

Annual Report

1996-97



KEI

INDUSTRIES LIMITED

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

ANNUAL REPORT 1996-97**BOARD OF DIRECTORS**

Mr. Anil Gupta
 Mr. Sunil Gupta
 Mr. Pawan Bholusaria
 Mr. K. G. Somani
 Mr. Vijay Bhushan
 Mr. Vikram Bhartiya

Managing Director
 Whole Time Director
 Director
 Director
 Director
 Director

AUDITORS

M/s JAGDISH CHAND & COMPANY
 Chartered Accountants,
 96, Model Basti,
 New Delhi-110 005

BANKERS

DENA BANK
 PUNJAB NATIONAL BANK

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SHARE TRANSFER AGENT

SRG INFOTEC (INDIA) LIMITED
 238, Sant Nagar, East of Kailash,
 New Delhi-110 065.
 Tel.: 6215931/6215933/6410092

REGISTERED OFFICE

D-90, Okhla Industrial Area
 Phase-I, New Delhi-110 020

KEY	MANAGEMENT	PERSONNEL
A.R. Ghose		General Manager Works
P.C. Dalvi		Chief Manager Marketing
S.K. Chadda		Manager Marketing
Rajeev Gupta		Manager A/C & Finance
Pawan Aggarwal		Dy. Gen.Mngr. Administration
V. Balakrishnan		Manager Commercial
K.C. Sharma		Manager Production
V.P. Gupta		Manager Works
Anil Khera		Manager Marketing

NOTICE

The 5th Annual General Meeting of the Members of the Company will be held at Dr. M.A. Ansari Auditorium, Jamia Milia Islamia, near Holy Family Hospital, New Delhi on Thursday the 18th day of September, 1997 at 11.00 A. M. to transact the following business.

1. To consider and adopt balance sheet as at 31st March, 1997 Profit & Loss Account for the year ended on that date and the report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Anil Gupta, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri K. G. Somani, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and fix their remuneration and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as and ordinary Resolution :

"RESOLVED THAT M/S JAGDISH CHAND & CO. Chartered Accountants, New Delhi be and are hereby appointed Auditors of the company from the conclusion of this Annual General Meeting of the company until the conclusion of the next Annual General Meeting of the company on such remuneration as shall be fixed by the Board of Directors of the Company."
5. To declare the Dividend on Equity Shares

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote instead of himself and that proxy need not to be a member of the company.
2. The instrument appointing the proxy should however be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
3. Member/ Proxies should bring the attendance slip sent here with duly filled in for attending the meeting.
4. The Register of Members and Share Transfer Books will remain close from 12.09.97 to 18.09.97 both day inclusive.
5. Subject to provision of section 205 and 206 A of the Companies Act 1956, dividend on the shares as recommended by the Board of Directors, if declared at the meeting will be payable on or after to those members whose names appear in the Register of the Members as on Thursday the 18th Day of September, 1997 at Dr. M.A. Ansari Auditorium, Jamia Milia Islamia , near Holy Family Hospital New Delhi.
6. Members are requested to address all their correspondence including change of address, to the Registrar and Share Transfer Agent S. R. G. Infotech (India) Ltd. 238, Sant Nagar, East of Kailash, New Delhi - 110 065

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By Order of Board
for KEI INDUSTRIES LIMITED

ANIL GUPTA
Managing Director

Place : New Delhi
Dated : June 2, 1997

DIRECTOR'S REPORT

To The Members

Your Directors take pleasure in presenting their 5th Annual General Report for the year ended 31.03.97. Briefly stated the financial results of operations are :-

	Amount In Rs. 1.4.96 to 31.3.97	Amount in Rs. 1.4.95 to 31.3.96
Sales and other income	539,354,112	448,009,557
Profit before interest, depreciation and tax	68,140,925	42,863,826
Less : Financial Charges	26,752,915	18,155,750
Depreciation	4,943,847	2,612,252
Profit before tax	36,444,163	22,095,824
Provision for Taxation	10,000,000	4,840,000
Profit after tax	26,444,163	17,255,824
Add : Transfer from investment Allowance Reserve	—	172,076
Add: P&L Brought forward	14,864,131	4,433,103
Profit of Amalgamating Company B/F	1,246,661	—
Provision for earlier years	(-) 576,615	(-) 345,672
Amount available for appropriation	41,978,340	21,515,331
Less : Appropriations :		
Proposed Dividend	5,231,485	4,651,200
Provision for income tax on proposed dividend	523,150	—
General Reserve	5,000,000	2,000,000
Balance Carried Forward	31,223,705	14,864,131

APPROPRIATION

Your directors are pleased to recommend a dividend on equity shares @ 15% on equity share capital of the company. Equity shares allotted to the shareholders of the amalgamating company i.e. Matchless Engineers Limited (MEL) will be entitled to pro-rata dividend from the date of allotment i.e. 9.1.1997. As per the provisions of Finance Bill 1997, the company will be bearing Income Tax @ 10% of the dividend declared. Hence, the effective rate of dividend to the company comes to 16.5%. The dividend proposed will absorb Rs. 52.31 lacs as pay out to shareholders and Rs. 5.23 lacs as Income Tax on dividend proposed.

AMALGAMATION OF MATCHLESS ENGINEERS LIMITED (MEL) WITH THE COMPANY:

During the year MEL was amalgamated with the company w.e.f. 15.9.96 (close of business hours) pursuant to provisions of section 395 of the Companies Act, 1956. All the formalities required as per Scheme of Amalgamation of MEL with the company were completed during the year and the company has taken over all the assets, liabilities and obligations of MEL. The Board of Directors are pleased to inform that all the shareholders of MEL have become the shareholders of the company. MEL has put up a world class facility for manufacture of Stainless Steel Wires at Bhiwadi (Rajasthan). It has successfully commissioned the above facility and had received encouraging response from overseas customers in European & American market.

The amalgamation of MEL with your company will go a long way to increase business prospects and financial strength of the company.

ALLOTMENT OF SHARES TO ERSTWHILE SHAREHOLDERS OF MEL:

As per the Scheme of Amalgamation and pursuant to special resolution passed by the members of the company in the EGM held on 1.11.96, the Board of Directors allotted 17,43,243 equity shares to the share holders of MEL in lieu of their share holdings in MEL. A sum of Rs. 5.23 was paid in cash for fractions of the shares.

REVIEW OF OPERATIONS :

(a) OVERALL PERFORMANCE :

The total turnover of the company has gone up by 21% from 4481.19 lacs to 5393.54 lacs and profit after tax has increased by 53% from Rs.172.56 lacs to Rs. 264.44 lacs.

Prices of principal raw materials i.e. Copper, PVC and Aluminium stabilised during the year resulting in better business prospects for the company. However, due to sluggishness in the Indian economy and slow down in new industrial projects, the margins have come under pressure and order position of the company has also come down as compared to the previous year. However, with the measures announced in the budget for 1996-97 and coming down of interest rates it is expected that the economy will pick up in the near future and the demand for the products of the company will also pick up.

Due to new projects set up by the company and expected better performance from Stainless Steel Division, the Board of Directors are of the opinion that barring unforeseen circumstances, the company will be able to maintain its sales and profits during the current year.

Cable division of the company has performed extremely well during the year and achieved a turnover of Rs. 5235.17 lacs during the year. The division was able to achieve better production and profitability during the year. The company has executed several prestigious orders during the year and received appreciation of its product from customers. Further the company has installed several balancing and modernising equipments during the year, benefits of which will be realized in the current year.

KEI INDUSTRIES LIMITED

Stainless Steel division stabilised its production and quality during the year. However, there was a severe recession in this industry during the year due to which domestic and international prices came down. The management, however, laid greater thrust on exports and was able to secure several executional orders from overseas buyers in the international market. These orders were executed as per time schedule and the quality of our product was well accepted by our overseas customers. As a matter of well thought out strategy the company has decided to concentrate on international market and in pursuance of that participated in Wire'97 exhibition held at Atlanta (USA). The company is receiving several enquiries from overseas buyers.

The company continues to operate its works from D-90, Okhla Industrial Area, Phase-I, New Delhi and F-4, Okhla Industrial Area, Phase-I, New Delhi and both the units achieved record production during the year.

In view of the encouraging response from overseas buyers, management is of the opinion that this division will do well in the years to come and will be a major contributor to the company's profitability. The company is installing various balancing and modernising equipments for debottlenecking of production and meeting further International specifications.

(b) PERFORMANCE Vs. PROJECTIONS:

The comparison of financial results achieved by the company to projections given vide prospectus dated 12.12.94 is given as under:-

	PROJECTIONS	PERFORMANCE
Sales & Other Income	4559.83 lacs	5393.53 lacs
Profit after tax	207.18 lacs	264.44 lacs

ISO 9002 CERTIFICATION:

During the year the company received ISO 9002 certificate from M/s DNV, Netherlands for its cable division. This recognises company's quality consciousness and adherence to strict quality control procedures by the management, staff and workers.

This recognition will help in procurement of big and prestigious orders from Government, Public Sector Undertakings and other customers.

The company is taking steps to obtain ISO 9002 certificate for its Stainless Steel wire division and is hopeful of attaining the same during the current financial year.

EXPANSION PROGRAM:

Total capital investment in Bhiwadi (Rajasthan) on completion of s.s. wire & cable project will be Rs 830 lacs. Company has availed term loan of Rs. 116 lacs from Dena Bank & Rs. 267 lacs from Punjab National Bank for capital investment at Bhiwadi (Rajasthan). The construction on the site is as per schedule and it is expected that barring unforeseen circumstances the cable project will be commissioned in July 1997. The newly commissioned project with latest machines and adequate space for future expansion will be a major advantage in procuring further business for the company. The company will also receive sales tax benefits as per the scheme of the State Government. When fully commissioned, this project will be a major contributor to the company's turnover and profits. With the commissioning of this project the company will be able to procure and execute big orders for Power Cables. In the opinion of the Board of Directors due to several infrastructural projects coming up in India, there will be a vast market for such kind of cables.

Due to logistic problems the company has, for the time being, deferred its plan for the new project at Silvassa in the Union Territory of Goa, Daman and Diu.

DIRECTORS:

Shri Anil Gupta Director of the company retires by rotation at the end of 5th AGM and being eligible offers himself for reappointment.

Shri K.G. Somani Director of the company retires by rotation at the end of 5th AGM and being eligible offers himself for reappointment.

SUBSIDIARIES:

As required under the Companies Act 1956, a copy of the Annual Accounts of KEI International Limited along with directors' report, auditors report for the year 1996-97 are attached herewith. A statement pursuant to section 212 of the Companies Act, 1956 is attached.

FIXED DEPOSITS:

There are no overdue fixed deposits as on 31st March, 1997.

AUDITORS:

M/s Jagdish Chand & Company, Chartered Accountants, auditors of the company will retire at the conclusion of the ensuing AGM and are eligible for reappointment as per certificate furnished by them under section 224(1B) of the companies Act, 1956.

PARTICULARS OF EMPLOYEES:

A statement showing particulars of employees required under section 217(2A) of the companies Act, 1956 read with companies (Particulars of Employees) Rules 1975 is annexed here to as per Annexure and from an integral part of the report.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

The information as regards conservation of energy, technology absorption and foreign exchange earnings and outgo as required under section 217(1) of the Companies Act, 1956 read with the companies (disclosure of Directors) rules, 1988 is annexed hereto as per annexure and forms an integral part of the report.

ACKNOWLEDGMENT:

Your Directors express their deep appreciation and sincere thanks to various Departments of central & state governments, Dena Bank & Punjab National Bank for their valuable assistance and co-operation.

Industrial relations remained cordial during the year. The Directors wish to place on record their appreciation for the contributions made by employees at all levels during the year.

FOR AND ON BEHALF OF THE BOARD

Place : New Delhi
Date : June 2, 1997

(ANIL GUPTA)
Managing Director

ANNEXURE TO THE DIRECTOR'S REPORT

Disclosure of particulars with respect to conservation of energy, technology absorption, foreign exchange earning and outgo under section 217(1)e read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1968 and forming part of Director's report for the period ended 31st March, 1997.

1. CONSERVATION OF ENERGY

- (a) Energy conservation measures taken

Power Consumption is continuously monitored. In view of measures taken in earlier years no measures taken during the year. No major additional investment is required.

- (b) Additional investments and proposal if any, being implemented for consumption of energy

Power Consumption is within norms.

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

- (d) Total energy consumption & energy consumption per unit of production as per Form A of the Annexure.

Not Applicable

2. TECHNOLOGY ABSORPTION

- (a) Research & Development : Detailed inhouse analytical laboratory is there for the fine tuning of operations. Accordingly, success has been achieved increasing the quality goods with higher yield percentage. Company has received ISO 9002 certificate for its cable division.

- (b) Technology Absorption : The company neither entered into any technical foreign collaboration nor received/imported any technology from any foreign organisation.

3. FOREIGN EXCHANGE EARNING AND OUTGO

- (a) Activities relating to exports initiatives taken to increase exports, developments of

Cables

Exports is not priority area for the company in view of better

new export markets for products and export plans.

price realisation in domestic market.

Stainless Steel Wires

The company was able to develop new customers, new markets with its thrust on export during the year. The company has participated in WIRE'97 exhibition at ATLANTA (U.S.A.) during April, 97. The company was able to meet time & quality specification of major international buyer for their executional orders.

- (b) Total foreign exchange used & earned :

Earnings
Outgo

Rs. 40.75 Lacs

Rs 251.34 Lacs

ANNEXURE TO DIRECTORS REPORT

Information as per section 217 (2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules, 1975, and forming part of Director's Report for the Year ended 31st March, 1997.

Name of the employee	Age (Years)	Designation and Nature Duties	Remuneration (Rs.)	Qualification & Experience	Date of commencement of Employment	Particulars of employment held
Sh. Anil Gupta	38	Managing Director	4,86,000	M.COM.	01.08.93	Partners in Krishna Electrical Industries.
Sh. Sunil Gupta	35	Whole Time Director	4,86,000	B.COM.	01.08.93	Partners in Krishna Electrical Industries.
Employed for part of the year						
Sh. A.K. Jain	50	General Manager	1,38,875	B.E.	16.09.96	Working Director in Matchless Engineers Limited

NOTES

1. Remuneration has been calculated on the basis of S/198 of the Companies Act, 1956, and includes expenditure incurred by the Company on Salary and for provision of benefits to the above employees.
2. The appointments of Sh. Anil Gupta and Sh. Sunil Gupta are contractual as both were appointed under section 269 of the companies act. The appointment of Sh. A.K. Jain is not contractual and terminable by notice on either side other terms and conditions are as per Companies rules.
3. Sh. Anil Gupta, managing director and Sh. Sunil Gupta, whole time director are related to each others.

Place : New Delhi

Date : June 2, 1997

AUDITOR'S REPORT**TO THE MEMBERS OF
KEI INDUSTRIES LIMITED**

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

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that :
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (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;
 - (c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account; In our opinion and to the best of our information and according to the explanations given to us, the accounts read with 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 the Profit and Loss account of the Profit of the Company for the year ended on that date.

**For JAGDISH CHAND & CO.
CHARTERED ACCOUNTANTS**

**PLACE : NEW DELHI
DATED : 2nd June, 1997**

**(PRAVEEN KUMAR JAIN)
PARTNER**

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Annexure referred to in paragraph '1' of the Auditor's Report to the Members of KEI INDUSTRIES LIMITED on the accounts for the year ended March 31,1997.

1. The Company is maintaining proper fixed assets register showing full particulars including quantitative details and situation of fixed assets. A major portion of the assets has been physically verified by the management. No discrepancies have been noticed on such verification. In our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its fixed assets.
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 by the management during the year. 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 are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. The discrepancies noticed on verification between the physical stocks and 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 normally accepted accounting principles and is on the same basis as in the preceding year.
7. The Company has taken unsecured loans from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 and/or from the companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956, the rates of interest and other terms and conditions of such loans are prima facie not prejudicial to the interest of Company.
8. According to the information and explanations given to us, the Company has not granted any loans to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 and/or to the Companies under the same management as defined under section 370(1B) of the Companies Act, 1956.
9. In respect of loans and advances in the nature of loans given by Company to employees and others, the parties are repaying the principal amounts as stipulated and are also regular in the payment of interest, where charged.
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 purchases 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 of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000/- or more in respect of each party, have been made at prices which are reasonable having regard to the prices at which transactions for similar goods, materials or services have been made with other parties.
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 provision has been made in the accounts for the loss arising on the items so determined.
13. (i) In respect of deposits/unsecured loans taken over from 'Krishna Electrical Industries' the Company is of the view that section 58A of the Companies Act, 1956 does not apply. Refer Note No. 5 of notes on accounts.
(ii) Subject to (i) above in our opinion and according to the information and explanation given to us, the company has complied with the provisions of section 58A of the companies Act, 1956 and the companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
14. In our opinion, reasonable records have been maintained by the Company for the sale and disposal of realisable scrap where applicable and significant. The Company has no by- product.
15. In our opinion, Company has an internal audit system commensurate with its size and nature of its business.
16. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of cable division and are of the opinion that, prima facie, the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records. In respect of wire division we have been informed that the Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.
17. According to the records of the Company, provident fund and employees state insurance dues have generally been deposited regularly 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, custom duty and excise duty were outstanding as at March 31,1997 for a period of more than six months from the date they become payable.
19. According to the information and explanations given to us no personal expenses 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(s) of sub-section (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

For JAGDISH CHAND & CO.
CHARTERED ACCOUNTANTS

PLACE : NEW DELHI
DATED : 2nd June, 1997

(PRAVEEN KUMAR JAIN)
PARTNER

KEI INDUSTRIES LIMITED**BALANCE SHEET AS AT 31ST MARCH, 1997**

	Schedule		As at 31st March 97 Rupees	As at 31st March 96 Rupees
I. SOURCES OF FUNDS :				
1. SHAREHOLDER'S FUNDS :				
a) Share Capital	"A"	48,440,430	31,008,000	
b) Reserves & Surplus	"B"	88,618,345	48,618,273	
			137,058,775	79,626,273
2. LOAN FUNDS :				
a) Secured Loans	"C"	82,785,762	49,721,814	
b) Unsecured Loans	"D"	22,069,218	8,484,180	
			104,854,980	58,205,994
			241,913,755	137,832,267
II. APPLICATION OF FUNDS :				
1. FIXED ASSETS	"E"			
a) Gross Block		152,274,063	62,789,524	
b) Less : Depreciation		20,922,745	13,616,910	
		131,351,318	49,172,614	
c) Add : Capital Work in Progress	"F"	13,772,039	—	
			145,123,357	49,172,614
2. INVESTMENTS	"G"		1,074,300	1,558,100
3. CURRENT ASSETS, LOAN & ADVANCES :				
a) Inventories	"H"	47,260,131	51,015,112	
b) Sundry Debtors	"I"	71,675,421	49,580,230	
c) Cash & bank Balances	"J"	27,375,087	144,78,948	
d) Other Current Assets	"K"	—	3,300,000	
e) Loans & Advances	"L"	33,381,956	17,923,401	
		179,692,595	136,297,691	
Less : Current Liabilities and Provisions	"M"	86,336,730	51,649,709	
Net Current Assets			93,355,865	84,647,982
4. MISCELLANEOUS EXPENDITURE	"N"		2,360,233	2,453,571
(To the extent not written off or adjusted)			241,913,755	137,832,267
NOTES ON ACCOUNTS	"W"			

As per our Separate report of even date attached
for Jagdish Chand & Co.
Chartered Accountant's

ANIL GUPTA
Managing Director

SUNIL GUPTA
Whole Time Director

PRAVEEN KUMAR JAIN
Partner

RAJEEV GUPTA
Manager (Accounts & Finance)

Place : New Delhi
Dated : 2nd June, 1997

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1997

	Schedule	Year Ended 31st March 97 Rupees	Year Ended 31st March 96 Rupees
I. INCOME			
Sales Less Returns		534,636,517	442,812,438
Job Work		918,276	549,720
Other Income	"O"	3,799,319	4,647,399
Increase/(Decrease) in Stock	"P"	6,411,708	-10,167,256
		<u>545,765,820</u>	<u>437,842,301</u>
II. EXPENDITURE			
Materials	"O"	379,877,317	316,037,487
Manufacturing, Selling & Other Expenses	"R"	44,999,854	33,773,512
Excise Duty		38,223,626	34,774,505
Payments to and Provision for Employees	"S"	13,504,689	9,591,562
Managerial Remuneration	"T"	978,500	784,500
Financial Charges	"U"	26,752,915	18,155,750
Depreciation & Amortisation	"V"	4,943,847	2,612,252
Miscellaneous Expenditure Written off		40,909	16,909
		<u>509,321,657</u>	<u>415,742,751</u>
III. PROFIT BEFORE TAX [I-II]		<u>36,444,163</u>	<u>22,095,824</u>
Less : Provision For Taxation		10,000,000	4,840,000
IV. PROFIT AFTER TAX		<u>26,444,163</u>	<u>17,255,824</u>
Add : Balance Brought Forward From Last year's Account		14,864,131	4,433,103
Add : Profit of amalgamating co. Brought Forward		1,246,661	—
Add : Transfer from investment allowance reserve		—	172,076
Less : Taxation For earlier years		576,615	345,672
V. AMOUNT AVAILABLE FOR APPROPRIATION		<u>41,978,340</u>	<u>21,515,331</u>
VI. APPROPRIATION			
Proposed Dividend		5,231,485	4,651,200
Provision for Income Tax on Proposed Dividend		523,150	—
General Reserve		5,000,000	2,000,000
VII. BALANCE CARRIED TO BALANCE SHEET		<u>31,223,705</u>	<u>14,864,131</u>
Notes on Accounts	"W"		

As per our Separate report of even date attached
for Jagdish Chand & Co.
Chartered Accountants

ANIL GUPTA
Managing Director

SUNIL GUPTA
Whole Time Director

PRAVEEN KUMAR JAIN
Partner

RAJEEV GUPTA
Manager (Accounts & Finance)

Place : Delhi
Dated : 2nd June, 1997