

***16th
Annual Report
2003-2004***



TAMILNADU TELECOMMUNICATIONS LIMITED

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REGISTRAR & SHARE TRANSFER AGENTS

Cameo Corporate Services Limited,

"Subramanian Building", 5th Floor,

No.1, Club House Road,

Chennai – 600 002.

Phone No: 044 – 2846 0390

Fax No. 044 – 28460129

Email: cameo@cameoindia.com

Note : 1. NO GIFTS / COUPONS WILL BE DISTRIBUTED AT THE MEETING.

2. Please bring your copy of the enclosed Annual Report to the Meeting.

Board of Directors	<p>Dr. R. Vijaykumar, Ph.D., IAS., <i>Chairman (upto July 2004)</i></p> <p>Shri M. Sengupta <i>Managing Director</i></p> <p>Shri G.D. Gaiha</p> <p>Shri A.K. Chandra Shekhar</p> <p>Shri S.K. Verma</p> <p>Shri T. Willington</p> <p>Shri S. Susai</p> <p>Shri Tsutomu Aoki</p> <p>Shri Toshitaka Takahashi</p> <p>Shri M.K. Jain <i>(Nominee of Dept. of Telecom)</i></p> <p><u>Alternate Directors</u></p> <p>Shri Kanwal Monga</p> <p>Shri H. Yokosuka</p>
Registered Office	<p>Gee Gee Complex, 3rd Floor, 42 Anna Salai, Chennai – 600 002.</p>
Factory	<p><u>Jelly Filled Telecom Cable</u></p> <p>Tiruvallur Road, Shaw Nagar, Arakkonam – 631 004. Tamilnadu</p> <p><u>Optical Fibre Cable</u></p> <p>E18B-E24, CMDA Industrial Complex, Maraimalai Nagar – 603 209. Tamilnadu</p>
Bankers	<p>State Bank of India</p> <p>Andhra Bank</p> <p>Punjab National Bank</p>
Auditors	<p>ESSVEEYAR, <i>Chartered Accountants</i> 5, Third Cross Street, Jeth Nagar, R.A. Puram, Chennai – 600 028.</p>
Promoters	<p>Telecommunications Consultants India Ltd., TCIL Bhavan, Greater Kailash – I, New Delhi – 110 048</p> <p>Tamilnadu Industrial Development Corpn. Ltd., 19-A, Rukmini Lakshmi pathi Road, Egmore, Chennai – 600 008.</p>

TAMILNADU TELECOMMUNICATIONS LIMITED**NOTICE**

NOTICE is hereby given that the Sixteenth Annual General Meeting of the Members of Tamilnadu Telecommunications Limited is scheduled to be held at 15.00 hrs on Wednesday, 29th September 2004 at the Auditorium of UNITED INDIA INSURANCE COMPANY LEARNING CENTRE, "Nalanda" No.19, IV Lane, Nungambakkam, Chennai - 600 034 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2004, the Profit and Loss Account for the financial year ended on that date and the Directors' and Auditor's Report.
2. To appoint a director in place of Shri A.K. Chandra Shekhar, Director, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Shri T. Willington, Director, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Shri Tsutomu Aoki, Director, who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification the following resolution as **Special Resolution**:

"RESOLVED THAT pursuant to the applicable provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003, and subject to the provisions of the Companies Act, 1956, Securities Contract (Regulation) Act, 1956 and the rules framed there under, listing agreements and all other applicable rules, regulations and guidelines and subject to approval, consent, permission or sanction of the Stock Exchanges, where the shares of the company are listed and any other appropriate authorities, institutions, or regulators, as may be necessary and subject to the necessary conditions and modifications, if any as may be prescribed or imposed by any authority while granting such approvals, permissions, and sanctions, which may be agreed to by the Board of Directors of the Company (hereafter referred as the Board, which term shall be deemed to include any Committee thereof for the time being exercising powers conferred on the Board by the resolution) the consent of the Company be and is hereby accorded to the Board to delist (voluntarily) the equity shares of the Company from The Madras Stock Exchange Limited and The Delhi Stock Exchange Association Limited at such time or times the Board may decide.

RESOLVED FURTHER that the Board be and is hereby authorized to do all such acts, deeds and things as may be necessary for the purpose and to settle any questions, difficulties or doubts that may arise in this regard."

By order of the Board
for TAMILNADU TELECOMMUNICATIONS LTD.,

30th August, 2004
Chennai

M. Sengupta
Managing Director

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 such proxy need not be a member of the company. The proxy, in order to be effective, must be deposited / lodged at the Registered Office of the Company not less than 48 hours before the meeting. A form of proxy is given at the end of the Annual Report.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 25.09.2004 to 29.09.2004 (both days inclusive) in connection with the Annual General Meeting.
3. Members are requested to produce the enclosed attendance slip duly filled and signed as per the specimen signature recorded with the company for admission to the meeting hall.
4. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of resolution set out against Item No.5 of the notice is annexed hereto.
5. Shareholders seeking any information with regard to accounts are requested to write to the company at an early date so as to enable the Management to keep the information ready.
6. Members are requested to kindly bring their copy of the Annual Report to the Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No.05

At present, the Company's equity shares are listed on The Stock Exchange, Mumbai (BSE), The National Stock Exchange of India Ltd (NSE), The Delhi Stock Exchange Association Ltd (DSE) and The Madras Stock Exchange Ltd (MSE), the Regional Stock Exchange.

The trading activity of the Company's equity shares is insignificant or nil in Madras and Delhi Stock Exchanges for the past few years, prime reason being spread of nationwide online terminals of BSE and NSE, coupled with internet

trading. The phenomenal changes in technology have opened gates for extensive networking of nation-wide online terminals and eased access of the investors to these terminals.

Securities and Exchange Board of India (SEBI) has recently issued guidelines viz., SEBI (Delisting of Securities) Guidelines 2003, allowing the delisting of shares by the Company voluntarily. The guidelines further provide that an exit opportunity need not be given in cases where the securities continue to be listed in a stock exchange having national wide terminals (namely BSE / NSE).

In view of the above and extremely low trading of the Company's equity shares on MSE and DSE, it has been proposed to delist (voluntarily) the equity shares of the company from MSE and DSE. The proposed delisting of the Company's equity shares from MSE and DSE will not affect the investors in any way. The Company's equity shares will continue to be listed on BSE and NSE.

None of the Directors of your Company is in any way concerned or interested in this resolution.

By order of the Board
for TAMILNADU TELECOMMUNICATIONS LTD.,

30th August, 2004
Chennai

M. Sengupta
Managing Director

ADDITIONAL INFORMATION

Brief profile of the Directors who retire by rotation and are eligible for re-appointment:

1. **Shri A.K. Chandra Shekhar, Aged 56 years**, has been on the Board of the Company since July 1995. He is a Cost Accountant having rich experience in Project Evaluations & Financial Controls. He has held various high positions in Government Services.

Details of Directorship / Committee Membership in other companies.

Name of the Companies	Nature of Interest
Telecommunications Consultants India Ltd	Director (Finance)
TCIL Bellsouth Ltd	Director
Hexacom India Ltd	Director Member, Audit Committee
Intelligent Communication Systems India Ltd	Director Chairman, Audit Committee Chairman, Executive Committee
United Telecom Ltd	Director Member, Audit Committee
TCIL Saudi Company Ltd	Director

2. **Shri T. Willington, Aged 54 years**, has been on the Board of the Company since its inception (May 1988). He is a BE (Mechanical) Graduate having rich experience in Project Implementation and Monitoring.

Details of Directorship / Committee Membership in other companies.

Name of the Companies	Nature of Interest
Tamilnadu Industrial Explosives Ltd	Director, Member, Audit Committee Member, Shareholders Investors' Grievance Committee
Nova Roofings and Pipes Ltd	Director
Tamilnadu Magnesite Ltd	Director Member, Audit Committee
Mepco Industries Ltd	Director
DCM Hyundai Ltd	Director
Nagarjuna Oil Corporation Ltd	Director
Manali Petrochemical Ltd	Director
Indsil Auto Components Ltd	Director
Jayamkondam Lignite Power Corporation Ltd	Director
Vopak Sical Terminal Ltd	Director
Rambal Ltd	Director Member, Audit Committee
Sakthi Sugars Ltd	Director

3. **Shri Tsutomu Aoki, Aged 59 years**, has been on the Board of the Company since September 1998. He is a Graduate of Department of Science and Technology, WASEDA UNIVERSITY, Tokyo, having more than 37 years of rich experience in the field of optical fibre.

Details of Directorship / Committee Membership in other companies.

Name of the Companies	Nature of Interest
Fujikura, Japan	Director

TAMILNADU TELECOMMUNICATIONS LIMITED**REPORT OF DIRECTORS' AND MANAGEMENT DISCUSSION & ANALYSIS**

To

The Members

Your Directors present the Sixteenth Annual Report, together with the Audited Accounts of the Company for the year ended 31st March 2004.

Financial Results

(Rs. in lakhs)

	2003-2004	2002-2003
Net Sales	2737.84	3903.50
Other Income	32.43	29.92
Total Expenditures	3434.80	4934.61
Finance Charges	500.06	367.21
Gross Profit/(Loss) after interest before Depreciation & Tax	(1164.59)	(1368.40)
Depreciation	307.03	403.45
Provision for Taxation	-	-
Net Profit / (Loss)	(1471.62)	(1771.85)

The overall operations of the Company resulted in a net loss of Rs.1471.62 lakhs, which is mainly due to decrease in total demand for cables, both in the domestic and international markets and uncertainty and substantial fall in cable prices, particularly in the case of Jelly Filled Cables.

Review of operations

During the year under review, the Company's sales and other income was Rs.2770.27 lakhs. The year 2003-2004 also witnessed the price war amongst the manufacturers which ultimately led to a situation of executing minimum quantum of orders at most unremunerative prices for maintaining good vendor rating for the future. Since huge manufacturing capacities are available in the country for telecom cables, the big companies with their reserves strength could withstand the losses on account of the price wars. Your company in this war had to survive by carrying on the manufacturing operations, which ultimately resulted in a net loss of Rs.1471.62 lakhs.

Due to lack of demand and poor price realizations, the capacity utilization at your PIJF Cable plant and Optical Fiber Cable plant was very low, which has adversely affected the operations of the company. Your company despite adopting stringent cost cutting measures could recover the raw material cost and at times fraction of the fixed costs. Thus, the recovery of huge fixed overhead and interest charges continues to haunt the company, which resulted into huge losses.

The continued low capacity utilization at the PIJF Cable plant is severely and adversely affecting the operations of the

company, thus making that unit totally uneconomical. Further, the operations of the PIJF Cable plant is not fetching any contribution, instead its negative impact is pulling down the average performance of Optical Fibre Cable plant. Hence, your Directors have suspended the operations at the PIJF Cable plant with effect from December 1, 2003 for trade reasons.

Two Trade Unions of employees at the PIJF Unit at Arakkonam had filed petitions against the suspension of operations before the Madras High Court. After a few hearings these petitions have been referred to the Lok Adalat for exploring possibility of an amicable settlement. Voluntary Retirement Scheme has been notified twice in your Company with 25 employees opting for the same having been retired after paying them the notified compensation over and above other dues.

In accordance with the requirements of Sick Industrial Companies (Special Provision) Act, 1985, the Company after due approval of the shareholders at their meeting held on November 27, 2003 had reported to the Board for Industrial and Financial Restructuring (BIFR) the fact that the accumulated losses as at the end of the financial year 2002-2003 have resulted in an erosion of more than 50% of its peak net worth during the immediately preceding four financial years.

Market Scenario

The telecom cables sector continues to witness tough times. Capacity utilization levels rates across the entire telecom cable industry companies are at uneconomically low, uneconomical levels. The surplus capacity, relative to demand, has led to lower realizations, making the business operations for telecom cable (both JFTC & OFC) companies unviable. The demand for JFTC largely depends on orders from BSNL. We estimate that demand from this segment to slide further, as network rollouts will be undertaken using the CMDA based wireless in local loop (WLL) technology.

However, the demand outlook for the optical fibre cables is much encouraging now, particularly, in view of Government's Broadband Policy awaited. The industry also expects that Conditional Access System (CAS) and broadband applications to spur the growth of optical fibre cable networks.

Outlook

Your Company has been able to export Optical Fibre Cables on favourable terms through the company's promoters, TCIL for their projects abroad in Nepal, Kuwait, Algeria, etc.,. The optic fiber industry at home is also poised for a period of significant growth and the demand is expected to match the current availability by the end of the next fiscal year. This favorable trend is expected to

continue at least over the next two years with prices also moving up. The Company continues to take all initiatives to retain the competitive edge and be in a position to meet the requirements of the market. The medium/long term prospects will augur well for the company. The Company continues to emphasize on cost cutting through enhanced productivity, reduction in logistics costs. The company has effected substantial reduction in manpower and will continue its efforts to further prune all its fixed costs including administrative and discretionary overheads.

Opportunities and Threats

Optical Fibre Cable market is expected to improve on account of the expected growth in broadband network, long distance network and intra-city network by private operators. Demand / supply scenario as a whole is likely to balance by end of fiscal 2005, while the supply/demand gap is likely to be significantly bridged. The demand for Optical Fibre Cable is expected to increase from the major public and private sector undertakings like GAIL, ONGC, Railtel, PGCIL, Tata, Reliance etc.

With TCIL as promoter and Fujikura as technical collaborator, the company has earned a good name with BSNL and other private operators on product quality. With the help of TCIL's presence in more than 25 countries worldwide, TTL foresees its future in increased export orders.

The introduction of VAT will eliminate the different indirect taxes currently being charged like sales tax, entry tax etc. The uniform tax structure envisaged by VAT system will provide scope for the company for its competitiveness within the State of Tamilnadu. Latest indications are that the VAT regime will be effective from April 2005.

Major players in the country are going in for fibre manufacturing as a measure of backward integration and cost reduction. Domestic manufacturers will also face increasing competition from other global manufacturers as there will be a huge surplus of optical fibre cables world wide. This route will provide domestic telecom service provider the option of sourcing their demand through imports.

Risk & Concern

Risks still persist regarding the demand for optical fibre cables as BSNL is the single largest consumer of optical fibre cable in India. While access network deployment is expected to start from 2004-2005, there could be delays if operators decide to postpone its deployment. Another trend that could emerge will be the increasing leasing of excess bandwidth, thereby reducing the demand for backbone optical fibre cable.

Corporate Debt Restructuring (CDR) Scheme

The Company has gone in for a Debt Restructuring Scheme under a system evolved by Reserve Bank of India.

which has been approved by the lenders. The restructuring package comprises re-schedulement of repayments on concessional terms with effect from 01.12.2003. The scheme is in advanced stage of finalisation and this will give substantial relief to the strained cash flows and profitability of the company.

Directors

During the year under review, TIDCO had nominated Dr. R. Vijaykumar, Ph.D., IAS, Executive Director, TIDCO as Director and Chairman on the Board of TTL, subsequent to resignation of Shri Arun Ramanathan, IAS. The Board co-opted Dr. R. Vijaykumar as Director and Chairman on the Board of TTL at their meeting held on 30th September 2003.

The Directors place on record their appreciation for the invaluable guidance and advice given by Shri Arun Ramanathan, IAS during his tenure as Director and Chairman of the Company.

In accordance with Section 256 of the Companies Act, 1956, and read with Articles 79 & 80 of the Articles of Association of the Company, Shri A.K. Chandra Shekhar, Shri T. Willington & Shri Tsutomu Aoki, Directors, will retire from the Directorship of the company by rotation and being eligible, offer themselves for re-appointment.

Directors' Responsibility Statement

As required under Section 217 (2AA) of the Companies Act, 1956, the Directors of the Company hereby state and confirm that -

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed.
- b) They have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2004, and of the loss of the Company for the year ended on that date.
- c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) They have prepared the annual accounts on a going concern basis.

Corporate Governance

A Report on Corporate Governance with the Auditors' Certificate on compliance with conditions of the Corporate Governance has been attached to form part of the Annual Report.

Energy, Technology and Foreign Exchange

Particulars relating to conservation of energy, technology

TAMILNADU TELECOMMUNICATIONS LIMITED

absorption and foreign exchange earnings and outgo as required under Section 217(1)(e) of the Companies Act, 1956 are enclosed as part of the Report.

Personnel

None of the employees drew remuneration of Rs.24,00,000 or more per annum / Rs.2,00,000 or more per month during the year. This information is furnished as required under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

Human Resources

Your Company is glad to announce that the industrial relations continue to be very cordial indicating the prevalence of high degree of excellent relationship between Employees and Management. TTL has designed and implemented a large number of initiatives to build and improve knowledge base and competencies of employees at all levels. In order to build up high morale of employees, TTL has been encouraging its employees to come out with innovative contributions, which will pave way for significant cost savings as well as overall development of the company.

Internal Control System

TTL has adequate internal control procedures in respect of all its operations. It has laid down internal control procedures to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and transactions are authorized, recorded and reported correctly.

Auditors

In terms of Section 619(2) of the Companies Act, 1956, the Comptroller and Auditor General of India have re-appointed M/s. Essveeyar, Chartered Accountants as the Auditors of the Company for the year 2003-2004. Pursuant to the resolution passed by the shareholders of the company at the Annual General Meeting held on 30th September 2002, the Board of Directors of the Company have fixed a remuneration of Rs.30,000/- for the Auditors for the year 2003-2004, besides reimbursement of travelling and out of pocket expenses at actual, subject to other terms and conditions as specified by the CAG.

Auditors' Report

Clarification on Auditors observation at Para 4 (vi) of the Auditor's Report is given below:

- (a) Note No.2 with regard to preparation of accounts on going concern basis despite substantial losses which exceeds the company's net worth, the impact of which on the financial result of the company is not ascertainable.

The accumulated losses of the Company exceed its net-worth. These losses are mainly due to un-remunerative price, low capacity utilization in respect of one of the units and liquidity crunch. The Company

has now identified the causes and would be embarking on an exercise to improve the operational and economic performance of the unit. The methods include restructuring the operations, cost control, debt restructuring and other measures.

- (b) Note No.4 with regard to long outstanding debtors for which no adjustment is made in the accounts pending arbitration proceedings initiated by the company.

The Company has initiated arbitration proceeding against the debtors which is in advanced stage. The final outcome is awaited. The remaining debtors are also being in close follow-up, no provision is made.

- (c) Note No.5 with regards to non-adjustment in the accounts for the estimated liabilities & possible loss on recoverability of recorded asset amounts in respect of one of the units where operations had been suspended, in view of the case pending in the court against the said suspension.

The Company has during the year given notice for suspension of operations of one of its unit with effect from 01.12.2003, on trade reasons. The same has been challenged by the employee's union in the Madras High Court. No adjustment is made on the probable liability arising out of suspension and the loss on impairment of assets of that unit, since the matter is sub-judice and has been referred to the Lok Adalat.

Comments of the Comptroller and Auditor General

Comments of the Comptroller and Auditor General under Section 619 (4) of the Companies Act, 1956 for the year ended 31st March 2004 along with the financial review of the accounts of the company are enclosed as part of the Report.

Acknowledgements

The Directors wish to place on record their sincere appreciation for the encouragement, assistant, support and co-operation given by Government of India, Government of Tamilnadu, Promoters and the Company Bankers. The Directors appreciate your forbearance and patience in this difficult phase of your company and solicit your continued support and co-operation. Your Directors acknowledge the continued trust and confidence you have reposed in this Company. They also wish to place on record their appreciation for the hard work put in by the employees at all levels.

For and on behalf of the Board

M. Sengupta
Managing Director

30th August, 2004
Chennai

T. Willington
Director

ANNEXURES TO THE DIRECTORS' REPORT

Disclosure of particulars as per Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY:

a) Measures taken for Energy Conservation

- Power factor maintained at 0.99, thereby reduced the losses and obtained the incentive from TNEB to the tune of Rs.0.50 lakhs.
- Optimum procurement of machine spares, thereby keeping minimum inventory and minimizing the down time.

b) Additional Investment Proposal

- Providing Automatic Voltage Regulator (AVR) for the entire factory load at sub-station end.

c) Impact of the above measures

- Providing AVR in sub-station reduces the voltage fluctuations, thereby machine stoppage can be avoided and process loss.

B. TECHNOLOGY ABSORPTION

Efforts made in technology absorption are given in prescribed FORM - B annexed.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Activities relating to exports: Initiatives taken to increase exports, development of new exports markets for products and services and export plans.

Continuous efforts are being made to procure export orders through TCIL as well as directly. A major thrust is being given to tap the export market.

b) Total Foreign, Exchange used and earned:

(Rs. in lakhs)

	2003-04	2002-03
Used	724.65	1460.59
Earned	94.75	15.41

FORM - A

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

The particulars in respect of conservation of energy in the prescribed form are not applicable to the company and hence it is not being furnished.

FORM - B

(Form for disclosure of particulars with respect to technology absorption)

A. Research & Development (R&D)

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

- Development of 48 Fibre / 96 Fibre Ribbon Cable with available facilities
- Development of Under Water Cable for Naval Science & Technological Laboratory
- Development of Micro Cable for future orders for private customers
- By optimum design, reduced size of the cable thereby saving Raw Material consumption.

2. Benefits derived as a result of the above R&D

- Introduced new product of Ribbon Cable
- By reducing the raw material consumption indirectly, we are making considerable savings to the company
- Improved the capacity by making high fibre count cables
- Getting more customer support for domestic and international market because of introducing the latest type of products.

3. Future plan of action

- Planning for type approvals to manufacture 144 Ribbon Cable and other higher fibre count cables.
- To introduce ERP Package systems for material control activities.

4. Expenditure of R&D

- Expenditure on the entire above R&D works about Rs.1 lakh only.

B. Technology absorption, adaptation and Innovation

- Design and fabrication of Mono-tube FRP Payoff stand locally thereby saving about Rs.5 lakhs instead of purchasing the new machine.
- Design and fabrication payoff stand for manufacturing Hybrid Cable (Optic fibre + Copper).

REVIEW OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2004 BY THE COMPTROLLER AND AUDITOR GENERAL OF INDIA.

1. FINANCIAL POSITION

The table below summarizes financial position of the Company under broad headings for three years upto 31.03.2004.

(Rs. in lakhs)

Liabilities	2001-2002	2002-2003	2003-2004
a) Paid up capital (including advance for shares)	2266.01	2266.01	2266.01
b) Reserves and Surplus	188.69	114.26	112.20
c) Borrowings:			
i) Short-term and long term	1811.31	1124.94	1400.96
ii) Cash Credit	3247.26	2289.86	2611.65
d) Trade dues and other liabilities (including provisions)	1658.58	1654.53	1144.80
e) Deferred Tax Liability	278.46	278.46	264.83
TOTAL	9450.31	7728.06	7800.45

(Rs. in lakhs)

Assets	2001-2002	2002-2003	2003-2004
a) Gross Block	7227.22	7260.68	7267.79
b) Less: Depreciation	3742.98	4077.54	4358.00
c) Net fixed assets	3484.24	3183.14	2909.79
d) Capital Work-in-progress	-	21.68	21.68
e) Other assets/ Investments	-	-	-
f) Current assets, Loans and advances	5818.90	2685.63	1680.62
Deferred Tax Assets			
g) Intangible Assets:			
i) Miscellaneous Expenditure	147.17	133.20	25.96
ii) Accumulated losses	-	1704.41	3162.40
TOTAL	9450.31	7728.06	7800.45

Capital Employed	7644.56	4235.92	3467.29
Net Worth	2307.53	542.66	(810.15)

Note : Capital Employed represents Net Fixed Assets plus working capital. Networth represents paid-up capital plus Reserves Less Intangible Assets.

2. CAPITAL STRUCTURE

- Debt-Equity Ratio for the Company was 0.21:1 in 2001-2002 0.19:1 in 2002-03 and 0.18:1 in 2003-04.
- The Amount of loans taken from Government of Tamilnadu outstanding as on 31st March 2004 was Rs. NIL lakhs.

3. RESERVES AND SURPLUS

Reserves and Surplus accumulated upto 31.03.2004 amounted to Rs. 112.20 lakhs as against Rs. 114.26 lakhs as on 31.03.2003 and Rs. 188.69 lakhs as on 31.03.2002.