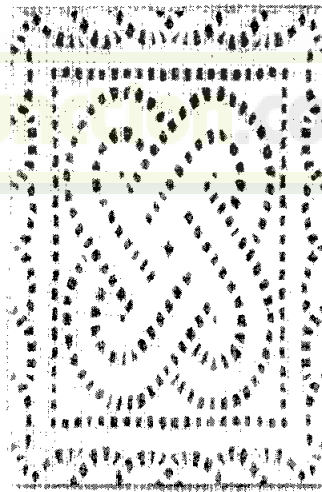
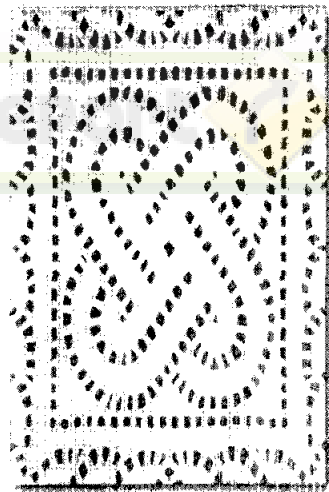
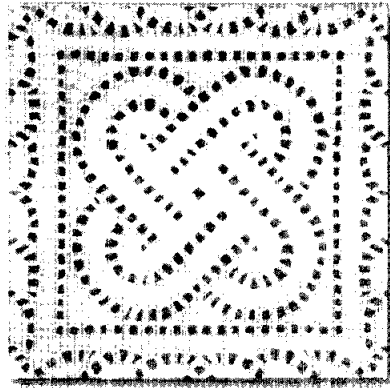
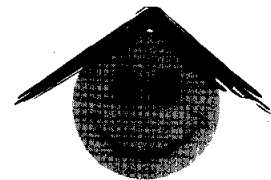


# 15th

## Annual Report 2000-2001



**Bell**  
CERAMICS LIMITED  
**WALL & FLOOR TILES**



*Healthy & Happy Homes*

## **PROMOTIONAL ACTIVITIES AT VARIOUS REGIONS**



Dealer-Retailer Meet, Delhi



Architects Meet, Bangalore



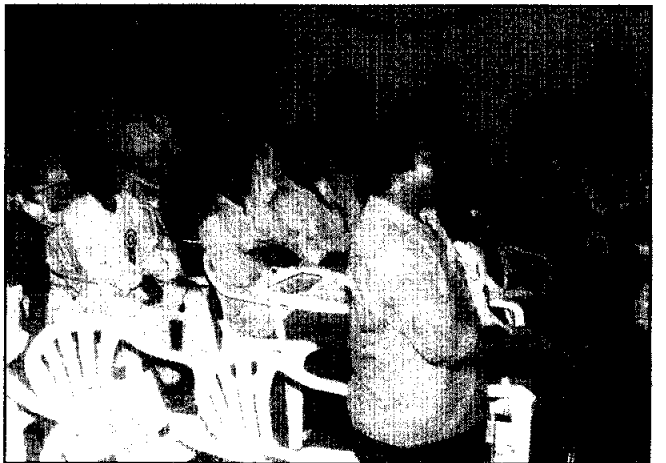
Home Makers Meet, Ahmedabad



ITFF Exhibition, Cochin



Dealers Salesman Training, Hyderabad



Masons Meet, Calicut



## BOARD OF DIRECTORS

Mr. R. G. N. Swamy	Chairman
Mr. S. K. Jatia	Vice-Chairman
Mr. R. K. Jatia	
Mr. Lalit Bhasin	
Mr. G. R. Divan	
Mr. N. K. Ahuja	
Mr. S. N. Atreya	
Mr. P. Ojha	Nominee Director
Mr. Ramesh Jatia	Managing Director

## Chief Executive Officer

Mr. N. C. Mehta

## Vice President (CA) & Company Secretary

Mr. S. R. Vyas

## Bankers

Bank of India  
Bank of Bahrain and Kuwait  
Hongkong and Shanghai Banking Corporation

## Auditors

M/s. R. P. Malhan & Co.  
Chartered Accountants  
IA & C, Vandhana Building,  
11, Tolstoy Marg,  
New Delhi - 110 001

## Registered Office

Village Dora, Taluka Amod,  
Dist. Bharuch, Gujarat

## Works

1. Village Dora, Taluka Amod,  
Dist. Bharuch, Gujarat
2. Village Chokkahalli,  
Taluka Hoskote, Rural Bangalore,  
Karnataka

## Registrar & Share Transfer Agent - For Electronic Transfer

M/s. MCS Limited  
Neelam Apartment,  
88, Sampatrao Colony,  
Behind Federation Building,  
Alkapuri, Vadodara-390 007.

## Management Team

Mr. K. M. Pai	- Chief Operating Officer
Mr. P. N. Jha	- Vice President (Operation)
Mr. A. N. Rangaswamy	- Vice President (Sales & Marketing)
Mr. S. Vijaykumar	- Dy. Gen. Manager (Operation)
Mr. C. S. Murthy	- A.G.M. (Production)
Mr. Ravi Aravamuthan	- A.G.M. (Marketing)
Mr. Sunil Mehra	- A.G.M. (Maintenance)
Mr. G. P. Zala	- A.G.M. (Finance & Accounts)

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## NOTICE

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Members of Bell Ceramics Limited will be held on Saturday the 22nd December, 2001, at 12.00 noon at the Registered Office of the Company at Village Dora, Taluka Amod, District Bharuch, Gujarat to transact the following business.

### ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as at 30th June, 2001 and the Profit and Loss Account of the Company for the Financial Year ended on that date and the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Shri R.G.N. Swamy who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Lalit Bhasin who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri R.K. Jatia who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint auditors and to fix their remuneration.

Regd. Office:

Village Dora, Taluka Amod  
District Bharuch, Gujarat  
Date : 19.10.2001

By Order of the Board

**S.R. Vyas**  
Vice President  
(Corporate Affairs)

## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from 01.12.2001 to 06.12.2001 (both days inclusive)
3. The shareholders are requested to:
  - (a) intimate the Company immediately of the change in their address for shares held in physical mode and for shares held in electronic mode changes in address be intimated to their respective DPs.
  - (b) quote Ledger Folio / client ID numbers in all their correspondence.
  - (c) bring copy of the Annual Report and Attendance slip with them at the AGM.
  - (d) address their communication at least seven days before the date of the meeting to VP (CA) & CS seeking information concerning the account & operations of the Company.



## DIRECTORS' REPORT :

Your Directors submit herewith the Fifteenth Annual Report and the Audited Accounts of the Company for the financial year ended 30th June, 2001.

### FINANCIAL RESULTS:

	Current Year 2000-2001	Rs. in lacs Previous Year 1999-2000
Sales & Other Income	13307.53	10525.17
Operating Profit	3024.01	2698.62
Interest	1839.42	1797.01
Profit/(Loss) Before Depreciation & Amortisation	1184.59	901.61
Depreciation & Amortisation of Misc. Exp.	938.60	904.90
Profit/(Loss) for the Year	245.99	(3.29)
Less : Prior Period Expenses	30.56	(3.83)
Less : Extra Ordinary Item		
- Transfer from Increase/ Decrease in stocks as per contra (AS-2) Valuation of Inventory	549.01	-
- Export Incentive	(80.23)	-
Provision for Income Tax earlier years written back	-	5.78
Provision for Tax	-	-
Net Profit/(Loss)	(253.35)	6.32
Loss B/F from previous year	(1613.22)	(1613.22)
Transfer to Debenture Redemption Reserve	-	6.32
Loss carried to Balance Sheet	(1866.57)	(1613.22)

### DIVIDENDS:

In absence of the profit for the year, your Directors have not recommended any dividend on the Equity and Preference Capital.

### FINANCE:

During the year under review, the Company has paid Rs.868.31 lacs towards the outstanding principals to IDBI and other institutions/banks. The interest for the year under review has been paid in full to all the financial institutions and banks.

The Company's request for conversion of Foreign Currency Loan into Rupee Loan with reschedulement in repayment has been favourably considered by IDBI by granting Rupee loan of Rs.2196.52 lacs at 16% p.a. interest rate. The loan shall be repaid in 20 equal quarterly installments commencing from 01.10.2001.

The Company has also been sanctioned financial assistance of Rs.500 lacs as privately placed debentures at 16% interest rate.

### INDUSTRIAL SCENARIO:

The year under review did not show any improvement in the economy. The country noticed overall economic slowdown in general and sluggishness in agricultural growth in particular. This has impacted on the growth of consumer demand. Whilst there was slowdown in the economy, the competition has intensified.

The Government of India continued implementation of the policy of rationalisation of tax structure in order to support the domestic industries.

Ceramic tile industry continued to be saddled with the problem of over capacity. Competition was intense between the organised vis-a-vis unorganised sector. Restrictions on import of ceramic tiles have been removed creating a threat to the industry of competition from cheaper imports. However, reduction in the effective central excise duty from 24% to 16% and movement of introduction of VAT in all the States of the country effective 1st April, 2002 would provide support to the domestic industry for growth. Being a product having various inherent advantages to the consumers compared to traditional items, there is a great potential for growth. The industry expect overall yearly growth at 10 to 15 percent in the near future.

### REVIEW OF COMPANY'S OPERATIONS:

Despite the adverse market conditions, your Company could achieve the turnover of Rs.13307 lacs during the year as against the turnover of Rs.10525 lacs of the previous year which shows increase in turnover by 27% over the previous year. In order to reduce inventory and to support the production facilities, there was heavy pressure on marketing. Due to increase in the quantity of sales, it become possible to operate the plants at higher capacity compared to earlier year. This has resulted into overall improvement in the Company's working.

For the year ended 30.06.2001, the Company has earned profit of Rs.245.99 lacs. However, in compliance with the revised guidance note on Accounting Standard 2 on valuation of inventories an adjustment of Rs.549.01 lacs has been made in accounts. The Company has also changed its accounting policy on valuing the export incentives of Rs.80.23 lacs (DEPB licences) earned during the year. This has resulted into Net Loss of Rs.253.35 lacs for the year as against the net profit of Rs.6.32 lacs for the previous year.

#### a) DORA (Baroda) Unit:

During the year under review, there was overall improvement in the working of this plant. Various steps were taken to reduce cost per unit. Efforts were put in for value addition to the products. Number of designs were introduced to cater the requirements of various segments of the consumers. There was a good response in domestic and export market for



both the Monoporosa wall tiles and the exotic floor tiles manufactured in this Unit.

**b) HOSKOTE (Bangalore) Unit:**

During the year under review, the performance of Bangalore Unit further improved. This plant of the Company was operated at almost 110% of the installed capacity. Balancing equipment have been installed to raise installed capacity by 10% w.e.f. 1.7.2001. The cost per unit of production has been kept under control despite increase in the energy and freight costs. The energy cost per unit of production could be well controlled despite steep increase in prices of fuel.

**DEMATERILISATION OF SHARES:**

As at 30.06.2001, 31.58% of the equity shares have been dematerialised by 3115 of shareholders of the Company. Due to inability of M/s.PCS Industries Limited to continue as Share Transfer Agent of the Company, agreements have been signed with M/s. MCS Limited, Neelam Apartment, 88, Sampatrao Colony, Behind Federation Building, Alkpauri, Baroda 390 007 as Share Transfer Agents for the Equity Shares of the Company held in dematerialised form. For your information, the Company has entered into agreements with NSDL and CDSL for dematerialisation. The shareholders are requested to opt for this facility. For any physical transaction in the Equity of the Company, requests are processed at the Corporate Office of the Company at 3rd Floor, Panorama, R.C. Dutt Road, Baroda.

**AUDITOR'S REPORT:**

Referring to the remarks printed in italic in the last para of the Auditors Report, the Directors would like to refer to Note 10,11, 12(a), 13, 6(b) and 7 of the Schedule 16 of the Accounts which are self explanatory.

**SUBSIDIARY COMPANIES:**

Reports pursuant to Section 212 of the Companies Act, 1956 in respect of M/s. Zirchem Industries (Bombay) Limited, Bell Trachem Ceramics Limited and Bell International Pte. Limited, Singapore, the subsidiaries of the Company are annexed to this report. Bell Trachem Ceramics Limited had applied for de-registration of the name with ROC, Karnataka. The shares held by the Company have been written off in the books of the Company.

**PUBLIC DEPOSITS:**

As on the 30.06.2001, the Company hold 16 deposits amounting to Rs.1.7 lacs matured but not claimed. Out of this, 3 deposits amounting to Rs.0.25 lacs have since been paid/renewed.

**RESONSIBILITY STATEMENT:**

The Directors subject to para on Auditors Report as above confirm:-

- a) that in the preparation of annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;

- b) that they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss for that period;
- c) that to the best of their knowledge and information, they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for detecting fraud and other irregularities; and
- d) that they have prepared accounts on a going concern basis.

**DIRECTORS:**

With effect from 11.09.2001, Industrial Development Bank of India (IDBI) has nominated Shri P. Ojha in place of Smt Medha Joshi on the Board of Directors of the Company.

The Board of Directors welcomes Shri P. Ojha on the Board. The Board with a sense of appreciation take note of valuable guidance and cooperation extended by Smt Medha Joshi during her tenure of Directorship on the Board.

At the ensuing Annual General Meeting, Shri Lalit Bhasin, Shri R.G.N. Swamy and Shri R.K. Jatia, the Directors of the Company shall retire by rotation and they being eligible offer themselves for re-appointment.

**AUDIT COMMITTEE:**

In compliance with the provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement with Stock Exchanges, an Audit Committee comprising of independent Directors viz. Shri G.R. Divan, Shri P. Ojha and Shri N.K. Ahuja has been constituted.

**SHARE TRANSFER COMMITTEE:**

The Board constituted share transfer committee consisting of the Directors Mr. Ramesh Jatia, Mr. S. N. Atreya and Mr. N. K. Ahuja. The committee meets at frequent intervals to consider interalia share transfer, transmission, duplicate issue of shares etc. All valid share transfer applications received during the year 2000-2001 have been acted upon.

**PARTICULARS OF EMPLOYEES:**

The information required under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, forms part of this Report. However, as per the provisions 219(1)(b) of the Companies Act, 1956, the Report and Accounts are being circulated to the shareholders do not include 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.

#### **PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY ETC.**

Information as per Section 217(1) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in respect of the Board of Directors) Rules, 1988 and forming part of this report is given as annexure to this report.

#### **AUDITORS:**

The Auditors M/s. RP Malhan & Company, Chartered Accountants, New Delhi, shall retire at the conclusion of the ensuing Annual General Meeting and confirmation has been received from them that if re-appointed, their re-appointment shall be within the limits prescribed under section 224(1B) of the Companies Act, 1956.

#### **HUMAN RESOURCES AND INDUSTRIAL RELATIONS:**

The Company has continued implementing in its policy for enhancement in the skills of its employees by providing need based training. This was the 4th year engaging the Continuing Education & Training Centre (CETC) to provide training to the Workmen & Supervisory Staff.

Industrial Relations continued to be cordial during the year resulting in constant co-operation by all the employees in day-to-day work and implementing policies of your Company.

#### **ACKNOWLEDGEMENT:**

Yours Directors place on record their deep appreciation of the continued co-operation and support extended by financial institutions, banks, suppliers, dealers, C&F Agents, customers, employees and various State and Central Government Agencies. The Directors also take this opportunity to thank the shareholders for their continued confidence reposed in the Management of the Company.

Place : Mumbai  
Date : 19.10.2001

For and on behalf of the Board  
**R.G.N. SWAMY**  
CHAIRMAN

### **ANNEXURE TO THE DIRECTOR'S REPORT:**

#### **CONSERVATION OF ENERGY:**

##### **A) Energy Conservation measure taken:**

The operation of 1 MW Turbo Generator remained satisfactory for generation of electricity and for operation of Spray Dryer with its exhaust gases resulting in to substantial conservation of energy.

Regular planned preventive maintenance has helped in considerable energy saving.

##### **B) Technology absorption:**

The fuel efficient dry process technology at Bangalore Plant was fully absorbed. By achieving higher capacity utilisation, the per unit consumption of LPG at Bangalore Unit could be controlled by effectively managing the process parameters.

#### **Research and Development (R&D):**

Following R&D activities were carried by the Company:

##### **Production Development:**

- Common body both for Monoporosa wall tiles and floor tiles have successfully been introduced.
- development of wall tiles & floor tiles with new tones/ hues in popular designs, new textures as per the requirement of the market.
- indigenous development of the formula for Monoporosa Frits & special effect (reactive) Frits as well as outsourcing of its production facilities resulted into saving of considerable foreign exchange outgo.
- development of different spares to reduce dependence on imports.

##### **Cost Reduction:**

- Efforts made to source alternative raw materials for reduction in the cost as also flexibility in the input materials.

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

- Common body for wall & floor tiles has reduced inventory level as also substantial reduction in energy cost as also reduction in wastages.
- The Company has developed local substitutes for some of the imported components
- Established quality assurance by adopting procedures to ensure international quality.
- Due to wide range of product, the market share has increased.

##### **Future Plan of Action:**

- Efforts to continue to increase the production level and to concentrate on value added products.

##### **Expenditure on R&D:**

- During the year Company has spent nominal amount on R&D.

##### **Foreign Exchange Earnings & Outgo:**

- The information of foreign exchange earnings & outgo are contained in the notes to accounts in Schedule 15.



## AUDITORS' REPORT

TO THE MEMBERS OF  
BELL CERAMICS LIMITED, GUJARAT

We have audited the attached Balance Sheet of BELL CERAMICS LIMITED as at 30th June, 2001 and the Profit & Loss Account of the Company for the year ended on that date annexed thereto, which are in agreement with the books of account.

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 and on the basis of such examination of the books and records of the Company as we consider proper and the information and explanations given to us during the course of our audit, we report that:

- In our opinion, the Company is in the process of updating records to show full particulars including quantitative details and situation of its Fixed Assets. A part of the fixed assets have been physically verified by the Management during the year, however there exists a programme of verification of the assets over a period. In our opinion the frequency of verification of the fixed assets by the management is at reasonable intervals having regard to the size of the Company and nature of the assets and no material discrepancies were noticed between the book records and the physical inventory in respect of the assets physically verified.
- None of the Fixed Assets have been revalued during the year.
- The stock of finished goods, stores, spare parts and raw materials except for clay owing to its nature have been physically verified during the year by the management. In our opinion, the frequency of the verification is reasonable.
- In our opinion and according to the information and explanations given to us the procedures of physical verification of stocks followed by the Management were found reasonable and adequate in relation to the size of the Company and the nature of its business.
- The discrepancies noticed on verification between the physical stocks and book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- In our opinion the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles. The valuation is on the same basis as in the previous year in respect of all items except that the company in line with Accounting Standard 2 has valued its closing work in progress and finished goods inventories after excluding the interest / finance cost. To make it comparable and in conformity with the accounting policy now followed the stocks of work in progress and finished goods brought forward from previous year have also been revalued without considering interest / finance cost and the net adjustment resulting therefrom amounting to Rs.549.01 lacs has been charged to Profit & Loss Account as an "Extraordinary Item" thereby increasing the losses for the current year to the same extent (Refer Note 11). Also to fall in line with the Guidance Note on Treatment of Excise duty issued by the Institute of Chartered Accountants of India, the Company has valued its closing stock of manufactured goods after including excise duty amounting to Rs 315.55 lacs which however has no effect on the loss for the current year.
- 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 or from companies under the same management as defined under sub section (1B) of Section 370 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the Company.
- The Company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 and /or to companies under the same management as defined under sub section (1B) of Section 370 of the Companies Act, 1956 except an interest free loan to a wholly owned subsidiary company which is under sale and other costs recoverable from the subsidiary, the terms and conditions of which are not prima facie prejudicial to the interest of the Company to that extent.
- No loans and advances in the nature of loans have been given by the Company except for loans/advances to staff, recovery of which and interest wherever applicable have been as stipulated and the interest free loans to the subsidiary as referred to in 8 above, which could not be recovered for a long time
- In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to the purchases of stores, raw materials including components, plant and machinery, equipment and other assets and for sale of goods.
- There were no 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 (s) 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.
- 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.
- In our opinion and according to the information and explanations the Company has complied with the provisions of Section 58A of the Companies Act, 1956 and rules framed thereunder to the extent applicable.
- In our opinion reasonable records have been maintained by the Company for the sale of scrap. As explained to us, the Company's operation do not generate any realisable by - products.
- Internal Audit has been conducted by an independent firm of Chartered Accountants

during the year and is commensurate with the size of the Company and the nature of its business.

- The Central Government has not prescribed the maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956 for the Company.
- The Company has generally been regular in the deposit of Provident fund and Employees State Insurance dues with the appropriate authorities.
- There are no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty and excise duty outstanding at the last day of the financial year concerned, for a period of more than six months from the day they became payable.
- The Company has a policy of authorising expenditure based on reasonable checks and controls. This policy is intended to ensure that expenses are authorised on the basis of contractual obligations or accepted business practices having regard to company's business needs and exigencies. In terms of these observations, we have not come across any expenses charged to revenue account which, in our opinion and judgement and to the best of our knowledge and belief, could be regarded as personal expenses.
- 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.
- In respect of the trading activities of the Company provision has been made for the loss arising out of damaged goods if any, to the extent determined.
- The Company has maintained proper records of the transactions and contracts of dealings in investments during the year and timely entries have been made therein. All the investments were held in the name of the Company except certain shares of subsidiary companies which are held in the name of the nominees of the Company as stated in Schedule 6 of Investments.

As per the information received from the Directors of the Company and taken on record and as per the information and explanations given to us none of the Directors are disqualified from being appointed as Directors as per the provisions of Section 274(1)(g) of the Companies Act, 1956.

As per the information and explanations given to us the accumulated losses are not likely to affect adversely the functioning of the Company in view of the continuous support from the promoters of the Company.

We further report that, 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. In our opinion proper books of account have been kept by the Company as required by law so far as appears from our examination of those books. In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon give the information in the manner required by the Companies Act, 1956 subject to Note 13 regarding diminution in the value of investments, are in compliance with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956.

We report that:

- Work in progress and finished goods inventories have been valued after excluding interest/ finance cost to fall in line with Accounting Standard - 2 and to make them comparable and in conformity, the stock of work in progress and finished goods brought forward from previous year have also been revalued without considering interest / finance cost. The net adjustment resulting there from amounting to Rs 549.01 lacs has been charged to Profit & Loss Account as an extraordinary item (refer Note 10).
- Export incentives amounting to Rs 80.23 lacs have been accounted for after considering the value of DEPB licences outstanding to be utilised as at 30th June 2001 instead of accounting for such benefit at the time of utilisation on subsequent imports by the Company as was done in earlier years (refer Note 11).
- Interest claims amounting to Rs 211.79 lacs included under Loans and Advances have not been provided for during the current year in view of the representation made by the Company. (refer Note 12 (a)).
- No provision has been made for diminution in value of investment to a subsidiary under sale amounting to Rs 10.27 lacs and loans and advances to subsidiary under sale amounting to Rs 47.88 lacs (refer note 13 & 6(b)).
- Balances of sundry debtors, loans and advances and sundry creditors to the extent not confirmed are subject to reconciliation / adjustment wherever necessary (refer Note 7)

We report that without considering item (e) the effect of which could not be quantified, had the observations by us in item (a) to item (d) had been considered, the loss after tax for the year would have been Rs 54.51 lacs as against the reported loss after tax of Rs 253.35 lacs; the loss carried forward after deduction of uncommitted reserves would have been Rs 1667.72 lacs as against the reported figure of Rs 1856.56 lacs; the investment would have been Rs 416.78 lacs as against the reported figure of Rs 427.05 lacs; the net current assets would have been Rs 1804.48 lacs as against the reported figure of Rs 2144.38 lacs.

Subject to the above, in our opinion and according to the information and explanations given to us, we report that the Balance Sheet shows a true and fair view of the state of the Company's affairs as at June 30,2001 and the Profit and Loss Account shows a true and fair view of the loss for the year ended on that date.

(VIKAS VIG)  
PARTNER  
FOR & ON BEHALF OF  
R.P.MALHAN & COMPANY  
CHARTERED ACCOUNTANTS

PLACE : Mumbai  
DATED : 19.10.2001



**BALANCE SHEET AS AT JUNE 30, 2001**

	SCHEDULE	Current Year (Rs in lakhs)	Previous Year (Rs in lakhs)
<b>SOURCE OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	1	3652.14	3652.14
Reserves & Surplus	2	2378.66	2378.66
		<u>6030.80</u>	<u>6030.80</u>
<b>LOAN FUNDS</b>			
Secured Loans	3	9812.64	10880.12
Unsecured loans	4	732.61	638.04
		<u>10545.25</u>	<u>11518.16</u>
		<u>16576.05</u>	<u>17548.96</u>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	5	15872.01	15622.55
Less: Depreciation		4675.37	3962.34
Net Block		11196.64	11660.21
Capital Work in Progress		50.36	55.40
		<u>11247.00</u>	<u>11715.61</u>
<b>INVESTMENTS</b>	6	427.05	439.33
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Inventories	7	2931.02	3201.53
Sundry Debtors		1671.61	1388.08
Cash and Bank Balances		69.16	52.10
Loans and Advances		745.21	743.27
		<u>5417.00</u>	<u>5384.98</u>
<b>LESS: CURRENT LIABILITIES &amp; PROVISIONS</b>			
Current Liabilities	8	3213.88	2455.05
Provisions		58.74	58.74
		<u>3272.62</u>	<u>2513.79</u>
<b>NET CURRENT ASSETS</b>		2144.38	2871.19
MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)	9	891.06	909.62
PROFIT & LOSS ACCOUNT (Being the loss carried forward after deduction of uncommitted reserves)		1866.56	1613.21
		<u>16576.05</u>	<u>17548.96</u>
<b>SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES</b>			
	15		

"As per our Report of even date"

ON BEHALF OF THE BOARD OF DIRECTORS

Vikas Vig  
PartnerRAMESH JATIA  
Managing DirectorR.G.N. SWAMY  
ChairmanS.K. JATIA  
Vice ChairmanFor & on behalf of  
R.P.Malhan & Company  
Chartered Accountants  
Place : Mumbai  
Date : 19.10.2001S.R. VYAS  
Vice President (Corporate  
Affairs) & Company Secretary