

31st March, 2001



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**TECIL CHEMICALS AND
HYDRO POWER LIMITED**

BOARD OF DIRECTORS

SHRI. SHRINIWAS B. SOMANI
CHAIRMAN & MANAGING DIRECTOR

SHRI. G. JOY
DIRECTOR (OPERATION)

SHRI. G. R. BANG

BANKERS

CANARA BANK, KOTTAYAM

STATUTORY AUDITORS

K.VENKATACHALAM AIYER & CO.,
KOTTAYAM

REGISTERED OFFICE & WORKS

P.O. CHINGAVANAM - 686 531.
DIST. KOTTAYAM (KERALA)

ADMINISTRATIVE OFFICE

EMPIRE HOUSE (3RD FLOOR)
214, DR. D.N. ROAD,
FORT,
MUMBAI - 400 001.



NOTICE

NOTICE is hereby given that the 56th adjourned Annual General Meeting of the Company will be held on Monday 10th June, 2002 at 11.00 A.M. at its Registered Office at TECIL PREMISES P.O. Chingavanam - 686 531; Dist. Kottayam, Kerala, to transact the following business:

ORDINARY BUSINESS :

1. To receive and adopt the Director's Report, Auditor's Reports and the Audited Profit & Loss Account of the Company for the year ended 31st March, 2001 and Balance Sheet as at that date.
2. To appoint a Director in place of Shri. G. Joy, who retire by rotation and being eligible, offers him self for re-appointment.
3. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting, and to fix their remuneration and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution :

"RESOLVED THAT M/s. K. Venkatachalam Aiyer & Co. Chartered Accountants, Kottayam, be and is hereby appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a remuneration of Rs.60,000/- in addition to reimbursement of out of pocket expenses in connection with audit of the accounts of the Company."

SPECIAL BUSINESS :

4. To consider and if thought fit to pass the following resolution with or without modification as an Ordinary resolution:

"RESOLVED THAT Shri. G. R. Bang, who was appointed as an additional Director of the Company under Article 81 (e) of the Articles of association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing pursuant to Sec.257 of the Company's Act 1956, proposing his candidature to the office of the Director, be and is hereby appointed as a Director of the Company and liable to retire by rotation."

By order of the Board

sd/-

(S. B. SOMANI)

CHAIRMAN & MANAGING DIRECTOR

Place: Mumbai
Date: 03 /05/2002

NOTES

1. Explanatory Statement as required under section 173(2) of the Companies Act, 1956 is annexed.
2. A member entitled to attend and vote, is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a member of

the company. Proxies in order to be effective, must be received by the Company not later than 48 hours before the meeting.

3. Members are requested to notify immediately any changes in their addresses.
4. The Register of Members and the Share Transfer Book of the Company will remain closed from Wednesday 5th June-2002 to Monday 10th June-2002 (Both days inclusive).
5. Members desiring to submit Mandates, to lodge transfer deeds for shares are requested to forward the same so as to reach the Company's Registrars at System Support Services, 209, Shivai Industrial Estate, Next to Parke Davis Ltd., Saki Naka, Mumbai-400 072 on or before Wednesday 5th June, 2002. The Company will not be in a position to act upon any document which is incomplete or received after Wednesday 5th June, 2002.
6. Pursuant to the provisions of Section 205A of the Companies Act, 1956, as amended, dividend for the financial year 1995-96 and thereafter which remain unpaid/unclaimed for a period of 7 (Seven) years will be transferred to the Investor Education and Protection Fund to be constituted by the Central Government under Section 205C of the companies Act, 1956.

It may kindly be noted that once the unpaid/unclaimed dividend is transferred to the Central Government, as above, no claim shall lie in respect thereof.

ANNEXURE OF THE NOTICE**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956.**

The following Explanatory Statement sets out the material facts referred to in Item No. 4 of the Notice convening the 56th Annual General Meeting.

Shri. G. R. Bang appointed by the Board of Directors as an Additional Director on 3rd December, 2001 under the Provisions of Section 260 of the Companies Act, 1956 read with Article 81 (e) of the Articles of association of the Company. Shri. G. R. Bang holds office as a Director up to the date of this Annual General Meeting of the Company and being eligible, he has offered himself for re-election as a Director by a written notice under section 257 of the Company's Act 1956.

MEMORANDUM OF INTEREST

Except Shri. G. R. Bang, none of the Directors of the Company is concerned or interested in this Resolution.

By order of the Board

sd/-

(S. B. SOMANI)

CHAIRMAN & MANAGING DIRECTOR

Place: Mumbai
Date: 03/05/2002

DIRECTORS REPORT

To
The Members,

Your Directors hereby present the 56th Annual Report together with the audited accounts for the year ended 31st March, 2001.

FINANCIAL RESULTS

The results for the year ended 31st March 2001 are summarized herein below.

Year ended 31st March	2001	Rs. In Lakhs
		2000
Net Sales	1.71	502.49
Other Income	5.55	95.39
Total Income	7.26	597.88
Loss before interest and depreciation	629.07	263.91
Add: Interest	958.91	108.24
Depreciation	136.88	140.66
Loss for the year	1724.86	512.81
Extra ordinary Income	100.00	-
Prior period adjustments	106.57	-
(Surplus)/Loss b/f from previous year	1756.08	1243.27
Add: Provision of Income Tax for earlier year	-	-
Balance carried forward to Balance Sheet	3487.51	1756.08

DIVIDEND

Due to the loss incurred by the Company during the year the Board of Directors do not recommend dividend for the year.

OPERATIONS

The Company has been under LOCKOUT throughout the year and there was no production and sales, resulting into heavy loss.

HYDRO POWER PROJECT

Due to financial constraints, the progress of work at Ullunkal Hydro Power Project of 7 MW capacity was very little. At present the work is at a stand still. It may take three months time to complete and commission this project after resumption of work.

Work for Karikkayyam Hydro Power Project is also not in progress due to financial constraints.

Both the projects are financed by IREDA, IDBI and Canara Bank.

FINANCE

The Company is planning to raise the money to complete the power projects by issuing Preference Shares to the extent of 500 lakhs on private placement basis to KSIDC. The Company is also approaching the Government of Kerala to persuade KSIDC in this matter.

M/s.IREDA and CANARA BANK have filed DRT Recovery cases against the Company. IDBI has also recalled the term loan given to the company. The Company has requested all these institutions to defer their action pending the consideration of Restructure proposal of the company.

DEPOSITS

The deposits which were due during the year have been repaid before 31.3.2001. There is no deposit outstanding which has been matured during the year but not paid. These particulars are furnished in compliance with the directives of the Reserve Bank of India.

SUBSIDIARY COMPANY

As required u/s.212 of the Companies Act, 1956 the audited statements of accounts along with the report of the Board of the Directors of Citric India Ltd. and Auditor's Report for the year ended 31st March 2001 is annexed.

INDUSTRIAL RELATIONS

The Company has been under LOCKOUT throughout the year.

PARTICULARS OF EMPLOYEES

There was no employee drawing remuneration in excess of the limit prescribed and hence statement as required by

section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975 is not annexed to this report

DIRECTORS

Sri.G.Joy retires under Article 86 of the Articles of Association of the Company and being eligible offers himself for re-appointment. Your Directors recommend his appointment.

Sri.Premjit Singh, Dr.R.S.Sarda and Sri.Vijay Kakantri have resigned from the Board of Directors of your Company. The Board place on record the valuable guidance given and services rendered by them as Directors of the Company.

Nomination of Sri.B.Chandrasekharan Nair, Nominee of KSIDC and Sri.R.Narayanan, Nominee of IREDA have been withdrawn by respective institutions from the Board. The Board place on record the valuable services rendered and the guidance given by them as a Director of the Company.

Shri. G. R. Bang was appointed as additional director and hold office till conclusion of the ensuing Annual General Meeting, being eligible, he has offered himself for re-appointment.

AUDITORS

M/s. Suri and Company, Chartered Accountants, Trivandrum have shown their unwillingness to continue as auditors due to pre-occupation and the Company has appointed M/s.K.Venkatachalam Aiyer & Co., Chartered Accountants, Kottayam as auditor in place of M/s.Suri and Co. The members have approved this appointment in their EGM dated 10.8.2001 as Statutory Auditor for the year 2000-2001.

M/s.K.Venkatachalam Aiyer & Co., Chartered Accountants retire at the ensuing Annual General Meeting. The members are requested to re-appoint the Auditors and fix their remuneration.

NOTE TO THE ACCOUNTS

The notes to the accounts referred to in the Audited Report are self explanatory and therefore do not call for any further comments.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirements u/s.217 (2AA) of the Companies Act, 1956, the Board of Directors of the Company confirm:

- i. that in the preparation of the annual accounts for the financial year ended 31st March 2001, the applicable accounting standards other than what has been specified by the auditors in their reports have been followed and there has been no material departure.
- ii. that the selected accounting policies were applied consistently and the directors made judgments 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 March 31, 2001 and of the loss of the company for the year ended as on date.
- iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for the safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv. that the annual accounts have been prepared on a "going concern" basis.

PARTICULARS REGARDING CONSERVATION OF ENERGY ETC.

As required in terms of section 217(1) of the Companies Act, 1956 and the Companies (Disclosure of Particulars in the Report of Board of Directors) rules 1988, the Report on Conservation of Energy, Technology absorption and Foreign Exchange Earnings and outgo etc. is given in Annexure I forming part of this Report.

RESTRUCTURING

Your company has decided to restructure itself in consultation with various financial institutions of the Company.

GENERAL

The Balance Sheet and Profit and Loss Account of the Company have been signed as per the provisions of section 215 (1) (ii) of the Companies Act, 1956. Your Directors place on record their sincere appreciation for the continued co-operation, guidance, support and assistance provided during the year under report by IDBI, IREDA, Company's Bankers Canara Bank as also all the employees of the company for their sincere and dedicated service in pursuing the corporate objectives of the company.

FOR AND ON BEHALF OF THE BOARD

sd/-
(S. B. SOMANI)
CHAIRMAN & MANAGING DIRECTOR

PLACE: MUMBAI
DATE : 03/05/2002

ANNEXURE I

THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

A. CONSERVATION OF ENERGY:

Ours is a power intensive process Energy conservation programmes are undertaken in the Company on a continuous basis. Due to lockout throughout the year, no measures in this regard have been undertaken.

1. By commissioning and operating the lime kiln, power consumption required for manufacturing Calcium Carbide has been reduced.

Total energy consumption and energy consumption per unit of production are as per Form A hereunder.

A. Power and Fuel consumption:

	Current year	Previous year
1. Electricity		
a) Purchased units (Kwh)	NIL	62,92,000
Total amount Rs.	NIL	169,76,344
Rate/unit @	NIL	2.70
b) Own generation (Kwh)	NIL	45,083
2. Coal	NIL	Nil
3. Furnace Oil and HSD Oil		
a) Purchased Units (KL)	NIL	NIL
Total amount Rs.	NIL	NIL
Rate /KL	NIL	NIL
4. Others internal generation	NIL	NIL

B. Consumption per tonne of production (Kwh)

1. Electricity		
PRODUCTS		
a) Calcium Carbide	NIL	6075*
b) Ferro Silicon	NIL	N.A.
c) Acetylene Black	NIL	540*
d) Desulphurisation Compound	NIL	NIL
2. Furnace Oil (KL)	NIL	NIL
3. Coal	NIL	NIL
4. Others	NIL	NIL

* Factory was in operation till 14.5.1999 only.

B. TECHNOLOGY ABSORPTION

1. The technology upgradation work of all furnaces on account of collaboration agreements with Elkem Metallurgy, Mumbai a subsidiary of internationally well-known concern of smelting furnace. ie. Elkem Metallurgy, Norway has been completed.
2. The technological upgradation work of Acetylene Black plant in the line of agreement with M/s. KEDAB, Australia has also been completed.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The total expenditure in foreign currency during the year:

Technical know-how fees	NIL	NIL
Travelling expenses	NIL	NIL
Subscription	NIL	NIL
CIF value of imports		
- Capital goods	NIL	NIL
- Raw Materials	NIL	NIL

AUDITORS' REPORT

To
The Members,

TECIL CHEMICALS AND HYDRO POWER LIMITED

We have audited the attached Balance Sheet of **TECIL CHEMICALS AND HYDRO POWER LIMITED** as at 31st March, 2001 and the Profit and Loss Account of the company for the year ended on that date, annexed thereto and report that:

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order 1988, issued by the Company Law Board, in terms of Section 227 (4A) of the Companies Act, 1956 we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
2. Further to our comments in Annexure referred to in Paragraph (1) above, attention is invited to the following observations. The company incurred a net loss of Rs. 1,731.43 lakhs during the year ended 31.03.2001 and as on that date, the company's current liabilities exceeded its current assets by Rs 882.35 lakhs. The accumulated loss as on 31.03.2001 is Rs 3487.51 lakhs as against the balance of Rs 3,420.64 lakhs in the share capital and free reserves other than revaluation reserve. These factors, along with other matters as set forth in Note No. 2.17, raise substantial doubt over the company being able to continue as a going concern.

We further report that

- 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 as required by law, have been kept by the Company so far as appears from our examination of these books:
- c. The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of accounts;
- d. In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report, are prepared in compliance with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956 to the extent applicable except as stated in para 2(f) and (g) hereunder and Note No.2.2.5 regarding non recognition of excise duty on closing stock of finished goods
- e. On the basis of written representation received from the Directors and taken on record by the Board of Directors, and subject to our observations in Note No. 2.18, we report that the Managing Director Shri S. B. Somani is disqualified being appointed as a Director in terms of section 274(1)(g) of the Companies Act 1956.
- f. No provision has been made towards:-
 - i) Liability on account of leave encashment benefit, as referred to in Note No.2.10.2 of Notes forming part of accounts Rs 50,65,286/-
 - ii) Liability on account of enhanced lease rent on land, disputed as referred to in Note No.2.3.7 of Notes forming part of the accounts Rs. 29,80,816/-
 - iii) Liability on account of other demands/dues towards Excise Duty, Power charges, Income Tax, Sales tax, compensation under voluntary retirement scheme payable to employees and additional compensation for land acquisition disputed as referred to in Notes forming part of accounts viz, Note No.2.3.1, 2.3.2, 2.3.3, 2.3.4, 2.3.5 and 2.3.6 of Rs. 1,70,18,516/-
 - iv) Liability on account of demand towards penalty on Sales tax referred to in Note No.2.4.4 amounting to Rs. 18,22,037/-
 - v) Doubtful debts under Sundry Debtors and Loans and Advances as referred to in Note No. 2.15.6 amounting to Rs. 1,28,27,405/-
 - vi) Interest accrued in respect of non payment of statutory dues as referred in note No. 2.4.1,2,3 amounting to Rs. 27,01,565/-
 - vii) Claims made in the arbitration proceedings by suppliers of certain plant and machinery required for the hydel project as referred to in Note No 2.2.6 of the notes forming part of the accounts Rs 500 lakhs.
 - viii) Penalty if any payable on non-submission of statutory returns within the prescribed time as referred to in Note No.2.2.7 of the Notes forming part of accounts.
- g. Finance and incidental charges of Rs 8,54,96,922/- for the current year on the loans taken for the Hydro Power Projects under implementation as referred to in Note No 2.13.3 of Notes forming part of accounts, have not been capitalized and have been charged to revenue in accordance with Accounting Standard 16 issued by the Institute of Chartered Accountants of India due to interruption in construction of the projects during the year. Finance and

incidental charges on the loans taken for these HydroPower projects upto 31.03.2000 have been capitalized as referred to in Note No 2.13.3.

- h. We further report that on account of the non provision for various losses/ expenditure various facts as stated above the loss for the year is understated by Rs 2,24,16,293/- being the incremental revenue charge for the year, with consequent changes in Balance sheet.

Subject to the above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon and the accounting policies give the information required by the Companies Act, 1956 in the manner so required and reflect a true and fair view except to the extent as stated above: -

- a) In the case of the Balance Sheet of the state of affairs of the company as on 31st March 2001 and;
b) In the case of the Profit and loss Account of the loss of the company for the year ended on that date.

For K.VENKATACHALAM AIYER & CO.
CHARTERED ACCOUNTANTS

sd/-
A.GOPALAKRISHNAN B.Sc. F.C.A.
(PARTNER)

KOTTAYAM
DATE: 04.05.2002

ANNEXURE TO PART 1 OF OUR REPORT TO SHAREHOLDERS OF TECIL CHEMICALS AND HYDRO POWER LTD., KOTTAYAM OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2001.

FIXED ASSETS

1. The records maintained by the Company showing full particulars including quantitative details and situation of fixed assets are to be updated. No physical verification of the important items of fixed assets as at the year end, has been carried out this year due to lay off/ lock out of the factory and therefore, material discrepancies/ deterioration in the value of assets, if any, on physical verification could not be determined (Please refer to note 2.13.5).
2. The fixed assets have not been revalued during the year.

INVENTORIES/ STORES

3. Due to lay off/ lock out of the factory, the usual practice of the company in conducting physical verification at reasonable intervals of finished goods, stores and spares, packing materials and raw materials, was not done during the year and therefore, the question of reporting as to the reasonableness and adequacy of the procedures of physical verification of stocks and stores followed by the management and determining discrepancies, if any, on physical verification of stocks as compared to book records during the year does not arise.
4. On the basis of our examination of stock records, we are of the opinion that the valuation of the stock is fair and proper and in accordance with the generally accepted accounting principles except to the extent as referred to in Note No. 2.2.5 forming part of accounts. The basis of valuation of these stocks is the same as in the preceding year.

LOANS AND ADVANCES

5. The Company has taken unsecured loans from Companies, Firms and other parties listed in the register maintained u/s.301 of the Companies Act, 1956. The rate of interest and other terms and conditions of such loans are prima facie not prejudicial to the interests of the company. In terms of sub section (6) of section 370 of the Companies Act, 1956, the provisions of the said section are not applicable to the company on or after 31st October 1998.
6. The company has granted unsecured loans to companies, firms or other parties listed in the register maintained u/s.301 of the Companies Act, 1956. The rate of interest is prima facie not prejudicial to the interests of the company. However, as informed to us, there are no other terms and conditions. In terms of sub section (6) of section 370 of the Companies Act, 1956, the provisions of the said section are not applicable to the company on or after 31st October 1998.
7. In respect of loans and advances in the nature of loans given by the company to certain parties referred to in para 2(f)(v) of our report u/s.227 (2) of the Companies Act, 1956 and note No.2.15.6 forming part of accounts, the repayment of principal and/or interest have not been regular. The stipulated recoveries against employees' loans and advances in the nature of loans are not made during the year due to lay off/ lock out of the factory.

INTERNAL CONTROL

8. Due to lay off / lock out of the factory during the year and on account of only few transaction for the whole of the year, the company has not implemented adequate internal control procedure 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, equipments and other assets and for the sale of goods.

9. Internal audit was not carried out during the year due to lay off / lock out.

TRANSACTION WITH PARTIES AS REFERED U/S 301 OF COMPANIES ACT 1956

10. There are no transactions of purchase of goods and materials and sale of goods, materials and services in value, aggregating during the year to Rs.50,000/- or more in respect of each party made in pursuance of contracts or arrangements entered in the register maintained u/s.301 of the Companies Act, 1956.

UNSERVICEABLE GOODS

11. Due to lay off/ lock out the Company has not determined the unserviceable or damaged stores, raw materials and finished goods during the year and accordingly no provision is made for the loss, if any, in the accounts, except for Rs.90,500/- being value of stock of Acetylene black deteriorated during the year.

FIXED DEPOSITS

12. The Company has not accepted/ renewed fixed deposits during the year. However in respect of fixed deposits accepted/ renewed in prior years and outstanding as at the date of the Balance Sheet, the company did not file the annual return of fixed deposits in accordance with the Rules of the Companies (Acceptance of Deposits) Rules, 1975.

COST RECORDS

13. As informed the Central Government has not prescribed maintenance of cost records u/s.209 (i)(d) of the Companies Act, 1956 for the products of the Company.

STAFF WELFARE

14. The Company has not been regular in depositing Provident Fund and Employees State Insurance dues during the year with appropriate authorities resulting in arrears of Provident Fund Rs.49,36,337 and Employees State Insurance Rs.15,07,755 and interest on PF overdue amounting to Rs. 9,42,663/- (Please refer to note no. 2.2.8).

TAXATION

15. There are undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty outstanding as at 31st March, 2001 for a period of six months from the date they became payable as per details shown below.

- a) Income tax Rs.14,75,589/-
- b) Interest on the above not provided for, as referred to in Note No. 2.4.2 forming part of the accounts Rs 4,86,577/-
- c) Sales Tax Rs.42,21,979/-
- d) Interest on the above not provided for, as referred to in Note No. 2.4.3 forming part of the accounts Rs 18,52,410/-
- e) Penalty on sales tax not provided as referred to in Note No. 2.4.4 forming part of the accounts Rs 18,22,037/-

OTHERS

16. According to the information and explanations given to us and on the basis of the examination of the books of accounts carried out by us in accordance with the generally accepted auditing practices, no personal expenses of employees or Directors other than those payable under contractual obligation or in accordance with the generally accepted business practice, are charged to the revenue account.
17. The Company is maintaining reasonable records for the sale and disposal of realizable by-products and scraps.
18. The total accumulated loss of the company as on 31.03.2001 is more than the aggregate of capital and free reserves other than revaluation reserve and consequently the company is a Sick Industrial Company within the meaning of Sec.3 (1)(o) of the Sick Industrial Companies (Special Provisions Act) 1985.

For K.VENKATACHALAM AIYER & CO.
CHARTERED ACCOUNTANT

sd/-
A.GOPALAKRISHNAN B.Sc. F.C.A.
(PARTNER)

KOTTAYAM
DATE: 04.05.2002

BALANCE SHEET AS ON 31.03.2001

Sl. No.	PARTICULARS	SCHEDULES	CURRENT YEAR Rs. (000's)	PREVIOUS YEAR Rs. (000's)
SOURCES OF FUNDS				
I	SHAREHOLDERS FUNDS			
a)	Share capital	(A)	166,145	166,145
b)	Reserves and surplus	(B)	554,632	591,116
			<u>720,777</u>	<u>757,261</u>
II	LOAN FUNDS			
a)	Secured loans	(C)	634,144	545,832
b)	Unsecured loans	(D)	235	1,542
c)	Deferred payment credits	(E)	286	741
			<u>634,665</u>	<u>548,115</u>
			<u>1,355,442</u>	<u>1,305,376</u>
APPLICATION OF FUNDS				
III	FIXED ASSETS	(F)		
a)	Gross block		949,911	956,781
b)	Less: Depreciation		410,386	364,381
c)	Net block		<u>539,525</u>	<u>592,400</u>
d)	Capital Work-in-Progress	(G)	546,989	532,379
			<u>1,086,514</u>	<u>1,124,779</u>
IV	INVESTMENTS	(H)	8,412	31,902
V	CURRENT ASSETS, LOANS AND ADVANCES			
a)	Inventories	(I)	36,657	37,054
b)	Sundry debtors	(J)	22,715	20,323
c)	Cash and bank balance	(K)	707	10,759
d)	Other current assets		-	197
e)	Loans and advances	(L)	27,225	58,527
			<u>87,304</u>	<u>126,860</u>
VI	Less: CURRENT LIABILITIES AND PROVISIONS			
a)	Liabilities	(M)	172,206	150,582
b)	Provisions	(N)	3,333	3,191
			<u>175,539</u>	<u>153,773</u>
	NET CURRENT ASSETS		<u>(88,235)</u>	<u>(26,913)</u>
VII	Profit and loss account		348,751	175,608
			<u>1,355,442</u>	<u>1,305,376</u>

As per our attached report of even date

For and on behalf of Board of Directors

For **K.VENKATACHALAM AIYER & CO.**
Chartered Accountants

sd/-
S.B.SOMANI
(Chairman/Managing Director)

sd/-
A.GOPALAKRISHNAN B.Sc,F.C.A
(Partner)

sd/-
G.R. BANG
(Director)

KOTTAYAM. 4TH MAY, 2002.

MUMBAI, 3RD MAY, 2002.