

Annexure-1
(Referred to in para 1.3)

Profit & Loss Account Of HOCL for the last five years **(Rs. in crore)**

Particulars	1999-00			2000-01			2001-02			2002-03			2003-04		
	RSN	Kochin	Total	RSN	Kochin	Total	RSN	Kochin	Total	RSN	Kochin	Total	RSN	Kochin	Total
INCOME															
Sales (gross)	182.68	227.41	410.09	96.10	311.29	407.39	112.72	188.24	300.96	139.81	327.40	467.21	150.84	333.73	484.57
Less Excise duty	0	0	0	0	0	0	0	0	0	20.56	46.61	67.17	22.36	47.45	69.81
Net Sales	182.68	227.41	410.09	96.10	311.29	407.39	112.72	188.24	300.96	119.25	280.79	400.04	128.48	286.28	414.76
Sale of Trading Goods	10.89	0.20	11.09	0.48	0	0.48	0.08	0	0.08	0.24	0	0.24	0.03	0	0.03
Other Income	7.38	2.61	9.99	8.96	2.88	11.84	6.10	2.09	8.19	6.70	2.44	9.14	4.60	3.32	7.92
Profit on sale of Assets	0	0	0	0.43	0	0.43	0.10	0	0.10	0.05	0	0.05	0.02	0	0.02
Increase (decrease) in Stock in Trade and in Process	-20.74	0.05	-20.69	-0.60	5.85	5.25	-3.64	-7.74	-11.38	0.78	1.50	2.28	1.34	1.64	1.78
Total	180.21	230.27	410.48	105.37	320.02	425.39	115.36	182.59	297.95	127.02	284.73	411.75	134.47	306.07	440.54
EXPENDITURE															0
Material Consumed	96.13	103.31	199.44	58.94	135.14	194.08	56.38	89.63	146.01	83.88	141.88	225.76	100.17	167.33	267.50
Excise duty	28.01	33.50	61.51	13.75	44.90	58.65	15.65	26.14	41.79	0.16	0.85	1.01	0.10	1.64	1.73
Purchase of Trading Goods	10.50	0.15	10.65	0.47	0	0.47	0.06	0	0.06	0.67	0	0.67	0.05	0	0.05
Employees' Remuneration and Benefits	37.42	11.86	49.28	34.16	12.14	46.30	33.35	14.57	47.92	35.56	15.43	50.99	36.82	16.30	53.12
Manufacturing Admn. & Selling Expenditure	47.56	44.63	92.19	26.25	54.12	80.37	25.71	46.49	72.20	27.26	67.30	94.56	28.89	67.27	96.16
Total	219.62	193.45	413.07	133.57	246.30	379.87	131.15	176.83	307.98	147.53	225.46	372.99	166.03	252.54	418.56
Operating Profit /Loss	-39.41	36.82	-2.59	-28.20	73.72	45.52	-15.79	5.76	-10.03	-20.51	59.27	38.76	-31.56	53.53	21.98
Interest	27.94	19.00	46.94	28.21	20.99	49.20	27.65	18.37	46.02	28.18	17.00	45.18	24.19	13.71	37.90
Cash Profit /Loss	-67.35	17.82	-49.53	-56.41	52.73	-3.68	-43.44	-12.61	-56.05	-48.69	42.27	-6.42	-55.75	39.82	-15.92
Depreciation	18.14	10.28	28.42	17.92	10.54	28.46	17.89	10.39	28.28	17.59	10.57	28.16	17.47	10.63	28.10
Provisions	16.39	0.36	16.75	4.32	0.19	4.51	5.37	1.77	7.14	4.77	2.05	6.82	66.59	5.47	72.06
Loss on sale/disposal of Assets	0	0	0	0.80	0	0.80	0	0	0	0.10	0.03	0.13	0.20	0	0.20
	34.53	1064	45.17	23.04	10.73	33.77	23.26	12.16	35.42	22.46	12.65	35.11	84.26	16.10	100.36
Profit(loss) for the year before Tax	-101.88	7.18	-94.70	-79.45	42.00	-37.45	-66.70	-24.77	-91.47	-71.15	29.62	-41.53	-140.01	23.72	-116.28

RSN: Rasayani Unit

Annexure-2
(Referred to in Para 5.6.4)

Case studies of doubtful export transactions in foodgrains

CS No	Subject	Case Study
1	Date of Export prior to the date of issue of foodgrains by FCI Exported rice not according to the specification of rice procured by FCI.	M/s.Kanthilal & Co. lifted 2249.489 MTs of boiled rice on 3, 4, 5, 6 and 7 of December 2001 and submitted the Bill of Lading dated 5 December 2001 whereas the District Office, FCI, Tuticorin had issued only 1383.822 MT as on that date. The same party lifted a quantity of 1479.965 MT of boiled rice on 22 and 24 of December 2001 against another allotment. The party submitted Bills of Lading for the entire quantity. The commodity indicated in the Bill of Lading was Indian long grain par-boiled rice of 20 per cent broken, whereas the maximum broken percentage as per FCI specification was only 16. Further, the clause indicating "Non-basmathi/non-scented rice" was incorporated in the Bill of Lading by way of subsequent corrections. In spite of these anomalies, FCI released the Bank Guarantee submitted by the party, which resulted in undue benefit of Rs.1.31 crore being the difference between the Open Sale rate and concessional export rate on the total quantity of 3729.454 MT to the party.
2	Bills of lading three months later than the shipping bill date. Substitution of documents. Forged documents Reimbursement of transport charges without proof of truck chits for goods having been delivered in Port	PEC in association with M/s.Shiv Nath Rai Harnarain (India) Ltd., New Delhi lifted 10,275.864 MTs of boiled rice from District Office, Raichur (Karnataka) during the period from April 2002 to June 2002 and submitted export documents for 7543.570 MTs (Nil per cent broken). The Bills of Lading were dated August 2002. The shipping bills furnished by the exporters indicated that the same were submitted to the customs authorities in May 2002 itself. The state of origin of goods was mentioned as Delhi. As the copies of the shipping bills submitted by the party were not legible, FCI called for clear copies. The party responded in December 2002 with the shipping bills in which the reverse sides were not the same as submitted earlier. Moreover, the shipping bill number which was hand-written in the bills submitted originally was machine numbered while submitting later. The party did not submit the truck chits in proof of movement of stocks to the port towns. In spite of these glaring inconsistencies in the documents, the case was not investigated to ensure the genuineness of the export. Therefore, the concession of Rs.3.60 crore granted by the Corporation was irregular.
3	Export concession granted based on false Chartered Accountant's certificate	District Offices, Rajkot and Sabarmathi (Gujarat) issued 2450 MT of raw rice during August 2002 to M/s.Algyas for export purposes. The party submitted export documents for 1796 MT along with the Chartered Accountant certificate dated 12 October 2002 claiming that 605 MT was sold as broken and rejections in domestic market to M/s.Ashok Kumar and Aman Kumar. The balance 49 MT was claimed to be transit and processing shortages. However, when it was pointed out to the party that they were not eligible for any concession towards broken in view of the withdrawal of the concession by the Government, the exporters submitted another certificate dated 4 October 2002 (i.e., prior to the earlier certificate) from the same Chartered Accountant stating that 2408 MT of rice was exported. This was irregular and could not be accepted. Therefore, an amount of Rs.23 lakh was recoverable towards the differential cost for 605 MT of raw rice.
4	Export documents not corresponding to the rice lifted from FCI	PEC Ltd., New Delhi in association with Shivnath Rai Harnarain(India) Ltd., lifted 27,724.229 MT in November 2002, December 2002 and February 2003 from FCI Andhra Pradesh region for export to Nigeria. Out of the quantity lifted, the party exported 27,188.854 MT during December 2002 to June 2003 and balance quantity was claimed as operational loss as detailed below:

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	Export documents not corresponding to the export contract for which intended.	<p align="right">In MT</p> <table border="1"> <thead> <tr> <th>S.No</th> <th>Quantity lifted</th> <th>Quantity exported</th> <th>Operational</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>2310.677</td> <td>2264.463</td> <td>46.214</td> </tr> <tr> <td>1</td> <td>6928.000</td> <td>6805.650</td> <td>122.350</td> </tr> <tr> <td>3</td> <td>18485.622</td> <td>18118.741</td> <td>366.881</td> </tr> <tr> <td>Total</td> <td>27724.299</td> <td>27188.854</td> <td>535.445</td> </tr> </tbody> </table> <p>From a review of the export documents submitted by the party, it was observed that the party claimed to have exported 5042.749 MT parboiled rice PR-106 out of the stocks lifted from FCI, Andhra Pradesh. However, PR-106 variety was not procured in Andhra Pradesh. Thus, 5042.749 MT exported was not the stock lifted from FCI. Out of the total exports, 7188.855 MT was exported to other countries. As per the sale contracts, broken was 0 to 5 per cent. However, boiled rice up to 10 per cent broken was exported. The Regional Vigilance Squad which investigated the transactions recommended to treat the issues as local sales and to recover differential cost of Rs.8.73 crore along with freight, market fee and sales tax amounting to Rs.4.57 crore from the party. However, no recovery was made from the party.</p>	S.No	Quantity lifted	Quantity exported	Operational	1	2310.677	2264.463	46.214	1	6928.000	6805.650	122.350	3	18485.622	18118.741	366.881	Total	27724.299	27188.854	535.445
S.No	Quantity lifted	Quantity exported	Operational																			
1	2310.677	2264.463	46.214																			
1	6928.000	6805.650	122.350																			
3	18485.622	18118.741	366.881																			
Total	27724.299	27188.854	535.445																			
5	Export documents not pertain to rice lifted from FCI's stocks	M/s. Sam Enterprises lifted (August 2002) 2032 MT of Punjab raw rice from Bangalore. The bills of lading, shipping bills and invoices submitted by the party however indicated that the rice was of Andhra Pradesh origin. Hence, the rice exported could not be construed as rice lifted from FCI. The differential cost recoverable from the party was Rs.73 lakh.																				
6	Export concessions granted for stock not lifted from FCI	<p>PEC submitted export documents dated 23 September 2002 towards 13466 MT of Lustre lost wheat lifted from District Office, FCI, Gandhidham (Gujarat) and Shivpuri (Madhya Pradesh) during October 2002. It was stated by the party that the stocks were taken on loan from MARKFED (Punjab) and the stocks lifted from FCI godowns in October 2002 were returned to MARKFED.</p> <p>Similarly, the STC lifted 2350 MT of wheat for export from District Office, FCI, Baroda (Gujarat) during the period from 15 January 2001 to 16 January 2001. The stocks were moved by rail to Gandhidham port on 16 January 2001. The party submitted Bill of Lading dated 16 January 2001 i.e., when the stocks were actually on transit to Gandhidham. Subsequently (September 2003), the STC clarified that the shipment was made by taking loan from sister Public Sector Undertaking and the stocks purchased from FCI was utilized to replenish the stocks obtained on loan.</p> <p>The substitution was against the instructions of the Government.</p> <p>As the exporter was required to export the same rice issued by FCI, the documents submitted by the party should not have been accepted towards discharge of export obligation. The differential price recoverable from the parties towards the above was Rs.4.52 crore. (PEC: Rs3.84 crore /STC: Rs.68 lakh)</p>																				
7	Export concession extended for feed wheat which was not issued by FCI for exports	The PEC lifted 14396 MT of sound wheat from District Office, FCI, Gandhidham and Rajkot (Gujarat) during the period from May 2002 to July 2002. The bills of lading and shipping bills submitted by the party against the above issues indicated that the wheat actually exported was "Feed Wheat". As the wheat issued by FCI was not feed wheat, the export of feed wheat should not have been accepted. The differential price recoverable from the party work out to Rs.3.87 crore.																				
8	Export concession granted for rice not exported	A quantity of 15547 MT of wheat issued by FCI to PEC was reportedly damaged at the custody of PEC. Hence the stocks were not exported by the party. However, the differential cost of Rs.4.80 crore towards the unexported quantity was not recovered from the PEC.																				

Annexure – 3

(Referred to in Para 6.4.1)

Statement indicating capacity utilisation in terms of SMH for the Company as a whole

Particulars	1999-00	2000-01	2001-02	2002-03	2003-04
1. Available SMH (in lakh hours)	35.54	33.32	27.73	26.63	31.71
2. Utilisation (in lakh hours)	30.36	31.20	28.06	27.56	40.29
3. Percentage of utilisation to available SMH (Sl. No.2/Sl. No.1)	85.42	93.64	101.18	103.49	127.06
4. Direct labour (Nos) – (Assembly and Fabrication)	3000	2813	2341	2248	2676
5. SMH output per direct labour (Hours per year) Sl No.2/Sl No.4	1012	1109	1199	1226	1505

Annexure – 4
(Referred to in Para 6.4.4)

Unitwise details of Non-moving (NM) and Slow-moving (SM) inventory

(Rs. in crore)

Unit	1999-2000			2000-01			2001-02			2002-03			2003-04		
	NM	SM	*	NM	SM	*	NM	SM	*	NM	SM	*	NM	SM	*
Bangalore Complex	31.67	47.68	19	47.66	60.89	20	37.52	26.85	11	50.29	24.78	13	61.27	25.36	15
Ghaziabad	21.10	6.27	32	19.05	6.53	29	18.67	8.45	28	16.25	0.32	15	30.67	9.05	32
Hyderabad	5.67	4.18	20	9.29	4.86	27	9.29	4.86	18	0.00	5.75	5	11.76	5.75	11
Pune	0.05	0.03	1	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.29	-	1
Machili-patnam	0.15	0.43	14	0.27	0.90	15	0.27	0.90	6	0.00	2.23	4	1.13	2.17	19
Kotdwara	0.12	-	1	0.11	-	-	0.30	-	1	0.59	2.06	8	0.44	0.82	2
Chennai	0.25	0.80	7	0.61	2.42	18	0.35	3.03	18	0.00	1.80	11	1.92	3.09	24
Panchkula	1.60	0.55	4	1.05	1.05	3	0.72	-	1	0.66	0.00	2	1.62	-	5
Taloja	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.92	17	0.02	-	0
Total	60.61	59.94	18	78.04	76.65	18	67.12	44.09	12	67.79	37.86	11	109.13	46.24	15

* Percentage to total inventory

Annexure-5
(Referred to in Para 7.4.3)

(1) In respect finished goods stock of DCS(T) Division, out of 27 items selected (Unit rate > Rs.1000 considered) from MRP-II system, four items were matching with the IFAS data. In respect of remaining 23 items though there was a balance quantity in MRP-II, the same was not appearing in IFAS stock data. The value of discrepancy amounted to Rs.111.36 lakh. A few illustrations are given below:

Part No.	Quantity as per MRP-II	Quantity as per IFAS	Discrepancy in quantity	Value of discrepancy (Rs. in lakh)
110000909030	105	0	105	32.55
110001043375	210	0	210	12.98
116000965086	6	0	6	6.00

(2) In respect of stock of BTV Division, out of 22 items selected (Unit rate > Rs.50,000 considered) from MRP-II system, 21 items had balance quantity as per MRP-II, but these items were not appearing in the IFAS. Further, in respect of one item as against the balance quantity of 75 Nos. in MRP-II, the quantity as IFAS was one having a difference of 74 Nos. (Rs.68.09 lakh) The discrepancy amounted to Rs.4032.40 lakh. A few illustrations are given below:

Part No.	Quantity as per MRP-II	Quantity as per IFAS	Discrepancy in quantity	Value of discrepancy (Rs. in lakh)
476611590156	75	1	74	68.09
900011977127	62	0	62	258.11
4766149800112	3	0	3	1062.65
900011684769	1	0	1	102.41

(3) In respect of FG stock of DCS-M Division, out of 17 items selected (Unit rate >Rs.1 lakh considered) from MRP-II there existed discrepancy in respect of three items and no discrepancy in respect of one item when compared to IFAS data. Besides, 13 items in respect of which balance quantity was present in the MRP-II data, the items did not appear in the IFAS data. The discrepancy amounted to Rs.1699.43 lakh. Illustrative cases are given below:

Part No.	Qty. as per MRP-II	Quantity as per IFAS	Discrepancy in quantity	Value of discrepancy (Rs. in lakh)
110001051038	91	1	90	335.34
100002910092	19	6	13	15.99
112001850056	8	0	8	1128.00
114000220097	10	0	10	36.00

(4) In respect of FG stock of LPE Division, out of nine items selected (Unit rate >Rs.1 lakh considered), from MRP-II only one item's quantity was matching with IFAS data and though there was balance in MRP-II data, eight other items were not appearing in IFAS. The discrepancy amounted to Rs.343.94 lakh. A few illustrations are given below:

Part No.	Quantity as per MRP-II	Quantity as per IFAS	Discrepancy in quantity	Value of discrepancy (Rs. in lakh)
ROD90809	19	0	19	67.91
ROD908135	19	0	19	53.44
ROD90806/8	19	0	19	55.88
ROA11977136	10	0	10	18.15

(5) In respect of FG stock of High Frequency Division, out of four items selected (Unit rate >Rs.50,000 considered), there was no difference in respect of one item and three items, though appearing in MRP-II, were not found in stock data of IFAS. The discrepancy amounted to Rs.231.75 lakh. The details are given below:

Part No.	Qty. as per MRP-II	Quantity as per IFAS	Discrepancy in quantity	Value of discrepancy (Rs. in lakh)
110001593850	3	0	3	201.08
116001100110	3	0	3	28.79
110001275108	1	0	1	1.88

(6) In respect of Radar Division, out of 11 FG items selected (Unit rate >Rs. 50,000 considered), seven items though appearing in MRP-II were not figuring in IFAS data. Three items though appearing in IFAS were not figuring in MRP-II data. Even though one item appeared in both the data there was a difference in the quantity between the two systems. The discrepancy amounted to Rs.28.02 lakh. A few illustrations are given below:

Part No.	Qty. as per MRP-II	Quantity as per IFAS	Discrepancy in quantity	Value of discrepancy (Rs. in lakh)
112002744202	1	0	1	2.58
212114860192	3	0	3	2.74
HN089490	7	0	7	3.78
R41684	7	0	7	9.76

(7) In respect of BTV Division, out of 17 raw material items selected (Unit rate >Rs.10,000 considered) from MRP-II data, there was no difference between the two

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systems for 13 items. However, though there was stock quantity in MRP-II relating to four items the IFAS was not showing the items in the data. The discrepancy amounted to Rs.105.31 lakh as detailed below:

Part No.	Qty. as per MRP-II	Quantity as per IFAS	Discrepancy in quantity	Value of discrepancy (Rs. in lakh)
900011970531	3	0	3	79.24
900011817174	75	0	75	13.09
900011960540	12	0	12	7.80
900011958794	4	0	4	5.18

(8) In respect of DCS(T) Division, out of 26 raw material items selected (Unit rate >Rs.100 considered) from MRP-II only 15 items appeared in IFAS. Out of 15 items there was no difference in respect of eight items and in respect of seven items the quantity was more in IFAS compared to MRP-II. Further, in respect of four items the data in MRP-II did not show unit rate and value whereas IFAS data showed rate and value. The discrepancy value amounted to Rs.0.80 lakh. A few illustrations are given below:

Part No.	Qty. as per MRP-II	Quantity as per IFAS	Discrepancy in quantity	Value of discrepancy (Rs. in lakh)
436310730205	8	93	85	0.23
437010110196	8	18	10	0.15
437010670177	8	17	9	0.09
437812820116	4	11	7	0.19

(9) In respect of HF Division, out of 32 raw material items selected (Unit rate >Rs.50,000 considered) there was discrepancy in quantity in respect of MRP-II and IFAS data in respect of only two items. The discrepancy value amounted to Rs.198.21 lakh. The details are given below:

Part No.	Qty. as per MRP-II	Quantity as per IFAS	Discrepancy in quantity	Value of discrepancy (Rs. in lakh)
455610520184	55	51	4	191.09
455610530175	6	2	4	7.12

(10) In respect of LPE Division, out of 30 items of raw material selected (Unit rate >Rs.30,000 considered) two items appearing in MRP-II data did not appear in IFAS data. The value of discrepancy amounted to Rs.1.11 lakh. Instances are given below:

Part No.	Qty. as per MRP-II	Quantity as per IFAS	Discrepancy in quantity	Value of discrepancy (Rs. in lakh)
991910321006	1	0	1	0.42
476610860134	2	0	2	0.69

(11) In respect of Radar Division, out of 47 raw material items selected (Unit rate >Rs.1 lakh considered) from MRP-II data there was discrepancy in quantity relating to four items. The value of discrepancy amounted to Rs.22.21 lakh. Details are given below:

Part No.	Qty. as per MRP-II	Quantity as per IFAS	Discrepancy in quantity	Value of discrepancy (Rs. in lakh)
112001470592	1	2	1	2.65
418810290129	10	11	1	3.66
474111140161	1	3	2	4.19
515010250134	4.5 kg.	0.45 kg.	4.05 Kg.	11.71

Annexure –6
(Referred to in Para 8.4.4)

Vessels completed during the years 1998-99 to 2003-04 and Profit and Loss made thereon

(Rs. in crore)

Sl. No.	Type of Vessel	Yard No.	Keel Laid on	Launched on	Contracted delivery date	Delivered on	Final Contract price (Sale)	Actual cost	Profit/(Loss)	Delay in months	Type of Contract
A. INDIAN NAVY VESSELS											
1.	Fleet Replenishment Tanker	3008	25.08.88	15.11.93	Dec, 91	21.03.2K	245.00	271.30	(26.30)	99	Fixed
2.	Frigate	3009	30.12.88	29.01.94	Dec, 95	31.03.2K	697.64	648.97	48.67	51	Cost Plus
3.	Missile Corvette	2039	10.01.90	10.10.92	March, 92	10.08.98	269.92	251.09	18.83	65	Cost Plus
4.	Missile Corvette	2041	16.10.95	18.08.97	March, 93	14.08.01	309.63	288.03	21.06	101	Cost Plus
5.	Missile Corvette	2042	30.08.97	06.04.2K	Sep, 93	30.01.04	312.83	291.00	21.83	125	Cost Plus
6.	Fast Attack Craft	2047	22.04.97	21.09.98	Nov, 97	11.09.2K	41.04	40.63	0.41	34	Fixed
7.	Fast Attack Craft	2048	20.01.98	17.02.99	May, 98	27.02.01	41.01	40.01	1.00	33	Fixed
8.	Fast Attack Craft	2049	12.10.98	10.11.99	Nov, 98	31.07.01	41.01	40.63	0.38	34	Fixed
9.	Fast Attack Craft	2050	05.05.99	05.05.2K	May, 99	15.01.02	41.05	39.92	1.13	32	Fixed
B. COAST GUARD VESSELS											
1.	Hovercraft	1121	N.A.	N.A.	01.08.2K	29.08.2K	8.24	9.34	(1.1)	1	Fixed
2.	Hovercraft	1122	N.A.	N.A.	01.10.2K	23.04.01	8.28	8.51	(0.23)	6	Fixed
3.	Hovercraft	1123	N.A.	N.A.	01.02.01	27.07.01	8.20	8.04	0.16	5	Fixed
4.	Hovercraft	1124	N.A.	N.A.	01.06.01	19.10.01	8.20	8.11	0.09	4	Fixed
5.	Hovercraft	1125	N.A.	N.A.	01.10.01	05.11.01	8.20	9.03	(0.83)	1	Fixed
6.	Hovercraft	1126	N.A.	N.A.	01.02.02	12.03.02	8.20	7.87	0.33	1	Fixed

Annexure - 7
(Referred to in Para 13.4)
FINANCIAL POSITION

The table below summarises the financial position of the Company for the five years period ending 31 March 2004.

(Rupees in crore)

Liabilities	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004
a) Paid up capital					
i)Government	167.99	167.99	167.99	167.99	187.99
ii)Others					
b) Reserves & Surplus	13.92	9.06	8.72	7.85	7.23
c) Borrowings					
(i)Government of India	0.26	0.13	0.03	0.01	-
(ii)Other financial institutions	37.98	48.48	45.47	25.48	-
(iii)Foreign currency loan	43.21	42.12	43.56	54.23	57.55
(iv)Others including cash credit and interest accrued and due	212.11	128.28	85.20	77.52	68.84
d) Current liabilities and provisions	82.46	81.52	72.15	62.87	62.79
Total	557.93	477.59	423.12	395.95	384.40
Assets					
e) Gross Block	71.14	66.51	68.55	64.53	60.83
f) Less Depreciation	40.77	39.40	39.70	39.11	37.72
g) Net Block	30.37	27.11	28.85	25.42	23.11
h) Capital work-in-progress	2.61	5.40	0.07	0.08	-
I)Investments	1.30	1.30	1.30	1.30	1.30
j)Current Assets & Loans and Advances	523.64	396.55	261.55	224.85	216.46
k)Misc.Expenditure	0.01	0.01	0.01	0.01	0.01
l) Accumulated losses	-	47.22	131.34	144.29	143.52
TOTAL	557.93	477.59	423.12	395.95	384.40
Capital Employed	472.15	347.61	224.24	193.82	183.69
Net Worth	173.23	120.76	36.64	23.69	44.46
Net Worth per rupee of Paid up Capital	1.03	0.72	0.22	0.14	0.24

Annexure 8
(Referred to in para 13.4)
Working Results

Statement showing the working results for five years ending 31 March 2004.

(Rupees in crore)

Particulars	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004
A.Income					
1.Sales	110.25	190.13	185.10	170.44	148.09
2.Hire charges	3.15	4.60	5.07	5.23	4.34
3.Lease rentals	5.62	4.39	2.87	1.92	1.43
4.Grants and subsidies	15.89	15.41	20.68	20.80	15.75
5.Interest	19.67	17.08	12.99	9.37	7.59
6.Other income	28.94	19.00	17.06	18.15	*28.26
7.Misc.	10.80	12.27	4.75	3.62	3.00
Total	194.32	262.88	248.52	229.53	208.46
B.Expenditure					
1.Purchases	105.58	186.20	182.62	168.33	146.35
2.Consumption of stores	2.21	1.75	0.98	0.22	0.10
3.Acc.dec. in stock	0.07	1.35	0.14	0.39	0.29
4.Employees salaries	23.52	23.96	29.00	30.32	21.35
5.Depreciation	3.72	3.70	2.87	2.25	1.91
6.Interest	27.87	24.22	20.32	18.48	12.10
7.Other expenses	16.51	18.00	16.70	18.77	22.43
8.Bad debts written off	4.43	1.96	1.36	0.61	0.93
9.Exchange variation losses	2.23	1.85	2.92	1.45	0.48
10.Deprcn.as per contra	0.68	0.75	0.78	0.76	0.72
11.Prov.for Bad and Doubtful debts	0.55	42.79	70.95	0.00	0.00
12.Other provisions	1.40	3.12	0.26	0.31	0.32
13.Total	188.77	309.65	328.90	241.89	206.98
14.Net Profit/Loss	5.55	(-)46.77	(-)80.38	(-)12.36	1.48

* includes Rs.12.19 crore provision written back.

Annexure-9
(Referred to in para 13.4)
Performance of financing activities

(Rupees in crore)

Particulars	1999-2000	2000-01	2001-02	2002-03	2003-04
Income					
Sales	106.40	187.13	182.87	168.73	146.59
Hire-charges	3.15	4.60	5.07	5.23	4.34
Lease rentals	5.62	4.39	2.87	1.92	1.43
Service charges	6.08	4.99	3.94	2.85	2.24
Interest	19.56	16.94	12.83	9.18	7.43
Other income	24.88	14.38	12.37	12.59	7.96
Grants/subsidies	2.95	2.38	4.88	5.95	1.24
Total	168.64	234.81	224.83	206.45	171.23
Expenditure					
Purchase	105.58	186.20	182.55	168.33	146.31
Financial charges	27.85	24.20	20.32	18.48	12.09
Employee cost	11.42	10.29	15.90	16.90	10.44
Depreciation	3.58	3.50	2.66	2.02	1.66
Provision for Bad & Doubtful debts	0.55	42.79	70.87	-	-
Bad debts written off	4.43	1.96	1.31	0.60	0.93
Others	9.68	12.67	16.98	12.53	10.54
Total	163.09	281.61	305.27	218.86	181.97
Profit/Loss	5.55	(-) 46.80	(-) 80.44	(-) 12.41	(-)10.74
Percentage of financial charges to total income (excluding sales & grants/subsidies)	47	53	55	58	52
Percentage of employees cost to total income (excluding sales and grants/subsidies)	19	23	43	53	45

Annexure-10

(Referred to in para 13.6)

Norms for financial assistance for general category* and procedure for sanction

Name of scheme	Maximum amount of assistance	Period of repayment	Period of moratorium allowed	Security **	Procedure for sanction/disbursement
Hire Purchase/ Equipment Leasing	Rs.25 lakh to Rs.1.00 crore	5 years in 20 quarterly instalments (except special equipment)	6 to 12 months	20/25 per cent of loan amount to be obtained as cash towards security deposit.	After examining the economic viability of the project, security offered, creditworthiness of the promoter, working capital arrangements and ensuring clear title of the primary security mortgaged.
Raw Material Assistance/ Bill Discounting	Rs.1 crore	90 days	--	100 per cent bank guarantee	Direct payment to the supplier against the evidence of supply received under RMA. Bills drawn by the assisted units for the supplies made to the reputed enterprises and accepted by them, are financed under Bill Discounting.

*In respect of other categories such as SC/ST, Women entrepreneurs and North-Eastern Region, the quantum of assistance differs and concession in rates of interest is offered.

** Security norms have been revised from February 2004.

Annexure-11
(Referred to in Para 13.7)
Trend in recovery of dues

(Rs. in crore)

	Amount due at the beginning of the year	Fallen due during the year	Total recoverable	Recovered during the year	Dues written off during the year	Amount due at the end of the year	4 as percentage of 3
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1998-99							
HP	78.28	8.60	86.88	13.25	2.51	71.12	15.3
EL	11.70	10.40	22.10	8.94	0.17	12.99	40.5
RMA	123.05	203.68	326.73	181.10	--	145.63	55.4
BD	32.00	73.33	105.33	47.90	--	57.43	45.5
Total	245.03	296.01	541.04	251.19	2.68	287.17	46.4
1999-2000							
HP	71.12	9.12	80.24	9.53	1.76	68.95	11.9
EL	12.99	9.18	22.17	7.93	0.05	14.19	35.8
RMA	145.63	255.71	401.34	241.20	--	160.14	60.1
BD	57.43	64.85	122.28	71.60	--	50.68	58.6
Total	287.17	338.86	626.03	330.26	1.81	293.96	52.8
2000-01							
HP	68.95	10.55	79.50	9.90	1.87	67.73	12.5
EL	14.19	9.97	24.16	10.62	0.05	13.49	44.0
RMA	160.14	262.68	422.82	282.91	0.01	139.90	66.9
BD	50.68	77.46	128.14	80.77	0.01	47.36	63.0
Total	293.96	360.66	654.62	384.20	1.94	268.48	58.7
2001-02							
HP	67.73	12.09	79.82	9.83	1.37	68.62	12.3
EL	13.49	5.50	18.99	5.03	0.20	13.76	26.5
RMA	139.90	220.26	360.16	238.06	0.04	122.06	66.1
BD	47.36	79.28	126.64	82.95	--	43.69	65.5
Total	268.48	317.13	585.61	335.87	1.61	248.13	57.4
2002-03							
HP	68.62	14.04	82.66	12.48	0.31	69.87	15.1
EL	13.76	3.65	17.41	4.17	0.10	13.14	24.0
RMA	122.06	153.62	275.68	177.36	--	98.32	64.3
BD	43.69	54.49	98.18	66.49	--	31.69	67.7
Total	248.13	225.80	473.93	260.50	0.41	213.02	55.0

HP – Hire Purchase
EL – Equipment Leasing
RMA – Raw Material Assistance
BD – Bill Discounting