			
	Quantity	Kilo Litres	**11991.682**	15038.737
	Total amount	Rs. Million	**86.701**	109.123
	Average rate	Rs./KL	**7230.134**	7256.175
	(c) LPG			
	Quantity	Metric Tons	**451.458**	641.262
	Total amount	Rs. Million	**4.879**	8.273
	Average rate	*Rs./Ton*	**10806.872**	12901.823

B. Consumption per metric ton production of PVC :

Sr. No.	Description	Units	**1998-99 (12 months)**	1997-98 (16 months)
1.	Electricity	KWH	**827.524**	874.095
2.	(a) Furnace Oil (LSHS)	MT	**0.0991**	0.1069
	(b) LDO/HSD/SKO	KL	**0.0948**	0.0964
	(c) LPG	MT	**0.0036**	0.0041

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 :

PVC Plant

- A process modification in oxyhydrochlorination from ethylene *lean to ethylene rich is implemented for operational safety* and improvement in reaction efficiencies.
- Impeller and motor of cracker quench recirculation pump changed to higher size to avoid choking of spray nozzles.
- Furnace quench bottom line was replaced with monel piping for reliability of operation.
- Replacement of waste water stripper with SS lined one for reliability of operation.
- In PVC plant, a chilled water unit was commissioned to reduce reaction time and improve productivity.
- 7th SHI compressor was installed to improve operation of degassing unit.
- Second jumbo bagging machine was installed to increase bagging capacity.
- Replacement of quench overhead condenser in EDC cracker with a 130% higher capacity condenser. This has helped in smooth plant operation.

PVC Pipes and Fittings Plant :

- Use of AC variable speed drive system instead of conventional DC drive system.
- Use of PLC based operating system for equipment.

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

- Improvement in reaction effectiveness.
- Improvement in on-stream time.
- Conservation of base material.
- Environmental protection and effluent quality improvement.
- Reduction in maintenance time and cost.

3. Future plan of action :

- A supplementary small EDC cracker unit is proposed to be added to increase on-stream time and productivity.
- A peroxide dosing trial is planned in waste incinerator to reduce sodium sulphite consumption.
- Installation of a temperature control on classified air line to avoid over heating and reduce SOD.
- Trial of polypropylene bags to save packaging cost.

4. Expenditure on R&D

(a) Capital	The development work is carried on by the concerned departments continuously. *The expenses and the cost* of assets are grouped under the respective heads.
(b) Recurring	
(c) Total	
(d) Total R&D expenditure 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.
- Efforts to reduce downtime for maintenance and curtail maintenance cost.

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

- Reduction in energy consumption per ton of production.
- Reduction in maintenance cost.

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 :

Due to strong demand and better margins in the domestic market, the Company did not pursue the export markets during the year under review.

2. (a) Total foreign exchange earned : Rs. 0.230 million

(b) Total foreign exchange used : Rs. 1350.776 million

[redacted]

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, 1999 and also the Profit and Loss Account for the year 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) In our opinion, the Profit and Loss Account and Balance Sheet comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.

   e) 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, 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, 1999 and

      ii) in the case of Profit and Loss Account, of the Profit of the Company for the year ended on that date.

For **B.K. KHARE & COMPANY**
Chartered Accountants

Place : Pune
Dated : 23rd September, 1999

U.B. JOSHI
Partner

[redacted]

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 year 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 year.
3. The stocks of finished goods, stores, spare parts and raw materials have been physically verified during the year by the management except certain goods and materials sent to 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 not material and have been properly dealt with in the books of account.
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, prejudical to the interest of the Company. We are informed that there are no companies under the same management as defined under the then applicable 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, 1999 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 the 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 in pursuance of contract or arrangements entered in the Register maintained under Section 301 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 prices at which transactions of similar goods and materials have been made with other parties or quoted by the other parties except, where comparable quotations 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 year 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, 1999 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 to 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 : 23rd September, 1999

U.B. JOSHI
Partner

[redacted]

Balance Sheet

as at 31st July, 1999

(Rs. in million)

	Schedule	As At 31.07.99	As At 31.07.98
Sources of Funds			
Shareholders' Funds			
Share Capital	1	**1485.486**	1485.477
Reserves & Surplus	2	**2853.691**	2688.509
		4339.177	4173.986
Loan Funds			
Secured Loans	3	**2638.866**	2834.432
Unsecured Loans	4	**680.495**	1430.837
		3319.361	4265.269
		7658.538	8439.255
Application of Funds			
Fixed Assets	5	**6197.480**	6500.858
Investments	6	**927.879**	849.616
Current Assets, Loans & Advances	7	**1468.411**	1619.054
Less : **Current Liabilities & Provisions**	8	**935.232**	658.959
Net Current Assets		**533.179**	960.095
Miscellaneous Expenditure : (To the extent not written off or adjusted)			
Deferred Revenue Expenditure	9	—	20.243
Profit & Loss Account		—	108.443
		7658.538	8439.255
Notes	16		

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

U.B. JOSHI
Partner

Pune : 23rd September, 1999

K.P. CHHABRIA — Managing Director
PRAKASH P. CHHABRIA — Deputy Managing Director

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

Pune : 23rd September, 1999