

12th Annual Report 1997-98

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CS	<input checked="" type="checkbox"/>	DPY	<input checked="" type="checkbox"/>
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AGM	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>		

Report Junction



HB STOCKHOLDINGS LIMITED

BOARD OF DIRECTORS

Mr. H.C. Bhasin	<i>Chairman</i>
Mr. J.M.L. Suri	<i>Executive Director</i>
Mr. R.D. Thapar	<i>Director</i>
Mr. K.N. Malhotra	<i>Director</i>
Mr. Lalit Bhasin	<i>Director</i>

**VICE PRESIDENT (LEGAL)
& COMPANY SECRETARY**

Dr. Sanjeev Kumar

AUDITORS

P. Bholusaria & Company
Chartered Accountants
26/11, Shakti Nagar,
Delhi - 110 007.

REGISTERED OFFICE

199, Sector-7,
Urban Estate,
Gurgaon - 122 001.
Haryana

CORPORATE OFFICE

2nd Floor, Gopala Tower,
25, Rajendra Place,
New Delhi - 110 008.

REGISTRAR & SHARE TRANSFER AGENTS

RCMC Share Registry Pvt. Ltd.
1515, (1st Floor)
Bhisham Pitamah Marg,
Kotla Mubarakpur,
(Near South Extension),
New Delhi - 110 003.

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N O T I C E

NOTICE is hereby given that the 12th Annual General Meeting of the Company will be held on Monday the 31st May, 1999 at 10.00 A.M. at the GIA House, IDC, Mehrauli Road, Opp. Sector - 14, Gurgaon - 122 001 to transact the following business :

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 30th November, 1998 and the Profit & Loss Account for the year ended on that date together with the Report of Directors and Auditors thereon.
2. To appoint Director in place of Mr. K.N. Mahotra, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Director in place of Mr. Lalit Bhasin, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

AS SPECIAL BUSINESS :

5. To consider and pass with or without modification the following resolution as an Ordinary Resolution :
"RESOLVED THAT pursuant to Section 257 of the Companies Act, 1956 and other applicable provisions if any, Mr. J.M.L. Suri, who was appointed as Additional Director be and is hereby appointed Director of the Company liable to retire by rotation."
2. To consider and pass with or without modification the following resolution as a Special Resolution :
"RESOLVED THAT pursuant to the Resolution passed by the Board of Directors in the Meeting held on 18th July, 1998 and subject to the provisions of Section 269, 198, 309 and 314 read with Schedule XII, and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals as may be necessary, the Company hereby accords its consent and approval to the appointment of and payment of remuneration and perquisites to Mr. J.M.L. Suri as the Executive Director of HB Stockholdings Ltd. for a period of 5 years with effect from 1st July 1998 on the terms and conditions as set out in the Explanatory Statement and that during his tenure of the office as Executive Director, he shall not be liable to retire by rotation."

By Order of the Board of Directors
for **HB STOCKHOLDINGS LTD.**

DR. SANJEEV KUMAR
Vice President (Legal)
& Company Secretary

Place : New Delhi
Dated : 30th January, 1999

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. PROXIES IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME OF THE MEETING.
2. The explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956 is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from 25th May, 1999 to 31st May, 1999 (both days inclusive).
4. Members/Proxies should bring the attendance slips duly completed and in for attending the meeting. No duplicate attendance slips shall be provided at the venue of the Meeting.
5. Members are requested to bring their copies of Annual Reports with them to the Meeting as the same shall not be supplied again at the Meeting as a measure of economy.
6. The Members are also advised to forward their queries, if any, relating to the Accounts/operations of the Company and any allied matters, in any case, not later than 20th May, 1999 to enable the management to reply to the same in the Annual General Meeting.
7. Pursuant to Section 205A of the Companies Act, 1956, all dividends upto the financial year 1993-94 which remained unclaimed have been transferred to the General Revenue Account of the Central Government. Members who have not encashed their dividend warrants are advised to claim the amount from the Registrar of Companies, ACT of Delhi and Haryana.
8. All the material documents referred to in the Notice and the Explanatory Statement are available for inspection by the members of the Company at its registered office during normal business hours on any working day of the Company.

HB STOCKHOLDINGS LIMITED

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO. 5

Mr. J.M.L. Suri was appointed as the Additional Director of the Company by the Board of Directors in its Meeting held on 29th June, 1998. He will vacate the office at the date of the Annual General Meeting. A notice has been received pursuant to Section 257 of the Companies Act, 1956 from a shareholder of the Company with requisite fees, seeking appointment of Mr. Suri as Director. The Directors recommend this resolution for approval by the Members. None of the Directors, except Mr. J.M.L. Suri, is concerned or interested in this Resolution.

ITEM NO. 6

The Board of Directors of the Company at its Meeting held on 18th July, 1998 has appointed, subject to the approval of the members of the Company, Mr. J.M.L. Suri as the Executive Director of the Company for a period of 5 years w.e.f. 1st July 1998. The appointment and remuneration payable to the Executive Director require approval of the Members of the Company in General Meeting pursuant to Section 269, 198, 309 and 314 read with Schedule XIII of Companies Act, 1956. The terms and conditions of his appointment as Executive Director are as under :

- a) **SALARY** : Rs. 30,000/- (Rupees Thirty thousand only) per month.
- b) **PERQUISITES**

- i) **HOUSING** : Either one of the following:-

- I. The expenditure by the Company on hiring furnished accommodation for the Executive Director will be subject to 60% of the salary, over and above 10% payable by the Executive Director himself.
- II. In case the accommodation provided to the Executive Director is owned by the Company, the Company shall deduct 10% of the salary of the Executive Director.
- III. In case of accommodation is not provided by the Company to the Executive Director, House Rent Allowance shall be paid by the Company to the Executive Director, subject to the ceiling of 60% of the Salary.

The expenditure incurred by the Company on gas, electricity, water and furnishings will be subject to a ceiling of 10% of the Salary of the Executive Director.

- ii) **MEDICAL REIMBURSEMENT** : Expenses incurred for self and family subject to a ceiling of one month's salary per year.
- iii) **LEAVE TRAVEL CONCESSION** : For self and family once in a year subject to a ceiling of one month's salary per year.
- iv) **CLUB FEES** : Fees of a clubs subject to a maximum of two clubs, admission and life membership fees shall not be allowed.

- v) **PERSONAL ACCIDENT INSURANCE** : Premium subject to a maximum of Rs. 4,000/- per annum.
- vi) **PROVIDENT FUND** : Company's contribution towards provident fund subject to a ceiling of 12% of salary.
- vii) **SUPERANNUATION FUND** : Company's contribution towards superannuation fund subject to a ceiling of 15% of salary.
- viii) **GRATUITY** : Not exceeding half month's salary for each completed year of service, subject to the ceiling prescribed under Income Tax Act, 1961.
- ix) **CAR AND TELEPHONE** : The Company shall provide car for use on Company's business and telephone at the residence of the Executive Director. However, personal long distance calls on telephone and use of car for private purposes shall be billed by the Company to the Executive Director.
- c) **LEAVE** : Earned/Privilege leave, not exceeding one month for every eleven months of service, on full salary and allowances. Leave accumulated and not availed of during the tenure as Executive Director will be allowed to be encashed at the time of termination of his appointment.
- d) Apart from the aforesaid salary, perquisites, allowances and benefits, the Executive Director will be entitled to reimbursement of expenses incurred in connection with the business of the Company.
- e) No sitting fees will be paid to the Executive Director for attending the meeting of the Board of Directors of the Company or Committees thereof.
- f) The appointment may be terminated by three months' notice on either side or three month salary in lieu thereof.
- g) The terms and conditions of the above appointment may be altered, enhanced or varied from time to time by the Board of Directors as it may, in its discretion, deem fit, within the maximum amount payable to the Executive Director, in accordance with the provisions of Schedule XIII to the Companies Act, 1956 or any amendments made thereof hereafter.

Notwithstanding anything herein, the above remuneration shall be payable as minimum remuneration to the Executive Director in the event of absence/inadequacy of profits in any financial year.

The Directors recommend this resolution for approval by the Members. None of the Directors of the Company except Mr. J.M.L. Suri is concerned or interested in this resolution.

BY Order of the Board of Directors
for **HB STOCKHOLDINGS LTD.**

DR. SANJEEV KUMAR
Vice President (Legal)
& Company Secretary

Place : New Delhi
Dated : 30th January, 1999



DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the 12th Annual Report and Audited Statement of Accounts for the year ended 30th November, 1998.

FINANCIAL RESULTS

The Financial Results of the Company are as under :

	Financial year ended 30th November, 98 (12 Months) (Rs.)	Previous Period ended 30th November, 97 (12 Months) (Rs.)
Gross Profit/(Loss)	(11,39,42,244)	(12,14,74,336)
Less:		
(a) Depreciation and Profit and Loss on Termination of Leases	47,93,440	48,24,725
(b) Miscellaneous Expenditure Written off	20,13,949	20,13,949
(c) Provision for Income Tax	(Nil)	(Nil)
(d) Provision for Substandard and Doubtful Assets	2,88,17,357	2,89,23,536
Net Profit/(Loss) for the Year	(14,95,66,990)	(15,72,36,546)
Add/(Less):		
(a) Surplus brought forward	(24,17,18,157)	(8,44,81,572)
(b) Income/Expenses relating to Previous Year(s)	66,004	(38)
Net amount available for apportionment(s)	(39,12,19,143)	(24,17,18,156)
Balance Carried to Balance Sheet	(39,12,19,143)	(24,17,18,516)

DIVIDEND

Your Directors are unable to recommend any dividend for the financial year ended 30th November, 1998 in view of Losses.

OPERATIONS & PROSPECTS

The capital market continued to remain sluggish for the fourth successive year. The uncertain political situation on account of once again a coalition Government at the Centre, depressed economic and industrial growth. Additionally, International economic recession, specially in the South-East Asian region, put continuous pressure on the capital market. However, the Indian financial system has been able to weather the uncertainties and pressures. The great success of India-Resurgence Bond Scheme brought a strong support to the economy, although the sanctions imposed by USA in the post-nuclear test period affected the Country's momentum of growth. The diplomatic efforts and steps to contain fiscal deficit and focussed attention of the Government to infuse large funds in the infrastructure sector are likely to yield good results in future.

During the year, your Company carried out well studied and structured consolidation in its portfolio of investments to contain its losses and to improve its net asset value gradually. The Board of Directors of your company is also

examining various options of restructuring Company's operations to maximise returns to the shareholders.

SUBSIDIARIES OF THE COMPANY

As required under Section 212 of the Companies Act, 1956, the audited Balance Sheets and Profit & Loss Accounts alongwith the Directors Report of HB Prima Capital Limited and Mount Finance Limited, the wholly owned subsidiaries of the Company, are enclosed hereto.

DEPOSITS

During the year under review your Company has not accepted any deposits from the Public in terms of the provisions of the Companies Act, 1956.

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

Particulars under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 on conservation of energy, technology absorption and foreign exchange earnings and outgo are not applicable to your Company.

AUDITORS

The Auditors, M/s. P. Bholusaria & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and are eligible for reappointment.

AUDITORS' REPORT

The Observations of the auditors are explained wherever necessary by appropriate notes to the Accounts.

DIRECTORS

Mr. J.M.L. Suri, was appointed Executive Director of the Company w.e.f. 1st July, 1998. after his tenure of office as Managing Director was over. Mr. Shardul S. Shroff, Director has resigned on 30th January, 1999. Your Directors place on record a sincere appreciation of his valuable advice and services rendered during his tenure of office.

Mr. K.N. Malhotra and Mr. Lalit Bhasin retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for reappointment.

PARTICULARS OF EMPLOYEES

Pursuant to Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, are furnished in a separate statement annexed to and forming part of this Report.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation of the support received from the Government Authorities, Banks, Financial Institutions, Shareholders and employees of the Company.

For and on behalf of the Board of Directors
of HB STOCKHOLDINGS LTD.

Place : New Delhi
Dated : 30th January, 1999

H.C.BHASIN
Chairman

HB STOCKHOLDINGS LIMITED**ANNEXURE TO DIRECTORS' REPORT**

Information as per Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 and forming part of Directors' Report for the Year Ended 30th November, 1998.

Employed for the part of the year :

Sl. No.	Name of Employee/ Age (Years)	Date of Employment	Qualification	Designation/ Nature of Job	Gross Remuneration (Rs.)	Particulars of Previous Employment (Designation/ Name of Employer)	Experience No. of Years
i.	Mr. J.M.L.Suri 60 years	1.7.1993 1.7.1998	B.Sc., B.E. (Mech.)	Managing Director Executive Director	7,41,582/-	Vice President WIMCO LTD.	37

Notes :

Remuneration includes salary, House Rent Allowance, Company's contribution to Provident Fund, wherever applicable and other sums actually received by the employee during the financial year and the Perquisites are valued in accordance with the Income Tax Act, 1961 and Rules made thereunder.

The Appointment is contractual. Other terms and conditions are as per company rules.

For and on behalf of the Board of Directors
of **HB STOCKHOLDINGS LTD.**

Place : New Delhi
Dated : 30th January, 1999

H.C. BHASIN
Chairman

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

NAME OF THE SUBSIDIARY	HB PRIMA CAPITAL LTD.	MOUNT FINANCE LTD.
The Financial Year of the Subsidiary ended on	30.9.1998	30.9.1998
No. of Equity Shares held by the holding company as on that date	10,00,000 Equity Shares	30,006 Equity Shares
Extent of holding	of Rs. 10/- each	of Rs. 10/- each
	100%	100%
The net aggregate of the profit/(loss) of subsidiary so far as they concern the members of the company and which are not dealt with the accounts of the company for the period ended on 30th November, 1997.		
i) for the financial year of the subsidiary	Rs. 7,07,122	(Rs. 54,694)
ii) for the previous financial periods of the subsidiary	Rs. 10,820	(Rs. 6,22,506)
The net aggregate of the profit/(loss) of subsidiary so far as they concern the members of the company and which are dealt with the accounts of the company for the period ended on 30th November, 1997.		
i) for the financial period of the subsidiary	Nil	Nil
ii) for the previous financial periods of the subsidiary	Nil	Nil

AUDITOR'S REPORT

**TO THE MEMBERS OF
HB STOCKHOLDINGS LIMITED**

We have audited the attached Balance Sheet of **M/s.HB STOCKHOLDINGS LIMITED** as at 30th November, 1998 and also the Profit and Loss Account for the year ended as on that date annexed thereto.

1. As required by 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 to the extent applicable.
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 except as stated in Note No. 1 of Schedule '14'.

- b) Subject to our remarks in para 2(a) as above, 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 said books;
- c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
- d) Subject to our remarks given below in Point No. (e), in our opinion, the Profit and Loss Account and Balance Sheet complies with the Accounting Standard referred to in Sub section (3C) of Section 211.
- e) In our opinion and to the best of our information and according to the explanations given to us, the accounts subject to our remarks given above and :-
 - i) Note No. '8' of Schedule '14' regarding valuation of Closing Stock of Shares/Debentures at "Cost Price" instead of "Scripwise lower of Cost or Market Price" as recommended by 'The Institute of Chartered Accountants of India' and as a result of which loss for



the year is lower by Rs.1,34,90,433/- (Previous year Rs. 1,45,96,074/-) and closing stock is overstated to that extent.

- ii) Accounting Policy No. A(1) of Schedule '13' relating to Interest on allotment money/Call in arrears being accounted for by company as and when received.
 - iii) Accounting Policy No.H of Schedule '13' relating to accounting leave encashment on payment basis which is not in accordance with AS-15 issued by Institute of Chartered Accountants of India and its resultant impact on the loss for the year, amount unascertained.
- and read together with significant accounting policies and notes on accounts and annexures thereon give the

information required by the Companies Act, 1956 in the manner so required and give a true and fair view:

- a) In the case of the Balance Sheet of the State of Affairs of the Company as at 30th November, 1998 and
- b) In the case of the Profit & Loss account of the Loss for the year ended on that date.

For P. BHOLUSARIA & COMPANY
Chartered Accountants

Place : New Delhi
Dated : 30th January, 1999

(AMIT GOEL)
Partner

**ANNEXURE TO THE REPORT OF THE AUDITORS TO THE MEMBERS OF HB STOCKHOLDINGS LIMITED
ON THE ACCOUNTS FOR THE YEAR ENDED 30TH NOVEMBER, 1998**
(Referred to in paragraph 1 thereof)

1. The Company has maintained proper records showing full particulars including quantitative details and situation of its Fixed Assets. We have been informed that most of the assets have been physically verified by the Management as per verification programme which in our opinion is reasonable and no material discrepancies were noticed on such verification carried out during the year.
2. None of the Fixed Assets have been revalued during the year.
3. 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 but needs further strengthening in relation to the size of the Company and the nature of its business, the discrepancies noticed on such verification as compared to book records were not material and have been dealt with in the books of account.
4. In our opinion and on the basis of our examination of the Stock records, the valuation of stocks, read with Note No. 8 of Schedule '14' is on the same basis as in preceding year.
5. According to the information and explanations given to us, the Company has not taken any loans from Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 or from the Companies under the same management as this company as defined under Section 370 (1-B) of the Companies Act, 1956.
6. According to the information and explanations given to us, the company has not granted loans to Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 or to the Companies under the same management as this company within the meaning of section 370 (1-B) of the Companies Act, 1956.
7. Loans and advances to employees are interest free from whom instalments, wherever stipulated are being generally recovered. Loans & Advances to subsidiary Companies are interest free without any stipulation for recovery. Advances have also been granted to various parties, interest free, without any stipulations as to recovery.
8. 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 for the purchase of leased and other assets and for the sale and purchase of shares and debentures.
9. The Company has entered into transactions for sale and purchase of shares/debentures with firms, companies, and other parties listed in the register maintained under Section 301 of the Companies Act, 1956 aggregating to more than Rs. 50,000/- during the year. These transactions have taken place at prevailing market prices.
10. The Company has not accepted any deposits from the Public during the year.
11. In our opinion the Company has an internal audit system commensurate with the size of the company and the nature of its business, but it needs further strengthening.
12. According to the records of the Company, it has been generally regular in depositing the Provident Fund dues with the appropriate authorities during the year.
13. 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 as at 30th November, 1998 for a year of more than six months from the date they became payable.
14. 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 practice nor have we been informed of any such expenses by the management.
15. The service activities of the Company are such that the question of allocation of man hours to the relative job does not arise. Consequently the authorisation and control on the allocation of labour to jobs is not applicable.
16. In respect of its dealings in shares/debentures, the company has maintained proper records of the transactions and timely entries have been made. All the shares and debentures are held by the company in its own name or are under transfer at the close of the year or the company is holding valid transfer deeds for the same. (Also refer Note No.1 of Schedule '14')

For P. BHOLUSARIA & COMPANY
Chartered Accountants

Place : New Delhi
Dated : 30th January, 1999

(AMIT GOEL)
Partner

HB STOCKHOLDINGS LIMITED**BALANCE SHEET AS AT 30TH NOVEMBER, 1998**

	Schedule	As at 30th November, 1998 (Rs.)	As at 30th November, 1997 (Rs.)
SOURCES OF FUNDS			
SHAREHOLDERS FUNDS			
Share Capital	1	24,31,66,259.00	24,31,62,299.00
Reserves & Surplus	2	99,93,44,163.22	99,93,24,373.22
LOAN FUNDS			
Secured Loans	3	7,36,72,089.93	7,47,68,617.18
Total		<u>1,31,61,82,512.15</u>	<u>1,31,72,55,289.40</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	4	4,70,75,586.60	4,62,79,180.60
Less : Depreciation		3,69,46,751.82	3,21,53,310.86
Net Block		<u>1,01,28,834.78</u>	<u>1,41,25,869.74</u>
INVESTMENTS			
Share Application Money (Pending Allotment)	5	81,05,77,022.06	99,82,83,684.19
		1,10,69,200.00	1,10,19,200.00
CURRENT ASSETS, LOANS & ADVANCES			
Stock in Trade	6	3,88,10,961.01	4,39,20,889.61
Sundry Debtors	7	26,33,94,802.67	36,75,82,463.17
Cash & Bank Balances		12,36,20,001.30	70,31,280.61
Loans and Advances		26,07,67,705.28	25,52,55,304.09
		<u>68,65,93,470.26</u>	<u>67,37,89,937.48</u>
LESS : CURRENT LIABILITIES & PROVISIONS			
Liabilities	8	54,65,25,224.24	60,56,32,929.52
Provisions		5,77,40,892.92	2,89,23,535.92
		<u>60,42,66,117.16</u>	<u>63,45,56,465.44</u>
NET CURRENT ASSETS		<u>8,23,27,353.10</u>	<u>3,92,33,472.04</u>
MISCELLANEOUS EXPENDITURE			
(to the extent not written off/adjusted)	9	1,08,60,958.42	1,28,74,907.42
PROFIT & LOSS ACCOUNT			
(As per annexed Account)		39,12,19,143.79	24,17,18,156.01
Total		<u>1,31,61,82,512.15</u>	<u>1,31,72,55,289.40</u>
SIGNIFICANT ACCOUNTING POLICIES			
NOTES ON ACCOUNTS			
	13		
	14		

As per our Report of even date annexed thereto
For **P. BHOLUSARIA & COMPANY**
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

AMIT GOEL
Partner

Dr. SANJEEV KUMAR
Vice President (Legal)
& Company Secretary

J.M.L. SURI
Executive Director

LALIT BHASIN
Director

Place : New Delhi
Date : 30th January, 1999


PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH NOVEMBER, 1998

	Schedule	Year Ended 30th November, 1998 (Rs.)	Period Ended 30th November, 1997 (Rs.)
INCOME			
Income from Operations	10	-8,60,02,644.00	-7,81,94,480.06
Other Income		14,87,851.80	29,76,434.30
Total		-8,45,14,792.20	-7,52,18,025.76
EXPENDITURE			
Administration & Other Expenses	11	1,46,84,334.62	1,51,27,630.74
Interest & Financial Charges	12	1,47,43,117.69	3,11,28,638.69
Total		2,94,27,452.31	4,62,56,310.43
Profit/Loss before Depreciation		-11,39,42,244.51	-12,14,74,336.19
Depreciation & Profit/Loss on sale of Assets on Lease Termination		47,93,439.96	48,24,725.04
Miscellaneous Expenditure Written off		20,13,949.00	20,13,949.00
Provision for Sub-Standard & Doubtful Assets		2,88,17,357.00	2,89,23,535.92
Loss for the year		-14,95,66,990.47	-15,72,36,546.15
Surplus brought forward		-24,17,18,157.10	-8,44,81,572.33
Previous period adjustments		66,003.69	-37.53
Balance carried forward to Balance Sheet		-39,12,19,143.79	-24,17,18,156.01
SIGNIFICANT ACCOUNTING POLICIES	13		
NOTES ON ACCOUNTS	14		

As per our Report of even date annexed thereto
For **P. BHOLUSARIA & COMPANY**
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

AMIT GOEL
Partner

Dr. SANJEEV KUMAR
Vice President (Legal)
& Company Secretary

J.M.L. SURI
Executive Director

LALIT BHASIN
Director

Place : New Delhi
Date : 30th January, 1999