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Hind Industries Limited

Annual Report 2000 - 2001

SHARE HOLDER'S DIARY

1. **Date of 28th Annual General Meeting** : Wednesday 26th, September, 2001
 2. **Time and Venue** : 9:30 A.M.
At Seble Hall, Main Mathura Road,
Badarpur, New Delhi-110044
 3. **Date of Book Closure** : 17th September, 2001
to 26th September, 2001
(Both days inclusive)
 4. **Dematerialisation** : The Equity Shares of the Company are being
compulsorily traded in dematerialised form
w.e.f. 29th May 2001. However Investors may
hold shares in Physical form at their choice.
 5. **Share Details**
Listed at Stock Exchanges : Ahmedabad, Calcutta, Chennai, Delhi
Hyderabad, Kanpur, Mumbai and
National Stock Exchange.
 6. **Share Transfer and other
communications may be
addressed to** : Share Department
Hind Industries Limited
A-1, Okhla Industrial Area, Phase - I
New Delhi-110020.
 7. **Share Transfer System** : All share certificates, subject to correctness
and completion of all documents, would
normally be registered and returned within 4
weeks from the date of receipt.
 8. **Investors complaint may
be addressed to** : Mr. Shahid Jamal
Company Secretary
Hind Industries Limited
A-1, Okhla Industrial Area, Phase - I
New Delhi-110020.
-

HIND INDUSTRIES LTD.**Board of Directors***Chairman & Managing Director*

Mr. Sirajuddin Qureshi

Directors

Mrs. Kiran Qureshi

Dr. M.A. Haleem

Mr. B.B. Gupta

Mr. B.B. Huria

Nominee Director (IFCI)

Mr. J. B. Sarkar

Chief Manager (Finance & Accounts)

Mr. D. Guha

Sr. Manager (Finance & Accounts)

Mr. S. M. Saini

Company Secretary

Mr. Shahid Jamal

Bankers

Indian Bank

State Bank of Hyderabad

Auditors

M/s. M.K. Aggarwal & Co.

Chartered Accountants

Registered Office

A-1, Okhla Industrial Area, Phase - I

New Delhi - 110 020

Phone : 6817941-42

E-mail : hindgrp@nde.vsnl.net.in

Works

B-42, Site IV

Industrial Area Sahibabad

Distt. Ghaziabad (U.P.)

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NOTICE

Notice is hereby given that the 28th Annual General Meeting of the members of Hind Industries Limited will be held at 9.30 A.M. on Wednesday 26th September, 2001 at Seble Hall, Main Mathura Road, Badarpur, New Delhi - 110 044 to transact the following business :-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March 2001, and the Profit and Loss Account of the Company for the year ended on that date and the Report of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. B. B. Huria who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS:

4. To Consider and if, thought fit to pass with or without modification(s) the following resolution as Special Resolution ;

"Resolved that in accordance with the provisions of Section 81 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), and enabling provisions in the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company With the Stock Exchanges where the shares of the Company are listed and subject to the approval of Govt. of India (G.O.I.), Financial Institutions (FIs), Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI), and all other concerned authorities, if any, and to the extent necessary and such other approvals, permissions and sanctions, as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board") and/or a duly authorised Committee thereof for the time being exercising the powers conferred by the Board, the consent of the

Company be and is hereby accorded to the Board to issue/offer equity shares, preference shares, convertible debentures (fully or partly), non-convertible debentures, all or any of the aforesaid with or without detachable or Non-detachable warrants and/or warrants of any nature and/or secured premium notes, and/or floating rate notes/bond, and/or any other financial instrument(s) (hereinafter referred to as "securities") as the Board in its sole discretions may at any time or times hereafter decide which securities when issued or allotted would ultimately result in an increase in the subscribed/paidup Share Capital of the Company by an amount not exceeding the Authorised share capital of the Company, to the Members, Employees, Companies, Financial Institutions, Mutual Fund, Banks, Non-resident Indians, Foreign Companies, Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs), International Investors, or other entities/authorities and to such other persons through such issue which may be brought from time to time including public issue, right issue, private placement, placement on firm allotment basis, exchange of securities, conversion of loans or otherwise and for general corporate purposes including capital expenditure, working capital requirements, amalgamations, acquisitions, reconstructions, or any other re-organisation as the Board may deem fit and/or by any one or more or a combination of the above modes/methods or otherwise and in one or more tranche(s) with or without voting rights in general meetings/class meetings of the company as may be permitted under the then prevailing laws, at such price or prices in such manner as the Board may in its absolute discretion think fit in consultation with the lead managers underwriters, advisors and such other persons, and on such terms and conditions including the number of Securities to be issued, face value, rate of dividend, interest, redemption period, manner of redemption, amount of premium on redemption, the number of preference share/equity shares to be allotted on conversion /redemption /extinguishment of debts, exercise of rights attached with warrants, the ratio of exchange of shares and/or warrants and/or any other financial instrument, period of conversion, fixing of record date or book closure and related or incidental matters.

Resolved further that such of these securities to be issued as are not subscribed, may be disposed off by the Board to such persons and in such manner and on such terms and conditions as the board may in its

HIND INDUSTRIES LTD.

absolute discretion think most beneficial to the company including offering or placing them with Banks/ Financial Institutions/Investment Institutions/Mutual Funds/Foreign Institutional Investors or such other persons or otherwise as the Board may in its absolute discretion decide.

Resolved further that for the purpose of giving effect to this resolution the board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer, issue, allotment and utilisation of proceeds of issue of the securities and further to do all such acts, deeds, matters and things and to finalise and execute all such deeds, documents and writings as may be necessary, desirable or expedient as it may deem fit.

Resolved further that the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any committee of Directors or Managing Director of the Company, to give effect to the aforesaid resolution."

5. To Consider and if, thought fit to pass with or without modification(s) the following resolution as Special Resolution ;

"Resolved that in supersession of earlier resolution passed by the Members of the Company under erstwhile section 372 of Companies Act, 1956 the consent of the company be and is hereby accorded pursuant to the provisions of section 372A and other applicable provisions, if any, of Companies Act, 1956 and subject to such approvals, as may be required, to the Board of Directors that in addition to the investment in any Body or Bodies Corporate which the Board of Directors of the Company is entitled to make upto the limits prescribed under section 372A of Companies Act, 1956 to further invest in excess of the said limits, in any Body or Bodies Corporate as may be decided by the Board of Directors, provided that no investment shall be made pursuant to the authority conferred hereby if the aggregate of proposed investment and investments then existing exceeds Rs.200 Crores (Rupees Two Hundred Crores Only).

Further resolved that the Board of Directors be and is hereby authorised to do all acts, deeds, matters and things as in its absolute discretion it may consider

necessary, expedient and desirable to settle any question or doubt that may arise in relation thereto in order to give effect to this resolution or otherwise considered by the Board of Directors be in the interest of the Company."

6. To Consider and if, thought fit to pass with or without modification(s) the following resolution as Special Resolution ;

"Resolved that in supersession of earlier resolutions passed by the Company for giving Inter Corporate Guarantee and Security pursuant to the provisions of Section 372A of Companies Act, 1956 the Board is hereby authorised to give any Guarantee or provide any Security in connection with a loan made by any other person to or to any other person by, any Body Corporate notwithstanding the fact that whether such Body Corporate is under the same management or not as the Company, upto a limit of Rs.200 Crores (Rupees Two Hundred Crores)."

**By order of the Board of Directors
For HIND INDUSTRIES LIMITED**

Place : NEW DELHI

SHAHID JAMAL

Date : 31st August 2001

COMPANY SECRETARY

Registered Office :

A-1, Okhla Industrial Area, Phase - I
New Delhi - 110 020.

NOTES :

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE MEETING.**
- The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 17th September, 2001 to Wednesday, 26th September, 2001 (both days inclusive).
- Members are requested to intimate to the Company Secretary changes, if any, in their registered addresses alongwith Pin Code Number.

HIND INDUSTRIES LTD.

4. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
5. As a measure of economy, distribution of copies of the Report at the Annual General Meeting shall not be made. Members are requested to bring their copies of the report to the meeting.
6. **SHARE HOLDERS SEEKING ANY INFORMATION WITH REGARD TO ACCOUNTS ARE REQUESTED TO WRITE TO THE COMPANY SECRETARY WELL IN ADVANCE SO AS TO REACH THE COMPANY ATLEAST 7 DAYS PRIOR TO ANNUAL GENERAL MEETING SO AS TO ENABLE THE MANAGEMENT TO KEEP INFORMATION READY AT THE AGM.**

EXPLANATORY STATEMENT

Pursuant to Section 173(2) of the Companies Act, 1956

ITEM NO.4

Section 81 of the Companies Act, 1956 provides, inter alia, that whenever the subscribed capital of the company is proposed to be increased by allotment of further shares, such shares shall be first offered to the members who are holders of the equity Shares of the Company in proportion to the capital paid up on those shares at that time. In case the shares are to be offered to any person other than the members of the company, approval of the members is required by a Special Resolution.

Looking into the very high cost of Debt Fund which the Company is presently availing from financial Institutions, the Company might think over in terms of substituting the debt fund with equity if the Share Market conditions improve. The Authorised share capital of the company at present is Rs.16 Crores (Rupees Sixteen Crores only). The company therefore may issue/allot further shares in future for which Board seeks the approval of the shareholders and hence the resolution.

Board recommends passing of the resolution as a Special Resolution.

None of the directors shall be considered to be interested and/or concerned in passing of the said resolution except to the extent of their Shareholdings in the Company.

ITEM NO.5

The Shareholders had pursuant to the provisions of Section 372 of Companies Act, 1956 in the 25th Annual General Meeting of the Company held on 18th December, 1998, authorised the Board to invest, subject to the approval of Central Government, wherever required in the securities of other Bodies Corporate upto an overall limit of Rs.200 Crores (Rupees Two Hundred Crores Only).

Consequent upon passing of Companies (Amendment) Act, 1999 Section 372A has been incorporated consolidating the erstwhile provisions of Section 370 and Section 372. In view of the above, there is need to get the same approved for investments under Section 372A upto the same limit of Rs.200 Crores (Rupees Two Hundred Crores Only).

Moreover, Board of Directors of the Company in its meeting held on 30th April, 2001 has approved a proposal of purchasing back the Shares of subsidiary Company M/s Hind Agro Industries Limited held by Co-promoters viz Uttar Pradesh Pashudhan Udyog Nigam Limited (UPPUNL), The Pradeshia Industrial and Investment Corporation of U.P. Limited (PICUP), IFCI Venture Capital Funds Limited (formerly known as Risk Capital & Technology Finance Limited) and IFCI Limited etc. in a phased manner in that order for which approval of Shareholders under section 372A shall be needed.

The Board therefore recommends the passing the said resolution as Special Resolution.

None of the directors shall be considered to be interested and/or concerned in passing of the said resolution except to the extent of their Shareholdings in the Company.

ITEM NO.6

The shareholders in the last Annual General Meeting of the Company held on 29th September, 2000 passed a resolution under section 372 A of the Companies Act 1956 authorising the Board to give any guarantee or provide any security in connection with a loan made by any other person to or to any other person by, any body corporate upto a limit of Rs. 200 Crores during the period of one year commencing from the conclusion of the Annual General Meeting. This authority is valid only for a period of one year.

Shareholders are requested to revalidate this authority upto the limit of Rs. 200 Crores. This authority is required for the purposes of giving guarantee/security to Hind Agro Industries Limited, the subsidiary company for its Term Loan and Working Capital needs.

In view of the above shareholders are requested to pass the resolution no. 6.

None of the Directors are concerned or interested in passing of the said resolution except to the extent of their shareholding in the Company.

**By order of the Board of Directors
For HIND INDUSTRIES LIMITED**

Place : NEW DELHI

SHAHID JAMAL

Date : 31st August 2001

COMPANY SECRETARY

Registered Office :

A-1, Okhla Industrial Area, Phase - I
New Delhi - 110 020.

HIND INDUSTRIES LTD.**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting their Twenty Eighth Annual Report alongwith Audited Statements of Accounts for the year ended 31st March, 2001.

Financial Highlights:

The Financial results of the Company for the year under review and for previous year are as under;

	Rs. in Lacs	
Particulars	2000-01	1999-00
Sales	5401.17	3277.20
Other Income	134.56	48.80
Operating Profit	188.36	163.12
Profit before Taxes	188.36	163.12
Provision for Taxation	16.00	6.50
Profit after Taxes	172.36	156.62
Appropriations:		
Proposed Dividend	-	-
Corporate Dividend Tax	-	-
Transfer to General Reserve	200.00	200.00
Surplus Carried to B/Sheet	108.30	135.95

Operations :

During the year the Company could achieve a turnover of Rs.5401.17 lakhs against a turnover of Rs. 3277.20 lakhs in the previous year. The profit before taxes is Rs. 188.36 lakhs as against Rs.163.12 in the previous year an increase of 65% in turnover and 16% in profits approximately.

HIND AGRO INDUSTRIES LIMITED

Your Directors have pleasure to inform you that the 100% Export Oriented Ultra Modern Integrated Abattoir-Cum-Meat Processing Plant of Hind Agro Industries Limited, the Subsidiary Company of Hind Industries Limited could achieve a turnover of Rs.36172.28 lakhs and a profit after taxes of Rs.1514.18 lakhs during the year 2000-2001. This is against a turnover of 17683.04 lakhs with a profit after taxes of Rs.646.12 lakhs during the previous year, a growth of 105% in turnover and 134% in profits and is indeed a landmark achievement.

Dividend :

Your Directors do not recommend any dividend for the financial year ended on 31st March 2001 to conserve the resources for the future operation and consolidation.

Current year's out Look :

The Company embarked into new financial year 2001-2002 with not a very promising performance on account of sudden

decline in export orders because of spread of Foot and Mouth disease worldwide. Sales in the 1st quarter declined around 12% as against the sale in the corresponding quarter of the previous financial year.

However, the Directors are confident that the Company would be able to recover and recoup this temporary phase of depression with the innovative marketing strategies adopted.

Deposits :

Your Company has not invited/accepted any fixed deposits from Public during the year pursuant to provisions of Section 58A of the Companies Act, 1956.

Directors :

Mr. B. B. Huria, Director will retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

The Board recommends for his re-appointment.

Director's Responsibility Statement :

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibilities Statement, it is hereby confirmed:

- (i) that in the preparation of the annual accounts for the financial year ended 31st March, 2001, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors had prepared the accounts for the financial year ended 31st March, 2001 on a 'going concern' basis.

Auditors :

M/s M.K. Aggarwal & Co., Chartered Accountants, retires as Auditors of the Company at the conclusion of 28th Annual General Meeting and being eligible offer themselves for reappointment.

The Board recommends for their reappointment.

HIND INDUSTRIES LTD.**Particulars of Employees :**

There was no employee in the Company drawing remuneration of more than 50,000/- per month or Rs.6,00,000/- per annum hence no particulars of Employees under section 217(2A) of Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975 is required to be given.

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo :

The statement pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in the Annexure forming part of this report.

Acknowledgements :

The Directors wish to thank and deeply acknowledge the cooperation, assistance and support extended to the company by the Central Government, State Government, Financial Institutions and Company's Bankers. The Board also wishes to place on record their appreciation for the all round co-operation and sincere efforts made by the workers, staff and executives of the Company.

For and on behalf of the Board of Directors

Place : NEW DELHI **SIRAJUDDIN QURESHI**
Date : 31st August 2001 **Chairman**

ANNEXURE TO THE DIRECTORS' REPORT

Information in accordance with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

A) CONSERVATION OF ENERGY**Energy Conservation Measures Taken****a) Energy conservation during the financial year**

- (i) Intensive drive continued to identify and rectify the steam/water leakages.
- (ii) Decluttering of idle charges headers/pipe lines for including insulation of pipelines.
- (iii) Regular inspection/rectification of and efficient monitoring of condensate return system.
- (iv) Installing two new evaporative type condensers to improve the efficiency and effectiveness of the refrigeration system.
- (v) Conducting lectures and demonstrations by the engineers of M/s Kirloskar Pneumatic Co. Ltd. to educate and train our engineers and operators for proper and efficient functioning and maintenance of refrigeration equipment.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

- (i) New compressors going to be installed for better chilling effect (Frozen Meat)
- (ii) Continuation of leak detection/rectification programme.
- (iii) Replacement of power reading meters for better control.
- (iv) Overhauling and replacement of equipment for improved process of product.
- (v) Monitoring regularly the use of correct size and capacity of equipment in order to ensure avoiding of any excessive use of power or any other type of energy and overseeing the same strictly at regular intervals with the purpose of achieving zero-wastage of power or refrigeration energy.

c) **Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:**

Consumption of energy per unit of production has been in line with the level of activity due to measures related to energy conservation undertaken as stated above.

d) Total energy consumption :**Power and Fuel consumption :**

Electricity	Current Year	Previous Year
a) Purchased Units (KWH)	-	-
Total Amount (Rs.)	-	-
Average Rate/Unit (Rs.)	-	-
b) Own Generation through Diesel Generator Set		
Units of Electricity	3956015	2058750
Total Amount (Rs.)	17222111	8100478
Cost Per Unit of Electricity (Rs.)	4.35	3.93

Consumption per Unit of Production**Fresh & Frozen Meat**

(Per K.G.)

Particulars	Current Year	Previous Year
Energy (in Units)	0.48	0.45

(Cost of deisal increased by 21.5% over previous year whereas the cost per unit of electricity increased by 10.7% only thereby indicating efficiency of operations.)

HIND INDUSTRIES LTD.**Form "B"**
(See Rule 2)**B) TECHNOLOGY ABSORPTION****1. Research and Development (R&D)**

a) Specific areas in which R & D activities carried out by the Company.

Specific areas in which R & D activities are carried out during the year are waste reduction, energy conservation, improved productivity.

b) Benefits derived as a result of above R & D.

The R & D activities helped the Company to improve quality of products thereby achieving greater customer satisfaction in the highly competitive global market. Such activities also enabled the Company to reduce process waste, lowering the energy consumption and increase in productivity.

c) Future Plan of action :

Continuous R & D efforts are on for further improving the taste and quality of the products of the Company.

d) Expenditure on R & D

b) Benefits derived as result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc. :-

The improved manufacturing technology eliminates the chances of contamination and wastage thereby reducing the cost per unit.

c) Technology imported : Nil

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:**1. Efforts :**

During the financial year, the Company exported fresh and frozen meat products to various Countries of Middle East and South East.

2. Steps taken to increase Exports :

The Company has been continuously making efforts to increase exports by strengthening its marketing efforts, production and exploring new markets.

3. Earnings and Outgo :

The foreign exchange earnings of the Company has been Rs. 45,75,99,207 during the financial year under review by way of sales whereas the outgo during the same period is Nil.

	Rs.	Percentage
a) Capital	-	d) Total R&D
b) Revenue	13685	Expenses as
c) Total	13685	percentage
		of total
		Turnover
		0.0025

For and on behalf of the Board of Directors

Place : NEW DELHI
Date : 31st August 2001

SIRAJUDDIN QURESHI
Chairman

2. Technology Absorption, Adaptation and Innovation**a) Efforts in brief made towards technology absorption, adaptation and innovation :-**

Technology absorption, adaptation and innovation are ensured through recruitment of qualified technical, operational, process and veterinary staff as well as food technologist. The personnel are imparted technical and professional training at the plant level and elsewhere on a continuous basis. Moreover they are given frequent opportunity to interact with experts in the Industry.

AUDITORS' REPORT

To
**THE MEMBERS OF
HIND INDUSTRIES LTD.**

We have audited the attached Balance Sheet of M/s HIND INDUSTRIES LIMITED as at 31st March, 2001 and the Profit & Loss Account of the Company for the year ended on that date annexed thereto, which are in agreement with the Books of account.

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 and on the basis of such examination of the books and records of the Company as we consider proper and the information and explanations given to us during the course of our audit, we report that:

1. In our opinion, the Company has maintained proper records to show full particulars including quantitative details and situation of its Fixed Assets. The Company had adopted the policy of physical verification of Fixed Assets once in a year. Accordingly, physical verification of assets has been conducted during the year and no material discrepancies were noticed between the book records and physical existence of the Fixed Assets.
2. None of the Fixed Assets have been revalued during the year.
3. The stock of stores and spare parts have been physically verified by the management at the end of 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 stock followed by the management were found reasonable and adequate in relation to the size of the Company and nature of its business.
5. The discrepancies noticed on verification between the physical stocks and book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
6. In our opinion the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the previous years.
7. The Company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the register(s) maintained under Section 301 of the Companies Act, 1956.
8. The Company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
9. Loans to the staff have been granted by the Company and employees are generally repaying the principal amount as stipulated and interest wherever applicable.
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 nature of its business with regard to the purchase of stores, spares, raw materials, 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 the prices paid for the purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register(s) maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs.50000/- or more in respect of each party are reasonable as compared to the prices to the extent available with the Company of similar items supplied under similar circumstances by / to other parties.
12. As explained to us the Company is in process for the determination of unserviceable or damaged stores and the provision for unserviceable or damaged stores will be made on final determination.
13. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public and hence provisions of clause 4A(xiii) of the Manufacturing and other Companies (Auditor's Report) Order, 1988 are not applicable.