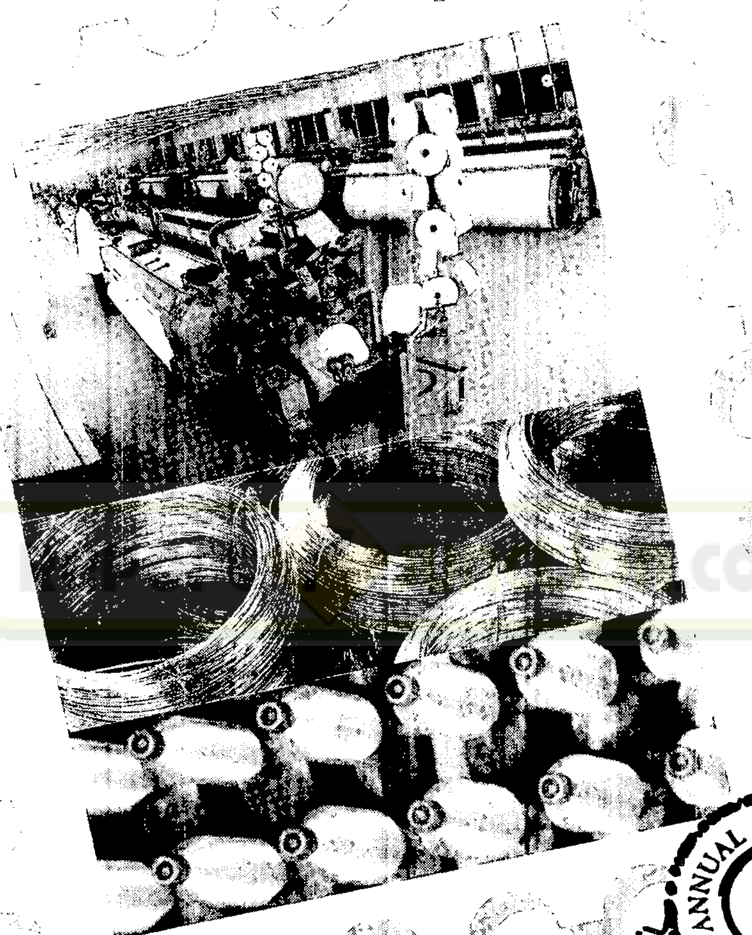
The Thapar Group



ANNUAL REPORT
1997-98

JCT LIMITED

Board of Directors	Mr. M.M. Thapar *Chairman & Managing Director* Mr. R.S. Mehra *Addl. Managing Director* Mr. Samir Thapar *Jt. Managing Director* ***Directors*** Mr. L.M. Thapar Mr. V.K. Srivastava Bhai Mohan Singh Mr. Prem Saigal Mr. Mahesh Sahai Mr. A.S. Dugal Mr. B.L. Gupta *(UTI Nominee)* Mr. C.D. Ghosh *(IFCI Nominee)* Mr. L.P. Aggarwal *(IDBI Nominee)* Mr. V.M. Swami *(Allahabad Bank Nominee)*
Secretary	Mr. S.C. Saxena
Auditors	S.P. Chopra & Co. *Chartered Accountants* F-31, Connaught Place New Delhi-110 001 Thakur, Vaidyanath Aiyar & Co. *Chartered Accountants* 212, Deen Dayal Uppadhyaya Marg New Delhi-110 002
Registered Office	Village Chohal Distt. Hoshiarpur-146 001 (Punjab)
Head Office	Thapar House 124, Janpath New Delhi-110 001
Divisions	**Textiles** **Units at** — Phagwara (Punjab) — Sriganganagar (Rajasthan) **Synthetic Fibres** **Filament Unit** — Hoshiarpur (Punjab) **Fibre Unit** — Hoshiarpur (Punjab) **Steel Wire** — Hoshiarpur (Punjab) **Exports** — Mumbai
Subsidiaries	Chohal Investments Limited Poly Investments Limited Rajdhani Trading Co. Pvt. Ltd. Kidarnath Kishanchand Finance & Investments Limited West European Exporting Limited (U.K.) JCT (International) Pte. Ltd.

DIRECTORS' REPORT

Your Directors present 50th Annual Report together with audited statement of account for the year ended 31st March, 1998.

The salient features are given herebelow:

	(Rs. in '000) 1997-98	1996-97
Gross Income from operations	9,039,142	9,683,229
Other Income	75,641	148,307
Profit before interest, depreciation & tax	244,533	919,278
Interest & financing charges (net)	864,000	599,747
Depreciation	607,924	456,802
Net Loss	1,227,391	137,271
Dividend	—	8,650

In view of the losses no dividend on equity and preference shares is being considered.

OPERATIONS

Textile Division

The sales turnover of the Division covering its units Phagwara and Sriganganagar registered an increase of 32% viz. Rs.353 crores as against Rs.267 crores in the immediately preceding financial year. This higher turnover was possible due to modernisation/expansion undertaken by the division in the immediate preceding year. It has increased its production of processed fabrics after commissioning of continuous dyeing and bleaching plant. The Company which used to export primarily grey fabrics started exporting processed fabrics which were very well accepted in the international market. It is continuously developing new qualities of fabrics so as to absorb increased cost of production. The division, however, has advantage in view of textile and cloth sector being fastest growing sector in India, increased export markets potential particularly for processed fabrics, increase in demand for quality fabrics and low level of competition from the unorganised sector in high value added fabrics segment. Profitability however have suffered due to tight liquidity conditions. The Company could not buy cotton in the season and had to cover its day to day requirements from Government procurement agencies and traders paying prevailing prices which were higher then the prices during the season.

Synthetic Fibres Division

The division had a bad period as the prices of finished products declined sharply during the year. The prices of polyester staple fibre and POY came down by about 25% whereas the prices of main raw materials like PTA/MEG did not decline in the same proportions. The decline in the raw material prices was roughly 15%. The division also lost production on account of working capital shortages. The production of polyester staple fibre was lower by approximately 4,300 MT and of POY about 875 MT. The division in the current year has improved its performance and is being operated at full capacity. In fact with certain debottlnekcing exercises undertaken, the production levels have gone up.

Being a commodity business economy of the scale is an important factor, although the capacities for manufacture of polyester staple fibre were expanded in the year 1995, further debottlenecking was required to improve the profitability. This has been identified and requisite steps being taken. The division has a world class technology, high scale of operations, highly skilled work force, locational advantage of buyers and high quality of finished products which are the best strengths for this division. There is good future in view of expected increase in polyester cotton consumption by textile mills in India. Increased use of polyester will boost the demand for polyester which shall benefit the division in long run. The profitability presently is affected because of the price war amongst the major players in the industry and the reduction in import duties which also has put pressure on the prices of finished goods in the domestic market.

During the year under review the Company entered into a slump sale agreement with Polysindo Group of Indonesia for the sale and hive-off its losing synthetic fibre business and make its other division profitable. However this deal could not go through as the necessary clearances from banks/institutions could not be received in time. Also because of devaluation of currency in Indonesia, the promoters of the said company were not in a position to bring funds timely.

Steel Division

The division commissioned its Wire Rope plant during the year. Quality of Wire Ropes being manufactured is well accepted in the market. However due to recession in the domestic markets as well as tough competition in the international market more particularly from China, the division has not been able to reap the benefits of new facilities installed.

Exports

The Company's exports were mainly of fabrics as the other products i.e. polyester and steel wire ropes had no economical advantage in exports and accordingly production of these products were largely sold in the domestic market. The Company is exploring new markets for exports of fabrics in the developing countries like South Africa, Srilanka, Bangladesh and Dubai etc.

Finance

The Company has not been able to pay the instalments of redemption due and also the interest to institutional subscribers in respect of following series of Debentures:

Series	Redemption Amount	Interest Amount
'G'	Rs.127,229,111	Rs.10,778,883
'H'	Nil	Rs. 8,716,780
'I'	Rs. 10,500,000	Nil
'J'	Nil	Rs.61,986,871
'K'	Rs.271,184,792	Rs.58,959,473
'L'	Rs.149,000,000	Rs.14,943,170

However amounts due to the individual debentureholders in respect of these series have been paid on time. In view of losses the Company has not provided for the Debenture Redemption Reserve.

The Company has also not been able to pay the instalments of term loans and interest to the various banks/financial institutions which were taken for its modernisation/expansion projects of over Rs.400 crores undertaken during the period 1995-97. In view of the Company's inability to service the outstanding liabilities it has submitted a re-structuring proposal to IFCI and other secured lenders including banks to restructure the financial liabilities and also for waiver of penal interest etc. The matter is being persued vigorously with them.

However with the continuous help and co-operation of financial institutions and banks the Company have been able to continue its productions at the optimum levels in respect of all its units in spite of severe financial liquidity crunch faced by the Company.

Fixed Deposit

Fixed Deposits of Rs. 112.44 lacs which became due for repayment before 31.3.1998 remained unclaimed by the depositors on that date. Out of these, deposits of Rs. 93.15 lacs have since been repaid/renewed.

Subsidiaries

As required under Section 212 of the Companies Act, 1956, the statement in respect of the subsidiaries is annexed and forms an integral part of this report.

Requirement under Section 217(2A) of the Companies Act, 1956

The statement of employees required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, is annexed and forms an integral part of this report.

Conservation of energy/technology absorption, Foreign Exchange Earnings and Outgo

The statement containing the necessary information as required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988, is annexed hereto and forms an integral part of this report.

Auditors' Report

The observations made by the Auditors in their Report are adequately explained in the notes to the Accounts and Significant Accounting Policies and need no further elaboration.

Directors

Mr. V.K. Srivastava, Mr. Prem Saigal and Mr. A.S. Dugal, Directors retire by rotation and being eligible offer themselves for re-appointment.

Mr. C.D. Ghosh has been nominated on the Board by IFCI in place of Mr. R.S. Sharma with effect from 28th May, 1998. Board places on record its appreciation for valuable contribution by Mr. Kaul and Mr. Sharma during their tenure as Directors.

Mr. V.M. Swami has been nominated on the Board by Allahabad Bank, the Lead Bank of the Consortium Member Banks with effect from 29th October, 1998.

Auditors

M/s. S.P. Chopra & Company, Chartered Accountants, and M/s. Thakur Vaidyanath Aiyar & Co., Chartered Accountants, Auditors of the Company, retire and being eligible offer themselves for re-appointment.

Acknowledgment

We wish to place on record our appreciation for the devoted services of all the employees of the Company which have largely contributed to its operations. The Board also places on record its appreciation for the valuable support and cooperation of the various Financial Institutions, Banks, Govt. Agencies, Customers, Suppliers and Shareholders and look forward to their continued support in future.

FOR AND ON BEHALF OF THE BOARD

M. M. THAPAR
Chairman & Managing Director

New Delhi
Dated: 28th November, 1998

ANNEXURE TO DIRECTORS' REPORT

Information under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 1998.

A. CONSERVATION OF ENERGY

(a) **Energy Conservation Measures taken :**

By installing nozzles on distribution set up of compressed air in cleaning system, the consumption of air reduced. This resulted into reduction in running hours of compressors. Also reduced the number of running hours of reciprocating type compressors by running more screw type compressors which are more efficient and economical. Increasing the condensate collection by installing additional pressure pumps.

Installation of energy efficient tube lights and gradually replacing the conventional tube lights. Also put electronics chokes on field trials. In high humidity areas like Fibre Line, tube lights are replaced by HPMV lamps.

Working for installation of heat exchanger unit for utilising effulent hot water heat emerging from Continuous Printing Range.

Simple duty DC drives are being replaced by Inverter fed variable speed AD Drives which require less maintenance and are more efficient resulting in better power factor.

Plant power factor is kept above 0.94 to minimise the transmission and distribution losses.

In the chips dryers, conditioned air is used in place of compressed air to conserve the energy.

New Shunt Capacitors have been added in wire rope plant to bring its power factor in line with high power factor of old Plant.

High efficiency combustion equipment has been installed in remaining GI Furnaces, which could not be done last year.

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

(i) The feasibility study of installing a waste Heat Boiler on D.G. Set for Heat recovery has been completed and is expected to be implemented very soon.

(ii) To further conserve energy gauges and measuring equipments are being installed at major consuming points to monitor and reduce the consumption. More efficient electrical equipments like motors, heaters and transformers are selected at the time of procurement of new machines so as to keep the cost of production at the minimum.

The energy efficient equipments of latest technology like jets with low air consumption, energy efficient motors etc. are also being installed.

Selection is being done of suitable F.R.P. Fans for humidifcation plants and are being installed for saving power.

(c) **Impact of Measures :**

As a result of the above measures, the plant production has been increased without putting additional equipment thus reducing the per unit consumption of various utilities.

(d) **Total energy consumption and energy consumption per Unit of Production.**

As per Form 'A' attached.

B. PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT (FORM 'B')

1. **Specific areas in which R & D carried out by the Company**

(i) **Textile Divisions :**

Specific emphasis was laid on the product development, control and development of process, quality improvement, damage control, continuous testing of Fibres, yarn and Fabrics and reduction in costs thereby.

(ii) **Synthetic Divisions :**

Developed and firmed up the technology for recycling of dye spent liquor.

As a result of concentrated R&D efforts, the plant capacity in Synthetic Fibres has increased significantly by evolving new methods in production process.

Development of bright trilobal fibre for increasing the product range.

2. **Benefits Derived :**

Textile Division

The R&D has helped improving quality of yarn and fabric reduce waste/damage and ultimately in cost reduction.

Mixing compositions.

Synthetic Division

Reduction in production cost.

Improved/increased product range to meet market requirement and better over all sales realisation.

3. **Future Plan of action :**

The Company is maintaining an indpendent R&D Department which regularly provides suggestions for improvement so as to reduce the cost of production and improve the quality.

Further developments in increasing product range of dope-dyed yarns.

Developments of new deniers to meet changing trends of market.

4. **Expenditure on Research & Development :**

	Current Year Rs.	Previous Year Rs.
Capital	**470,331**	4,784,049
Recurring	**4,660,332**	4,397,805
	5,130,663	9,181,854
Total R&D expenditure as a percentage of total turnover	**0.06%**	0.09%

C. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

(a) **Efforts in brief, made towards technology absorption, adaptation and innovation.**

New strategic methods have been developed for improvement in the quality and quantum of production and for keeping pace with the everchanging processes, old and obsolete machines/ parts have been replaced.

(b) **Benefits derived**

The above steps/efforts at product/process improvement and technology absorption, adaptation and innovation have resulted into a larger product range including manufacture of bright trilobal fibre and development of new deniers.

(c) **In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year):**

Technology Imported

From Zimmer AG, Germany for the manufacture of POY through Direct Melt Spinning - Imported in 1995.

From Korea Act Corporation, Korea for the manufacture of Wire Ropes - Imported in 1996.

Has technology been fully absorbed?

Yes

If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action.

Not applicable.

D. **FOREIGN EXCHANGE EARNINGS AND OUTGO**

(a) **Activities relating to exports, initiatives taken to increase export development of new export markets for product services and export plans**

Inspite of depressed market conditions the world over continuous and concentrated efforts were made to maintain the volumes of exports of Polyester Staple Fibre, Textiles, Wire rope has been well accepted in the export market and it is hoped that a substantial part of our production shall be exported.

(b) **Total Foreign Exchange used and earned :**

	Rs.
Used	522,140,480
Earned	1,038,325,565

FORM 'A'

A. POWER AND FUEL CONSUMPTION :

	Current year	Previous year
1. Electricity		
(a) Purchased :		
Units	**156,081,923**	163,850,909
Total Amount (Rs.)	**434,890,251**	402,848,283
Rate/Unit (Rs.)	**2.79**	2.45
(b) Own Generation :		
(i) Through Diesel Generators		
Units	**45,505,327**	42,179,421
Unit per Ltr.of Diesel Oil (Rs.)	**3.46**	3.54
Cost/Unit (Rs.)	**2.44**	2.33
(ii) Through Steam Turbine Generators		
Units	**Nil**	Nil
Unit per Ltr. of Fuel Oil/Gas	**Nil**	Nil
Cost/Unit (Rs.)	**Nil**	Nil
2. Coal (Specify quantity/where used)		
Quantity (tonnes)	**46,580**	45,258
Total Cost (Rs./lacs)	**1,237.72**	1,073.88
Average Rate (Rs.)	**2,657.19**	2,372.80
3. Furnace Oil		
Quantity (K.ltrs.)	**11,982.181**	1,997.434
Total Amount (Rs./lacs)	**789.89**	141.34
Average Rate (Rs.)	**6,592**	7,076
4. LDO/HSD (HTM/BOILER)		
Quantity (ltrs.)	**12,681,088**	18,316,322
Total Amount (Rs./lacs)	**1,029.14**	1,365.19
Average Rate/Ltr.(Rs.)	**8.11**	7.45
5. Other/Internal Generation		
Steam		
Quantity (tonnes)	**99,135**	112,999
Total Cost (Rs.)	**56,469,617**	70,117,096
Rate/Unit (Rs.)	**569.62**	620.51

B. Consumption per unit of production (Rs.)

		Current Year					Previous Year				
Products	Unit	Electricity	Coal	Furnace Oil	Steam	LDO/ HSD	Electricity	Coal	Furnace Oil	Steam	LDO/ HSD
Filament Yarn	Per Kg.	**15.96**	—	**2.27**	**2.14**	**4.26**	13.72	—	—	2.25	4.94
Cloth	Per Mtr.	**1.75**	**0.97**	—	—	—	1.67	0.85	—	—	—
Steel Wires	Per MT	**1843**	**20**	**705**	—	—	1493	20	310	—	—
Cotton Yarn	Per Kg.	**1.87**	—	—	—	—	2.05	—	—	—	—
Polyester Staple Fibre	Per MT	**1850.00**	—	**980**	—	**1270**	1646.86	—	—	—	1544.84

AUDITORS' REPORT

To the Members of JCT Limited

We have audited the attached Balance Sheet of JCT Limited, as at 31st March, 1998 and the Profit and Loss Account for the year ended on that date and report that:

1. (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 the books;

   (c) The report on the Accounts of the Steel Division audited by the branch auditor u/s 228 of the Companies Act, 1956 has been forwarded to us and taken into consideration by us in preparing this report after making such adjustments as we considered appropriate;

   (d) The Balance Sheet and Profit & Loss Account dealt with by the Report are in agreement with the books of account; and

   (e) In our opinion the Profit & Loss Account and Balance Sheet comply with the mandatory accounting standards specified by the Institute of Chartered Accountants of India except as otherwise disclosed in the Notes to Accounts of the Balance Sheet in Schedule No. 'X'.

   (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 Significant Accounting Policies and subject to Note No. (7) and (8) Re: (a) Decline in the value of investments of Rs. 2,002.14 lacs and unsecured loan to the extent of Rs. 1,792.47 lacs considred doubtful of recovery in case of two wholly owned subsidiary companies; (b) certain advances against machinery and other loans and advances amounting to Rs. 39,273.76 lacs to other companies; being considered doubtful of recovery for the present aggregating Rs. 43,068.37 lacs as also certain loans and advances amounting to Rs. 11,372.71 lacs to the said subsidiary companies considered good and not ir-recoverable by the management since they are expected to be recovered/adjusted through the process of restructuring/amalgamation; We have no opinion to express on the above matters; Note No. (11) Re: Non provision of probable loss of investments of Rs. 276 lacs in M/s. India International Airways Ltd.; Note No. (12) Re: Non-provision of interest for the year of Rs. 6,054.60 lacs on certain debentures, loans etc. which is at variance with S.209 of the Companies Act, 1956 but for which the loss for the year would have been higher to that extent; Note No. (13) Re: Non-provision of multi-shift depreciation; and Note No. (14) Re: Capitalisation of post production interest on deferred credits in earlier years; the aggregate impact of which is that the losses for the current year are higher by Rs. 430.36 lacs and its consequential effect on the fixed assets and Reserves and Surplus; Note No. (19) and (20) Re: Non-confirmation/reconciliations of certain loans from Bank(s)/Financial Institution(s)/Body Corporate(s) and impact of the consequential adjustments; and other notes thereon in Schedule No. 'X' give the information as required by the Companies Act, 1956 in the manner so required and give a true and fair view:

      (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 1998; and

      (ii) in the case of the Profit & Loss Account, of the Losses for the year ended on that date.

2. 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 checks, as we considered appropriate, we further state that:

A. (i) The Company has maintained proper records to show the full particulars including quantitative details and situation of its fixed assets. We are informed by the management that the fixed assets of the Company were physically verified during the year under review and no material discrepancies were noticed on such verification.

   (ii) None of the fixed assets has been revalued during the year under review.

   (iii) The stocks of finished goods, stores, spare parts and raw materials of the Company except stocks with third parties have been physically verified by the management in accordance with the perpetual inventory programme, at reasonable intervals.

   (iv) 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.

   (v) The discrepancies noticed on physical verification of stocks as compared to book records which were not material, have been properly dealt with in the books of account.

   (vi) In our opinion, on the basis of our examination of the stock records, the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.

   (vii) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956 and/or from the companies under the same management as defined under Section 370(1-B) of the Companies Act, 1956.

(viii) 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 the companies under the same management as defined under Section 370(1-B) of the Companies Act, 1956.

(ix) Loans and Advances have been granted to the employees from whom instalments towards principal and interest wherever stipulated are being generally regularly recovered.

With regard to other loans and advances except those shown as doubtful, as appearing in the attached Schedule 'H' of 'Loans and Advances' we have to observe that there is no stipulation for recovery of interest free loans/advances given to the undernoted wholly owned subsidiary companies, whose outstanding balances as at 31.3.1998 are as under:

	(Rs. in lacs)
Poly Investments Ltd.	11,631.35
Chohal Investments Ltd.	1,533.83

(x) In our opinion and according to the information and explanations given to us by the management, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of stores, raw materials including components, plant and machinery, equipment and other assets and for the sale of goods.

(xi) We are informed that there are no transactions with any party for the 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 during the year under review.

(xii) As explained to us, the Company has a regular procedure for the determination of unserviceable or damaged stores, raw materials and finished goods which are adjusted in the Accounts on the basis of technical evaluation. Adequate provision has been made in the Accounts for the loss arising on the items so determined.

(xiii) In our opinion and according to the information and explanations given to us by the management, the Company has complied with the provisions of Section 58A of the Companies Act, 1956 and the Rules framed thereunder, with regard to the deposits accepted from the public.

(xiv) In our opinion, reasonable records have been maintained by the Company for the sale and disposal of realisable by-products and scraps.

(xv) In our opinion and according to the information and explanations given to us, the internal audit system is commensurate with the size and nature of the Company's business.

(xvi) We have broadly reviewed the books of account maintained by the Company in respect of the concerned Divisions where Order has been made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records, have been maintained. We have not, however, made a detailed examination of the records.

(xvii) The Provident Fund and Employees State Insurance dues have been regularly deposited by the Company with the appropriate authorities during the year under review.

(xviii) There were no undisputed amounts payable in respect of Income tax, Wealth tax, Sales tax, Custom duty and Excise Duty as on 31st March, 1998 which were outstanding for a period of more than six months from the date they became payable.

(xix) On the basis of our examination, of the books of account of the Company carried out in accordance with generally accepted business practice, we and the branch auditors have not come across any personal expenses which have been charged to Revenue Account. Nor have we been informed of any such expense by the management.

(xx) The Company is not a sick industrial Company, for which a legal opinion has also been obtained by the management, within the meaning of clause (o) of sub section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985

B. In respect of the Company's trading activities, it has been explained to us by the management that the value of damaged goods has been properly determined and accounted for, which was not significant. In respect of service activity in the case of Steel Division, allocation of stores consumed is not made to relative jobs. Further, the said Division does not have a system of allocating man hours utilised to the relative jobs but have a reasonable system of authorisation at proper levels and adequate system of internal control.

For and on behalf of

S. P. Chopra & Co.	Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants	*Chartered Accountants*
Rajiv Gupta	K.N. Gupta
Partner	*Partner*

New Delhi
Dated: 28th November, 1998

BALANCE SHEET
AS AT 31ST MARCH, 1998

	Schedule No.		31.3.1998 Rs.	31.3.1997 Rs.
SOURCES OF FUNDS				
1. SHAREHOLDERS' FUNDS				
(a) Capital	'A'	1,256,000,510		1,256,000,510
(b) Reserves and surplus	'B'	4,811,710,526		6,094,592,050
			6,067,711,036	7,350,592,560
2. LOAN FUNDS				
(a) Secured loans	'C'	5,914,650,023		5,202,437,305
(b) Unsecured loans	'D'	1,308,850,016		1,322,628,176
			7,223,500,039	6,525,065,481
TOTAL			13,291,211,075	13,875,658,041
APPLICATION OF FUNDS				
1. FIXED ASSETS				
(a) Gross block	'E'	9,380,603,850		9,073,356,134
(b) Less : Depreciation		3,103,481,201		2,564,275,602
(c) Net block		6,277,122,649		6,509,080,532
(d) Capital work-in-progress including advances against machinery and civil works (unsecured and including Rs. 1,724,980,000/-; Previous year : Rs. Nil considered doubtful of recovery)		1,800,974,439		2,044,307,402
(e) Machinery-in-transit		234,415,847		1,662,215
			8,312,512,935	8,555,050,149
2. INVESTMENTS	'F'		464,894,318	477,402,318
3. CURRENT ASSETS, LOANS AND ADVANCES				
(A) Current Assets	'G'			
(a) Interest accrued on Investments		70,056		250,835
(b) Inventories		1,127,216,763		1,719,158,145
(c) Sundry Debtors		1,263,811,402		1,438,963,646
(d) Cash and bank balances		96,679,991		139,710,889
(B) Loans and Advances	'H'	3,942,545,043		4,132,528,481
		6,430,323,255		7,430,611,996
Less : CURRENT LIABILITIES AND PROVISIONS				
(a) Current liabilities	'I'	1,859,537,347		2,519,389,869
(b) Provisions	'J'	56,982,086		68,016,553
		1,916,519,433		2,587,406,422
NET CURRENT ASSETS			4,513,803,822	4,843,205,574
Significant accounting policies and notes forming part of the Accounts	'X'			
TOTAL			13,291,211,075	13,875,658,041

S.K. Singhal	R.N. Das	S.C. Saxena	M.M. Thapar	Samir Thapar	V.K. Srivastava
Sr. Vice President (Accounts)	*Sr. Vice President (Finance & Audit)*	*Secretary*	*Managing Director*	*Jt. Managing Director*	A.S. Dugal
					Directors

As per our report of even date attached
For & on behalf of

S.P. CHOPRA & CO.
Chartered Accountants
Rajiv Gupta
Partner

THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants
K.N. Gupta
Partner

New Delhi
Dated : 28th November, 1998