

INDIVIDUAL LOAN SHEETS
FOR ACTIVE LOANS ONLY

(Arranged in Dictionary Order)

TABLE OF CONTENTS

<u>Borrower</u>	<u>Page No.</u>
Acme Pig Iron & Centrifugal Pipe Works Ltd.	2.1
Agricultural Association Ltd.	2.3
American Express International Banking Corporation	2.5
American Universal Electric (India) Ltd.	2.7
Arbor Acres Farms (India) Ltd.	2.9
Bank of America	2.11
Borosil Glass Works Ltd.	2.13
Chemicals and Plastics India Ltd.	2.16
Corn Products India (Pvt) Ltd.	2.18
Coromandel Fertilizers Ltd.	2.20
Cutler-Hammer India Ltd.	2.23
The East India Hotels Ltd.	2.25
Elpro International Ltd.	2.27
Escorts Tractors Ltd.	2.29
Everest Refrigerants Ltd.	2.30
Ferro Coatings & Colours Ltd.	2.32
First National City Bank	2.35
Frick India Ltd.	2.36
Gabriel India Ltd.	2.38
Goodyear India Ltd.	2.40
Graphite India Ltd.	2.42
Harig India Private Ltd.	2.44
Herdillia Chemicals Ltd.	2.46
Hindustan Aluminium Corporation	2.48
Indabrador Limited	2.51
Indofil Chemicals Ltd.	2.53
Kirloskar Cummins Ltd.	2.55
Kumardhubi Fireclay & Silica Works Ltd.	2.57
Lal-Roe Measuring Tools Ltd.	2.59
Lube India Ltd.	2.61
Madras Rubber Factory Ltd.	2.63
Mandya National Paper Mills Ltd.	2.66
McNally-Bird Engineering Co. Ltd.	2.69
Modipon Limited	2.71
Mysore Cements Ltd.	2.73
Mysore Lamp Works Ltd.	2.76

Napco Bevel Gear of India Ltd.	2.78
Otis Elevator Company Limited	2.80
Pibco India Limited	2.82
Precision Bearings India Ltd.	2.84
Raymon Engineering Works Ltd.	2.86
Renusagar Power Co. Ltd.	2.88
Richardson Hindustan Ltd.	2.90
Rockwell India Ltd.	2.92
Searle India Ltd.	2.94
Semiconductors Limited	2.96
Seshasayee Paper & Board Co. Ltd.	2.98
Shama Forge Company Ltd.	2.100
Shavo-Norgren (India) Private Ltd.	2.103
Shree Synthetics Ltd.	2.105
Sylvania & Laxman Ltd.	2.107
Synbiotics Limited	2.109
Taylor Instruments Company (I) Ltd.	2.111
Tractor Engineering Ltd.	2.113
Union Carbide India Ltd.	2.115
United Carbon India Ltd.	2.117
Vazir Glass Works Ltd.	2.119
Vickers Sperry of India Ltd.	2.121
Warner Hindustan Ltd.	2.123
Wyman-Gordon India Ltd.	2.125
York India Ltd.	2.127
Zuari Agro Chemicals Ltd.	2.129

ACME PIG IRON AND CENTRIFUGAL PIPE WORKS LIMITED
(386-E-206)

1. Project Description

Products: Steel ball grinding media, steel shots and alloy steel castings.

Users : Steel ball grinding media : cement, iron ore, copper industries; and steel shots and alloy steel castings : used in blasting equipment for cleaning of castings, forgings, etc.

2. Loan Terms and Conditions

Amount	: Rs. 6, 562, 500
Date Agreement Signed	: December 28, 1970
Interest Rate	: 8%
Repayment Terms	: 17 equal semi-annual installments
Grace Period	: 2 years from the first disbursement
Payment Due Date	: May 12 and November 12
Final Maturity Date	: May 12, 1981
<u>Status of Repayment</u>	
a) Current/Default	: Not applicable
b) Outstanding Balance as of December 31, 1971	: Rs. 4, 000, 000
Security/Guarantee	: Mortgage on borrower's fixed assets

3. Project Authority (ownership)

The project is 27.5% owned by Wheelabrator Corp., Mishawaka, Indiana; 21% by Tilghman Wheelabrator, U.K.; 14.0% by Tata Companies; 9.0% by Mr. S.H. Commissariat and family; and the balance 28% by the Indian public.

4. Location

Office : Commissariat Building, 231, Dr. D.N. Road, Bombay 1 BR
Factory: Khapoli, District Colaba, Bombay

5. Status of the Project

The project is under construction. Acme has plans to start production of (a) grinding media in June 1972; (b) alloy steel castings in July 1972; and (c) steel shots in August 1972.

6. Key Personnel

1. Mr. S. H. Commissariat, Managing Director
2. Mr. Stanley S. Krzeszewski, Managing and Technical Expert of Wheelabrator Corpn.

AGRICULTURAL ASSOCIATION LTD. (386-E-175)

1. Project Description

Products : Hybrid Agriculture Seeds.

Users: Farmers and seed growers.

2. Loan Terms and Conditions

Amount	:	Rs. 2, 800, 000 ^{a/}
Date Agreement Signed	:	December 27, 1967
Interest Rate	:	8%
Repayment Terms	:	13 equal semi-annual installments
Grace Period	:	48 months after first disbursement
Payment Due Date	:	May 7 and November 7
Final Maturity Date	:	May 7, 1978
<u>Status of Repayment</u>		
a) Current/Default	:	Delinquent
b) Outstanding Balance as of December 31, 1971	:	Rs. 1, 000, 000
Security/Guarantee	:	Unsecured

3. Project Authority (Ownership)

AAL was incorporated on November 19, 1962 as a joint venture between Dekalb Agricultural Association Inc., Dekalb, Illinois and a group of Indian collaborators on a 51:49 equity basis. In 1965, AAL was reorganized with the investment by Nanda industrial group. Present equity interests are Dekalb - 51%, Nanda Group - 41%, and the original investors - 8%.

4. Location

Factory : Nawanshehr, Punjab
Office : 6, Pratap Building, Connaught Circus, New Delhi 1

^{a/} Only Rs.1.0 million were disbursed. Action is being initiated to deobligate Rs.1.8 million.

5. Status of the Project

AAL has defaulted in the payment of interest of Rs.265,813 and the installment of first principal payment of Rs.215,381 due on May 27, 1972. In 1970 voluntary liquidation of AAL was decided upon by its shareholders since AAL could not operate profitably in the past due to inadequate market for its hybrid seeds. AID's interests are well represented by Messrs. Wales and O'Donnell on a 'Committee of Creditors' which oversees the activities of the company appointed liquidator. At the last meeting of the creditors of AAL, held on December 13, 1971, the liquidator briefed the creditors about the activities of AAL during the period September 26, 1970 to September 25, 1971. (As of September 25, 1971 the total claims against AAL stood at Rs.1.81 million against Rs.0.89 million the value of its machinery, land and buildings.) During this period, the plant and machinery was offered for sale to National Seeds Corporation and to Food Corporation of India but both the parties have not shown interest in the offer. AAL since then has been exploring the possibilities of the sale of the plant and machinery to the Punjab Government and/or to other interested private parties. We have obtained for our records from AAL a list of creditors and equipment and machinery. It is difficult at this stage to estimate with any precision the amount of potential recovery.

7. Key Personnel

1. Mrs. Doly Nanda, Managing Director
2. Mr. H. P. Nanda, Director
3. Mr. Kidar Nath Sachdeva, Liquidator

AMERICAN EXPRESS INTERNATIONAL BANKING CORPORATION (386-E-192)1. Project DescriptionService: Banking ServicesUsers: Indian public and business organizations2. Loan Terms and Conditions

Amount	:	Rs. 60,000,000
Date Agreement Signed	:	June 4, 1969
Interest Rate	:	4%
Repayment Terms	:	<u>1/</u>
Grace Period	:	Not applicable
Payment Due Date	:	Not applicable
Final Maturity Date	:	<u>1/</u>
Status of Repayment:		
(a) Current/Default	:	Current
(b) Outstanding Balance as of Dec. 31, 1971	:	Rs. 43,477,000 ^{2/}
Security/Guarantee	:	Unsecured

3. Project Authority (Ownership)

This is a branch of the American Express International Banking Corporation, New York, U. S. A.

4. Location

Head Office: 364, D. Dadabhai Naoroji Road, Bombay

Delhi Office: Hamilton House, Connaught Place, New Delhi 1

Calcutta Office: 21, Old Court House Street, Post Box No. 2311, Calcutta

5. Current Status:

American Express is mainly a travel agency with offices around the world. However, it also carries banking business in few countries including India. Its deposits as of Dec. 31, 1971 for Indian branches totalled Rs. 461.63 million and net profit Rs. 3.628 million during FY 1971. Amexco's accounting year closes on Dec. 31, 1971 and their auditors are Messrs Price Waterhouse Feat and Co., Bombay. As of

1/ Payment to be made as and when principal repayments received from the sub-borrowers but not later than 15 years from the date of the first disbursement.

2/ Source - W-224 Report as of December 31, 1971.

December 31, 1971, Amexco had committed the total loan amount for subloan to six Indian companies. The list of sub-borrowers include industries in the field of pharmaceuticals, engineering goods, food processing etc.

7. Key Personnel

- (1) Mr. B.A. Palkhiwala, Resident Vice President, Bombay
- (2) Mr. G. V. Gode, Manager, Delhi Office
- (3) Mr. M. V. S. Menon, Manager, Calcutta Office

AMERICAN UNIVERSAL ELECTRIC (INDIA) LTD. (386-E-114)1. Project Description

Products: (a) Fractional horse power motors in the range of 1/250 to 1/3 H.P.; (b) electrical fans and coolers; and (c) electrical stamping and lamination

Users: (a) FHP motors are used by manufacturers of air-conditioners and refrigerators; (b) electric fans and coolers are used by households, offices, factories and workshops; and (c) electrical stamping and lamination is used by AUDEL as a component in the manufacture of FHP motors.

2. Loan Terms and Conditions

Amount	:	Rs. 2,100,000
Date Agreement Signed	:	August 10, 1964
Interest Rate	:	7% per annum
Repayment Terms	:	10 equal annual installments
Grace Period	:	24 months after the first disbursement
Payment Due Date*	:	September 18 and March 18
Final Maturity Date	:	September 18, 1975
<u>Status of Repayment</u>		
a) Current/Default	:	Current
b) Outstanding balance	:	Rs. 840,000.00
		as of December 31, 1971
Security/Guarantee	:	The loan is unsecured

3. Project Authority (Ownership)

American Universal is presently 46 percent owned by the Universal Electric Company, Owosso, Michigan and 54 percent owned by a group of Indian investors headed by Lt. Col. Raghvendra Singh.

4. Location

Registered Office and Factory : Model Town, Faridabad, Haryana

* Repayment installment is annual due on September 18 each year, while interest repayment is semi-annual due on March 18 and September 18.

5. Financial Status

In FY 1971 even though AUDEL's sales recorded an increase of 21% over 1970, its profits have declined due to an increase in overhead costs. AUDEL continues to be in violation of the total liabilities to net worth ratio which for FY 1971 was 338% against 200% required under the Loan Agreement. A comparative study of company's financial performance in 1971 over 1970 is presented in the following table:

	<u>For the year ended Sept. 30</u>	
	(In 000 of Rupees)	
	<u>1970</u>	<u>1971</u>
Sales	16,855	20,471
Net profit including dev. rebate	1,577	900
Net worth	4,995	5,895
Total assets	21,478	25,822
Total liabilities	16,483	19,927
Current ratio (Minimum 100%)	139.2%	111.2%
Debt(total liabilities)/Equity ratio (Maximum 200%)	330%	338%

Company auditors are : Messrs. Walker Chandiook & Company.

6. Status of the Project

During FY 1971 the company's production increased by 18.66 percent over the previous year. The project for which the AID Cooley loan was authorized has been completed. AUDEL is working on a plan to expand the existing capacity and diversify its product lines by taking up the manufacture of general purpose motors and stator roter sets for sealed and semi-sealed compressors as indicated below:

<u>Product</u>	<u>Present Installed Capacity</u>	<u>Proposed Installed Capacity</u>
EHP Motors	200,000 units	220,000 units
Fans	100,000	150,000
Coolers	20,000	20,000
Electrical Stampings and Laminations	200	1,300
Stator Roter sets	40, --	40,000

This expansion is likely to be completed by 1973.

8. Key Personnel:
1. Mr. K. P. Singh, Managing Director
 2. Mr. C. R. Guha Roy, Secretary

ARBOR ACRES FARMS (INDIA) LIMITED
(386-E-085)

1. Project Description

Products: Poultry breeding farms.

Users: Indian public, hotels and restaurants.

2. Loan Terms and Conditions

Amount	:	Rs.1,250,000
Date Agreement Signed	:	August 8, 1963
Interest Rate	:	7%
Repayment Terms	:	11 equal semi-annual installments
Grace Period	:	18 months after first disbursement
Payment Due Date	:	September 23 and March 23
Final Maturity Date	:	March 23, 1970
Status of Repayment:		
a) Current/Default	:	Default
b) Outstanding Balance	:	Rs.1,079,600
as of Dec.31, 1971		
Security/Guarantee	:	Unsecured

3. Project Authority (ownership)

The project is owned 27.5% by Arbor Acres Farms Inc., U.S.A.; 22.5% by International Basic Economic Corporation, U.S.A.; and the balance 50% by Indian promoters - S. B. Saran, Nicholas Mocello and Jagdish Parsad.

4. Location

Factory: P.C. General Hospital, Talegaon, Dist. Poona, Maharashtra

Office: 10, Alipur Road, Delhi-6

5. Current Status

Arbor Acres is delinquent in payment of its principal installments and has requested deferment and rescheduling of its Cooley Loan. Arbor Acres has started making repayment according to the plan suggested by them. According to this plan Arbor Acres will repay the outstanding amount in 20 installments, beginning May 1972, with final maturity in May 1981. AID is favorably considering Arbor Acres plan and is waiting for projections

to approve the plan and to amend the Loan Agreement. Arbor acres is now working on decentralization of its operations. Arbor Acres plans to (a) start another farm at Dehradun in June 1972; (b) increase hatchery capacity of its plant at Ghaziabad in U. P. from 100, 000 to 180, 000 eggs; (c) set up egg powder and chicken processing plants; and (d) increase its exports from \$300, 000 in 1971 to \$500, 000 in 1972 and to \$1, 000, 000 in 1973.

Company's Auditors are: Messrs A. F. Ferguson & Co., Bombay.

6. Key Personnel

1. Mr. J. Parsad, Director
2. Brig. S.A. H. Rizvi, General Manager
3. Mr. A. Chandershekar, Accountant

BANK OF AMERICA (386-F-191)1. Project DescriptionService: Banking serviceUsers: Indian public and business organizations2. Loan Terms and Conditions

Amount	:	Rs. 60 million
Date Agreement Signed	:	July 15, 1969
Interest Rate	:	4%
Repayment Terms	:	<u>1</u> /
Grace Period	:	Not applicable
Payment Due Date	:	Not applicable
Final Maturity Date	:	<u>1</u> /
Status of Repayment:		
(a) Current/Default	:	Current
(b) Outstanding Balance		
as of Dec. 31, 1971	:	Rs. 14,280,534.00 ^{2/}
Security/Guarantee	:	Unsecured

3. Project Authority (Ownership)

This is a branch of the Bank of America, National Trust & Savings Association, San Francisco, U. S. A.

4. Location:

Head Office: P. O. Box 10080, Bombay 1
 Madras Office: 150 B. Mount Road, Madras
 New Delhi Office: Ashoka Hotel, Chanakyapuri, New Delhi 21
 Calcutta Office: 8 India Exchange Place, Calcutta

5. Current Status:

Bank of America is one of the largest banks in the world. Its deposits for the Indian branches as of Dec. 31, 1971 totalled Rs. 449.70 million and its net profit for the year ended was Rs. 3.91 million. Bank of America's auditors are Messrs S. B. Billimoria & Co., Bombay. Bank of America has committed

1 / Payments to be made as and when principal repayments received from the sub-borrowers but not later than 15 years from the date of the first disbursement.

2 / Source: W-224 Report as of December 31, 1971.

the proceeds of AID loan to make ten subloans to Indian companies manufacturing wide variety of products.

7. Key Personnel:

- (1) Mr. Richard Morrison, Manager, Bombay Office
- (2) Mr. M. L. Greenberg, Manager, Calcutta Branch
- (3) Mr. P. C. Sen, Representative, Delhi Branch

BOROSIL GLASS WORKS LIMITED (386-E-105)

1. Project Description

Products: Scientific apparatus, laboratory and industrial glassware; chemicalware consisting of handblown items such as beakers, flasks, bottles, dishes and tube made items; laboratory apparatus include pipettes, burettes, graduated cylinders and flasks, and stopcocks etc.; pharmaceutical containers consist of tube made ampoules, vials and dental cartridges, consumer products include new line of kitchenwares etc.

Users: Hospitals, research laboratories and households, etc.

2. Loan Terms and Conditions

Amount	: Rs. 7,143,000 - Original
	: Rs. 8,671,400 - After capitalization of interest in 1966 through 1968
Date Agreement Signed	: May 27, 1964
Interest Rate	: 7%
Repayment Terms	: 15 equal semi-annual installments
Grace Period	: 6 months from the 1st disbursement
Payment Due Date	: April 12 and October 12
Final Maturity Date	: October 12, 1972
<u>Status of Repayment</u>	
a) Current/Default	: Delinquent
b) Outstanding Balance	: Rs. 5,385,529.77
	as of December 31, 1971
Security/Guarantee	: Unsecured

3. Project Authority (Ownership)

The project is 49% owned by U.S. Collaborator, Corning Glass Works, Ltd., New York and 51% by Indian public

4. Location

Factory : Chotani Estates, and Marol, Bombay
Office : Chotani Estates, Proctor Road, Grant Road,
Bombay 7.

2. Financial Status

2.14

As is clear from the comparative financial data given below, Borosil is in poor financial health. Its operation during FY71 suffered a serious blow due to labor trouble on account of which the plant could not function for 3½% period of the year. The loss in production was much more than 31% because period of suspension of work was preceded and succeeded by periods of unsatisfactory production.

	<u>Year ended December 31</u>	
	<u>(In 000 of Rupees)</u>	
	<u>1970</u>	<u>1971</u>
Sales	16,968	12,852
Net profit	(51)	(2,961)
Net worth	165	(2,481)
Total assets	26,151	21,707
Total liabilities	25,986	24,188
Current Ratio (Minimum 125%)	52.4%	37.4%
Total Liabilities to Net Worth Ratio (Maximum 125%)	15.749%	Infinity

Company's auditors are: M/s. A.F. Ferguson & Co., Chartered Accountants

6. Status of the Project

Borosil has been in delinquent status since 1966 because it had continuously incurred financial losses due to technical and marketing problems. However, since 1969 Borosil's performance has considerably improved and it has been generating cash flows as a result of product diversification, management improvement and resolution of technical problems of Borosil.

Consequently on August 2, 1971 OPIC, on USAID's request, approved USAID's Action Memorandum and authorized USAID, New Delhi to (a) capitalize interest for FY 1967-68 of Rs. 1,053,557 and thereby increase the loan amount from Rs. 7,617,843 to Rs. 8,671,400, and (b) revise the amortization schedule and extend the final maturity date from October 12, 1972 to October 12, 1976. This approval has so far not been implemented by USAID/New Delhi because Borosil's operations were discontinued for over four months during FY 1971 due to labor problems and Borosil failed to pay interest and principal installment due on October 12, 1971. BGWL recovered from its labor problems in November 1971 and paid the interest due and the principal installment in March 1972.

Since November 1971 Borosil's operations have been picking up and it has generated sufficient cash flows to make this payment. However,

it has not paid the principal installment due in April 1972 (in accordance with the revised amortization schedule) because the First National City Bank is insisting Borosil to start simultaneous repayment of FNCB's loan also in an amount equal to the repayment under the subject AID loan. Borosil is very conscious of getting back on the right track and is presently trying to resolve this problem with the banks. This problem has been resolved now and Borosil paid the April 1972 installment to AID.

USAID is currently implementing an amendment to the Loan Agreement to capitalize the interest amount and extend the final maturity date of the loan (as mentioned above).

7. Key Personnel

1. Mr. Charles E. Dyer, Managing & Technical Director
2. Mr. N. J. Ratnagar, Financial Manager

CHEMICALS AND PLASTICS INDIA LTD. (386-E-106)

1. Project Description

Products : PVC suspension and paste resins cable and shoe compounds and pipes.

Users : Plastic shoe and cable industries, as well as government water and health departments (for pipes)

2. Loan Terms and Conditions

Amount	:	Rs. 3,260,000
Date Agreement Signed	:	February 25, 1965
Interest Rate	:	7%
Repayment Terms	:	18 semi-annual installments
Grace Period	:	1st installment of principal due and payable August 1, 1970 ^{1/}
Payment Due Date	:	February 1 and August 1
Final Maturity Date	:	February 1, 1980
<u>Status of Repayment</u>		
a) Current/Default	:	Delinquent
b) Outstanding Balance as of December 31, 1971	:	Rs. 2,934,540
Security/Guarantee	:	Secured by an equitable mortgage on fixed assets subject to book charge on inventories.

3. Project Authority (ownership)

23% by B.F. Goodrich Co., Cleveland, Ohio; 9% by India Cement Limited; 11% by Indplast, and the balance by the Indian public.

4. Location

Factory : Mattur Dam, Dist. Salem, Tamil Nadu
Office : Dhun Building, 175/1 Mount Road, Madras 1

^{1/} On July 6, 1970 AID executed an amendment to the subject Loan Agreement which (a) deferred three principal payments due between February 1, 1970 and February 1, 1971 and (b) extended final maturity date of the loan by eighteen months to February 1, 1980.

5. Current Status

Chemplast's financial health is critical. Chemplast has been incurring losses since the commencement of its commercial production in 1968. As of its FY ended March 31, 1971 cumulative losses (after providing depreciation) stood at Rs. 9.1 million which alone reduced its net worth by about 40%. Several reasons — technical problems, reduction in selling prices, high interest rates, administrative and general expenses— have been attributed to this phenomena.

Consequently, to salvage its financial position and achieve economies of scale, Chemplast has launched a two-phase expansion program which envisages an increase in the manufacture of PVC and related production from its existing annual capacity of 6,000 metric tons (MT) to 13,500 MT and thereafter to 20,000 MT annually for which Chemplast has received necessary government approvals.

In the meantime, Chemplast has again (see footnote on page ^{previous}) requested AID to defer four principal installments of Rs. 163,030 each beginning August 1, 1971 through February 1, 1973 in order to be able to achieve its first phase of expansion. Mission is reviewing Chemplast's second deferment request and has asked the company to provide justification to support its request.

However, before approving Chemplast's request, Mission will have to satisfy itself that Chemplast has made firm arrangements for continued, uninterrupted and adequate supply of its major raw material viz. alcohol which recently has become all the more scarce due to the State of Tamil Nadu having lifted ban on prohibition and thus allowing diversion of alcohol from industrial to potable uses. The other alternative for Chemplast would appear to be GOI permission to allow Chemplast to import alcohol and/or change its raw material base from alcohol to VCM, Etc.

For the year ended March 31 (In 000 Rupees)

	<u>1970</u>	<u>1971</u>
Sales	35,583	34,209
Net Profit	102	(2,861)
Net Worth	10,034	13,432
Total Assets	64,065	66,363
Total Liabilities	54,031	52,921
Current Ratio (Minimum 150%)	114%	119%
Debt/Net Worth Ratio (Max. 180%)	551%	394%

Company's auditors are: Brahmayya & Co., Madras.

6. Key Personnel:

1. Mr. K. S. Narayanan, Director
2. Mr. S. Ramaswami, General Manager

CORN PRODUCTS INDIA(Pvt.) LIMITED (386-E-156)

1. Project Description

Products: Consumer products, mainly food-products such as cornflour, baking powder, jelly crystals, soft drinks, packaged glucose powder, liquid sweetner, curry powder, etc. Industrial products like speciality starches, dextrans, adhesives, core-binders, caramel etc.

Users: Consumer products are used by the whole community of consumers. Industrial products like carmel is used by pharmaceuticals, distilleries, and brewries. Adhesives by all industries and dextrans by foundries and textile industry all over India.

2. Loan Terms and Conditions

Amount	: Rs.2,388,000.
Date Agreement Signed	: July 22, 1966
Interest Rate	: 8%
Repayment Terms	: 15 equal semiannual installments
Grace Period	: 12 months after 1st disbursement
Payment Due Date	: March 27 and September 27.
Final Maturity Date	: September 27, 1974
Status of Repayment	
a) Current/Default	: Current
b) Outstanding Balance as of December 31, 1971	: Rs.955,200.
Security/Guarantee	: Guaranteed by ComProduct Company, the U.S. Affiliate for its full and prompt payment of the principal and interest.

3. Project Authority(ownership)

CPIL is presently 100% owned by the Corn Products Company, New York.

4. Location

Regd. Office : Shree Niwas House, Waudby Road, P.O.Box 994
Bombay

Factory : Plot No.7 MIDC Industrial Estate, Thana Belapur Rd, Thana.

5. Financial Status:

In FY 1971 even though CPIL's sales registered an increase of 10 percent over those of 1970, yet its profits declined because of the increase in cost of raw materials and intense competition not warranting an upward revision of price.

	<u>Years Ending September 30</u>		
	<u>(In '000 of Rupees)</u>		
	<u>1970</u>	<u>1971</u>	<u>Oct. 71-March 72</u>
Sales	15,859	17,422	7,828
Net Profit (Loss)	441	240	(164)
Net Worth	4,220	4,460	4,296
Total Assets	10,295	12,163	13,116
Total Liabilities	6,075	7,703	8,820
Current Ratio (Minimum 120%)	107%	105.3%	101%
Debt(borrowed money)/Equity Ratio (Maximum 200%)	110%	139%	205%

Company's Auditors are: Messrs S. B. Billimoria and Co.

6. Status of Project:

CPIL, presently, is facing tough competition in marketing its consumer products. It is losing money on almost all the consumer products. The prices of the raw materials, which go into the production of CPIL's consumer products, have risen significantly while CPIL is unable to make an upward revision in the prices of these products. In the area of industrial products, where competition is less, CPIL is making profits. In the production of "Caramel" - a coloring agent, CPIL virtually has a monopoly and is making good profits.

To cover up its losses in the field of consumer products and to make overall profits, CPIL proposes to concentrate on increasing the production of industrial products and capture as much market of consumer products as possible.

7. Key Personnel:

- (1) Mr. L. G. Mardell, Managing Director
- (2) Mr. V. N. Kamdar, Secretary

COROMANDEL FERTILIZERS LIMITED

(386-E-098 and 173)

1. Project Description

Products: Diammonium phosphate (DAP) and urea fertilizers.

Users: Indian farmers.

2. Loan Terms and Conditions

Amount : (1) Loan No.098 - (Rs.107,604,654)
Rs.83,796.600
(2) Loan No.173 - Rs.39,130,500

Date Agreement Signed : (1) April 16, 1964
(2) July 27, 1967

Interest Rate : (1) 7%
(2) 8%

Repayment Terms : (1) 28 semi-annual installments
(2) 16 semi-annual installments

Grace Period : (1) Three years after first installment of principal is paid on Exim Bank dollar loan or June 30, 1971 whichever is earlier.
(2) First installment due and payable June 30, 1973.

Payment Due Date : (1) June 30 and December 30
(2) June 30 and December 30

Final Maturity Date : (1) December 31, 1984
(2) December 31, 1980

Status of Repayment

a) Current/Default : Current

b) Outstanding Balance : (1) Rs.81,003,380
as of December 31, (2) Rs.39,130,500
1971

Security/Guarantee : (1) Secured by a junior position
on equitable mortgage.
(2) Unsecured.

3. Project Authority (ownership)

47% by the two U.S. companies; California Chemicals Company, and International Minerals and Chemicals Corporation, and 5.8% by an Indian company, E.I.D. Parry with the balance 47.2% by Indian public.

4. Location

Factory : P.O. Box 38, Visakhapatnam, Andhra Pradesh
Office : 126, Sarojini Devi Road, Secunderabad,
Andhra Pradesh

5. Financial Status

Although Coromandel's sales and profitability during FY 1971 increased as compared to the previous year, CFL's financial ratios continue to be on the high side (and in violation of the Loan Agreements) mainly due to accumulated losses of previous years.

For the year ending Sep. 30
(In 000 Rs.)

	<u>1970</u>	<u>1971</u>
Sales	251,067	267,986
Net profit	5,549	16,800
Net Worth	61,004	76,989
Total Assets	476,452	418,033
Total Liabilities	415,448	341,038
Current Ratio (Minimum 200%)	160%	337%
Debt/Equity Ratio (Maximum 350%)	681%	443%

Company's auditors are: A. F. Ferguson & Company,
Bombay

6. Status of Project

(1) Coromandel's operation during FY 1971 showed substantial improvement with production averaging at 85% as

against 76% of its rated capacity over 1970. But for the fire accidents in ammonia pre-heater in early 1971 necessitating two shutdowns thereby causing production loss of 20 days, CFL's utilization of its production capacity would have been still better during FY 1971. Although GOI reduced urea selling price in March 1971, and additional levies by the GOI resulted in increased production costs, CFL's, by raising the selling prices of its complex grades, in July 1971, was able to recover a portion of the additional burden from its customers.

- (2) Coromandel plans to continue overall improvements aimed at reducing its production costs in order to be able to utilize to the maximum its plant capacity and earn additional profitability on its operation during the following year.

7. Key Personnel

1. Mr. Richard B. Larner, Managing Director
2. Mr. N. Balasubrahmanyam, Manager Finance

CUTLER-HAMMER INDIA LIMITED (386-E-162)

1. Project Description

Products: CHIL manufactures a line of electrical motor controls (including relays, starters and contractors); thermostat for air-conditioning and refrigeration units and such motor control accessories as limit switches and push buttons.

Users: These products are used by manufacturers of air-conditioners, refrigerators and water coolers.

2. Loan Terms and Conditions

Amount	:	Rs. 3, 000, 000
Date Agreement Signed	:	April 21, 1967
Interest Rate	:	8% per annum
Repayment Terms	:	18 equal semi-annual installments
Grace Period	:	24 months after 1st disbursement
Payment Due Date	:	May 13 and November 13
Final Maturity Date	:	May 13, 1978
<u>Status of Repayment</u>		
a) Current/Default	:	Current
b) Outstanding Balance as of December 31, 1971	:	Rs. 2, 166, 666. 70
Security/Guarantee	:	None

3. Project Authority (Ownership)

CHIL is presently 49% owned by Cutler-Hammer Inc., (U.S. Affiliate) and 51% by four Indian businessmen of Calcutta (M/s. H.P. Lohia, B.N. Bhartia, O.P. Bhartia and N.P. Gorodia).

4. Location

Office : 38 Netaji Subhash Road, Calcutta 1
 Factory : Ballabgarh, Haryana.

5. Financial Status

In FY 1971 CHIL earned profit for the first time and with this it has made a beginning towards recovery. The debt equity ratio continues to be very high because of the losses incurred in the past years.

	<u>Year ended March 31</u>	
	<u>(In 000 of Rupees)</u>	
	<u>1970</u>	<u>1971</u>
Sales	7,558	9,697
Net profit (Loss)	(86)	113
Total assets	13,476	18,512
Current Ratio (No Limit)	91.76%	39.49%
Debt Equity Ratio	549.37%	664.64%

CHIL's auditors are : Messrs. Price, Waterhouse, Peat & Co.

6. Status of the Project

The project for which AID Cooley loan was authorized has been completed. In 1971, CHIL launched an expansion program aimed at producing 30 million control gear product per annum. The expansion program is expected to be completed by 1973-74. Among the competitors of CHIL Messrs. Siemens (German) Subsidiary, Hindustan Klockner, Larsen and Toubro and Jyoti Colour are prominent.

7. Key Personnel

1. Mr. H. P. Lohia, Chairman
2. Mr. David R. Hirst, Managing Director
3. Mr. O. P. Bhartia, Deputy Managing Director
4. Mr. J. Prasad, Secretary

THE EAST INDIA HOTELS LIMITED
(386-E-064 and 209)

1. Project Description

Products: Hotel and restaurant facilities.

Users: Indian/foreign tourists, businessmen and general public.

2. Loan Terms and Conditions

Amount	:	(1) Loan No. 064 - Rs. 7,619,000 (2) Loan No. 209 - Rs. 43,500,000
Date Agreement Signed	:	(1) December 19, 1962 (2) November 3, 1970
Interest Rate	:	(1) 6 ¹ / ₂ % (2) 8%
Repayment Terms	:	(1) 36 equal semi-annual installments (2) 32 equal semi-annual installments
Grace Period	:	(1) First repayment due on Feb. 1, 1966 (2) First repayment due March, 1974
Payment Due Date	:	(1) February 1 and August 1 (2) March and September
Final Maturity Date	:	(1) August 1, 1983 (2) September 1989
<u>Status of Repayment</u>		
a) Current/Default	:	(1) Current (2) Repayment not yet started
b) Outstanding Balance	:	(1) Rs. 5,079,312.00 as of December 31, 1971 (2) Rs. 33,500,000.00
Security/Guarantee	:	(1) Unsecured (2) Unsecured

3. Project Authority (ownership)

The project is 21.7% owned by Sheraton Design & Development Inc., Boston, Mass.; 2.0% by Intercontinental Hotels Corp., New York; 39.8% by Oberoi Group and the balance 36.5% by Indian public/financial institutions.

4. Location

Hotel : 1. Wellselly Road, New Delhi 1
2. Nariman Point, Bombay 1

Office: 7 Alipur Road, Delhi 6

5. Financial Status

EIH's financial position has been improving especially since New Delhi project came in. The new hotel in Bombay is expected to boost EIH's financial position to a great extent.

For the year ending March 31,
1972 (in 000 Rs.)

Sales	47,127
Net Profit	4,529
Net Worth	53,416
Total Assets	131,302
Total Liabilities	77,886
Current Ratio	73.16%
Debt to equity ratio	

Company's auditors are: Ray & Ray, Calcutta

6. Status of Project

The first AID loan was sanctioned to help construct a modern Intercontinental Hotel in New Delhi. The second loan is to help set up a new Sheraton Hotel in Bombay. The hotel building in Bombay is complete and the inauguration is expected during September 1972. Sheraton's project cost has increased from Rs.65.2 million to Rs.120 million due to (a) re-designing of the building to protect it from earthquake shocks, (b) addition of 106 rooms, and (c) general inflation. The increased cost of Rs.54.75 million is to be met by (a) additional share capital Rs.28.25 million, and (b) public deposits Rs.26.50 million.

7. Key Personnel

1. Mr. M. S. Oberoi, Chairman
2. Mr. T. K. Sibal, Director of Development
3. Mr. G. K. Khanna, Sr. Vice-President

ELPRO INTERNATIONAL LIMITED (386-E-092)1. Project Description

Products: Lightning arresters (lightning rods), X-ray equipment alnico magnets, and calrod heating units.

Users: Hospitals, medical facilities and power generating units.

2. Loan Terms and Conditions

Amount	:	Rs. 4,000,000
Date Agreement Signed	:	February 7, 1964
Interest Rate	:	7%
Repayment Terms	:	18 equal semi-annual installments
Grace Period	:	One year after first disbursement
Payment Due Date	:	March 4 and September 4
Final Maturity Date	:	September 4, 1973
<u>Status of Payment</u>		
a) Current/Default	:	Current
b) Outstanding Balance as of December 31, 1971	:	Rs. 888,888
Security/Guarantee	:	Secured by a joint deed of hypothecation on all tangible moveable machinery and plant and an equitable mortgage by deposit of title deeds comprising of the immoveable properties at Chinchwad, Poona

3. Project Authority (ownership)

EIL is presently 50% owned by General Electric Co. (U.S. Affiliate), and 50% by the Indian employees of International General Electric Co. India Limited, the Indian financial institutions and the Indian public.

4. Location

Regd. Office : "Nirmal" 17th Floor, 241-242 Backbay Reclamation
Nariman Point, Bombay 20

Factory : Chinchwad, Poona.

5. Financial Status

EIL's general financial health is good except that it is in violation of current ratio requirement of 150% under the Loan Agreement.

	<u>For the year ended December 31</u>	
	<u>(In 000 of Rupees)</u>	
	<u>1970</u>	<u>1971</u>
Sales	26,149	32,325
Net Profit including Dev. Rebate (after taxes)	2,535	1,674
Net Worth	12,022	12,820
Total Assets	22,599	29,170
Total Liabilities	10,577	16,350
Debt(total liabilities)/Equity Ratio	89%	133%

Company's Auditors are : M/s. A.F. Ferguson & Co.

6. Status of Project

The project for which AID Cooley loan was authorized has been completed. EIL is an expanding organization. During FY 1971 EIL designed and developed a new vertical fluoroscopic cum radiographic unit, 20 MA X-ray generator and a simple type of X-ray diagnostic table. These new products are expected to be in the market during the current calendar year. In addition, EIL has taken up the designing and development of new motorised diagnostic X-ray table and table column 60 MA, 100 KVP X-ray generator and 30 MA X-ray generator of higher KVP rating. EIL has also been registered with GOI's Directorate General of Technical Development for the manufacture of cobalt 60 teletherapy equipment and associated items, the production of which is likely to commence during the last quarter of the current financial year. EIL's market, both domestic as well as foreign, is consistently growing. With the completion of the EIL's expansion plan presently in hand, EIL's profitability in future should increase which in turn should further strengthen EIL's financial soundness.

7. Key Personnel

1. Mr. T. W. Tucker, Chairman (Special Director)
2. Mr. M. V. Ketkar, Secretary and Manager, Finance.

ESCORTS TRACTORS LIMITED (386-E-204)1. Project Description

Products: Manufacture of Farm Tractors

Users: Agricultural Industry

2. Loan Terms and Conditions

Amount	:	Rs. 9.0 million
Date Agreement Signed	:	May 4, 1972
Interest Rate	:	8%
Repayment Terms	:	20 semi-annual installments
Grace Period	:	First Payment Due on Sept. 20, 1973
Payment Due Date	:	March 20 and September 20
Final Maturity Date	:	March 20, 1983
Status of Repayment	:	No disbursement made as yet.
Security/Guarantee	:	Secured by a charge on the fixed assets which security ranking <i>pari-passu</i> with loans from IFC/India, IDBI and ICICI.

3. Project Authority (Ownership)

Escorts Tractors Ltd. is owned 40 percent by Ford Motor Company, (U. S. Affiliate), 45 percent by Escorts Ltd. and 15 percent by Indian Financial Institutions.

4. Location

Factory: 18/4 Mathura Road, Faridabad, Haryana
Office: "Escorts House", Roshanara Road, Delhi 7.

5. Present Status:

Escorts Tractors' financial year ends on December 31. The first set of Financial Statements are due on December 31, 1972 as the Loan Agreement was signed on May 4, 1972. The first phase of the project to manufacture 3,000 tractors per annum has been completed. The second phase of expansion to increase facilities to manufacture upto 6,000 tractors per annum is expected to be completed by the end of 1973.

6. Key Personnel

- (1) Mr. C. K. Hazari, Director
- (2) Mr. Rajan Nanda, Managing Director
- (3) Mr. V. K. Vadhera, Manager Finance

EVEREST REFRIGERANTS LIMITED (386-E-100)1. Project Description

Products: Refrigerants gasses and aerosol ("push button") dispensers.

Users: Refrigeration industry.

2. Loan Terms and Conditions

Amount	:	Rs. 6, 000, 000
Date Agreement Signed	:	August 24, 1964
Interest Rate	:	7%
Repayment Terms	:	16 equal semi-annual installments
Grace Period	:	2 years after first disbursement
Payment Due Date	:	February 20 and August 20
Status of Repayment:		
(a) Current/Default	:	In default
(b) Outstanding Balance as of December 31, 1971	:	Rs. 5, 781, 250. 00
Security/Guarantee	:	Fully guaranteed by Bank of Baroda

3. Project Authority (Ownership)

Everest Refrigerants is 20 percent owned by Technical Enterprises, New York (U. S. Affiliate). The remaining 80 percent is owned by Indian stockholders.

4. Location:

Factory: Plot F-1, M. I. D. C. Industrial Area, Dombivli (East)
Distt: Thana, Maharashtra.

Office: Sadhana Rayon House, 5th Floor, Dadabhoy Naoroji Road,
Bombay 1

5. Financial Status:

ERL is delinquent in repayment of its principal and interest installments. Because of previous poor management and inexperienced collaborator, the plant never operated at full capacity. Since February 1969, when the new management took over, ERL has reduced its losses considerably but has yet to reach the break-even level. The new management has requested (a) writing off the interest due on Cooley loan up to March 31, 1972

and (b) deferment and rescheduling of its principal repayments in seven annual installments beginning January 1, 1974.

	<u>Years Ending June 30</u>	
	<u>(Rs. 000)</u>	
	<u>1970</u>	<u>1971</u>
Sales	415	4, 328
Net Profit (Loss)	(2, 238)	(739)
Net Worth	537	(222)
Total Assets	18, 868	20, 192
Total Liabilities	18, 331	20, 414
Current Ratio (Minimum 150%)	93%	87%
Total Liabilities as percentage of Net Worth (Maximum 150%)	3%	Negative

Company's Auditors are: Messrs J. K. Doshi & Co. , Chartered Accountants.

6. Status of Project:

ERL plans to expand its annual production capacity of (a) hydro-fluoric acid from 1155 metric tonnes to 2300 metric tonnes and (b) aluminium flouride from 990 metric tons to 2, 000 metric tons. This expansion is proposed to be financed through (a) Rs. 6. 5 million loan from Industrial Credit & Investment Corp. of India and (b) Rs. 2. 5 million by issuing additional capital. The expansion plan is expected to be completed by October 1972.

7. Key Personnel:

- (1) Mr. G. O. Shah, Controlling Director
- (2) Mr. K. G. Shah, Managing Director - Technical
- (3) Mr. B. G. Shah, Managing Director - Commercial
- (4) Mr. R. Satpathi, Plant Manager

FERRO COATINGS & COLOURS LTD. (386-E-153)

1. Project Description

Products: Manufactures enamel frits, ceramic glaze frits, fritted trace elements and inorganic colors and pigments.

Users: Porcelain enamel, ceramic, fertilizer, plastic and glass industries, etc.

2. Loan Terms and Conditions

Amount	Rs. 2, 500, 000
Date Agreement Signed	November 17, 1966
Interest Rate	8%
Repayment Terms	14 equal semi-annual installments
Grace Period	3 years
Payment Due Date	May 10 and November 10
Final Maturity Date	November 10, 1977
<u>Status of Repayment</u>	
a) Current/Default	Delinquent
b) Outstanding Balance as of December 31, 1971	Rs. 2, 500, 000
Security/Guarantee	Unsecured

3. Project Authority (Ownership)

26% of the equity is owned by Narsingh Das Agarwal & Sons(P) Ltd. (Indian promoters) and 49% by U.S. Collaborator, Ferro Corporation of Cleveland, U.S.A. The balance 25% is held by the Indian public.

4. Location

Factory & Registered Office : P. O. Joka, Behala, 24 Parganas,
West Bengal

5. Financial Status

Ferro is in a very poor financial health. Its financial condition is deteriorating from year to year as is clear from its increasing losses and declining net worth:

	<u>Year ending October 31</u>	
	(In 000 of Rupees)	
	<u>1970</u>	<u>1971</u>
Sales	3,045	3,235
Net profit (loss)	(1,118)	(1,283)
Net worth	(1,150)	(2,433)
Total assets	5,879	6,845
Total liabilities	7,029	9,278
Current Ratio (Minimum 133%)	72.9%	168.8%
Total Liabilities to Tangible Net Worth (Maximum 150%)	72.9%	168.8%
	(Infinity since Net Worth negative)	

Company's auditors are : Price Waterhouse, Peat & Co.,
Chartered Accountants.

6. Status of the Project

During the past several years Ferro-India constantly incurred losses because of problems in production and marketing of its products. In view of heavy losses Ferro-India has failed to pay the three principal installments (due on May 10, 1971, November 10, 1971, and May 10, 1972; amounting to Rs.100,000). Consequent upon this, Ferro-India has formally requested AID to defer commencement of loan repayment from May 10, 1971 to May 10, 1974 and capitalize the interest payments due beginning May 10, 1971 until May 10, 1974.

AAG auditors, in a recent audit of Ferro-India felt that AID should suggest liquidation of Ferro-India. However, we continue to believe such a decision on the part of AID at this time would be premature particularly when both Ferro-India and Ferro-US have continued confidence in the viability of the project. We were advised by Ferro-US representative (after his careful review of financial position of Ferro-India in early February) that Ferro-India's major production problems have been resolved and that Ferro-US continues to have full confidence in the viability of the project because Ferro-India achieved break-even sales volume during December 1971 and January 1972. Ferro-India's performance during the recent months have shown signs of some improvement and it is expected that Ferro-India will generate positive cash flow in future months assuming no payments of principal and interest to AID.

We are in constant touch with the management of Ferro-India and are keeping ourselves abreast on a regular basis on Ferro-India's current problems and future prospects. However, in view of the foregoing, we do not wish, at this stage, to suggest immediate liquidation of Ferro-India and/or act favorably on Ferro-India's deferment and interest capitalization request. Our decision on the deferment and capitalization request should come only when the direction in which Ferro-India's operating results are moving is more clear and we are confident about Ferro-India's commercial and financial viability.

7. Key Personnel

1. Mr. G. M. Aggarwal, Director
2. Mr. H. O. Kube, Operations Manager
3. Mr. W. S. Massey, Managing Director

1. Project Description

Services: Banking business

Users: Indian people and business organizations

2. Loan Terms and Conditions

Amount : Rs. 60,000,000
Date Agreement Signed : September 8, 1969
Interest Rate : 4%
Repayment Terms : 1/
Grace Period : Not Applicable
Payment Due Date : Not applicable
Final Maturity Date : 1/
Status of Repayment:
(a) Current /Default : Current
(b) Outstanding Balance :
as of Dec. 31, 1971 : Rs. 48,985,981.17^{2/}
Security/Guarantee : Unsecured

3. Project Authority (Ownership)

First National City Bank, New York, U. S. A.

4. Location

Head Office: 293 D. Naoroji Road, P. B. No. 175, Bombay 1
Sub Offices: (1) 3, Parliament Street, New Delhi
(2) 9, Brabourne Road, Calcutta
(3) 15/16 Kondi Chetty Street, Madras 1.

5. Status of the Project

FNCB is one of the largest U. S. Banks. Its deposits for Indian branches as of December 31, 1970 totalled Rs. 7,290,327.30 and its net profit for FY 1970 was Rs. 7,942,591.00. FNCB's auditors are Peat, Marwick, Mitchell & Co. As of December 31, 1971 FNCB has committed and utilized Rs. 59,988,785.51 for making subloans to nine Indian companies including textiles, engineering and hotel industries.

6. Key Personnel: (1) Mr. M. M. Mistri, Resident Vice President, N. Delhi
(2) Mr. Hamilton W. Meserve, Vice President, Bombay

1/Payments to be made as and when principal repayments received from the sub-borrowers but not later than 15 years from the date of the first disbursement.

2/Source: W-224 Report as of December 31, 1971

FRICK INDIA LIMITED (386-E-096&208)1. Project Description

Products: Low speed ammonia compressors and medium/high speed "Ferro" compressors, industrial refrigeration machinery, packaged chillers, and air-conditioning equipments and other components.

Users: Refrigeration equipment is used in ice plants, food storage, food freezing, pharmaceutical, chemical, petro-chemical rubber, fertilizer industries, etc., and air-conditioning equipment is used in textile mills, atomic power plants, cinemas, office buildings, hospitals, etc.

2. Loan Terms and Conditions

	<u>386-E-096</u>	<u>386-E-208</u>
Amount	: Rs. 2, 500, 000	Rs. 2, 000, 000
Date Agreement Signed	: February 4, 1964	October 5, 1970
Interest Rate	: 7%	8%
Repayment Terms	: 14 semiannual installments	19 semiannual installments
Grace Period(after 1st disbursement)	: 36 months	12 months
Payment Due Dates	: July 10 & January 10	June 10 & Dec. 10
Final Maturity Dates	: January 10, 1974	December 10, 1980
Status of Repayment		
a) Current/Default	: Current	Current
b) Outstanding Balance as of Dec. 31, 1971	: Rs. 892, 852, 00	Rs. 1, 394, 736.85
Security/Guarantee	: Both the loans are guaranteed by Frick Company, Pennsylvania	

3. Project Authority (ownership)

Frick is a joint venture between Bombay Ammonia and Refrigeration Company of Bombay, and Frick Company, Waynesboro, Pennsylvania, U.S.A. It is 51% owned by Frick Company, U.S.A., 25% by the Indian public, 8% by Bombay Ammonia, and 16% by the directors and associates in India.

4. Location

Regd. Office & Plant: 13/3 Main Mathura Rd., Faridabad, Haryana
Local Office: Jeevan Vihar, 3 Parliament Street, New Delhi

5. Financial Status

Frick's sales in 1971 increased by about 20% as compared to 1970. The networth increased by Rs. 2.6 million. Despite increase in sales and net worth it continues to be in violation of the current ratio requirement of the Loan Agreement. Besides it paid a dividend of 10% on the equity capital for FY 1971 without AID's approval and thus violated the requirement of the Loan Agreement.

	<u>Year ended March 31</u>	
	<u>(In 000 of Rupees)</u>	
	<u>1970</u>	<u>1971</u>
Sales	14,029	16,907
Net profit including dev. rebate	765	708
Net worth	5,461	8,079
Total assets	11,497	24,431
Total liabilities	12,569	16,353
Current ratio <u>1/</u>	110.29%	134.19%
Total liabilities (borrowed money) <u>2/</u>	113.77%	104.62%
to net worth ratio <u>2/</u>		

Frick's auditors are M/S. A.F. Ferguson & Company.

6. Status of the Project

- The company's manufacturing facilities for centrifugal packaged chillers could not go on full stream in FY 1971 due to delays in obtaining the necessary clearances from the GOI. However, this has now gone into operation and its full impact will be felt in 1972.

7. Key Personnel

1. Mr. Arnold E. Roschli, Chairman
2. Mr. Manmohan Singh, Managing Director

1/ Minimum current ratio required per Loan No. 096 is 150%, and 135% per Loan No. 208.

2/ Maximum requirement per Loan No. 096 and 208 is 150%.

GABRIEL INDIA LIMITED (386-E-094)^{1/}

1. Project Description

Products: Shock absorbers for automobiles.

Users: Automobile industry

2. Loan Terms and Conditions

Amount	:	Rs. 1.4 million
Date Agreement Signed	:	November 27, 1963
Interest Rate	:	7%
Repayment Terms	:	16 equal semi-annual installments
Grace Period	:	6 months after the first interest payment is due.
Payment Due Date	:	4th January and 4th July
Final Maturity Date	:	July 4, 1973
Status of Repayment:		
(a) Current/Default	:	Current
(b) Outstanding Balance as of December 31, 1971	:	Rs. 350,000.00
Security/Guarantee	:	Unsecured

3. Project Authority (Ownership)

Gabriel India is 50 percent owned by Gabriel International Inc. (U. S. Affiliate) and 50% by Indian Promoters (Anand family of Bombay).

4. Location

Regd. Office & Factory: Agra Road, Mulund, Bombay 80

5. Financial Status:

Gabriel India has a good financial position as is revealed by the following financial summary for the last two years:

1/First loan (386-E-040) of Rs. 500,000 has been fully repaid.

	<u>Year Ending May 31</u>	
	<u>(Rs. 000)</u>	
	<u>1970</u>	<u>1971</u>
Sales	19,462	23,270
Net Profit	2,355	1,922
Net Worth	11,932	13,196
Total Assets	17,119	19,138
Total Liabilities	5,157	5,943
Current Ratio (Minimum 150%)	266.70%	260.51%
Total Liabilities as percent of Net Worth (Maximum 175%)	43.47%	45.04%

Company's Auditors are: Ford Rhodes, Parks & Co., Bombay

6. Status of Project:

Gabriel India's project has been completed and the company's production has increased three times since its start up.

7. Key Personnel:

- (1) Mr. D.C. Anand, Managing Director
- (2) Mr. S.P. Shah, Manager Accounts

1. Project Description

Products: GIL manufactures auto tires for which it has a capacity of 600,000. Besides it also has a capacity to produce 2 million bicycle tires. GIL also manufactures dock fenders, tread rubber, repairing materials, curing tubes and conveying belts.

Users: automotive, truck, bus, earthmover, and animal drawn vehicles.

2. Loan Terms and Conditions^{1/}

Amount	:	Rs.15.00 million
Date Agreement Signed	:	January 19, 1966
Interest Rate	:	8%
Repayment Terms	:	17 equal semi-annual installments
Grace Period	:	36 months after the first disbursement (1st installment due on July 17, 1972)
Payment Due Date	:	January 17 and July 17
Final Maturity Date	:	July 17, 1980
<u>Status of Repayment</u>		
a) Current/Default	:	Current
b) Outstanding Balance	:	Rs.15.00 million
		as of December 31, 1971
Security/Guarantee	:	Secured ^{2/}

3. Project Authority (ownership)

The project is 63% owned by Goodyear Tire & Rubber Co. of Akron, Ohio and the balance 37% by the Indian public.

^{1/} Loan #386-E-036 dated December 30, 1960 in the amount of Rs.22.50 million was fully repaid on August 17, 1971.

^{2/} Secured by an equitable mortgage on the Company's immovable properties and by a Joint Memorandum of Hypothecation of all moveable properties subject to bankers' first charge on stocks and book debts.

4. Location

Office: 225/C, Acharya Jagdish Bose Road, Calcutta
 Plant: Ballabgarh, Haryana

5. Financial Status

As is clear from the data given below, GIL is in good financial health.

For the year ending December 31
(In 000 Rs.)

	<u>1970</u>
Sales	252,799
Net Profit (after taxes including Development Rebate)	6,004
Net Worth	82,478
Total Assets	164,133
Total Liabilities	81,655
Current Ratio (Minimum 200%)	216,85%
Debt Equity Ratio (Maximum 150%)	99.00%

GIL's auditors are M/s. A. F. Ferguson & Co.

6. Current Status of Project

Loan No. 386-E-142 was authorized to GIL to finance the cost of expansion of its manufacturing facilities located at Ballabgarh, Haryana and to meet its working capital requirements. The purpose of the loan has been accomplished. The plant has capacity to produce 600,000 tires besides 2 million bicycle tires. The competition for GIL's product is mainly from Ceat, Dunlop, Firestone, Madras Rubber & Premier, the manufacturers of tires and tubes. Market for GIL's product continues to be expanding as there is a large unsatisfied demand.

7. Key Personnel

1. Mr. Reo Carey, Managing Director
2. Mr. R. E. Frickie, Production Manager
3. Mr. C. E. Sprang, Secretary

GRAPHITE INDIA LIMITED (386-E-107/161)

1. Project Description

Products: Graphite, electrodes, anodes and carbon Paste.

Users: GIL products are used by: (i) electric furnace carbon steel manufacturers, (ii) electric steel furnace alloy steel manufacturers; (iii) electric steel casting producers; and (iv) caustic soda chlorine producers.

2. Loan Terms and Conditions

	<u>386-E-107</u>	<u>386-E-161</u>
Amount	: Rs. 6,900,000	: Rs. 3,100,000
Date Agreement Signed	: August 24, 1964	: November 14, 1967
Interest Rate	: 7%	: 8%
Repayment Terms	: 21 equal semi-annual installments	
Payment Due Date	: January 11 & July 11	: March 3 and September 3
Final Maturity Date	: January 11, 1977	: March 3, 1980
<u>Status of Repayment</u>		
(a) Current/Default	: Current	: Current
(b) Outstanding Balance as of December 31, 1971	: Rs. 3,970,207	: Rs. 2,214,286
Security/Guarantee	: <u>Loan No. 386-E-107</u> was originally unsecured but is now guaranteed by Bangur Brothers Ltd. The guarantee is limited and Bangur Bros. are required to be released when GIL complies with the ratio requirements set forth in the Loan Agreement.	
	: <u>Loan No. 386-E-161</u> is secured by a second charge on GIL's present and future assets.	

3. Project Authority (Ownership)

GIL is owned 20% by Great Lakes Carbon Corporation (GLCC), U. S. A., 24% by Bangur Brothers Ltd. and the balance 56% by Indian public.

4. Location

Office : 14, Netaji Subhas Road, Calcutta 1
 Factory : P.O. Gopinath Pur, Durgapur, West Bengal.

5. Financial Status

GIL's financial operations have been reasonably good (despite increase in the cost of raw materials) and financial health sound during the year 1971 as shown in the table below:

	<u>For the Year Ending Dec. 31</u>	
	<u>1970</u>	<u>1971</u>
	(In 000s of Rupees)	
Sales	40,587	39,824
Net Profit	9,374	7,864
Net Worth	23,761	31,508
Total Assets	57,897	67,549
Total Liabilities	34,136	36,041
Current Ratio (Minimum 125%)	99%	120%
Debt (Borrowed money)/Equity Ratio (Maximum limit 185%)	94%	92%

GIL's Auditors are: Messrs Price, Waterhouse Feat & Co.,
 Chartered Accountants

6. Status of Project

The purposes for which Cooley loans were authorized have been accomplished. Presently GIL has an integrated graphite product plant at Durgapur, West Bengal, which produces approximately 6,000 tons of graphite electrodes and annodes. GIL's plant at Durgapur which is operating at its full production capacity has not been able to meet India's requirement of electrodes and annodes. Consequently, India has been importing these items. To meet the growing demand of its products, GIL, in 1970 decided to set up another plant at Bangalore to produce electrodes and annodes at an estimated cost of Rs. 40.8 million. This is being financed by retained earnings (Rs. 15.0 million), new capital (Rs. 7.5 million) and additional long-term loans from financial institutions (Rs. 18.3 million). The construction and erection of new plant is well on way to its completion.

7. Key Personnel

1. Mr. G. C. Bangur, Chairman,
2. Mr. G. A. Maniar, Chief Executive
3. Mr. G. K. Tulsian, Chief Accountant

HARIG INDIA PRIVATE LIMITED

(386-E-078 and 193)

1. Project Description

Products: Dies, jigs, fixtures, gauges and surface grinders.

Users: Metal finishing and/or working shops.

2. Loan Terms and Conditions

Amount	: 078 - Rs. 285,000.00 193 - Rs. 1,200,000.00
Date Agreement Signed	: 078 - December 6, 1962 193 - December 11, 1968
Interest Rate	: 078 - 6 ¹ / ₂ % 193 - 8%
Repayment Terms:	: 078 - 19 equal semi-annual installments 193 - 15 equal semi-annual installments
Grace Period	: 078 - First installment due on the date of the second payment of interest 193 - 36 months from the date of first disbursement
Payment Due Date	: 078 - April 1 and October 1 193 - May 20 and November 20
Final Maturity Date	: 078 - October 1, 1972 193 - May 20, 1979
<u>Status of Repayment</u>	
a) Current/Default	: Current
b) Outstanding Balance	: 078 - Rs. 30,000.00 as of December 31, 1971, 193 - Rs. 1,200,000.00
Security/Guarantee	: 078 - Guaranteed by the U.S. Affiliate and Mr. S. M. Singh 193 - Unsecured

3. Project Authority (ownership)

The project is 30% owned by Harig Products Inc., Elgin, Illinois; and the balance 70% by Deshbir Singh and others.

4. Location

Factory : G. T. Road, Mohan Nagar, Ghaziabad, UP
Office : C-97, Maharani Bagh, New Delhi

5. Financial Status

The sales and net profit for FY 1971 have increased to Rs. 2.2 million and Rs. 113,000 respectively.

	<u>For the year ending Dec. 31</u> (In 000 Rs.)	
	<u>1969</u>	<u>1970</u>
Sales	1,136	1,457
Net Profit (after taxes but before Development Rebate)	61	8
Net Worth	996	1,016
Total Assets	1,943	3,223
Total Liabilities	947	2,207
Current Ratio (Minimum 150%)	190.03%	134.12%
Total Liabilities as percentage of net worth (Maximum 150%)	95.08%	217.22%

Company's auditors are: Khanna & Annadhanam, New Delhi

6. Status of Project

The first loan was used to establish productive capacity for a line of die and machine tool products. The second loan is being used to finance the construction of a new plant at Ghaziabad and to add productive capacity for die sets, dowel pins and large size surface grinders. The project has been delayed and is now expected to be completed by August, 1972.

7. Key Personnel

1. Mr. Deshbir Singh - Managing Director
2. Mr. Herbert Harig - Chairman

HERDILLIA CHEMICALS LIMITED(386-E-130)1. Project Description

Products : Basic industrial chemicals and chemical intermediates including phenol, acetone, diacetone alcohol, phthalic anhydride and dioctyl phthalates.

Users : Plastic industry.

2. Loan Terms and Conditions

Amount	: Rs. 26, 484, 000
Date Agreement Signed	: May 11, 1966
Interest Rate	: 7%
Repayment Terms	: 16 equal semi-annual installments
Grace Period	: 5-1/2 years after first disbursement
Payment Due Date	: April 15 and October 15
Final Maturity Date	: April 15, 1980
<u>Status of Repayment</u>	
a) Current/Default	: Current
b) Outstanding Balance as of December 31, 1971	: Rs. 26, 484, 000
Security/Guarantee	: Equitable mortgage on Herdillia's assets ranking pari-assu with Indian financial institutions.

3. Project Authority (ownership)

Hercules Power Co., U.S.A. owns 16%, Distillers Co. Ltd., U.K. 25%, Commonwealth Development Finance Corp. owns 3%, E.I.D. Parry 9% and the balance 47% is owned by the Indian public.

4. Location

Regd. Office : Air India Building, Backbay Reclamation
Post Box No.1874, Bombay 1
Factory : Thana-Belapur Road, Thana, Maharashtra

5. Financial Status

Herdillia Chemicals has greatly improved its financial position in 1970. It has recouped more than one-third of accumulated losses in 1970. As compared to 1969, its sales have increased by 47% in 1970 and it has earned a profit of Rs. 6.34 million in 1970 as against a loss of Rs. 2.72 million in 1969.

	<u>For the year ended Dec. 31</u>	
	(In 000 of Rupees)	
	<u>1970</u>	<u>1971</u>
Sales	73,660	68,444
Net Profit	6,345	9,266
Net Worth	42,594	51,860
Total Assets	119,664	120,439
Total Liabilities	77,070*	68,579
Current Ratio (Minimum 150 %)	153.89%	329.49%
Total Liabilities as percentage of Net Worth (Maximum 175%)	185.18%	112.96%

Company's auditors are : M/s. A.F. Ferguson & Co., Bombay

6. Status of Project

Herdillia's total project cost (excluding working capital) was Rs.124 million (Rs.13 million more than estimated). It started production in 1968 against a target date of 1966. After initial problems of shortage of raw material, frequent power failures, competition of imports of similar products, etc., the project picked up its sales in 1970 when the GOI restricted the imports. It's future prospects are also considered good.

7. Key Personnel

1. Mr. R. Mainprice, General Manager
2. Mr. M. A. E. Paes, Secretary

* excluding net worth

HINDUSTAN ALUMINIUM CORPORATION
(386-E-024/093/159)

1. Project Description

Products: Hindalco operates a fully integrated aluminium manufacturing facility from the raw material stage (mining of bauxite) to the semi-fabricated product stage. Its products include aluminium ingots, redraw rods, extrusions, coils and sheets.

Users: Numerous industrial and domestic uses.

2. Loan Terms and Conditions

Amount	:	(1) Loan No.024 - Rs.10, million (2) Loan No.093 - Rs.10 million (3) Loan No.159 - Rs.30 million
Date Agreement Signed	:	(1) September 22, 1960 (2) January 15, 1964 (3) July 15, 1966
Interest Rate	:	(1) 6% (2) 7% (3) 8%
Repayment Terms	:	(1) 20 equal semi-annual installments commencing June 30, 1966 (2) 20 equal semi-annual installments (3) 20 equal semi-annual installments
Grace Period	:	(2) 1st installment due after 3 years of first interest payment is due. (3) 36 months from the date of the 1st disbursement
Payment Due Date	:	(1) June 30 and December 31 (2) May 21 and November 21 (3) March 23 and September 23
Final Maturity Date	:	(1) December 31, 1975 (2) May 21, 1977 (3) March 23, 1979

Status of Repayment

a) Current/Default : Current
 b) Outstanding Balance : (1) Rs. 4, 000, 000. 00
 as of December 31, (2) Rs. 5, 500, 000. 00
 1971 (3) Rs. 22, 500, 000. 00

Security/Guarantee : Unsecured

3. Project Authority (ownership)

26.66% by U.S. Affiliate: Kaiser Aluminium & Chemical Corporation; 26.72% by Birla Group; and the balance 46.62% by Indian investors.

4. Location

Factory : P.O. Renukoot, Dist. Mirzapur, UP
 Office : Century Bhavan, Dr. Annie Besant Road,
 Bombay 25 DD.

5. Financial Status

Hindalco is in good financial health. Its sales are increasing even though its profitability has declined due to increasing cost of power and other raw materials. It is in compliance with the ratio requirements of the Loan Agreement.

For the year ending December 31
(In 000 Rs.)

	<u>1969</u>	<u>1970</u>	<u>1971</u>
Sales	342, 689	398, 156	372, 792
Net Profit after Taxes (including Development Rebate)	64, 632	97, 522	24, 297
Net Worth	292, 952	375, 919	420, 558
Total Assets	546, 744	605, 123	631, 019
Total Liabilities	243, 792	229, 204	210, 461
Current Ratio (Minimum 150%)	157.46%	237.53%	245.54%
Total Liabilities (including Contingent Liabilities) as % of Net Worth (Maximum 175%)	89.59%	67.46%	55.92%

Company's Auditors are: Messrs Singhi & Co., Bombay

6. Current Status of Project

The first loan assisted in financing rupee expenditures for the construction of an aluminium reduction plant. The second loan was used to finance the rupee costs of constructing an aluminium fabrication plant. The third loan was authorized for a plant expansion which resulted in an increase in aluminium capacity from 48,000 to 72,000 metric tons per annum. The loans have been fully utilized for the purposes they were authorised. Hindalco has been constantly facing power supply problem. Basically because of this problem Hindalco could not better its production in the year 1971 than it had achieved in 1970. The power rates which Hindalco has to pay are by far the highest paid by any aluminium producer in India. The problem of power supply is aggravated every year because of power cuts imposed by UP State Electricity Board, under the pretext of inadequate rainfall. The matter relating to rate charged for supply of power and its inadequate supply by UPSEB is under dispute and is pending before the Allahabad High Court. The power plant at Renusagar continues to face operational problems mainly due to the bad quality of coal. The quality of coal, despite repeated requests, supplied by National Coal Development Corporation has not improved. The quality of coal apart, the quantity of coal supplied is, also, far from adequate. Negotiations are continuing to improve the coal supply position.

The Government of India imposed price control on aluminium with effect from March 20, 1970 and since May 24, 1971 aluminium prices were reduced substantially to uneconomic levels. The reduced prices are being enforced without any corresponding check by government on the rising prices of inputs. The cost of production of aluminium has gone up considerably during the year 1971 because of increase in prices of power, raw materials such as aluminium fluoride, cryolite, C.P. coke, caustic soda, hard pitch and soda ash and the rise in costs of steel and spare parts.

7. Key Personnel

1. Mr. S. S. Kothari, President
2. Mr. A. K. Agarwala, Joint President

INDABRATOR LIMITED (386-E-112)1. Project Description

Products: Mechanical metal cleaning and air-pollution control equipment.

Users: Mechanical metal cleaning equipment, foundry industry and air pollution control equipment: refineries, chemical plants and coal burning electricity plants.

2. Loan Terms and Conditions

Amount	:	Rs. 1,428,000
Date Agreement Signed	:	October 12, 1964
Interest Rate	:	7%
Repayment Terms	:	15 equal semi-annual installments
Grace Period	:	2 years from first disbursement
Payment Due Date	:	April 26 and October 26
Final Maturity Date	:	April 26, 1974
<u>Status of Repayment</u>		
(a) Current/Default	:	Current
(b) Outstanding Balance as of December 31, 1971	:	Rs. 476,000

Security/Guarantee : Unsecured.

3. Project Authority (Ownership)

The project is owned 24.5% by Wheelabrator Corporation, U.S.A.; 24.5% by Tilghmans Ltd., U.K.; 26.0% by New Standard Engineering Co. Ltd., Bombay; and the balance by Indian public.

4. Location

Factory & Office: NSE Estate, Goregaon East, Bombay 63 NB

5. Financial Status:

Indabrador's financial position has constantly improved during the last three years. Its sales have increased from Rs. 3.2 million in 1968 to

Rs. 4.8 million in 1969 and to Rs. 7.2 million in 1970. The net profit has also gone up from Rs. 496,000 in 1969 to Rs. 609,000 in 1970.

	<u>Year Ended December 31</u>	
	<u>1969</u>	<u>1970</u>
	(Rs. 000)	
Sales	4,843	7,220
Net Profit	496	609
Net Worth	2,713	3,143
Total Assets	6,941	7,487
Total Liabilities	4,228	4,334
Current Ratio	141.81%	138.88%
Total Liabilities to Net Worth (Maximum 140%)	143.9%	133.7%

Company's auditors are: A. F. Ferguson & Co., Bombay

6. Status of Project

Indabrator has completed the project for which A. I. D. loan was given. It has a well run and modern fabricating shop and its products are being manufactured to international standards. Its products are picking up and the profitability is likely to improve further with the increased demand of its products.

7. Key Personnel:

1. Mr. J. V. Patel, Chairman
2. Mr. Sumant Patel, President
3. Mr. A. V. Munim, Works Manager

COOLEY LOAN PROGRAM IN INDIA

(BRIEFING BOOK)

(Status Current as of July 31, 1972)

ADVISOR

George H. Wales, Jr.
Chief Loan Officer

EDITOR

Prem N. Dhawan
Loan Officer

CONTRIBUTORS

Prem N. Dhawan	Suresh C. Sood
Sat P. Dhawan	Badri Nath
Kailash C. Kapoor	Ajai K. Bararia

ADMINISTRATIVE ASSISTANT

Rishi K. Sharma

OFFICE OF CAPITAL DEVELOPMENT
AGENCY FOR INTERNATIONAL DEVELOPMENT
NEW DELHI, INDIA

5. Financial Status

ICL's financial health is good. Its sales and net worth are increasing from year to year as shown below:

	<u>For the Year Ending December 31</u>		
	<u>1969</u>	<u>1970</u>	<u>1971</u>
	(In 000s of Rupees)		
Sales	8,310	14,253	15,144
Net Profit after taxes (Before Development Rebate)	-	1,240	1,458
Net Worth	5,164	6,405	8,126
Total Assets	11,865	15,827	15,921
Total Liabilities	6,701	9,422	7,795
Current Ratio (Minimum limit 125%)	147%	131%	155%
Debt (Total Liabilities)/ Equity Ratio	130%	147%	96%

ICL's Auditors Are: Dalal & Shah, Chartered Accountants

6. Status of the Project

Indofil has completed the project for which the Cooley loan was authorized. However, since then Indofil expanded and diversified its production to other pesticides (such as Miticides and Weedicides) and other industrial chemicals such as paraplex G-601, scientific tanning agents and acrylic resin emulsions. These projects were completed by Indofil during 1972 and were financed mostly by short-term borrowings from banks. ICL has not declared any dividends and are ploughing back the profits to finance its growth. With the addition of these new items ICL's initial warehousing facilities and production facilities have become inadequate. Consequently, ICL wants to add a new warehouse and certain equipment such as spare kettle, boiler etc. For this purpose ICL has presently applied for a loan of Rs. 2.4 million to the Bank of America (B of A). AID has given its permission to ICL for creating a charge in favor of B of A for its loan of Rs. 2.4 million to ICL.

7. Key Personnel

- | | |
|---|-------------------|
| 1. Mr. John R. Trevornor, Managing Director | 3. Mr. K. K. Modi |
| 2. Mr. T. M. Sen, Director -cum-Secretary | Director |

KIRLOSKAR CUMMINS LIMITED (386-E-089)1. Project Description

Products: Heavy duty diesel engines of 100 to 800 horse power.

Users : Tata Iron & Steel, Hindustan Shovel, Komatsu Manufacturing Company, Kirloskar Pneumatic, the National Coal Development Board, Indian Railways, Hindustan Steel, and Damodar Valley Corporation, etc.

2. Loan Terms and Conditions

Amount	: Rs. 12, 500, 000
Date Agreement Signed	: August 16, 1963
Interest Rate	: 7%
Repayment Terms:	: 16 equal semiannual installments
Grace Period	: 30 months after first disbursement
Payment Due Date	: March 25 and September 25
Final Maturity Date	: September 25, 1974
Status of Repayment	
a) Current/Default	: Current
b) Outstanding Balance as of December 31, 1971	: Rs. 4, 687, 500
Security/Guarantee	: Unsecured.

3. Project Authority (ownership)

KCL is owned 50% by Cummins Engine Company, Inc. of U.S.A., 25.5% by Kirloskar Oil Engines Ltd., Poona, and remaining 24.5% by the Indian public.

4. Location

Factory & Registered Office : Kothrud, Poona-29.

5. Financial Status

KCL's sales have increased by 21% , from Rs. 58.81 million in 1970 to Rs. 71.09 million in 1971, but its net profit has decreased from Rs. 2.22 million in 1970 to Rs. 1.71 million in 1971. This is

mainly due to (a) substantial decrease in KCL's income from job work, (b) higher manufacturing expenses, (c) increase in wages and employees' other benefits, and (d) higher provision for taxes. KCL's current and debt to equity ratios have also deteriorated in the last two years. KCL's request for distribution of dividend is being processed. KCL plans to issue further capital which is likely to improve its financial ratios. There has been a fall in KCL's export performance due to the delay in finalization of bilateral trade agreement between the governments of India and the UAR. This has also affected the financial health of KCL.

	<u>For the year ended Sept. 30</u>	
	(In 000 of Rupees)	
	<u>1970</u>	<u>1971</u>
Sales	58,813	71,097
Net profit	2,220	1,710
Net worth	26,560	26,982
Total assets	65,448	77,714
Total liabilities	38,888	50,732
Current ratio	154.50%	137.71%

Company's auditors are : M/s. A.F. Ferguson & Company,
Bombay

6. Status of Project

KCL has completed the project for which A.I.D. loan was given. The rate of production of Communis engines is very satisfactory. KCL is trying to substitute the imported material with indigenously developed parts. In addition to producing its own engines, KCL is also producing small horse power engines for Kirloskar Oil Engines on job basis.

7. Key Personnel

1. Mr. A. S. Kirloskar, Manager of Manufacturing
2. Mr. R. V. Ramachandran, Manager of Reliability
3. Mr. Carl Muller, Chief of Operation
4. Mr. N. K. Parsad, Secretary

KUMARDHUBI FIRECLAY & SILICA WORKS LTD.
(386-E-202)

1. Project Description

Products: Refractories

Users: Steel, chemicals and glass industries

2. Loan Terms and Conditions:

Amount	:	Rs. 6,000,000 (Originally Rs. 12,000,000)
Date Agreement Signed	:	December 19, 1969
Interest Rate	:	8%
Repayment Terms	:	10 equal semi-annual installments
Grace Period	:	36 months from first disbursement
Payment Due Date	:	April 21 and October 21
Final Maturity Date	:	April 21, 1976
<u>Status of Repayment</u>		
(a) Current/Default	:	Current
(b) Outstanding Balance as of December 31, 1971	:	Rs. 5,400,000
Security/Guarantee	:	Unsecured.

3. Project Authority (Ownership)

KFS is presently owned 50 percent by Bird Group of Industries, 20 percent by A. P. Green Refractories Company and 30 percent by Tata Iron & Steel Company.

4. Location

Factory: Kumardhubi, Bihar

Office : Chartered Bank Building, Calcutta 1

5. Financial Status:

KFS operations during the past two years have been very profitable. Bank overdraft of Rs. 7.0 million, as of December 31, 1969, has been reduced to nil as of December 31, 1970. Debt to equity and current ratios have improved considerably during the last two years. Cash generations during the year have been more than expected.

	<u>Year Ended December 31</u>	
	<u>1969</u>	<u>1970</u>
	(Rs. 000)	
Sales	23,660	32,618
Net Profit	827	2,684
Net Worth	10,644	14,812
Total Assets	23,836	27,702
Total Liabilities	13,192	12,890
Current Ratio (Minimum 130% upto 12/31/71)	119.13%	268.62%

Company's auditors are: Lovelock & Lewes, Calcutta

6. Status of Project:

KFS had spent the total amount of Rs. 6.0 million drawn from A. I. D. as of May 31, 1971. Because of the pressure of customers KFS is planning installation of equipment with a minimum disturbance to production facilities. This has resulted into a slight delay in the completion of the project, which is now expected to be completed by 1973.

7. Key Personnel:

1. Mr. K. L. Dua, Managing Director
2. Mr. S. C. Mahtab, Secretary
3. Mr. R. N. Pawar, Chief Executive

LAL-ROE MEASURING TOOLS LTD. (386-E-154)

1. Project Description

Products: 1/2" and 3/8" wide steel measuring tapes in all lengths ranging between 1 and 50 meters.

Users: Local Market - Approximately 80% (engineering institutes, plumbers, carpenters, housewives, etc.), and Export Sales - Approximately 20% of the total production (U.S.A., Czechoslovakia, Canada, U.K., Indonesia and Middle East and African countries).

2. Loan Terms and Conditions

Amount	:	Rs. 1, 300, 000.
Date Agreement Signed	:	September 15, 1966
Interest Rate	:	8%
Repayment Terms	:	20 equal semiannual installments
Grace Period	:	12 months after 1st disbursement.
Payment Due Date	:	April 6 and October 6.
Final Maturity Date	:	October 6, 1977
Status of Repayment		
a) Current/Default	:	In default
b) Outstanding Balance as of December 31, 1971	:	Rs. 896, 975. 49.
Security/Guarantee	:	Of the total funds borrowed, 49% is guaranteed by U.S. Affiliate, Justus Roe & Sons, and 51% by Macks Hard Pvt. Ltd. and Lal & Co. of Bombay jointly.

3. Project Authority (ownership)

Project is 51% owned jointly by Lal & Co. and Macks Hard Pvt. Ltd. of Bombay, and 49% by Justus Roe & Sons, Inc., U.S.A.

4. Location

Regd. Office : 19 Chinch Bunder, P.O. Box 5075, Bombay-9
 Factory : Patil Pada, Ghod Bunder Road, Thana, Bombay

5. Financial Status

As of December 31, 1971, Lal-Roe was delinquent in payment of principal installment of Rs.183,331.71. As compared to 1970, Lal-Roe's sales have decreased by over 40% during 1971 due to fall in its export sales. Lal-Roe continues to be in default of the total liabilities to net worth ratio — for 1971 it was 111.0% against a maximum of 100% under the Loan Agreement. This ratio has further deteriorated to 182.67% as of December 31, 1971.

	<u>Year ended March 31</u>	
	<u>(In 000 of Rupees)</u>	
	<u>1970</u>	<u>1971</u>
Sales	9,258	5,262
Net profit (loss)	(116)	267
Net worth	1,520	2,282
Total assets	4,785	6,183
Total liabilities	3,265	3,901
Current Ratio (Minimum 200%)	161.60%	99.65%
Total Borrowings to net Worth ratio (Maximum 100%)	166.78%	111.0%

Company's auditors are : Ford, Rhodes, Parks & Co., Bombay.

6. Status of Project

Lal-Roe is currently facing some major problems like (a) serious competition in the market, (b) Government's limitations on printing metric system of scales for local sales, and (c) conservative management reluctant to adopt modern financial management tools and techniques.

Lal-Roe's export sales are now picking up. As of March 31, 1972 it had orders worth Rs. 2.6 million on hand as against a total export sales of Rs. 250,000 during 1971-72. Lal-Roe has plans for diversification of its products as per schedule given below:

Linen tapes, by June 1972; Metallic tapes, by June 72; Black etched tapes, by September 1972; 1/4" wide tapes, by December 1972; and Fibre glass tapes, by mid 1974.

7. Key Personnel:

- | | |
|---------------------------------------|--------------------------|
| 1. Mr. Mohan Anand, Managing Director | 3. Mr. Kishori Lal Anand |
| 2. Mr. Ram Lal Anand, Director | Director |

LUBE INDIA LIMITED (LIL) (386-E-183)

1. Project Description

Products: Refinery to manufacture medium and high viscosity index lubricating oil base stocks.

Users: Oil refineries.

2. Loan Terms and Conditions

Amount	:	Rs. 64,345,000
Date Agreement Signed	:	November 13, 1968
Interest Rate	:	8%
Repayment Terms	:	13 equal semi-annual installments.
Grace Period	:	Approximately 2 ¹ / ₂ years*
Payment Due Date	:	June 30 and December 31
Final Maturity Date	:	June 30, 1977
<u>Status of Repayment</u>		
(a) Current/Default	:	Current
(b) Outstanding Balance as of December 31, 1971	:	Rs. 51,445,765 (After prepayment of Rs. 3,000,000 on October 31, 1971)
Security/Guarantee	:	Unsecured

3. Project Authority (Ownership)

50% - Standard Oil Company of New Jersey, and 50% Government of India.

4. Location:

Factory: Administrative Building, Corridor Road, Mahul, Bombay 74 AS
Office: Post Box No. 11041, Bombay 20 BR.

5. Financial Status:

As shown below, LIL's financial health is very good. It has already made a prepayment of Rs. 30 AID loan.

*Loan Agreement provides for payment of first installment on June 30, 1971.

	<u>Year Ended December 31</u>	
	<u>1969</u>	<u>1970</u>
	(Rs. 000)	
Sales	37	70,919
Net Profit (Net loss)	(6,565)	14,398
Net Worth	41,430	55,828
Total Assets	165,381	191,801
Total Liabilities	123,951	135,973
Current Ratio	58.78%	274.02%
Total Liabilities to Net Worth		

Company's auditors are: A. F. Ferguson & Co., Bombay.

6. Status of Project

LIL has already completed the project for which the AID loan was given. LIL is diversifying its operations by direct sale of carbon black feedstock. It has applied for a license of 32,000 metric tons of carbon black feedstock per annum. Studies are also continuing for the feasibility of producing refined wax.

7. Key Personnel:

1. Mr. I. K. Rasgotra, Finance Manager & Secretary
2. Mr. E. D. Gray, Managing Director
3. Mr. P. R. K. Menon, Financial Director

MADRAS RUBBER FACTORY LIMITED
(386-E-097/194/215)

1. Project Description

Products: Automotive and bicycle tires and tubes, tread rubber, mastication rubber, and brake chamber diaphragms.

Users: Automobile and bicycle manufacturers and owners of such vehicles in India with approximately 10% in export markets.

2. Loan Terms and Conditions

Amount	: (1) Loan No.097 - Rs.5 million (2) Loan No.194 - Rs.7 million (3) Loan No.215 - Rs.10 million
Date Agreement Signed	: (1) June 29, 1964 (2) January 6, 1969 (3) July 27, 1972
Interest Rate	: (1) 7% (2) 8% (3) 8 ¹ / ₂ %
Repayment Terms	: (1) 15 equal semiannual installments (2) 14 equal semiannual installments (3) 15 equal semiannual installments
Grace Period	: (1) 1 year after first disbursement (2) 3 years after first disbursement (3) 1 year after first disbursement
Payment Due Date	: (1) February 28 and August 28 (2) September 18 and March 18 No disbursements made.
Final Maturity Date	: (1) August 28, 1972 (2) March 18, 1979 No disbursements made.

Status of Repayment:

- a) Current/Default : Current
- b) Outstanding balance as : (1) Rs.666,606
of December 31, 1971 (2) Rs.7,500,000
(3) Rs.10,000,000

Security/Guarantee : 097 - Secured by a guaranty from
Syndicate Bank, Madras

194 - Secured by an equitable mort-
gage on pari-passu basis with Indian
financial institutions (IFC/ICICI)

215 - Secured by two bank guarantees
(Indian Overseas Bank/Syndicate Bank)

3. Project Authority (ownership)

20% by the U.S. Affiliate, Mansfield Tire & Rubber Company,
Mansfield, Ohio, and 19.3% by Mappillai Family, with
balance 60% held by Indian public.

4. Location

Factory : (1) 10 miles north of Madras city.
(2) Kottayam, Kerala, which manufactures
(a) 9000 metric tons of mastication rubber,
and (b) 5,200 MT of tread rubber.
(3) Goa, for mastication plant of 9,000 MT
capacity per annum

Office : Dhun Building, 175/1 Mount Road, Madras-2

5. Financial Status

Over the years MRF has built its financial strength as a
result of its consistently profitable operations. The drop
in sales and profits in FY 1971 was mainly on account of
labor strike which resulted in production losses. In
November 1971 MRF management signed a four year agree-
ment with the labor union.

For the year ending Sept. 30
(In 000 Rs.)

	<u>1970</u>	<u>1971</u>
Sales	240,274	214,959
Net profit (after taxes but including Develop- ment Rebate)	7,732	5,027
Net Worth	41,926	44,029
Total Assets	118,935	128,628
Total Liabilities	77,009	84,599
Current Ratio (Min. 150%)	155%	152%
Total Liabilities to net worth ratio (Max. 225%)	188%	195%

Company's auditors are: Sastri & Shah, Madras; and
M. M. Nissim, Bombay

6. Status of Project

MRF has received four Cooley loans of which the first (for Rs. 2.5 million duly repaid on April 7, 1969) was to finance partially the establishment of MRF's facility at Madras to manufacture 300,000 per annum of automobile tires and tubes. The subsequent loans (097 and 194) were used to increase MRF's production capacity to 450,000 automobile tires and tubes and 5,000 MT of retread rubber per annum plus installation of facilities to produce 2,000,000 bicycle tires and tubes per annum. The fourth loan (215) is expected to increase MRF's manufacturing capacity of automobile tires and tubes to 610,000 units per annum and establish at Goa a new plant to manufacture 9,000 MT of masticated rubber per annum.

MRF, which started work on its present expansion program in October 1968, hopes to fully implement it by December 1972.

7. Key Personnel

1. Mr. K. M. Mammen Mappillai, Managing Director
2. Mr. M. M. Mathew, Controller of Finance

MANDYA NATIONAL PAPER MILLS LTD. (386-E-088)1. Project Description

Products: Different kinds of papers.

Users : Printing industry, educational institutions and other households, etc.

2. Loan Terms and Conditions

Amount	:	Rs. 11, 700, 000
Date Agreement Signed	:	August 2, 1963
Interest Rate	:	7%
Repayment Terms	:	19 equal semi-annual installments
Grace Period	:	30 months after the first interest payment is due
Payment Due Date	:	February 9, and August 9
Final Maturity Date	:	August 9, 1975
<u>Status of Repayment</u>		
a) Current/Default	:	Delinquent
b) Outstanding Balance as of December 31, 1971	:	Rs. 11, 700, 000
Security/Guarantee	:	Unsecured

3. Project Authority (ownership)

Mandya was initially 45% owned by Parsons and Whittemore (P&W) New York (U.S. Collaborator), 20% by Bedi and Co., and 35% by some 12,000 public shareholders. P&W have now sold their interest to Government of Mysore.

4. Location

Registered Office : 7, Museum Road, Bangalore 1

Factory : Belagula, Near Kirshanraj Sagar, Mandya District

5. Financial Status

Mandya is in a very poor state of financial health because of the losses it had suffered from the very first year it went into commercial production. Its financial status, as of June 30, 1971, is indicated below:

For the year ended June 30
(In 000 of Rupees)

Net Worth	(10,255)
Total Assets	54,825
Total Liabilities	65,080
Current Ratio	167%

Company's Auditors are : B. K. Ramadhayane & Co., and
Brahmayya & Co.

6. Status of the Project

Mandya had started production in 1962. However, due to technical and commercial, and uneconomic size of the plant, the operations of Mandya have been uneconomical and Mandya has been consistently losing money. In 1966 Mill was closed for want of finances. The Government of Mysore stepped in to save Mandya from liquidation. Since then, a scheme of compromise, capital reorganization, including redirection of capital and financial reconstruction of the company has been proposed. As proposed in this scheme, in January 1970 AID agreed to potential settlement of its claim of Rs.16.15 million for Rs.2.25 million with the Mysore Government. The implementation of this settlement depends upon the approval of Mandya's capital reorganization plan by the High Court. In March 1972, Mandya presented to AID a copy of the proposed Financial Reorganization and Reconstruction Plan for approval by the unsecured creditors at the Mysore High Court ordered meeting of the unsecured creditors held on March 15, 1972 in Bangalore. USAID's interest at this meeting was represented by Messrs. O'Donnell and Dhawan.

USAID has reviewed Mandya's reorganization plan and believes it meets the basic objectives of the conditions stipulated in AID's letters dated January 30, 1970 and February 10, 1971 to Mandya. Consequently, AID voted in favor of the plan. All other unsecured creditors (excepting two) whose total claims value Rs.24.86 million also voted in favor of the plan.

The two unsecured creditors whose total claims value Rs.1.1 million remained neutral to the reorganization plan. USAID is of the opinion that the neutral posture of these two creditors shall not create any problem in the approval of reorganization plan by the Court.

AID should expect to receive Rs. 2.25 million in full settlement of its claim against Mandya immediately after the reorganization plan is approved by the Court.

7. Key Personnel:

1. Mr. T. R. Satish Chandra, Chairman
2. Mr. Mohinder Singh Bedi, Managing Director

McNALLY-BIRD ENGINEERING CO. LTD. (386-E-080 & 135)1. Project Description

Products: Coal washery and allied equipment.

Users: Steel industry and power plants.

2. Loan Terms and Conditions

	<u>No. 080</u>	<u>No. 135</u>
Amount	: Rs. 5,000,000	Rs. 5,000,000
Date Agreement Signed	: December 4, 1962	August 18, 1965
Interest Rate	: 6 ¹ / ₂ %	7%
Repayment Terms	: 4 semi-annual installments of Rs.250,000 each and 10 semi-annual installments of Rs.400,000 each	10 equal semi-annual installments
Grace Period (after first disbursement)	: 5 years	3 years
Payment Due Date	: May 18 & Nov. 13	March 2 & Sep. 2
Final Maturity Date	: November 18, 1974	March 2, 1974
Status of Repayment		
a) Current/Default	: Current	Current
b) Outstanding Balance as of Dec. 31, 1971	: Rs. 2,400,000	Rs. 2,000,000
Security/Guarantee	: Unsecured	Guaranteed ^{1/}

3. Project Authority (ownership)

McNally-Bird is owned 65% by McNally-Pittsburg Manufacturing Corporation, and the balance 35% by Indian stockholders.

4. Location

Registered Office : Chartered Bank Building, Calcutta-1
 Factory : Kurnardhubi, Dhanbad, Bihar

^{1/} This loan is guaranteed by an agreement dated June 17, 1966 executed by three shareholders of the Borrower: (a) The Lawrence Jute Co. Ltd., (b) The Standard Jute Co. Ltd., (c) Kurnardhubi Engineering Works, Ltd (First guarantors); and McNally-Pittsburg Manufacturing Corp., U.S. (Second guarantor).

5. Financial Status

McNally-Bird's financial health has improved during the last two years. Its sales have increased by about 21% during 1971 and the net profits have gone up by about 45%. It has paid a dividend of 15% on the total equity. McNally-Bird is, however, in default in respect of the requirement of its total liabilities to net worth ratio - during 1971 it was 223% as against 215% in 1970; the Loan Agreement provides for a maximum 200% after 1968.

	<u>Year ended November 30</u>	
	(In 000 of Rupees)	
	<u>1970</u>	<u>1971</u>
Sales	24,357	29,451
Net profit	1,638	1,873
Net worth	11,782	12,627
Total assets	52,409	56,254
Total liabilities	40,627	43,627
Current ratio (Minimum 100%)	128%	122%
Total liabilities to net worth ratio (Maximum 200% after 1968)	215%	223%

Company's auditors are : Lovelock & Lewes, Calcutta.

6. Status of Project

McNally-Bird is a leading concern in the country in the field of raw material preparation and mineral engineering. It has completed the project for which AID loans were given. During 1971 McNally-Bird successfully completed a fluorspar, crushing, grinding and beneficiation plant for Gujarat Mineral Development Corporation and a limestone crushing plant for the Bisra Lime and Stone Co.

7. Key Personnel

1. Mr. P. C. Jain, General Manager
2. Mr. A. C. Chhoi, Finance Manager

MODIPON LIMITED - 1 (386-E-169)1. Project Description

Products: Nylon yarn

Users: Indian power loom and wasp knitting industries for textile purposes and industrial uses.

2. Loan Terms and Conditions

Amount	:	Rs. 18,200,000
Date Agreement Signed	:	May 23, 1967
Interest Rate	:	8%
Repayment Terms	:	16 equal semi-annual installments
Grace Period	:	24 months after first disbursement
Payment Due Date	:	May 31 and November 30
Final Maturity Date	:	May 31, 1976
<u>Status of Repayment</u>		
(a) Current/Default	:	Current
(b) Outstanding Balance as of December 31, 1971	:	Rs. 10,237,500
Security/Guarantee	:	Unsecured.

3. Project Authority (Ownership)

The project is owned 40% by Rohm & Haas Co. Inc., Philadelphia, U.S.A.; 40% by Modi Enterprises Ltd.; and the balance 20% by Indian public.

4. Location:

Factory & Office: Modinagar (U. P.)

5. Financial Status:

The MPL is in excellent financial health. Its current ratio is 191.3 percent for 1971 and working capital exceeds long-term senior and subordinated debts. The liquidity position of the company is also very good.

	<u>Year Ended February 28</u>	
	<u>1970</u>	<u>1971</u>
	(Rs. 000)	
Sales	170,596	157,420
Net Profit	33,365	19,561
Net Worth	62,682	76,556
Total Assets	140,744	171,207
Total Liabilities	78,062	94,651
Current Ratio	201.12%	191.30%

Company's auditors are : P.R. Mehra & Co., New Delhi. .

6. Status of Project:

MPL has already completed the project for which AID loan was given. MPL plans to expand its capacity from 1800 to 2200 metric tons of nylon yarn per annum which is expected to be completed by the middle of 1972. It has further applied for industrial licenses for expansion of its existing nylon yarn unit and also for the manufacture of polyester.

7. Key Personnel:

1. Mr. K. N. Modi, President
2. Mr. K. K. Modi, Vice President.

Security/Guarantee : (1) Guaranteed by State Bank of Mysore
(2) Unsecured
(3) Unsecured

3. Project Authority (ownership)

25% by U.S. Affiliate, Kaiser Jeep International Corporation and Kaiser Engineers Overseas Corporation, California; 36% by Birla Group; and the balance by Indian public.

4. Location

Factory : Ammasandra, 69 miles from Bangalore, Mysore
Office : 1-Vidhana Veedhi, Bangalore 1, Mysore

5. Financial Status

In FY 1971 MCL's financial working was satisfactory, showing improvement in both sales and profit by 18% and 8% respectively over FY 1970 as shown below:

	<u>For the year ending June 30</u> (In 000 Rs.)	
	<u>1970</u>	<u>1971</u>
Sales	56,545	66,984
Net Profit	6,782	7,346
Net Worth	36,865	41,217
Total Assets	85,819	84,687
Total Liabilities	48,953	43,470
Current Ratio (Minimum 80%)	143%	176%
Total Liabilities to Net Worth (Maximum 150%)	133%	105%

Company's auditors are: Brahmayya & Co. and Hariharan & Co., Bangalore

6. Status of Project

The working of MCL's cement plant during 1971 improved. The manufacturing cost of cement continued to increase due to additional GOI levies on prices of coal, gypsum, railway freight etc. Indian cement manufacturers have

made several representations to the GOI to compensate for the rise in cement manufacturing costs (estimated at Rs.10.20 per metric ton in the past two years). The GOI is looking into these representations and it is expected that a favorable GOI decision will result into higher profits.

In the meantime MCL has decided to diversify its operations and has applied to the GOI for an industrial license to set up an asbestos sheet plant with a capacity of 100 metric ton per day at Srirangapatna town, 75 miles from existing plant.

7. Key Personnel

1. Mr. N. L. Hamirwasia, President
2. Mr. V. Subramanian, Secretary

MYSORE LAMP WORKS LIMITED(386-E-186)1. Project Description

Products: General purpose electric lamps and fluorescent tubes.

Users: Households, offices, and factories, etc.

2. Loan Terms and Conditions

Amount	:	Rs. 3,000,000
Date Agreement Signed	:	September 17, 1968
Interest Rate	:	8%
Repayment Terms	:	15 equal semi-annual installments
Grace Period	:	30 months after 1st disbursement
Payment Due Date	:	June 30 and December 31
Final Maturity Date	:	December 31, 1978
<u>Status of Repayment</u>		
a) Current/Default	:	Current
b) Outstanding Balance as of December 31, 1971	:	Rs. 2,800,000
Security/Guarantee	:	Unsecured

3. Project Authority (ownership)

MLW is presently 49% owned by General Electric Co. (U.S. Affiliate), 17.7% by Mysore Government, 8.1% by M/s. S. Ramanathan and Associates, and 25.2% by various small investors (Indian public).

4. Location

Regd. Office & Factory : Old Tunkur Road, P. B. No. 1009,
Science Institute P. O., Bangalore 12

5. Financial Status

MLW is in good financial health. Its sales have increased by approximately 31% in 1971 over 1970 and its profits before taxes rose by 47% in 1971 over 1970. The following table gives an idea of MLW's financial operations and its financial health:

	<u>Year ended December 31</u>	
	(In 000 of Rupees)	
	<u>1970</u>	<u>1971</u>
Sales	11,943	15,601
Net Profit	530	428
Net Worth	5,373	5,566
Total Assets	12,757	13,296
Total Liabilities	7,384	7,730
Current Ratio (Minimum 150%)	166%	153%
Debt/Equity Ratio (Maximum 150%)	111%	96%

Company's Auditors are : M/s Brahmayya & Co., Chartered Accountants.

6. Status of Project

The loan was authorized to finance the local currency costs of machinery, building, import duties and working capital required for its project for the production of 2 million fluorescent tubes annually. The purpose for which the loan was authorized has been accomplished. MLW faces close competition from M/s. Phillips India, Bengal Lamps, Bajaj Electricals, Sylvania and Laxman Toshiba Anand. Its share of the market is 6%. MLW has plans to set up small glass shell plant to manufacture shells of higher voltage for its use. Presently it gets the supply of these shells from M/s. Sylvania & Laxman. MLW is also proposing to expand its filament section, add two additional lines in GLS lamps, expand its mercury lamp operations and add big glass plant. These expansions are proposed to take place by 1974. The estimated cost of expansion is \$2.9 million in foreign exchange and Rs. 20.0 million in local currency.

7. Key Personnel

1. Mr. M. D. Shivanpappa , Chairman
2. Mr. Harold M. Helsing, Technical Director
3. Mr. B. T. Aswathanarayana Rao, Secretary
4. Mr. B.T.A. Rao, Manager -Finance

NAPCO BEVEL GEAR OF INDIA LIMITED(386-E-090&124)1. Project Description

Products : Precision gears, universal joints, and other parts for automobiles, machine tools, agricultural machinery.

Users: Automobiles, engineering, and agriculture industries.

2. Loan Terms and Conditions

	<u>386-E-090</u>	<u>386-E-124</u>
Amount	: Rs. 4, 000, 000	Rs. 4, 000, 000
Date Agreement Signed	: July 31, 1963	August 27, 1964
Interest Rate	: 7%	7%
Repayment Terms	: 6 semiannual installments	Within 1 year after 1st disbursement
Grace Period (after first disbursement)	: 33 months	-
Payment Due Date	: Nov. 26 & May 26	-
Final Maturity Date	: May 26, 1969	-
Status of Repayment		
a) Current/Default	: In default	In default
b) Outstanding Balance as of December 31, 1971	: Rs. 4, 000, 000	Rs. 4, 000, 000
Security/Guarantee	: Both the loans are guaranteed by Napco Industries, Inc., Indiana, USA	

3. Project Authority (ownership)

Napco is owned 37.5% by Napco Industries, Minneapolis, Minn. U.S.A., 31.0% by Indian promoters, and 31.5% by the Indian public.

4. Location

Regd. Office : 3 Friends Colony, New Delhi

Factory : 20th Mile, Delhi Mathura Road, Ballabgarh, Haryana

5. Current Status

As of December 31, 1971 Napco is delinquent in payment of its principal installments of Rs. 8.0 million and interest of Rs. 4,207,183. The Justice Department has filed a suit in the U.S. courts against Napco, U.S., the American interest in the project. An offer of Napco/U.S. to settle this case is under consideration of the Department of Justice. The other creditors have also started the litigation in India against Napco/India. No resolution of this Indian litigation is anticipated.

Company's auditors are : K. C. Khanna & Co., New Delhi.

6. Key Personnel:

Mr. L.M. Viancsin, Factory Manager

OTIS ELEVATOR COMPANY LIMITED
(386-E-026*, 113 and 203)

1. Project Description

Products: Single speed, double speed and variable voltage geared elevators.

Users: Multistoreyed industrial and residential buildings.

2. Loan Terms and Conditions

Amount	:	(1) Loan No. 113 - Rs. 1 million (2) Loan No. 203 - Rs. 5 million
Date Agreement Signed	:	(1) April 6, 1965 (2) May 15, 1970
Interest Rate	:	(1) 7% (2) 8%
Repayment Terms	:	(1) 7 equal annual installments (2) 19 semi-annual installments
Grace Period	:	(1) 6 months after the first interest payment is due (2) 12 months from the date of first disbursement
Payment Due Date	:	(1) January 16 and July 16 (2) June 24 and December 24
Final Maturity Date	:	(1) July 16, 1972 (2) December 24, 1980
<u>Status of Repayment</u>		
a) Current/Default	:	Current
b) Outstanding balance	:	(1) Rs. 142,358 as of December 31, 1971 (2) Rs. 4,736,844
Security/Guarantee	:	Unsecured

3. Project Authority (ownership)

70% by U.S. Affiliate: Otis Elevator Co., New Jersey; and the balance 30% by Mahindra & Mahindra - the Indian investors.

4. Location

Factory : Akurli Road, Kandivli (East), Bombay 67.
Office : Gateway Building, Apollo Bunder, Bombay 1.

5. Financial Status

Otis Elevator has sound financial health. Its sales as well as its profit are increasing from year to year. Its net worth is positive and has a strong reserve position. It is in compliance with the ratio requirements of the Loan Agreements:

	<u>For the year ending Sep. 30</u> (In 000 Rs.)		
	<u>1969</u>	<u>1970</u>	<u>1971</u>
Sales	26,161	30,358	36,129
Net Profit after taxes (including Development Rebate)	1,735	2,114	2,334
Net Worth	9,718	10,904	12,149
Total Assets	57,746	62,246	78,048
Total Liabilities	48,028	53,337	65,899
Current Ratio (Minimum 125%)	128.34%	108.48%	133.13%
Liabilities as % of Net Worth (Maximum 175%)	107.91%	144.95%	166.93%

Company's auditors are: Messrs A. F. Ferguson & Co., Bombay

6. Status of Project

The purpose for which the Cooley loans were given to Otis have been completed. As a result of the completion of the expansion project, almost full capacity production of 480 elevators was achieved during the FY 1971 and with the orders in hand and the new bookings during the current year it is anticipated that the performance for FY 1972 will improve.

7. Key Personnel

1. Mr. P. L. Vahi, Managing Director
2. Mr. L. K. Negandhi, Secretary

PIBCO INDIA LIMITED (386-E-179)

1. Project Description

Products: Mineral wool for thermal insulation and sound absorption.

Users: Oil refineries, steel plants, cold storages, railways, thermal power stations, chemical and fertilizer plants, and shipping companies.

2. Loan Terms and Conditions

Amount	:	Rs. 4,000,000
Date Agreement Signed	:	April 3, 1968
Interest Rate	:	8%
Repayment Terms	:	16 equal semi-annual installments
Grace Period	:	30 months from 1st disbursement
Payment Due Date	:	July 16 and January 16
Final Maturity Date	:	July 16, 1978
<u>Status of Repayment</u>		
a) Current/Default	:	Delinquent - Principal - Rs. 750,000 Interest - Rs. 640,000
b) Outstanding Balance as: Rs. 4,000,000 of December 31, 1971		
Security/Guarantee	:	Unsecured

3. Project Authority (Ownership)

Pibco is owned 40% by Johns-Manville Inc., New York, and 60% by Punj and Sons.

4. Location

Factory : Durgapur, West Bengal
Office : Punj House, M-13, Connaught Circus, New Delhi 1

5. Financial Status

Pibco is in bad shape. It has already eaten up about 89% of its equity of Rs. 3.0 million. The following table gives a clear idea of the financial movement of Pibco from 1969 onwards.

	<u>Year ended December 31</u>		
	<u>(In 000 of Rupees)</u>		
	<u>1969</u>	<u>1970</u>	<u>1971</u>
Sales	1,010	718	1,665
Net profit (loss)	(644)	1,178	(908)
Net worth	2,434	1,256	341
Total assets	7,679	7,816	7,133
Total liabilities	5,245	6,560	6,792
Current ratio	169%	83%	60%
Debt(borrowed money)/Equity ratio	173%	442%	1566%

Company's auditors are : M/s. Suresh C. Mathur & Co., Chartered Accountants.

6. Status of Project

The project for which AID Cooley loan was authorized has been completed. Right from inception to date the project has been running into problems as is clear from its financial status. Pibco has problems with its cupola which gets jammed quickly and breaks down frequently. Pibco mineral wool is of poor quality and is not generally acceptable in the market. Pibco has requested AID for the deferment of repayment of principal installment and payment of interest. AID has asked for Pibco's Recovery Plan and financial projections for the next five years before taking any further action.

7. Key Personnel

1. Mr. S. P. Punj, Director
2. Mr. S.N. Punj, Finance Director
3. Mr. R. P. Punj, Project Manager
4. Mr. Ashok Punj, Factory Manager

PRECISION BEARINGS INDIA LIMITED (386-E-075 & 149)

1. Project Description

Products: Antifriction ball and roller bearings

Users: Automobile industries in manufacture of scooters, cars, tractors and electrical industries for electric motor and fans.

2. Loan Terms and Conditions

Amount	:	(1) Loan No. 075 = Rs.3 million (2) Loan No.149 = Rs.1.5 million
Date Agreement Signed	:	(1) May 17, 1963 (2) December 8, 1965
Interest Rate	:	(1) 6 ¹ / ₂ % (2) 8%
Repayment Terms	:	(1) 12 equal semi-annual installments (2) 20 equal semi-annual installments
Grace Period	:	(1) 4 years from the date of first disbursement (2) First payment due on January 1, 1969
Payment Due Date	:	(1) May 27 and November 27 (2) January 1 and July 1
Final Maturity Date	:	(1) November 27, 1973 (2) July 1, 1978
Status of Repayment:		
(a) Current/Default	:	(1) Current (2) Current
(b) Outstanding Balance as of December 31, 1971	:	(1) Rs.1,000,000.00 (2) Rs.1,000,000.00
Security/Guarantee	:	Loan No. 386-149 is secured by debentures issued in favour of Washington, ICICI and AID which security rank pari-passu and are secured by first fixed mortgage on all immovable properties of FBI and the first floating charge on FBI's remaining undertakings and assets.

3. Project Authority (Ownership)

FBI is 28.6% owned by G. u. J. Jaeger GmbH, West Germany, 7.2% by Joshi Associates (Indian promoters), 10.7% by E. A. C. (India) Pvt. Ltd. (Indian promoters), 17.10% by **International Finance Corporation**, Washington, and 36.4% by Indian public.

4. Location

Factory: P. O. Maneja, Dist. Baroda (Gujarat)

Office: "Nirmal", 14th Floor, Nariman Point, Backbay Reclamation,
Bombay 1 - BR

5. Financial Status

PBI has greatly improved its financial position during the last three years. As of August 31, 1971 its financial position was very sound:

	<u>Years Ending August 31</u>	
	(Rs. 000)	
	<u>1970</u>	<u>1971</u>
Sales	19,932	22,543
Net profit (after taxes but before development rebate)	4,671	5,695
Net Worth	12,579	18,274
Total Assets	27,060	32,453
Total liabilities	14,481	14,179
Current Ratio	240%	279%
Total liabilities as percentage of Net Worth	115.21%	77.59%

Company's Auditors are: Messrs A. F. Ferguson & Co., Bombay

6. Status of Project

PBI has completed the project for which AID loans were given. It has a well run and modern production facilities to manufacturing ball bearings to international standard. PBI has recently undertaken an expansion program to expand its annual production from 800,000 bearings on a single shift basis to 2.8 million ball and cylindrical bearings on a double shift basis. This expansion is estimated to cost Rs. 14.45 million and will be financed with loans from the Gujarat State Financial Corporation (Rs. 2.0 million), Bank of America (Rs. 2.4 million), public deposit (Rs. 2.0 million) and internal resources (Rs. 8.05 million).

7. Key Personnel:

Mr. K. M. Swadia, Vice President (Commercial)

RAYMON ENGINEERING WORKS LIMITED

(386-E-122)

1. Project Description

Products: Steel freight cars, steel forgings metal stampings, steel cranes, steel structurals and spiral weld steel pipes.

Users: Government bodies and large industrial houses.

2. Loan Terms and Conditions

Amount	:	Rs.21,400,000
Amount Disbursed	:	Rs.15,800,000
Date Agreement Signed	:	May 5, 1965
Interest Rate	:	7%
Repayment Terms	:	15 equal semi-annual installments
Grace Period	:	3 years after first disbursement
Payment Due Date	:	July 22 and January 22
Final Maturity Date	:	July 22, 1975
<u>Status of Repayment</u>		
a) Current/Default	:	Default
b) Outstanding Balance	:	Rs.15,800,000
		as of December 31, 1971
Security/Guarantee	:	Partially guaranteed by a personal guarantee from late Mr. M. C. Ray;

3. Project Authority (ownership)

The project is 34% owned by Garvey Grain Company of Wichita, Kansas, USA; 8% by Handelsunion GMBH, West Germany; 28% by M. C. Ray and his associates; and the balance 30% by Indian public.

4. Location

Factory : Santragachi, PO Jagacha, Dist. Howrah, W. Bengal
Office : 2 Brabourne Road, Calcutta 1

5. Current Status

As of December 31, 1971 Raymon is delinquent in the payment of principal in the amount of Rs.15,800,000 and interests in the amount of Rs.6,262,756. The case is being contested in the U.S. courts.

6. Company's auditors

Price, Waterhouse, Peat & Co.
Calcutta

7. Key Personnel

1. Mr. V. K. Kotak, Cost Controller
2. Mr. A. Biswas, Secretary
3. Mr. G. Sankarlingam, Chief Accounts Officer

RENUSAGAR POWER COMPANY LTD. (386-E-123 and 123A)1. Project Description:Products: Electric PowerUsers: Hindustan Aluminium Corporation Ltd. for production of aluminium sheets and rods.2. Loan Terms and Conditions

	<u>Loan No. 386-E-123</u>	<u>Loan No. 386-E-123A</u>
Amount	Rs. 32,001,905.43 ^{1/}	Rs. 16,063,608.78 ^{2/}
Date Agreement Signed	June 4, 1965	February 21, 1966
Interest Rate	7% per annum	8% per annum
Repayment Terms (In semi-annual installments)	16 ^{3/}	16 ^{3/}
Grace Period (After first disbursement)	66 months	66 months
Payment Due Date	June 1st & Dec. 1st	June 1st & Dec. 1st
Final Maturity Date	June 1, 1979	June 1, 1979
<u>Status of Repayment</u>		
(a) Current/Default	Current	Current
(b) Outstanding Balance as of Dec. 31, 1971	Rs. 31,841,895.90	Rs. 16,063,608.78
Security/Guarantee	Unsecured	Unsecured

3. Project Authority (Ownership)

It is a fully owned subsidiary of Hindustan Aluminium Corporation (Hindalco)^{4/} which is owned 26.7 percent by Kaiser Aluminium and Chemical Corporation, U. S. A. and 27.8 percent by Birlas.

4. Location

Factory & Office: P. O. Renusagar, Distt: Mirzapur (U. P.)

^{1/}Includes capitalized interest amount of Rs. 2,001,905.43.

^{2/}Includes capitalized interest amount of Rs. 1,144,330.43.

^{3/}Repayment schedule provided in the Loan Agreement.

^{4/}Hindalco has also been granted three Cooley loans totalling Rs. 50 million.

5. Financial Status:

Renusagar is making progress from year to year. Its sales as well as its profitability have improved steadily. However, its financial health is not very good as could be revealed from the following financial data:

	<u>Year Ending December 31</u>		
	(Rs. 000)		
	<u>1969</u>	<u>1970</u>	<u>1971</u>
Sales	55,330	53,146	59,601
Net Profit Before Dev. Rebate	7,368	3,815	7,799
Net Worth	20,681	24,618	32,417
Total Assets	175,525	167,019	166,352
Total Liabilities	154,844	142,401	133,935
Current Ratio (No Limit)	61.21%	56.81%	76.92%
Liabilities to Net Worth Ratio (No Limit)	748.72%	578.44%	413.16%

Company's auditors are: Messrs Singhi & Company, Bombay.

6. Status of Project:

The purpose for which loan was authorized has been accomplished. Renusagar is not getting adequate and proper quality of coal supplies from National Coal Development Corporation (NCDC) with whom they have a long-term agreement for supply of adequate coal. The shortfall in NCDC supplies has to be made up by procuring coal from outside agencies at a very high cost. This has caused Renusagar great deal of cost both in terms of transporting the raw material to the power generation site and stoppages of the plants. NCDC and Renusagar have a dispute under arbitration on the questions of rates of coal claimed by NCDC and Renusagar's claim for expenses and losses suffered due to NCDC not supplying coal in adequate quantity and of proper quality. The claim of Renusagar against NCDC on account of loss suffered by the company due to boiler explosion in FY 1970 which according to the Expert's Report was primarily caused by inferior quality of coal supplied by NCDC is also under dispute. Renusagar has received permission of the State Government as well as the U. P. State Electricity Board to expand its facilities so as to meet the enhanced power requirements of Hindalco.

7. Key Personnel

- (1) Mr. S. S. Kothari, President
- (2) Mr. A. K. Agarwala, Joint President
- (3) Mr. K. K. Rathi, Vice President (Finance)

1. Project Description

Products: Proprietary drugs and other ethical pharmaceutical products -- tablets, ointments, liquids, sterile injectibles, medical cough drops.

Users: General public and hospitals.

2. Loan Terms and Conditions

Amount	:	Rs. 6,250,000
Date Agreement Signed	:	July 28, 1965
Interest Rate	:	8%
Repayment Terms	:	16 equal semi-annual installments
Grace Period	:	36 months after the first disbursement
Payment Due Date	:	1st March and 1st September
Final Maturity Date	:	March 1, 1976
<u>Status of Repayment</u>		
(a) Current/Default	:	Current
(b) Outstanding Balance as of December 31, 1971	:	Rs. 2,734,375
Security/Guarantee	:	Unsecured.

3. Project Authority (Ownership)

The project is owned 20% by Vicks Products, Inc., USA; 44.1% by Richard-Merrill Inc., USA; and the balance 35.9% by Indian stockholders.

4. Location:

Factory: Thana Belapur Road, District Thana, Maharashtra.
Office : Tiecicon House, Dr. E. Moses Road, Bombay 11

5. Financial Status:

RHL has an overall strong financial position. In 1971, the company's sales increased by approximately 35 percent and its net profit by approximately 9 percent. For 1971, RHL has declared a dividend of 10 percent on its equity and proposes to issue bonus shares of Rs. 2,500,000 on the basis of five bonus shares for every fourteen fully paid equity shares. RHL's comparative results of 1971 over 1970 are as follows:

	<u>Year Ended June 30</u>	
	<u>1970</u>	<u>1971</u>
	(Rs. 000)	
Sales	35,794	48,321
Net Profit	2,563	3,101
Net Worth	12,859	15,408
Total Assets	32,604	39,090
Total Liabilities	19,745	23,682
Current Ratio	196.61%	163.23%

Company's auditors are: A. F. Ferguson & Co., Bombay

6. Status of Project

RHL is producing between 70-100% of its presently installed capacity. Its products are readily saleable. RHL plans to further expand and finance its expansion in various product lines. It has already completed the project for which A. I. D. loan was given.

7. Key Personnel

1. Mr. S. C. Banta, Managing Director
2. Mr. F. P. Ambat, Plant Manager
3. Mr. R. N. Kapur, Financial Director

1. Project Description:

Products: Wood working and metal working power tools.

Users: Workshops and small engineering companies.

2. Loan Terms and Conditions:

Amount : Rs. 1,690,000
Date Agreement Signed : January 28, 1965
Interest Rate : 7%
Repayment Terms : 17 equal semi-annual installments
Grace Period : 2 years after the date of first disbursement
Payment Due Date : February 2 and August 2
Final Maturity Date : August 2, 1975
Status of Repayment:
(a) Current/Default : In Default
(b) Outstanding Balance
as of December 31,
1971 : Rs. 1,690,000
Security/Guarantee : Unsecured

3. Project Authority (Ownership):

The project is owned 50% by Rockwell International, USA; 25.5% by Rallis India Ltd (Indian promoters) and the balance 24.5% by the Indian public.

4. Location:

Factory : Udhna, Dist. Surat, Gujarat State

Office : 21 Raveline St., Fort, Bombay 1

5. Financial Status:

As of December 31, 1971, Rockwell was delinquent in the payment of principal installment amounting to Rs. 999,123 and interest payment amounting to Rs. 473,524. Rockwell's financial position is improving. Its sales are estimated to increase to Rs. 2,224,000 in 1971-72 and Rs. 3,242,000 in 1973-74. Rockwell is also working on a schedule for the repayment of A. I. D. loan.

	<u>For the Year Ending March 31</u>	
	<u>1970</u>	<u>1971</u>
	(Rs. 000)	
Sales	556	1,442
Net Profit (Net loss)	(634)	(248)
Net Worth	3,000	3,000
Total Assets	7,348	7,512
Total Liabilities	4,348	4,512
Current Ratio	29.16%	41.85%
Total Liabilities to Net Worth Ratio		

Company's Auditors are: A. F. Ferguson & Co., Bombay

6. Status of Project:

Rockwell has already utilized the A. I. D. loan. Due to operational problems and insufficient market for Rockwell products, the company had put its factory on stand-by basis in 1967. Rockwell had diversified its operations and is doing job work amounting to approximately Rs. 1.0 million each year. During FY 1972, it started manufacturing J. L. oil engines for agricultural sprayers for Rallis India. In the second phase of the engines production more indigenous material will be used. It is estimated that ultimately these engines will be totally indigenously manufactured. These engines have been well received in the market. Rallis pay a fixed amount for each engine. Rallis also plan to manufacture ceiling fans at Rockwell which they are now getting done by GEC.

7. Key Personnel:

- | | |
|---|--|
| (1) Mr. J. L. Pasricha
Financial Officer | (3) Mr. Mohinder Singh
Executive Director |
| (2) Mr. Paul David, Plant Manager | |

SEARLE INDIA LIMITED (386-E-189)1. Project Description

Products : Finished pharmaceutical chemicals including all the ingredients for oral contraceptives.

Users : Indian public via doctors and hospitals. Exports in FY 1970 amounted to Rs.1 million.

2. Loan Terms and Conditions

Amount	:	Rs. 8,000,000
Date Agreement Signed	:	January 21, 1969
Interest Rate	:	8%
Repayment Terms	:	20 Semiannual installments
Grace Period	:	24 months after 1st disbursement
Payment Due Date	:	November 16 and May 16
Final Maturity Date	:	May 9, 1980.
<u>Status of Repayment</u>		
a) Current/Default	:	Current
b) Outstanding Balance as of December 31, 1971	:	Rs. 7,200,000
Security/Guarantee	:	Guaranteed by U.S. Affiliate, G.D. Searle & Co., Chicago, U.S.A.

3. Project Authority (ownership)

SIL is 45% owned by G.D. Searle of Chicago, 45% by Rallis India, Bombay and 10% by the Indian public.

4. Location

Regd. Office : Rallis House, 21 Raveline Street, Bombay 1
Factory : Thana, Bombay

5. Financial Status

Although SIL's financial operations considerably improved during FY 1971 in comparison to 1970, the company's current and debt/net worth ratios are not in compliance with the Loan Agreement. Pharma sales increased by 30 percent from Rs. 5.75 million in 1970 to Rs. 7.50

million in 1971 while chemical sales moved up by 100 percent from Rs. 0.56 million to Rs. 1.11 million respectively. In addition, Searle improved its exports of pharama products from Rs. 0.09 million to Rs. 0.16 million while exports of chemical products (undertaken for the first time in 1971) amounted to Rs. 1.95 million, which is considered a good achievement as Searle went into the commercial production in the latter half of 1969. The following table presents summary of Searle's operations during FYs 1970-71:

	<u>Years Ending December 31</u>	
	<u>1970</u>	<u>1971</u>
	(Rs. 000)	
Sales	9,240	10,753
Net profit (after taxes) (Loss)	610	1,751
Net Worth	1,021	2,789
Total Assets	16,646	17,288
Total Liabilities	15,626	14,499
Current Ratio (Minimum 150%)	87.6%	108.2%
Debt (representing borrowed money) to net worth ratio (Maximum 150%)	1438.4%	498.9%

Company's Auditors are: Lovelock & Lewis, Bombay

6. Current Status of Project:

As noted above, Searle is in default of the ratio requirements although current on its payment obligations to AID. Searle is going in for an expansion of its operation by installing a liquid section to improve (and reduce the cost of) processing of its pharmaceutical and chemical production. The company hopes thereby to reduce its operating costs and thus improve profitability.

7. Key Personnel:

Mr. S. S. Rangnekar
General Manager

1. Project Description

Products : Transistors, diodes and electro-ceramic items.

Users : Radio industry.

2. Loan Terms and Conditions

Amount	: Rs. 1,350,000
Date Agreement Signed	: November 24, 1965
Interest Rate	: 7%
Repayment Terms	: 13 equal semi-annual installments
Grace Period	: 2 years after first disbursement
Payment Due Date	: April 13, and October 13.
Final Maturity Date	: October 13, 1974
<u>Status of Repayment</u>	
a) Current/Default	: Current
b) Outstanding Balance as of December 31, 1971	: Rs. 623,070
Security/Guarantee	: Loan repayment up to Rs. 726,915 guaranteed by Raytheon Company

3. Project Authority(ownership)

SL is owned 33.3% by Raytheon Company Limited, Lexington, Mass. and the balance by Lalwani & Associates of Bombay.

4. Location

Regd. Office : Radia House, 6 Rampart Row, Fort, Bombay 1
Factory : Poona, Maharashtra

5. Current Status

SL's 1971 sales increased by 11% over 1970 but net profit (including development rebate) declined from Rs. 782,000 to Rs. 399,000 mainly due to providing for tax liability in FY 1971 prior to writing off its accumulated losses of Rs. 1.56 million.

	<u>For the year ended March 31</u>	
	(In 000 of Rupees)	
	<u>1970</u>	<u>1971</u>
Sales	10,885	12,067
Net Profit(after taxes, and including Dev. Rebate)	782	399
Net Worth	3,393	4,197
Total Assets	10,871	12,187
Total Liabilities	8,602	7,990
Current Ratio (Minimum 175%)	129%	128%
Debt/Net Worth (including contingent liabilities) (Maximum 150%)	229%	203%

Company's Auditors are : Ghanshyam H. Babur, Bombay

Although SL has expanded its business operations during the past years, it has not been able to maintain current and debt/net worth ratios as required under the Loan Agreement. However, SL proposes to expand further its business operations as well as introduce new products (e. g. manufacture of television sets, etc.) hoping thereby to improve its profitability in the future.

6. Key Personnel

1. Mr. I. T. Mirchandani, Managing Director
2. Mr. T. J. Lalvani, Director

SESHASAYEE PAPER & BOARD CO. LTD. (386-E-049)

1. Project Description

Products: Paper

Users : Consumers spread throughout India

2. Loan Terms and Conditions

Amount	:	Rs. 20,000,000
Date Agreement Signed	:	October 3, 1961
Interest Rate	:	6%
Repayment Terms	:	18 semiannual installments
Grace Period	:	1st instalment payable April 1, 1964
Payment Due Date	:	April 1 and October 1
Final Maturity Date	:	October 1, 1973
Status of Repayment		
a) Current/Default	:	Current
b) Outstanding Balance as of December 31, 1971	:	Rs. 5,954,000
Security/Guarantee	:	Guaranteed by Union Commercial Bank Limited, Madras.

3. Project Authority (ownership)

Originally, 21.4% by U.S. Affiliate, Parsons & Whittemore, New York, and the balance by Indian stockholders headed by Seshasayee Brother (P) Ltd., Madras. In June 1969 the U.S. Affiliate sold off its equity interest to Seshasayee Enterprises(P) Ltd., Madras.

4. Location

Regd. Office & Factory : Pallipalayam, Cauvery R.S. P.O. Salem District, Tamil Nadu.

5. Financial Status

SPBL has an overall strong financial position. In FY 1971 Seshasayee recorded a significant growth in its sales (33%) and net profit (100%) over FY 1970 due primarily to an increase in

production and non-existence of tax liability as SPBL provided Rs. 5.6 million toward development rebate. SPBL's weak current ratio reflects heavy losses up to FY 1968 but thereafter both sales and profitability improved as shown below:

	<u>Year ended March 31</u>	
	<u>(In 000 of Rupees)</u>	
	<u>1970</u>	<u>1971</u>
Sales	59,252	78,967
Net profit (including development rebate)	6,762	13,561
Net worth	35,609	47,073
Total assets	99,808	104,545
Total liabilities	64,199	58,472
Current ratio (No Limit)	72%	96%
Debt/Net worth ratio (No limit)	180%	124%

Company's auditors are : M/s S. Vishwanathan Suri & Co., Madras

6. Status of Project:

SPBL plans to expand its existing paper manufacturing capacity from 34,600 metric tons per annum to 50,000 metric tons per annum by March 1975. The cost of the proposed expansion is estimated at Rs. 75.0 million which is expected to be financed as follows: Rs. 15.0 million from internal resources and Rs. 60.0 million from Indian financial institutions.

7. Key Personnel:

- (1) Mr. S. Vishwanath, Managing Director
- (2) Mr. D. V. Reddy, General Manager
- (3) Mr. Kanan, Financial Advisor and Administrative Officer

SHAMA FORGE COMPANY LIMITED (386-E-116)

1. Project Description

Products : Steel Forgings of various varieties

Users : Automobile and other engineering industries.

2. Loan Terms and Conditions

Amount	:	Rs. 4, 750, 000
Date Agreement Signed	:	October 28, 1964
Interest Rate	:	7%
Repayment Terms	:	21 equal semi-annual installments
Grace Period	:	2 years
Payment Due Date	:	September 27 and March 27
Final Maturity Date	:	September 27, 1978
<u>Status of Repayment</u>		
a) Current/Default	:	Delinquent
b) Outstanding Balance as of December 31, 1971	:	Rs. 1, 583, 340
Security/Guarantee	:	61% guaranteed by Union Bank of India

3. Project Authority (Ownership)

Shama is 28.6% owned by Kropp Forge Co. Inc., U.S.A., 5.4% by B.K. Khanna, 19.4% by Khanna Associates and 46.6% by the Indian public.

4. Location

Factory : Raisen Road, Vill. Hatai Kheda, P.O. Piplani,
District Bhopal, Madhya Pradesh

Office : c/o B. K. Khanna & Company, New Delhi

5. Financial Status

Shama Forge is in a very poor financial health. Shama's sales are also falling from year to year. By now its equity has virtually depleted because of continuous heavy losses suffered by it since its inception.

	<u>Year ending December 31</u>	
	(In 000 of Rupees)	
	<u>1969</u>	<u>1970</u>
Sales	4, 531	3, 768
Net profit (loss)	(1, 982)	(1, 952)
Net worth	4, 352	2, 526
Total assets	20, 906	22, 246
Total liabilities	16, 554	19, 720
Current Ratio (Minimum 200%)	85%	78%
Debt(Total liabilities)/Equity Ratio (Maximum 200%)	380%	781%

Company's auditors are : M/s. A.F. Ferguson & Co. Chartered Accountants.

6. Status of the Project

Shama Forge is delinquent in the payment of entire principal of Rs. 4.5 million and interest of Rs. 862, 678. Because of ineffective management of its operations, Shama has been constantly losing money. After Shama failed to resolve its management and operational problems, despite of USAID's painstaking efforts, USAID accelerated the loan on April 30, 1971 and called the Union Bank Guaranty of the loan on May 3, 1971.

Since then, on numerous occasions USAID/New Delhi has explicitly spelled out to all interested Indian financial institutions which which have been working on a plan to salvage Shama that USAID considers both new management and additional financial resources as sine-qua-non to Shama's viability and any plan by the institutions will be considered by AID only after receipt of a formal acknowledgement of liability from both Shama and the Union Bank. In line with our stand, Industrial Development Bank of India (IDBI) in December 1971 advised Shama (with a copy to AID) of its willingness to grant additional loan of Rs. 2.5 million to Shama provided Shama inter-alia appoints a Managing Director and a Technical Director/Finance Manager satisfactory to IDBI; Shama's Board is broad-based and Khannas are eliminated from the position of management responsibility.

After persistent efforts, on May 29, 1972, Union Bank submitted USAID an acknowledgement of the liability under the guaranty agreement. We have found it insufficient and again requested Union Bank to submit a clear acknowledgement. Shama has not yet acknowledged its liability of the loan. On May 27, 1972 Union Bank also submitted USAID a proposal from a Calcutta party to buy out Khannas' interest in Shama which is willing to provide alternative management to Shama. A copy of the proposal has also been submitted to IDBI and IFCI. After receipt of a clear acknowledgement USAID will review in depth this proposal. USAID is not hopeful of receiving a clean acknowledgement of liability from Union Bank. Therefore, USAID is chalking out its future course of action.

7. Key Personnel

Mr. C. C. Desai, Charman

Mr. B. K. Khanna, Managing Director

SHAVO-NORGREN (INDIA) PRIVATE LTD. (386-E-165)1. Project Description

Products: Compressed air pressure regulators; oil-fog lubricators; and air-line filters.

Users: Shavo Norgrens' products are used by all users of pneumatic power machines and tools. The chief users are Fertilizer Industry, Steel Industry and Refineries.

2. Loan Terms and Conditions:

Amount	:	Rs. 800,000.00
Date Agreement Signed	:	June 1, 1967
Interest Rate	:	8%
Repayment Terms	:	16 equal semi-annual installments
Grace Period	:	24 months after the first disbursement.
Payment Due Date	:	June 21 and December 21
Final Maturity Date	:	June 21, 1977
<u>Status of Repayment:</u>		
(a) Current/Default	:	Current
(b) Outstanding Balance as of December 31, 1971	:	Rs. 600,000.00
Security/Guarantee	:	Unsecured

3. Project Authority (Ownership)

Shavo Norgren is 24% owned by C.A. Norgren Co., U.S.A., 61% by Vora Family and 15% by Shah Family.

4. Location

Factory: Plot No. 14, Kalwa Industrial Area, Thana Belapur Road, Thana, Maharashtra.

Office: 9 Wallace Street, Bombay 1

5. Financial Status

Shavo Norgren is in sound financial health. Its sales have gone up from Rs. 208,000 in FY 1969 to Rs. 1.608 million in FY 1971. Its financial ratios have improved from year to year particularly its current ratios for June 30, 1971 was in compliance with the requirements of the Loan Agreement.

	<u>Year Ending June 30</u>		
	(Rs. 000)		
	<u>1969</u>	<u>1970</u>	<u>1971</u>
Sales	208	897	1,608
Net Profit after taxes (before develop- ment Rebate)	6	162	460
Net Worth	664	820	1,238
Total Assets	1,967	2,105	2,525
Total Liabilities	1,303	1,285	1,286
Current Ratio (Minimum limit 150%)	125.93%	131.47%	168.06%
Total Liabilities as % of Net Worth (No limit)	196.23%	156.71%	103.88%

Company's Auditors are: Shah & Company, Bombay.

6. Status of Project:

The loan which was authorized for the construction of a plant near Kalwa, Maharashtra, for the manufacture of norgren pneumatic processing and control instruments has been fully used for that purpose. The plant went into commercial production in September 1968 and its production has shown improvement from year to year. Presently the company is planning to investigate the possibility of expanding its activities in the field of fluidics, the new technology of automatic control system which has been developed by the company's collaborator in U.S.A.

7. Key Personnel:

- (1) Mr. H. K. Shah, Director
- (2) Mr. H. C. Vora, Technical Director
- (3) Mr. K. R. Bhat, Works Manager & Chief Engineer

SHREE SYNTHETICS LIMITED(386-E-213)1. Project Description

Products: 'Nylon-six' filament yarn and polyester filament yarn (1100 metric tons annual production capacity)

Users: Textile industries and other industrial units consuming nylon thread.

2. Loan Terms and Conditions

Amount	:	Rs.10,000,000
Date Agreement Signed	:	February 14, 1972
Interest Rate	:	8%
Repayment Terms	:	19 equal semi-annual installments
Grace Period	:	4 years from the 1st disbursement date
Payment Due Date	:	Semi-annually, 4 years from the date of first disbursement.
Final Maturity Date)	
<u>Status of Repayment</u>)	
a, Current/Default)	Disbursement not yet made
b) Outstanding Balance as of December 31, 1971)	
Security/Guarantee	:	To be secured by a charge on the moveable and immoveable assets of the company ranking pari-passu with IFCI, IDBI, PNB and Union Bank of India

3. Project Authority (Ownership)

The project is owned 25.4% by Indian promoters (Messrs. Hastings Mill Limited, and Bangur Brothers Ltd.), 24.6% by U.S. Collaborator (Chemtex Inc.) and the balance 50% by Indian public.

4. Location

Registered Office & Factory : Naulakhi Maksi Road, Ujjain, M.P.

Company's auditors are : Batliboi & Purohit, Chartered Accountants.

5. Current Status of the Project

On February 14, 1972, AID signed a Loan Agreement with Shree Synthetics Limited (SSL) for Rs.10 million to finance a portion of rupee cost of land, construction, civil works, plant and machinery at Ujjain to produce 1,100 metric tons per annum of 'nylon-six' filament yarn in technical and financial collaboration with Chemtex Fibres Inc., a wholly owned subsidiary of Chemtex Inc. of U.S.A.

SSL has also received an EXIM Bank loan of \$1.9 million to finance the purchase of imported equipment, machinery, materials and spare parts.

The civil construction of the plant building is nearing completion. The erection of the equipment and machinery is progressing in full swing. The erection of machinery is being supervised by Messrs. Humphrey & Glasgow, Consultants of Bombay. The plant is expected to commence production in September, 1972.

SSL has issued its entire share capital and obtained loans from other institutions. AID funds have not yet been disbursed. On May 13, 1972 SSL submitted part of the documents in satisfaction of conditions precedent for initial disbursement of funds. USAID is currently reviewing these documents and is awaiting additional documents.

6. Key Personnel :

1. Mr. G. L. Bangur, Chairman
2. Mr. S. N. Bangur, Managing Director
3. Mr. D. P. Maloo, Chief Executive & Director
4. Mr. S. R. Rathi, Deputy Chief Executive
5. Mr. H. M. Bhattacharya, Production Manager

SYLVANIA & LAXMAN LTD - (386-E-117)1. Project Description

Products: Fluorescent tubes, mercury vapour lamps, glass shells and tubes.

Users: S&L produces general purpose electrical products which are used by households, offices and factories all over the country.

2. Loan Terms and Conditions

Amount	: Rs. 5,000,000
Date Agreement Signed	: August 11, 1964
Interest Rate	: 7% per annum
Repayment Terms	: 20 equal semi-annual installments
Grace Period	: 3 1/2 years after the date of 1st disbursement
Payment Due Date	: August 23 and February 23
Final Maturity Date	: February 23, 1979
<u>Status of Repayment</u>	
(a) Current/Default	: Current
(b) Outstanding Balance as of December 31, 1971	: Rs. 3,750,000
Security/Guarantee	: The loan is secured on a pari-passu basis with the existing loans from the Industrial Credit & Investment Corp. of India (ICICI).

Project Authority (Ownership)

S&L is presently owned 45% by the Sylvania Electric Product Inc. (a wholly owned subsidiary of General Telephone & Electronics International Inc.), 25% by Mr. Laxman S. Agarwal and the remaining 30% by Indian public.

4. Location

Office & Factory: 68/2, Najafgarh Road, New Delhi 15

5. Financial Status

S&L is in sound financial health. Its sales are increasing from year to year. Even though S&L is in sound financial health it has not been able to meet the current ratio requirement of the Loan Agreement. A comparative study of S&L's operations over the past two years is as follows:

	<u>Year Ending September 30</u>	
	<u>1970</u>	<u>1971</u>
	(In 000s of Rupees)	
Sales	26,275	29,246
Net Profit (After Taxes)	3,139	2,228
Net Worth	15,222	17,064
Total Assets	37,407	44,867
Total Liabilities	22,785	27,803
Current Ratio (Minimum required 150%)	121%	122%
Debt (Total liabilities less subordinated loans)/Equity Ratio (Maximum 150%)	142%	147%

S&L's Auditors are: Messrs Soni, Chatrath & Co., Chartered Accountants

6. Status of the Project

S&L has completed the project for which the Cooley loan was authorized. During FY 1971 S&L completed the 1st phase of its major expansion plan to install coils and lead wire plants and the phosphorous plant. The manufacturing equipment for mercury vapour lamp plant was also received. The second phase of its expansion program plan 1972-75 envisages building up of facilities for new glass plant, high voltage lamps, auto lamps etc. at an estimated cost of Rs. 32.0 million. This is proposed to be financed (i) Rs. 8.0 million from issue of fresh equity capital; (ii) Rs. 20.0 million loans from Indian financial institutions; and (iii) Rs. 4.0 million from internal sources.

7. Key Personnel

1. Mr. Laxman S. Agarwal, Chairman
2. Mrs. L. S. Agarwal, Joint Managing Director
3. Mr. Trelochan Singh, Finance Manager

SYNBIOTICS LIMITED (386-E-108)1. Project Description

Products : Antibiotics drugs, and streptomycin, tetracycline, amphotericia

Users : Hospitals, doctors, etc.

2. Loan Terms and Conditions

Amount	: Rs. 13, 440, 000
Date Agreement Signed	: July 2, 1964
Interest Rate	: 7%
Repayment Terms	: 7 equal annual installments
Grace Period	: 3 years after 1st disbursement
Payment Due Date	: October 19 every year
Final Maturity Date	: October 19, 1973
<u>Status of L. repayment</u>	
a) Current/Default	: Current
b) Outstanding Balance as of December 31, 1971	: Rs. 3, 840, 000
Security/Guarantee	: Unsecured

3. Project Authority (ownership)

Synbiotics is owned 48% by Olin Mathieson Chemical Corporation, New York and 52% by M/s. Karamchand Premchand Private Ltd., Ahmedabad.

4. Location

Regd. Office and Factory : Post Box No. 308, Ahmedabad, Gujarat

5. Financial Status

Synbiotics is in good financial health and is in compliance with the ratio requirements of the Loan Agreement. The following table shows Synbiotics' progress over the past two years:

	<u>For the year ended March 31</u>	
	<u>(In 000 of Rupees)</u>	
	<u>1970</u>	<u>1971</u>
Sales	27,467	27,709
Net Profit	2,714	2,258
Net Worth	14,329	15,815
Total Assets	28,151	30,080
Total Liabilities	13,822	14,265
Current Ratio (Minimum 125%)	160%	131%
Debt(total liabilities)/Equity Ratio (Maximum 150%)	97%	90%

Company's Auditors are : Sorab S. Engineer & Co., Chartered Accountants.

6. Status of Project

The project for which L.D Cooley loan was authorized has been completed. Synbiotics continues to make progress and it declared a dividend of Rs.100 per share on 7,500 equity shares of Rs.1000 each.

7. Key Personnel

1. Mr. K. N. Taneja, Chairman
2. Mr. M. S. Sastry, Executive Director

TAYLOR INSTRUMENTS COMPANY (I) LTD.
(386-E-112)

1. Project Description

Products: Scientific and industrial process control instruments: (a) for transmitting, and (b) for recording and indicating; instrument panels and other ancillary equipment.

Users: Tea and jute industry, electric power, fertilizer, petroleum, petro-chemical, pharmaceutical and steel plants.

2. Loan Terms and Conditions

Amount	:	Rs.1, 500, 000
Date Agreement Signed	:	July 13, 1967
Interest Rate	:	8%
Repayment Terms	:	12 equal semi-annual installments
Grace Period	:	2 years from the date of first disbursement
Payment Due Date	:	May 18 and November 18
Final Maturity Date	:	May 18, 1975
<u>Status of Repayment</u>		
a) Current/Default	:	Current
b) Outstanding Balance	:	Rs. 363,125.00
		as of December 31, 1971
Security/Guarantee	:	Unsecured

3. Project Authority (ownership)

The project is 50% owned by Taylor Instrument Companies, Rochester, New York, the U.S. Affiliate and the balance 50% by Air-conditioning Corporation, Calcutta which is controlled by the Birlas.

4. Location

Factory &: 14 Mathura Road, Faridabad, Haryana
Office :

5. Financial Status

Taylor is in sound financial health as is clear from the financial indicators presented in the following table except that it is in violation of current ratio requirements of the Loan Agreement.

For the year ending March 31
(In 000 Rs.)

	<u>1970</u>	<u>1971</u>
Sales	13,964	14,984
Net Profit after taxes (before Development Rebate)	1,694	1,795
Net Worth	4,828	6,203
Total Assets	11,936	14,388
Total Liabilities	7,108	8,185
Current Ratio (Minimum 175%)	150%	142%
Debt (borrowed money/equity ratio (Maximum 125%))	50%	57%

Company auditors are: Price Waterhouse Peat & Co.,
Calcutta

6. Status of Project

The loan which was authorized for the construction of plant and ancillary facilities near Faridabad, Haryana, has been fully utilized. Taylor recorded an overall improvement of 7% in FY 1971 over FY 1970 and has in mind to expand its production and the range of its products. The company has plans to introduce new and more sophisticated instrumentations to meet its customers needs. Taylor's steady program of indigenization has enabled it to effect import substitution and extra effort is intended in this direction this year.

7. Key Personnel

1. Mr. G. D. Thirani, Chairman
2. Mr. Ronald Marshall, Co-Chairman
3. Mr. Prem Mohun, Secretary
4. Mr. B. L. Sharma, Commercial Manager

TRACTOR ENGINEERS LTD. (386-E-139)1. Project Description

Production: Replacement parts for Caterpillar Tractors.

Users: Caterpillar Tractors.

2. Loan Terms and Conditions

Amount	: Rs. 6, 000, 000
Date Agreement Signed	: November 30, 1965
Interest Rate	: 7%
Repayment Terms	: 20 equal semi-annual installments
Grace Period	: 1st installment payable October 1, 1968
Payment Due Date	: April 1 and October 1
Final Maturity Date	: April 1, 1978
<u>Status of Repayment</u>	
a) Current/ Default	: Current
b) Outstanding Balance as of December 31, 1971	: Rs. 3, 900, 000
Security/Guarantee	: Unsecured

3. Project Authority (ownership)

TEL is 50% owned by Caterpillar Overseas S.A. and 50% by Messrs. Larsen & Toubro Limited of India.

4. Location

Registered Office : L&T House, Ballard Estate, P.O. Box
No.278, Bombay

Factory : Saki-Vihar Road, P.O. Box 8913, Powai, Bombay 72.

5. Financial Status

TEL's financial position, as is clear from the financial indicators in the following table is very sound. TEL's sales continue to go up:

	<u>For the year ended Sept. 30</u>	
	(In '000 of Rupees)	
	<u>1970</u>	<u>1971</u>
Sales	11,031	13,562
Net Profit	1,625	2,420
Net Worth	10,893	12,719
Total Assets	17,752	21,974
Total Liabilities	6,859	9,255
Current Ratio (Minimum 150%)	404%	275%
Debt (Total liabilities) Equity Ratio (Maximum 150%)	62%	73%

Company's Auditors are : Sharp & Tannan, Chartered Accountants.

6. Status of Project

The purpose for which AID loan was authorized has been accomplished. TEL's production during 1971 recorded an increase of 24% over 1970. Its relations with its employees continue to be cordial. However, its application to the GOI for an industrial license to manufacture the complete Caterpillar Model D-5 Tractor has been rejected.

7. Key Personnel:

1. Mr. H. Holck-Larsen, Director
2. Mr. M. M. Desai, Director
3. Mr. V. B. Purohit, Commercial Manager

UNION CARBIDE INDIA LIMITED (386-E-083)

1. Project Description

Products : Polyethylene and chemical products (fertilizers), electrolytic manganese dioxide batteries and flash lights.

Users : Chemical and plastic industry, automotive industry and Indian consumers.

2. Loan Terms and Conditions

Amount	:	Rs. 21, 600, 000
Date Agreement Signed	:	August 16, 1963
Interest Rate	:	7%
Repayment Terms	:	20 equal semi-annual installments
Grace Period	:	First installment of principal fell due on June 30, 1967
Payment Due Date	:	June 30 and December 30
Final Maturity Date	:	December 31, 1976
<u>Status of Repayment</u>		
a) Current/Default	:	Current
b) Outstanding Balance as of December 31, 1971	:	Rs. 10, 800, 000
Security/Guarantee	:	Secured by equitable mortgage ranking pari-passu with ExIm Bank and IDBI, that is junior to a debenture issue.

3. Project Authority (ownership)

UCIL is owned 60% by the U.S. Affiliate, Union Carbide Corpn., New York and the balance 40% by the Indian public.

4. Location

Regd. Office : 1 Middleton Street, Calcutta 16
 Factory : Trombay, near Bombay

5. Financial Status

UCIL has an overall strong financial position. In FY 1971 UCIL recorded a significant growth in its sales (19.8%) and a net profit (17.6%) over FY 1970 as shown below:

	<u>For the year ended December 25</u>	
	(In 000 of Rupees)	
	<u>1970</u>	<u>1971</u>
Sales	480,309	575,676
Net Profit	33,840	39,762
Net Worth	206,313	228,684
Total Assets	376,396	410,192
Total Liabilities	170,083	181,508
Current Ratio (Minimum 100%)	152%	148%
Debt/Equity Ratio (Maximum 130%)	118%	106%

Company's Auditors are : Ford Rhodes, Parks & Co., Bombay

6. Status of Project

The expansion project for which Cooley loan was made has been completed.

7. Key Personnel

1. Mr. D. P. Antia, Deputy Managing Director
2. Mr. J. S. McGee, Treasurer

UNITED CARBON INDIA LIMITED (386-E-133 & 170)^{1/}

1. Project Description

Products: Carbon Black

Users: Manufacturers of automotive tires and tubes and other rubber manufacturers.

2. Loan Terms and Conditions^{1/}

386-E-133

Amount	:	Rs. 14,101,000
Date Agreement Signed	:	April 9, 1965
Interest Rate	:	7%
Repayment Terms	:	12 equal semi-annual installments.
Grace Period	:	24 months after the first disbursement
Payment Due Date	:	April 30 and October 30
Final Maturity Date	:	October 30, 1972
<u>Status of Repayment:</u>		
(a) Current/Default	:	Current
(b) Outstanding Balance	:	
as of Dec. 31, 1971	:	Rs. 2,350,000
Security/Guarantee	:	Unsecured

3. Project Authority (Ownership):

United Carbon India Ltd. (UCIL) is owned 40 percent by United Carbon Division of Ashland Oil and Refining Co., Ashland, Kentucky, 30% by Indian promoters and friend and the remaining 30% by Indian public.

4. Location

Factory: Thana, Bombay
Office : N. K. M. International House, 178 Backbay Reclamation
Bombay 20

5. Financial Status:

UCIL is in sound financial health even though it is in violation of the current ratio requirements of the Loan Agreement.

1/ Cooley Loan No. 386-E-170 of Rs. 6,000,000 granted to UCIL is fully repaid.

	<u>Years Ending December 31</u>		
		(Rs. 000)	
	<u>1969</u>	<u>1970</u>	<u>1971</u>
Sales	35,373	38,100	51,528
Net Profit after Taxes but including Dev. Rebate	12,200	8,174	7,752
Net Worth	31,592	38,132	42,416
Total Assets	44,850	52,344	50,316
Total Liabilities	13,258	14,212	7,900
Current Ratio (Minimum 200%)	397%	296%	397%
Liabilities to Net Worth Ratio (Maximum 125%)	50%	24%	24%

Company's Auditors are: Messrs Kalyaniwalla & Mistry, Bombay
and Touche Ross & Co., Bombay.

6. Status of Project:

The purpose for which Cooley loans were authorized have been accomplished. Presently the company has secured the permission of GOI to expand its production capacity from 17,850 tonnes to 22,750 tonnes per annum with the technical assistance of its U. S. collaborators. UCIL hopes to complete the expansion of its project by the end of CY 1972. The expansion program is to be financed from its own resources.

7. Key Personnel:

- (1) Mr. Ashok Desai, Managing Director
- (2) Mr. Jassi S. Kapadia, Secretary

VAZIR GLASS WORKS LIMITED (386-E-181)1. Project Description

Products: Glass vials and containers and Blood
Transfusion Bottles

Users: Chemical, pharmaceutical, Beverages, Milk,
Food and other Industries etc.

2. Loan Terms and Conditions:

Amount	:	Rs. 2, 500, 000. 00
Date Agreement Signed	:	November 6, 1968
Interest Rate	:	8%
Repayment Terms	:	20 equal semi-annual installments
Grace Period	:	Upto December 31, 1969
Payment Due Date	:	June 30 and December 31
Final Maturity Date	:	June 30, 1979
<u>Status of Repayment</u>		
(a) Current/Default	:	Current
(b) Outstanding Balance	:	
as of Dec. 31, 1971	:	Rs. 2, 000, 000. 00
Security/Guarantee	:	Secured by legal mortgage of all lands, buildings, plant and equipment ranking parri-passu with the charge in favor of Maharashtra State Financial Corporation and Bank of America.

3. Project Authority (Ownership):

Vazir Glass Works Ltd. (VGWL) is owned 25.3% by Wheaton Glass Company of Millville, New Jersey and 74.7% by three Indian Families (Vazirallis, Merchant and Shahs).

4. Location:

Factory & Office: Andheri-Kurla Road, J. B. Nagar, Bombay 59 AS

5. Financial Status:

VGWL is in good financial health. Its capitalization is fairly conservative. However, it is in violation of the current ratio requirement of the Loan Agreement.

	<u>Year Ending July 31</u>	
	<u>(Rs. 000)</u>	
	<u>1970</u>	<u>1971</u>
Sales	13,603	16,178
Net Profit (Including Dev. Rebate)	1,909	416
Net Worth	9,080	9,171
Total Assets	16,768	20,171
Total Liabilities	7,688	11,129
Current Ratio (Minimum 150%)	195.95%	137.49%
Total Liabilities as % of Net Worth (No Limit)	84.67%	121.35%
Debt (Borrowed Money/Tangible Net Worth (Maximum 130%))	68.75%	87.82%

Company's Auditors are: Messrs Sharp & Tanan, Bombay

6. Status of Project:

The loan which was authorized to expand VGWL's capacity to produce glass production from 1,000 tons per annum to 8,000 tons per annum has been fully used for that purpose. Presently, VGWL is engaged in expanding its plant capacity to 12,000 tons per annum for which GOI has already issued an industrial license. GOI has granted an import license to VGWL for import of plant and machinery. The expansion project is likely to cost Rs. 6.5 million. To meet the cost of financing the expansion of the project VGWL has received a loan of Rs. 3.0 million from the Bank of America. The expansion project is expected to be completed by end of 1972.

7. Key Personnel:

- (1) Mr. Yaseen Vaziralli, Managing Director
- (2) Mr. A.A. Merchant, Director
- (3) Mr. M.A. Merchant, Director

VICKERS SPERRY OF INDIA LIMITED(386-E-166)1. Project Description

Products : Oil hydraulic equipment and accessories

Users : Machine tool, plastic working, earthmoving and construction industries.

2. Loan Terms and Conditions

Amount	:	Rs. 2, 000, 000 (Rs. 1, 470, 000) ^{1/}
Date Agreement Signed	:	May 15, 1970
Interest Rate	:	8%
Repayment Terms	:	14 semi-annual installments
Grace Period	:	6 months after 1st disbursement
Payment Due Date	:	July 21, and January 21
Final Maturity Date	:	January 21, 1978
<u>Status of Repayment</u>		
a) Current/Default	:	Current
b) Outstanding Balance as of December 31, 1971	:	Rs. 1, 398, 590
Security/Guarantee	:	Guaranteed by Sperry Rand Corpn. of U.S.A. and Mahindra and Mahindra, Bombay.

3. Project Authority (ownership)

VSIL is owned 50% by Sperry Rand Corporation of New York; 25% by Mahindra and Mahindra Ltd., and the balance 25% by the Indian public.

Location

Regd. Office : Gateway Building, Apollo Bunder, Bombay 1
 Factory : Kandivli, Bombay

^{1/}Rs. 530, 000 deobligated by AID letter dated January 4, 1972 bringing the net obligation under subject loan to Rs. 1, 470, 000.

5. Financial Status

VSIL has substantially improved its financial position in FY 1971 as compared to the previous year. Sales increased by 91%, net profit by 21% and net worth by 71% as shown below:

	<u>For the year ended March 25</u>	
	<u>(In 000 of Rupees)</u>	
	<u>1970</u>	<u>1971</u>
Sales	6, 558	12, 551
Net Profit	1, 426	1, 732
Net Worth	4, 511	7, 722
Total Assets	9, 750	16, 247
Total Liabilities	5, 239	8, 525
Current Ratio (Minimum 150%)	124%	141%
Debt/Equity Ratio (Maximum 150%)	116%	112%

Company's Auditors are : M/s. A.F. Ferguson & Co., Bombay

6. Status of Project

The project for which Cooley loan was made has been completed.

VSIL's factory and administrative buildings were completed in Sept. and December 1966 respectively. Machinery and equipment were installed and the production started from the beginning of 1967. VSIL manufactures two types of oil hydraulic equipment; pumps for initiating oil flows; and regulators and valves for controlling oil flows. The company has a range of 34 main products and 7 accessories. It plans to add 7 to 8 units next year. Raw materials for the company's production include pig iron and mild alloy steel (the latter is partly imported). Certain components which are not available in India are imported from Sperry Rand in U. S. or Europe. VSIL has increased the local content from 60% in the first year of its operation to more than 92% presently. VSIL's current licensed capacity is 11,500 units of hydraulic components. The company has recently received the Government's approval for an increase in its licensed capacity to a total sales value of Rs. 30.0 million (against Rs. 12.5 million in FY 1971) with no restriction on the units produced.

7. Key Personnel

1. Mr. Keshub Mahindra, Chairman
2. Mr. J. Gupta, General Manager
3. Mr. S.K. Desai, Chief Accountant

WARNER HINDUSTAN LTD. - (386-E-171)1. Project Description:

Products: Chemicals and finished pharmaceuticals and other related products such as Beta Picoline, Alpha Picoline, Gamma Picoline, Qyridine and Heavy Bases.

Users: Chemicals are used by manufacturers of bulk drugs, such as isonicotinic acid hydrozide (INH) anti-T. B. drugs, essential vitamins, formulations (finished pharmaceuticals) dye stuffs and denaturing spirits.

2. Loan Terms and Conditions:

Amount	:	Rs. 8, 750, 000
Date Agreement Signed	:	April 18, 1968
Interest Rate	:	8%
Repayment Terms	:	11 equal semi-annual installments
Grace Period	:	36 months after first disbursement
Payment Due Date	:	June 22 and December 22
Final Maturity Date	:	June 22, 1976
Status of Repayment:		
(a) Current / Default	:	Current
(b) Outstanding Balance as of December 31, 1971	:	Rs. 7, 159, 095
Security/Guarantee	:	Unsecured Loan

3. Project Authority (Ownership):

WHL is 50 percent owned by U. S. Affiliate Warner-Lambert Pharmaceutical Company of Morris Plains, New Jersey and 50 percent by Indian investors headed by N. B. Vakil, C. C. Desai and C. H. Bhaba.

4. Location:

Regd. Office: Warrangal Road, Uppal, Hyderabad
 Factory : Uppal, Near Hyderabad, Andhra Pradesh.

5. Financial Status:

In FY 1971 WHL's sales increased by approximately 33 percent over 1970, net profit increased only slightly from Rs. 4. 4 million to Rs. 4. 7

due to (a) adverse effects of GOI's drug price control order forcing WHL to reduce selling prices of pharmaceuticals (b) increase costs of raw materials and wage bill. However, WHL is financially strong and within the ratio limitations of both current and debt/net worth ratios as prescribed under the Cooley loan Agreement.

	<u>Year Ending December 31</u>	
	<u>(In 000 Rupees)</u>	
	<u>1970</u>	<u>1971</u>
Sales	42,928	57,465
Net Profit (after Taxes but including Dev. Rebate)	4,392	4,660
Net Worth	20,149	23,938
Total Assets	35,981	42,424
Total Liabilities	15,832	18,486
Current Ratio (Minimum 149%)	244%	212%
Long Term Debt as percentage of Net Worth	36.5%	23%

Company's Auditors are: Messrs A. F. Ferguson & Co. , Bombay

6. Status of Project:

WHL's export in FY 1971 increased to Rs. 715, 000 compared to Rs. 352, 000 in 1970. The overall performance of WHL was satisfactory notwithstanding limitation of profits on drug formulations to 15 percent of the turnover under the GOI Drugs Prices Control Order, higher costs of material due to additional levies and the new wage agreement between WHL and its workers' Union. WHL expects this upward trend will continue during 1972 with sales expected to move upto Rs. 70. 0 million yielding reasonable profitability at a level not below that achieved during FY 1971.

7. Key Personnel:

- (1) Mr. N. H. Israni
Managing Director
- (2) Mr. D. D. Chopra
Administrative Director

WYMAN-GORDON INDIA L.T.D. (386-E-074 & 195)1. Project Description:Products: Closed die forgingsUsers: Industrial giants such as (i) TELCO, (ii) Ex-Cell-O, (iii) Mahindra & Mahindra, and (iv) Ashoka Leyland, etc.2. Loan Terms & Conditions

	<u>Loan No. 386-E-074</u>	<u>Loan No. 386-E-195</u>
Amount	: Rs. 2, 500, 000	Rs. 3, 000, 000
Date Agreement Signed	: February 5, 1963	January 8, 1969
Interest Rate	: 6 ¹ / ₂ percent per annum	8 percent per annum
Repayment Terms	: 20 equal semi-annual installments	20 equal semi-annual installments
Grace Period	: 1st installment payable on June 1, 1965	24 months from the date of first disbursement
Final Maturity Date	: December 1, 1974	November 9, 1980
<u>Status of Repayment</u>		
(a) Current/Default	: Current	Current
(b) Outstanding Balance as of Dec. 31, 1971	: Rs. 750, 000. 00	Rs. 2, 400, 000. 00
Security/Guarantee	: Both the loans are secured by second mortgage on the assets of WGIL which rank pari-passu with mortgages created in favor of the Industrial Credit & Investment Corporation of India.	

3. Project Authority (Ownership):

WGIL is owned 50 percent by Wyman Gordon Co., Worcester, U.S.A., 20 percent by an Indian resident of other country; and the balance 30% by the Indian public.

4. Location:

Factory : Off Pokhran Road, Majiwada, Thana, Bombay

Office : Central Bank Building, Mahatma Gandhi Road, Bombay 1.

5. Financial Status:

WGIL continues to be in good financial health. Its sales have gone up by almost 62 percent in 1971 as compared to FY 1970. In 1971 its profits declined due to a rise in the cost of raw materials and administrative overheads. The company continues to strengthen its net worth though it is in violation of the ratio requirements of the Loan Agreement.

	<u>Year Ending December 31</u>		
	<u>(In 000s of Rupees)</u>		
	<u>1969</u>	<u>1970</u>	<u>1971</u>
Sales	36,282	51,148	58,710
Net Profit after Taxes (before Development Rebate)	4,895	5,091	2,784
Net Worth	19,304	23,445	25,255
Total Assets	53,939	59,136	71,270
Total Liabilities	34,635	35,691	46,015
Current Ratio (Minimum 130%)	122.44%	139.15%	136.09%
Total Liabilities as % of Net Worth (Maximum 175%)	179%	152.23%	182.20%

Company's Auditors are: Messrs A. F. Ferguson & Co., Bombay.

6. Status of Project:

Loan No. 074 was authorized to WGIL for expanding its annual capacity to produce 9,000 tons of forgings and 3,000 tons of castings. The purpose has been accomplished. Loan No. 195 was authorized to enable WGIL to finance (a) the purchase of balancing and stand-by equipment for its forging plant, (b) the expansion and modernization of its administrative headquarters at Bombay and (c) the duties, inland freight, handling, insurance and installation of imported equipment. The loan has been fully utilized. WGIL is current on payment of interest and repayment of principal under both the loans. WGIL is proposing to purchase one special purpose 16 ton Russian forging equipment and one special purpose Russian forging equipment for flanging operations complete with accessories so as to produce full range of forgings. AID has indicated no objection to WGIL's purchasing these equipment and creating charge on these equipment.

7. Key Personnel:

- (1) Mr. S. P. Rao, Managing Director
- (2) Mr. J. K. Kapadia, Senior Accounts Officer

YORK INDIA LIMITED (386-E-146)1. Project Description

Products: (i) Aero matic compressors ranging from fractional H. P. to 7.5 H. P. ; (ii) York open type compressors and York V/W compressors; and (iii) low and high side equipment of various ranges and other types of condensers, receivers, accessories and brine chillers.

Users: YIL's products are used for the preservation of agricultural and dairy products. Besides, the use is also made by pharmaceutical, fertilizer, chemical, textile and petro-chemical plants.

2. Loan Terms and Conditions

Amount	:	Rs. 1.5 million
Date Agreement Signed	:	December 2, 1966
Interest Rate	:	7% per annum
Repayment Terms	:	10 equal semi-annual installments
Grace Period	:	36 months from the date of 1st disbursement
Payment Due Date	:	March 4 and September 4
Final Maturity Date	:	September 4, 1974
Status of Repayment:		
(a) Current/Default	:	March 4, 1972 installment of Rs. 150,000 in default.
(b) Outstanding Balance as of Dec. 31, 1971	:	Rs. 1,050,000/-
Security/Guarantee	:	Unsecured

3. Project Authority (Ownership)

YIL is owned 50 percent by Borg-Warner Corporation of Chicago, the U. S. Affiliate, and 38 percent by Air Conditioning Corporation and other Birla concerns, and the remaining 22 percent by the Indian public.

4. Location

Regd. Office & Factory: Delhi-Mathura Road, Faridabad (Haryana)

5. Financial Status:

YIL's financial health is very weak. The acute shortage of funds for its day-to-day working has seriously hampered its operations. YIL's financial indicators for the last two years are as follows:

	<u>Year Ending December 31</u>	
	(Rs. 000)	
	<u>1970</u>	<u>1971</u>
Sales	11,654	6,951
Net Profit (Loss)	122	(992)
Net Worth	2,612	1,625
Total Assets	10,765	12,333
Total Liabilities	8,153	10,708
Current Ratio (Minimum limit 150%)	126%	103%
Debt (Total Liabilities)/Equity Ratio (Maximum limit 150%)	213%	659%

Company's auditors are Messrs G. Basu & Company.

6. Status of Project

The loan which was authorized for the acquisition, construction and expansion of Borrower's manufacturing facilities at Faridabad, has been accomplished.

7. Key Personnel:

- (1) Mr. B. M. Hemmings, Chairman
- (2) Mr. B. P. Jain, Co-Chairman
- (3) Mr. B.P. Kanodia, President

ZUARI AGRO CHEMICALS LIMITED (386-E-198 and 199)1. Project Description

Products: Ammonia, Urea and N. P. K. fertilizers.

Users: Agriculturists

2. Loan Terms and Conditions

Amount : (1) Loan No. 198 = Rs. 141, 300, 000. 00
 (2) Loan No. 199 = Rs. 75, 300, 000. 00

Date Agreement Signed : (1) & (2) March 28, 1969

Interest Rate : (1) & (2) 8%

Repayment Terms : (1) & (2) 20 equal semi-annual installments.

Grace Period : Repayment to commence on 12/31/73 for Loan No. 386-E-198 and 12/31/74 for Loan No. 386-E-199.

Payment Due Date : (1) & (2) June 30 and December 31

Final Maturity Date : (1) June 30, 1983 and (2) June 30, 1984.

Status of Repayment : No repayment started as yet.

(a) Current/Default : Not Applicable

(b) Outstanding Balance
 as of December 31, 1971: (1) Rs. 37, 800, 000. 00
 (2) Rs. 25, 200, 000. 00

Security/Guarantee : (1) Unsecured
 (2) Secured

3. Project Authority (Ownership)

Zuari-Agro is 36.21% owned by U. S. Steel, 19.25% by International Finance Corporation, U. S. A., 14.36% by Birla Interests, 6.04% by Bank of America, New York, U. S. A., 1.51% by First Chicago International Finance Corp., U. S. A., 20.82% by Indian private investors and 1.81% by Armour & Company, U. S. A.

4. Location

Factory: Pale-Dabolim Road, Sancoale Plateau, P. O. Box 41,
 & Office Vasco-da-Gama, Goa.

5. Status of Project:

Project is under construction. Overall project construction is about six months behind schedule mainly due to labor trouble in the plant during March/April 1972. However, Zuari Agro expects to stay

within the estimates of Rs. 565.5 million of total costs. The project is expected to be completed in Aug. 1972 and trial runs of different sections will start during Aug. 1972 and commercial production from October/November, 1972.

6. Company's auditors are Messrs A. F. Ferguson & Co., Bombay.

7. Key Personnel:

- (1) Mr. K.A. Varugis, Managing Director
- (2) Mr. R. Kapoor, Vice President (Finance)

8. Other Remarks

OPIC has also issued Extended Risk Guarantees for the following American investment:

(1) Equity:

- (a) Bank of America - 50% coverage of \$1.0 million equity investment.
- (b) First Chicago International Corp. - 50% coverage of \$250,000 equity investment.

(2) Loan:

Bank of America and others - 75% coverage of \$8.0 million .