



12th  
ANNUAL REPORT  
1998-99

**PHOENIX INTERNATIONAL LIMITED**

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# PHOENIX INTERNATIONAL LIMITED



## **BOARD OF DIRECTORS**

### **MANAGING DIRECTOR**

Shri Ajay Kalsi

### **DIRECTORS**

Shri V.B. Oberoi

Shri Vikram Prakash

Shri V.N. Nadkarni

Shri Pramod Kumar Manocha

Shri Bhupender Nagpal

Shri M.K. Aggarwal

Shri S.K. Mandal (Nominee of IFCI)

Shri Sanjay Gadgok

### **GM (FINANCE) & COMPANY SECRETARY**

Shri S.K. Gupta

### **AUDITORS**

Khanna & Annadhamam

Chartered Accountants

New Delhi

### **BANKERS**

State Bank of Patiala

Punjab & Sind Bank

Bank of Tokyo

Oriental Bank of Commerce

Times Bank

### **REGISTERED OFFICE**

3rd/4th Floor, Gopala Tower,

25, Rajendra Place,

New Delhi - 110 008.

### **WORKS**

A-37, Sector - 60,

Noida - 201 301.

Distt. Gautam Budh Nagar,

Uttar Pradesh

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**PHOENIX INTERNATIONAL LIMITED****NOTICE**

NOTICE IS HEREBY GIVEN THAT THE TWELFTH ANNUAL GENERAL MEETING OF THE MEMBERS OF PHOENIX INTERNATIONAL LIMITED WILL BE HELD ON FRIDAY THE 24TH SEPTEMBER, 1999 AT 11:30 A.M. AT MPCU, SHAH AUDITORIUM, 2 RAJ NIWAS MARG, DELHI 110 054 TO TRANSACT THE FOLLOWING BUSINESS.

**ORDINARY BUSINESS**

1. To receive consider, and adopt the Audited Balance Sheet as at 31st March, 1999 and Profit and Loss account for the year ended 31st March, 1999 together with the Director's report and Auditor's report thereon.
2. To declare the dividend on Equity Shares for the year ended 31st March, 1999.
3. To appoint a Director in place of Shri V.N. Nadkarni, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri M.K. Aggarwal who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors of the Company and to fix their remuneration. M/s Khanna & Annadhanam, Chartered Accountants, the retiring Auditors of the Company are eligible for re-appointment.

**SPECIAL BUSINESS - ORDINARY RESOLUTION**

6. To Consider and if thought fit to pass with or without modifications the following Resolution as Ordinary Resolution :-

"RESOLVED THAT in accordance with the provisions of Section 256 of the Companies Act, 1956, Mr. Sanjay Gadhok, who was appointed by the Board of Directors as an Additional Director of the company and who holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, has received a notice in writing from a member proposing the candidature of Mr. Sanjay Gadhok for election as Director of the company and is hereby appointed as Director of the company liable to retire by rotation."

By order of the Board of Directors

PLACE : NEW DELHI  
DATE : 31ST May, 1999

S.K. GUPTA  
G.M. (Finance) & Company Secretary

**PHOENIX**

# PHOENIX INTERNATIONAL LIMITED



## Notes :-

1. 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.
2. THE INSTRUMENT APPOINTING A PROXY MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS PRIOR TO THE TIME OF THE MEETING.
3. The Register of Members and Share Transfer Books of the company will remain closed from 15.09.99 to 24.09.99 (both days inclusive)
4. The dividend, if declared at the meeting, will be paid to those shareholders, whose names appear on the company's register of members as on 24.09.99, the date of the Annual General Meeting.
5. In order to avoid fraudulent encashment of dividend warrant(s) members are advised to inform details of their bank A/c number, name and address of the bank, for incorporating the same in the Dividend Warrant.
6. Members are requested to notify any change in their address immediately to the company at its registered office.
7. All documents referred to in the accompanying notice and the explanatory statements are available for inspection at the Registered Office of the company on all working days between 11:00 A.M. To 01:00 P.M. upto the date of this Annual General Meeting.
8. As required under the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Govt.) Rules 1978, please note that unpaid/unclaimed dividend declared for the Financial Year ended 31.03.93 as Final Dividend was transferred to General Revenue Account of the Central Govt. on 17.11.98. Shareholders who have not encashed the dividend warrants for the said period are requested to claim the amount from the Registrar of Companies, Delhi and Haryana, Paryavaran House, 2nd Floor, CGO Complex, Lodi Road, New Delhi.. In case of any assistance, members are advised to write to the company.
9. Shareholders seeking any information with regard to Accounts are requested to write to the company at least 10 days before the date of Annual General Meeting, so as to enable the management to keep the information ready.
10. As usual no gift will be distributed to the shareholders attending the Annual General Meeting.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 173(3) OF THE COMPANIES ACT, 1956 IN RESPECT OF SPECIAL BUSINESS.

Mr. Sanjay Gadhok was co-opted as an Additional Director w.e.f. 24.10.98. He holds office upto the date of this Annual General Meeting. He is an experienced person and is maintaining good public relation. One of the members has sent notice in writing pursuant to Section 257 of the Companies Act, 1956 to the company proposing the candidature of Mr. Sanjay Gadhok for the office of Director. Your Directors recommend to approve the appointment of Mr. Sanjay Gadhok as Director to retire by rotation.

No Director is concerned or interested in the resolution except Mr. Sanjay Gadhok.

By order of the Board of Directors

PLACE: NEW DELHI  
DATE : 31ST May, 1999

S.K. Gupta  
G.M. (Finance) & Company Secretary



# PHOENIX INTERNATIONAL LIMITED



## DIRECTORS' REPORT

Dear Shareholders,

The Directors of your company have pleasure in presenting the 12th Annual Report alongwith the Audited Statement of Accounts of the Company for the year ended 31st March, 1999.

### FINANCIAL RESULTS

	1998-99 Rs. (in Lacs)	1997-98 Rs. (in Lacs)
Sales and other income	20,378.32	20,767.44
Profit before Depreciation	2,800.75	2,236.01
Less : Depreciation	316.65	304.22
Profit before taxation	2,484.10	1,931.79
Less Provision for taxation	4.50	4.68
<b>Net Profits available for Appropriation</b>	<b>2,479.60</b>	<b>1,927.11</b>
<b>Appropriations</b>		
Proposed Dividend	167.90	167.90
Tax on proposed dividend	18.46	16.79
Transfer to Debenture Redemption Reserve		10.00
Balance Carried to Balance Sheet	2,293.24	1,732.42
	<b>2,479.60</b>	<b>1,927.11</b>

### OPERATIONAL PERFORMANCE

During the year 1998-99, the company achieved Gross revenues of Rs. 203.78 Crores as against Rs. 205.67 Crores in the previous year. Profit after tax increased to Rs. 24.80 Crores from Rs. 19.27 Crores in the previous year. Profitability improved by 28.61%. The shoe production increased to 21.96 lacs pairs in the year 1998-99 from 19.40 lacs pairs in the year 1997-98.

Total Turnover relating to shoe increased to Rs. 116.35 Crores from Rs. 90.75 Crores in the previous year. In quantitative term shoes sales increased to 23.29 lacs pairs in 1998-99 from 16.65 lacs in 1997-98 showing an increase of 40.54%. The domestic shoe sales increased to Rs. 37.45 Crores from Rs. 22.92 Crores in the previous year showing an increase of 63.39% over the last year.

The Company's brand "TUFFS" and "MADAME BUCHER" has gained more visibility in the domestic market. The domestic distribution network of the Company has been further strengthened.

### FUTURE OUTLOOK/DIVERSIFICATION PLAN

The Directors of your company are hopeful of continuous improvement in the performance of the company in the Current Year, both on domestic and international front.

For speedy implementation of the Cement Project, by its subsidiary Phoenix Cement Limited, detailed investigation for the availability of raw material have been carried out. The Company is discussing with various Financial Institutions/Companies for financial/strategic tie-up.

Your company alongwith Phoenix Overseas Limited have promoted Phoenix Power Development Corporation Limited for setting up 175 M.W. Liquid Fuel Power Projects in Haryana. The Project has been appraised by Industrial Development Bank of India with financial support.

### DIVIDEND

The Company is of the opinion that the existing profits should be conserved and utilised for investment in Power project. The Directors recommend a dividend of Re. 1 per equity share of Rs. 10/- each i.e. 10% absorbing Rs. 167.90 Lacs (net of tax) in the financial year ended 31st March, 1999 which if approved in the Annual General Meeting will be paid to those members whose name appear in the Register of Members as on 24.09.1999.

### EXPORTS

Export sales on FOB terms were Rs. 113.19 Crores in the year 1998-99. Hard currency exports increased to US\$ 22.10 Million in the year 1998-99 from US\$ 17.98 Million in the year 1997-98 showing an increase of 23%.

### FINANCE

The Company pre-paid Rupee Term Loan taken from Industrial Financial Corporation of India Ltd. out of Foreign Currency loan of US\$ 15 Million taken from Rabo Bank. The Company has been able to achieve interest saving of Rs. 4.19 Crores as the interest cost in the year 1998-99 reduced to Rs. 9.08 Crores from Rs. 13.27 Crores in the year 1997-98.

### PARTICULARS OF EMPLOYEES

The particulars of employees as per section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 are annexed hereto and form part of this report.

### DEPOSITS

The company has repaid in full the deposits, accepted pursuant to Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposit) Rules, 1975 on or before 03.04.98. No unclaimed or unpaid deposits are outstanding as on date. Company has not accepted any deposits thereafter.

# PHOENIX INTERNATIONAL LIMITED



## DIRECTORS

During the year under review Mr. Sanjay Gadhol was appointed as an Additional Director w.e.f. 24.10.98 and is holding office upto the date of this Annual General Meeting. He is proposed to be reappointed as Director. A notice pursuant to Section 257 of the Companies Act has been received from one of the members for his appointment. Mr. V.N. Nadkarni and Mr. M.K. Aggarwal, the Directors of the company will retire by rotation and being eligible offer themselves for re-appointment.

## AUDITORS REPORT

The specific notes forming part of the Accounts referred to in the Auditors Report are self explanatory and give all the necessary information.

## AUDITORS

The auditors M/s Khanna & Annadhanam, Chartered Accountants retire at the conclusion of ensuing Annual General Meeting, and being eligible, offer themselves for reappointment. A certificate required under Section 224(1B) of the Companies Act, 1956 to the effect that their appointment, if made, shall be within the limits specified in the said section, has been obtained from them.

## SUBSIDIARY COMPANIES

Statement regarding subsidiary companies pursuant to provision of Section 212 of the Companies Act, 1956 forming part of Balance Sheet as at 31.03.99 is attached.

## CONSERVATION OF ENERGY

The Company has installed modern plant requiring least energy. No additional investment was needed to conserve energy. Form A of The Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 is not applicable to footwear industry.

## TECHNOLOGY ABSORPTION

No technology has been acquired whether indigenous or imported for manufacturing of shoes. Latest tools and machinery has been installed by the company for manufacturing various kinds of footwear.

## FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earnings and outgo during the year are as under:-

Foreign Exchange Earnings	Rs. 1319 Lacs
Foreign Exchange Outgo	Rs. 1268 Lacs

## Y2K COMPLIANCE

The company has taken effective steps to be Y2K compliant. No substantial work is involved in solving the Y2K problem. Regular replacement/conversion upgradation has taken care of the Y2K problem.

## ACKNOWLEDGEMENT

The Directors place on record their gratitude for the valuable assistance and co-operation extended to the Company by the various Ministries of Central and State Governments and in particular, Industrial Finance Corporation of India Ltd., Industrial Development Bank of India, Rabi Bank, Punjab & Sind Bank, State Bank of Patiala and other Commercial Banks.

The Directors wish to place on record their sincere appreciation of the devoted services of the company's employees at all levels of the organisation which have in great way contributed to the company's progress.

for and on behalf of the Board

PLACE : NEW DELHI  
DATE : 31ST May, 1999

Ajay Kalsi  
Chairman

## ANNEXURE - 1

### INFORMATION AS PER SECTION 217(2A) OF COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AS AMENDED AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 1999

NAME	DESIGNATION	AGE	QUALIFICATION	EXPERIENCE (YEAR)	GROSS REMUNERATION(Rs.)	DATE OF JOINING	PREVIOUS EMPLOYMENT
MR. AJAY KALSI	MANAGING DIRECTOR	39	M. PHIL (ECONOMICS)	15	830,400	SINCE INCEPTION	INDUSTRIALIST

- The above employees are on regular employment.
- The remuneration includes Salary, Allowances, Company's contribution to Provident Fund, benefits & perquisites which are taxable under the I.T. Act, 1961.

for and on behalf of the Board

PLACE : NEW DELHI  
DATE : 31ST May, 1999

Ajay Kalsi  
Chairman

# PHOENIX INTERNATIONAL LIMITED



## STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

NAME OF SUBSIDIARY	PHOENIX INDUSTRIES LTD.	PARK LEATHER INDUSTRIES LTD.	PHOENIX CEMENT LTD
1. Financial year of the subsidiary	March 31, 1999	March 31, 1999	March 31, 1999
2. Holding Company's Interest	Holding of 34,32,300 shares of Rs.10/- each out of the total issued and subscribed share capital of 44,32,300 shares.	Holding of 3,000 shares of each out of the total issued and subscribed share capital of 3,000 shares.	Rs. 829,535,100/- Holding of 20,10,010 shares of Rs.10/- each fully paid and Rs. 22,29,90,000 shares of Rs. 10/- each Rs. 6.50 paid up out of the total issued share capital of 225000070 shares of Rs.10/-each out of which 22,29,90,000 shares are Rs. 6.50 paid up. Less adjustment due to proposed reduction of share capital by Rs. 640,000,000/-
3. Net aggregate amount of subsidiary's profits/losses so far as they concern member of the Holding Company and not dealt within the Holding Company's accounts			
i) For Subsidiary's financial year	Rs.139.49 lacs	Rs.0.65 lacs	Nil
ii) For Subsidiary previous financial year since it became Subsidiary	Rs.671.57 lacs	Rs.5.76 lacs	Rs.46.72 lacs
4. Net aggregate amount of subsidiary's profits/losses so far as they concern member of the Holding Company and dealt within the Holding Company's accounts.			
i) For Subsidiary previous financial year since it became Subsidiary	Nil	Nil	Nil
5. Change in the interest of Holding Company between the end of Subsidiary financial year and the end of Holding Company's financial Year	Not applicable	Not applicable	Not applicable
6. Material change between the end of Subsidiary financial year and the Holding Company's financial year			
i) Fixed Assets	Not applicable	Not applicable	Not applicable
ii) Investments	Not applicable	Not applicable	Not applicable
iii) Monies lent by the subsidiary	Not applicable	Not applicable	Not applicable
iv) Monies borrowed by the subsidiary other than for meeting current liabilities	Not applicable	Not applicable	Not applicable

S.K. Gupta  
G.M. (Finance) &  
Company Secretary

Pramod Manocha  
Director

Ajay Kalai  
Managing Director

PLACE : NEW DELHI  
DATE : 31ST May, 1999

**PHOENIX INTERNATIONAL LIMITED****AUDITORS' REPORT**

**TO  
THE MEMBERS**

We have audited the attached Balance Sheet of Phoenix International Limited, as at 31st March, 1999 and also the annexed Profit and Loss Account of the Company 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, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order to the extent applicable.
2. Further to our comments in the Annexure referred to in paragraph 1 above.
  - 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 accounts as required by law have been kept by the company so far as appears from our examination of books :
  - c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account ;
  - d) In our opinion, the Profit and Loss Account and the Balance Sheet comply with the mandatory Accounting Standards referred to in sub-section 3 (C) of Section 211 of the Companies Act, 1956.
  - e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to Note No. 4 regarding proposed reduction in the Share Capital of Phoenix Cement Limited and adjustments made subject to Court Order confirming the reduction resulting in under statement of Investments and amount due to Phoenix Cement Limited to the extent mentioned in the note and Note No. 5 regarding the information required by the Companies Act, 1956 in respect of amounts due to small scale industrial undertakings and read with the Accounting Policies and Notes to the Accounts with special reference to Note No.2 regarding sale of one line of cement plant and consequential adjustments 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 the Balance Sheet of the state of affairs of the Company as at 31st March, 1999 and
    - ii) in the case of Profit and Loss Account, of the profit of the year ended on that date.

for **KHANNA & ANNADHANAM**  
Chartered Accountants

**PLACE : NEW DELHI**  
**DATED : 31st May, 1999**

**Jitender Dhillon**  
Partner

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# PHOENIX INTERNATIONAL LIMITED



## ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE

1. The company has maintained proper records showing particulars including quantitative details and location of the fixed assets. In some cases, the records need to be updated. As explained to us, all the assets have been physically verified by the management as at 31st March, 1999. Plant & Machinery (D.G.Set) valued at Rs. 232.42 lacs and lying in the Customs Bonded Warehouse since 31st March, 1996 has been physically verified by a firm of Chartered Engineers. We were informed that no material discrepancies were noted on such physical verification as compared to the book records.
2. None of the fixed assets have been revalued during the year.
3. The stocks of finished goods, stores & spares, raw materials and trade goods held by the company have been physically verified by the Management during the year. In our opinion, the frequency of physical verification is reasonable. For stocks lying with third parties and aggregating to Rs. 99.05 lacs, certificates confirming stocks at the year end have been received.
4. In our opinion and according to the information and explanations given to us, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
5. We were informed that the discrepancies noticed on verification between the physical stocks and the book records were not material.
6. On the basis of our examination of stock records, in our opinion the valuation of stocks is fair and proper and in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year except for the inclusion of excise duty payable on finished goods held in bonded warehouses in the closing stocks and the same has no impact on the profit for the year.
7. The Company has taken an interest free unsecured loan of Rs. 50 lacs from the managing director of the Company. Except for this the Company has not taken any loans from companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956 and from the companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956.
8. The Company has advanced a loan of Rs. 842.60 lacs to a company under the same management within the meaning of Section 370(1B) of the Companies Act, 1956. In our opinion, the rate of interest and other terms and conditions on which such loan has been granted are, prima facie, not prejudicial to the interests of the Company. Besides advances have also been made from time to time to subsidiary Companies, Companies in which directors are interested and Companies under the same management which are adjusted against supplies of material and/or fabrication work for the Company. We were informed that such Loans and Advances have been made in the ordinary course of the Company's business and in the interest of the Company.
9. In respect of loans and advances in the nature of loans given by the company to its employees free of interest where there is a stipulation with regard to repayment, the employees are generally repaying the principal amount in accordance therewith.
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of store, raw materials including components, Plant & Machinery, equipment and other assets and with regard to the sale of goods.
11. The Company has made purchases during the year of Raw Materials, Finished goods and paid fabrication charges and has also made sales of Raw materials, carried out processing and job work exceeding Rs.50,000/- in value of each type thereof from/to companies in which directors are interested as listed in the register maintained under section 301 of the Companies Act, 1956 and also from / to companies under the same management. We were informed that in most of the cases, purchases were for items of a highly specialised nature and that alternative source of supply was not readily available and that orders were placed for items on the basis of technical evaluation in respect of the quality of the items. Because of the special type of work involved the prices paid / received are not comparable with prevailing market price as there are no transactions of similar nature made with other parties.
12. As explained to us, the company has a regular procedure for determination of unserviceable or damaged stores, raw materials and finished goods. Adequate provision has been made in the accounts for the loss arising on items so determined.
13. We are informed by the management that the Company has not accepted any deposits from the public as per the provision of Section 58-A of the Companies Act, 1956.
14. The Company, we were informed, has no by-product or significant production of scrap.
15. The Company has an internal audit system. However, the same needs to be strengthened to be commensurate with the size and nature of its business.
16. The maintenance of cost records has been prescribed by the Central Government u/s 209(1)(d) of the Companies Act, 1956 for the products of the company w.e.f. 1st April, 1997. We were informed that the Company has appointed a firm of Cost Accountants who are assisting the Company in building up the necessary cost records and the exercise is likely to be completed in the near future.
17. According to the records of the Company, Provident Fund and Employees State Insurance dues have generally been regularly deposited with the appropriate authorities.
18. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty were outstanding as at 31st March, 1999 for a period of more than six months from the date they became payable.
19. According to the information and explanations given to us, no personal expenses of employees, or directors have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practices.
20. In respect of the trading activities of the Company, we were informed that no unsaleable/damaged goods have been included in the inventories as at the close of the year.
21. The Company is not a sick industrial company within the meaning of clause (O) of subsection (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
22. In respect of services rendered (job work) we were informed that the activity being very insignificant and as the materials are provided by the parties, no record for allocation of man hours was considered necessary.

for KHANNA & ANNADHANAM  
Chartered Accountants

PLACE : NEW DELHI  
DATE : 31ST May, 1999

Jitender Dhillon  
Partner

# PHOENIX INTERNATIONAL LIMITED



## BALANCE SHEET AS AT 31ST MARCH, 1999

DESCRIPTION	SCHEDULE	AS AT 31.03.99 (Rs.)	AS AT 31.03.98 (Rs.)
<b>SOURCES OF FUNDS</b>			
<b>SHARE HOLDERS' FUNDS</b>			
Share Capital	1	167,895,600	167,895,600
Application Money pending allotment - 4 % Redeemable Cumulative Preference Shares		—	1,000,000,000
Reserves and Surplus	2	1,470,413,008	1,241,089,068
		<u>1,638,308,608</u>	<u>2,408,984,668</u>
<b>LOAN FUNDS</b>	3		
Secured		918,308,812	709,953,073
Unsecured		5,000,000	45,137,813
		<u>2,561,617,420</u>	<u>3,164,075,554</u>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>	4		
Gross Block		781,718,197	755,642,478
Less: Depreciation		111,589,634	80,237,493
Net Block		670,128,563	675,404,985
Capital work in progress		72,784,905	116,361,280
Advance against capital expenditure		—	3,092,624
		<u>742,913,468</u>	<u>794,858,889</u>
<b>INVESTMENTS</b>	5	991,413,587	1,630,282,990
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>	6		
Inventories		416,742,510	345,792,178
Sundry Debtors		423,663,865	664,625,848
Cash and Bank Balances		58,884,791	37,169,925
Loans and Advances		125,298,146	55,658,391
		<u>1,024,589,312</u>	<u>1,103,246,342</u>
<b>LESS : CURRENT LIABILITIES AND PROVISIONS</b>	7		
Liabilities		177,829,487	348,510,597
Provisions		30,374,753	28,888,423
		<u>208,204,240</u>	<u>377,399,020</u>
Net Current Assets		816,385,072	725,847,322
<b>MISCELLANEOUS EXPENDITURE</b> (to the extent not written off or adjusted)	8	10,905,293	13,086,353
		<u>2,561,617,420</u>	<u>3,164,075,554</u>
Accounting Policies and Notes to Accounts	12		

AS PER OUR REPORT OF EVEN DATE ATTACHED

for KHANNA AND ANNADHANAM  
CHARTERED ACCOUNTANTSJitender Dhillon  
PartnerS.K. Gupta  
G.M. (Finance)  
& Company SecretaryPramod Manocha  
DirectorAjay Kalsi  
Managing DirectorPLACE : NEW DELHI  
DATE : 31ST MAY, 1999