

ANNUAL REPORT 1999-2000



Board of Directors

Jaiprakash Gaur (Chairman)
 S.K. Jain (Vice-Chairman)
 Manoj Gaur (Managing Director)
 Sunil Kumar Sharma (Managing Director)
 B.M. Agarwal (IFCI Nominee)
 M.M. Haque (IDBI Nominee)
 Sandeep Bakhshi (ICICI Nominee)
 Gopi K. Arora
 B.K. Goswami
 Suresh Kumar
 Sunny Gaur
 P.K. Jain
 M.S. Srivastava
 R.L. Gupta
 S.D. Nailwal
 Har Prasad
 Ranvir Singh

Company Secretary

Jarish K. Vaid
 [Joint President (Corporate Affairs)
 & Company Secretary]

Auditors

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

Bankers

American Express Bank Ltd.
 Bank of Baroda
 Bank of India
 Canara Bank
 Central Bank of India
 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 110 057

CONTENTS	Page No.
JAIPRAKASH INDUSTRIES LTD.	
Notice	1-2
Directors' Report	3-5
Auditors' Report	6
Balance Sheet	7
Profit & Loss Account	8
Schedules (A-Q)	9-15
Part IV of Schedule-VI	16
Cash Flow Statement	16
Statement Under Section 212	17
JAIPRAKASH HYDRO-POWER LTD.	
Directors' Report	18
Auditors' Report	19
Balance Sheet	19
Statement of Incidental Expenditure	19
Schedules (A-G)	20-21
Part IV of Schedule - VI	21
JAIPRAKASH POWER VENTURES LTD.	
Directors' Report	22
Auditors' Report	22
Balance Sheet	23
Statement of Incidental Expenditure	23
Schedules (A-F)	23-24
Part IV of Schedule-VI	24
Proxy and Attendance Slip	

NOTICE

NOTICE is hereby given that the 17th Annual General Meeting of the Members of Jaiprakash Industries Limited will be held on **Wednesday, the 27th September, 2000 at 11.00 A.M. at Hotel Taj Residency, Gomti Nagar, Lucknow 226001 (U.P.)** to transact the following business:

Ordinary Business

- To receive, consider and adopt the audited **Balance Sheet as at 31st March, 2000**, the Profit & Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
- To appoint a Director in place of **Shri Manoj Gaur**, who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a Director in place of **Shri P K Jain**, who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a Director in place of **Shri Gopi K Arora**, who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a Director in place of **Shri R L Gupta**, 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, to pass with or without modification(s) the following resolutions:

As ordinary resolutions:

- "RESOLVED that **Shri Sunny Gaur** be and is hereby appointed a Director of the Company liable to retire by rotation."
- "RESOLVED that in accordance with the provisions of Sections 198, 309, 310 & 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) 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 increase in remuneration of **Shri Jaiprakash Gaur**, Chairman of the Company w.e.f. 1st April, 2000 as set out in the Explanatory Statement annexed hereto."
"RESOLVED FURTHER that pursuant to Section 198 and all other applicable provisions of the Companies Act, 1956, the remuneration as set out in the enclosed Explanatory Statement be paid as minimum remuneration to **Shri Jaiprakash Gaur** notwithstanding that in any financial year of the Company during his tenure as Chairman, the Company has made no profits or profits are inadequate."
"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, including relating to remuneration, as it may, at its discretion, deem fit from time to time, so as not to exceed the limits specified in Schedule XI 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 pursuant to Sections 269, 309, 198, 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 appointment of **Shri M S Srivastava** as Whole-time Director of the Company for a period of 5 years w.e.f. 1st July, 2000 on the remuneration and terms & conditions mentioned in the Explanatory Statement annexed hereto."
"RESOLVED FURTHER that pursuant to Section 198 and all other applicable provisions of the Companies Act, 1956, the remuneration as set out in the enclosed Explanatory Statement be paid as minimum remuneration to **Shri M S Srivastava** notwithstanding that in any financial year of the Company during his tenure as Whole-time Director, the Company has made no profits or profits are inadequate."
"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, including relating to remuneration, 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 pursuant to Sections 269, 309, 198, 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 appointment of **Shri Har Prasad** as Whole-time Director of the Company for a period of 5 years w.e.f. 1st July, 2000 on the remuneration and terms & conditions mentioned in the Explanatory Statement annexed hereto."
"RESOLVED FURTHER that pursuant to Section 198 and all other applicable provisions of the Companies Act, 1956, the remuneration as set out in the enclosed Explanatory Statement be paid as minimum remuneration to **Shri Har Prasad** notwithstanding that in any financial year of the Company during his tenure as Whole-time Director, the Company has made no profits or profits are inadequate."
"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, including relating to remuneration, 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 pursuant to Sections 269, 309, 198, 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 appointment of **Shri S D Nallwat** as Whole-time Director of the Company for a period of 5 years w.e.f. 1st July, 2000 on the remuneration and terms & conditions mentioned in the Explanatory Statement annexed hereto."

"RESOLVED FURTHER that pursuant to Section 198 and all other applicable provisions of the Companies Act, 1956, the remuneration as set out in the enclosed Explanatory Statement be paid as minimum remuneration to **Shri S D Nallwat** notwithstanding that in any financial year of the Company during his tenure as Whole-time Director, the Company has made no profits or profits are inadequate."

"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, including relating to remuneration, 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 the consent of the Company be and is hereby accorded in terms of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Company to mortgage and/or charge, subject to the existing charges, immovable and movable properties of the Company wheresoever situate, present and future, in such manner as may be decided in consultation with the term lending Institutions/Banks to or in favour of the Trustees for the Debenture-holders in respect of the Non-Convertible Secured Redeemable Debentures privately placed with Unit Trust of India (UTI),

to secure :

(a) An amount in the aggregate not exceeding Rs. 10 Crores (Rupees Ten Crores only) subscribed for the 15% Non-Convertible Debentures by private placement by UTI of the Company,

(b) The interest, compound/additional interest, commitment charges, expenses and all other monies payable by the Company to the Debenture-holders / Trustees in terms of their respective letters of sanction/ memorandum of terms and conditions entered into by the Company in respect of the said debentures."

- "RESOLVED that the consent of the Company be and is hereby accorded to the Board of Directors of the Company in terms of Section 293(1) (a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgaging and/or charging of, subject to the existing charges, such immovable and movable properties of the Company as may be required by the Financial Institutions, Banks and/or conferring power to enter upon and take possession of the assets of the Company in certain events to or in favour of Industrial Development Bank of India (IDBI) in connection with Rupee Term Loan not exceeding Rs 70 crores (Rupees Seventy Crores only) lent and advanced / agreed to be lent and advanced by IDBI to the Company for the purpose of meeting part of the shortfall in the over all projected cash flow of the Company."

"RESOLVED FURTHER that the mortgage/charge created/to be created and/or all agreements / documents executed / to be executed and all acts done in terms of the above resolution by and with the authority of the Board of Directors be and are hereby confirmed and ratified."

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to finalise with the aforesaid lending Institutions / Banks the documents for creating the aforesaid mortgage and / or charges and to do all such acts and things as may be necessary for giving effect to this resolution."

As special resolution:

- "RESOLVED that pursuant to Section 314 (1B) of the Companies Act, 1956, the Company hereby accords its consent, subject to the approval of the Central Government, to **Shri G. P. Gaur, Shri D.C. Sharma, Shri Samir Gaur, Shri Rahul Kumar, Shri Ranvijay Singh, Shri Praveen Kumar Singh, Shri Naveen Kumar Singh, Mrs. Rekha Dixit & Mrs. Jaya Singh**, relatives of the Directors of the Company, for holding and continuing to hold office or place of profit under the Company at a monthly remuneration as mentioned in the explanatory statement together with the usual allowances and benefits, amenities and facilities including accommodation, medical facilities, leave travel assistance, personal accident insurance, superannuation fund, retiring gratuity and provident fund benefits applicable to other employees occupying similar post or posts within the same salary scale or grade, with authority to the Board of Directors to sanction at their discretion increment within the grade as they may deem fit and proper and to sanction at their discretion and in due course, promotion to the next higher grade or grades together with the usual allowances and benefits as applicable to such grade or grades and to give increments within that grade or grades as they may deem fit and proper."

"RESOLVED FURTHER that remuneration payable to the incumbents as aforesaid will be subject to such modification(s) as the Central Government may suggest or require which the Directors are hereby authorised to accept on behalf of the Company and which may be acceptable to the incumbents and are not less favourable to the Company."

By Order of the Board
For JAIPRAKASH INDUSTRIES LIMITED

HARISH K. VARD

Jt. President (Corporate Affairs) &
Company Secretary

Place : New Delhi

Dated : 27th June, 2000

NOTES

(i) Relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of resolutions set out under item Nos. 7 to 14 is annexed hereto.

(ii) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO



APPOINT 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.

- (iii) All documents referred to in the Notice and accompanying explanatory statement are open for inspection at the Registered Office of the Company on all working days, except holidays, between 11.00 A.M. and 1.00 P.M. upto the date of the Annual General Meeting.
- (iv) The Register of Members and Share Transfer Books will remain closed from Saturday, the 16th September, 2000 to Wednesday, the 27th September, 2000 (both days inclusive).
- (v) 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.
- (vi) 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.
- (vii) With a view to serve the Members better and for administrative convenience, an attempt has been made to consolidate the multiple folios. Members, who are 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 in one folio.
- (viii) Members can avail of the nomination facility by filing Form 2-B, as prescribed under Companies (Central Government's) General Rules & Forms, 1956, with the Company. Blank Forms will be supplied on request.

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 27th June, 2000.

Item No.7

Shri Sunny Gaur joined the Board with effect from 31st December, 1999 in the casual vacancy caused due to the resignation of Shri D. G. Kadkade 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 Sunny Gaur holds 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 Sunny Gaur for the office of Director.

Shri Sunny Gaur had been associated with the Cement Plants of the Company since August, 1990 at various levels and was elevated as Executive President in May, 1997. During last almost a decade of his posting at the Plants, Shri Sunny Gaur has acquired rich experience in almost all departments of the plants. He has now taken over as Whole-time Director of Bela Cement Limited, the wholly owned subsidiary of your Company and has also been appointed as part time Director of your Company, as aforesaid. The Financial Institutions have accorded their approval to the appointment of Shri Sunny Gaur as Director of the Company vide letter No. DRO/PR.II/401/99-1730 dated 31st December, 1999. Your Directors feel that the appointment of Shri Sunny Gaur is in the interest of the Company and commend the same for your approval.

None of the Directors other than the appointee himself is interested in the said resolution except Shri Jaiprakash Gaur, Chairman and Shri Manoj Gaur, Managing Director who are related to Shri Sunny Gaur.

Item No. 8

The members of the Company in their meeting held on 29th September, 1998 had approved the salaries, pay scales and perquisites of the Whole-time Directors of the Company. They had also authorised the Board of Directors to alter or vary the terms of appointment of the appointees 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.

Keeping in view the over-all salary structure of various levels in the industry and the limits prescribed under Schedule XIII to the Companies Act, 1956, as revised vide notification No.GSR 215(E) dated 2nd March, 2000, vis-a-vis the salary structure of Directors, the Board of Directors in their meeting held on 21st March, 2000 had revised the pay scales for Whole-time Directors of the Company w.e.f. 1st April, 2000 for the remaining term of their respective appointments, as under :-

Salary:

Name & Designation	Initial pay p.m.(Rs.)	Pay scale (Rs.)
Shri Jaiprakash Gaur, Chairman	2,00,000/-	2,00,000/- (fixed)
Shri S.K. Jain, Vice Chairman	1,00,000/-	1,00,000-10,000-1,50,000/-
Shri Manoj Gaur & Shri Sunil Kr Sharma, Managing Directors	1,00,000/-	1,00,000-10,000-1,50,000/-
S/Shri P.K. Jain, M.S. Srivastava, Har Prasad & S.D.Nailwal Whole-time Directors	50,000/-	50,000-5,000-75,000/-

Perquisites :

Perquisites which may include accommodation/ HRA, reimbursement of expenses for gas, electricity, water and furnishings, medical reimbursement, LTC, personal accident insurance, use of car and telephone, contribution to Provident Fund, superannuation fund or annuity fund and leave encashment etc., shall be allowed in addition to salary. Perquisites shall be restricted to an amount equal to the annual salary.

The Board has further authorised Shri Jaiprakash Gaur, Chairman to fix ceilings/limits of various perquisites to be given to the above named persons.

In the event of absence or inadequacy of profits, the aforesaid remuneration will be paid as the minimum remuneration.

While the aforesaid remuneration of the Vice-Chairman, Managing Directors & Whole-time Directors fixed by the Board is within the limits prescribed in Schedule XIII to the Companies Act, 1956, as approved by the members, the remuneration payable to the Chairman exceeds the prescribed ceiling of Rs. 2 lacs per month due to the entitlement of the perquisites thereby requiring the approval of the shareholders and the Central Government in view of the current inadequacy of profits as computed under the Companies Act. Hence the resolution.

None of the Directors other than the appointee himself is interested in the said resolution except Shri Manoj Gaur, Managing Director and Shri Sunny Gaur, Director who are related to Shri Jaiprakash Gaur as his sons. Further, Shri S.K. Jain, Vice Chairman is the brother of Shri P.K. Jain, Director.

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

The Board of Directors commend the resolution for your approval.

ITEM NOS. 9 TO 11

The present term of office of S/Shri M S Srivastava, Har Prasad and S D Nailwal as Whole-time Directors expired on 30th June, 2000. The Board of Directors of the Company in their meeting held on 27th June, 2000, re-appointed the aforesaid Directors for a period of five years from 1st July, 2000 on the following remuneration, which is in accordance with the provisions of Schedule XIII to the Companies Act, 1956 as revised vide Notification No. GSR 215 (E) dated 2nd March, 2000 issued by the Central Government, Department of Company Affairs.

Name of the Director	Salary p.m. (Rs.)	Pay Scale (Rs.)
Shri M S Srivastava	50,000/-	50,000-5,000-75,000/-
Shri Har Prasad	50,000/-	50,000-5,000-75,000/-
Shri S D Nailwal	50,000/-	50,000-5,000-75,000/-

Perquisites :

Perquisites which may include accommodation/ HRA, reimbursement of expenses for gas, electricity, water and furnishings, medical reimbursement, LTC, personal accident insurance, use of car and telephone, contribution to Provident Fund, superannuation fund or annuity fund and leave encashment etc., shall be allowed in addition to salary. Perquisites shall be restricted to an amount equal to the annual salary or the amount of entitlement in accordance with Schedule XIII of the Companies Act, 1956 as amended from time to time, whichever is less. In the event of absence or inadequacy of profits, the aforesaid remuneration will be paid as the minimum remuneration.

The Board has further authorised Shri Jaiprakash Gaur, Chairman to fix ceilings/limits of various perquisites to be given to the above named persons.

Notwithstanding anything stated herein above, where in any financial year, during the currency of the 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. The terms set out for re-appointments may be altered and varied from time to time by the Board of Directors of the Company as it may, at its discretion, deem fit 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.

The above may also be treated as an abstract of the terms of the appointment of Shri M S Srivastava, Shri Har Prasad and Shri S D Nailwal pursuant to Section 302 of the Companies Act, 1956.

None of the Directors other than the appointees themselves are interested in the said resolutions. The Board of Directors commend the resolutions for your approval.

Item Nos. 12 & 13

To meet its requirement of funds, the Company has privately placed 15% NCDs for an aggregate value of Rs.10 Crores with Unit Trust of India (UTI). Further, the Company has also raised Rupee Term Loan of Rs.70 Crores from Industrial Development Bank of India (IDBI).

The said NCDs/Rupee Term Loan shall be secured by way of first charge ranking pari-passu with the existing charge holders on such immovable and moveable properties of the Company, present & future, as may be decided in consultation with the Term Lending Institutions/Banks.

The NCDs shall be redeemed in four equal instalments of Rs.250 lacs each from 27th June, 2003.

Section 293(1)(a) of the Companies Act, 1956, inter-alia, provides that the Board of Directors of a Public Company shall not, without the consent of such public company in general meeting, sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole, or substantially the whole of any such undertaking.

Since the mortgaging and/or charging by the Company of its immovable and moveable properties, as aforesaid, in favour of the aforesaid Institutions may be regarded as disposal of the Company's properties/undertaking, it is necessary for the members to pass a resolution under Section 293 (1) (a) of the Companies Act, 1956 before creation of the said mortgage/charge.

None of the Directors is concerned or interested in the resolution except for Shri M M Haque, Nominee Director of IDBI.

The Board of Directors commend the resolutions for your approval.

Item No.14

Keeping in view the overall salary structure in the industry, the pay scales at various levels in the Company have since been revised. The pay scales of certain levels/designations on which relatives of some Directors are working have also been revised as under:

Executive (Commercial/Technical)	Rs.20,000-2,000-30,000/-
Executive General Manager	Rs.25,000-2,500-37,500/-
Executive Vice-President	Rs.30,000-3,000-45,000/-
Executive Jt. President	Rs.35,000-3,500-52,500/-
Executive President	Rs.40,000-4,000-60,000/-
Executive Director/Advisor	Rs.50,000-5,000-75,000/-

Accordingly, it is proposed to fix the salaries of the relatives of some of the Directors working in the Company at various levels in the aforesaid pay scales with the initial salary at the beginning of the scale, as under:

Name	Designation	Name of the interested Directors
Shri G. P. Gaur,	Executive Director	Shri Jaiprakash Gaur
Shri D.C. Sharma	Advisor	Shri Jaiprakash Gaur
Shri Samir Gaur,	Executive Vice-President	S/Sh. Jaiprakash Gaur,
		Manoj Gaur & Sunny Gaur
Shri Rahul Kumar	Executive Vice-President	Shri Suresh Kumar
Shri Ranvijay Singh	Executive Vice-President	Shri Ranvir Singh
Shri Praveen Kr. Singh	Executive Gen Manager	Shri Ranvir Singh
Mrs. Rekha Dixit	Executive	S/Shri Jaiprakash Gaur,
		Manoj Gaur, Sunny Gaur
Mrs. Jaya Singh	Executive	Shri Ranvir Singh
Shri Naveen Kr. Singh	Executive	Shri Ranvir Singh

In addition to the salary, the incumbents will be entitled to the allowances, perquisites and benefits as per rules of the Company in vogue, the value whereof will not exceed the annual salary.

Since the above named Directors are interested in the holding of office or place of profit carrying a total monthly remuneration in excess of Rs.20,000/-by their aforesaid relatives, the prior consent of the members by a special resolution and approval of the Central Government is required in terms of Section 314 (1B) of the Companies Act, 1956. After the consent of the members is so obtained, an application will be made to the Central Government for its approval. The payment of aforesaid remuneration to the above named incumbents will commence from 1st October, 2000.

The Board of Directors commend the resolution for your approval.


JAIPRAKASH
INDUSTRIES LIMITED

DIRECTORS' REPORT

To, The Members,

Your Directors present the 17th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2000.

Working Results

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

	(Rs. in lakhs)	
	31.3.2000	31.3.1999
Gross Revenue & Other Income	<u>13,67,93</u>	<u>10,04,79</u>
Profit before depreciation & taxation	<u>103,87</u>	<u>82,57</u>
Less :		
- Depreciation	<u>57,87</u>	<u>46,03</u>
Profit before taxation	<u>46,00</u>	<u>36,54</u>
Less :		
- Provision for taxation	<u>5,41</u>	<u>3,87</u>
Profit after taxation	<u>40,59</u>	<u>32,67</u>
Add :		
- Profit brought forward	<u>3,10,74</u>	<u>3,23,81</u>
- Investment allowance reserve written back	<u>4,45</u>	<u>—</u>
- Debenture redemption reserve written back	<u>77,06</u>	<u>—</u>
	<u>3,92,25</u>	<u>3,23,81</u>
Profit available for appropriation	<u>4,32,84</u>	<u>3,56,48</u>
Less :		
Transferred to :		
- Debenture Redemption Reserve	<u>52,62</u>	<u>45,74</u>
Balance Carried to Balance Sheet	<u>3,80,22</u>	<u>3,10,74</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.

OPERATIONS

a) ENGINEERING DIVISION

1. New Contracts

- During the year under report, your Company secured Contracts for prestigious works in its specialised field of Hydro-electric Power Projects. The first contract is for turnkey construction of 450 MW Baglihar Hydro-electric Project near Batote in J&K State. This Contract has been awarded to your Company by the J&K State Power Development Corporation at an overall contract Price of Rs.1,623 Crores. The Contract Agreement was signed on 10.4.1999. The work, commenced in right earnest, is to be completed in five years from the effective date of the Contract, to be advised by the Owner on fulfilling certain obligations defined in the Contract.
- The second contract for turnkey construction of 300 MW Chamera (Stage-II) Hydro-electric Project near Chamba in Himachal Pradesh was awarded to a consortium led by your Company. The Client for this contract is M/s National Hydroelectric Power Corporation Limited (NHPC) and your Company's participation in the contract is for works valued at Rs. 876 crores. After quick mobilisation, execution of various works was commenced; all works are progressing well. The Project is to be completed in five years.

2. Works in Progress

- Your Company has already completed 93% work of construction of Pressure Shafts and underground Power House Complex of Nathpa Jhakri Hydro-electric Project in Himachal Pradesh and is way ahead of the other contractors engaged on this prestigious 1,500 MW

Hydro-electric Project. The work, expected to be completed shortly, has earned high praise from the World Bank and the Panel of Experts appointed by the Government of India.

- The execution of the two prestigious contracts for construction of Tehri Dam (Rs.898 crores) and Chute and Shaft Spillways (Rs.475 Crores) is in full swing. Both the works are progressing as per planned construction schedule; the completion of works achieved in respect of these two contracts is 40% and 18% respectively.
- The works of concrete gravity Dam and Power House of Indira Sagar (Narmada) Hydro-electric Project in Madhya Pradesh are progressing and about Rs.252 crores worth of work has been completed (contract price Rs.358 crores). The work is proceeding as per the programme approved by the Client, M/s Narmada Valley Development Authority.
- The work progress at the 300 MW Baspa II Hydro-electric Project in Himachal Pradesh has been excellent during the year under report. The entire underground excavation work has been completed; the work of the Project is progressing as per the planned time schedule. The Project is scheduled to be completed by January, 2002.
- The construction of remnant civil works of 390 MW Dul Hasti Hydro-electric Project entrusted to the Joint Venture of Jaiprakash Industries Limited with M/s Statkraft Anlegg AS of Norway at an aggregate Contract Price of Rs.722 crores (your Company is the Leader of the JV with 98% participation) is progressing despite very adverse ground and local conditions. About 44% of the work has been completed.
- The work of Sardar Sarovar (Narmada) Hydro-electric Project did not progress much over the past five years due to various agitations and ongoing court matter. Your Company has completed Rs.330 Crores of works pertaining to the construction of the main Concrete Dam, underground Power House and other associated works at this site.
- Your Company is fully mobilised for the two contracts of Tala Hydro-electric Project in Bhutan (Aggregate Contract Price Rs.425 Crores) and the work progress is picking up.
- The work on the 400 MW Vishnuprayag Hydro-electric project being set up by the owner Company, Jaiprakash Power Ventures Limited, which has been entrusted to your Company at a Contract price of Rs.664 Crores, is expected to commence shortly. The infrastructural works are nearing completion and the main civil works are expected to start in the next working season.
- Your Company is following up with the appropriate authorities of the Government of India for settlement of its dues from Iraq.

b) CEMENT DIVISION

The Production and Sales from Jaypee Rewa Cement during April, 1999 to March, 2000 are as under:

Clinker Production	21,36,359 MT
Cement Production	21,69,010 MT
Clinker Sale	2,46,229 MT
Cement sales	20,66,844 MT

The capacity utilisation during the period April, 1999 to March, 2000 was 86.76% as compared to 75% during the previous year.

Your cement plants have reported considerable improvement in per unit power consumption of 103.7 KWH per M.T. of cement recorded in the year, which is by far the lowest and have also improved the Clinker conversion to Cement.

The plant capacity utilisation has improved substantially. However, the cement market remains depressed on unit sales price. There are signs of higher off take of cement but the prolonged sluggishness in the market has led to desperate selling by the cement producers, resulting in lower sales price. It is expected that the thrust given by Central Government on Housing and Infrastructure Sector and revival of economy, in general, with continued good agricultural production would lead to boost the Cement Industry.

In the meantime, as a part of continuous restructuring exercise of the Company, it is proposed to hive off the Cement Division to the subsidiary of the Company as a going concern. The in-principle approval of the Financial Institutions to the proposed hive off has already been obtained and the requisite details are being worked out. The matter will be brought before you for your approval in due course.



c) HOTEL DIVISION

The holiday resort - The Residency Manor - at Mussoorie is being managed by Jaypee Hotels Limited.

d) HYDRO-POWER DIVISION

Karcham Wangtoo Hydro-electric Project (1000 MW)

In terms of Memorandum of Understanding (MOU) signed with the Government of Himachal Pradesh (GOHP), a Detailed Project Report (DPR) for the 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.

A Project Implementation Agreement was signed by the Company with Government of Himachal Pradesh on 18.11.1999. A modified DPR for revised cost estimates at December, 1999 price level was prepared and submitted to CEA and HP State Electricity Board on 18.04.2000. Necessary steps have been initiated to incorporate a new Company, which would initially be wholly owned subsidiary of your Company, through which this Project would be implemented on build, own and operate basis, after its hive-off to the said Company. Action is also being initiated for arranging financing for the Project and to finalise an agency for sale of power from the Project.

Out-look

The Company is currently executing Contracts worth about Rs. 7000 Crores on the order book of its Engineering Division, besides new works in the pipe line. With the expected improvement in the Cement Industry, the future performance of the Company is expected to show marked improvement in the coming years.

Directorate

During the year under report, Dr R.C. Vaish and Shri D G Kadkade resigned from the Office of Director of the Company with effect from 31st August, 1999. Shri M.M. Haque was nominated by Industrial Development Bank of India on the Board of the Company w.e.f. 9th June, 2000 in place of Shri A.K. Doda.

The Board places on record their appreciation for the valuable contribution of Dr R.C. Vaish, Shri D.G. Kadkade and Shri A.K. Doda during their tenure as Directors of the Company.

Shri Sunny Gaur who was appointed as Director w.e.f. 31st December, 1999 in the casual vacancy caused due to the resignation of Shri D.G. Kadkade, holds office till this Annual General Meeting and being eligible, offers himself for re-appointment.

S/Shri Manoj Gaur, P.P. Jain, Gopi K. Arora and R.L. Gupta retire by rotation at the 17th Annual General Meeting and being eligible, offer themselves for re-appointment.

S/Shri M. S. Srivastava, S. D. Nailwal and Har Prasad were appointed as whole-time Directors of the Company for a period of 5 years from 1st July, 1995. They have been re-appointed as Whole-time Directors by the Board of Directors for a further period of five years on the terms and conditions mentioned in their respective resolutions placed for your approval. Further, the remuneration of the Chairman and other wholtime Directors has been revised with effect from 1st April, 2000. While you had already authorised the Board of Directors to increase the remuneration of the Directors within the permissible limits under Schedule XIII to the Companies Act, 1956, the increase in remuneration of Chairman requires your approval and the requisite resolution for the same has been included in the agenda for the Annual General Meeting.

Subsidiary Company

The statement as required under Section 212 of the Companies Act, 1956 in respect of Jaiprakash Hydro-Power Limited, Jaiprakash Power Ventures Limited and Bela Cement Limited, which are wholly owned subsidiaries of your Company, is attached alongwith audited Balance Sheets of Jaiprakash Hydro-Power Limited and Jaiprakash Power Ventures Limited as at 31st March, 2000. Since the Financial year of Bela Cement Limited has been changed to close on 30th September, 2000, the Balance Sheet of the said subsidiary could not be attached.

Deposits

The Fixed Deposits collected from the shareholders and the public as on 31st March, 2000 aggregate Rs.5,64,45,000. The deposits of Rs.90,000

due for repayment at the close of the Financial Year remained unclaimed by the Depositors as on 31st March, 2000.

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. 2/29/98-CL V dated 12.3.1999 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 31st March, 2000 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/plants 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.

Status of Y2K Compliance

The Y2K transition was smooth without any disruption to the operations of any of the Divisions of your Company.

Dematerialisation of Shares

As the members are aware, the Company has come in the compulsory demat list w.e.f. 29th November, 1999. The Company has entered into an agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to facilitate the holding and transfer of securities in the dematerialised form. For the purpose of expediting the demat process further, the Company has appointed M/s. Alankit Assignments Limited as its Registrar and Share Transfer agents for electronic mode.

Till date approx. 54% of the equity share capital of the Company has been dematerialised. Since trading in dematerialised form facilitates quick transfers and prevents forgery, those shareholders who have not opted for this facility are advised to dematerialise their shares in their own interest. Your Company has also made arrangements for simultaneous dematerialisation of the physical shares lodged for transfer.

Listing

Your Company is listed with the Stock Exchanges at Ahmedabad, Bombay, Calcutta, Delhi and Kanpur and annual listing fee for the Financial year 2000-2001 has been paid to them.

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, IFCI Limited, Industrial Development Bank of India, ICICI Ltd., Industrial Investment Bank of India Ltd., Export-Import Bank of India, Tourism Finance Corporation of India Ltd., Unit Trust of India, LIC, GIC & its subsidiaries, and Consortium of Banks lead by Canara Bank, 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

Place : New Delhi
Dated : 27th June, 2000

JAIPRAKASH GAUR
Chairman

ANNEXURE TO THE DIRECTORS' REPORT**INFORMATION IN PURSUANCE TO SUB-SECTION 2-A OF SECTION 217 OF THE COMPANIES 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.6,00,000/- or more

- Shri Jaiprakash Gaur, Chairman, Rs.9,23,657, Diploma in Civil Engineering, Roorkee, 69, 49, 01.01.1986, Jaiprakash Associates Pvt. Ltd.
- Shri Sarat Kumar Jain, Vice Chairman, Rs.7,05,854, B.Sc., 63, 42, 01.01.1986, Jaiprakash Associates Pvt. Ltd.
- Shri Sunit Kumar Sharma, Managing Director, Rs.6,57,979, B.Sc., 40, 22, 01.01.1986, Jaiprakash Associates Pvt. Ltd.
- Shri Manoj Gaur, Managing Director, Rs.6,65,584, B.E. (Civil)(Hons), 36,15,01.11.1985, First Employment
- Shri P.K.Jain, Director, Rs.6,43,519, M.A., 52,30, 01.01.1986, Jaiprakash Associates Pvt.Ltd.
- Shri S.D. Nailwal, Director, Rs.6,31,543, B.A.(Com), FCS, 52,34,01.07.1984, Jaypee Hotels Limited
- Shri M.S. Srivastava, Director, Rs.6,29,779, B.Sc. B.E., M.E., 58, 37, 01.01.1986, Jaiprakash Associates Private Limited
- Shri Rajinder Singh, Adviser, Rs.6,31,392, Self Acquired Experience in heavy machinery, 64, 52, 01.01.1986, Jaiprakash Associates Pvt. Ltd.

(B) Employed for part of the year and in receipt of remuneration aggregating Rs.50,000/- or more per month

NIL

Notes :

1. The date of commencement of employment in respect of the employees of the Amalgamating Company Jaiprakash Associates Pvt. Ltd. as given in the above statement is the effective date of amalgamation i.e. 1.1.86. However, their length of service with the amalgamating Company stands protected by the Scheme of Amalgamation.
2. Gross remuneration includes salary, house rent and other perks like medical reimbursement, leave travel assistance, company's contribution towards provident fund etc.
3. 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.
4. None of the employees mentioned in the list is a relative of any Director of the Company except S/Shri Manoj Gaur, Sunit Kumar Sharma, who are relatives of Shri Jaiprakash Gaur and Shri P.K. Jain, who is a relative of Shri S.K. Jain.

THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988**(A) CONSERVATION OF ENERGY**

1. New ESP (raw mill) installed for Unit-I to have low stack emission and efficient operation.
2. U-II cooler fan replaced with efficient fan impeller to increase pressure and flow.
3. (a) Kiln outlet seal for Unit-I & Unit-II replaced with better designed to save thermal energy.
- (b) A GRR is provided for speed regulation of Unit-II calciner fan saving electric energy.
4. Regular steps are taken to identify and arrest false air entry in the system.
5. Monthly review of power consumption and review is done under Energy Monitoring Cell.

(B) TECHNOLOGY ABSORPTION

1. The new system of U-I ESP with EPIC-II controller is fully understood and absorbed.
2. Packers upgraded with higher version of electronics and the system fully absorbed in operation.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars of Foreign Exchange earnings and outgo are given in Schedule 'Q' Notes to the Accounts - under Note No.19.

FORM A

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

A. POWER & FUEL CONSUMPTION

	CURRENT YEAR 31.03.2000	PREVIOUS YEAR 31.03.1999
I. ELECTRICITY		
(A) PURCHASED		
UNITS (KWH)	13,75,25,200	12,04,26,631
TOTAL AMOUNT (RS.)	61,12,96,345	48,45,77,367
RATE PER UNIT (RS.)	4.44	4.02

(B) OWN GENERATION**THROUGH DIESEL GENERATION**

UNITS (KWH)	12,59,11,540	9,48,66,220
UNITS PER LITRE OF -DIESEL & FURNACE		
OIL (KWH)	3.87	3.60
COST PER UNIT (RS.)	4.23	4.50

II. COAL

QUALITY	GRADE SLACK "C" & "D"	GRADE SLACK "C" & "D"
WHERE USED	CALCINISING OF RAW MEAL	CALCINISING OF RAW MEAL
QUANTITY USED (M.T.)	324216.00	295448.00
TOTAL COST	51,24,60,553	47,57,88,542
AVERAGE RATE PER M.T./RS.	1580.61	1610.40

III. FURNACE OIL

N/A N/A

IV. OTHERS / INTERNAL GENERATION

N/A N/A

B. CONSUMPTION PER UNIT OF PRODUCTION

PRODUCT	CEMENT	CEMENT
UNIT	M.T.	M.T.
ELECTRICITY (KWH)	103.72	108.45
FURNACE OIL	N/A	N/A
COAL PER M.T. OF CLINKER	0.152	0.166
COAL QUALITY		
- AVERAGE ASH CONTENTS (%)	29.99	32.71
- AVERAGE CALORIFIC VALUE (KCAL/KG.)	4600	4222
- OTHERS	-	-

**AUDITORS' REPORT**

TO,
THE MEMBERS OF
JAIPRAKASH INDUSTRIES LIMITED

We have audited the attached Balance Sheet of Jaiprakash Industries Limited as at 31st March, 2000 and the annexed Profit and Loss Account for the year ended on that date, 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), regarding disputed Electricity Duty on captive generation amounting to Rs.9,59,59,128/-;
 - ii) Note No.1(f), regarding disputed Sales Tax demand on packing material amounting to Rs.82,98,878/-;
 - iii) Note No.1(g), regarding disputed Excise demand amounting to Rs.3,56,65,778/-;
 - iv) Note No.1(h), regarding disputed U.P. Trade Tax demand amounting to Rs.50,59,423/-;
 - v) Note No.1(i), regarding disputed Cess on Mineral rights amounting to Rs.6,19,08,840/-;
 - vi) Note No.1(j), regarding disputed Trade Tax rebate on Sale of Fly Ash based cement amounting to Rs.3,27,24,618/- and
 - vii) Note No.1(k), regarding disputed demand on account of change in conversion factor for calculation of Royalty on Limestone amounting to Rs.5,83,64,425/- of Schedule "Q" 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, 2000 and
 - (ii) in the case of Profit & Loss Account, of the Profit of the Company for the year ended 31st March, 2000
 - (e) In our opinion, the Balance Sheet and Profit & Loss Account referred to in this report, comply with the accounting standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.

For M.P. SINGH & ASSOCIATES
Chartered Accountants

Place : New Delhi
Dated : 27th June, 2000

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 year ended 31st March, 2000, 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 requirement for a particular contract. A substantial portion of the Fixed Assets have been physically verified by the management during the year 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 year.
- (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, 2000 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 except for treatment of excise duty in the valuation of inventories. Pursuant to Accounting Standard AS-2 "Valuation of Inventories" becoming mandatory, the company has included excise duty payable on goods lying in the factory in the valuation of inventories. Hitherto, excise duty payable on goods lying in the factory was accounted for on clearance of goods.
- (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, and where such payments are not received, reasonable steps have been taken for the recovery thereof.
- (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 contracts for civil works, design engineering 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 year 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 year with appropriate authorities and there were no arrears of such dues at the year end.
- (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, 2000, 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 practices.
- (20) The Company is not a sick industrial company within the meaning of clause (c) of sub-section (f) 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 stores and labour to each contract, at each work site. Each work site maintains its set of books to suit the size and nature of its business.

For M.P. SINGH & ASSOCIATES
Chartered Accountants

Place : New Delhi
Dated : 27th June, 2000

M.P. SINGH
Partner