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L-778-IND

ASIAN DEVELOPMENT BANK
Post-Evaluation Office

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PROJECT PERFORMANCE AUDIT REPORT

ON A LOAN TO THE

INDUSTRIAL CREDIT AND INVESTMENT CORPORATION OF INDIA LIMITED

IN

INDIA

February 1994

CURRENCY EQUIVALENTS

Currency Unit - Rupee (Rs)

At Appraisal (1986)

US\$1.00	=	Rs 12.50
Rs 1.00	=	US\$0.08

At Project Completion (1992)

US\$1.00	=	Rs 25.89
Rs 1.00	=	US\$0.04

At Post-Evaluation (1993)

US\$1.00	=	Rs 30.85
Rs 1.00	=	US\$0.03

ABBREVIATIONS

AFL	-	above-free-limit
BFL	-	below-free-limit
CEO	-	Chief Executive Officer
DFI	-	Development Financing Institution
EIRR	-	Economic Internal Rate of Return
FIRR	-	Financial Internal Rate of Return
IBRD	-	International Bank for Reconstruction and Development
ICICI	-	Industrial Credit and Investment Corporation of India Limited
PCR	-	Project Completion Report
PEM	-	Post-Evaluation Mission
PPAR	-	Project Performance Audit Report

NOTES

- (i) In this Report, "\$" refers to US dollars.
- (ii) The fiscal year (FY) of the Government of India and ICICI ends on 31 March. Prior to 1987, the fiscal year of the Government ended on 31 December. The 1987/88 fiscal year had 15 months (1 January 1987 to 31 March 1988).

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BASIC PROJECT DATA
Industrial Credit and Investment Corporation of India Limited Project
(Loan No. 778-IND)

KEY LOAN DATA (\$ million):

	<u>As per Bank Loan Documents</u>	<u>Actual</u>
Total Amount of Loan	100.00	100.00
Total Disbursed	100.00	98.79
Amount Cancelled	-	1.21
Terms of the Loan:		
- Interest Rate		9.65 per cent p.a.
- Maturity		15 years
- Grace Period		3 years
- Amount of Free Limit of Subloans		3.0 million
- Repayment Terms of Subloans		Maximum of 15 years including grace period not exceeding 3 years.
- Interest Rate for Subloans:	2% above the effective cost of the Bank loan to ICICI.	1.5% above the effective cost of the Bank loan to ICICI.

KEY DATES:

	<u>Expected</u>	<u>Actual</u>
Appraisal		13 - 29 January 1986
Loan Negotiations		10 - 12 March 1986
Board Approval		03 April 1986
Loan Agreement		02 May 1986
Loan Effectiveness	31 July 1986	31 July 1986
Terminal Date for Commitments	31 July 1988	31 January 1989
Closing Date for Disbursements	31 July 1990	31 July 1991
Months (Effectiveness to Closing)	48	60

BORROWER : The Industrial Credit & Investment Corporation of India, Ltd.

EXECUTING AGENCY : The Industrial Credit & Investment Corporation of India, Ltd.

GUARANTOR : The Government of India

MISSION DATA:

<u>Type of Mission</u>	<u>No. of Missions</u>	<u>Person-days</u>
Appraisal Mission	1	60
Negotiation	1	14 ^{a/}
Inception Mission	1	8
Review Missions	3	52 ^{b/}
Country Projects Review	1	33
Project Completion	1	18
Post-Evaluation	1	24

^{a/} Part-time attendance of the Control Officer was counted as 2 days instead of the full 3 days.

^{b/} Done in conjunction with Exploratory Mission for a Line of Equity to ICICI and with a Fact-Finding Mission for ICICI II.

I. HIGHLIGHTS

1. **Objectives and Scope.** The Project was the first Bank loan to the Industrial Credit and Investment Corporation of India Limited (ICICI). The objective of the Loan was to provide foreign exchange resources to support ICICI's lending program mainly for modernization and expansion of the existing production facilities of private medium-sized enterprises and partly for new industrial projects designed to introduce new technology in India.
2. **Cost, Financing and Schedule.** Out of the total loan amount of \$100.0 million provided from ordinary capital resources, \$98.79 million were utilized (net of cancellations) to assist 86 subprojects. The remainder was cancelled. The loan closing was delayed by one year due to delays in implementation of the subprojects caused by several factors such as change in scope of the project, devaluation, delay in procurement and an increase in import duties as the sponsor's costs were increased and additional funding was needed.
3. **Implementation.** About 90 per cent of the funds went to subprojects in the manufacturing sector with the Chemical Subsector using 39 per cent, Machinery and Equipment 11 per cent and Basic Metal products about 10 per cent. The performance of the subprojects has been satisfactory with only 12 per cent of those financed having present arrears problems; such projects represent a little more than 1.8 per cent of the total amount of subloans approved. The subprojects were generally well run and had a diversity of products. The equipment provided positive benefits and also provided for job creation, value added and foreign exchange savings/earnings.
4. **Institutional Aspects.** The financial position of ICICI is satisfactory with adequate reserves and a stable arrears situation. The portfolio is sound and there is general compliance with covenants. Its Chairman and Chief Executive Officer (CEO) is a capable commercial and development banker who is supported by qualified and well-trained staff. The ICICI's low turnover (1.1 per cent in 1992/93) contributed to a well-organized and competent staff with high qualifications and the needed expertise.
5. **Environmental Impact.** ICICI and the Bank require that sub-borrowers comply with all environmental rules and regulations of India. Companies visited by the PEM were well informed about environmental rules for their plants. They applied the rules by recycling water, dust control and outside air quality monitoring that was checked as often as monthly by environmental officials.
6. **Cost/Benefit Assessment.** For the 71 companies (83 per cent of the projects) with data for 1992 available, the total value added was about \$1,685 million.
7. **Overall Performance and Sustainability.** The Project satisfactorily met the primary purpose of the Loan which was to augment ICICI's foreign exchange resources and to enhance its financing of development projects by private sector enterprises. ICICI is financially viable and self sustaining. It has a satisfactory portfolio, good collection and follow-up procedures and should have no problem in sustaining its operations. The Project is rated as generally successful.
8. **Feedback.** The Project illustrated the need for (a) the development financing institution (DFI) to make more realistic estimates of implementation schedules when appraising

projects; and (b) the DFI to be careful about problem loans, making sure that correct follow-up is made in a timely manner and at the appropriate level in the organization.

II. BACKGROUND

A. Rationale

9. Although India has a large skilled work force and a very diversified industrial base, since the mid 1960 its annual growth in industrial sector production has remained relatively low, at or about 5 per cent. This was due mainly to an industrial policy framework characterized by tight Government control and protection. This caused industry to pay insufficient attention to economies of scale and product quality resulting in a high cost structure, low technical standards and poor quality. During the 1980s the industrial sector in India was in need of modernization of production facilities, upgrading of technology and expansion of plants. These areas were assigned high priority under the Seventh Five-Year Development Plan (FY 1985/86-FY 1989/90). The primary purpose of the Bank loan was to augment ICICI's foreign exchange resources and thereby enhance its financing of industrial development projects in the private sector.

B. Formulation

10. The Loan was appraised on the basis of the Bank's own fact-finding and ICICI's perceived requirements.

C. Objectives and Scope at Appraisal

11. The objective of the Loan was to provide ICICI with foreign exchange resources in the form of a credit line and to enable it to expand its role in promoting industrial development. The industrial sector in India urgently needed to modernize its production facilities, upgrade technology and product quality, redress imbalances in industrial infrastructure and ancillary industries, and expand plants to economic size. Modernization and improvement in productivity have been assigned high priority. Significant scope exists to utilize financial resources to modernize production facilities with a view to attaining overall international competitiveness in terms of cost and quality. The Bank loan was utilized primarily for the modernization of existing production facilities to increase productivity of industry. However, a portion of the Loan was made available for new projects designed primarily to introduce new technology. This new technology could improve product quality and marketability and reduce price to make products more competitive.

D. Financing Arrangements

12. The Bank approved a Loan (No. 778-IND) of \$100 million on 3 April 1986 for ICICI. The Loan, from the ordinary capital resources of the Bank, was guaranteed by the Government of India with the sub-borrowers bearing the foreign exchange risks. The principal of the Loan is to be repaid within a 15-year period.

E. Completion

13. The Loan was lent to 86 qualified sub-borrowers for an amount of \$98,787,581.00. To allow ICICI to fully utilize the Loan, the Bank extended the closing date from 31 July 1990 to 31 July 1991.^{1/} The Project Completion Report (PCR), prepared by the Bank's Private Sector Department, was circulated to the Board on 5 January 1993.

F. Ex-Post Evaluation

14. This Project Performance Audit Report (PPAR) focuses on pertinent aspects of the Loan ex-post, and includes the findings of a Post-Evaluation Mission (PEM) which visited India during June-July 1993. This PPAR is based on a review of the PCR, the Appraisal Report, Bank files, discussions with staff members of the Bank and ICICI. Copies of the draft PPAR were provided to the Government, ICICI, and concerned Bank staff for review and comments. Comments received were taken into consideration in finalizing the report.

III. IMPLEMENTATION PERFORMANCE

A. Design

15. The Loan was approved to augment the foreign exchange resources of ICICI and was to be utilized primarily for modernization and expansion of existing production facilities and new projects that would facilitate technology transfer. It was targeted at medium-sized industrial projects. The design of the Project was well suited to meet the financing needs of the DFI.

16. No policy dialogue was undertaken during the processing of the Loan. In 1988, a financial sector study was undertaken and formal policy dialogue was initiated by the Bank during a Mission in April 1989. The Appraisal Mission for the second Bank loan continued the policy dialogue with the Government and concerned financial and capital market institutions. The dialogue concentrated on issues closely related to such DFI operations as rationalizing short and long-term interest rates, privatization of ICICI, phasing out of the convertibility clause on local currency loans,^{2/} decontrolling pricing of company new issues, the desirability of allowing more external mutual funds and more direct foreign investment in India, private sector participation in the Mutual Fund Industry and the removal of the stipulation setting the maximum shareholding level by private promoters to 20 per cent in Venture Capital Companies.

17. The policy dialogue is going in the right direction. Some of the issues covered, such as, bringing DFI interest rates in line with commercial banks, and those relating to its development of capital markets are relevant for the satisfactory performance and financial viability of DFIs. While the Project did not address these issues, their early resolution would be necessary for sustainable satisfactory performance of ICICI.

^{1/} The extension was caused by delays in implementing some subprojects.

^{2/} Up to 20 per cent of the loan may be converted to equity at lenders option. (This was phased out in 1991).

B. Loan Utilization

18. The Loan was used to finance 86 subprojects, of which 12 were above the free limit (AFL), accounting for \$39.3 million or 39.8 per cent of the total loan amount, and 16 were new subprojects, accounting for \$18.4 million or 18.6 per cent. The regional distribution was generally even, although about 58 per cent of the Loan were concentrated in the Western Region and none at all in the Northeastern Region.

C. Subproject Implementation

19. Total disbursement under the Loan was \$98.8 million. Of the 12 above-free-limit (AFL) subprojects, four experienced 2 to 21 months delay, one subproject was completed 2 months ahead of schedule, an automotive subproject was abandoned due to liquidity and marketing problems and one subproject is still not complete. A petrochemical products subproject was merged with a mother company delaying the completion by seven months. Of the 74 below-free-limit (BFL) subloans, 47 incurred time overrun ranging from 1 to as much as 38 months. Cost overruns of Rs 7 million to Rs 9,400 million were incurred by 7 of the 12 AFL subprojects, while cost underruns of Rs 2 million to Rs 2,567 million were experienced by three subprojects in the same category. A total of 37 subprojects incurred cost overruns of Rs 1 million up to Rs 2,700 million in the BFL category. Cost underruns of Rs 1 million to Rs 14 million were experienced by 13 subprojects in the same category. Five subprojects are not yet complete; a steel forge firm has already incurred 14 months delay while another, a petrochemical project, is expected to be finished soon. The completion schedule of the other three subprojects was uncertain at the time of post-evaluation (see Appendix 1 for details).

20. Almost all the subprojects which experienced time overruns also suffered cost overruns indicating that one of the major causes of cost overruns was the delay in implementing the subprojects. Other reasons for cost overrun are the increase in customs duties on imported equipment and machineries, delay in securing local funding for portions of the required capitalization and the progressive depreciation of the Indian Rupee in relation to foreign exchange. Average contribution of the sponsors was about 20 per cent of the total required investment in the case of AFL subloans and 41 per cent for BFL loans, or an overall average of 28 per cent. The proportion of the sponsors' contribution in the case of AFL loans of 20 per cent was on the low side with the risk shifted to ICICI and other long-term creditors.

D. Monitoring and Supervision

21. The Bank despatched three Review Missions to ICICI from June 1987 through September 1990. Data in the Bank files suggest that the main emphasis of the Review Missions was on assessing the continued performance of ICICI and the subloans under the Loan. The Missions required detailed information on the overall health of ICICI and any problems being encountered. The Missions left review reports with ICICI identifying problems encountered in implementation and supervision and suggesting solutions to those problems for the ICICI management's attention. Monitoring and supervision of this Loan were satisfactory.

E. Compliance With Loan Covenants

22. ICICI has complied with the covenants except for the debt-service coverage ratios which were slightly below the covenanted limit of 1.1 times during 1987/88 and 1988/89, because of the voluntary repayment of an International Bank for Reconstruction and

Development (IBRD) loan due to a weaker need for foreign currency loans and a depreciating value of the rupee.

IV. PROJECT RESULTS

A. Operational Performance of ICICI

23. The Loan became effective in July 1986 and was closed in July 1991, after a one year extension. ICICI's summary of operations under the Loan is shown in Table 1. Details are in Appendix 2.

Table 1: Summary of Projected and Actual Operations
(Rs million)

Fiscal Year	1985	1986	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	Average Growth Rate %
<u>Approvals</u>									
Projected a/	6,832	8,985	9,546	11,413	13,657	-	-	-	
Actual	6,416	10,127	14,672	19,781	28,506	37,440	43,059	58,827	31.9
<u>Commitments</u>									
Projected a/	5,230	7,301	8,079	9,482	11,338	-	-	-	
Actual	5,274	8,395	10,240	13,429	18,538	24,937	25,458	35,359	26.9
<u>Disbursements</u>									
Projected a/	4,318	5,172	6,717	7,945	9,240	-	-	-	
Actual	4,387	6,032	9,803	10,856	13,571	19,675	23,513	33,152	28.8

a/ Projected at the time of Bank appraisal of the Loan.

24. According to ICICI's operational projections, its foreign currency lending to the industrial sector for the period 1986-88 was estimated at about \$640 million, on a commitment basis. Given uncommitted balances of existing credit lines as of 31 December 1985 aggregating to \$77 million, and an approved IBRD loan of \$160 million, a foreign exchange resource gap of \$403 million remained. Since ICICI intended to utilize the Bank loan of \$100 million to meet about one fourth of this gap, the Bank loan was timely. The remainder of the foreign exchange resource gap (\$303 million) would have to be borrowed from other foreign sources.

25. ICICI's overall long-term loan approvals continued to increase into 1992/93 at an average growth rate of 31.9 per cent. This was far in excess of the projected 20 per cent at the time of appraisal and represents a solid institutional achievement. ICICI's disbursements showed similar trends through 1992/93 with an average growth rate of 28.9 per cent compared with a projected 21.1 per cent at the time of appraisal.

B. Institutional Performance of ICICI

26. ICICI's institutional strength continues to be of a high quality. It had a substantial increase in professional staff (from 413 in 1988 to 566 in 1993) and a reduction of staff turnover from 4.1 per cent in 1988 to 1.1 per cent in 1993. This is attributed to good working conditions, job satisfaction and good promotion prospects, together with an adequate package of salary

and fringe benefits. The training of staff continues at a high rate with nomination for training increasing from 87 staff in 1988-89 to 166 in 1992-93. The training covers a range of expertise from computers to engineering, appraisal and loan follow-up. The professional attitude and competence of ICICI's staff are impressive.

27. At present ICICI has a full-time Chairman, Managing Director, and Executive Director. The CEO is the Chairman who has had many years of commercial and development banking experience. The performance of ICICI's management and staff is satisfactory as can be seen in the Corporation's consistent financial performance, its approval and disbursement patterns, the strength of its portfolio, and its reputation in the market. Although ICICI is 57 per cent owned by public sector companies in India, it operates like a fully private sector organization.

28. ICICI was devolved in mid-1990 into a more decentralized operation with zonal offices in Bombay, Delhi, Calcutta and Madras (see Appendix 3). These offices now act as the center for ICICI's business activities. By the end of 1993, together with two more in Bangalore and Baroda, these offices are expected to operate as profit centers. A new computer system is now being tested to provide the centers with fully computerized services and the headquarters in Bombay with complete management information system. With its newly decentralized operation and strong professional staff, ICICI should be ready to meet the increasing challenges in banking.

29. ICICI has disciplined procedures and maintains close contacts with the business groups and communities in which it operates. Its appraisal techniques, which are modern and efficient, enable it to examine the management, financial, technical, marketing and economic aspects of possible projects effectively. Its supervision of projects is well organized and projects are visited regularly. Collection problems are dealt with promptly.

30. The future plans of ICICI call for the development of a high-technology commercial bank with automated teller machines and other up-to-date banking systems and a share registry company. ICICI has already opened an investment bank with J. P. Morgan,^{1/} and an asset management company (mutual funds).^{2/} This is in line with its diversification from strictly development banking into other profitable areas of financial services. ICICI is thus getting a head start which should be of great benefit as more competition in short- and long-term lending arises.

C. Financial Performance and Resource Mobilization of the ICICI

1. Operating Results

31. ICICI's profitability during the period from 1985 to 1992/93 was maintained at a satisfactory level (see Table 2 for the highlights and Appendixes 4, 5 and 6 for actual and projected financial statements). Interest income from loan portfolio grew annually at a compound rate of 26 per cent from Rs 1,829 million to Rs 11,879 million. It is projected to rise to Rs 22,330 in 1995/96. The net income from operation before provision for income tax increased steadily over the period under review from Rs 557 million in 1985 to Rs 2,336 million

^{1/} ICICI Securities and Finance Company Limited.

^{2/} ICICI-AMC

in 1992/93. It is projected to rise to Rs 5,604 million by 1995/96. The growth in operating income was supported by the varying interest spread levels from loan portfolio ranging from 1.4 per cent^{1/} to 4 per cent. The recent upward adjustment of the interest spread was due to the deregulation of domestic interest rates in 1990/91 and the increasing demand for rupee loans. However, competition from commercial banks and other financing institutions pressured ICICI's earnings spread to reduce during 1992/93. In terms of overall operation the earnings spread from the total portfolio ranged from 2.2 per cent to 4.9 per cent over the period under review, although the spread declined slightly in 1992/93 to 4.8 per cent as a consequence of market competition from commercial banks, other financing institutions, the ebbing market for foreign currency loan projects and the increasing cost of borrowed funds. The earnings spread is expected to increase to 8.3 per cent in 1995/96. Although the income from non-project financing such as leasing, asset credit and credit lines, capital gains, merchant banking and trusteeship showed annual growth rate of 30 per cent, the income from project financing (i.e., loan portfolio) was the major source of earnings with an average base of about 92 per cent of total investment assets, including rupee and foreign currency loans, yielding an average of 12.5 per cent earnings during the period being reviewed.

Table 2: ICICI - Summary of Financial Performance and
Financial Position - Key Indicators
(Rs million)

Fiscal Year	1985	1986	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	Ave. Growth Rate (%)
Total assets	22,416	28,134	38,089	47,352	59,018	77,218	108,211	131,119	24.7%
Loan portfolio (net)	15,766	20,024	25,617	32,433	39,883	52,956	61,134	79,505	22.4%
Equity investment	836	829	1,315	2,058	2,302	2,849	3,504	4,928	24.8%
Debentures	356	470	325	412	1,033	1,890	2,279	2,581	28.1%
Total portfolio	16,958	21,323	27,257	34,903	43,218	57,695	66,917	87,014	22.7%
Arrears	501	757	1,126	1,196	1,329	1,986	3,406	4,854	32.8%
Net income after taxes	400	611	771	787	971	1,348	2,013	1,853	21.1%
Equity	1,750	2,474	3,208	3,846	4,771	6,205	8,960	14,389	30.1%
Long-term debt (net of current portion)	18,495	23,213	30,189	36,923	48,011	61,872	85,754	102,303	23.8%
Ratios									
Long-term debt/equity	10.6	9.4	9.4	9.6	10.1	10.0	9.6	7.1	
Current ratio	2.4	2.6	2.1	1.7	2.2	1.9	2.8	2.8	
Debt service coverage (times)	1.6	1.7	0.9	0.9	1.6	1.5	1.5	1.2	
Return on average equity (%)	22.9	28.9	27.1	22.3	22.5	24.6	26.5	15.9	
Interest spread (%)	2.9	2.7	2.7	1.7	1.4	1.9	3.6	3.6	
Earnings spread (%)	3.0	3.6	3.2	2.5	2.2	2.9	4.9	4.8	
Administrative exps./ave. total assets (%)	0.4	0.5	0.5	0.4	0.5	0.5	1.3	0.7	
Collection ratio on current amount due (%)	82.7	80.0	80.9	78.1	83.0	83.4	80.8	82.4	
Collection ratio on total amount due (%)	n.a.	n.a.	n.a.	n.a.	71.2	74.5	71.5	72.1	
Total arrears to total loans outstanding (%)	2.7	3.2	3.7	3.2	2.8	3.2	4.4	5.1	

^{1/} ICICI has been achieving the covenanted 2 per cent per annum interest spread except in three years, i.e., 1988/89, 1989/90 and 1990/91.

32. Administrative and general expenses were held at less than 1 per cent of the average total assets, except in 1991/92 when the rate exceeded the 1 per cent level which is considered to be unusual. In terms of amount, however, administrative costs more than doubled in 1992/93 signalling the adjustment required of an expanding operation.

2. Financial Position

33. The financial status of ICICI was complemented by the sufficient cash and other cash assets generating the current ratio ranging from 1.7:1 to 2.8:1. This is projected to rise to 3.3:1 in 1995/96. The collection rate of ICICI in 1992/93 at 82.4 per cent of the current dues improved from the 80.8 per cent mark the year before. The total assets grew at a compound rate of close to 25 per cent annually from 1985 to 1992/93 indicating acceleration of fund mobilization. ICICI was able to maintain a debt-service coverage of more than the required 1.1:1 ratio except in two years (1987/88 and 1988/89). The decline in 1992/93 debt-service ratio to 1.2:1 from the previous year's 1.5:1 needs monitoring to ensure adherence to the existing loan covenanted ratio. ICICI complied with the Bank's covenant of 12:1 debt to equity ratio by maintaining adequate capital to match long-term borrowings. It is projected that debt to equity ratio will decline further from 7.1:1 in 1992/93 to 5.7:1 in 1995/96.

3. Resource Mobilization

34. The fund management of ICICI is characterized by substantial investment in rupee and foreign currency borrowings supplemented with equity shares and debentures. Rupee resource mobilization has been increasing considerably as rupee loan approvals during the period under review escalated to Rs 27.4 billion in 1992/93 from only about Rs 3 billion in 1985. Foreign currency loan approvals declined to Rs 5.8 billion in 1992/93. The recent depreciation of the rupee viz-a-viz the US dollar is the principal reason for the slow mobilization of foreign exchange funds by ICICI. In addition, the impact of the Government's liberalized import policy which allows rupee payments to liquidate the importation of capital goods created a natural demand for rupee funds. Due to the shift of the loan portfolio to rupee loans, ICICI is expected to reduce its foreign currency resources in favor of local currency funding. This shift, although of medium-term duration, would cause non-utilization of the ongoing foreign currency borrowings of ICICI.^{1/} Loan approvals of projects for foreign exchange declined in 1991/92 to Rs 8.4 billion equivalent from Rs 10.4 billion the year before. This trend continued in 1992/93 when approvals for foreign currency loans slipped to Rs 5.8 billion. In contrast, rupee loans escalated from Rs 17.5 billion in 1991/92 to Rs 27.4 billion in 1992/93. Similarly, investment portfolio also grew at a vigorous pace to Rs 10.8 billion in 1992/93 from only Rs 3.0 billion the year before. The commitments for foreign exchange loans declined during the same period but disbursements remained stable at about Rs 7.0 billion equivalent. The commitments and disbursements on rupee loans and investments accelerated, indicating greater demand for rupees.

35. ICICI is in the process of adding commercial banking to its diversified financial activities. This move indicates expansion of the resource base from public depositors at

^{1/} This was noted in the reported slow disbursement performance of the Bank's second ICICI loan (No. 1072-IND). Due to this development, ICICI was constrained to request the Bank for the cancellation of half the loan amount equivalent to \$60.0 million of the ongoing Second ICICI Loan.

relatively low cost to mobilization from industrial borrowers. This move, although a good source of low-cost resources, will increase the administrative as well as the staff requirements of ICICI. The effect of this will have to be carefully weighed against the current management cost of operating a commercial bank bearing in mind the training needs of the staff to prepare them for commercial banking operation.

4. Quality and Size of Portfolio

36. The total portfolio of ICICI, consisting primarily of project loans and debentures and equity investments, increased at 23 per cent compounded annually from Rs 16,958 million in 1985 to Rs 87,014 million in 1992/93. The loan portfolio on foreign currency financing of projects is expected to experience lower growth because of the recent policy reform on import liberalization, comprising the lifting of restriction on the importation of capital assets and the free conversion of rupees to foreign exchange currency. Rupee loans, however, are expected to continue to increase since importers of capital goods can use rupees to buy foreign currency without Government restrictions. Loan approvals in the portfolio have been widely distributed throughout the industry with the exception of shipping.^{1/} Major sectors are chemicals, metal products, basic metal industries and electrical equipment. The balanced portfolio of ICICI has been instrumental in assisting industrial development in India. As of 1992, subprojects accounted for about \$30 million of exports, incremental employment of 11,662 jobs and overall value added of about \$1,685 million. New technology was added to India through about 66 per cent of the subprojects financed under the Loan. The quality of the loan portfolio is satisfactory, although there are signs of an increasing rate of arrears among the outstanding loans.

5. Arrears and Collection Performance

37. The collection efficiency of ICICI was about 72.1 per cent of the total amount due in 1992/93, slightly up from 71.5 per cent in 1991/92. Of the total current dues, the collection rate was 82.4 per cent in fiscal year 1993, up from 80.8 per cent the year before. The rate of arrears to total loans outstanding in 1993, however, increased to 5.1 per cent of the outstanding loans from 4.4 per cent in 1992 due mainly to the effect of the worldwide economic recession which created a temporary cash flow set back in the country's industrial/manufacturing sector. The increase in the rate of arrears deserves monitoring. ICICI's policy of writing off long overdue accounts and its effort to assist in rescheduling the accounts of sub-borrowers experiencing operational difficulties is prudent and often leads to a better portfolio quality. ICICI's current practice of writing off specific debts or accounts which, on the basis of present available information, are fully or partially irrecoverable has eliminated the need to provide accounting allowance for doubtful loan accounts (see Appendix 7 for detailed arrears and collection data).

D. Performance of Subprojects

1. Overall Performance

38. The operating performance of the 86 subprojects has been a mixture of positive and negative operating results. From the latest financial data gathered from those subprojects

^{1/} For lending to shipping, ICICI and others have established a new Shipping Credit and Investment Company of India (SCICI).

with available information, of the 12 AFL subprojects, two suffered operating losses during 1989 to 1991 of which one reported a recovery in 1992; another subproject started commercial operation only in March 1993; yet another, a petrochemical firm merged with a similar company; while an automotive firm abandoned the project due to liquidity and marketing problems; of the 74 BFL subprojects, some 30 companies had experienced negative operation caused by delays in project completion, locational and security problems, stiff market competition, poor management, labor strikes, marketing problems and, in some cases, underutilized production capacity. From the interviews conducted on ten sample subprojects, a common concern was the current worldwide economic recession which is cutting down production to as much as half or less than half of what it was expected to achieve. Most industries in the country, including the subprojects, were constrained to reduce operating costs to maintain a financially viable operation (see Appendix 8).

39. The operating performance of those subprojects operating at a loss should be closely monitored by ICICI to bring them back to a profitable operation. It is likely that the economic recession currently being experienced worldwide will further slow down the financial recovery of these firms. A monitoring system designed to support clients in financial difficulty is already in place at ICICI. Companies with problems who availed themselves of the Project's credit facility are regularly being monitored and the action taken is recorded for follow-up action. ICICI should further strengthen this monitoring system to include immediate action required for the assistance of sub-borrowers in distress. However, the infusion of more funds is not necessarily the answer to the needs of some troubled companies. ICICI should be prepared to assess and address other problems such as market deficiency and operating and management constraints.

2. Subproject Arrear Situation

40. The arrears experience in the Project subloans was satisfactory. Only 1 out of the 12 AFL subloans incurred arrears of over six months, equivalent to 0.7 per cent of the total loan amount for AFL. In the 74 BFL subprojects only 9 have arrears which range from less than 3 months to over 6 months and represent little more than 3 per cent of the total amount of subloans approved. ICICI is closely monitoring the repayment trend of its client borrowers and is servicing the companies' financial operation as part of its financial marketing strategy. This monitoring system, one of the more positive actions of ICICI, has resulted in a low arrears situation among the Project subloans and an overall strong portfolio.

3. Operational Performance of Ten Subprojects Visited

41. The PEM visited ten subprojects, about 12 per cent of the total subprojects supported under the Loan and classified as BFL. Two of the subprojects were new, three companies had borrowed for balancing-modernization-replacement, and five were for expansion. All of the ten subprojects were uptodate in their accounts with ICICI and one had already fully repaid its account. The ten firms visited included a construction service, a plastic processing industry, a steel forging company, an automobile components firm, a two-wheel motorcycle assembler, a ferrite magnets manufacturer, an auto safety glass producer, an electrical cable manufacturer, an electrical transformer manufacturer and a bearing producer. Two subprojects are located in New Delhi, four in Bombay and another four in Pune. Table 3 gives financial and economic information on the subprojects visited.

42. All of the subprojects visited indicated that the items of equipment purchased from the subloans were being utilized and contributing to the overall operation of the firm. Although a few items required additional equipment to fully utilize capacity, this did not disturb the continuous operation of production facilities. The total number of employees/workers in the plants ranged from 195 to 2,300 of whom women ranged from none to as many as 80 persons. With the exception of the bearing manufacturer, all the subprojects visited were profitable in 1992/93. However, the present economic recession is obliging the subprojects to operate at only half their normal capacity. Appendix 9 provides information on the operational performance of the subprojects visited by PEM.

Table 3. Financial and Economic Information of the Ten Subprojects Visited^{a/}
(Amounts in Rs '000)

Subproject's Industry Sector	Annual Profit or (Loss)	Sales	Value Added	Assets Size	No. of Employees	Capacity Utilization (%)
Auto Safety Glass	5,000	152,259	17,692	63,394	195	75
Plastic Processing	79,800	1,638,500	446,400	1,358,700	1,200	70
Steel Forging	1,388	2,294,494	1,936,847	n.a.	2,324	75
Power Cable	173,900	1,418,407	989,879	727,389	1,100	65
Electric Motors, Transformers & Ballasts	108,500	130,300	20,900	22,500	108	58
Hard and Soft Ferrite Magnet	28,385	325,300	176,044	157,400	550	80
Bearings	930	683,400	396,100	232,600	740	50
Automobile Components	11,500	408,238	75,130	162,700	295	97
Two-Wheeler Transport Equipment	(16,700)	729,600	53,190	217,555	817	50
Construction Service	15,093	563,389	516,445	n.a.	2,000	n.a.

a/ Majority of the data are from 1992 operations, a few were from 1993 and 1991 actual operations.

E. Socioeconomic Aspects of Subprojects

43. As shown in the PCR, the total cost of subprojects financed under the Loan amounted to some Rs 50,702 million (\$1,644 million equivalent). The 55 subprojects, for which comparative employment data were available, had generated additional 33,384 jobs (8,625 from the AFL subloans and 24,759 in the BFL class) as of 1992. Average incremental investment cost per worker varied between subprojects, and ranged from Rs 3,300 to as much as Rs 31.9 million in 1992. The new jobs created helped to reduce unemployment and benefitted the workers' families. The value added realized in 1992 by the subprojects, which were stimulating the economy in the communities in which they were located, ranged from Rs 0.34 million to Rs 7.8 million. The total value added in 1992 for 71 companies for which data were available was estimated at \$1,685 million. For these subprojects capacity utilization ranged from 12 per cent to 133 per cent with an average of about 67 per cent. Only nine subprojects were export-oriented and the remainder were either import substituting or domestic-market oriented enterprises. From the information gathered on the subprojects visited, only 2 per cent to 10 per cent of production was for export. Many of the companies visited expressed their intention of increasing their export sales after the recession period (see Appendix 10 for details).

F. Women in Development

44. As an employer, ICICI provides an equal opportunity to men and women in every area of activity. No discrimination is made on grounds of gender in regard to promotion,

mobility, and area of work. Over the last ten years (1984-1993), the number of professional women has increased both in absolute and in percentage terms; the percentage of professional women in the total number of professional staff in ICICI increased from 20 per cent to 26 per cent. In case of support staff, the percentage of women in the total staff strength increased from 37 per cent to 48 per cent. The general procedure regarding merit and promotion is on a uniform basis. By 31 December 1992, women had risen to the senior levels of General Manager (1), Deputy General Manager (1), Assistant General Manager (8), Manager (8) and Deputy Manager (6), on the strength of their performance.

45. The impact of the ICICI Loan Project on women has been limited in those subprojects engaged in heavy and medium industries because almost all of the tasks in these industries require skills that have traditionally been delegated to men and have very limited slots for females. The PEM gathered from the field that women are employed in most of the light industries supported by the subprojects, but no actual figures were provided on the number of women employed directly resulting from the implementation of the Bank's loan to ICICI.

G. Environmental Impacts and Control

46. ICICI and the Bank require that sub-borrowers comply with all environmental rules and regulations of India. The PEM noted that the sample of companies visited were well informed about environmental rules for their plants, and that they applied the rules by recycling water, controlling dust and monitoring outside air quality; this was checked as often as monthly by environmental officials.

H. Gestation and Sustainability

47. ICICI is a well-organized and well-run DFI. It has a satisfactory portfolio, good collection and follow-up procedures and should have no problem in sustaining its operations at the present level. It should, however, be cautious not to move too fast into new areas,^{1/} since this might over-extend its management capabilities to supervise and control the new subsidiaries.

V. KEY ISSUES FOR THE FUTURE

48. Several issues and questions were identified for the future. First, to meet competition, ICICI is at present setting up new subsidiaries in investment and commercial banking. These subsidiaries will need to have excellent staff and qualified management to bring them into profitable operation. This is a time-consuming and difficult task. It should be careful not to spread its top management too thin and so lose control of its new operations. With decentralization ICICI is adjusting to a new pattern of operations that should allow senior management more time to supervise the new subsidiaries and take appropriate action to ensure successful implementation. Second, ICICI's overall lending pattern has shifted away from foreign exchange loans. The Bank will need to structure new types of lending, i.e., local currency (swaps) or shorter maturities to be of any assistance in the DFI area in India. Future lending could go to other financial institutions like commercial banks, leasing companies, etc. Lending will be more oriented towards the privatization of companies, loans without government

^{1/} Investment banking and commercial banking operations.

guarantees and as mentioned above swaps so that foreign exchange lending is immediately converted into local currency funding.

VI. CONCLUSIONS

A. Overall Assessment

49. The Project satisfactorily achieved its objective of providing foreign exchange resources to support ICICI's lending program, mainly for modernization and expansion of private medium-sized enterprises and for new industrial projects designed to introduce new technology in India. The overall impact of the subprojects financed under the Project has been satisfactory. The Project is considered generally successful.

B. Lessons Learned

50. The development financing institutions should make realistic estimates of project implementation schedules. They should closely examine how outside factors such as import duty, possible devaluation of currency and price increases on basic items might cause cost overruns in projects.

51. ICICI needs to be careful about problem loans and to ensure that correct follow-up is made in a timely manner and at the appropriate level. Collection ratios and arrears must be watched closely and proper follow-up instituted to maintain and if possible improve collection efficiency.

C. Follow-up Actions

52. There is a need for the Bank to closely monitor: (i) the effects on ICICI of the various new subsidiaries which it is starting; (ii) ICICI's financial performance, especially problem loans and collection ratios; (iii) that ICICI's portfolio performance does not deteriorate; (iv) that subproject implementation schedules are more realistically established in future loans; (v) that subprojects continue to abide by the environmental rules and regulations of India; and (vi) that the policy dialogue intended to ensure the maintenance of a satisfactory financial environment for ICICI and other borrowers is continued through future Bank lending programs to India.

APPENDIXES

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IMPLEMENTATION DATA ON SUBPROJECTS

Subloan No. a/	Name of Subproject	Location	Nature	Type of Industry	Project Cost (Rs Million)			Actual Financing (Rs Million)					% of ICICI Financing to Total Project	Project Completion Dates		
					Estimated	Actual	Overrun (Under-run)	ADB	ICICI	Sponsors	Others	Total		Cost	Estimated	Actual
Above Free Limit																
002	Hindustan Motors Ltd.	Vadodara, Gujarat	Modernization	Automobiles mfg.	3,146	579	(2,567)	35	36	108	400	579	12.26	01-Mar-91	01-Mar-89	(24)
019	Cosmo Films Ltd.	Aurangabad, Maharashtra	Expansion	Films mfg.	245	243	(2)	45	53	66	77	243	40.33	01-Apr-88	31-Mar-88	0
044	Indian Rayon & Industries Ltd.	Malkhed, Karnataka	BMR	Portland cement mfg.	970	1,108	138	135	440	341	192	1,108	51.90	01-Apr-89	01-Dec-90	20
057	Essar Gujarat Ltd.	Hajira, Gujarat	New	Steel mfg.	3,050	4,163	1,113	68	261	4	3,830	4,163	7.90	01-Jun-90	01-Aug-90	2
060	Gujarat Narmada Valley Fertilizers Co. Ltd.	Bharuch, Gujarat	Expansion	Chemical products mfg.	800	810	10	14	69	280	447	810	10.25	01-Mar-91	01-Mar-92	12
063	Gujarat Alkalies & Chemicals Ltd.	Nandesari, Gujarat	BMR	Caustic soda mfg.	358	358	0	210	24	63	41	358	65.36	01-Apr-89	01-Oct-89	6
066	Deepak Fertilizers & Petrochemicals Corp. Ltd.	Thane, Maharashtra	Expansion	Chemical products mfg.	3,480	4,656	1,196	67	380	2,640	1,569	4,656	9.60	31-Mar-91	31-Aug-92	0
072	Indian Acrylics Ltd.	Sangrur, Punjab	New	Textile mfg.	1,150	2,369	1,219	73	188	257	1,851	2,369	7.90	30-Sep-92	31-Mar-93	6
073	Reliance Petrochemicals Ltd.	Hazira, Gujarat	New	Petrochemical products	13,700	16,400	2,700	157	1,280	2,236	12,727	16,400	7.80	31-Mar-92	01-Oct-92	7
074	Bombay Offshore Supplies & Services Ltd.	Bombay, Maharashtra	Expansion	Oil exploration & development	237	127	(110)	0	24	38	65	127	18.90	01-Jan-89	01-Jan-89	0
075	Century Enka Ltd.	Mahad, Maharashtra	BMR	Textiles mfg.	112	112	0	53	0	30	29	112	47.32	01-Mar-89	01-Mar-89	0
083	Raymond Woolen Mills Ltd.	Thane, Maharashtra	Modernization	Textiles/woolen fabrics mfg.	122	129	7	84	0	0	45	129	65.12	01-Mar-90	01-Jan-90	(2)
Total Above Free Limit					27,350	31,054		941	2,755	6,065	21,273	31,054				
Below Free Limit																
004	Orient Paper & Industries Ltd.	Adilabad, Andhra Pradesh	Expansion	Portland cement mfg.	548	641	93	42	172	202	225	641	33.39	01-Dec-88	01-Mar-90	15
005	Crompton Greaves Ltd.	Madhya Pradesh	New	Elect. machinery (telephone) mfg.	29	29	0	5	6	7	11	29	37.93	01-Jul-87	01-Feb-88	7
006	Modern Woollens Ltd.	Alwar, Rajasthan	Diversification	Textiles/worsted yarn mfg.	52	61	9	11	5	29	16	61	26.23	01-Jun-88	01-Sep-88	3
007	Television & Components Pvt. Ltd.	Gujarat	New	Electrical machinery apparatus	76	66	(10)	11	4	26	27	66	22.06	01-Mar-88	01-Mar-88	0
008	IEL Limited	Thane, Maharashtra	Expansion	Chemicals/polyester staple fibre	520	592	72	15	13	379	185	592	4.73	31-Jan-89	01-Mar-89	1
009	Lakshmi Machine Works Ltd.	Coimbatore, Tamil Nadu	New	Fabricated metal products	283	305	22	34	12	109	150	305	15.06	01-Dec-88	01-Dec-88	0
010	Videocon International Ltd.	Aurangabad, Maharashtra	BMR	Electrical equipment & supplies	90	90	0	7	6	36	39	90	16.67	31-Oct-87	31-Oct-87	0
011	Tata Telecom Ltd.	Gandhinagar, Gujarat	New	Electronic PABX mfg.	120	116	(4)	12	49	45	10	116	52.59	01-Jul-87	01-Jul-87	0
012	Larsen & Toubro Ltd.	Bombay, Maharashtra	BMR	Civil construction	20	20	0	11	0	9	0	20	55.00	30-Jun-87	30-Jun-87	0
013	LML Limited	Kanpur, Uttar Pradesh	Expansion	Machinery mfg.	399	399	0	24	26	120	229	399	12.53	01-Feb-88	01-Oct-88	8
014	Cemdhia Co., Ltd.	Bombay, Maharashtra	BMR	Construction services	5	4	(1)	0	2	2	0	4	50.00	01-Aug-87	01-Aug-87	0
015	K. G. Gluco Biote Ltd.	Gokak, Belgaum, Karnataka	New	Food processing	230	310	80	13	26	149	122	310	12.58	01-Mar-90	01-Sep-90	6
016	Gujarat Spinners Ltd.	Bharuch, Gujarat	Expansion	Textiles/acrylic yarn mfg.	7	7	0	4	1	0	2	7	71.43	01-Dec-87	01-Mar-88	3
017	Majestic Auto Ltd.	Ghaziabad District, U. Pradesh	Expansion	Transport equipment mfg.	210	210	0	12	20	26	152	210	15.24	01-Mar-88	01-Oct-88	7
018	Spartek Ceramics (India) Ltd.	Chittoor, Andhra Pradesh	Expansion	Ceramic tiles mfg.	74	74	0	10	3	24	37	74	17.57	01-Dec-87	01-Dec-87	0
021	Rahkamel Synthetics Ltd.	Surat, Gujarat	Expansion	Textiles/cotton fabrics mfg.	78	96	18	4	11	39	42	96	15.62	30-Oct-87	30-Sep-88	11
023	Indian Plywood Manufacturing Co.	Itarsi	BMR	Plywood mfg.	26	35	9	9	4	11	11	35	37.14	30-Jun-87	30-Jun-88	12
024	Standard Medbal & Pharmaceuticals Ltd.	Hyderabad, Andhra Pradesh	Expansion	Medical services	72	77	5	23	9	13	32	77	41.56	31-Mar-88	28-Oct-88	7
025	Gujarat Narmada Valley Fertilizers Co. Ltd.	Bharuch, Gujarat	Diversification	Fertilizers mfg.	139	145	6	12	14	29	90	145	17.93	31-Mar-91	31-Mar-92	12
027	Indian Rayon & Industries Ltd.	Kharla Khanzar, Rajasthan	Diversification	Textiles mfg.	275	338	63	4	3	2	329	338	2.07	01-Feb-88	01-Apr-88	8
028	Crompton Greaves Ltd.	Bombay, Maharashtra	BMR	Electrical machinery	7	7	0	4	0	3	0	7	57.14	31-Mar-88	31-Mar-88	0
029	Shriram Fibres Ltd.	Alwar, Rajasthan	Diversification	Textiles mfg.	4	6	2	0	2	4	8	25.00	31-Mar-88	30-Sep-88	6	
031	Hi-Ral Components (India) Pvt. Ltd.	Pune, Maharashtra	New	Electrical supplies mfg.	35	45	10	6	9	9	19	45	37.76	01-Jul-89	01-Mar-90	8
032	KDB Industries Ltd.	Gadchirdi, Maharashtra	New	Paper products mfg.	663	693	30	10	90	220	373	693	14.43	01-Mar-91	30-Sep-91	6
033	Century Enka Ltd.	Mahad, Maharashtra	Expansion	Textiles mfg.	369	369	0	26	40	192	111	369	17.89	01-Jul-89	01-Jul-89	0
035	Hindustan Pipe Udyog Ltd.	Bulandshahr, Uttar Pradesh	Expansion	Steel pipe mfg.	73	60	(13)	6	14	0	40	60	33.33	01-May-88	01-May-88	0
036	Jeh Irrigation Systems Ltd.	Jaigaon, Maharashtra	New	Tubes mfg.	79	79	0	2	16	18	43	79	22.76	01-Dec-88	01-Mar-89	3
037	Keltron Components Complex Ltd.	Cannanore, Kerala	Expansion	Electrical apparatus & supplies mfg.	107	108	1	15	9	27	57	108	22.22	09-Jan-88	01-Dec-90	27
038	Electronics Research Pvt. Ltd.	Bangalore, Karnataka	Expansion	Electrical apparatus & eqpmnt. mfg.	46	45	(1)	9	4	11	21	45	28.89	01-Apr-88	01-Apr-88	0
039	Tahwale Chemicals & Plastics Ltd.	Dadra & Haveli, Union Territory	New	Plastic products mfg.	31	34	3	4	6	9	13	34	35.29	01-Jan-89	01-Mar-90	14
040	Bajaj Auto Ltd.	Akurd, Aurangabad, Maharashtra	BMR	Transport equipment mfg.	80	80	0	20	0	60	0	80	25.00	01-Mar-88	01-Mar-88	0
Subtotal					4,746	5,145		369	578	1,808	2,399	5,145				

IMPLEMENTATION DATA ON SUBPROJECTS

Subloan No. a/	Name of Subproject	Location	Nature	Type of Industry	Project Cost (Rs Million)			Actual Financing (Rs Million)					% of ICICI Financing to Total Project Cost	Project Completion Dates		
					Estimated	Actual	Overrun (Under-run)	AID	ICICI	Sponsor	Others	Total		Estimated	Actual	Overrun (In Mos.)
Below Free Limit (continuation)																
042	Keventer Agro Private Ltd.	Baraset, West Bengal	New	Food processing	64	74	10	5	11	26	32	74	21.62	30-Jun-87	30-Sep-88	15
043	Nihon Nirman Ltd.	Nagaur District, Rajasthan	New	Non-metallic mineral products	250	490	240	13	95	62	320	490	22.04	31-Mar-90	31-Oct-91	19
045	Indian Rayon & Industries Ltd.	Panchalal, Gujarat	BMR	Electrical equipment mfg.	53	49	(4)	4	5	26	14	49	18.37	01-Jun-88	01-Jun-89	12
046	XLO Machine Tools Ltd.	Thane, Maharashtra	BMR	Machine tools mfg.	60	61	1	5	8	16	32	61	21.31	01-Sep-89	01-Dec-91	27
047	Maharashtra Safety Glass Ltd.	Pune, Maharashtra	Expansion	Glass mfg.	21	26	5	8	0	6	10	26	30.77	30-Jun-88	31-Mar-89	9
049	Invel Transmissions Ltd.	Faridabad, Haryana	New	Contact velocity joints & shafts mfg.	185	217	32	11	19	58	129	217	13.82	01-Jan-89	01-Jul-89	6
050	Straw Products Ltd.	Ghaziabad, Uttar Pradesh	Diversification	Audio-magnetic tapes mfg.	75	93	18	17	0	21	55	93	18.28	01-Apr-88	31-Mar-88	12
051	Indian Steel & Wire Products Ltd.	District Singhbhum, Bihar	BMR	Wire & wire products mfg.	172	162	(10)	5	15	74	68	162	12.35	01-Apr-89	01-Mar-90	11
052	Remington Rand of India Ltd.	Mysore, Karnataka	New	Electronic push button telephone mfg.	59	45	(14)	7	2	12	24	45	20.00	01-Apr-88	01-Mar-90	23
053	Lakshmpal National Ltd.	Dhar, Madhya Pradesh	Expansion	Dry cells mfg.	240	288	48	11	28	82	167	288	13.54	01-Dec-88	01-Oct-90	22
054	Nuchem Plastics Ltd.	Hissar, Haryana	Expansion	Fibre board mfg.	349	619	270	15	51	119	434	619	10.66	01-Aug-90	01-Apr-92	20
055	Nippon Denro Ispat Ltd.	Nagpur, Maharashtra	Expansion	Galvanized sheets mfg.	200	200	0	11	8	64	117	200	9.50	01-Dec-88	31-Oct-91	35
056	Morris Electronics Ltd.	Pune, Maharashtra	Expansion	Electronic products mfg.	32	32	0	8	8	10	6	32	50.00	31-Mar-89	31-Mar-89	0
058	Pasupati Acrylon Ltd.	Thakudwara, Uttar Pradesh	New	Acrylic fibres mfg.	1,004	1,254	250	23	89	262	880	1,254	8.93	01-Oct-90	23-Nov-90	2
059	Chokkani International Ltd.	Madras Port, Tamilnadu	New	Ship repair	620	732	112	39	52	140	501	732	12.43	01-Jul-91	01-Apr-92	9
062	SPIC Electronics & Systems Inc.	Chingleput, Tamilnadu	New	Electronic products mfg.	306	466	160	35	48	35	348	466	17.81	01-Mar-89	01-Mar-89	38
064	Indian Aluminum Co.	Mysore, Karnataka	Expansion	Electronic products mfg.	123	139	16	14	7	88	30	139	15.11	01-Jul-89	01-Jun-89	(1)
066	Carnih Ltd.	Tarapur, Maharashtra	Expansion	Mfg. of writing instruments	22	22	0	8	7	0	7	22	68.18	01-Jun-89	01-Feb-90	8
067	Cable Corporation of India	Bombay, Maharashtra	BMR	Electrical cables mfg.	21	21	0	11	0	10	0	21	52.38	01-Jun-89	01-Jun-89	0
069	Universal Cables Ltd.	Satna, Madhya Pradesh	BMR	Electrical cables mfg.	37	37	0	7	19	11	0	37	70.27	01-Apr-89	01-Dec-89	8
070	Parasurampuria Synthetics Ltd.	Alwar, Rajasthan	Expansion	Polyester filament yarn mfg.	198	198	0	17	18	66	97	198	17.66	31-Mar-90	31-Dec-89	(3)
076	Crompton Greaves Ltd.	Nasik, Maharashtra	New	Computers & logic controllers mfg.	34	34	0	9	5	8	12	34	41.18	01-Mar-88	01-May-88	2
077	Haryana Petrochemicals Ltd.	Mohindergaon, Haryana	Expansion	Textiles mfg.	170	172	2	7	21	55	90	172	12.00	31-Dec-89	30-Sep-89	(3)
078	Hindtron Technonix Instrument Ltd.	Bangalore, Karnataka	Expansion	Electronic measuring equipment mfg.	50	50	0	3	13	26	8	50	32.00	01-Jun-89	01-Dec-89	6
079	J. K. Synthetics Ltd.	Kota, Rajasthan	BMR	Synthetic filament yarn mfg.	125	128	3	41	0	40	47	128	32.03	01-Dec-89	02-Feb-90	2
080	SKF Bearings Ltd.	Bangalore, Karnataka	Expansion	Fabricated metal products mfg.	256	419	163	17	35	149	218	419	12.41	31-Dec-88	31-Dec-89	12
081	Polychem Ltd.	Pune, Maharashtra	Expansion	Polyvinyl alcohol mfg.	220	219	(1)	5	6	59	149	219	5.02	01-Apr-90	01-Apr-90	0
084	BPL Electronics Ltd.	Bangalore, Karnataka	New	Moulding tools & eqpmt. mfg.	17	15	(2)	10	0	5	0	15	66.67	01-Jan-91	01-Apr-91	3
085	Bharat Forge Ltd.	Pune, Maharashtra	BMR	Close die forgings mfg.	972	1,050	78	47	43	324	638	1,052	4.00	01-Sep-92	01-Apr-93	6
087	Antifriction Bearings Corp. Ltd.	Pune, Maharashtra	Expansion	Mfg. of machinery except electrical	43	44	1	10	16	18	0	44	50.00	01-Apr-91	01-Apr-91	0
088	Supreme Industries Ltd.	Bombay, Maharashtra	Expansion	Plastic products mfg.	263	260	(3)	6	8	198	48	260	5.36	01-Apr-91	01-Aug-91	4
089	Ananday Mills, Ltd.	Morbi, Gujarat	Expansion	Textiles mfg.	39	39	0	4	3	10	22	39	17.95	01-Oct-91	01-Oct-91	0
090	Trinity Engineers Ltd.	Pune, Maharashtra	Expansion	Forgings mfg.	134	181	47	16	14	51	100	181	7.40	01-Aug-92	31-Oct-93	14
091	Pholax Pipes Ltd.	Ratnagiri, Maharashtra	Expansion	Plastic pipes mfg.	3,520	5,814	2,294	43	302	4,090	1,379	5,814	5.20	01-Sep-93	NYC	NA
092	Nikamel Plastics Ltd.	Sisal, Nasik, Maharashtra	New	Plastic products mfg.	83	107	24	9	22	25	51	107	26.97	01-Sep-91	01-Jul-91	(2)
093	Trinity Engineers Ltd.	Pune, Maharashtra	Expansion	Forgings mfg.	134	-	-	-	-	-	-	-	0.00	31-Mar-93	NYC	NA
094	Wipro Systems Ltd.	Bangalore, Karnataka	BMR	Computer software development	7	4	(3)	4	0	0	0	4	100.00	01-Apr-91	01-Oct-91	6
095	Invel Transmission Ltd.	Faridabad, Haryana	Expansion	Velocity joints mfg.	6	6	0	1	0	5	0	6	18.67	01-Jun-91	01-Jul-91	1
098	Pelco Electronics & Electricals Ltd.	Pune, Maharashtra	BMR	Electronic products mfg.	9	7	(2)	6	0	1	0	7	85.71	01-Jun-91	30-Aug-91	2
097	Gujarat Alkalies & Chemicals Ltd.	Baroda, Gujarat	Expansion	Chemical products mfg.	280	312	32	163	42	37	70	312	65.71	30-Sep-87	26-Feb-88	5
099	Interfil India Ltd.	Andheri, Bombay, Maharashtra	Expansion	Electronics, semi-conductor	20	20	0	7	2	11	0	20	45.00	01-Mar-92	01-Mar-92	0
100	Parasurampuria Industries Ltd.	Magar, Haveli, Union Territory	Expansion	Filament yarn mfg.	430	575	145	60	65	94	356	575	21.74	01-Apr-92	NYC	NA
TOTAL					10,902	14,661		742	1,087	6,396	6,459	14,683				
Total Below Free Limit					15,649	19,826		1,111	1,665	8,204	8,649	19,826				
TOTAL					42,999	50,680		2,052	4,419	14,290	30,122	50,682				

a/ Subloans listed are those approved and disbursed; subloan numbers not listed were approved and/or authorized by the Bank but were subsequently cancelled/withdrawn.
Note: NYC = Not Yet Completed; NA = Not Applicable; BMR = Balancing, Modernization and Replacement.

SUMMARY OF ACTUAL AND PROJECTED OPERATIONS
(Rs million)

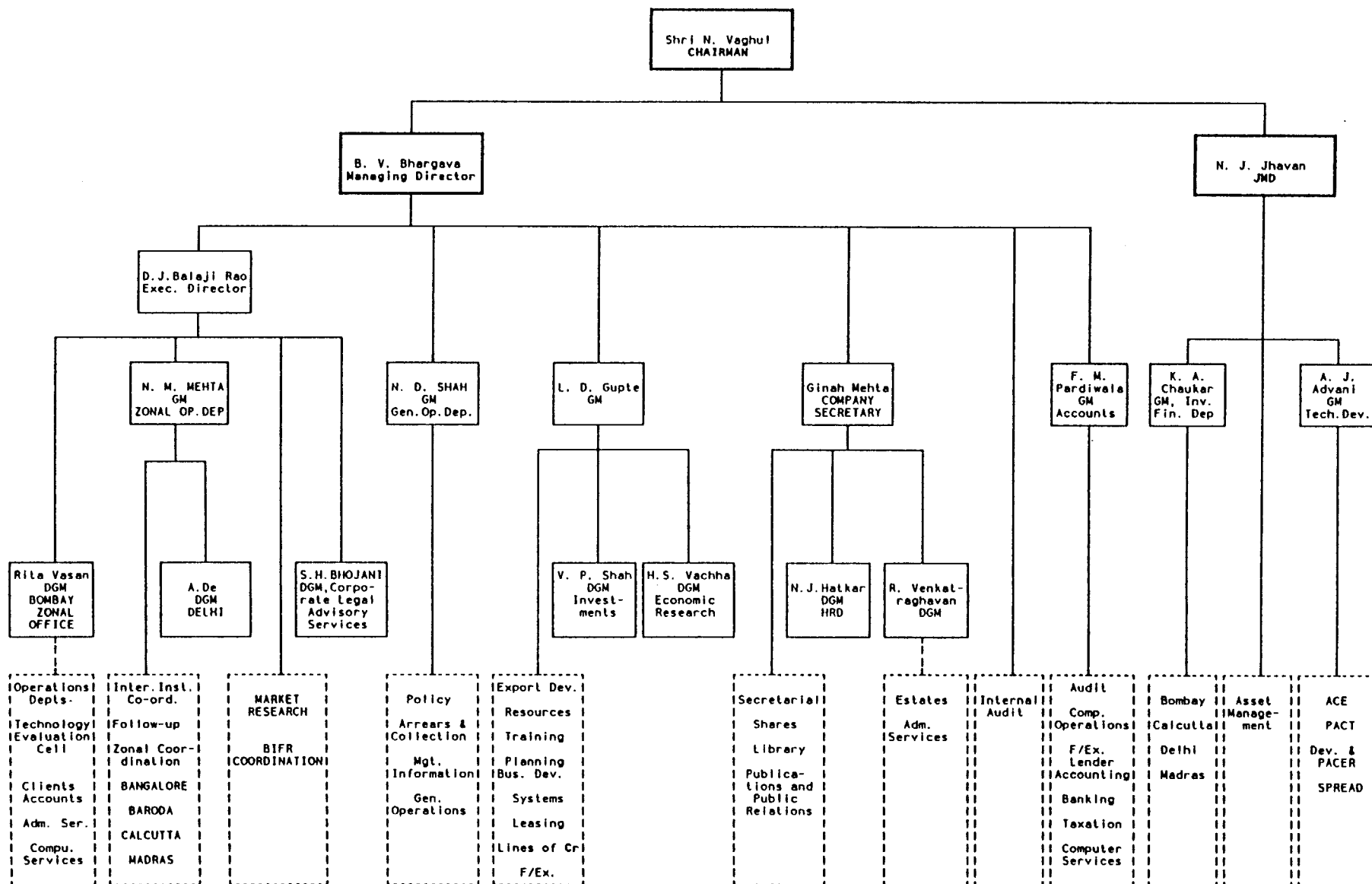
Fiscal Year a/	1985		1986		1987/88		1988/89		1989/90		1990/91	1991/92	1992/93	1993/94	1994/95	1995/96
	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Actual	Actual	Actual	Projected	Projected	Projected
APPROVALS																
Foreign Currency Loans	1,970.0	1,699.9	2,364.0	2,982.6	2,837.0	2,060.9	3,404.0	4,918.3	4,085.0	6,414.8	10,404.7	8,364.1	5,817.3	4,500.0	3,750.0	3,000.0
Rupee Loans	3,046.0	2,971.2	4,763.0	3,881.2	4,656.0	7,808.5	5,589.0	9,256.8	6,718.0	10,073.3	13,883.8	17,513.4	27,425.6	32,500.0	37,500.0	43,000.0
Guarantees	166.0	183.5	216.0	230.0	266.0	246.1	316.0	76.0	366.0	234.5	308.8	4,401.4	3,027.1	2,000.0	2,100.0	2,205.0
Investments	428.4	409.4	542.0	681.6	651.0	818.3	780.0	1,070.8	937.0	2,754.5	2,559.3	3,002.6	10,815.6	6,500.0	7,700.0	9,040.0
	5,608.4	5,264.0	7,885.0	7,775.4	8,410.0	10,933.8	10,089.0	15,321.9	12,106.0	19,477.1	27,156.6	33,281.5	47,085.6	45,500.0	51,050.0	57,245.0
Deferred Credit	881.0	871.0	900.0	1,357.0	936.0	2,234.0	1,124.0	2,660.0	1,351.0	5,474.9	5,134.0	5,823.5	4,642.0	5,000.0	5,500.0	6,000.0
Leasing	342.0	281.0	200.0	994.1	200.0	1,455.6	200.0	1,472.3	200.0	1,031.3	1,728.9	1,407.0	3,408.6	3,570.0	3,750.0	3,940.0
Instalment Sale	-	-	-	-	-	-	-	324.7	-	383.0	-	-	-	-	-	-
Asset Credit Scheme	-	-	-	-	-	-	-	-	-	2,139.7	3,420.8	2,546.5	3,690.8	4,437.0	5,324.0	6,389.0
Venture Capital	-	-	-	-	-	48.2	-	2.0	-	-	-	-	-	-	-	-
	1,223.00	1,152.00	1,100.00	2,351.10	1,136.00	3,737.80	1,324.00	4,459.00	1,551.00	9,028.90	10,283.70	9,777.00	11,741.40	13,007.00	14,574.00	16,329.00
Total	6,831.4	6,416.0	8,985.0	10,126.5	9,546.0	14,671.6	11,413.0	19,780.9	13,657.0	28,506.0	37,440.3	43,058.5	58,827.0	58,507.0	65,624.0	73,574.0
COMMITMENTS																
Foreign Currency Loans	1,448.3	1,460.8	2,101.0	2,296.8	2,537.0	2,461.3	3,045.0	2,615.4	3,654.0	4,061.8	5,673.2	9,673.5	6,116.0			
Rupee Loans	2,510.1	2,510.1	3,831.0	3,577.7	3,851.0	5,381.9	4,457.0	7,292.8	5,353.0	8,780.0	11,766.2	10,151.3	20,273.2			
Guarantees	38.1	38.1	191.0	234.5	266.0	92.2	316.0	72.1	366.0	106.4	31.7	229.5	339.6			
Investments	272.5	303.8	279.0	437.2	507.0	184.5	598.0	167.2	718.0	587.4	539.6	528.2	839.9			
	4,269.0	4,312.8	6,402.0	6,546.2	7,161.0	8,119.9	8,416.0	10,147.5	10,091.0	13,535.6	18,010.7	20,562.5	27,568.7			
Deferred Credit	702.2	702.2	729.0	1,066.4	768.0	1,034.0	896.0	1,765.1	1,077.0	3,348.0	3,532.3	1,378.6	1,971.4			
Leasing	258.6	258.6	170.0	782.5	170.0	1,053.8	170.0	1,264.4	170.0	656.2	1,179.3	1,009.0	2,789.3			
Instalment Sale	-	-	-	-	-	-	-	230.1	-	52.0	-	-	-			
Asset Credit Scheme	-	-	-	-	-	-	-	-	-	946.0	2,214.5	2,488.0	3,029.6			
Venture Capital	-	-	-	-	-	31.8	-	2.0	-	-	-	-	-			
	960.8	960.8	899.0	1,848.9	938.0	2,119.6	1,066.0	3,281.6	1,247.0	5,002.2	6,926.1	4,875.6	7,790.3			
Total	5,229.8	5,273.6	7,301.0	8,395.1	8,099.0	10,239.5	9,482.0	13,429.1	11,336.0	18,537.8	24,936.8	25,458.1	35,359.0			
DISBURSEMENTS																
Foreign Currency Loans	1,260.4	1,345.5	1,567.0	1,791.7	1,913.0	2,510.4	2,309.0	1,721.1	2,771.0	2,215.1	3,558.1	7,211.2	7,271.1	4,500.0	3,000.0	2,500.0
Rupee Loans	2,217.2	2,218.3	2,792.0	2,839.9	3,743.0	5,120.1	4,403.0	6,313.2	5,071.0	5,917.0	9,340.1	10,661.2	18,625.6	27,000.0	32,500.0	37,500.0
Guarantees	4.9	4.8	-	7.1	-	18.4	-	21.9	-	20.1	31.7	1.9	0.0			
Investments	112.5	115.0	73.0	212.0	192.0	349.0	258.0	365.9	308.0	980.7	1,134.4	797.4	1,423.2	4,500.0	5,400.0	6,480.0
	3,615.0	3,683.6	4,432.0	4,850.7	5,848.0	7,997.9	6,970.0	8,422.1	8,150.0	9,132.9	14,064.3	18,671.7	27,319.9	36,000.0	40,900.0	46,480.0
Deferred Credit	544.5	544.5	590.0	808.1	719.0	980.3	825.0	1,468.0	940.0	3,086.3	2,651.4	1,843.9	1,580.5	1,750.0	2,000.0	2,250.0
Leasing	158.7	158.7	150.0	373.6	150.0	795.0	150.0	861.6	150.0	698.2	1,106.1	780.4	1,749.5	1,670.0	2,800.0	3,140.0
Instalment Sale	-	-	-	-	-	-	-	102.0	-	75.3	46.3	13.0	0.0			
Asset Credit Scheme	-	-	-	-	-	-	-	-	-	577.8	1,807.2	2,203.7	2,521.9	3,500.0	4,148.0	4,955.0
Venture Capital	-	-	-	-	-	29.7	-	2.4	-	-	-	-	-			
	703.2	703.2	740.0	1,181.7	869.0	1,805.0	975.0	2,434.0	1,090.0	4,437.6	5,611.0	4,841.0	5,831.9	6,920.0	8,748.0	10,345.0
Total	4,318.2	4,386.8	5,172.0	6,032.4	6,717.0	9,802.9	7,945.0	10,856.1	9,240.0	13,570.5	19,675.3	23,512.7	33,151.8	42,920.0	49,648.0	56,825.0

a/ Years ending 31 December to 1986 and 31 March thereafter. 15 month data for 1987 and 1988.

Note: Projections were made at appraisal before the change in Fiscal Year from 31 December to 31 March.

THE INDUSTRIAL CREDIT AND INVESTMENT CORPORATION OF INDIA LIMITED

ORGANIZATION CHART



ACTUAL AND PROJECTED INCOME STATEMENTS
(Rs million)

Fiscal Year a/	1985		1986		1987/88		1988/89		1989/90		1990/91	1991/92	1992/93	1993/94	1994/95	1995/96
	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Actual	Actual	Actual	Projected	Projected	Projected
REVENUE b/																
Interest from Loans c/	1,850.7	1,829.0	2,342.7	2,304.0	2,813.7	3,548.0	3,352.8	3,591.0	3,956.0	4,609.0	6,062.0	9,305.0	11,879.2	15,962.0	19,350.0	22,330.0
Interest from debentures	43.3	45.0	50.5	58.0	55.1	77.0	63.3	41.0	74.8	83.0	202.0	306.0	352.2			
Other Income	253.1	243.0	260.4	440.0	318.3	719.0	363.7	975.0	420.4	1,437.0	1,867.0	2,282.0	2,006.1	2,607.0	3,129.0	3,754.0
Capital gains	-	40.0	-	170.0	-	125.0	-	135.0	-	133.0	296.0	717.0	0.0	250.0	250.0	250.0
Dividend income	-	31.0	-	42.0	-	68.0	-	66.0	-	86.0	110.0	153.0	238.5	282.0	251.0	250.0
Lease income	-	44.0	-	84.0	-	230.0	-	353.0	-	494.0	701.0	988.0	1,210.6	1,630.0	2,100.0	2,640.0
Merchant banking income	-	17.0	-	23.0	-	33.0	-	35.0	-	59.0	58.0	78.0	121.7			
Others	-	111.0	-	121.0	-	263.0	-	386.0	-	665.0	702	348.0	435.3	445.0	528.0	614.0
Total	2,147.1	2,117.0	2,653.6	2,800.0	3,187.1	4,344.0	3,779.8	4,607.0	4,452.0	6,129.0	8,130.0	11,892.0	14,237.5	18,569.0	22,479.0	26,084.0
OPERATING EXPENSES																
Interest from borrowings	1,459.3	1,444.0	1,834.0	1,835.0	2,206.0	3,087.0	2,572.9	3,309.0	3,065.0	4,418.0	5,800.0	7,812.0	10,437.9	12,484.0	14,314.0	16,872.0
Administration expenses	73.2	42.0	87.0	50.0	103.0	69.0	122.5	66.0	145.0	86.0	99.0	119.0	399.6	490.0	554.0	622.0
Depreciation	33.8	34.0	55.5	110.0	74.9	177.0	94.6	187.0	113.8	274.0	368.0	496.0	610.4	877.0	1,120.0	1,503.0
Other expense	8.6	41.0	-	75.0	-	84.0	-	107.0	-	169.0	216.0	1,113.0	453.8	496.0	597.0	683.0
Bad Debts Write-offs	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1,000.0	1,100.0	800.0
Total	1,574.7	1,561.0	1,978.5	2,070.0	2,383.9	3,417.0	2,790.0	3,669.0	3,324.0	4,947.0	6,482.0	9,539.0	11,901.7	15,347.0	17,685.0	20,480.0
INCOME (BEFORE TAX)	572.4	557.0	677.1	729.0	803.2	926.0	989.8	937.0	1,128.0	1,181.0	1,648.0	2,353.0	2,335.8	3,222.0	4,794.0	5,604.0
Provision for tax	140.9	157.0	295.6	118.0	356.9	155.0	448.0	150.0	469.0	210.0	300.0	340.0	482.5	845.0	1,642.0	1,630.0
NET INCOME	431.5	400.0	381.5	611.0	446.3	771.0	541.8	787.0	658.6	971.0	1,348.0	2,013.0	1,853.3	2,377.0	3,152.0	3,974.0
RATIOS																
Return on average equity (%)	27.8	26.0	19.8	28.9	19.7	27.1	20.2	22.3	20.5	22.5	24.6	26.5	15.9	16.7	17.8	16.5
Return on average total assets (%)	2.2	2.1	1.6	2.4	1.6	2.3	1.6	1.8	1.7	1.8	2.0	2.2	1.5	1.7	2.0	2.2
Administrative and general expenses/average total assets (%)	0.4	0.4	0.4	0.5	0.4	0.5	0.4	0.4	0.4	0.5	0.5	1.3	0.7	0.7	0.7	0.7
Interest spread d/	2.8	2.9	3.2	2.7	3.1	2.7	3.1	1.7	2.9	1.4	1.9	3.6	3.6	5.1	6.1	5.9
Earnings spread e/	2.7	3.0	3.1	3.6	3.0	3.2	3.0	2.5	2.8	2.2	2.9	4.9	4.8	6.4	8.0	8.3

a/ Years ending 31 December to 1986 and 31 March thereafter. 15-month results for 1987-88 with ratios annualised.

b/ Income is net of IDNA provisions and write-offs.

c/ Interest on loans excludes interest on loans in arrears over one year.

d/ Interest spread=(Income from loans divided by Average loan portfolio) less (Interest expenses divided by Average long-term liabilities)

e/ Earnings spread=(Income from total portfolio divided by Average loan plus investment portfolio) less (Interest expenses plus dividends divided by Average long-term liabilities plus equity)

ACTUAL AND PROJECTED BALANCE SHEETS
(Rs million)

Fiscal Year a/	1985		1986		1987/88		1988/89		1989/90		1990/91	1991/92	1992/93	1993/94	1994/95	1995/96
	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Actual	Actual	Actual	Projected	Projected	Projected
CURRENT ASSETS																
Cash and bank balances	1,505.0	1,473.0	1,575.0	1,511.0	1,297.0	3,563.0	1,088.0	2,779.0	1,288.0	3,919.0	1,863.0	3,504.0	2,629.0			
Current portion of loans	2,409.0	2,473.0	2,669.0	3,363.0	3,467.0	4,387.0	4,134.0	5,452.0	4,910.0	6,730.0	8,348.0	18,497.0	16,363.4			
Other assets and advances	1,384.0	1,269.0	1,759.0	1,529.0	2,084.0	2,025.0	2,444.0	2,956.0	2,853.0	3,337.0	6,907.0	18,416.0	21,071.7			
Total	5,298.0	5,215.0	6,003.0	6,403.0	6,848.0	9,975.0	7,666.0	11,187.0	9,051.0	13,986.0	16,918.0	38,417.0	40,084.1	24,021.0	24,571.0	24,891.0
INVESTMENTS																
Equity shares	517.0	836.0	527.0	829.0	616.0	1,315.0	752.0	2,058.0	917.0	2,302.0	2,849.0	3,504.0	4,927.7			
Debentures	354.0	356.0	379.0	470.0	401.0	325.0	473.0	412.0	548.0	1,033.0	1,890.0	2,279.0	2,581.3			
Other investments	290.0	-	316.0	-	329.0	-	331.0	-	303.0	-	-	-	-			
Total	1,161.0	1,192.0	1,222.0	1,299.0	1,346.0	1,640.0	1,556.0	2,470.0	1,768.0	3,335.0	4,739.0	5,783.0	7,509.0	11,547.0	16,247.0	21,624.0
LOANS																
Rupee loans	9,933.0	11,398.0	11,888.0	14,120.0	14,291.0	19,041.0	16,986.0	25,797.0	19,907.0	33,835.0	45,274.0	54,423.0	69,512.8	83,133.0	98,509.0	115,064.0
Foreign currency loans	5,823.0	6,841.0	6,950.0	9,267.0	7,730.0	10,963.0	8,776.0	12,088.0	10,069.0	12,778.0	16,030.0	23,208.0	26,355.8	25,754.0	22,669.0	18,991.0
less current portion	(2,473.0)	(2,473.0)	(3,363.0)	(3,363.0)	(4,387.0)	(4,387.0)	(5,452.0)	(5,452.0)	(6,730.0)	(6,730.0)	(8,348.0)	(18,497.0)	(16,363.4)			
Total	15,756.0	15,766.0	18,838.0	20,024.0	22,021.0	25,617.0	25,762.0	32,433.0	29,976.0	39,883.0	52,956.0	61,134.0	79,505.1	108,887.0	121,178.0	134,055.0
FIXED ASSETS	242.0	193.0	431.0	349.0	523.0	730.0	606.0	1,094.0	658.0	1,607.0	2,376.0	2,489.0	3,546.1	4,095.0	5,100.0	6,492.0
OTHER ASSETS	20.0	50.0	18.0	59.0	16.0	127.0	14.0	168.0	12.0	207.0	229.0	388.0	494.4	501.0	501.0	501.0
TOTAL ASSETS	22,477.0	22,416.0	26,512.0	28,134.0	30,754.0	38,089.0	35,604.0	47,352.0	41,465.0	59,018.0	77,218.0	108,211.0	131,118.8	149,051.0	167,597.0	187,563.0
LIABILITIES AND EQUITY																
CURRENT LIABILITIES																
Payables	1,152.0	1,089.0	1,475.0	1,231.0	1,736.0	1,652.0	2,047.0	2,086.0	2,330.0	2,641.0	3,945.0	4,819.0	5,253.8			
Current portion of Long-Term debt	979.0	1,082.0	1,046.0	1,215.0	1,202.0	3,037.0	1,347.0	4,495.0	1,751.0	3,595.0	5,168.0	8,677.0	9,172.9			
Total	2,131.0	2,171.0	2,521.0	2,446.0	2,938.0	4,689.0	3,394.0	6,581.0	4,081.0	6,236.0	9,111.0	13,496.0	14,426.7	7,579.0	7,579.0	7,579.0
LONG-TERM LIABILITIES																
Local currency	12,825.0	12,972.0	15,066.0	15,273.0	17,547.0	19,999.0	20,373.0	24,205.0	23,474.0	30,031.0	40,872.0	50,720.0	62,460.1			
Convertible debentures	-	45.0	-	-	-	-	-	-	-	748.0	528.0	524.0	3,318.7			
Foreign currency debt	5,745.0	6,560.0	6,847.0	9,155.0	7,824.0	13,227.0	8,929.0	17,213.0	10,384.0	20,827.0	25,068.0	43,187.0	45,096.7			
less current portion	(1,082.0)	(1,082.0)	(1,215.0)	(1,215.0)	(1,202.0)	(3,037.0)	(1,347.0)	(4,495.0)	(1,751.0)	(3,595.0)	(5,168.0)	(8,677.0)	(9,172.9)			
Total Long-term Liabilities	18,570.0	18,495.0	21,913.0	23,213.0	25,371.0	30,189.0	29,302.0	36,923.0	33,858.0	48,011.0	61,872.0	85,754.0	102,302.7	127,373.0	138,772.0	152,957.0
EQUITY																
Share capital	495.0	495.0	495.0	670.0	495.0	800.0	495.0	801.0	540.0	916.0	1,146.0	1,707.0	2,410.8	2,471.0	2,981.0	3,681.0
Reserves	1,281.0	1,255.0	1,583.0	1,804.0	1,950.0	2,408.0	2,413.0	3,045.0	2,968.0	3,856.0	5,059.0	7,253.0	11,978.6	11,628.0	18,265.0	23,346.0
Total Equity	1,776.0	1,750.0	2,078.0	2,474.0	2,445.0	3,208.0	2,908.0	3,846.0	3,526.0	4,771.0	6,205.0	8,960.0	14,389.4	14,099.0	21,246.0	27,027.0
TOTAL LIABILITIES AND EQUITY	22,477.0	22,416.0	26,512.0	28,133.0	30,754.0	38,088.0	35,604.0	47,350.0	41,465.0	59,018.0	77,218.0	108,210.0	131,118.8	149,051.0	167,597.0	187,563.0
Contingent Liabilities		292	-	375.0	-	422.0	-	409.0	-	669.0	927.0	1,837.0	3,346.0			
RATIOS																
Current ratio b/	2.5	2.4	2.4	2.6	2.3	2.1	2.3	1.7	2.2	2.2	1.9	2.8	2.8	3.2	3.2	3.3
Debt/equity ratio c/	10.5	10.6	10.5	9.4	10.4	9.4	10.1	9.6	9.6	10.1	10.0	9.6	7.1	9.0	6.5	5.7
a/ Years ending 31 December to 1986 and 31 March thereafter. 15 month data for 1987/88 Note: Projections were made at appraisal before the change in Fiscal Year from 31 December to 31 March.																
b/ Current assets divided by current liabilities.																
c/ Total long-term liabilities divided by total equity.																

ACTUAL AND PROJECTED CASH FLOW STATEMENTS

(Rs million)

Fiscal Year a/	1985		1986		1987/88		1988/89		1989/90		1990/91	1991/92	1992/93	1993/94	1994/95	1995/96
	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Actual	Actual	Actual	Projected	Projected	Projected
SOURCES																
Profit before interest & taxes	572.0	2,001.0	677.0	2,565.0	803.0	4,014.0	990.0	4,246.0	1,128.0	5,600.0	7,448.0	10,141.0	12,773.7	4,221.4	8,893.8	6,405.3
Add back: Non-cash charges	34.0	122.0	56.0	254.0	76.0	447.0	96.0	434.0	115.0	796.0	1,039.0	1,364.0	1,323.0	877.1	1,119.9	1,502.6
Cash generation from operations	606.0	2,123.0	733.0	2,819.0	879.0	4,461.0	1,086.0	4,680.0	1,243.0	6,396.0	8,487.0	11,505.0	14,096.7	5,098.5	7,013.7	7,907.9
Loan collections:																
Rupee loans	929.0	933.0	1,286.0	1,195.0	1,410.0	1,800.0	1,953.0	1,801.0	2,437.0	2,605.0	3,910.0	5,568.0	8,811.3	18,177.7	22,764.9	27,871.3
Foreign currency loans	643.0	643.0	846.0	883.0	984.0	1,483.0	1,176.0	1,409.0	1,355.0	1,942.0	1,565.0	2,089.0	2,448.2	4,602.0	5,534.8	5,778.0
Sales from portfolio:	56.0	59.0	46.0	206.0	103.0	355.0	91.0	140.0	151.0	178.0	360.0	440.0	297.3	413.4	658.0	981.4
Interest & commitment charge payable	1,459.0	—	1,834.0	—	2,206.0	—	2,573.0	—	3,065.0	—	—	—	—	12,483.4	14,313.6	16,872.0
Sources available for debt service (A)	3,693.0	3,758.0	4,745.0	5,103.0	5,582.0	8,098.0	6,879.0	8,031.0	8,251.0	11,120.0	14,322.0	19,602.0	25,653.5	40,775.0	50,285.0	59,410.6
Increase in Share Capital:																
Right issues	—	90.0	—	175.0	—	130.0	—	—	—	115.0	230.0	1,128.0	—	—	—	—
Conversion	90.0	(90.0)	—	(45.0)	—	—	—	—	45.0	748.0	—	—	1,399.9	300.0	4,800.0	2,800.0
Drawdown on loans:																
Rupee	3,215.0	3,235.0	2,392.0	2,517.0	2,654.0	5,119.0	3,067.0	5,664.0	3,634.0	6,508.0	11,522.0	13,419.0	22,324.8	33,186.9	32,038.2	32,897.4
Foreign currency borrowings	1,336.0	1,356.0	1,997.0	2,126.0	2,006.0	8,312.0	2,211.0	6,378.0	2,673.0	4,803.0	2,891.0	5,158.0	3,838.5	1,619.5	1,433.2	0.0
Total	8,334.0	8,348.0	9,134.0	9,876.0	10,242.0	21,659.0	12,157.0	20,072.0	14,603.0	23,294.0	28,965.0	39,307.0	53,216.7	75,881.4	88,556.4	95,108.0
APPLICATIONS																
Repayments:																
Interest & commitment charge payable	1,459.0	1,444.0	1,834.0	1,835.0	2,206.0	3,087.0	2,573.0	3,309.0	3,065.0	4,418.0	5,800.0	7,789.0	10,437.8	12,483.4	14,313.6	16,872.0
Rupee loans	81.0	218.0	101.0	192.0	151.0	510.0	173.0	1,455.0	196.0	578.0	1,008.0	3,462.0	6,373.7	15,977.0	12,000.0	8,720.0
Convertible debentures	90.0	—	—	—	—	—	—	—	45.0	—	—	—	1,399.9	—	—	—
Foreign currency loans	704.0	680.0	788.0	912.0	895.0	5,134.0	1,029.0	3,753.0	1,106.0	1,959.0	2,527.0	1,705.0	3,358.8	2,638.2	9,772.9	7,192.6
Redemption of Rupee debentures	135.0	—	90.0	—	—	—	—	—	—	—	—	—	165.0	—	—	—
Required for debt-service (B)	2,469.0	2,342.0	2,813.0	2,939.0	3,252.0	8,731.0	3,775.0	8,518.0	4,412.0	6,955.0	9,335.0	12,056.0	21,735.2	31,098.6	36,086.5	32,784.6
Disbursement of Loans:																
Rupee loans	2,767.0	2,830.0	3,382.0	3,980.0	4,462.0	6,149.0	5,228.0	8,266.0	6,011.0	9,933.0	14,564.0	15,588.0	24,767.6	33,600.2	40,898.4	47,524.8
Foreign currency loans	1,280.0	1,350.0	2,092.0	1,792.0	1,913.0	2,510.0	2,309.0	1,367.0	2,771.0	1,870.0	2,825.0	6,334.0	5,389.0	4,500.0	3,000.0	2,500.0
Investments:																
Shares	51.0	66.0	39.0	70.0	115.0	266.0	165.0	333.0	196.0	209.0	813.0	896.0	797.7	2,000.0	2,400.0	2,880.0
Debentures	61.0	61.0	35.0	134.0	77.0	83.0	93.0	119.0	112.0	683.0	978.0	627.0	755.0	2,800.0	3,300.0	6,400.0
Capital Expenditure	302.0	128.0	278.0	276.0	203.0	624.0	222.0	593.0	222.0	826.0	1,142.0	734.0	2,226.8	75.0	75.0	75.0
Payment of tax	141.0	157.0	296.0	118.0	357.0	155.0	448.0	150.0	469.0	210.0	300.0	340.0	482.5	845.1	1,641.7	1,629.8
Payment of dividend	72.0	77.0	79.0	90.0	79.0	167.0	79.0	152.0	86.0	161.0	202.0	395.0	445.1	642.4	804.8	993.8
Changes in working capital	1,191.0	1,341.0	120.0	479.0	(216.0)	2,974.0	(162.0)	575.0	324.0	2,447.0	(1,195.0)	1,437.0	(3,382.2)	320.0	550.0	320.0
Total	8,334.0	8,348.0	9,134.0	9,876.0	10,242.0	21,659.0	12,157.0	20,072.0	14,603.0	23,294.0	28,965.0	39,307.0	53,216.7	75,881.3	88,556.4	95,108.0
RATIO:																
Debt-service coverage ratio (A/B)	1.5	1.6	1.7	1.7	1.7	0.9	1.8	0.9	1.9	1.6	1.5	1.5	1.2	1.3	1.4	1.8

a/ Years ending 31 December to 1986 and 31 March thereafter. 15 month data for 1987/88

Note: Projections were made at time of appraisal before the change in Fiscal Year from 31 December to 31 March.

(Reference in text: page 6, para. 31)

LOAN PORTFOLIO ARREARS

(Rs million)

As of: Item	31 Dec. 1985	31 Dec. 1986	31 Mar. 1988	31 Mar. 1989	31 Mar. 1990	31 Mar. 1991	31 Mar. 1992	31 Mar. 1993
1. Portfolio Details								
a. Total loans outstanding	18,238.8	23,386.6	30,003.5	37,884.9	46,613.5	61,304.2	77,631.1	95,793.9
b. Total loans in repayment stage	9,069.9	12,993.8	15,039.0	20,636.7	28,937.5	36,004.9	44,519.9	67,249.8
c. Total loans affected by arrears	2,106.4	2,423.6	2,985.6	2,860.5	3,313.2	4,781.7	8,998.1	9,095.4
d. Total arrears – Principal	264.5	390.9	623.3	654.1	669.2	902.7	1,602.8	2,311.2
– Interest	236.5	366.5	502.8	541.5	659.4	1,083.6	1,803.5	2,543.0
– Total	501.0	757.4	1,126.1	1,195.6	1,328.6	1,986.3	3,406.3	4,854.2
2. Arrears Ageing								
Less than 3 months	27.5	7.8	1.3	2.2	0.4	2.1	7.0	3.6
3 – 6 months	31.7	17.7	27.8	2.5	2.3	2.6	8.2	9.7
6 – 12 months	84.3	123.7	114.8	17.6	9.6	49.4	127.5	32.7
12 months and longer	357.5	608.2	982.2	1,173.3	1,316.3	1,932.2	3,263.6	4,808.2
	501.0	757.4	1,126.1	1,195.6	1,328.6	1,986.3	3,406.3	4,854.2
3. Ratios (%):								
Total arrears to total loans outstanding	2.7	3.2	3.7	3.2	2.8	3.2	4.4	5.1
Total arrears to total loans in repayment stage	5.5	5.8	7.5	5.8	4.5	5.5	7.6	7.2
Total arrears affected loans to total loans	11.5	10.4	9.9	7.5	7.1	7.8	11.5	9.5

Note: Total arrears as of 31 Mar. 1992 and 31 Mar. 1993 exclude debenture arrears of Rs 124.0 million and Rs 131.5 million, respectively.

COLLECTION PERFORMANCE

(Rs million)

As of: Item	31 Mar. 1990	31 Mar. 1991	31 Mar. 1992	31 Mar. 1993
Arrears at beginning of the year:				
Principal	701.6	721.2	962.2	1,668.3
Interest	569.3	695.6	1,133.4	1,862.0
Total	1,270.9	1,416.8	2,095.6	3,530.3
Current dues during the year:				
Principal	3,800.1	4,998.4	7,089.5	10,607.5
Interest	4,225.1	5,596.1	7,483.1	10,637.0
Total	8,025.2	10,594.5	14,572.6	21,244.5
Total Arrears beginning and Current dues during the year:				
Principal	4,501.7	5,719.6	8,051.7	12,275.8
Interest	4,794.4	6,291.7	8,616.5	12,499.0
Total	9,296.1	12,011.3	16,668.2	24,774.8
Cash collected during the year from current dues:				
Principal	3,076.3	4,207.5	5,756.1	8,574.1
Interest	3,439.7	4,629.6	6,014.1	8,940.6
Total	6,516.0	8,837.1	11,770.2	17,514.7
Cash collected during the year from past dues:				
Principal	40.5	57.9	48.1	114.4
Interest	61.8	53.5	98.1	226.8
Total	102.3	111.4	146.2	341.2
Total Cash collected during the year:				
Principal	3,116.8	4,265.4	5,804.2	8,688.5
Interest	3,501.5	4,683.1	6,112.2	9,167.4
Total	6,618.3	8,948.5	11,916.4	17,855.9
Collection ratio on current dues (%):				
Principal	81.0	84.2	81.2	80.8
Interest	81.4	82.7	80.4	84.1
Total	81.2	83.4	80.8	82.4
Collection ratio on past dues (%):				
Principal	5.8	8.0	5.0	6.9
Interest	10.9	7.7	8.7	12.2
Total	8.0	7.9	7.0	9.7
Collection ratio on total dues (%):				
Principal	69.2	74.6	72.1	70.8
Interest	73.0	74.4	70.9	73.3
Total	71.2	74.5	71.5	72.1

ANNUAL PROFIT OR (LOSS)
(Rs '000)

Sub-Loan No. a/	Name of Subborrower	1988	1989	1990	1991	1992	1993
Above Free Limit							
002	Hindustan Motors Ltd.			Project abandoned			
019	Cosmo Films Ltd.	16,500	(19,600)	(16,000)	(3,000)	9,100	10,600
044	Indian Rayon & Industries Ltd.	59,800	98,100	197,800	150,400	378,400	NA
057	Essar Gujarat Ltd.	72,500	112,200	140,000	456,600	729,600	NA
060	Gujarat Narmada Valley Fertilizers Co. Ltd.	2,377	663	568	2,566	4,167	NA
063	Gujarat Alkalies & Chemicals Ltd.	261	583	758	1,511	1,804	NA
068	Deepak Fertilizers & Petrochemicals Corp. Ltd.	-	694	1,204	1,970	277	NA
072	Indian Acrylics Ltd.			Commercial production started in March 1993			
073	Reliance Petrochemicals Ltd.			Merged with Reliance Industries from January 1992			
074	Bombay Offshore Supplies & Services Ltd.	6,300	11,200	(25,500)	(34,500)	NA	NA
075	Century Enka Ltd.	352,500	NA	685,900	325,600	171,400	NA
083	Raymond Woolen Mills Ltd.	85,200	211,000	184,900	299,400	422,000	NA
Below Free Limit							
004	Orient Paper & Industries Ltd.	-	-	(57,571)	(75,575)	(65,008)	NA
005	Crompton Greaves Ltd.	-	77,400	138,300	12,300	108,500	173,195
006	Modern Woolens Ltd.		21,300	23,900	58,500	58,300	NA
007	Television & Components Pvt. Ltd.	318	203	84	49	74	NA
008	IEL Limited	NA	NA	NA	NA	NA	NA
009	Lakshmi Machine Works Ltd.	38,400	61,000	97,500	100,000	347,900	NA
010	Videocon International Ltd.	3,200	63,200	444,500	461,500	394,600	481,300
011	Tata Telecom Ltd.	-	1,700	16,300	28,200	9,800	NA
012	Larsen & Toubro Ltd.	-	370,000	430,000	870,000	1,100,000	NA
013	LML Limited			(20,500)	22,900	(224,900)	NA
014	Cemindia Co., Ltd.	NA	NA	NA	7,522	5,873	15,093
015	K. G. Gluco Biols Ltd.	-	-	-	(27,700)	(75,300)	(78,300)
016	Gujarat Spinners Ltd.	1	(3)	-	19	35	172
017	Majestic Auto Ltd.	9,400	(21,200)	(48,400)	(35,900)	(16,700)	NA
018	Spartek Ceramics (India) Ltd.	29,700	21,400	36,900	40,100	58,300	NA
021	Rahkamal Synthetics Ltd.	4,200	100	3,600	(6,500)	5,200	Closed
023	Indian Plywood Manufacturing Co.	3,406	2,818	2,500	995	(68,218)	NA
024	Standard Medical & Pharmaceuticals Ltd.	NA	(17,100)	(17,300)	(10,000)	(15,500)	NA
025	Gujarat Narmada Valley Fertilizers Co. Ltd.	2,377	663	568	2,566	4,167	NA
027	Indian Rayon & Industries Ltd.	59,800	98,100	197,800	150,400	378,400	NA
028	Crompton Greaves Ltd.			See Subloan No. 2 above			
029	Shriram Fibres Ltd.	-	52,000	-	184,000	4,700	NA
031	Hi-Rel Components (India) Pvt. Ltd.	-	-	(7,800)	(1,600)	1,000	11,500
032	KDB Industries Ltd.	-	-	-	-	-	(815)
033	Century Enka Ltd.			See Subloan No. 11 above			
035	Hindustan Pipe Udyog Ltd.	31,900	(26,000)	56,900	90,200	57,700	40,600
036	Jain Irrigation Systems Ltd.	-	-	11,000	29,126	56,600	NA
037	Keltron Components Complex Ltd.	2,100	8,200	8,500	11,900	NA	NA
038	Electronics Research Pvt. Ltd.	-	153	138	464	512	NA
039	Tainwala Chemicals & Plastics Ltd.	-	3,900	3,300	6,100	9,800	NA
040	Bajaj Auto Ltd.	-	-	-	563,400	447,400	520,500

a/ Subloans listed are those approved and disbursed; subloan numbers not listed were approved and/or authorized by the Bank but were subsequently cancelled/withdrawn.

ANNUAL PROFIT OR (LOSS)
(Rs '000)

Sub-Loan No. a/	Name of Subborrower	1988	1989	1990	1991	1992	1993
Below Free Limit (continuation)							
042	Keventer Agro Private Ltd.	-	-	447	(36)	14	(165)
043	Nihon Nirmaan Ltd.	-	-	-	-	(30,000)	NA
045	Indian Rayon & Industries Ltd.	59,800	98,100	197,800	150,400	378,400	NA
046	XLO Machine Tools Ltd.	1,748	1,425	(4,995)	(3,444)	900	NA
047	Maharashtra Safety Glass Ltd.	2,500	1,800	5,000	5,000	NA	NA
048	Raigad Castings Ltd.	-	(1,400)	0	(9,700)	(900)	NA
049	Invel Transmissions Ltd.	-	(11,500)	1,800	8,100	13,600	11,500
050	Straw Products Ltd.	-	(2,051)	(30,505)	(21,076)	(16,449)	NA
051	Indian Steel & Wire Products Ltd.	(32,600)	6,400	4,300	(24,800)	25,800	3,000
052	Remington Rand of India Ltd.	-	-	-	(9,688)	(5,217)	(9,524)
053	Lakhanpal National Ltd.	104	115	77	255	335	301
054	Nuchem Plastics Ltd.	(8,900)	(11,200)	19,200	1,200	2,000	(136,800)
055	Nippon Denro Ispat Ltd.	-	-	-	(30,330)	(14,996)	NA
056	Morris Electronics Ltd.	(1,200)	(6,100)	(12,600)	3,200	1,100	28,385
058	Pasupati Acrylon Ltd.	-	-	-	(37,300)	80	507
059	Chokkani International Ltd.	-	-	-	-	(2,500)	NA
062	SPIC ELectionics & Systems Inc.	-	-	(5,303)	(7,159)	2,345	NA
064	Indian Aluminum Co.	-	-	-	-	442	943
066	Camlin LTd.	7,783	7,458	18,272	7,874	12,390	NA
067	Cable Corporation of India	-	103,400	98,900	85,700	173,900	NA
069	Universal Cables Ltd.	55,100	83,100	55,900	33,800	29,500	43,500
070	Parasrampuriah Synthetics Ltd.	-	197,000	62,900	131,800	108,700	NA
076	Crompton Greaves Ltd.	-	-	See Subloan No. 2 above			
077	Haryana Petrochemicals Ltd.	10,900	13,300	54,600	111,100	49,800	NA
078	Hinditron Techtronix Institute Ltd.	(20,128)	(53,178)	3,873	18,092	4,351	NA
079	J. K. Synthetics Ltd.	-	205,500	70,200	(100,700)	32,100	NA
080	SKF Bearings Ltd.	NA	NA	NA	NA	NA	NA
081	Polychem Ltd.	-	52,700	65,600	42,700	25,100	NA
084	BPL Electronics Ltd.	-	-	6	62	173	250
085	Bharat Forge Ltd.	1,103	1,473	1,553	1,756	1,388	NA
087	Antifriction Bearings Corp. Ltd.	166	413	456	608	930	NA
088	Supreme Industries Ltd.	-	-	-	-	79,800	NA
089	Arunoday Mills, Ltd.	900	2,100	20,000	5,400	12,900	14,900
090	Trinity Engineers LTd.	16,970	17,689	22,423	18,728	16,849	NA
091	Finolex Pipes Ltd.	23,200	14,200	31,700	63,800	182,500	202,900
092	Nilkamal Plastics Ltd.	-	-	-	-	4,300	NA
093	Trinity Engineers Ltd.	16,970	17,689	22,423	18,728	16,849	NA
094	Wipro Systems Ltd.	(45)	(153)	24	192	352	390
095	Invel Transmission Ltd.	-	-	-	8,100	13,600	11,500
096	Peico Electronics & Electricals Ltd.	36,200	(165,900)	22,400	282,600	179,000	NA
097	Gujarat Alkalies & Chemicals Ltd.	261	583	758	1,511	1,804	NA
099	Intersil India Ltd.	500	40,000	(54,000)	(105,000)	(17,000)	3,277
100	Parasrampuriah Industries Ltd.	6,700	7,200	14,100	14,458	35,498	NA

a/ Subloans listed are those approved and disbursed; subloan numbers not listed were approved and/or authorized by the Bank but were subsequently cancelled/withdrawn.

OPERATIONAL PERFORMANCE OF 10 SUBPROJECTS VISITED

1. Table 1 at the end of this Appendix presents some relevant financial and economic information used in assessing the performance of the 10 subprojects visited by the PEM.

A. Auto Safety Glass Firm

2. This subproject requested foreign financing of \$515,000 to import new machinery and glass temper heater equipment. The firm produces mostly automotive safety glass. The company has a regular maintenance schedule for all its machinery and equipment. The subproject incurred a cost overrun of about Rs 5.0 million due to additions of certain complementary cutting equipment and other indigenous plant and machinery. A delay of nine months in obtaining an import license and in the shipment of machinery was experienced.

3. The firm has no arrears with ICICI at present and has been satisfactorily meeting its current dues although arrears were experienced in the past due to capacity underutilization. The subproject created some 57 additional jobs for men but none for women. The current capacity utilization of 75 per cent, with some 2 per cent of the volume exported to Bangladesh and Sri Lanka, has realized a return on average equity of about 20 per cent in 1993 with annual profit of Rs 5.0 million from sales of Rs 152.3 million and assets of Rs 63.4 million. The company has a recent debt to equity ratio of 0.44 and 2.5 current ratio. With 195 employees the firm realized value added of Rs 17.7 million.

4. The social responsibility of the company was demonstrated by sponsoring civic projects such as an eyesight clinic project and the education of employees' children as well as other needy and deserving children through Lion's International. The company is providing staff benefits in terms of free health care, health insurance, medical facilities for employees/workers and their immediate family members and sponsored education for staff and children. The firm also contributed some funds for the improvement of railway approaches and in the resettlement of slum/squatter dwellers. The subproject has not experienced environmental problem.

B. Plastic Processing Company

5. The company requested a foreign currency loan of \$307,000 to set up a new facility with new imported machinery to produce multi-layer plastic sheets. The company manufactures hi-technology plastic products from cups to PVC pipes, fittings, chairs and television, radio, air conditioner and automobile and motorbikes plastic parts and components. Maintenance schedule is part of the overall operational activity of the company plant. The subproject was completed four months behind the expected time of completion at appraisal despite the reduction in scope which explained the Rs 3.0 million cost underrun.

6. The company has been meeting its dues from ICICI regularly and has not encountered any problems in its operation except for the global recession currently being experienced. The subproject has registered actual capacity utilization of 70 per cent during its initial operation. The firm has exported only about 7 per cent of the achieved capacity with the

domestic market absorbing 93 per cent. Latest annual profit realized reached Rs 79.8 million from sales of Rs 1,638.5 million with total assets of Rs 1,358.7 million. The firm recorded a 19 per cent return on average equity in 1992. The rise in debt to equity ratio of 1.06 was due to the Project subloan amount. The current ratio registered 1.82 during the initial operation of the completed subproject. The value added achieved in recent period amounted to Rs 446.4 million using about 1,200 employees in its operation.

7. No environmental problem has been noted in the operation of the company with the addition of the subproject. The scrap and other waste materials are sold to a manufacturer of plastic raw materials for recycling. It has been noted that the Government environment agency is regularly conducting inspection of all industrial firms to pursue effective implementation of environmental anti-pollution measures. The company is providing welfare benefits to its employees/workers in health and medical insurance, non-interest bearing housing loan and selective travel assistance.

C. Steel Forging Company

8. The firm applied for foreign currency loan of \$2.7 million to finance the modernization of its steel forging screw press lines. The company manufactures forged steel products and parts for light and heavy vehicles and trucks. Periodic regular maintenance of the plant facilities is part of the overall plant operation. The subproject incurred Rs 78.0 million cost overrun due to exchange fluctuation, under estimation of foundation costs and change of supplier. The completion was delayed by 12 months because of the change in supplier and extended trial runs.

9. The company has not been in default in the repayment of its loan from ICICI. Capacity utilization cannot be exactly determined as the modernization project is merged with the overall activity of the forging plant which was expected to achieve 75 per cent utilization during the initial operation after completion of the subproject. Some 14 per cent of utilized capacity is expected to be exported gradually increasing to 25 per cent in future. The rate of return on average equity was 7 per cent in fiscal year 1993. The first full year of commercial production of the subproject is expected to be achieved by 1993/94. Recent financial data showed annual profit of Rs 1.4 million out of Rs 2,294.5 million sales producing Rs 1,936.8 million value added. At present, the firm has a total of more than 2,300 workers of whom 25 are women.

10. The benefits provided to the employees and workers of the company are a medical insurance scheme, a community training center for the wives of the workers and scholarships for their children. Liquid discharges from the plant are deposited in containment tanks before disposal to a specific site which is periodically inspected by Government environment inspectors. According to the staff of the company the discharges have not caused adverse effects on the vegetation in the particular dropping area.

D. Power Cable Industry

11. The cable firm requested foreign currency funding of \$826,000 for the modernization of its testing equipment. The company produces power cables for power transformers, power transmission cables, cables for power substations and communication and

cables for locomotive wiring. The quality of the cable products is expected to improve due to the modern testing equipment procured under the Project. The cable plant facility has regular maintenance program which is being adhered to keep all the machinery and equipment in good running condition. Due to close coordination during implementation of the subproject no cost and time overrun was experienced.

12. The firm enjoyed a 25 per cent return on average equity in 1993 and has not defaulted in its loan repayment. The subproject has not produced additional employment since the equipment procured by the subloan did not require additional technicians and workers. The company has 1,100 employees and workers of whom 10 are women. Recent annual profit was Rs 173.9 million from total sales of Rs 1,418.4 million, utilizing 65 per cent of its capacity with total assets of Rs 727.4 million and yielding Rs 989.9 million value added.

13. The company provides welfare benefits which include medical insurance for employees and health check-up for members of the family, subsidized food and housing and education for children of the employees. A mini forest has been grown around the plant facility for environmental propagation. No adverse environmental impact is being caused by the factory as the PVC scraps are being recycled.

E. Manufacturer of Electric Motors, Transformers and Ballasts

14. The firm applied for foreign cost financing of \$278,000 for balancing-modernization-replacement of its tool-room equipment in the Stamping Division. The company produces all types of motor stampings, stator and rotor packs, transformer and choke laminations, fan, mixer, submersible and monoblock pump stampings and other precision stampings and pressed components according to customer requirements. The subproject had no cost overrun despite the seven months delay in completion. Although the production process is dense, maintenance of the machinery and equipment is done regularly thus keeping the plant facility in running condition.

15. The company had not missed its loan repayment schedule. The return on average equity in 1993 fiscal period showed 14 per cent earnings with a 1.9:1 current ratio and a 1.6 debt to equity ratio. Latest information claimed annual profit of Rs 108.5 million out of Rs 130.3 million sales using 58 per cent of the plant capacity and assets valued at Rs 22.5 million. The value added achieved was Rs 20.9 million. The firm has 380 all-male workers in its Stamping Division of whom 108 were recruited as a result of the equipment procured under the Project. The company is located in an area surrounded by green trees and shrubs. Scraps and waste are disposed of according to existing environmental regulation of the Government.

F. Hard and Soft Ferrite Magnet Manufacturer

16. The firm obtained funding of \$530,000 from ICICI supported by the Project. The subproject was to finance the foreign exchange requirement to increase the capacity of power ferrites. The firm is a manufacturer of hard and soft ferrite electronic magnets and is complying with Government environmental rules. The subproject did not experience time and cost overrun during implementation.

17. The company realized a 69 per cent return on average equity in 1993 with a comfortable current ratio of 3:1. The firm achieved an 80 per cent capacity utilization (9 per cent of the volume was exported abroad) in 1993. The company has been utilizing its financial leverage with a high debt to equity ratio of 3.4. The firm incurred operating losses in 1989 and 1990 prompting ICICI to reschedule the subloan which enabled the company to update its loan repayment to date. A profit of Rs 28.4 million has been realized in the recent period from sales of Rs 325.3 million and assets of Rs 157.4 million. The value added produced was Rs 176.0 million. The firm employed 550 employees and workers of whom 15 are women while 65 jobs were created by the subproject.

18. The factory facility of the company has environmental problem due to the ferrite dusts which have to be drenched with water from time to time making the working area soggy. The company staff indicated that the Pollution Control Board conducts regular inspection of the facility in order to ensure compliance with Government pollution control measures. The company donates to charity from time to time for civic projects in the community.

G. Bearings Manufacturer

19. The subloan approved for this company was intended to finance the foreign exchange requirement of \$547,000 for expansion project. The company manufactures cylindrical bearings for automotive and machine industries. A periodic maintenance schedule is in place. Subproject implementation did not experience cost and time overrun.

20. The firm has not defaulted in its loan repayment to ICICI. The firm employed a total of 740 employees and workers of whom 12 are women. The subproject created some 80 jobs and realized operating profit of Rs 24.0 million before interest and taxes in 1993. Due to the current world-wide recession the company has reduced its production to 50 per cent of normal capacity. The company achieved a 29 per cent return on average equity, a debt-equity ratio of 1.4 and a current ratio of 4.5:1 in 1992. Profit realized was Rs 0.9 million from the sales of Rs 683.4 million and assets of Rs 232.6 million. Value added achieved was Rs 396.1 million.

21. The factory is producing effluent water which is being treated with chemicals before it is recycled as garden water. Water samples from the treated water are periodically tested and certified by Government inspectors.

22. The staff benefits of the company's employees and workers are provided in terms of housing subsidy and medical and hospitalization scheme. The corporation donates to schools.

H. Automobile Components Manufacturer

23. The subloan financed the foreign currency requirement of \$723,000 for the procurement of new equipment to manufacture constant velocity joints and shafts. The firm manufactures transmissions and related parts for automobiles. It has a regular maintenance schedule for the plant facility including all equipment and machinery. The subproject incurred 6 months delay in completion and a cost overrun of Rs 32.0 million.

24. The firm has no difficulty in meeting its current dues to ICICI. The 295 employees are all male workers. Capacity utilized in 1993 reached 97 per cent compared with 84 per cent in the previous year. The achieved return on average equity of 17 per cent in 1992 was complemented with a favorable 2.5:1 current ratio. The company utilized its financial leverage with a 2.1 debt-equity ratio in 1992. Of the turnover of Rs 408.2 million the profit realized was Rs 11.5 million with Rs 75.1 million value added. The total asset size of the company was equivalent to Rs 162.7 million.

25. The company has a medical insurance scheme for its workers and employees including a family and a housing allowance equivalent to a specific amount. The company had no environmental problem as its factory is regularly inspected by Government pollution control inspectors.

I. Two-Wheeler Transport Equipment Producer

26. The firm requested a \$1.9 million foreign currency loan to finance its expansion project. The company is the producer of 2-wheeler transport equipment. A regular maintenance program is implemented in the plant facilities. Despite the seven months delay in the completion of the subproject due to the modification of certain product parts, no cost overrun was incurred.

27. The company's overdue account with ICICI was rescheduled; thereafter the current dues were regularly paid. The company has no environmental problem. The subproject's expected additional jobs numbered 187 out of the total 817 workers in 1993. The reported loss in 1992 amounted to Rs 16.7 million from a sale of Rs 729.6 million utilizing 50 per cent or less of normal production capacity. The asset value of Rs 217.6 million produced value added of Rs 53.2 million.

28. Welfare benefits to the firm's employees and workers include medical reimbursement, hospitalization insurance, house rent allowance and education allowance for two children.

J. Construction Service Company

29. The firm borrowed foreign exchange in the amount of \$118,000 to finance the importation of a double action diesel hammer equipment, with spares, for structural pile driving. The firm has its own workshop which takes care of the heavy equipment maintenance program. The subproject implementation realized a cost underrun and was completed on schedule. Environmental control aspect resulting from the construction service operation is regularly supervised by various concerned Government agencies.

30. The company has completely repaid the subloan to ICICI in 1991. The company has set up a provident fund for its employees and workers. The 1992 operation of the firm yielded 6 per cent return on average equity, a fair current ratio of 1.1 and an impressive zero debt-equity ratio. The financial performance of the construction company reported Rs 15.1 million profit from revenues of Rs 563.4 million which yielded Rs 516.4 million value added. The total number of workers was about 2,000 people.

Table 1: Financial and Economic Information of the Ten Subprojects Visited a/
(Amounts in Rs'000)

[illegible]

ICICI SUBPROJECTS
SALES, VALUE ADDED AND ASSETS SIZE
(Rs '000)

Sub-Loan		1989			1990			1991			1992			1993		
No. a/	Name of Subborrower	SALES	VALUE-ADDED	ASSETS SIZE	SALES	VALUE-ADDED	ASSETS SIZE	SALES	VALUE-ADDED	ASSETS SIZE	SALES	VALUE-ADDED	ASSETS SIZE	SALES	VALUE-ADDED	ASSETS SIZE
Above Free Limit																
002	Hindustan Motors Ltd.	4,047,539	1,394,118	1,518,123	4,650,061	1,515,092	1,602,834	4,719,678	1,518,043	1,966,601	4,238,413	1,596,302	2,726,453	5,217,318	1,752,191	2,837,530
019	Cosmo Films Ltd.	101,000	36,900	318,900	175,700	67,600	353,400	256,100	97,600	388,500	314,200	119,600	408,300	317,300	122,400	455,900
044	Indian Rayon & Industries Ltd.	2,717,300	1,208,600	2,876,900	3,570,200	1,643,000	2,989,200	4,201,700	2,006,700	3,292,400	5,762,700	2,913,000	3,733,900	NA	NA	NA
057	Essar Gujarat Ltd.	858,700	7,013	4,886,000	667,200	3,833,000	2,803,700	19,139	5,852,800	5,881,400	37,937	9,926,700	NA	NA	NA	NA
060	Gujarat Narmada Valley Fertilizers Co. Ltd.	2,398,200	612,500	6,759,400	3,309,400	964,500	8,451,300	3,853,300	1,563,200	9,560,700	5,255,800	2,037,900	10,158,500	NA	NA	NA
063	Gujarat Alkalies & Chemicals Ltd.	896,100	213,900	1,238,200	994,700	302,600	1,476,300	1,342,100	411,200	1,708,400	1,684,900	503,500	2,147,600	2,355,100	692,300	2,160,500
068	Deepak Fertilizers & Petrochemicals Corp. Ltd.	429,400	243,600	83,100	409,200	241,900	103,100	452,500	260,600	253,100	544,600	303,700	425,900	NA	NA	NA
072	Indian Acrylics Ltd.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
073	Reliance Petrochemicals Ltd.	MERGED WITH RELIANCE INDUSTRIES														
074	Bombay Offshore Supplies & Services Ltd.	30,600	27,300	183,300	28,200	13,700	480,600	2,500	1,900	271,900	NA	NA	NA	NA	NA	NA
075	Century Enka Ltd.	2,003,800	882,000	1,375,300	3,404,300	1,127,400	2,059,300	3,381,800	1,392,300	2,138,900	3,594,400	1,230,100	2,281,900	NA	NA	NA
083	Raymond Woolen Mills Ltd.	2,461,200	934,900	1,264,100	2,873,400	1,066,000	1,521,400	3,578,300	1,277,800	1,923,700	4,566,800	1,564,100	2,133,900	NA	NA	NA
Below Free Limit																
004	Orient Paper & Industries Ltd.	-	-	-	-	-	-	679,700	302,400	1,412,100	906,300	228,600	1,465,300	973,700	65,400	1,498,000
005	Crompton Greaves Ltd.	SEE ENTRIES BELOW														
006	Modern Woollens Ltd.	248,100	53,200	201,800	288,100	58,800	494,800	561,700	136,400	736,700	692,000	196,300	1,559,900	NA	NA	NA
007	Television & Components Pvt. Ltd.	722,500	33,800	133,100	738,400	46,800	150,900	767,900	29,600	167,200	732,800	40,600	175,700	703,300	NA	178,800
008	IEL Limited	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
009	Lakshmi Machine Works Ltd.	1,641,500	222,100	426,000	1,854,300	258,000	494,300	2,695,300	266,100	585,700	3,229,700	581,400	762,200	NA	NA	NA
010	Videocon International Ltd.	1,057,500	179,100	116,000	4,175,900	791,900	489,700	4,805,000	1,025,000	983,100	6,317,300	1,415,800	1,832,700	7,285,100	NA	NA
011	Tata Telecom Ltd.	-	-	-	210,100	94,000	1,157	264,000	12,400	1,210	269,300	133,300	1,312	NA	NA	NA
012	Larsen & Toubro Ltd.	1,085,000	5,360,000	4,820,000	9,970,000	4,830,000	5,260,000	13,810,000	6,140,000	5,820,000	16,010,000	7,780,000	7,190,000	NA	NA	NA
013	LML Limited	-	-	-	1,781,100	655,100	1,628,400	2,026,800	829,200	1,597,100	1,168,400	429,700	1,612,100	NA	NA	NA
014	Cemindia Co., Ltd.	NA	NA	NA	NA	NA	NA	236,306	212,388	120,304	399,405	370,195	125,243	563,389	516,445	NA
015	K. G. Gluco Blois Ltd.	-	-	-	-	-	-	377	150	2,427	954	340	2,394	733	261	2,417
016	Gujarat Spinners Ltd.	3,083	444	1,434	3,094	264	1,861	4,222	516	2,121	4,072	571	2,268	5,664	967	2,554
017	Majestic Auto Ltd.	233,700	400	207,755	412,300	4,900	204,504	547,600	1,700	198,710	729,600	53,190	217,555	NA	NA	NA
018	Spartek Ceramics (India) Ltd.	102,900	50,600	286,400	177,500	81,600	356,500	224,900	91,900	372,600	278,500	148,900	61,100	NA	NA	NA
021	Rahkamal Synthetics Ltd.	325,400	146,800	90,200	370,000	127,300	85,300	496,100	96,100	81,500	407,700	101,900	79,400	NA	NA	NA
023	Indian Plywood Manufacturing Co.	286,600	147,800	70,800	402,400	239,100	67,700	440,500	249,800	71,700	488,900	278,000	58,800	121,600	62,300	NA
024	Standard Medical & Pharmaceuticals Ltd.	211,700	60,900	370,600	140,900	46,100	316,100	117,400	54,400	291,300	116,300	46,700	292,700	NA	NA	NA
025	Gujarat Narmada Valley Fertilizers Co. Ltd.	SEE ABOVE FREE LIMIT														
027	Indian Rayon & Industries Ltd.	2,717,300	1,208,600	2,076,900	3,570,200	1,643,000	2,989,200	4,201,700	2,006,700	3,292,400	5,762,700	2,913,000	3,733,900	NA	NA	NA
028	Crompton Greaves Ltd.	20,400	2,000	11,300	107,700	14,400	15,900	136,500	21,900	13,400	130,300	20,900	17,800	NA	NA	NA
029	Shriram Fibres Ltd.	910,800	273,240	NA	NA	NA	NA	2,077,500	623,250	NA	1,816,200	364,466	NA	NA	NA	NA
031	HI-Rel Components (India) Pvt. Ltd.	-	-	43,900	13,200	5,400	54,900	34,600	17,800	59,800	47,400	23,800	69,800	72,500	38,000	79,200
032	KDB Industries Ltd.	-	-	-	-	-	-	-	-	-	15,654,000	7,124,500	82,152,000	NA	NA	NA
033	Century Enka Ltd.	SEE ABOVE FREE LIMIT														
035	Hindustan Pipe Udyog Ltd.	475,700	81,600	342,300	714,400	203,100	432,700	989,700	300,600	779,400	1,096,700	222,400	613,300	1,285,100	259,000	988,100
036	Jain Irrigation Systems Ltd.	-	-	-	95,000	51,300	153,600	160,800	82,300	306,100	351,900	168,100	709,000	-	-	-
037	Keltron Components Complex Ltd.	112,200	32,000	51,900	125,600	32,700	52,500	152,500	41,800	108,000	NA	NA	NA	NA	NA	NA
038	Electronics Research Pvt. Ltd.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
039	Tainwala Chemicals & Plastics Ltd.	24,200	13,600	26,000	33,200	11,500	64,900	72,500	33,800	70,700	108,500	56,500	115,200	-	-	-
040	Bajaj Auto Ltd.	-	-	-	-	-	-	115,500	33,000	77,120	121,200	35,290	84,550	132,500	NA	NA

a/ Subloans listed are those approved and disbursed; subloan numbers not listed were approved and/or authorized by the Bank but were subsequently cancelled/withdrawn.

ICICI SUBPROJECTS
SALES, VALUE ADDED AND ASSETS SIZE
(Rs '000)

Sub - Loan No. a/		Name of Subborrower		1989			1990			1991			1992			1993		
				SALES	VALUE - ADDED	ASSETS SIZE	SALES	VALUE - ADDED	ASSETS SIZE	SALES	VALUE - ADDED	ASSETS SIZE	SALES	VALUE - ADDED	ASSETS SIZE	SALES	VALUE - ADDED	ASSETS SIZE
Below Free Limit (continuation)																		
042	Keventer Agro Private Ltd.	NA	NA	NA	50,400	2,000	60,200	75,700	18,800	63,100	90,700	16,900	59,100	100,800	18,100	55,100		
043	Nihon Nirmaan Ltd.	-	-	-	-	-	-	-	-	-	167,600	94,300	397,100	NA	NA	NA		
045	Indian Rayon & Industries Ltd.	SEE ENTRIES ABOVE																
046	XLO Machine Tools Ltd.	91,000	39,100	27,000	59,500	40,700	49,200	55,400	51,400	70,500	90,700	70,500	83,300	-	-	-		
047	Maharashtra Safety Glass Ltd.	38,500	5,300	37,898	73,500	8,377	47,422	121,343	12,771	49,796	152,259	17,692	63,394	-	-	-		
048	Raiged Castings Ltd.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA		
049	Invel Transmissions Ltd.	-	-	-	134,200	11,400	149,100	213,400	41,100	142,500	301,000	55,400	143,100	408,238	75,130	NA		
050	Straw Products Ltd.	708	680	106,433	40,911	10,885	104,910	100,564	44,796	138,993	169,230	86,638	147,023	NA	NA	NA		
051	Indian Steel & Wire Products Ltd.	528,425	18,589	41,865	750,812	262,484	131,534	615,257	214,704	117,958	852,967	331,201	2,854,818	-	-	-		
052	Remington Rand of India Ltd.	-	-	-	-	-	-	8,106	2,682	31,430	16,863	4,742	37,558	19,049	4,295	40,464		
053	Lakhanpal National Ltd.	450,000	33,500	190,600	497,400	38,300	247,500	625,500	61,200	377,100	821,600	91,000	388,300	840,800	95,600	413,900		
054	Nuchem Plastics Ltd.	-	-	64,500	-	-	33,700	-	-	459,982	78	-	694,100	206,528	54,428	701,600		
055	Nippon Denro Ispat Ltd.	-	-	-	1,916,349	332,459	1,207,542	2,139,185	525,193	1,223,224	1,806,655	395,500	1,725,371	-	-	-		
056	Morris Electronics Ltd.	92,100	59,500	74,100	98,300	56,700	67,000	144,800	93,500	73,000	191,900	119,800	104,000	325,300	176,044	157,400		
058	Pasupati Acrylon Ltd.	-	-	-	-	-	-	229,800	87,000	1,422,000	1,138,100	322,500	589,000	1,487,000	373,500	-		
059	Chokkani International Ltd.	-	-	-	-	-	-	-	-	-	232,800	114,200	804,800	NA	NA	NA		
062	SPIC Electronics & Systems Inc.	-	-	-	46,800	16,800	235,800	82,500	25,000	277,600	144,700	45,000	354,000	NA	NA	NA		
064	Indian Aluminum Co.	-	-	-	-	-	-	-	-	-	149,600	7,200	158,300	319,100	153,400	1,883		
066	Camlin Ltd.	414,600	99,300	28,200	445,400	105,900	51,000	465,300	96,600	54,000	588,600	124,600	57,000	NA	NA	NA		
067	Cable Corporation of India	1,221,407	897,439	366,428	1,284,699	908,233	410,485	1,217,771	871,875	548,528	1,418,407	989,879	727,389	NA	NA	NA		
069	Universal Cables Ltd.	912,400	280,800	414,500	1,026,500	260,800	495,600	1,101,200	238,500	488,300	1,122,900	269,700	498,400	1,350,000	443,200	450,000		
070	Parasrampur Synthetics Ltd.	280,100	92,400	239,700	435,000	14,355	523,600	651,000	21,483	1,165,300	962,300	32,066	2,018,200	-	-	-		
076	Crompton Greaves Ltd.	16,500	3,300	26,900	45,400	6,700	27,900	51,700	11,100	26,200	45,800	6,700	22,500	-	-	-		
077	Haryana Petrochemicals Ltd.	378,200	65,400	172,600	625,900	108,200	292,900	105,100	173,900	494,900	1,551,300	268,400	872,400	NA	NA	NA		
078	Hindlron Techtronix Institute Ltd.	21,409	9,003	16,632	52,500	27,166	36,293	108,449	50,443	39,259	106,497	47,968	39,944	NA	NA	NA		
079	J. K. Synthetics Ltd.	5,373,600	2,272,200	6,746,200	6,191,800	2,417,100	9,915,500	6,502,800	2,544,700	10,251,200	7,235,800	364,200	10,179,400	NA	NA	NA		
080	SKF Bearings Ltd.	1,310,500	803,500	766,800	1,419,500	816,700	831,300	1,969,900	1,133,100	1,490,600	2,412,700	1,243,300	2,178,200	NA	NA	NA		
081	Polychem Ltd.	-	-	-	-	-	-	-	-	-	118,919	40,470	507,100	118,339	40,420	846,700		
084	BPL Electronics Ltd.	-	-	-	341	46	1,524	805	217	1,804	1,002	654	2,128	1,400	914	6,500		
085	Bharat Forge Ltd.	6,372,600	1,432,400	422,600	1,847,200	1,032,000	479,000	2,277,500	1,224,800	773,200	2,452,500	1,320,700	781,800	2,294,494	1,936,847	NA		
087	Antifriction Bearings Corp. Ltd.	418,700	252,600	89,000	480,700	264,800	73,700	615,400	365,800	102,900	683,400	396,100	232,600	NA	NA	NA		
088	Supreme Industries Ltd.	-	-	-	-	-	-	-	-	-	1,638,500	446,400	1,358,700	-	-	-		
089	Arunoday Mills, Ltd.	302,000	75,700	67,500	289,800	88,900	73,100	290,400	77,400	82,000	364,900	105,700	85,400	-	-	-		
090	Trinity Engineers Ltd.	137,900	57,000	21,200	234,600	85,600	30,900	262,200	97,800	48,400	286,300	119,800	119,700	NA	NA	NA		
091	Finolex Pipes Ltd.	385,100	74,700	285,000	743,000	184,900	217,300	790,900	186,490	317,600	1,093,400	284,500	3,193,300	1,103,300	NA	NA		
092	Nilkamal Plastics Ltd.	-	-	-	-	-	-	-	-	-	129,900	46,200	118,700	-	-	-		
093	Trinity Engineers Ltd.	SEE ENTRIES ABOVE																
094	Wipro Systems Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	59	21	72		
095	Invel Transmission Ltd.	SEE ENTRIES ABOVE																
096	Palco Electronics & Electricals Ltd.	4,759,700	1,662,200	980,100	3,818,000	1,701,900	1,008,400	5,186,000	1,816,200	950,700	6,868,300	2,185,600	924,600	NA	NA	NA		
097	Gujarat Alkalies & Chemicals Ltd.	896,100	213,900	1,238,200	994,700	302,600	1,478,300	1,342,100	411,200	1,708,400	1,684,900	503,500	2,147,600	2,355,100	692,300	2,160,500		
099	Intersil India Ltd.	28,500	26,900	4,000	13,900	13,000	3,900	16,100	14,900	11,100	13,500	12,000	24,100	28,152	NA	31,206		
100	Parasrampur Industries Ltd.	154,100	17,200	26,000	187,100	25,200	42,700	261,800	31,700	42,700	463,409	52,800	334,873	-	-	-		

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ACTUAL NUMBER OF EMPLOYEES

Sub-Loan No. a/	Name of Subborrower	1988	1989	1990	1991	1992	1993
Above Free Limit							
002	Hindustan Motors Ltd.	17924	17614	17481	17069	14932	14470
019	Cosmo Films Ltd.	460	465	475	480	490	500
044	Indian Rayon & Industries Ltd.	11,620	11,546	11,214	11,515	11,449	NA
057	Essar Gujarat Ltd.	42	150	268	279	352	336
060	Gujarat Narmada Valley Fertilizers Co. Ltd.	1,830	1,886	2,000	2,059	2,179	2,260
063	Gujarat Alkalies & Chemicals Ltd.	680	690	719	736	746	752
068	Deepak Fertilizers & Petrochemicals Corp. Ltd.	NA	NA	NA	NA	NA	NA
072	Indian Acrylics Ltd.	-	-	-	-	-	427
073	Reliance Petrochemicals Ltd.	Merged with Reliance Industries from January 1992					
074	Bombay Offshore Supplies & Services Ltd.	10	10	5	5	5	5
075	Century Enka Ltd.	NA	NA	NA	NA	NA	NA
083	Raymond Woolen Mills Ltd.	8,237	8,828	9,275	10,280	11,038	-
Below Free Limit							
004	Orient Paper & Industries Ltd.	-	-	644	705	738	743
005	Crompton Greaves Ltd.	NA	NA	NA	NA	NA	-
006	Modern Woolens Ltd.	NA	NA	NA	NA	NA	NA
007	Television & Components Pvt. Ltd.	-	775	754	585	576	550
008	IEL Limited	NA	NA	NA	NA	NA	NA
009	Lakshmi Machine Works Ltd.	5,000	5,183	5,486	5,912	6,026	6,097
010	Videocon International Ltd.	NA	NA	NA	NA	NA	NA
011	Tata Telecom Ltd.	NA	NA	NA	NA	NA	NA
012	Larsen & Toubro Ltd.	15,748	16,750	18,294	19,262	20,135	-
013	LML Limited	NA	2,200	2,400	2,666	2,646	NA
014	Cemindia Co., Ltd.	NA	NA	NA	NA	NA	2,000
015	K. G. Gluco Biols Ltd.	-	-	-	240	240	240
016	Gujarat Spinners Ltd.	1,343	1,334	1,442	1,558	1,522	1,232
017	Majestic Auto Ltd.	-	450	457	647	630	817
018	Spartek Ceramics (India) Ltd.	46	46	46	46	46	NA
021	Rahkamal Synthetics Ltd.	20	20	20	20	20	20
023	Indian Plywood Manufacturing Co.	3,573	3,483	3,355	3,311	3,205	3,000
024	Standard Medical & Pharmaceuticals Ltd.	NA	NA	NA	NA	NA	NA
025	Gujarat Narmada Valley Fertilizers Co. Ltd.	1,830	1,886	2,000	2,059	2,179	2,260
027	Indian Rayon & Industries Ltd.	11,620	11,546	11,214	11,515	11,449	NA
028	Crompton Greaves Ltd.	NA	110	150	174	201	NA
029	Shriram Fibres Ltd.	-	190	-	50	60	-
031	Hi-Rel Components (India) Pvt. Ltd.	-	-	75	80	100	120
032	KDB Industries Ltd.	-	-	-	-	225	232
033	Century Enka Ltd.	NA	NA	NA	NA	NA	NA
035	Hindustan Pipe Udyog Ltd.	246	288	329	352	377	409
036	Jain Irrigation Systems Ltd.	-	-	170	210	245	-
037	Keltron Components Complex Ltd.	NA	NA	NA	NA	NA	NA
038	Electronics Research Pvt. Ltd.	NA	NA	NA	NA	NA	NA
039	Tainwala Chemicals & Plastics Ltd.	-	62	95	115	125	-
040	Bajaj Auto Ltd.	NA	NA	NA	NA	NA	NA

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ACTUAL NUMBER OF EMPLOYEES

Sub-Loan No. a/	Name of Subborrower	1988	1989	1990	1991	1992	1993
042	Keventer Agro Private Ltd.	-	-	120	140	165	175
043	Nihon Nirmaan Ltd.	-	-	-	350	399	NA
045	Indian Rayon & Industries Ltd.	11,620	11,546	11,214	11,515	11,449	NA
046	XLO Machine Tools Ltd.	-	533	516	493	483	493
047	Maharashtra Safety Glass Ltd.	-	102	105	105	108	195
048	Raigad Castings Ltd.	THE PROJECT WAS NEVER FULLY IMPLEMENTED					
049	Invel Transmissions Ltd.	-	287	295	295	295	NA
050	Straw Products Ltd.	-	-	148	164	162	-
051	Indian Steel & Wire Products Ltd.	1,264	1,244	1,244	1,259	1,268	-
052	Remington Rand of India Ltd.	NA	NA	NA	NA	NA	NA
053	Lakhanpal National Ltd.	764	759	850	865	899	902
054	Nuchem Plastics Ltd.	-	-	-	-	278	373
055	Nippon Denro Ispat Ltd.	-	-	402	433	496	-
056	Morris Electronics Ltd.	NA	480	488	506	520	550
058	Pasupati Acrylon Ltd.	-	-	-	421	487	702
059	Chokkani International Ltd.	-	-	-	200	200	200
062	SPIC EElectronics & Systems Inc.	-	-	180	180	180	180
064	Indian Aluminum Co.	-	-	-	142	172	248
066	Camlin Ltd.	1,575	1,551	1,511	1,610	1,533	NA
067	Cable Corporation of India	NA	NA	NA	NA	NA	1,100
069	Universal Cables Ltd.	1,820	1,825	1,888	1,887	1,886	2,020
070	Parasrampuria Synthetics Ltd.	-	220	450	600	660	-
076	Crompton Greaves Ltd.	-	63	63	106	108	NA
077	Haryana Petrochemicals Ltd.	NA	NA	NA	NA	NA	NA
078	Hinditron Techtronix Institute Ltd.	NA	NA	NA	NA	NA	NA
079	J. K. Synthetics Ltd.	NA	6,500	7,600	7,700	7,800	NA
080	SKF Bearings Ltd.	NA	NA	NA	NA	NA	NA
081	Polychem Ltd.	-	-	-	-	-	-
084	BPL Electronics Ltd.	-	-	100	140	175	200
085	Bharat Forge Ltd.	NA	NA	NA	NA	NA	2,324
087	Antifriction Bearings Corp. Ltd.	NA	NA	NA	NA	NA	740
088	Supreme Industries Ltd.	-	-	-	-	1,200	1,200
089	Arunoday Mills, Ltd.	500	515	530	535	550	NA
090	Trinity Engineers LTd.	PROJECT BEING IMPLEMENTED					
091	Finolex Pipes Ltd.	-	200	200	225	315	460
092	Nilkamal Plastics Ltd.	-	-	-	-	30	-
093	Trinity Engineers Ltd.	PROJECT BEING IMPLEMENTED					
094	Wipro Systems Ltd.	-	-	-	-	-	5
095	Invel Transmission Ltd.	SEE ENTRIES ABOVE					
096	Peico Electronics & Electricals Ltd.	-	-	-	-	-	-
097	Gujarat Alkalies & Chemicals Ltd.	680	690	719	736	746	752
099	Intersil India Ltd.	-	357	351	259	219	223
100	Parasrampuria Industries Ltd.	PROJECT NOT COMPLETED					

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CAPACITY UTILIZATION (%)

Sub-Loan No. a/	Name of Subborrower	1988	1989	1990	1991	1992	1993
Above Free Limit							
002	Hindustan Motors Ltd.			Project abandoned			
019	Cosmo Films Ltd.	136	62	83	99	91	78
044	Indian Rayon & Industries Ltd.	-	77	98	64	70	NA
057	Essar Gujarat Ltd.	-	-	-	71	88	90
060	Gujarat Narmada Valley Fertilizers Co. Ltd.	101	106	115	150	89	NA
063	Gujarat Alkalies & Chemicals Ltd.	99	104	99	99	104	NA
068	Deepak Fertilizers & Petrochemicals Corp. Ltd.	-	-	-	-	10	20
072	Indian Acrylics Ltd.			Commercial production started in March 1993			
073	Reliance Petrochemicals Ltd.			Merged with Reliance Industries from January 1992			
074	Bombay Offshore Supplies & Services Ltd.	-	75	-	-	-	-
075	Century Enka Ltd.	242	NA	148	132	96	NA
083	Raymond Woolen Mills Ltd.	NA	NA	NA	NA	NA	NA
Below Free Limit							
004	Orient Paper & Industries Ltd.	-	-	8	51	95	93
005	Crompton Greaves Ltd.	NA	NA	NA	NA	NA	58
006	Modern Woolens Ltd.			Multi product company			
007	Television & Components Pvt. Ltd.	-	20	47	111	35	30
008	IEL Limited	NA	NA	NA	NA	NA	NA
009	Lakshmi Machine Works Ltd.	95	95	95	95	95	95
010	Videocon International Ltd.	NA	NA	NA	NA	NA	NA
011	Tata Telecom Ltd.	-	58	84	122	125	NA
012	Larsen & Toubro Ltd.			Company having several products			
013	LML Limited	-	70	73	70	40	NA
014	Cemindia Co., Ltd.			Subloan fully repaid			
015	K. G. Gluco Biols Ltd.	-	-	-	24	58	48
016	Gujarat Spinners Ltd.	NA	NA	NA	NA	NA	NA
017	Majestic Auto Ltd.	57	15	24	27	28	50
018	Spartek Ceramics (India) Ltd.	100	100	100	100	100	100
021	Rahkamal Synthetics Ltd.	20	30	26	34	31	Closed
023	Indian Plywood Manufacturing Co.	NA	NA	NA	NA	NA	NA
024	Standard Medical & Pharmaceuticals Ltd.	NA	NA	NA	NA	NA	NA
025	Gujarat Narmada Valley Fertilizers Co. Ltd.	101	106	115	156	89	NA
027	Indian Rayon & Industries Ltd.	NA	NA	NA	NA	NA	NA
028	Crompton Greaves Ltd.	-	9	28	37	34	NA
029	Shriram Fibres Ltd.	-	4	-	50	56	NA
031	Hi-Rel Components (India) Pvt. Ltd.	-	-	13	35	37	46
032	KDB Industries Ltd.	-	-	-	-	28	58
033	Century Enka Ltd.			See Subloan No. 11 above			
035	Hindustan Pipe Udyog Ltd.	-	10	19	23	42	42
036	Jain Irrigation Systems Ltd.	-	-	20	45	77	NA
037	Keltron Components Complex Ltd.	-	-	8	49	46	48
038	Electronics Research Pvt. Ltd.	-	-	23	46	68	75
039	Tainwala Chemicals & Plastics Ltd.	-	-	60	90	100	100
040	Bejj Auto Ltd.	-	-	-	86	76	72

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CAPACITY UTILIZATION (%)

Sub-Loan No. a/	Name of Subborrower	1988	1989	1990	1991	1992	1993
Below Free Limit (continuation)							
042	Keventer Agro Private Ltd.	-	-	33	38	69	70
043	Nihon Nirmaan Ltd.	-	-	-	-	43	59
045	Indian Rayon & Industries Ltd.	-	74	80	84	84	NA
046	XLO Machine Tools Ltd.	-	42	43	78	90	NA
047	Maharashtra Safety Glass Ltd.	-	-	-	-	-	75
048	Raigad Castings Ltd.	-	-	Project not implemented			
049	Invel Transmissions Ltd.	-	-	-	87	84	97
050	Straw Products Ltd.	-	2	49	89	100	NA
051	Indian Steel & Wire Products Ltd.	18	39	37	21	35	31
052	Remington Rand of India Ltd.	-	-	-	8	11	12
053	Lakhanpal National Ltd.	116	120	92	102	95	NA
054	Nuchem Plastics Ltd.	56	55	52	50	49	53
055	Nippon Denro Ispat Ltd.	-	-	73	88	71	NA
056	Morris Electronics Ltd.	NA	70	67	75	78	80
058	Pasupati Acrylon Ltd.	-	-	-	78	77	97
059	Chokkani International Ltd.	NA	NA	NA	NA	70	81
062	SPIC Electronics & Systems Inc.	-	-	28	42	46	65
064	Indian Aluminum Co.	-	-	-	-	53	93
066	Camlin LTd.	-	-	Multi product company			
067	Cable Corporation of India	NA	NA	NA	NA	NA	65
069	Universal Cables Ltd.	66	109	59	45	43	33
070	Parasrampur Synthetics Ltd.	96	99	83	94	85	NA
076	Crompton Greaves Ltd.	-	5	16	14	8	NA
077	Haryana Petrochemicals Ltd.	-	112	75	76	88	NA
078	Hinditron Techtronix Institute Ltd.	NA	NA	NA	NA	NA	NA
079	J. K. Synthetics Ltd.	-	174	155	150	112	133
080	SKF Bearings Ltd.	NA	NA	NA	NA	NA	NA
081	Polychem Ltd.	-	-	-	55	61	57
084	BPL Electronics Ltd.	-	-	15	28	67	75
085	Bharat Forge Ltd.	NA	NA	NA	NA	NA	75
087	Antifriction Bearings Corp. Ltd.	NA	NA	NA	NA	NA	50
088	Supreme Industries Ltd.	-	-	-	-	58	70
089	Arunoday Mills, Ltd.	NA	NA	NA	NA	NA	NA
090	Trinity Engineers LTd.	-	-	-	-	-	-
091	Finolex Pipes Ltd.	NA	NA	NA	NA	NA	NA
092	Nilkamol Plastics Ltd.	-	-	-	-	115	NA
093	Trinity Engineers Ltd.	-	-	-	-	-	-
094	Wipro Systems Ltd.	-	-	-	-	-	33
095	Invel Transmission Ltd.	-	-	-	-	-	-
096	Peico Electronics & Electricals Ltd.	NA	NA	NA	NA	NA	NA
097	Gujarat Alkalies & Chemicals Ltd.	99	104	99	97	104	NA
099	Intersil India Ltd.	NA	NA	NA	NA	NA	NA
100	Parasurampur Industries Ltd.	-	91	48	68	105	NA

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