

## KERALA CHEMICALS & PROTEINS LTD.





## KERALA CHEMICALS &amp; PROTEINS LTD.



Board of Directors	:	T.K.A. Nair <i>Chairman</i> A.K. Nair <i>Managing Director</i> S. Yasugi T. Wakasa <i>Technical Director</i> T. Yamaguchi E. Takanashi Harjinder Singh Revi Karuna Karan K. Ramakrishnan
Secretary	:	P. D. Vincent
Auditors	:	Varma and Varma Ernakulam
Bankers	:	State Bank of India Export Import Bank of India Canara Bank State Bank of Travancore South Indian Bank Ltd.
Legal Advisor	:	M. Pathrose Mathai Advocate, Ernakulam
Registrars & Share Transfer Agents	:	OCL Informatics Ltd. P.B. No. 1958 Thykooodam, Vyttila P.O. Kochi - 682 019
Connectivity Agent	:	Intime Spectrum Registry Pvt. Ltd. 260, Shanti Industrial Estate Sarojini Naidu Road Mulund (W) Mumbai-400 080
Registered Office	:	Post Bag No. 4262 50/1002 Panampilly Nagar P.O. Kochi-682 036
Factory	:	
Ossein Division	:	Kathikudam P.O. (Via.) Koratty Trichur District-680 308
Gelatin Division	:	KINFRA Export Promotion Industrial Parks Ltd. P.B. No. 3109, Kusumagiri P.O. Kakkanad, Kochi-682 030

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## KERALA CHEMICALS &amp; PROTEINS LTD.

## FINANCIAL HIGHLIGHTS (12 years)

(Rs. in Lacs)

	1987-89 (18 m)	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000
Total Income	1225.87	1082.53	1216.95	1757.39	2485.54	2978.75	2820.84	2904.62	4390.99	4755.45	5604.53	6397.79
Sales	1182.32	1026.39	1086.39	1618.88	2290.32	2705.67	2669.70	2424.70	3774.30	4365.03	4963.43	5609.94
Exports	1086.21	917.76	1022.23	1444.25	2002.92	2387.74	2297.54	1842.55	2733.84	3495.91	3640.04	3702.48
Pre-tax Profit/(Loss)	228.28	220.51	232.17	552.71	635.06	752.07	747.86	1100.37	865.49	853.91	768.38	(370.46)
Profit/(Loss) after tax	213.28	203.51	226.17	526.14	587.56	680.03	691.84	874.25	688.49	753.91	677.38	(485.42)
Earnings per share (Rs.)	15.23	14.54	16.16	37.58	27.98	32.34	32.38	41.63	32.79	17.95	8.06	0
Dividend per share (Rs.)	3.75	3.00	3.50	5.00	5.00	5.00	5.00	6.00	4.50	3.00	2.50	0
Reserves & Retained Earnings	396.55	558.06	735.23	1191.37	1603.93	2178.97	2765.81	3514.06	4098.60	4503.91	7731.52	7246.09
Share Capital	140.00	140.00	140.00	140.00	210.00	210.00	210.00	210.00	210.00	420.00	840.00	840.00
Shareholders' Funds	536.55	698.06	875.23	1331.37	1813.93	2388.97	2975.81	3724.06	4308.60	4923.91	8571.52	8086.09
Return on Equity (%)	39.75	29.15	25.84	39.52	32.39	28.47	23.25	23.48	15.98	15.31	7.90	0
Book Value/share (Rs.)	38.33	49.86	62.52	95.10	86.38	113.76	141.71	177.34	205.17	117.24	102.04	96.26
Gross Block	420.78	430.14	472.71	486.28	882.78	903.94	966.50	1019.50	1235.61	1662.48	10152.12	10515.63
Net Block	167.01	158.02	178.44	169.80	498.76	450.75	455.22	451.23	575.60	880.81	9159.12	8761.70



## NOTICE TO MEMBERS

NOTICE IS HEREBY GIVEN that the 24th Annual General Meeting of Kerala Chemicals & Proteins Limited will be held on Tuesday, the 26th September 2000 at 10.00 a.m at HOTEL AVENUE REGENT, M.G. Road, Ernakulam, Kochi-682 016, to transact the following business.

### ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report, the Audited Balance Sheet as at 31st March 2000 and Profit & Loss Account for the year ended on that date and the Auditors' Report thereon.
2. To appoint a Director in place of Mr. K. Ramakrishnan, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration and in this connection to pass, with or without modification, the following resolution as a Special Resolution.

"RESOLVED that pursuant to the provisions of Sec. 224A and other applicable provisions, if any, of the Companies Act, 1956, M/s. Varma & Varma, Chartered Accountants, Ernakulam, Kochi-682 016, be and are hereby re-appointed Auditors of the Company to hold office until the conclusion of the next Annual General Meeting on a remuneration that may be fixed in this behalf by the Board of Directors".

#### Note:

Since not less than 25% of the subscribed share capital of the Company is held by a State Government Company (KSIDC), the re-appointment of Auditors is being proposed as a Special Resolution in accordance with Section 224A of the Companies Act, 1956.

### SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.
- "RESOLVED THAT Mr. S. Yasugi, be and is hereby appointed as a Director of the Company liable to retire by rotation.
5. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and Schedule XIII and other applicable provisions of the Companies

## KERALA CHEMICALS & PROTEINS LTD.

Act, 1956, the approval of the company be and is hereby accorded for the re-appointment of Mr. N. Muraki as Technical Director of the Company under Article 127(1) of the Articles of Association of the Company for a period of 2 months from 1.3.2000 on terms and conditions set out in the agreement of re-appointment and detailed in the explanatory statement to this notice."

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and Schedule XIII and other applicable provisions of the Companies Act, 1956, the approval of the company be and is hereby accorded for the appointment of Mr. Takayoshi Wakasa as Whole-time Technical Director of the Company under Article 127(1) of the Articles of Association of the Company for a period of two years from 1.5.2000 on terms and conditions set out in the agreement of appointment and detailed in the explanatory statement to this notice."

By Order of the Board,

Kochi  
12-07-2000

A. K. NAIR  
Managing Director

### NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on a poll on his behalf and a proxy need not be a member. The proxy forms duly completed, stamped and signed must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed for 11 days from 16.9.2000 to 26.9.2000 inclusive of both days.
3. Members holding shares in the same name or same order of names under different ledger folios are requested to apply for consolidation of said folios to the Company's Registrar and Share Transfer Agents, at the address as stated in Note No. 4 below.
4. Members are requested to notify immediately any change in their addresses to the Registrars and Share Transfer Agents, viz. M/s. OCL INFOMATICS LTD., POST BOX No. 1958, THYKODAM, VYTTILA P.O., KOCHI-682 019, KERALA STATE.



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5. Consequent upon amendment to Sec.205-A of the Companies Act, 1956 and introduction of Sec.205-C by the Companies (Amendment) Ordinance 1999, the amount of dividend unpaid/ unclaimed in the dividend account for the year ended 31.3.1997 will be kept in the Companies unpaid dividend Account with the Bankers for a period of seven years and will thereafter be transferred to the Investor Education and Protection Fund. Members who have not encashed their dividend warrants yet are requested to claim such dividends immediately.
6. The Company has signed Tripartite Agreements with National Securities Depository Ltd.(NSDL)/Central Depository Services (India) Ltd. (CDSL) and M/s. Intime Spectrum Registry (P) Ltd., 260, Shanti Industrial Estate, Sarojini Naidu Road, Mulund (West), Mumbai-400 080 (Connectivity Agent) for dematerialization of shares. The Company has been allotted ISIN No.INE 265801019. The members are requested to avail of the services of NSDL/CDSL for dematerialization rematerialization of shares through their respective Depository Participants.
7. Members, desiring any information as regards the Accounts are requested to write to the Company so as to reach the Regd.Office at least 5 days before the date of the meeting, to enable the management to keep the information ready.

## ANNEXURE TO THE NOTICE

**Explanatory statement pursuant to Sec.173(2) of the Companies Act, 1956.**

**Item No.4**

Mr. S. Yasugi, President, Nitta Gelatin Inc., Japan, who was appointed a Director of the Company in the casual vacancy caused by the resignation of Mr. T. Kondo on 25.9.1999 holds office upto the date of this Annual General Meeting. Notice has been received from a member alongwith the deposit as required under sec.257 of the Companies Act, 1956, proposing Mr. S. Yasugi as a Director of the Company. Considering his position and expertise and the interest of NGI in KCPL, your Directors recommend that Mr.S.Yasugi, be appointed a Director of the Company liable to retire by rotation.

Except Mr. Yasugi, no other Director is concerned or interested in this resolution.

**Item No.5**

In terms of the Joint Venture Agreement among

the promoters of the Company and Article 127 (1) of the Articles of Association of the Company, the foreign collaborators have the right to appoint the Whole-time Technical Director. In exercise of this power, they have proposed to the Company to re-appoint Mr. Nobuo Muraki, for a further period of two months from 1st March 2000. The Board at its meeting held on 24.1.2000 accepted the nomination and re-appointed Mr. N. Muraki as Whole-time Technical Director of the Company for a further period of two months from 1st March 2000 subject to the approval of the bodies as may be required and the Company in general meeting on the following terms and conditions.

1. Basic Salary : Rs. 38,000 per month
2. Housing : Mr.N. Muraki will be provided with a Company owned accommodation for which 10% of the salary shall be deducted by the Company. The Expenditure incurred by the Company on gas, electricity, water and furnishings will be valued as per Income Tax Rules and shall be subject to a ceiling of 10% of the Salary.
3. Other benefits : Motor Car for official and personal use (personal use will be billed for), telephone at residence, leave, leave travel facility (business class) every year for self and family, medical benefits, personal accident insurance, club membership, entertainment expenses, holiday travel for children studying abroad etc., as per existing practice.
4. Passage : From/to Japan (home town) for joining duty and return including packing and forwarding and Customs duty on household articles and domestic appliance and package once a year to and from Japan for Mr.Muraki and family by Business Class or once in two years by First Class."





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Except Mr. Muraki, no other Director is concerned or interested in this resolution.

M/s. Nitta Gelatin Inc., has withdrawn the nomination of Mr.N. Muraki with effect from 1.5.2000 and nominated Mr. Takayoshi Wakasa, as Technical Director in his place.

**Item No.6**

In terms of the Joint Venture Agreement among the promoters of the Company and Article 127 (1) of the Articles of Association of the Company, the foreign collaborators have the right to appoint the Wholetime Technical Director. In exercise of this power, they have proposed Mr.Takayoshi Wakasa, to be appointed Technical Director of the Company for a period of two years from 1st May 2000. They have also recalled Mr. N. Muraki, before the expiry of his term of two years from 1.3.2000. The Board at its meeting held on 17.3.2000 accepted the proposal and appointed Mr. Wakasa as Technical Director of the Company for a period of two years with effect from 1st May 2000, subject to the approval of the Central Government, Reserve Bank of India, other bodies, if any, and the Company in General Meeting, on the following terms and conditions.

1. Basic Salary : Rs. 35,000/- per month
2. Housing : Mr. Wakasa will be provided with a Company owned accommodation for which 10% of the salary shall be deducted by the Company. The Expenditure incurred by the Company on gas, electricity, water and furnishings will be valued as per Income Tax Rules and shall be subject to a ceiling of 10% of the Salary.
3. Medical Benefits : Expenses actually incurred for self and family subject to the ceiling of one month's salary in a year.
4. Personal Accident Insurance : The Annual premium not to exceed Rs.4,000/- to the Company.
5. Leave Travel Concession : Return passage for self and family once in a year by business class to Home Town in Japan.

6. Holiday passage for children : Return holiday passage once in a year by economy class to children studying outside India from their place of study abroad to India and back.
7. Passage : Reimbursement of expenses incurred for returning to home country on completion of tenure viz. travel by business class for self and family, packing and forwarding, loading/unloading, freight, insurance, customs duty, clearing expenses at port of disembarkation, local transportation charges to residence and installation expenses.
8. Car : Motor car for official and personal use (personal use will be billed for)
9. Telephone : Free telephone facility at the residence.
10. Leave and Leave encashment : On full pay and allowances not exceeding 30 days for every year of service. Unavailed leave, if any, at the end of the tenure will be allowed to be encashed.
11. Club Membership : Membership fee of any two clubs will be reimbursed.
12. Entertainment : Entertainment expenses actually incurred in the course of the business of the Company will be reimbursed subject to the limits fixed by the Board.

Except Mr. Wakasa, no other Director is concerned or interested in this resolution.



## DIRECTORS' REPORT

To the Shareholders,

Your Directors present their 24th Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2000.

### FINANCIAL HIGHLIGHTS

	(Rs. in lacs)	
	1999-2000	1998-99
Profit before depreciation and tax	400.14	982.23
Depreciation	770.60	213.85
Profit/(Loss) before tax	(370.46)	768.38
Provision for Income tax	114.96	91.00
Profit/(Loss) after tax	(485.42)	677.38
Balance of profit brought forward	322.52	139.91
Amount available for appropriation	(162.90)	817.29
Appropriations:		
General Reserve	-	315.00
Proposed Dividend	-	161.96
Corporate Dividend Tax	-	17.81
	-	494.77
Balance Profit/(Loss) carried to Balance Sheet	(162.90)	322.52

### REVIEW OF OPERATIONS

Owing to recession in Gelatin market both in India and abroad, the off-take of Ossein during the year was less compared to the previous year. Production of Gelatin during this year was only 913 MT against the installed capacity of 2000 MT due to lower demand in India and the restrictions faced by Indian bone products in the export markets. The production cost of Gelatin also increased considerably owing to certain teething/process problems in the initial stages of operation. The cost of Furnace Oil which is one of the major elements has increased almost 100% which also affected the profitability of the Company. Production at the Ossein Plant was stopped for 41 days for annual maintenance shutdown which also affected profitability. There was a substantial decrease in unit selling price of Ossein in US dollar terms even though the average exchange rate realised was higher. The main reason for decrease in unit selling price was

the general fall in demand of Gelatin in international markets and the consequent reduction in international price. The restrictions on Indian Gelatin in the export market also resulted in over supply in the domestic market and the resulting fall in prices. However, the loss was reduced to some extent by the higher yield in Ossein and Dicalcium Phosphate. The teething troubles and process problems in the Gelatin Plant have almost been rectified and the Company exported 308 MT of Gelatin during 1999-2000 and 176 MT during The first quarter of the year 2000-01. The collaborators/promoters, M/s. Nitta Gelatin Inc.(NGI), also expressed satisfaction in the quality of Gelatin. The domestic sales during the first quarter was 100 MT. The domestic market is slowly picking up. Your company is also exploring the possibilities of exporting Gelatin to Africa and Gulf countries.

The financial results of the year's operation vis-a-vis that of the previous year are given in the beginning of our report. Because of the increase in the unit realisation of Dicalcium Phosphate and the sales of Gelatin, the overall turnover increased by 13%. The recession in Gelatin industry continues during this year also and your Company is making all out efforts to reduce the production cost and minimise the loss through better working capital management, tighter control on capital/revenue expenditure and increasing the yield in both the units. Your Company also restricted its capital expenditure to focus only on product, process and quality improvement. Steps have also been initiated for a comprehensive control programme for material cost reduction, improvement in operating efficiency of plants and overhead cost reduction. Our principals NGI has formed a special team to help us in our efforts in this direction through constant interaction. We express our gratitude to NGI for their commitment in this regard.

We hope that the restrictions on the export of Indian Gelatin to European Countries and U.S.A. will be lifted shortly and we can hope for a better future in the export of Gelatin.

A comparison of projections as per Project Appraisal Report for the year 1999-2000, given in the Letter of Offer vis-a-vis the Audited financial results for the year ended 31st March 2000 is given below:



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	(Rs. in lacs)	
	Projections	Actuals
Total Sales	6516	5610
Profit/(Loss) before Tax	529	(370)
Profit/(Loss) after Tax	473	(485)

**BAMNI PROTEINS LTD.**

Production and sales at Bamni Proteins was also low due to recession in the gelatin industry and the resulting poor off-take of Ossein. Modernisation and upgradation needed to bring the production processes in line with the standards of KCPL is almost complete and our collaborators are fairly satisfied with the quality of Ossein now being produced.

The Directors' Report, Balance Sheet and Profit & Loss Account of Bamni Proteins showing a loss of Rs. 45.25 lacs for the year 1999-2000 is attached as required under Section 212 of the Companies Act, 1956. Under-utilisation of capacity, accumulation of Ossein stock and interest paid on term loan and working capital have been cited as reasons for the loss made by the Company.

**AUDITORS' REPORT**

Note No. 14 of Schedule 20 to the Accounts referred to in the Auditors' Report is self-explanatory and hence no further comments are called for.

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

The information as required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed.

**PARTICULARS OF EMPLOYEES**

None of the employees of the Company is coming under the purview of Section 217(2A) of the Companies Act, 1956 as amended by Notification dated 12th March, 1999. Details of managerial remuneration under Section 198 of the Act, are furnished under Note 3 of Schedule 20 forming part of the Accounts.

**INDUSTRIAL RELATIONS**

The long term settlement with workmen at the Ossein Plant expired on 4.7.1999 and negotiation with

Unions started in August 1999 which is yet to be completed. There was a go-slow in the Ossein plant from March 2000 to middle of June 2000. As a result, production was adversely affected. However, normalcy has been restored from July 2000.

**DIRECTORS**

M/s. Kerala State Industrial Development Corporation Ltd., nominated Mr. Harjinder Singh IAS, in place of Mr. James K Joseph. M/s. Nitta Gelatin Inc. nominated Mr. S. Yasugi in place of Mr. T. Kondo and Mr. Takayoshi Wakasa as Whole-time Technical Director in place of Mr. Nobuo Muraki. M/s. Mitsubishi Corporation, nominated Mr. E. Takanashi, in place of Mr. K. Uchida.

Your Directors place on record their appreciation of the valuable services rendered by Mr. James K. Joseph, Mr. T. Kondo, Mr. N. Muraki and Mr. K. Uchida during their tenure on the Board.

Under the provisions of the Articles of Association of the Company and the Companies Act, 1956, the following Directors retire by rotation and are eligible for re-election.

1. Mr. S. Yasugi
2. Mr. K. Ramakrishnan

**AUDITORS**

M/s. Varma & Varma, the retiring auditors are eligible for re-appointment and a Special Resolution is being proposed for their re-appointment.

**ACKNOWLEDGEMENT**

Your Directors place on record their gratitude to the State and Central Governments, The Kerala State Industrial Development Corporation Limited, Nitta Gelatin Inc., Mitsubishi Corporation, the Company's Bankers, Customers, Suppliers and Shareholders for their continued co-operation and support. They also acknowledge and appreciate the valuable contributions of the Executives and employees of the Company at all levels.

For and on behalf of the Board,

Kochi  
12th July 2000

T.K.A. NAIR  
Chairman





## ANNEXURE TO THE DIRECTORS' REPORT

## (A) CONSERVATION OF ENERGY

## (a) Energy Conservation measures taken

During the year we continued with the implementation of the recommendations of the energy auditor.

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

NIL

## (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:

The above measures will result in energy savings in future and consequently reduce cost of production.

## (d) Total energy consumption and energy consumption per unit of production.

As per Form 'A' attached.

## (B) TECHNOLOGY ABSORPTION

The technology for Ossein, Dicalcium Phosphate, Compound Glue & Lined Ossein obtained from the foreign collaborators has been fully absorbed and improved upon. The Collaborators have now given technology for manufacture of Gelatin. The company is making continuous efforts towards technology absorption, adaptation and innovation in respect of Gelatin.

## RESEARCH &amp; DEVELOPMENT

The in-house R&D efforts towards improvement of product quality, effluent discharge systems and value addition to effluent sludge have been generally successful. Other areas of waste utilisation, improvement of quality of compound glue etc. are also continued as in-house activities. The benefits from these activities will manifest in due course through cost reduction, product improvement and miscellaneous revenue.

## Expenditure on R&amp;D

	(Rs.in lacs)	
	Current Year	Previous Year
a. Capital	6.42	1.30
b. Development Expenses	1.58	6.64
c. Recurring Expenses	1.63	2.52
Total	<u>9.63</u>	<u>10.55</u>
Percentage to turnover	0.17%	0.21%

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## (C) FOREIGN EXCHANGE EARNINGS AND OUTGO

	(Rs. in lacs)	
	Current Year	Previous Year
a. Earnings	3631.47	3653.93
b. Outgo	259.76	189.84

## FORM 'A'

## FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY.

	(Rs. in lacs)	
	Current Year	Previous Year
	1999-2000	1998-99

## A. POWER &amp; FUEL CONSUMPTION

## 1. Electricity

## (a) Purchased

Units (KWH in lacs)	92.39	77.92
Total amount (Rs.in Lacs)	250.02	151.39
Rate/Unit (Rs.)	2.71	1.94

## (b) Own generation

## (i) Through Diesel Generator Unit

(KWH in lacs)	36.84	7.36
Unit per ltr of diesel oil	3.33	2.80
Cost/Unit (Rs.)	3.93	3.95

## (ii) Through steam

turbine/* generator Unit (KWH in Lacs)*	25.24	Nil
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## 2. Coal

Nil Nil

## 3. Furnance Oil

Quantity (in KL.)	8702.00	2586.00
Total amount (Rs.in Lacs)	868.57	175.94
Average rate (Rs.per KL.)	9981.30	6803.00

## 4. Others/Internal generation Nil Nil

## B. CONSUMPTION PER UNIT OF PRODUCTION:

## Product - Ossein

1. Electricity (KWH) per MT	1495.00	1480.00
2. LSHS/Furnace Oil (KL) per MT	0.37	0.37

## Product - Gelatin

1. Electricity (KWH) per MT	8885.40	13172.00
2. LSHS/Furnace Oil (KL) per MT	7.50	15.07

\* We have not assigned any cost for production of power using the Turbine Generator Set because the steam is primarily meant for the process.



## KERALA CHEMICALS &amp; PROTEINS LTD.

## BALANCE SHEET AS AT 31ST MARCH, 2000

	Schedule No.	As at 31-03-2000 Rs.	As at 31-03-1999 Rs.
<b>I. SOURCES OF FUNDS</b>			
1. Shareholders' Funds:			
a) Share Capital	1	84,000,000	84,000,000
b) Reserves & Surplus	2	724,609,303	773,151,575
		808,609,303	857,151,575
2. Loan Funds:			
Secured Loans	3	369,200,389	271,633,908
<b>TOTAL</b>		<b>1,177,809,692</b>	<b>1,128,785,483</b>
<b>II. APPLICATION OF FUNDS</b>			
1. Fixed Assets:			
a) Gross Block	4	1,051,563,178	1,015,212,407
b) Less: Depreciation		175,393,173	99,300,906
c) Net Block		876,170,005	915,911,501
d) Capital Work-in-Progress		1,385,937	5,776,843
		877,555,942	921,688,344
2. Investments	5	32,709,250	30,905,250
3. Current Assets, Loans & Advances:			
a) Inventories	6	202,388,467	139,130,850
b) Sundry Debtors	7	42,385,196	17,486,913
c) Cash and Bank Balances	8	21,337,083	57,993,698
d) Other Current Assets	9	4,986,165	861,274
e) Loans & Advances	10	114,702,249	121,576,807
		385,799,160	337,049,542
Less:			
Current Liabilities & Provisions			
a) Liabilities	11	48,179,372	74,560,411
b) Provisions	12	70,075,288	86,297,242
		118,254,660	160,857,653
Net Current Assets		267,544,500	176,191,889
<b>TOTAL</b>		<b>1,177,809,692</b>	<b>1,128,785,483</b>
Notes on Accounts	20		

As per our report attached  
For VARMA & VARMA  
VENUGOPAL C. GOVIND  
Partner  
Chartered Accountants

Kochi - 682 016  
13-07-2000

T. K. A. NAIR  
Chairman  
A. K. NAIR  
Managing Director

T. WAKASA  
Technical Director  
K. RAMAKRISHNAN  
Director

B. MOHANA PRABHU  
Asst. General Manager (F & A/c)

E. TAKANASHI  
Director  
HARJINDER SINGH  
Director