

MD	<input checked="" type="checkbox"/>		BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>		DPY	NA
RO	<input checked="" type="checkbox"/>		DIV	NA
TRA	NA		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		

# ANNUAL REPORT 1997-98

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**JAIPRAKASH**  
INDUSTRIES LIMITED



### Board of Directors

Dr. Jaiprakash Gaur (Chairman)  
 S.K. Jain (Vice-Chairman)  
 Manoj Gaur (Managing Director)  
 Sunil Kumar Sharma (Managing Director)  
 B.M. Agarwal (IFCI Nominee)  
 Ashok Kumar Doda (IDBI Nominee)  
 R.C. Shah  
 Gopi K. Arora  
 B.K. Goswami  
 Suresh Kumar  
 D.G. Kadkade  
 P.K. Jain  
 Dr. Ramesh C. Vaish  
 M.S. Srivastava  
 R.L. Gupta  
 S.D. Nailwal  
 Har Prasad  
 Ranvir Singh

### Company Secretary

Harish K. Vaid  
 [Sr. Vice President (Corp.) & Co.Secy.]

### Auditors

M/s. M.P.Singh & Associates,  
 Lucknow 226001 (U.P.).

### Bankers

American Express Bank Ltd.  
 Bank of Baroda  
 Bank of India  
 Canara Bank  
 Export Import Bank of India  
 Indian Overseas Bank  
 Oriental Bank of Commerce  
 Punjab & Sind Bank  
 Rafidian Bank, Baghdad (Iraq)  
 State Bank of Bikaner & Jaipur  
 State Bank of Hyderabad  
 State Bank of India  
 State Bank of Indore  
 State Bank of Mysore  
 State Bank of Travancore  
 Syndicate Bank  
 Union Bank of India

### Registered Office

5 Park Road, Hazratganj, Lucknow 226001 (U.P.)

### Head Office

'JA House', 63 Basant Lok  
 Vasant Vihar, New Delhi 110057

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## NOTICE

NOTICE is hereby given that the 18th Annual General Meeting of the Members of Jaiprakash Industries Limited will be held on **Tuesday, the 29th September, 1998 at 11.00 A.M. at Hotel Clarks Avadh, Mahatma Gandhi Road, Lucknow 226 001 (U.P.)** to transact the following business:

### ORDINARY BUSINESS

- To receive, consider and adopt the audited Balance Sheet as at 31st March, 1998, the Profit & Loss Account for the period ending on that date and the Reports of Directors and Auditors thereon.
- To appoint a Director in place of Shri R.D. Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Shri R.D. Mahitwal, who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Shri M.S. Srivastava, who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Shri Har Prasad, who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS

To consider and, if thought fit, pass with or without modification(s) the following resolutions:

#### As Ordinary Resolutions:

- "RESOLVED that Shri S.K. Goswami be and is hereby appointed as Director of the Company liable to retire by rotation."
- "RESOLVED that Shri Ranvir Singh be and is hereby appointed as Director of the Company liable to retire by rotation."
- "RESOLVED that pursuant to the provisions of Sections 262, 309, 310 & 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to such other approvals, if and as may be required, the consent and approval of the Company be and is hereby accorded to the re-appointment of Shri Sunil Kumar Sharma as Whole-time Director designated as Managing Director of the Company for a period of 5 years w.e.f. 13th July, 1999 on the terms and conditions as mentioned in Explanatory Statement annexed hereto."  
"RESOLVED further that the Board of Directors of the Company be and is hereby authorised to alter or vary the terms of appointment of the appointee as it may, at its discretion, deem fit from time to time, so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) or any amendments made thereto."
- "RESOLVED that in accordance with the provisions of Sections 198, 309, 310 & 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the increase in remuneration of Dr. Jaiprakash Gaur, Chairman of the Company w.e.f. 1st July, 1993 as set out in the Explanatory Statement annexed hereto."  
"RESOLVED further that the Board of Directors of the Company be and is hereby authorised to alter or vary the terms of appointment of the appointee as it may, at its discretion, deem fit from time to time, so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) or any amendments made thereto."
- "RESOLVED that in accordance with the provisions of Sections 198, 309, 310 & 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the increase in remuneration of Shri S.K. Jain, Vice-Chairman of the Company w.e.f. 1st July, 1998 as set out in the Explanatory Statement annexed hereto."  
"RESOLVED further that the Board of Directors of the Company be and is hereby authorised to alter or vary the terms of appointment of the appointee as it may, at its discretion, deem fit from time to time, so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) or any amendments made thereto."
- "RESOLVED that in accordance with the provisions of Sections 198, 309, 310 & 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the increase in remuneration of Shri Manoj Gaur, Managing Director of the Company w.e.f. 1st July, 1998 as set out in the Explanatory Statement annexed hereto."  
"RESOLVED further that the Board of Directors of the Company be and is hereby authorised to alter or vary the terms of appointment of the appointee as it may, at its discretion, deem fit from time to time, so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) or any amendments made thereto."
- "RESOLVED that in accordance with the provisions of Sections 198, 309, 310 & 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the increase in remuneration of Shri P.K. Jain, Whole-time Director of the Company w.e.f. 1st July, 1998 as set out in the Explanatory Statement annexed hereto."  
"RESOLVED further that the Board of Directors of the Company be and is hereby authorised to alter or vary the terms of appointment of the appointee as it may, at its discretion, deem fit from time to time, so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) or any amendments made thereto."
- "RESOLVED that in accordance with the provisions of Sections 198, 309, 310 & 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the increase in remuneration of

Shri S.K. Mahitwal, Whole-time Director of the Company w.e.f. 1st July, 1998 as set out in the Explanatory Statement annexed hereto."

"RESOLVED further that the Board of Directors of the Company be and is hereby authorised to alter or vary the terms of appointment of the appointee as it may, at its discretion, deem fit from time to time, so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) or any amendments made thereto."

- "RESOLVED that in accordance with the provisions of Sections 198, 309, 310 & 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the increase in remuneration of Shri M.S. Srivastava, Whole-time Director of the Company w.e.f. 1st July, 1998 as set out in the Explanatory Statement annexed hereto."  
"RESOLVED further that the Board of Directors of the Company be and is hereby authorised to alter or vary the terms of appointment of the appointee as it may, at its discretion, deem fit from time to time, so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) or any amendments made thereto."
- "RESOLVED that in accordance with the provisions of Sections 198, 309, 310 & 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the increase in remuneration of Shri Har Prasad, Whole-time Director of the Company w.e.f. 1st July, 1998 as set out in the Explanatory Statement annexed hereto."  
"RESOLVED further that the Board of Directors of the Company be and is hereby authorised to alter or vary the terms of appointment of the appointee as it may, at its discretion, deem fit from time to time, so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) or any amendments made thereto."

By Order of the Board  
For JAIPRAKASH INDUSTRIES LIMITED

MANISH K. VAID

Company Secretary

New Delhi  
Dated: 27th June, 1998

### NOTES

- Relevant explanatory statements pursuant to Section 173(2) of the Companies Act, 1956 in respect of resolutions set out under Item Nos. 7 to 15 is annexed hereto.
- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- All documents referred to in the Notice and accompanying explanatory statements are open for inspection at the Registered Office of the Company every working day, except holidays, between 11.00 A.M. and 4.00 P.M. up to the date of the Annual General Meeting.
- The Register of Members and Share Transfer Books will remain closed from Wednesday, the 10th September, 1998 to Tuesday, the 8th September, 1999 (both days inclusive).
- Members are requested to notify the change in their address to the Company and always quote their Folio Numbers in all correspondence with the Company.
- Any query relating to Accounts must be sent to the company's Registered Office at Lucknow or Corporate Office at New Delhi, at least 7 days before the date of the Meeting.
- The unclaimed dividend for the financial year 1994-95 is due to be transferred to the General Revenue Account of the Central Government in terms of provisions of Section 205A of the Companies Act, 1956 by the 11th November, 1998. Any claim for payment of such unclaimed dividend after the said date should be made by an application in Form II prescribed under the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978, to the Registrar of Companies, U.P., West, 30th Building, Mahatma Gandhi Marg, The West, Kanpur (U.P.). The unclaimed members are being individually informed of the above position.
- With a view to serve the Member better and for administrative convenience, an attempt has been made to consolidate the multiple folios. Members who still holding shares in identical names in more than one folio are requested to write to the Company to enable the Company to consolidate their holdings into one folio.

### EXPLANATORY STATEMENT

Following Explanatory Statements, pursuant to Section 173(2) of the Companies Act, 1956 set out the material facts relating to the business mentioned in the accompanying Notice dated the 27th June, 1998.

#### Item No. 7

Shri B.K. Goswami joined the Board w.e.f. 26th June, 1997 in the casual vacancy caused due to the resignation of Shri D.N. Devar and by virtue of Section 262 (2) of the Companies Act, 1956 read with Article 132 of the Articles of Association of the Company, Shri Goswami holds the office upto the date of the Annual General Meeting. The Company has received notice in writing along with a deposit of Rs 500 from a member of the Company in pursuance of Section 257 of the Companies Act, 1956 signifying his intention to propose the re-appointment of Shri B.K. Goswami for the office of Director.

Shri Goswami, I.A.S., aged about 63 years, having 33 years rich administrative experience and has held various senior positions in the Government of India and as Advisor to the Governor of Jammu & Kashmir. Your Directors feel that the appointment of Shri B.K. Goswami is in the interest of the Company and commend the same for your approval. None of the Directors except Shri B.K. Goswami himself is interested in the said resolution.

#### Item No. 8

Shri Ranvir Singh joined the Board w.e.f. 21st November, 1997 in the casual vacancy caused due to the resignation of Shri S.K. Dixit and by virtue of Section 262 (2) of the Companies Act, 1956



read with Article 132 of the Articles of Association of the Company, Shri Ranvir Singh holds the office upto the date of the Annual General Meeting. The Company has received notice in writing alongwith a deposit of Rs.500 from a member of the Company in terms of Section 257 of the Companies Act, 1956 signifying his intention to propose the candidature of Shri Ranvir Singh for the office of Director.

Shri Ranvir Singh, aged about 33 years, is having fourteen years of specialised experience in execution of major civil works of Hydro-electric Projects. Your Directors feel that the appointment of Shri Ranvir Singh is in the interest of the Company and commend the same for your approval. None of the Directors except Shri Ranvir Singh himself is interested in the said resolution.

#### Item No. 9

Shri Sunil Kumar Sharma was duly appointed as Whole-time Director of the Company for a period of five years w.e.f. 18th July, 1988. His reappointment and remuneration for a further period of five years w.e.f. 18th July, 1993 was duly approved by the shareholders in their meeting held on 27th November, 1993 with revised remuneration payable to the Whole-time Directors w.e.f. 1st January, 1994.

The Board of Directors in their meeting held on 5th February, 1997 redesignated him as Jt. Managing Director. He was further redesignated as Managing Director by the Board on 15th January, 1998.

Since the earlier approvals of the shareholders were valid upto 17th July, 1998, the Board of Directors in their meeting held on 27th June, 1998 decided to reappoint Shri Sunil Kumar Sharma as Whole-time Director designated as Managing Director for a further period of 5 years w.e.f. 18th July, 1998 on the following terms & conditions:-

#### Salary :

Rs.28,000 per month in the pay scale of Rs.25,000-1000-35000.

#### Perquisites:

Perquisites shall be allowed in addition to salary. Perquisites shall be restricted to an amount equal to annual salary or Rs.4,50,000 per annum, whichever is less. Perquisites are classified into 3 categories A, B, & C as under :

#### Category-A

##### (i) Housing

- The expenditure by the Company on hiring furnished accommodation for the appointee will be subject to the following ceilings :  
60% of salary over and above 10% payable by the appointee;
- In case the accommodation is owned by the Company, 10% of the salary of the appointee shall be deducted by the Company; and
- In case no accommodation is provided by the Company, the appointee shall be entitled to house rent allowance subject to the ceiling laid down in (a) above.

#### Explanation :

The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income-tax Rules, 1962 subject to a ceiling of 10% of the salary of the appointee.

##### (ii) Medical Reimbursement

Expenses incurred for the appointee and the family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.

##### (iii) Leave Travel Concession

For the appointee and his family, once in a year incurred in accordance with the rules specified by the company.

##### (iv) Club Fees

Fees of Clubs subject to a maximum of two clubs. This will not include admission and life membership fee.

##### (v) Personal Accident Insurance

Premium not to exceed Rs.4,000 per annum.

#### Explanation :

For the purpose of Category 'A', 'family' means the spouse, the dependent children and dependent parents of the appointee.

#### Category-B

- Contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, Gratuity payable shall not exceed half a month's salary for each completed year of service.
- Eamed leave with full pay and allowances as per the rules of the Company but not exceeding one month's leave for every 11 months of service. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

#### Category-C

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the individual appointee concerned.

Notwithstanding anything stated herein above, where in any financial year, during the currency of tenure of the appointee, the Company has no profits or its profits are inadequate, it may pay to the concerned appointee remuneration by way of salary and perquisites not exceeding the limits specified in Section II of Part II of Schedule XIII of the Companies Act, 1956.

Shri Sunil Kumar Sharma is interested or concerned in the resolution to the extent of his remuneration and perquisites. Further, Dr.Jaiprakash Gaur, Chairman, being relative of Shri Sunil Kumar Sharma is deemed to be interested / concerned in the respective resolution.

The Board of Directors commend the resolution for approval of the shareholders.

This Explanatory Statement together with the accompanying Notice is, and may be, treated as an abstract of terms of appointment and memorandum of interest under Section 302 of the Companies Act, 1956.

#### Item Nos. 10 to 16

The Shareholders of the Company in their meeting held on 27th November, 1993 approved the salaries, pay scales and perquisites of the wholetime Directors of the Company. Since then some of the wholetime Directors have reached at the maximum of their pay scales. As such Board of Directors have in their meeting held on 27th June, 1998 revised the pay scales of the wholetime Directors to be effective from 1st July, 1998 subject to the approval of the shareholders. The details of the pay scales alongwith the salaries fixed in the revised scale effective from 1st July, 1998 are given below :-

Name & Designation	Old pay scale (Rs.)	New pay scale (Rs.)	Salary w.e.f. 1.7.1998 (Rs. Per Month)
Dr. Jaiprakash Gaur, Chairman	30,000 (Fixed)	40,000 (Fixed)	40,000
Shri S.K. Jain Vice-Chairman	25000-1000-29000	25000-1000-35000	30,000
Shri Manoj Gaur Managing Director	22500-1000-26500	25000-1000-35000	28,000
Shri P.K. Jain Whole-time Director	22500-1000-26500	23000-1000-33000	27,000
Shri S.D. Nailwal Whole-time Director	22500-1000-26500	23000-1000-33000	26,000
Shri M.S. Srivastava Whole-time Director	22500-1000-26500	23000-1000-33000	26,000
Shri Har Prasad Whole-time Director	22500-1000-26500	23000-1000-33000	26,000

However, there is no change in the entitlement of perquisites as approved by the shareholders in their Annual General Meetings. As such, in addition to aforesaid salaries, the wholetime Directors shall continue to be entitled to the same perquisites as hitherto, as per details given below :-

#### Perquisites

Perquisites shall be allowed in addition to salary. Perquisites shall be restricted to an amount equal to annual salary or Rs.4,50,000 per annum, whichever is less. Perquisites are classified into 3 categories A, B, & C as under :

#### Category-A

##### (i) Housing

- The expenditure by the Company on hiring furnished accommodation for the appointee will be subject to the following ceilings :  
60% of salary over and above 10% payable by the appointee;
- In case the accommodation is owned by the Company, 10% of the salary of the appointee shall be deducted by the Company; and
- In case no accommodation is provided by the Company, the appointee shall be entitled to house rent allowance subject to the ceiling laid down in (a) above.

#### Explanation :

The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income-tax Rules, 1962 subject to a ceiling of 10% of the salary of the appointee.

##### (ii) Medical Reimbursement

Expenses incurred for the appointee and the family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.

##### (iii) Leave Travel Concession

For the appointee and his family, once in a year incurred in accordance with the rules specified by the company.

##### (iv) Club Fees

Fees of Clubs subject to a maximum of two clubs. This will not include admission and life membership fee.

##### (v) Personal Accident Insurance

Premium not to exceed Rs.4,000 per annum.

#### Explanation :

For the purpose of Category 'A', 'family' means the spouse, the dependent children and dependent parents of the appointee.

#### Category-B

- Contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, Gratuity payable shall not exceed half a month's salary for each completed year of service.
- Eamed leave with full pay and allowances as per the rules of the Company but not exceeding one month's leave for every 11 months of service. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

#### Category-C

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the individual appointee concerned.

Notwithstanding anything stated herein above, where in any financial year, during the currency of tenure of the appointee, the Company has no profits or its profits are inadequate, it may pay to the concerned appointee remuneration by way of salary and perquisites not exceeding the limits specified in Section II of Part II of Schedule XIII of the Companies Act, 1956.

None of the Directors other than the appointees themselves are interested in the said resolutions except Shri Manoj Gaur, who is related to Dr. Jaiprakash Gaur and Shri P.K. Jain, who is related to Shri S.K. Jain.

Your Directors commend the resolution for approval of the shareholders.

The explanatory statement together with the accompanying notice is and may be treated as an abstract of variation in terms of appointment and memorandum of interest under section 302 of the Companies Act, 1956.

**DIRECTORS' REPORT**

To, The Members,

Your Directors present the 15th Annual Report together with the Audited Accounts of the Company for the year comprising nine months ended 31st March, 1998.

**Working Results**

The Working Results of the Company for the year under report are as under :

	(Rs. in lacs)	
	31.03.1998 (9 months)	30.06.1997 (12 months)
Gross Revenue & Other Income	<u>6,45,13</u>	<u>7,68,07</u>
Profit before depreciation & taxation	<u>59,64</u>	<u>62,23</u>
Less :		
- Depreciation	<u>33,29</u>	<u>34,42</u>
Profit before taxation	<u>20,35</u>	<u>27,81</u>
Less :		
- Provision for taxation	<u>3,94</u>	<u>2,94</u>
Profit after taxation	<u>16,41</u>	<u>24,87</u>
Add :		
- Profit brought forward	3,15,08	3,00,17
- Investment allowance		
Reserve written back	18,05	29
- Foreign Project reserve written back	—	3,33,14
	<u>3,33,14</u>	<u>3,50</u>
Profit available for appropriation	<u>3,48,55</u>	<u>3,28,83</u>
Less :		
Transferred to :		
- Debenture Redemption Reserve	<u>23,74</u>	<u>13,74</u>
Balance Carried to Balance Sheet	<u>3,23,81</u>	<u>3,15,09</u>

**Dividend**

Keeping in view the need to conserve the Company's resources and to meet the enhanced working capital requirements, your Directors are constrained not to recommend any dividend for the year under report.

**Share Capital**

During the year under report, your Company released and allotted 300 equity shares of Rs.10 each against the entitlement of the respective shareholders which were kept in abeyance in terms of Section 206A of the Companies Act, 1956.

**OPERATIONS****a) ENGINEERING DIVISION**

The performance of your Company in the execution of Nathpa Jhakri Hydro-Electric Project in Himachal Pradesh has earned high praise from the World Bank and the Panel of Experts appointed by the Government of India. About 74% of the work (Contract Value Rs.475 Crores) has already been completed. The work of Indira Sagar (Narmada) Hydro-Electric Project in Madhya Pradesh (Contract Value Rs.258 Crores) is progressing, but the stalemate at the Sardar Sarovar (Narmada) Hydro-Electric Project continues. The issue pertaining to the resettlement of people from the submerged areas, which had been referred to the Supreme Court is still to be settled.

The Power Purchase Agreement for 300 MW Baspa-II Hydro-electric Project between the Owner Jaiprakash Hydro-Power Limited and the State Government of Himachal Pradesh was signed in June, 1997. Due to a cloud burst in August, 1997, about 3 Km length of the National

Highway NH 22 leading to the Project site in Kinnaur District was submerged. Normal traffic has still not been restored. Notwithstanding this serious set back, your Company recommenced the work and managed to complete about 50% of the civil works. As soon as the normal road communications are restored, the work progress will further improve on this Rs.503 Crore contract.

The work of the 260m high Tehri Rock fill Dam is progressing steadily. We are proceeding with the Rs.800 Crore contract cautiously in the face of agitations from the affected population in the submergence areas, which is resisting land acquisition for the work.

Implementation of two Contracts for execution of the balance civil works of Dul-Hasti Hydro-Electric Project in J&K State, which were awarded to the Joint Venture of your Company with M/s STATKRAFT ANLEGG AS of Norway (with your Company as the JV Leader having 98% participation) at a Contract Value of Rs.753 Crores is progressing satisfactorily in respect of all components except the Head Race Tunnel, where adverse ground conditions have hampered the work progress.

Your Company in consortium with M/s SNC-LAVALIN of Canada is hopeful to bag the contract for turnkey construction of Chamara-II Hydro-Electric Project (300 MW) in Himachal Pradesh.

Your Company has been entrusted with the civil and hydro-mechanical works of 400 MW Vishnu Prayag Hydro-Electric Project at a Contract Value of Rs.664 Crores. Mobilisation is in progress and preliminary / enabling works are being carried out for creating the infrastructure for execution of the Project.

As regards the damages payable to the Company due to Gulf war and subsequent events in respect of company's works in Iraq, the client has agreed to pay Iraqi Dinar 21,753,602 equivalent to USD 69,804,595 in foreign currency on mutually agreed terms after lifting of embargo on Iraq and a sum of Iraqi Dinars 20,738,457 to be paid in local currency after formal approval of the agreement by Presidential Secretariat.

**b) CEMENT DIVISION**

The Production and Sales from Jaypee Rewa Cement during July'97 to March'98 are :

Clinker	1,207,522 MT
Cement	1,350,068 MT
Cement Sales	1,353,438 MT

The capacity utilisation during the period July'97 to March'98 was 72% as compared to 71.19% during the previous year (12 months).

Lower capacity utilisation in 1997-98 is mainly due to continued depressed cement market scenario in the whole country, particularly in the states of U.P., M.P. & Bihar which form the natural marketing zone of the Company.

While cement market remained sluggish during the year, the input costs have gone up substantially, due to which there had been an increase of 6.98% in the electricity energy cost and about 1.52% in the coal cost during 1997-98 as compared to previous year.

In this regard Plant Operational Audit for reduction in energy consumption was conducted by M/s. Holtec Consulting Pvt Ltd. and their recommendations are being implemented in phased manner for reduction in power consumption per ton of cement produced.

**c) HOTEL DIVISION**

The deluxe holiday resort - The Residency Manor - at Mussoorie is being run by Jaypee Hotels Limited under a management lease as approved by the shareholders. Necessary steps are being taken to hive off the said holiday resort to a new Company in accordance with the approval of the shareholders.



#### d) HYDRO-POWER DIVISION

##### 1. Vishnu Prayag Hydro-electric Power Project (400 MW)

During the year under report, in accordance with the approval of the shareholders and all other requisite approvals including those of the Financial Institutions and the Central Government, the Company's 400 MW Vishnu Prayag HEP was hived off to M/s Jaiprakash Power Ventures Limited (JPVL) against an aggregate consideration of Rs.14,37,00,000 settled through allotment of 1,43,70,000 Equity Shares of Rs.10/- each at par for consideration other than cash. The said JPVL has thus become subsidiary of your Company.

##### 2. Karcham Wangtoo Hydro-electric Power Project (1000 MW)

In terms of Memorandum of Understanding (MOU) signed with the Government of Himachal Pradesh (GOHP), a Detailed Project Report (DPR) for this Project was submitted to the Government of Himachal Pradesh and Central Electricity Authority (CEA) in February, 1996. On the basis of this report, an In-Principle clearance to the Project had been obtained from CEA on 30th March, 1996. The DPR is under examination and detailed scrutiny by GOHP and CEA is in progress. The matter is being pursued with GOHP to conclude a Project Implementation Agreement at an early date.

#### Out-look

The Company is currently executing Contracts worth about Rs.4,000 Crores on the order book of its Engineering Division, besides new works in the pipeline. With the Company's emphasis on the Hydro-electric Projects and expected improvement in Cement Industry, the future outlook is expected to reflect marked improvement in the coming years.

#### Directorate

S/Shri R.L.Gupta, S.D.Nailwal, M.S.Srivastava, Har Prasad retire by rotation at the Annual General Meeting and being eligible, offer themselves for re-appointment.

S/Shri B K Goswami and Ranvir Singh, who were appointed as Directors in the casual vacancies caused due to the resignations of Shri D.N.Davar and Shri S.K.Dixit w.e.f. 26th June, 1997 and 21st November, 1997 respectively hold the office of the Director till the Annual General Meeting and being eligible, offer themselves for re-appointment as Directors of the Company.

Shri Sunil Kumar Sharma was appointed as Wholetime Director of the Company with the approval of shareholders for a period of five years w.e.f. 18th July, 1993. As reported earlier, he was designated as Jt. Managing Director w.e.f. 5th February, 1997 and Managing Director w.e.f. 15th January, 1998. The Board has recommended his re-appointment for another term of five years w.e.f. 18th July, 1998 on the terms and conditions as given in the resolution proposed for your approval in the Annual General Meeting.

Further, the Board of Directors have designated Dr. Jaiprakash Gaur as Chairman, Shri S.K. Jain as Vice Chairman on their existing terms with substantial powers of Management of the affairs of the Company continuing to vest with Shri Jaiprakash Gaur as wholetime Chairman, as hitherto.

#### Subsidiary Company

The statement as required under Section 212 of the Companies Act, 1956 in respect of Jaiprakash Hydro-Power Limited, Bela Cement Limited

and Jaiprakash Power Ventures Limited which are subsidiary companies of your Company, is attached alongwith audited Balance Sheets of the said Companies as at 31st March, 1998.

#### Deposits

The Fixed Deposits collected from the shareholders and the public as on 31st March, 1998 aggregate Rs.3,23,14,000. The deposits of Rs.8,42,000 due for repayment at the close of the Financial Year remained unclaimed by the Depositors as on 31st March, 1998 out of which Rs.4,02,000 have been claimed for payment / renewal till date.

#### Particulars of Employees

A statement showing the particulars of employees pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended vide Notification No. 752(E) dated 17.10.1994 is annexed and forms an integral part of this Report.

#### Particulars of Energy Conservation etc.

Particulars with respect to conservation of energy as per Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 1998 are annexed to this Report.

#### Industrial Relations

The industrial relations continued to be cordial throughout the year. Your Directors wish to place on record their sincere appreciation for the excellent team work with which the workers and officers of the Company at all levels contributed to the satisfactory performance at all work sites / plant of the Company.

#### Notes on Accounts

The observations of Auditors and notes on accounts are self-explanatory.

#### Auditors

M/s. M.P. Singh & Associates, Chartered Accountants, Auditors of the Company retire at the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment.

#### Appreciation

Your Directors wish to place on record their gratitude to the Departments and Undertakings of the Central and State Governments, All India Financial Institutions, namely, The Industrial Finance Corporation of India Ltd., Industrial Development Bank of India, The Industrial Credit & Investment Corporation of India Limited, Industrial Investment Bank of India, Export-Import Bank of India, Tourism Finance Corporation of India Ltd., Unit Trust of India, LIC, GIC & its subsidiaries, and Consortium of Banks for their valuable cooperation and assistance.

Your Directors also wish to place on record their appreciation of the wholehearted and continued support extended by the Shareholders & Investors, which had always been a source of strength for the Company.

On behalf of the Board

New Delhi  
27th June, 1998

JAIPRAKASH GAUR  
Chairman



**ANNEXURE TO THE DIRECTORS' REPORT**

INFORMATION IN PURSUANCE TO SUB-SECTION 2-A OF SECTION 217 OF THE COMPANY'S ACT, 1956 IS GIVEN BELOW

Name of Employees, Designation/Nature of Duties, Gross Remuneration (Rs.), Qualification, Age (in years), Total Experience (in years), Date of commencement of Employment, Previous Employment

(A) Employed throughout the year and in receipt of remuneration aggregating Rs. 3,00,000/- or more (Rs. 2,25,000 for S. Anandha)

- \* Dr. Jaiprakash Gaur, Chairman, Rs. 2,00,657, Dip. in Civil Engg., Roorkee, 67/47, 01.01.1983, Jaiprakash Associates Pvt. Ltd.
- \* Shri S.K. Jain, Vice Chairman, Rs. 4,71,942, B.Sc., 61, 40, 01.01.1986, Jaiprakash Associates Pvt. Ltd.
- \* Shri S.K. Sharma, Managing Director, Rs. 4,38,181, B.Sc., 38, 20, 01.01.1983, Jaiprakash Associates Pvt. Ltd.
- \* Shri Manoj Gaur, Managing Director, Rs. 4,45,361, B.E. (Civil) (Hons.), 34, 10, 01.11.1985, First Employment
- \* Shri R.K. Jain, Director, Rs. 4,36,184, M.A., 50, 28, 01.01.1986, Jaiprakash Associates Pvt. Ltd.
- \* Shri S.D. Nallwal, Director, Rs. 4,08,567, B.A.(Com.), F.C.S., 51, 33, 01.07.1976, Jaypee Hotels Limited.
- \* Shri K.S. Silvastava, Director, Rs. 4,06,791, B.Sc., B.E. & M.E., 57, 36, 01.01.1986, Jaiprakash Associates Pvt. Ltd.
- \* Shri Har Prasad, Director, Rs. 4,20,384, B.Tech. (Hons.) Civil Engg., 62, 37, 01.01.1986, Jaiprakash Associates Pvt. Ltd.
- \* Shri Rajender Singh, Adviser, Rs. 4,32,572, Self acquired experience in heavy machinery, 32, 50, 01.01.1986, Jaiprakash Associates Pvt. Ltd.
- \* Shri K.V. Subramanian, Joint President, Rs. 2,41,804, B.E.(Chem.), 58, 43, 01.01.1988, Jaiprakash Associates Pvt. Ltd.
- \* Shri R.K. Jain, Sr.VP, Rs. 2,27,365, B.Tech(Hons), F.I.E., 60, 37, 01.01.1986, Jaiprakash Associates Pvt. Ltd.
- \* Brig J.B. Ahlawalia, Chief of Project, Rs. 2,38,968, B.A., M.I.E.(Civil), 69, 66, 01.01.1988, Jaiprakash Associates Pvt. Ltd.
- \* Shri S. Ramachandran, VP (Procurement), Rs. 2,26,424, B.E.(Mech.), 58, 36, 19.09.1989, S.V. Sundaram Industries
- \* Shri Harish K. Vaid, Sr.VP (Corp.) & Co.Secy., Rs. 2,27,620, B.Com., D.C.P., LL.B., F.C.S. AIAM, 44, 26, 01.01.1988, Jaiprakash Associates Pvt. Ltd.
- \* Shri S.P. Kundra, S.V.P, Rs. 2,45,360 B.E.(Civil), 72, 41, 01.01.1986, Jaiprakash Associates Pvt. Ltd.
- \* Shri K.B. Agarwal, Civi (Taxation), Rs. 2,25,492, B.Com., A.C.A., 57, 33, 07.07.1986 Swadachi Cotton Mills Co. Ltd.
- \* Shri Ashok K Sharma, Vice President, Rs. 2,32,274, Intermediato, 44, 24, 01.01.1985, Jaypee Technical Consultants Pvt. Ltd.
- \* Shri Yrondar Selhi, President, Rs. 257,485, B.E. (Civil) M.I.E., 60, 39, 01.01.1986, Jaiprakash Associates Pvt. Ltd.
- \* Shri K.P. Sharma, Sr.VP, Rs. 3,05,525, Diploma in Civil, 48, 26, 01.01.1986, Jaiprakash Associates Pvt. Ltd.
- \* Shri Ram Bahadur Singh, Sr.VP, Rs. 2,56,225, Chartered Accountant, 48, 25, 05.07.1993, Tishri Hydro-Electric Development Corporation Limited.
- \* Shri Vijay Mitra, CM, Rs. 2,27,684, B.Com., 43, 21, 16.01.1987, Siddhartha Hotel

(B) Employed for part of the year and in receipt of remuneration aggregating Rs. 85,000/- or more per month

- \* Shri Suresh Kumar, Director, Rs. 3,40,161, B.E. (Civil), 58, 36, 01.12.1994, Jaypee Hotels Limited.
- \* Shri Atal Bihari Kaushal, Jr. President, Rs. 1,13,403, B. Sc. (Engg.), 58, 32, 08.12.1997, Cement Corporation of India

**Notes :**

- The date of commencement of employment in respect of the employees of the Amalgamating Company Jaiprakash Associates Pvt. Ltd. as given in the above statements is the effective date of amalgamation i.e. 1.1.86. However, their length of service with the amalgamating Company stands protected by the Schemes of Amalgamation.
- Gross remuneration in India salary, house rent, bonus / incentive and other perks like medical reimbursement, leave travel assistance, company's contribution towards provident fund etc.
- All appointments are in terms of respective letters of appointment and applicable company's rules and regulations except in the cases marked (\*) who are whole-time Directors.
- None of the employees mentioned in the list is a relative of any Director of the Company except S/Shri Manoj Gaur, Pund Kumar Sharma, who are relatives of Dr Jaiprakash Gaur and Shri R.K. Jain, who is a relative of Shri S.K. Jain.

**THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1993****(A) CONSERVATION OF ENERGY**

- The Energy Conservation Committee meets every week to discuss the steps to save energy.
- Steps taken on regular basis to reduce plug / loose air in circuit to save energy.
- Auto Resettable Regulator (ORF) installed for Cooler ID Fan Speed control to save electrical energy.

**(B) TECHNOLOGY ABSORPTION**

N/A

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

(Particulars of Foreign Exchange earnings and outgo are given in Schedule B) Notes to the Accounts - under Note No. 17.

**FORM A**

(Form for disclosure of particulars with respect to conservation of energy)

**A: POWER & FUEL CONSUMPTION**

	CURRENT YEAR 31.03.98 (9 MONTHS)	PREVIOUS YEAR 30.06.97
<b>ELECTRICITY</b>		
(A) PURCHASED		
UNITS (KWH)	112452694	147139112
TOTAL AMOUNT RS.	484816218	571049311
RATE PER UNIT RS.	3.87	3.88

**(C) OWN GENERATION**

(i) THROUGH DIESEL GENERATION	UNITS (KWH)	77810900
UNITS PER TONNE OF DIESEL FURNACE OIL (KWH)	174	3.54
COST PER UNIT (RS.)	4.22	3.42

**II COAL**

QUALITY	GRADE SLACK- FG & 10"	GRADE SLACK- C & D
WHERE USED	-CALCULUS of RAW MEAL	-CALCULUS of RAW MEAL
QUANTITY USED (MT)	255280.00	342341.00
TOTAL COST	58809912	68272836
AVERAGE RATE PER MT/RS.	149.60	1460.36

**III FURNACE OIL**

N/A

N/A

**IV OTHERS/INTERNAL****GENERATION**

N/A

N/A

**D: CONSUMPTION PER UNIT OF PRODUCTION**

PRODUCT	CEMENT	CEMENT
UNIT	RS.	RS.
ELECTRICITY (KWH)	124.67	110.75
FURNACE OIL	N/A	N/A
COAL PER MT OF CLINKER	0.563	0.170
COAL QUALITY		
-AVERAGE ASH CONTENTS (%)	15.24	23.40
-AVERAGE CALORIFIC VALUE (KCAL/Kg)	1008	4090
-OTHERS		



## AUDITORS' REPORT

TO,  
THE MEMBERS OF  
JAIPRAKASH INDUSTRIES LIMITED

We have audited the attached Balance Sheet of M/s Jaiprakash Industries Limited as at 31st March, 1998 and the annexed Profit and Loss Account for the period from 1st July, 1997 to 31st March, 1998, and report that:

- (1) As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- (2) Further to our comments in the Annexure referred to in paragraph 1 above:
  - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account have been kept by the Company as required by law so far as appears from our examination of those books;
  - (c) The Balance Sheet and Profit & Loss Account referred to in this report, are in agreement with the books of account;
  - (d) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, subject to:
    - i) Note No.1(e), in respect of disputed Electricity Duty on captive generation amounting to Rs.5,10,73,641/-;
    - ii) Note No.1(f), regarding disputed Sales Tax demand on packing material amounting to Rs.46,32,449/-;
    - iii) Note No.1(g), regarding disputed Excise demand amounting to Rs.3,60,31,778/-; and
    - iv) Note No.1(h), regarding disputed U.P. Trade Tax demands for the F.Y. 1991-92 Rs.3,44,27,115/-, F.Y. 1992-93 Rs. 22,47,13,660/-, F.Y. 1993-94 Rs.20,96,76,425/-, F.Y. 1994-95 Rs.12,45,45,949/- and F.Y. 1995-96 Rs.28,88,47,708/- of Schedule "R" attached to the Annual Accounts, read together with significant accounting policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
      - (i) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 1998 and
      - (ii) in the case of Profit & Loss Account, of the Profit of the Company for the period from 1st July, 1997 to 31st March, 1998.

For M.P. SINGH & ASSOCIATES  
Chartered Accountants

Place : New Delhi  
Dated : 27th June, 1998

M.P. SINGH  
Partner

## ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 1 of our report of even date on the accounts for the period from 1st July, 1997 to 31st March, 1998, of Jaiprakash Industries Limited.

- (1) The Company is maintaining a register showing full particulars including quantitative details of the Fixed Assets held by the Company. The situation of the movable assets of the Engineering Division used in the construction activity keep on changing from works sites depending upon requirements for a particular contract. A substantial portion of the Fixed Assets have been physically verified by the management during the period and to the best of our knowledge and information given to us, no serious discrepancies have been noticed on such physical verification.
- (2) The Fixed Assets of the Company have not been revalued during the period.
- (3) The stocks of finished goods, stores, spare parts, raw materials and other construction materials of the Company in its possession have been physically verified by the management at reasonable periods. Materials in the possession and custody of third parties for job works and stock-in-transit as at 31st March, 1998 have been verified by the management with reference to confirmations or statements of account or correspondence of the third parties or subsequent receipt of goods.
- (4) The procedures for physical verification of stocks followed by the Management are reasonable and adequate in relation to size of the Company and the nature of its business.
- (5) The discrepancies noticed on physical verification of stocks as compared to book records were not material and these have been properly dealt with in the books of account.
- (6) On the basis of our examination of the valuation of stocks, we are of the opinion that such valuation is fair and proper and in accordance with

the normally accepted accounting principles and is on the same basis as in the earlier years.

- (7) The Company has not taken any loan, secured or unsecured, from Companies as listed in the register maintained under Section 301 of the Companies Act, 1956. The Company has not taken any loan, secured or unsecured, from any Company under the same management within the meaning of Section 370(1B) of the Companies Act, 1956.
- (8) Where the Company has granted unsecured loans to Companies listed in the register maintained under Section 301 of the Companies Act, 1956, the terms and conditions of such loans are not prima-facie prejudicial to the interest of the Company. The Company has granted interest-free loans to its Subsidiary Companies, namely, Bela Cement Limited and Jaiprakash Power Ventures Limited. The Company has not granted any loan, secured or unsecured, to a Company under the same management within the meaning of Section 370(1B) of the Companies Act, 1956.
- (9) The parties, including employees, to whom loans, or advances in the nature of loans have been given by the Company, are repaying the principal amounts as per stipulation, wherever such stipulation exists, and are also regular in the payment of interest, wherever applicable.
- (10) 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.
- (11) In our opinion and according to the information and explanations given to us the transactions for civil work contracts and hiring of machinery/vehicles, and for sale of goods made in pursuance of contracts/arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 and aggregating during the period to Rs. 50,000/- or more in respect of each party have been accepted at prices which are reasonable having regard to the prevailing market rates for such goods and/or services at which transactions for similar goods/services have been made with the other parties.
- (12) The Company has a regular procedure for the determination of unserviceable or damaged stores, raw materials, packing materials and finished goods and necessary adjustments for the loss have been made in the accounts.
- (13) The Company has complied with the provisions of Section 58A of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975, with regard to the deposits accepted by the Company.
- (14) Reasonable records have been maintained by the Company for the sale and disposal of significant realisable scraps. The Company has no by-products.
- (15) The Company has an internal audit system commensurate with its size and nature of its business.
- (16) We have broadly reviewed the accounts and cost records maintained by the Company in respect of its Cement Division pursuant to the Rules 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.
- (17) Provident Fund and ESI dues have been regularly deposited during the period with appropriate authorities and there were no arrears of such dues at the end of period.
- (18) According to the information and explanations given to us, there were no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty which have remained outstanding, as at 31st March, 1998, for a period of more than six months from the date they became payable.
- (19) During the course of our examination of the books of account, we have not come across any personal expenses which have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
- (20) The Company is not a sick industrial company within the meaning of clause (o) of sub-section (1) of Section 3 of Sick Industrial Companies (Special Provisions) Act, 1985.
- (21) The Company has a proper system of recording receipts, issues and consumption of materials, stores and components, authorisation at proper levels at each work site with necessary control on the issue of stores and allocation of labour to each contract, at each worksite. Separate set of books are maintained, to suit the size and nature of its business.

For M.P. SINGH & ASSOCIATES  
Chartered Accountants

Place : New Delhi  
Dated : 27th June, 1998

M.P. SINGH  
Partner




**BALANCE SHEET**  
**AS AT 31ST MARCH, 1998**

	SCHEDULE	1997-98 Rs. IN LAKHS	1996-97 Rs. IN LAKHS
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS FUNDS</b>			
Share Capital	A	1,57,61	1,57,61
Reserves and Surplus	B	<u>7,00,67</u>	<u>6,84,26</u>
		8,56,28	8,41,87
<b>LOAN FUNDS</b>			
Secured Loans	C	11,06,86	9,48,02
Unsecured Loans	D	<u>1,16,59</u>	<u>1,36,08</u>
		12,27,35	10,85,40
<b>TOTAL FUNDS EMPLOYED</b>		<b>20,85,83</b>	<b>19,27,27</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	E	11,27,43	11,02,03
Less: Depreciation		<u>3,55,34</u>	<u>3,20,66</u>
<b>NET BLOCK</b>		<b>7,67,59</b>	<b>7,81,22</b>
Capital Work-in-Progress		<u>22,07</u>	<u>19,85</u>
		7,89,66	8,00,57
<b>INVESTMENTS</b>	F	<b>3,42,47</b>	<b>2,33,60</b>
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Inventories	G	1,63,47	1,44,06
Sundry Debtors		4,80,34	4,15,66
Cash and Bank Balances		1,87,73	1,83,24
Other Current Assets		80,62	88,27
Loans & Advances		<u>4,57,31</u>	<u>4,81,09</u>
		14,10,57	12,92,42
<b>LESS: CURRENT LIABILITIES &amp; PROVISIONS</b>			
Current Liabilities	H	4,31,38	3,98,07
Provisions		<u>3,45</u>	<u>5,58</u>
		4,34,83	4,04,65
<b>NET CURRENT ASSETS</b>		<b>3,48,43</b>	<b>8,88,07</b>
<b>MISCELLANEOUS EXPENDITURE</b>	I	<b>4,27</b>	<b>5,03</b>
<b>TOTAL APPLICATION OF FUNDS</b>		<b>20,85,83</b>	<b>19,27,27</b>
Accounting Policies and Notes to the Accounts	J		

As per our report of even date  
attached to the Balance Sheet

For M.P. SINGH & ASSOCIATES  
Chartered Accountants

M.P. SINGH  
Partner

SUNIL KUMAR SHARMA  
Managing Director

For and on behalf of the Board

JAIPRAKASH GAUR  
Chairman

MANOJ GAUR  
Managing Director

Place : New Delhi  
Dated : 27th June, 1998

I.N. DUBE  
Sr. Vice-President  
(Accounts & Taxation)

HARISH K. VAID  
Sr. Vice-President (Corp.) &  
Company Secretary

S.D. NAILWAL  
Director