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GROUP

INDIAN METALS & FERRO ALLOYS LIMITED

43rd Annual Report



✓ Ila panda

26.10.1932 - 11.01.2005

एषा ब्राह्मी स्थितिः पार्थ नौनां प्राप्य विमुह्यति ।
स्थित्वास्यामन्तकालेऽपि ब्रह्मनिर्वाणमृच्छति ॥

" One who lives in renouncing all desires, attains super conscious state. This is the Brahmic state. Attaining this, none is deluded. Gaining this state, even at the end of one's life, a person attains oneness with the Supreme."

INDIAN METALS & FERRO ALLOYS LIMITED**BOARD OF DIRECTORS** (As on 28th July, 2005)

DR. B PANDA
 MR. BAIJAYANT PANDA (Managing Director)
 MRS. PARAMITA MAHAPATRA
 MR. SUBHRAKANT PANDA
 Field Marshal SAM MANEKSHAW, MC
 MR. S ACHARYA
 MR. S K PATTANAIK
 Major R N MISRA (Retd.)
 MR. A KHANDUAL (Nominee Director of IDBI Ltd.)
 MR. N R MOHANTY

DEPUTY SECRETARY

MR. SMRUTI RANJAN RAY

AUDITORS

M/s RAGHU NATH RAI & CO.
 CHARTERED ACCOUNTANTS
 NEW DELHI

BANKER

INDIAN OVERSEAS BANK

REGISTERED OFFICE

BOMIKHAL
 P.O. RASULGARH
 BHUBANESWAR - 751 010
 ORISSA

PLANT

THERUBALI
 DIST. : RAYAGADA - 765 018
 ORISSA

MINES

SUKINDA & CHINGUDIPAL
 DIST. : JAJPUR, ORISSA

NUASAH
 DIST. : KEONJHAR, ORISSA

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INDIAN METALS & FERRO ALLOYS LIMITED

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present their 43rd Annual Report together with Audited Statement of Accounts of the Company for the financial year ended 31st March, 2005.

FINANCIAL RESULTS

	(Rs. in Lakhs)	
	2004-05	2003-04
Profit before interest & financial charges and depreciation	6181.77	3818.33
Interest & financial charges	1038.88	537.41
Depreciation	324.51	285.89
	-----	-----
Profit before tax	4818.38	2995.03
	-----	-----
Provision for taxation	(1761.00)	(1075.00)
Deferred tax	(26.26)	14.55
Profit after tax	3031.12	1934.58
Balance brought forward from previous year	1548.44	947.62
Previous year adjustments	(25.71)	(62.86)
Profit available for appropriation	4553.85	2819.34
Proposed dividend (includes tax on dividend)	342.26	270.90
Transfer to General Reserve	1500.00	1000.00
Balance carried forward to Balance Sheet	2711.59	1548.44

DIVIDEND

In view of the excellent performance of your Company during the year under review but in consonance with the need to conserve funds for augmenting working capital and other requirements, your Directors are pleased to recommend a dividend of 25% (Rs 2.50 per share) for the year ended 31st March, 2005 (previous year : Rs 2 per share) subject to approval of the shareholders at the Annual General Meeting to be held on 28th September, 2005. The dividend for the Financial Year 2004-05 shall be subject to tax on dividend to be paid by the Company but will be tax-free in the hands of the members.

OPERATIONS

Your Directors are pleased to report that the Financial Year 2004-05 has been a landmark year in the history of your Company with several operational records being set and the highest ever turnover being achieved.

Production of ferro silicon during the year under review was 1.19% higher at 36,393 MT (previous year : 35,965 MT) while ferro chrome was 32.48% higher at 37,491 MT (previous year: 28,300 MT). Gross Sales increased by 25.47% to Rs 28923 lakhs (previous year : Rs 23052 lakhs) including export turnover of Rs 3110 lakhs (previous year : Nil). On the strength of efficient operations combined with high prices for its finished products, your Company earned a record net

profit before tax of Rs 4818 lakhs during the year under review as compared to Rs 2995 lakhs during the previous year. After making a higher provision for tax at Rs 1787 lakhs (previous year : Rs 1060.45 lakhs), profit after tax increased by 56.64% from Rs 1935 lakhs during the previous year to Rs 3031 lakhs during the year under review.

MINING OPERATIONS

The raising of chrome ore from the mines operated by your Company increased by 38.16% to 252,188 MT (previous year: 182,538 MT) during the year under review. The ore thus raised has been entirely used captively and converted to value-added ferro chrome.

There has been no progress with regard to allotment of further mining area and the balance 50% area is yet to be allotted as per the recommendations of the Sharma Committee Report which was adopted by the Hon'ble Supreme Court of India. As mentioned in earlier Annual Reports, your Directors are vigorously pursuing this matter and shall take all such measures necessary to protect your Company's interests.

FUTURE OUTLOOK

Your Directors are pleased to report that the ferro alloys market was in a very bullish phase during the year under review. In line with the strong growth reported by the steel industry worldwide but particularly so in India and China the demand for your Company's products was robust. While steel production – and, hence, the demand for ferro alloys – is expected to continue to grow at a brisk pace during the current year and indeed going forward, based on past experience your Directors would like to add a word of caution about the cyclical nature of the ferro alloys industry. Indeed, a marginal slowdown in the off-take of ferro chrome by China as evident in the first quarter of the present fiscal has resulted in pricing pressure. However, barring any unforeseen circumstances, profitability is expected to be good during the current year.

The price of ferro chrome in the international market is expected to bounce back by the end of the year and your Company intends to set aside a portion of its output for exports. In any case, given the trend of backward integration amongst customers, exports are going to be an important outlet in the coming years and your Company is taking steps accordingly.

FURTHER ISSUE OF SHARES

Your Directors are considering allotment of 3474259 equity shares of Rs 10 each to foreign investors to be priced at Rs 140 per share so as to adjust certain advances received by the Company. This will, of course, be subject to obtaining necessary approvals from the Government of India, Reserve Bank of India and other regulatory authorities as the case may be and in compliance with the provisions of the Companies Act, 1956 and other statutes as may be applicable. Such shares when allotted shall rank *pari passu* with existing equity shares of the Company in all respects except for entitlement to dividend, if any, in the year of allotment which shall be on *pro rata* basis from the date of allotment. The issue price of Rs 140 per share has been arrived at on the basis of an independent valuation carried out by a leading

INDIAN METALS & FERRO ALLOYS LIMITED**DIRECTORS' REPORT TO THE MEMBERS**

firm of Chartered Accountants. As mentioned earlier the objective of the issue of equity shares through a preferential offer is to convert certain trade advances which have been lying with the Company and, as such, cannot be repaid since 85% of the cash-flows are dedicated towards enabling the repayment of dues to Financial Institutions and Banks by M/s Indian Charge Chrome Ltd which is an Associate Company.

Pursuant to Section 81 of the Companies Act, 1956, whenever it is proposed to increase the subscribed capital of a company by a further issue and allotment of shares, such shares need to be offered to the existing shareholders in the manner laid down in the said Section unless the shareholders decide otherwise in a general meeting. Hence the proposed allotment to the foreign investors is subject to approval of the members by a Special Resolution in terms of the aforesaid Section. In order to facilitate the issue of the Equity Shares to the foreign investors, the authorised capital of the Company is being increased from Rs 1700 lakhs to Rs 2100 lakhs. Your attention is invited to items 8 & 9 of the accompanying Notice.

ENERGY CONSERVATION, ETC.

The information required under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are set out in an annexure hereto forming part of this report.

SUBSIDIARY COMPANY

Indian Metals & Carbide Ltd, a subsidiary of your Company, has reported a profit after tax of Rs 1.53 lakhs during the year under review (previous year : Rs 0.96 lakh). In view of the low profits, the Board of Directors of the said Company have not proposed any dividend. Particulars in respect of this Company pursuant to Section 212 of the Companies Act, 1956 are appended to the Balance Sheet.

PARTICULARS OF EMPLOYEES

There were no employees in the Company either employed throughout the year under reference with receipt of remuneration not less than Rs 24,00,000 per annum or employed for part of the year with receipt of remuneration not less than Rs 2,00,000 per month. Accordingly, the relevant disclosures of such particulars as required in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, are not applicable for the year under review.

PUBLIC DEPOSITS

During the year under review, the Company continued to receive public deposits without extending invitation to the public after filing a statement in lieu of advertisement. The Company accepted/renewed deposits of an aggregate sum of Rs 340.43 lakhs and repaid a sum of Rs 138.69 lakhs during the year under report. Deposits are being repaid regularly as per terms of the deposit scheme. Deposits outstanding as on 31st March, 2005 amounted to Rs 695.23 lakhs out of which unclaimed deposits pending repayment as on 31st March, 2005 was Rs 0.93 lakh which have since been renewed/

repaid. The Company has complied with the provisions of Companies (Acceptance of Deposits) Rules 1975 as amended till date and other applicable laws for the time being in force.

OBSERVATIONS OF THE AUDITORS

Observations of the Auditors on the audited annual accounts of the Company have been dealt with in the Notes to the Accounts annexed as Schedule 'N' which are self-explanatory and do not require any further clarification.

DIRECTORS

Your Directors express their profound grief at the sudden demise of Mrs Ila Panda, Co-Founder and Whole Time Director of the Company, on 11th January, 2005. She was a pillar of strength whose immense contribution towards the growth of your Company and fulfilling its Corporate Social Responsibility cannot be forgotten. Your Directors pay glowing tributes to her memory and pray for the departed soul to rest in peace.

Dr B Panda & Mr S Acharya, Directors, retire by rotation at the forthcoming Annual General Meeting of the Company and are eligible for re-election.

Mr N R Mohanty was co-opted as an Additional Director of the Company by the Board of Directors on 7th January, 2005. As such, he will hold office up to the date of the forthcoming Annual General Meeting of the Company. The Company has received a notice from a member pursuant to Section 257 of the Companies Act, 1956 signifying his intention to propose Mr Mohanty for the office of Director.

Your Directors have reappointed Mr Baijayant Panda as Managing Director for a period of five years with effect from 15th March, 2005 subject to approval by a special resolution at the forthcoming general meeting. Your attention is invited to item No.7 of the accompanying Notice.

In terms of the consent decree obtained from the Debt Recovery Tribunal, Mumbai, IDBI Ltd appointed Mr Sidheshwar Sahoo, General Manager, IDBI Ltd, as its Nominee Director on the Company's Board not liable to retire by rotation. However, with effect from 4th May, 2005 IDBI Ltd. withdrew the nomination of Mr Sahoo on your Company's Board and instead appointed Mr A Khandual, General Manager, IDBI Ltd, Mumbai as its Nominee on the Board of your Company. Your Directors wish to place on record their appreciation for the valuable contribution made by Mr Sidheshwar Sahoo for the development and growth of your Company during his short stint on the Board. Your Directors also accord a hearty welcome to Mr A Khandual and look forward to reaping the benefit of his rich and varied experience by receiving valuable advice and guidance from him.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to provisions under Section 217(2AA) of the Companies Act, 1956, your Directors hereby confirm:

- (i) that in the preparation of the annual accounts for the financial year ended 31st March, 2005 the applicable accounting standards had been followed along with proper explanation relating to material departures;

INDIAN METALS & FERRO ALLOYS LIMITED**DIRECTORS' REPORT TO THE MEMBERS**

- (ii) that they have selected such accounting policies and applied them consistently and made judgements and estimates that were 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 profit for the year under consideration;
- (iii) that 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 preventing and detecting frauds and other irregularities;
- (iv) that they have prepared the annual accounts of the Company for the financial year ended 31st March, 2005 on a going concern basis.

DELISTING

The Promoters together with the persons acting in concert have complied with all the provisions of the Securities & Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 with the object of consolidating their holdings and delisting of the Company's Equity Shares from the Stock Exchanges of Bhubaneswar, Mumbai and Kolkata. Hence, your Company's Equity Shares have been duly delisted from the Stock Exchanges of Bhubaneswar, Mumbai and Kolkata.

AUDITORS

M/s. Raghu Nath Rai & Co, Chartered Accountants, the Auditors of the Company who are to retire at the ensuing Annual General Meeting, being eligible offer themselves for reappointment. The Company has received a certificate to the effect that their re-appointment, if made, shall be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956.

CORPORATE GOVERNANCE

Since your Company's shares are delisted from the Stock Exchanges, provisions of Listing Agreement are not applicable to your Company.

INDUSTRIAL RELATIONS

During the year under report, industrial relations both at the Company's plants at Therubali as well as at the mines remained cordial.

ACKNOWLEDGEMENT

Your Directors wish to place on record their deep sense of appreciation of the dedicated services rendered by all employees. Further, your Directors would also like to place on record their appreciation of the continued assistance and cooperation extended by the Company's banker, Indian Overseas Bank.

For and on behalf of the Board

BAIJAYANT PANDA, Managing Director
SUBHRAKANT PANDA, Director

Place : New Delhi
Date : 28th July 2005

**ANNEXURES FORMING PART OF THE
DIRECTORS' REPORT FOR THE YEAR ENDED
31ST MARCH, 2005**
A. CONSERVATION OF ENERGY**1. Energy conservation measures taken:**

Since power consists of a major input in terms of cost in Ferro Alloys production, your Company has made conscious efforts to bring down specific power consumption by optimum charge mix and improved work practices like recycling of fines, etc.

2. Additional investments and proposals for reducing the consumption of energy : NIL**3. Impact of the above measures:**

Reduction in specific power consumption over the years.

B. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION :**1. Import substitution :**

The original transformer for furnace No. 2 was imported and its spares like diverter switch also had to be imported at a considerable cost. A spare transformer was developed through a local manufacturer by extending full technical support which will result in reduction of downtime due to transformer failure, if any, in the future and the spares can also be procured indigenously at a lower cost.

2. Technology imported for last 5 years:

Process control equipment in Plant 01 in 2001-02
: fully absorbed

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs in Lakhs)

Foreign Exchange earnings: 3063.70
(previous year : Nil)

Foreign Exchange outgo : 3476.96
(previous year : 2970.84)

INDIAN METALS & FERRO ALLOYS LIMITED**AUDITORS' REPORT TO THE MEMBERS**

To
The Members of
Indian Metals & Ferro Alloys Limited.

1. We have audited the attached Balance Sheet of INDIAN METALS & FERRO ALLOYS LIMITED as at 31st March, 2005 and also the Profit and Loss Account and the Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Government of India in terms of sub-section (4A) of Section 227 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.
4. Further to our comments in the Annexure referred to above, we report that :
 - (a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit ;
 - (b) in our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of such books;
 - (c) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (e) on the basis of the written representations received from the Directors of the Company as at 31st March, 2005 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2005 from being appointed as a Director of the Company under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (f) 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 of schedule 'N' give the information required by the Companies Act, 1956, in manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2005;
 - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For RAGHU NATH RAI & CO
Chartered Accountants

New Delhi
28th July, 2005

(Prem Prakash)
Partner
Membership No.: 7648

INDIAN METALS & FERRO ALLOYS LIMITED**AUDITORS' REPORT TO THE MEMBERS****ANNEXURE TO THE AUDITORS' REPORT**

Referred to in paragraph 3 of our report of even date,

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of all fixed assets.
- (b) Major portion of the assets has been physically verified by the management during the year. No material discrepancies were noticed on such verification. The Company has a regular programme of physical verification of its fixed assets which, in our opinion, is reasonable having regard to size of the company and nature of its assets.
- (c) No substantial parts of fixed assets have been disposed off during the year.
- (ii) (a) As explained to us, the inventories have been physically verified during the year by the management at reasonable intervals.
- (b) The procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material in relation to the size of the operation of the Company and the same have been properly dealt with in the books of account.
- (iii) (a) We are informed that the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4 (iii) (b), (c), and (d) of the Companies (Auditors' Report) order, 2003 (as amended) are not applicable to the Company.
- (b) We are informed that the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4 (iii) (f) and (g) of the Companies (Auditors' Report) order, 2003 (as amended) are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us there are adequate internal control procedure commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. We have not observed any major weaknesses in internal control system.
- (v) (a) In our opinion, the particulars of contracts or arrangements referred to Section 301 of the Companies Act, 1956 need to be entered in the register have been so entered.
- (b) In our opinion, the aforesaid transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has accepted fixed deposits from the public. In our opinion and according to information and explanations given to us, all the directives issued by the Reserve Bank of India and provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed thereunder where applicable are complied with. We are informed by the management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) We are of the opinion that prima facie, the cost records and accounts prescribed by the Government of India under Section 209(1)(d) of the Companies Act, 1956 have been made and maintained. However, we are not required to and have not carried out any detailed examination of such accounts and records.
- (ix) (a) According to the information and explanations given to us the Company has been regular in depositing undisputed statutory dues including Provident Fund, Investors Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other statutory dues with appropriate authorities and no dues are pending for a period more than six months from the date they became payable.

INDIAN METALS & FERRO ALLOYS LIMITED

- (b) At the end of financial year there were no dues of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute except as follows:

Name of the Statute	Nature of dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	611.14	1979 to 1981	Hon'ble Supreme Court of India
Central Sales Tax Act, 1956	C S T	61.45	1992 - 93	Sales Tax Tribunal
Central Sales Tax Act, 1956	C S T	190.91	1993 - 94	Sales Tax Tribunal
Central Sales Tax Act, 1956	C S T	41.00	1994 - 95	Sales Tax Tribunal
Central Sales Tax Act, 1956	C S T	1.69	2003 - 04	Sales Tax Tribunal
Orissa Sales Tax Act, 1947	O S T	2.23	1999 - 00	Sales Tax Tribunal
Orissa Sales Tax Act, 1947	O S T	2.08	2000 - 01	Sales Tax Tribunal
Orissa Sales Tax Act, 1947	O S T	2.66	2002 - 03	Sales Tax Tribunal
Orissa Sales Tax Act, 1947	O S T	7.04	2002 - 03	A.C., Sales Tax
Orissa Sales Tax Act, 1947	O S T	2.49	2003 - 04	A.C., Sales Tax

- (x) The Company had no accumulated losses and it has generated cash profits in the financial year covered by our audit and in the immediately preceding financial year.
- (xi) The Company has not defaulted in repayment of its dues to any financial institution and bank during the year.
- (xii) As explained to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities and hence paragraph 4 (xii) of the Order is not applicable.
- (xiii) The Company is not a nidhi/mutual benefit fund/society and hence paragraph 4 (xiii) of the Order is not applicable.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments and hence paragraph 4 (xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company.
- (xvi) The Company has not taken any term loan during the year.
- (xvii) In our opinion and according to the information and explanations given to us and shown by the records examined by us, no fund raised on short term basis have been used for long term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debenture.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) To the best of our knowledge and according to the information and explanations given to us and records of the company examined by us, no fraud on or by the Company was noticed or reported during the year.

For RAGHU NATH RAI & CO
Chartered Accountants

New Delhi
28th July, 2005

(Prem Prakash)
Partner
Membership No. : 7648

INDIAN METALS & FERRO ALLOYS LIMITED**BALANCE SHEET AS AT 31ST MARCH, 2005**

(Rs. in Lakhs)

As at
31.03.05

As at
31.03.04

		SCHEDULE			
I.	SOURCES OF FUNDS				
1.	Shareholders' Funds				
(a)	Capital	'A'	1200.65		1200.65
(b)	Reserves & Surplus	'B'	5405.26		2742.11
				6605.91	3942.76
2.	Loan Funds	'C'			
(a)	Secured Loans		2315.88		2089.98
(b)	Unsecured Loans		7819.90		7629.37
				10135.78	9719.35
				16741.69	13662.11
II.	APPLICATION OF FUNDS				
1.	Fixed Assets	'D'			
(a)	Gross Block		6304.13		5862.24
	Less : Depreciation		4190.48		4018.61
	Net Block		2113.65		1843.63
(b)	Capital Work-in-Progress		349.00		288.14
				2462.65	2131.77
2.	Investments	'E'		2473.73	2473.73
3.	Current Assets, Loans & Advances	'F'			
(a)	Current Assets		8178.76		7644.63
(b)	Loans & Advances		8871.83		7770.15
			17050.59		15414.78
	Less : Current Liabilities & Provisions	'G'	5071.97		6211.12
	Net Current Assets			11978.62	9203.66
4.	Net Deferred Tax			(173.31)	(147.05)
				16741.69	13662.11

Significant Accounting Policies
Notes forming part of the Accounts
Information pursuant to Schedule VI

'M'
'N'
'O'

Auditors' Report to the Members
As per our report of even date attached.

For RAGHU NATH RAI & CO.
Chartered Accountants

For and on behalf of the Board

(Prem Prakash)
Partner

PARAMITA MAHAPATRA
SUBHRAKANT PANDA
S. ACHARYA
S.K. PATTANAIK
N.R. MOHANTY
Directors

New Delhi
28th July, 2005

S.R. RAY
Deputy Secretary

BAIJAYANT PANDA
Managing Director