

# SUDARSHAN CHEMICAL INDUSTRIES LIMITED

## FORTY-EIGHTH ANNUAL REPORT 1998-99

### BOARD OF DIRECTORS

Dr. Ramwilas Jagannath Rathi	Chairman & Managing Director
Mr. Takashi Miyashita	
Alternate - Mr. Shoji Kokuzawa	
Mr. Hirohito Ando	
Alternate - Mr. Yasuo Shikama	
Mr. Takeshi Kumagai	
Alternate - Mr. Kenshi Nakagawa	
Mr. Yasumichi Kawamura	
Alternate - Mr. Hironobu Asano	
Mr. Vasant Ganpat Rajadhyaksha	
Dr. Neelkanth Annappa Kalyani	
Mr. Bansibhai Sunderlal Mehta	
Mr. Pralhad Parsram Chhabria	
Mr. Dara Nadirshaw Damania	
Mr. Shrikrishna Narhar Inamdar	
Mrs. Subramanian Mahalakshmi	Nominee of ICICI
Mr. Balkrishna Jagannath Rathi	Wholetime Director
Mr. Kishor Laxminarayan Rathi	Wholetime Director
Mr. Pradeep Ramwilas Rathi	Wholetime Director

### VICE PRESIDENT & SECRETARY

Mr. Narayandas Jagannath Rathi

### BANKERS

Bank of Maharashtra  
State Bank of India  
Bank of Baroda  
The Sakura Bank Ltd.

### AUDITORS

M/s. B. K. Khare & Company  
Chartered Accountants

### REGISTERED OFFICE

162 Wellesley Road,  
Pune 411 001 (India)  
Phone : (020) 627334  
Gram : RANGSUNDAR, PUNE  
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**SUDARSHAN CHEMICAL INDUSTRIES LIMITED****DIRECTORS' REPORT TO THE SHAREHOLDERS : 1998-99**

Your Directors have pleasure in presenting their 48th Annual Report together with the Audited Statement of Accounts for the year ended on 31st March 1999.

**1. FINANCIAL HIGHLIGHTS :**

	<b>1998-99</b> <b>(Rupees in million)</b>	1997-98 (Rupees in million)
Gross Sales and Other Income	<b>2253.25</b>	2339.62
Gross Profit	<b>209.09</b>	207.10
Less: Depreciation	<b>102.43</b>	112.15
Profit before Tax	<b>106.66</b>	94.95
Less: Provision for Taxation	<b>31.00</b>	32.50
Profit after Tax	<b>75.66</b>	62.45
Add :		
(i) Surplus in Profit & Loss Account as per last Balance Sheet	<b>69.52</b>	78.11
(ii) Transferred from Investment Allowance (utilised) Reserve	<b>6.20</b>	6.80
Net Profit available for appropriation	<b>151.38</b>	147.36
Appropriations		
(i) Proposed Dividend @ 30% (Previous year @ 30%)	<b>20.77</b>	20.77
(ii) Income Tax on proposed dividend	<b>2.29</b>	2.07
(iii) General Reserve	<b>45.00</b>	30.00
(iv) Debenture Redemption Reserve	<b>—</b>	25.00
	<b>68.06</b>	77.84
Surplus carried forward	<b>83.32</b>	69.52

**2. THE YEAR IN RETROSPECT :****(A) Sales :**

Gross Revenue for the year amounted to Rs. 2253 million as against Rs.2340 million for the previous year. Sales were affected due to stricter credit policy adopted by the Company. The Net Profit after tax for the year under review has increased from Rs.62.45 million to Rs.75.66 million registering a growth of 21% in profit. The increase in profit can be attributed mainly to tightening of expenditures, improvement in yield and other austerity measures adopted by the Company.

Despite a slight drop in Sales the overall performance of the Company is considered satisfactory.

**(B) Exports :**

Consequent upon massive additions to capacities in China and India specially and fall in prices caused lower Exports. Exports for the year ended on 31st March 1999 amounted to Rs. 584 million as against

Rs.665 million for the previous year. Due to unstable economy in some of Far East countries our Exports are also affected.

**3. DIVIDEND :**

Your Directors are pleased to recommend maintaining annual dividend @ 30%. This entails an outflow of Rs. 23 million inclusive of dividend tax.

**4. DIRECTORS :**

Mr. T. Kumagai, Mr. Y. Kawamura and Mr. Bansi S. Mehta, Directors of the Company are due to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

The nomination of Mr. Y. Yamada and Mr. S. Enomori, Directors on the Board of the Company was withdrawn by Dainippon Ink & Chemicals Inc. (DIC), Japan. The Board places on record its appreciation of the guidance and assistance given by Mr. Y. Yamada and Mr. S. Enomori during their tenure as Directors of the Company.

**SUDARSHAN CHEMICAL INDUSTRIES LIMITED**

Mr. T. Miyashita and Mr. H. Ando, nominees of DIC were co-opted as a Director in Casual Vacancy and as an Additional Director respectively. Mr. Miyashita is Division President (Pigment Division) and Mr. Ando is Division Vice President (Pigment Division). The Board accords them a cordial welcome.

During the year, the Board also restructured the designations and responsibilities of the Working Directors and reappointed them. Accordingly, Dr.R.J.Rathi, Chairman & Managing Director will be redesignated as Executive Chairman. Mr. K.L. Rathi and Mr. P.R. Rathi, Wholtime Directors will now hold the post of Managing Directors. Mr. B.J.Rathi, Wholtime Director will be designated as Vice Chairman & Wholtime Director. The changes are subject to the approval of Members.

**5. COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 :**

Information in accordance with Section 217(1) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in the Annexure and forms part of this Report.

**6. HUMAN RESOURCES & EMPLOYEE RELATIONS:**

No organisation can afford to remain static, given the complexity of the present business environment. This more than emphasises the need to set up a "Continuous Learning Organisation" keeping pace with the changing times and the new challenges posed by Globalisation. Towards this end, appraisal systems are reviewed periodically and job oriented programmes both internal and external are arranged at regular intervals with a view to promote the skills and professionalism of our employees. The Company had appointed M/s. Gallup MBA India Pvt. Ltd. for carrying out a survey on customer and employee satisfaction. This, we are sure will strengthen our customer & employee relationship.

Employee relations continue to be in harmony. The Board records its appreciation of the commitment and support of employees at all levels.

Particulars of employees pursuant to Section 217 (2A) of the Companies Act, 1956 are annexed and forms an integral part of this Report.

**7. FIXED DEPOSITS :**

During the year under review, the Company accepted deposits amounting to Rs.42.03 million from the public. The total amount of deposits at the end of March 1999 stood at Rs. 75.41 million.

Out of the deposits amounting to Rs. 0.67 million from 104 Depositors, which fell due for repayment but were unclaimed before 31st March 1999, an amount of Rs. 0.30 million was subsequently renewed/claimed by the Depositholders. Balance amount of Rs. 0.37 million from 64 Depositors remains unclaimed.

**8. AUDITORS :**

M/s. B.K. Khare & Co., Auditors of the Company are due to retire at the ensuing Annual General Meeting. Members are requested to reappoint them and to fix their remuneration.

**9. SAFETY :**

Your Company is fully committed towards ensuring a safe and environment friendly atmosphere in and around the plants. Safety education is being imparted to employees at all our locations. Extensive safety and environmental audits is carried out on a regular basis in relation to all critical aspects of operations. We take pride in informing you that the Pune Factory has won "First Best Safety Performance Award" in Industrial Safety Competition five times, in the last six years – a Unique achievement indeed !

The National Safety Council has invited participants for the Best National Award from Chemical Industry. 150 industries from all over the Country participated. The Government has shortlisted eight industries and from these eight industries they will select the best industry for the Top Excellence Safety Award. The results will be known in the first week of August, but we feel confident that we will win the First Prize. This will be a unique achievement for the Company.

**10. POLLUTION CONTROL :**

Sudarshan is very conscious about the pollution control and has taken all the measures to protect the environment.

We have modern effluent treatment plant at our Pune, Roha and Mahad factories. Our Company has taken measures not only to treat the effluent, but also taken steps to avoid pollution due to gaseous and solid wastes. The plants are designed as per the technology which we received sometime ago from our collaborators M/s. Radian Corporation, USA and these are updated from time to time.

None of the effluent from any of the three plants are let off in the river. At Pune plant the effluent is treated as per specifications given by Maharashtra Pollution Control Board and then let off in the Municipal sewer, which is further treated at Bhairoba Nala by Municipality and let

**SUDARSHAN CHEMICAL INDUSTRIES LIMITED**

off for agriculture purposes. In case of Roha and Mahad, effluent is treated as per Maharashtra pollution Control Board norms and let off in the MIDC effluent pipe for further disposal by MIDC to the nearby creek.

**11. QUALITY :**

Quality activities continue to gain strength year after year. Apart from reiterating the firm belief in the ageold principle "Quality is conformance to requirements", a new direction has now emerged consequent to the change in business philosophies with thrust on Cost Reduction/Prevention activities with a view to deliver high quality products, on time, conforming to requirements at an affordable price.

Members will be pleased to know that the Company has received ISO 9001 recertification for its Pigment Plant and certification for its Intermediate Plant by Bureau Veritas Quality International for the period 1999 – 2002. Plans are also afoot to get ISO 14000 certification for our Mahad Plant.

**12. ENTERPRISE RESOURCE PLANNING (ERP) :**

Your Company has decided to implement ERP at an estimated cost of Rs.40 million with a view to help the Company to respond quickly and decisively to dynamic market conditions and to achieve and maintain a competitive advantage.

**13. STATUS OF Y2K :**

All internally developed Software are fully Y2K compliant. Software developed for Company by outside agencies and operating systems will be fully Y2K compliant by August 1999. All computer hardware have been tested and non Y2K compliant hardware will be made Y2K compliant by making necessary modification/replacement by September 1999.

The cost of ensuring hardware and software for Y2K compliance is estimated at Rs. 3 million. The Company has formulated contingency plans and has sufficient resources to address any unanticipated problem that may arise.

**14. OUTLOOK FOR THE FUTURE :**

For the first time in three years of economic downturn, growth indicators such as credit off-take, industrial growth and foreign investment are showing signs of a pick-up, signalling the trudging back of the Indian Economy on to the rail of recovery.

The Meteorological Department has predicted a favourable monsoon for the 13th year in succession indicating a good crop and a favourable ground for Pesticides Sales. On the business front, the Company has laid down a well defined plan to tackle the depressed business sentiment. The plan includes among others, introduction of newer products, improving production yield, better working capital management and streamlining business processes for reduction in direct and indirect costs.

It is hoped that the Company will post better result in the current year.

**15. APPRECIATION :**

Your Directors acknowledge with thanks the valuable technical assistance and guidance of our Joint Venture partners Dainippon Ink & Chemicals Inc., Japan in the working of the Company and also the support of Employees, Agents, Distributors and Dealers of the Company.

Your Directors also acknowledge with thanks the co-operation and the assistance given by Bank of Maharashtra, State Bank of India, Bank of Baroda, EXIM Bank, The Sakura Bank Ltd., The Fuji Bank Ltd., Financial Institutions viz. ICICI, GIC, NIC, OIC, NIA, UII, LIC, UTI and Army Group Insurance Fund.

For and on behalf of the Board of Directors

For SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Pune, 31st July 1999

DR.R.J.RATHI  
CHAIRMAN

**SUDARSHAN CHEMICAL INDUSTRIES LIMITED****ANNEXURE TO DIRECTORS' REPORT : 1998-99****FORM A — DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY****A. Power and Fuel Consumption :**

	1998-99	1997-98
1. Electricity		
(a) Purchased		
Units ('000 KWH)	25920	29417
Total Amount (Rs. in million)	105.97	112.65
Rate per unit (Rs.)	4.09	3.83
(b) Own Generation		
Units ('000 KWH)	290	222
Units per litre of diesel oil	2.68	2.89
Cost per unit (Rs.)	4.31	3.31
2. (a) Furnace Oil		
Quantity (K.Litres)	10715	12356
Total Amount (Rs. in million)	61.52	71.48
Average Rate (Rs./K.L.)	5741	5785
(b) LDO/HSD		
Quantity (K. Litres)	572	644
Total Amount (Rs. in million)	5.02	4.90
Average Rate (Rs./K.L.)	8776	7609

**B. Consumption per unit of Production :**

The Company's products comprise a wide range of diverse pigments, pesticides and intermediates. The product mix varies each year and the production process involves several operations in different plants. It is therefore not feasible to apportion the cost and consumption per unit of production.

**FORM B — DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION****RESEARCH & DEVELOPMENT (R & D) :****1. Specific areas in which R & D has been carried out by the Company are :**

- Existing Pigments - Improvement in the quality and modifications to meet the customer's changing requirements.
- New grade of Pigments - Development and market introduction.
- Pearl Pigments - Development and introduction of newer grades.
- Pesticides - Newer formulations and pilot plant trials of newer technical Pesticides.
- Specialty Chemicals - Development of specialty chemicals.
- Cost Reduction by Process improvement and energy saving work.

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

- Improvement in productivity and product quality.
- Export promotion and Import substitution.
- Improvement in safety, environment protection and energy saving.
- Cost reduction.

**3. Future plan of action :**

Continued stress and efforts in R & D to achieve improvement in productivity, efficiency, quality and reduction in energy and other costs.

R & D will be concentrated on Export market requirement.

**4. Expenditure on R & D for 1998-99 :**

- Capital : Rs. 5.62 million
- Recurring : Rs. 18.84 million
- Total : Rs. 24.46 million
- Total R & D expenditure as a percentage of total Turnover : 1.09%.

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION****1. Efforts, in brief, made towards technology absorption, adaptation and innovation:**

The technology absorbed from the collaborators and other available sources has been absorbed and effected after making modifications where necessary.

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

Benefits derived include improved quality, development of new products, import substitution and cost reduction.

**3. Information concerning imported technology :**

Technology imported	Year of Import	Status of absorption
For Organic Pigments and Intermediates from M/s. Dainippon Ink & Chemicals Inc., Japan.	1990-91	Absorption on a continuous basis.

**4. Foreign Exchange Earnings & Outgo:**

- Total Foreign Exchange Earned : Rs. 603.72 million
- Total Foreign Exchange Used : Rs. 170.48 million
- Net Foreign Exchange Earned : Rs. 433.24 million

For and on behalf of the Board of Directors

For SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Pune, 31st July 1999

DR.R.J.RATHI  
CHAIRMAN

**SUDARSHAN CHEMICAL INDUSTRIES LIMITED****AUDITORS' REPORT**

TO THE MEMBERS OF  
SUDARSHAN CHEMICAL INDUSTRIES LIMITED

We have audited the attached Balance Sheet of SUDARSHAN CHEMICAL INDUSTRIES LIMITED as at 31st March, 1999 and the Profit and Loss Account for the year ended on that date annexed thereto 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 enclose in the Annexure 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 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 Balance Sheet and Profit and Loss Account comply with the Accounting Standards referred to in sub-section 3(C) 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 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 so far as it relates to the Balance Sheet, of the state of affairs of the Company as on 31st March, 1999.
    - and
    - (ii) in so far as it relates to the Profit and Loss Account of the profit of the Company for the year ended on that date.

For B. K. KHARE & COMPANY  
Chartered Accountants

U. B. JOSHI  
Partner

Pune : 31st July, 1999



**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. No material discrepancies were noticed on such verification.
2. None of the Fixed Assets have been revalued during the year.
3. The stocks of finished goods, spare parts and raw materials have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
4. 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.
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 except excise on finished goods forming part of the element of cost during the year, is on the same basis as in the preceding year, however this has no impact on the profit for the year.
7. In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies, firms or other 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 same management as defined under then applicable Section 370(1B) of the Companies Act, 1956.
8. The Company has not granted any loan to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956 and there are no companies under the same management.
9. 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 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 prevailing market prices for such goods, materials or services or the prices at which transactions for similar goods, materials or services have been made with other parties, except where the purchases are made for special requirements of the company, in respect of which comparative quotations are not available, as explained to us.

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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. In our opinion and according to the information and explanations 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 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. We have broadly reviewed the books of account maintained by the Company pursuant to the Order made by the Central Government for maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of Dyes, Intermediates and Pesticides and are of the opinion that prima facie the prescribed accounts and records have been maintained.
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 March, 1999 for a period of more than six months from the date they became payable.
19. According to the information and explanations given to us, no personal expenses of employees or directors have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practices.
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 trading activities of the Company, no damaged goods were noticed in the closing stocks.

For B. K. KHARE & COMPANY  
Chartered Accountants

U. B. JOSHI  
Partner

Pune : 31st July, 1999



## SUDARSHAN CHEMICAL INDUSTRIES LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 1999

	Schedule No.	As at 31-3-1999 Rs.	As at 31-3-1998 Rs.
<b>I. SOURCES OF FUNDS :</b>			
(1) Shareholders' Funds			
(a) Share Capital	1	69,227,250	69,227,250
(b) Reserves and Surplus	2	620,804,025	569,017,407
		<u>690,031,275</u>	<u>638,244,657</u>
(2) Loan Funds			
(a) Secured Loans	3	497,572,491	720,967,816
(b) Unsecured Loans	4	299,561,097	87,237,796
		<u>797,133,588</u>	<u>808,205,612</u>
Total :		<u>1,487,164,863</u>	<u>1,446,450,269</u>
<b>II. APPLICATION OF FUNDS :</b>			
(1) Fixed Assets	5		
Gross Block		1,701,173,251	1,598,578,582
Less : Depreciation		977,855,877	888,945,753
Net Block		<u>723,317,374</u>	<u>709,632,829</u>
Capital Work-in-Progress (including Capital Advances)		7,151,788	5,663,403
		<u>730,469,162</u>	<u>715,296,232</u>
(2) Investments	6	9,954,679	7,915,843
(3) Current Assets, Loans and Advances	7		
(a) Inventories		446,936,843	432,901,292
(b) Sundry Debtors		363,107,379	392,477,952
(c) Cash and Bank Balances		127,993,591	65,910,296
(d) Other Current Assets		31,701,507	36,692,881
(e) Loans and Advances		95,659,879	103,619,477
		<u>1,065,399,199</u>	<u>1,031,601,898</u>
Less : Current Liabilities and Provisions	8		
(a) Liabilities		263,425,850	266,197,011
(b) Provisions		55,232,327	42,166,693
		<u>318,658,177</u>	<u>308,363,704</u>
Net Current Assets		<u>746,741,022</u>	<u>723,238,194</u>
Total :		<u>1,487,164,863</u>	<u>1,446,450,269</u>
Notes Forming Part of the Accounts	15		

As per our report of even date

For B. K. KHARE & COMPANY  
Chartered AccountantsU. B. JOSHI  
Partner

Pune : 31st July, 1999

For and on behalf of the Board of Directors

Dr. R. J. RATHI  
Chairman & Managing DirectorN. J. RATHI  
Vice President & SecretaryB. J. RATHI  
Director

## SUDARSHAN CHEMICAL INDUSTRIES LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1999

	Schedule No.	1998-99 Rs.	1997-98 Rs.
<b>INCOME :</b>			
Sales and Other Income	9	2,253,248,865	2,339,622,830
Increase/(Decrease) in Stocks	10	26,640,410	61,032,098
		<u>2,279,889,275</u>	<u>2,400,654,928</u>
<b>EXPENDITURE :</b>			
Consumption of Raw Materials	11	971,191,678	1,093,796,710
Manufacturing and Other Expenses	12	693,080,585	676,786,142
Administrative and Selling Expenses	13	304,026,014	314,596,602
Finance cost	14	102,504,616	108,374,834
Depreciation			
[Net of transfer from Capital Reserve - I Rs.816,858; (Previous Year Rs.1,279,108)]		102,430,231	112,144,981
		<u>2,173,233,124</u>	<u>2,305,699,269</u>
<b>Profit Before Tax</b>		106,656,151	94,955,659
Less : Provision for Taxation		31,000,000	32,500,000
<b>Profit After Tax</b>		75,656,151	62,455,659
Add : Surplus brought forward		69,518,995	78,108,329
Transferred from Investment Allowance (Utilised) Reserve		6,200,000	6,800,000
<b>Amount available for appropriation</b>		<u>151,375,146</u>	<u>147,363,988</u>
<b>APPROPRIATIONS :</b>			
Proposed Dividend		20,768,175	20,768,175
Income Tax on Proposed Dividend		2,284,500	2,076,818
Debenture Redemption Reserve		—	25,000,000
General Reserve		45,000,000	30,000,000
Surplus carried to Balance Sheet		83,322,471	69,518,995
		<u>151,375,146</u>	<u>147,363,988</u>
<b>Notes forming part of the Accounts</b>	15		

As per our report of even date

For B. K. KHARE & COMPANY  
Chartered AccountantsU. B. JOSHI  
Partner

Pune : 31st July, 1999

For and on behalf of the Board of Directors

Dr. R. J. RATHI  
Chairman & Managing DirectorN. J. RATHI  
Vice President & SecretaryB. J. RATHI  
Director