



DCM SHRIRAM INDUSTRIES LTD.
Annual Report 1999-2000

DCM SHRIRAM INDUSTRIES LIMITED

Board of Directors	Dr. Banshi Dhar	Chairman and Managing Director
	Shri Tilak Dhar	Vice Chairman
	Shri D.C. Mittal	Jt. Managing Director
	Shri Alok B. Shriram	Dy. Managing Director
	Shri S.D. Nigam	Whole - Time Director
	Dr. V. L. Dutt	
	Shri R. P. Khosla	
	Shri Atam Parkash	
	Shri A.N. Haksar	
	Shri J.B. Dadachanji	
	Shri Dipankar Basu	
	Shri B.S.S. Gupta	IFCI Nominee
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Company Secretary	Shri B. P. Khandelwal	Executive Director
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Principal Executives	Shri G. Kumar	Executive Director (Sugar)
	Shri V.K. Jhington	Vice-President (Rayons)
	Shri N.K. Jain	Vice-President (Accounts & Finance)
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Bankers	State Bank of India	
	State Bank of Bikaner & Jaipur	
	Oriental Bank of Commerce	
	Punjab National Bank	
	The United Western Bank Ltd.	
	The Hongkong and Shanghai Banking Corporation Limited	
	Punjab and Sind Bank	
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Auditors	A.F. Ferguson & Co. New Delhi	
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Registered Office	Kanchenjunga Building, 18, Barakhamba Road, New Delhi-110 001.	Tele. No. : (011) 332 1413 Fax No. : (011) 335 0765 E.Mail : dsil@dcmsr.com

DCM SHRIRAM INDUSTRIES LIMITED

Registered Office : Kanchenjunga Building,
18, Barakhamba Road,
New Delhi - 110 001.

NOTICE

The 10th Annual General Meeting of the Company will be held on Wednesday, the 9th August, 2000 at 10.00 A.M. at the FICCI Auditorium, Federation House, Tansen Marg, New Delhi - 110 001 for transacting the following business :

1. To consider and adopt the Directors' Report, the Audited Balance Sheet as at 31st March, 2000, and the Profit & Loss Account for the year ended on that date.
2. (i) To appoint a Director in place of Shri Tilak Dhar, who retires by rotation, and being eligible, offers himself for re-appointment.
(ii) To appoint a Director in place of Shri R.P. Khosla, who retires by rotation, and being eligible, offers himself for re-appointment.
(iii) To appoint a Director in place of Shri Atam Parkash, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to pass the following resolution, with or without modification, as a Special Resolution :
"Resolved that Messrs A.F. Ferguson & Co., Chartered Accountants, be and are hereby re-appointed auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company, at a remuneration to be fixed by the Board of Directors plus reimbursement of travelling and other incidental expenses, if any, incurred in connection with the audit."
4. To consider and, if thought fit, to pass the following resolution, with or without modification, as a Special Resolution:

"Resolved that, subject to the approval of and subject to such modifications, as the Central Government while according its approval may make, where necessary, the Company hereby accords its consent, under Section 294 and 294AA and other applicable provisions, if any, of the Companies Act, 1956 to the appointment of the following as sole-selling agent of the Company for a term not exceeding 5 years commencing from the date of appointment, subject to any variation that may be made in the terms and conditions of appointment, including changes in areas and products by mutual consent of the parties."

Name of the agent	Area	Product	Commission	Date of Commencement
1. M/s Letraco R.Y. Kayal & Co.	Egypt	High Tenacity Viscose Rayon Tyre Yarn, Cord Twines and Fabrics.	3% on F.O.B. Value	1.1.2000

5. To consider and, if thought fit, to pass the following resolution, with or without modification, as an Ordinary Resolution:
"Resolved that, pursuant to the provisions of Sections 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded for mortgaging and/or charging, on such terms and conditions and at such time or times, and in such form or manner, as it may deem fit, the whole or substantially the whole of the Company's any one or more of the undertakings or all the undertakings including the present and/or future properties, whether movable or immovable comprised in any existing or new undertaking or undertakings of the Company, as the case may be, in favour of following Institution/Bank for securing the loans mentioned against each of them, together with interest or any other charges, expenses and other monies payable to them :-

Name of Institution/Bank	Nature of Loan	Amount (Rs./lacs)
ICICI Ltd. (ICICI)	Term Loan	300.00
Societe Generale (SG)	Term Loan	376.20

The security to be created in the manner aforesaid in favour of the said Institution/Bank to secure the abovesaid loans shall be by way of first charge, ranking pari passu in all respects with similar charges, if any, already created or to be created on the said properties to secure the existing and/or future borrowings."

"Resolved further that the Board of Directors or a Committee thereof be and is hereby authorised to finalise with ICICI and SG agreements and other documents and deeds for creating the aforesaid mortgage/charge and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for implementing this resolution and to resolve any question or doubt which may arise in relation thereto or otherwise considered by the Board of Directors or the Committee thereof in the best interest of the Company."

"Resolved further that the mortgage/charge created/to be created and/or agreements/documents executed/to be executed and all acts done in connection with creation of security in the manner stated above by and with the authority of the Board of Directors or Committee thereof be and are hereby confirmed and ratified."

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

"Resolved that, pursuant to the provisions of Sections 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded for mortgaging and/or charging, on such terms and conditions and at such time or times, and in such form or manner, as it may deem fit, the whole or substantially the whole of the undertaking pertaining to Daurala Sugar Works, unit of the Company including the present and/or future properties, whether movable or immovable in favour of the Pradeshia Industrial & Investment Corporation of U.P. Ltd. (PICUP) for securing the term loan of Rs. 400 lacs together with interest or any other charges, expenses and other monies payable to PICUP in respect of the said loan."

"Resolved further that the security to be created in the manner aforesaid in favour of PICUP to secure the abovesaid loan shall be by way of first charge, ranking pari passu in all respects with similar charges, if any, already created or to be created on the said properties to secure the existing and/or future borrowings."

"Resolved further that the Board of Directors or a Committee thereof be and is hereby authorised to finalise with PICUP agreements and other documents and deeds for creating the aforesaid mortgage/charge and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for implementing this resolution and to resolve any question or doubt which may arise in relation thereto or otherwise considered by the Board of Directors or the Committee thereof in the best interest of the Company."

"Resolved further that the mortgage/charge created/to be created and/or agreements/documents executed/to be executed and all acts done in connection with the creation of security in the manner stated above by and with the authority of the Board of Directors or Committee thereof be and are hereby confirmed and ratified."

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

"Resolved that, pursuant to Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to such approvals, if any required, approval of the Company be and is hereby accorded to the re-appointment of Shri D.C. Mittal as Joint Managing Director for a period of 3 years, extendable to 5 years at the discretion of the Board, with effect from 28.6.2000 on the terms and conditions and remuneration as set out in the explanatory statement."

"Resolved further that the Board of Directors be and is hereby, in its absolute discretion, authorised to alter/increase, vary or modify from time to time, the said terms including remuneration in such manner as it may deem fit within the limitations in that regard contained in Schedule XIII or other Sections of the said Act and any statutory modifications thereof."

By order of the Board
for DCM SHRIRAM INDUSTRIES LIMITED



(B.P. KHANDLWAL)
EXECUTIVE DIRECTOR & CO. SECRETARY

New Delhi
June 13, 2000

NOTICE (Continued)**NOTES:**

1. Explanatory statement, as required under Section 173(2) of the Companies Act, 1956, is attached.
2. The Register of Members and the Share Transfer Books of the Company shall remain closed from 22.7.2000 to 9.8.2000 (both days inclusive).
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM IS ATTACHED.
4. In terms of Section 109(A) of the Companies Act, 1956, a Share/Debenture holder of the Company may nominate a person on whom the shares or debentures held by him/her shall vest in the event of death. Share/Debenture holders desirous of availing this facility may submit nomination in Form 2B, which can be obtained from the Company also.

ANNEXURE TO NOTICE

[Explanatory statement under Section 173(2) of the Companies Act, 1956]

ITEM NO. 3

A Special Resolution is required for appointment of Auditors under Section 224A of the Companies Act, 1956, as over 25% of the subscribed share capital of the Company is held by the institutions specified in that Section. The Auditors have confirmed that their re-appointment, if made, will be within the limits specified in Section 224(1B) of the Companies Act, 1956.

ITEM NO. 4

The Company re-appointed M/s. Letraco R.Y. Kayal & Co., as its Sole Selling Agent abroad for some of its products in the interest of promoting exports w.e.f. 1.1.2000.

The material terms of appointment have been set out in the resolution.

The appointment is subject to approval of shareholders and the Central Govt. u/s 294 and 294AA of the Companies Act, 1956 and other approvals as may be necessary.

None of the directors is concerned with or interested in the resolution.

ITEM NO. 5 & 6

The company had borrowed funds from the financial institutions stated in the resolutions from time to time. Such borrowings are required to be secured by a first charge on the immovable assets of the Company. The creation of mortgage/charge requires the approval of the shareholders under Section 293 (1) (a) of the Companies Act, 1956.

None of the directors is concerned with or interested in the resolution.

ITEM NO. 7

Shri D.C. Mittal joined the Company when it was passing through a difficult phase. His experience of over five decades in management has been very useful in re-organising the Company's business and in the resultant turnaround. Considering his contribution in the working of the Company during the past 3 years, the Board of Directors recommend his re-appointment for a further period of 3 years, extendable to 5 years at the discretion of the Board, on the following terms and conditions:

Salary (Per Month) :	Rs. 45000 in the Grade of Rs. 45000-5000-55000
Commission on profit :	Equal to one year Salary per year

ITEM NO. 7 (continued)

Perquisites:

Part - A

1. Housing:

- Suitable accommodation to be provided by the Company.
- The expenditure incurred by the Company on gas, electricity, water and furnishings will be actual to be valued as per the Income-tax Rules, 1962, subject to a ceiling of 10% of the salary.

In case no accommodation is provided, the managerial personnel shall be entitled to house rent allowance of 60% of the salary.

2. Medical Reimbursement - One month salary per year
3. Leave Travel Concession - For self and family, once in a year, as per rules specified by the Company.
4. Club Fees - Fees of clubs, subject to a maximum of two clubs, life membership fees not being allowed.
5. Personal Accident Insurance - Premium not to exceed Rs.4000 per annum.

Part - B

1. Provident Fund/Gratuity - As per Rules of the Company.
2. Superannuation - An amount equal to 15% of salary drawn during the tenure in lieu of Superannuation at the time of cessation of service.
3. Earned/Privilege Leave - As per Rules of the Company. Leave accumulated but not availed of during his tenure, may be allowed to be encashed as per Rules of the Company.

Part - C (Not to be considered as perquisites for the purpose of ceiling under Sections 198/309 of the Act.)

1. Car - Provision of a chauffeur driven car.
2. Telephone - Free telephone facility at residence, personal long distance calls to be paid for by the managerial personnel.
3. Entertainment Expenses - Reimbursement of entertainment expenses actually and properly incurred in the course of legitimate business of the Company.

Other terms applicable to the appointment

1. Remuneration for part of the year will be computed on pro-rata basis.
2. JMD shall not be entitled to 'sitting fee' for attending the meetings of the Board of Directors or Committee/s thereof.
3. JMD shall not become interested or otherwise concerned personally or through his wife, sons or unmarried daughters, in any selling agency of the Company, without the prior approval of the Company Law Board.
4. In the event of loss or inadequacy of profits in any financial year, subject to the overall limits laid down under Section II of Part II of Schedule XIII or any amendments thereof, the aforesaid remuneration including perquisites will be paid to JMD as minimum remuneration.
5. The appointment may be terminated by either party giving to the other six calendar months' notice in writing or lesser notice as may be agreed to.

In the event of termination of the appointment by the Company, he shall be entitled to receive compensation in accordance with the provisions of Section 318 of the Companies Act, 1956.

The above may be treated as an abstract under Section 302 of the Act.

Except Shri D.C. Mittal, no other Director is concerned or interested in the resolution.

INTEREST

Except as indicated under the respective items, none of the directors is interested in any of the aforementioned resolutions.

INSPECTION

Copies of the loan agreement with ICICI, Societe Generale and PICUP (Resolution Nos. 5 & 6) will be open for inspection at the Registered Office of the Company at 6th Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi-110 001 on all working days between 11.00 A.M. to 1.00 P.M.

DIRECTORS' REPORT

The Directors have pleasure in presenting the Annual Report and the Audited Accounts for the year ended 31st March, 2000.

FINANCIAL RESULTS

During the year under review the Company has maintained the improvement in its financial results. For the year operating profit was Rs. 44.9 cr. (previous year Rs. 46.3 cr.), gross profit Rs. 20.4 cr. (Rs. 22.0 cr.) and net profit Rs. 14.6 cr. (Rs. 16.9 cr.).

APPROPRIATIONS

Rs. 11.8 cr. has been transferred to Debenture Redemption Reserve, fully covering the deficits in the previous years. Balance Rs. 2.8 cr. has been carried to the profit and loss account. Considering the need to conserve resources, the Directors do not recommend any dividend for the year under review.

OPERATIONS

Daurala Sugar Works

Sugar

The year continued to be a difficult one for the Sugar Industry. The national production for the year 1999-2000 is estimated at 170 lac MTs as against 155 lac MTs last year. With reduced imports and slightly higher consumption level, a better balance is expected to be maintained.

Some of the recommendations of the Mahajan Committee were accepted towards the end of the year. It is hoped that the remaining recommendations, which are still under consideration of the Government, will also be implemented without further delay so as to provide a much needed boost to this core sector.

In spite of adverse industry conditions, the Unit has maintained profits, albeit, at a lower level. This was achieved due to continuing efforts on improving efficiencies and reducing cost, which have resulted in better recovery and significantly lower energy cost. Recovery at DSW was highest in the State.

Alcohol

Distillery operations were adversely affected during the year due to policies of the State Government which were to the detriment of the distilleries in the State. Consequently, capacity utilisation was not satisfactory. The situation is under review by the State Government for the future.

Chemicals

Production was the highest ever and a beginning has been made in exporting the Unit's products. While prices of raw materials increased, those of the final products continued to be under pressure. Consequently the Unit's focus was on increasing productivity, cost reduction, increase in exports and introduction of new products.

Shriram Ryons

Rayon

The Unit achieved the highest ever production and export of rayon products during the year.

The profitability of the Unit is better than earlier years in spite of adverse factors like increased raw material prices and steep depreciation of Euro coupled with severe international competition.

The management continued the cost reduction drive, along with quality improvement and focus on product diversification.

Nylon

Recent changes in Government policy should create opportunities for the Nylon processing business for which the Unit is taking steps to take advantage of.

The Unit received an award for outstanding export performance from the Silk and Rayon Export Promotion Council for the year 1998-99 for the 16th year running.

Power generation

Co-generation of power, which is being pursued as an independent business activity, continued to function well.

EXPORTS

During the year the exports of the Company's products rose to Rs.80 cr. (Rs.77 cr.) and constituted 25% of the Company's turnover. Export earnings would have been higher but for the steep depreciation of the Euro.

PROMOTED COMPANIES

Daurala Organics Ltd.

The Company continued to improve its operations with higher turnover and profitability during the year despite competitive market conditions and decline in prices of some of its products.

The Company's efforts to develop export markets have started fructifying as exports almost doubled to Rs.6 cr., constituting 12% of the turnover. This indicates an increasing worldwide acceptance of its products. R & D, development of products and cost reduction continue to be thrust areas of the Company.

DCM Hyundai Ltd.

The Company's operations continued to be adversely affected due to dumping by Chinese manufacturers. The company is making all out efforts to diversify into the domestic market by making car carriers, land containers, etc. The response to these products is encouraging.

DHL continues to be under BIFR. Your company has also submitted a revival scheme to the Operating Agency (ICICI) in terms of BIFR Order inviting proposals for rehabilitation of the Company.

DCM Remy Ltd.

Due to continuing poor off-take of its products, the Company could not operate satisfactorily. Various steps including financial restructuring are being undertaken with the co-operation of the Joint Venture partners.

SUBSIDIARY COMPANIES

Indital Tintoria Ltd.

There has been an improvement in production and sales during the year. The changes in the quota policy announced by the Govt. recently are expected to have a positive impact on exports to quota countries.

As part of the revival scheme, the Company has arrived at a One Time Settlement with IFCI Ltd. A revised scheme has been submitted to BIFR, which is being notified.

Other Subsidiary Companies

DCM Shriram Leasing and Finance Ltd. is vigorously pursuing recovery of overdue lease/hire purchase rentals.

Keeping in view the changed business situation, it has been decided to close DCM Shriram International B.V. for which necessary steps are being taken.

RESEARCH & DEVELOPMENT

Intensive R & D efforts have helped in continuously upgrading quality and improving efficiencies. So as to remain competitive domestically as well as internationally, the Company continues with its focus on these activities.

DIRECTORS

Shri Tilak Dhar, Shri R.P. Khosla and Shri Atam Parkash retire by rotation and are eligible for reappointment.

Shri P.R. Khanna resigned from the Board and Shri Dipankar Basu was appointed in the casual vacancy.

AUDITORS' OBSERVATIONS

The observations of the auditors are explained wherever necessary, in appropriate notes to the accounts.

OTHER INFORMATION

The information required under Section 217(2A) of the Companies Act, relating to particulars of employees is given in Annexure-I to this report.

The information pertaining to conservation of energy, technology absorption and foreign exchange earnings/outgo is given in Annexure-II.

ACKNOWLEDGEMENT

The directors acknowledge the continued co-operation and support received from the financial institutions, banks, various Government agencies and all our business collaborators and associates.

The directors also place on record their appreciation of the contribution made by employees at all levels.

For and on behalf of the Board



New Delhi
June 13, 2000

CHAIRMAN

AUDITORS' REPORT

To the Members of DCM Shriram Industries Limited

We have audited the attached balance sheet of DCM Shriram Industries Limited as at March 31, 2000 and also the profit and loss account of the Company for the year ended on that date, annexed thereto, and report that:-

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, issued by the Company Law Board in terms of section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the annexure referred to in paragraph 1 above:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
 - c) the balance sheet and profit and loss account dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the profit and loss account and balance sheet comply with the mandatory accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) i) various matters arisen/arising out of the reorganisation arrangement will be settled and accounted for as and when the liabilities/benefits are finally determined. The effect of these cannot be determined at this stage (refer to note 2 (b)).
 - ii) attention is invited to note 10 regarding capitalisation of detention charges, concor charges, etc. of Rs. 58.00 lacs during the year and Rs. 373.98 lacs during prior years, incurred on account of prolonged delays in respect of certain machinery items not cleared from customs warehouses. In our opinion, the detention charges, concor charges, etc. are not directly attributable to the acquisition of the related fixed assets and should have been written off in the profit and loss account. Had these expenses been so written off, the profit for the year would have been lower by Rs. 57.41 lacs (net of depreciation of Rs. 0.59 lac) and the reserves and surplus as well as the net fixed assets/capital work in progress would have been lower by Rs. 431.39 lacs.

- iii) attention is invited to note 11 regarding investments aggregating Rs. 2897.00 lacs, receivables aggregating Rs. 3168.17 lacs, and guarantees aggregating Rs. 2685.63 lacs given on behalf of subsidiaries and a promoted company referred to therein. We are unable to express an opinion on the recoverability or otherwise of the investments and receivables and any possible loss that may arise in respect of the guarantees, and the consequential effect, if any, on the profit and loss account.
- iv) we are unable to express an opinion on the recoverability or otherwise and the consequential effect, if any, on the profit and loss account in respect of old outstandings aggregating Rs. 172.33 lacs due from certain customers and included under the head sundry debtors over six months, unsecured and considered good in schedule 6 (refer to note 14).

We further report that, without considering items mentioned in (i), (iii) and (iv) above the effect of which could not be determined, had the observations made by us in paragraph (ii) above been considered, the profit for the year would have been Rs. 1407.33 lacs (as against the reported figure of Rs. 1464.74 lacs), reserves and surplus would have been Rs. 16570.02 lacs (as against the reported figure of Rs. 17001.41 lacs), and net fixed assets/capital work in progress would have been Rs. 18251.19 lacs (as against the reported figure of Rs. 18682.58 lacs).

Subject to the foregoing, in our opinion and to the best of our information and according to the explanations given to us, the accounts subject to note 13 regarding disclosure of interest accrued and due on debentures, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:

- a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2000; and
- b) in the case of the profit and loss account, of the profit of the Company for the year ended on that date.

For A.F. FERGUSON & CO.
Chartered Accountants

R.K. Puri
Partner

New Delhi
June 13, 2000

ANNEXURE

Annexure referred to in paragraph '1' of the Auditors' Report to the Members of DCM Shriram Industries Limited on the accounts for the year ended March 31, 2000.

1. The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets. As explained to us, the Company has a programme of physically verifying all its fixed assets over a period of three years, which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. In accordance with this programme, some of the fixed assets were physically verified by the management during the current year. The discrepancies noticed on such verification between the physical balances and the fixed assets records were not material and have been properly dealt with in the books of account.
2. None of the fixed assets have been revalued during the year.
3. The stocks of finished goods, stores, spare parts and raw materials have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
4. In our opinion and according to the information and explanations given to us, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
6. On the basis of our examination of stock records, in our opinion the valuation of stocks is fair and proper in accordance with normally accepted accounting principles and is on the same basis as in the previous year, except for the change as required by the professional pronouncements made by The Institute of Chartered Accountants of India referred to in note 12.
7. In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are prima-facie not prejudicial to the interest of the Company. We are informed that there are no companies under the same management as defined under section 370 (1-B) of the Companies Act, 1956.
8. In our opinion, the rate of interest and other terms and conditions on which loans have been granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are prima facie not prejudicial to the interest of the Company. We are informed that there are no companies under the same management as defined under section 370 (1-B) of the Companies Act, 1956.
9. The parties to whom loans or advances in the nature of loans have been given by the Company are generally repaying the principal amounts as stipulated or as re-stipulated from time to time. Further, in respect of certain inter-corporate deposits, which are repayable on demand, we are informed that the same have not been recalled by the Company. These parties have not been regular in the payment of interest for which we are informed adequate steps are being taken by the Company for its recovery.
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchase of stores, raw materials including components, plant and machinery, equipment and other assets, and for the sale of goods.
11. In our opinion and according to the information and explanations given to us, there were no transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000 or more in respect of each party.