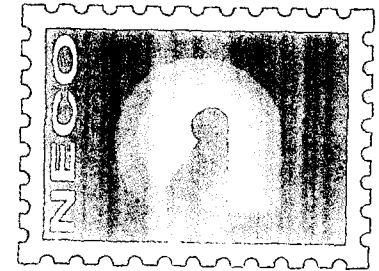


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AGM	<input checked="" type="checkbox"/>		SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>



The Annual Report 1998

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Jayaswals Neco Limited

SHAREHOLDER INFORMATION

No. of Shareholders	— 31616.
Listing on	— Mumbai, Calcutta, New Delhi, Pune and National Stock Exchange.
Book Closure Dates	— 24th June, 1999 to 30th June, 1999.
Annual General Meeting	— Wednesday, the 30th June, 1999 at 11.30 A.M. at the Registered Office at F/8, MIDC, Industrial Area, Hingna Road, Nagpur - 440 016. Tel.No. (07104) - 37276, 37471, 37472, Fax No. (07104) - 37583, 36255, E Mail - contact @ necoindia.com Web Site - www.necoindia.com

Nagpur Engineering Company Limited now known as

Jayaswal Neco Limited**BOARD OF DIRECTORS :**

Shri Basant Lall Shaw	: Chairman
Shri B K Agrawal	: Director (Finance)
Shri M M Vyas	: Director
Shri K R Sangameswaran	: Director
Shri A S Kapre	: Director (ICICI Nominee)
Shri H S G Shetty	: Director (IDBI Nominee)
Shri Manoj Jayaswal	: Joint Managing Director
Shri Ramesh Jayaswal	: Joint Managing Director
Shri Arbind Jayaswal	: Managing Director

SECRETARY :

Shri A D Karajgaonkar

BANKERS :

State Bank of India
Punjab National Bank
The Vysya Bank Ltd.
Union Bank of India
State Bank of Travancore

AUDITORS :

M/s. V R Inamdar & Co.	M/s. Chaturvedi & Shah	Agrawal Chhallani & Co.
Chartered Accountants	Chartered Accountants	Chartered Accountants
Nagpur	Mumbai	Nagpur

REGISTERED OFFICE :

F/8 MIDC Industrial Area,
Hingna Road, Nagpur - 440 016.
Tel. No. : (07104) - 37276, 37471, 37472.
Fax No. : (07104) - 37583, 36255
E Mail : contact @ necoindia.com
Web Site : www.necoindia.com

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12/02/95

WORKS :

1. Construction Castings Division	—	Bhilai and Anjora (Madhya Pradesh).
2. Centricast Division	—	MIDC Area, Hingna Road, Nagpur.
3. Engineering Castings Division	—	MIDC Area, Hingna Road, Nagpur.
4. Automotive Castings Division	—	Butibori, Nagpur.
5. Steel Plant Division	—	Raipur, (Madhya Pradesh).
6. Food Products Division	—	Wadoda, Nagpur-Bhandara Road, Nagpur.

Jayaswals Neco Limited**NOTICE**

NOTICE is hereby given that TWENTY-SIXTH Annual General Meeting of the Members of JAYASWALS NECO LIMITED will be held on Wednesday, the 30th day of June, 1999 at 11.30 A.M. at the Registered Office of the Company at F-8, MIDC Industrial Area, Hingna Road, Nagpur-440 016, to transact the following business :

1. To receive, consider and adopt the Balance Sheet of the Company as at 31st December, 1998; the Profit and Loss Account for the year ended on that date and the reports of the Auditors and Directors thereon.
2. To declare Dividend on Preference Shares.
3. To appoint Directors in place of following Directors who retire by rotation and being eligible offer themselves for Re-appointment :
 1. Shri K R Sangameswaran.
 2. Shri M M Vyas.
4. To appoint Auditors from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and fix their remuneration.

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modifications, the following Resolution as Special Resolution:

"RESOLVED pursuant to the provisions of The Securities Contracts (Regulation) Act, 1956; The Companies Act, 1956; Listing Agreement with the Stock Exchanges, and subject to such other permissions as may be applicable under the provisions of statutes, in force for the time being THAT, the consent of the Company be and is hereby granted to the Board of Directors of the Company to make applications to :

- 1) The New Delhi Stock Exchange Association Limited,
- 2) The Calcutta Stock Exchange Association Limited, and;

- 3) Pune Stock Exchange Limited

for the purpose of De-listing/removal of name of the Company from their list of official quotations and dealings with respect to the listing of existing 19988162 Equity Shares of Rs.10/- each and accept the Delisting of the said shares with effect from such date and subject to such conditions as the said Stock Exchanges may convey in writing, which the Board of Directors is hereby authorised to accept wholly or in part or with such modifications and/or alterations as may be deemed fit by it."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to forward the applications for and on behalf of the Company in a manner so required together such Documents, information etc. as to the Company as may be necessary and deemed expedient in the matter."

"RESOLVED FURTHER THAT the Board of Directors is also hereby further authorised to execute such papers, declarations undertakings, etc. in such manner and do all such acts, deeds, things, matters and other things as may be required or are necessary for the purpose of De-listing of Shares."

By Order of the Board of Directors,

A.D KARAJGAONKAR

Secretary

Registered Office :

F-8, M.I.D.C. Industrial Area,
Hingna Road,
NAGPUR - 440 016.
24th May, 1999.

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE SAID MEETING IS ENTITLED TO APPOINT A

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RPOXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER. THE PROXY IN ORDER TO BE EFFECTIVE, MUST BE LODGED WITH THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

2. The Register of Members and Share Transfer Books of the Company shall remain closed from 24th June, 1999 to 30th June, 1999 (both days inclusive).
3. The unpaid Dividend relating to the year 1994-95 has been transferred to the credit of Central Government as per the provisions of Section 205-A of the Companies Act, 1956.
4. The Members are requested to write to the Company for Consolidation of Folio Nos. wherever required, and; Corrections, changes in their Registered Addresses, the particulars of their Bank Account and Branch immediately.
5. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of the Special Business at Item No.5 is attached.
6. **THE MEMBERS OF THE COMPANY WHO WERE THE SHAREHOLDERS OF THE ERSTWHILE NAGPUR ALLOY CASTINGS LIMITED AND JAYASWALS NECO LIMITED, AND HAVE NOT YET SURRENDERED THEIR ALL THE ORIGINAL SHARE CERTIFICATES OF THOSE COMPANIES FOR CANCELLATION, ARE ONCE AGAIN REQUESTED TO DO THE NEEDFUL. THE NEW CERTIFICATES OF THE COMPANY WILL BE ISSUED IN EXCHANGE AGAINST THE SURRENDER/CANCELLATION OF THE OLD CERTIFICATES ONLY. (PLEASE REFER CLAUSE 12 OF THE SCHEME OF AMALGAMATION.)**

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.

ITEM NO. 5 :

As the Members are aware the existing Equity Shares of the Company are listed on Premier Stock Exchanges in India, namely, The Stock Exchange, Mumbai and National Stock Exchange of India Limited, Mumbai. In addition, the said shares are also listed on the Stock Exchanges at New Delhi, Calcutta and Pune.

With the advent of screen based trading through BOLT and other systems in The Stock Exchange, Mumbai and National Stock Exchange of India all over the Country. It has been considered that, the listing on these two exchanges would be sufficient to facilitate the liquidity and share transactions. Further the number of transactions/shares traded on stock exchanges at New Delhi, Calcutta and Pune in the past 4 years, since the Company went public, is rather negligible; whereas, the shares of the Company are traded almost every day on both The Stock Exchange of Mumbai and National Stock Exchange of India Limited. The Company, in tune with its policy of cutting down the costs in all possible ways has, subject to the consent of Members and such other approvals as may be required, considered to apply to the exchanges at New Delhi, Calcutta and Pune for de-listing of its shares on those Exchanges. The Company does not anticipate much of difficulties to the shareholders/Investors of the Company to deal in the shares of the Company, on account of the proposed Delisting.

The Directors therefore place before the Members the proposal and recommend the passing of resolution.

None of the Directors are to be deemed as interested or concerned with the Resolution.

DIRECTORS' REPORT

Dear Members,

The Directors are pleased to present their TWENTY-SIXTH Annual Report on the affairs of the Company, together with the Audited Accounts for the year ended 31st December, 1998. The summarised financial results for the year vis-a-vis the previous year are as follows.:

	(Rs. in Lacs)	
	1998	1997
Total Income	44481	51868
Gross Profit	6636	7505
Interest	4622	4056
Depreciation	1741	1440
Profit Before Tax	273	2009
Profit After Tax	269	2009
Balance Brought forward and other Adjustments	1300	43
Total Surplus	1569	2052
Transfer to General Reserve	—	1100
Transfer to debenture Redemption Reserve	1277	460
Proposed Dividend	18	415
Provision for Dividend Tax	2	42
Balance Carried to next year	272	35

2. DIVIDEND :

From the summarised results given above, it will be seen that, with a small profit of Rs. 269 Lacs for the year, the Directors are not in a position to recommend any Equity Dividend for the year ended 31st December, 1998. In view of the nature of Redeemable Cumulative Preference Shares subscribed by a Bank; the Dividend of Rs. 18 Lacs has been paid/provided for at the pre-determined rate on the said classified Preference Shares of Rs. 150 Lacs. No dividend is proposed on remaining Preference Shares of Rs. 2450 Lacs held by the Promoters, their relatives and Associates.

3. CAPITAL :

The Members are requested to note that Redeemable Preference Shares aggregating Rs. 150 Lacs issued to Bank of Punjab Ltd., became due for redemption during the year

under review. The Redeemable Preference Shares were redeemed on 21st January, 1999, and the new Shares for the similar amount were issued by the Company on the same terms and conditions concurrently. Except for this, there is no change in the capital structure of the Company during the year under review.

4. OPERATIONS :

During the year under review, the Company was affected on account of overall sluggishness and recession in the Steel Industry. The Members would be glad to note that despite these odds for which, the Company can do very little, the Steel Plant Division has performed consistently above its rated capacity. The production and sales of Pig Iron and other products under this Division, are at the projected levels. In other Divisions of the Company viz., Centricast Division and Engineering Castings Division, the production and sales are adversely affected, by the same factors namely, inadequate orders. Thereby, the foundries are faced with idle capacities. There was a minor labour problem in one of the sections of the Centricast Division of the Company during the year under review, which has since been resolved. The Construction Castings Division has, however, continued to perform as in the past. Poor offtake/realisations from debtors has resulted into accumulation of inventories and Book Debts.

The Food Products Division, for the second consecutive year, has suffered a set-back. The operations in this Unit were, for want of parity, maintained at a bare minimum during the most part of the year under review. The Directors are exploring the possibilities of developing the acceptable alternatives to run this Unit in a profitable manner.

Under the Automotive Castings Division at Butibori, the slow-down in the Automobile Sector, as is a widely known Scenario in the Country, has caused a situation of inadequate orders for the Automotive Castings. However, castings for Tractors Components are in good demand and the Company is in the process of developing the new designs and patterns for the critical castings.

To tide-over the difficulties arising out of overall recession in the economy and other external factors, the Company has started concentrating more on the exports of its Automotive and Construction Castings, especially in the

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South East Asian and U.S. Markets. The response is encouraging. The Company has bagged some contracts for supply of castings on a long term basis. The Directors have, also, with a view to improve the margins, taken effective steps towards the reduction of overheads and there is a marked reduction in the administrative and manufacturing overheads generally. The prices of raw-materials especially, Metallurgical Coke, are on decline in the recent times.

During the current year, the reducing prices of inputs and overheads are expected to improve margins for the Company. The operations of the Pig Iron Plant are already at over 104% of its rated capacity. The Company's certain manufacturing units have started gearing up to achieve ISO 9000 Certification, thereby helping to build reputation of the Company in the market. The Directors are hopeful that with the return of up-beat mood in the economy and favourable changes in the policy matters towards Steel Industry as a whole, there will be a turn around for better in future.

5. LISTING :

The Equity Shares of the Company issued on Amalgamation, are now listed on The Stock Exchange Mumbai, the Stock Exchanges at New Delhi, Calcutta, Pune and National Stock Exchange of India Limited. In pursuance of the Listing Agreement obligations, as amended, the Directors hereby confirm that the Company has paid the Annual Listing Fees for the year 1999-2000, as per the rules applicable in that behalf.

The listing on the Stock Exchange, Mumbai and National Stock Exchange of India Limited, facilitate the trading and liquidity throughout the country on account of its screen based trading facilities. The listing of Equity Shares of the Company at the Stock Exchanges at New Delhi, Calcutta and Pune, is proposed to be withdrawn on account of no trading in the Shares of the Company on those Exchanges over the last 4 years.

6. Y2K COMPLIANCES :

The Company has constituted a Committee of Executives to identify the systems and areas which pose the risks associated with year 2000 problem. While the financial implications are being worked-out, the Company has already started the process of obtaining the Certificates from the suppliers with regard to Y2K compatibility of the systems. The Directors are confident that the Company will be ready to overcome the difficulties, if

any, arising out of the problems of Y2K well on time.

7. DIRECTORS :

During the year under review, there was no change in the composition of Board of Directors of your Company. S/Shri K R Sangameswaran and M M Vyas, Directors, are liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for Appointment.

8. AUDITORS :

M/s. V R Inamdar & Co., Chartered Accountants, Nagpur, M/s. Agrawal Chhallani & Co., Chartered Accountants, Nagpur and M/s. Chaturvedi & Shah, Chartered Accountants, Mumbai, the Auditors of the Company are due to retire at the ensuing Annual General Meeting. Being eligible, they offer themselves for re-appointment for the current year. The Members are requested to appoint the Auditors and fix their remuneration.

9. PARTICULARS OF EMPLOYEES :

The particulars of employees to be furnished under Section 217 (2A) of the Companies Act, 1956, read with The Companies (Particulars of Employees) Rules, 1975, as amended, have been given separately and form a part of this report.

10. ADDITIONAL INFORMATION :

The information required to be furnished under Section 217(1)(e) of the Companies Act, 1956, and the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is attached and forms a part of this Report.

11. ACKNOWLEDGEMENT :

The Directors wish to place on record, their appreciation and gratitude for all the co-operation extended by Government Agencies, Bankers, Financial Institutions, Collaborators, Consultants, Business Associates and Shareholders. The Directors also record their sense of appreciation for the dedicated services rendered by all the Executives, Staff and Workers of the Company at all levels, for their valuable contribution in the working of the Company.

For and on behalf of the Board of Directors,

Nagpur,
24th May, 1999

B L SHAW
Chairman

ANNEXURES TO THE DIRECTORS' REPORT

1. PARTICULARS UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 FOR THE YEAR ENDED 31ST DECEMBER, 1998.**I. CONSERVATION OF ENERGY**

- A) The Company recognises the Importance of savings in the cost of Energy Consumption. High Efficiency, energy effective equipments for Steam Generation, Water Softening etc., have been installed at various manufacturing units which ensure stabilised power supply, minimum interruptions and smooth operations.
- B) Effective methods like, Furnace cover, replacement of existing equipments with more energy saving devices, installation of devices to plug the leakages and loss of energy, standardization of processes and other steps have been taken wherever possible giving a considerable saving in consumption of energy.
- C) The Blast Furnace Gases are extensively utilised for pre-heating of the hot blast stoves, blowing plant in the boilers and as a fuel for generation of power for captive consumption and sale to others.

Form for disclosure of particulars with respect to conservation of energy**(a) Power and Fuel Consumption**

Particulars	Electricity			Furnace Oil			Coal/Coke		
	Units	Total	Rate/Unit	Units	Total	Rate/Unit	Units	Total	Rate/Unit
	(KWH in Lacs)	(Rs. in Lacs)	(Rs.)	(KL.)	(Rs. in Lacs)	(Rs.)	(MT.)	(Rs. in Lacs)	(Rs.)
A) PURCHASED									
Iron & Steel	188.36	781.40	4.14	—	—	—	12267	368.76	3006
Castings	(281.36)	(998.06)	(3.54)	(—)	(—)	(—)	(17971)	(524.95)	(2921)
Pig Iron	11.24	90.34	8.03	1510	106.27	7037	264084	11281.71	4272
	(134.74)	(439.25)	(3.26)	(2884)	(200.14)	(6939)	(239394)	(9560.00)	(3993)
Soya Oil, De-oiled	12.47	54.63	4.38	—	—	—	4067	44.97	1105
Cakes	(42.71)	(151.11)	(3.54)	(—)	(—)	(—)	(10771)	(124.14)	(1153)
B) OWN GENERATION									
Pig Iron	280.54	743.42	2.65	—	—	—	—	—	—
	(114.42)	(208.24)	(1.82)	(—)	(—)	(—)	(—)	(—)	(—)

(b) Consumption/Unit of Production.

Name of Division	Electricity KWH	Furnace Oil Ltrs.	Coal/Coke Kg.
Iron & Steel Castings	411.85 (428.42)	— (—)	268 (273)
Pig Iron	75.61 (75.04)	3.91 (8.68)	684 (720)
Soya Oil, De-oiled Cakes	48.45 (61.22)	— (—)	158 (155)

Note : Figures in brackets relate to previous year.

II. TECHNOLOGY ABSORPTION :

The Company has adopted latest technology in Collaboration with Shougang International Trade and Engineering Corporation, Beijing, China. For manufacture of Pig Iron through Blast Furnace Route. Also, the Plant under Automotive Castings Division has been imported from Schubert & Salzer, Germany.

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III. FOREIGN EXCHANGE EARNINGS AND OUTGO :

	1998 (Rs. in Lacs)	1997 (Rs. in Lacs)
i) Foreign Exchange earned :		
Export of goods on FOB basis	362.31	2,991.20
ii) Foreign Exchange used :		
Technical Know-how	10.10	17.88
Purchase of Equipment	—	2.58
Purchase of Raw Material	9,466.74	9,108.48
Travelling	14.93	24.84
Export Promotion	1.71	0.71
Membership and Subscription	0.24	0.26
Interest	847.69	303.61
Communication	—	1.67

For and on behalf of the Board of Directors,

Nagpur,
24th May, 1999

B L SHAW
Chairman

2. PARTICULARS OF EMPLOYEES AS PER SECTION 217 (2A) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AS AMENDED

Employees who were in receipt of remuneration for the financial year in the aggregate of not less than Rs. 3,00,000/- if employed throughout the year and Rs. 25,000/- p.m. if employed for part of the year.

Sr. No.	Name of Employee	Designation	Age (Yrs.)	Qualification	Experience (Yrs.)	Remuneration (Rs.)	Last Employment	Date of Appointment
1.	B L Shaw	Director/ Chairman	65 Yrs.	B.Com.	45 Yrs.	10,32,000	Mg. Director Nagpur Alloy Castings Limited.	1.1.1998
2.	Arbind Jayaswal	Managing Director	46 Yrs.	B.Sc.	26 Yrs.	6,74,268	Mg. Director, Jayaswals Neco Ltd.	1.1.1998
3.	Manoj Jayaswal	Joint Managing Director	44 Yrs.	M.Com.	22 Yrs.	6,74,268	Mg. Director, Corporate Ispat Alloys Limited.	1.4.1994
4.	Ramesh Jayaswal	Joint Managing Director	39 Yrs.	B.Com.	16 Yrs.	10,32,000	Whole-Time Director, Nagpur Alloy Castings Limited	1.1.1998
5.	Ram Narayan Pandey	President	65 Yrs.	B.E.	39 Yrs.	4,72,949	President Nagpur Alloy Castings Limited.	1.1.1998
6.	Awadh Bihari Pandey	Vice President	48 Yrs.	B.E. M.Tech. (Foundry)	15 Yrs.	3,14,183	Works Manager, Bharat Engg. & Mfg. Co. Ltd.	1.8.1992

Notes :

- Gross remuneration comprises of salary, allowances, monetary, value of perquisites, Company's contribution to Provident Fund etc.
- The terms of S/Shri Arbind Jayaswal, Manoj Jayaswal and Ramesh Jayaswal as per their agreement of appointment with the Company are for a period of 5 years, w.e.f. 1.1.1998 and the agreement of appointment of Shri B.L. Shaw is for life.
- S/Shri B.L. Shaw, Arbind Jayaswal, Manoj Jayaswal and Ramesh Jayaswal, are related to each other.
- The remuneration drawn by S/Shri B.L. Shaw, Chairman, Arbind Jayaswal, Managing Director, Manoj Jayaswal, Joint Managing Director and Ramesh Jayaswal, Joint Managing Director, is in conformity with the provisions of Schedule XIII to the Companies Act, 1956.

For and on behalf of the Board of Directors,

Nagpur,
24th May, 1999

B.L. Shaw
Chairman

Jayaswals Neco Limited

AUDITORS' REPORT

We have audited the attached Balance Sheet of JAYASWALS NECO LIMITED as at 31st December, 1998 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 (Auditors' 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. Attention is drawn to Note No. 9 in Schedule 17 to the accounts with regard to Year 2000 compliance and how the Company is dealing with Year 2000 issue. In this connection it may be noted that the audit has not been intended, designed or performed to identify or detect problems that may result from computer hardware, software or other automated process inability to properly process dates which includes issues, internal and/or external related to Year 2000.
3. In our opinion, the Profit and Loss Account and Balance Sheet comply with the Accounting Standards referred to in sub-section 3 (C) of Section 211 of the Companies Act, 1956.
4. Attention is invited to the following :
 - i. Note No. 4 in Schedule 17 regarding Doubtful Debtors and Advances amounting to Rs.392.95 lacs.
 - ii. Note No. 7 in Schedule 17 relating to Provision for

Income-tax.

- iii. Note No. 10 in Schedule 17 regarding segregation of balances outstanding of Small Scale Industries (SSIs) from the Creditors balances.
5. Subject to our comments in para 4 above, we report that
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 the Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - (d) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :
 - i) in case of the Balance Sheet, of the state of affairs of the Company as at 31st December, 1998; and
 - ii) in case of the Profit and Loss Account, of the Profit for the year ended on that date.

For **V R Inamdar & Co.**
Chartered Accountants

A W Rajandekar
Partner

Nagpur,
24th May, 1999

For **Agrawal Chhallanji & Co.**
Chartered Accountants

S R Chhallanji
Partner

Nagpur,
24th May, 1999

For **Chaturvedi & Shah**
Chartered Accountants

D Chaturvedi
Partner

Mumbai,
24th May, 1999

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of our report of even date)

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. According to the information and explanations given to us a major portion of the assets has been physically verified by the Management in accordance with a phased programme of verification and no material discrepancies were noticed on such verification, as compared to the available records. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and the nature of its assets.
2. None of the Fixed Assets have been revalued during the year.
3. As explained to us, the stock of stores, spare parts, raw

materials and finished goods have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and the nature of its business.

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. As explained to us there were no material discrepancies noticed on physical verification of the stock of raw materials, stores and spares and finished goods having