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CS	<input checked="" type="checkbox"/>		D?Y	NA
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	NA		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		

REPORT



ANNUAL REPORT 1998



PREMIER INSTRUMENTS & CONTROLS LIMITED





## PREMIER INSTRUMENTS & CONTROLS LIMITED

P.B. No. 6331, 1087-A, Avanashi Road, Coimbatore - 641 037, India

### NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty-sixth Annual General Meeting of the Shareholders of the Company will be held on Friday, the 7th August, 1998 at 4.30 p.m. at Chamber of Commerce Building, 8/732, Avanashi Road, Coimbatore - 641 018, to transact the following business.

appointment/reappointment of the following parties as selling agents for export of the products of the Company on the terms and conditions approved by the Board of Directors of the Company and as per the agreement, copies whereof are placed at the meeting for perusal by members."

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1998 and the Profit and Loss Account for the year ended 31st March, 1998 and the Report of the Directors and the Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. L. Lakshman, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. E.K. Parthasarathy, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Mr. Suresh Jagannathan, who retires by rotation and being eligible, offers himself for reappointment.
6. To appoint a Director in place of Mr. V. Ramakrishna, who retires by rotation and being eligible, offers himself for reappointment.
7. To appoint Auditors and to fix their remuneration.

Sl. No.	Name of the selling agent	Product	Name of the country	Commission*	Period
1.	JLB Associates	Automobile Instruments & Speedometer Cables	Czech Republic	10%	01.01.1998 to 31.12.1999
2.	Agencies & Resources	Automobile Instruments, Industrial Pressure Gauges & Oil Pumps	Australia	5%	01.01.1998 to 31.12.1998
3.	Namik Kirmani	Automobile Instruments & Oil Pumps	Turkey	10%	01.01.1998 to 31.12.1999
4.	Business Express Ltd.	Automobile Instruments & Oil Pumps	Brazil	5%	01.04.1998 to 31.03.2000
5.	K & F OY	Automobile Instruments & Speedometer Cables	Finland	5%	01.11.1997 to 31.10.1999
6.	Evangelos A. Glycofridis S.A.	Automobile Instruments Speedometer Cables, Industrial Pressure Guages, Machine Tools & Accessories	Greece	5%	01.11.1997 to 31.10.1999
7.	Fayek R. Jarous	Automobile Dashboard Instruments Speedometer Cables, Industrial Pressure Guages, Machine Tools & Accessories	Syria	5%	01.01.1998 to 31.12.1999

#### SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to Sections 294, 294AA(3) and other applicable provisions of the Companies Act, 1956 and subject to the approval of the Central Government, the Company hereby approves the terms of

8. Stockland Enterprises	Automobile Instruments & Speedometer Cables,	Malaysia	5%	01.04.1998 to 31.03.2000
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\* On FOB Value.

Coimbatore  
26th May, 1998

By Order of the Board  
**L.G. VARADARAJULU**  
CHAIRMAN

#### NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS BEHALF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Register of Members of the Company will remain closed from 16th July, 1998 to 7th August, 1998 (Both days inclusive).

3. All documents referred to in the above Notice and Explanatory Statement are open for inspection at the Registered Office of the Company during office hours.
4. Unclaimed dividends relating to the financial year ended 31st March, 1994 have been transferred to the General Revenue Account of the Central Government in terms of the provisions of Section 205A of the Companies Act, 1956. Those share holders who have not claimed the said dividend so far, may claim the same from the Registrar of Companies, Tamil Nadu, Coimbatore, Bank of Baroda Building, 5th Floor, No. 82, Bank Road, Coimbatore - 641 018 by submitting an application in the prescribed form.
5. The unpaid dividend pertaining to the financial year ended 31st March, 1995 (paid in August, 1995) is due to be transferred to the General Revenue Account of the Central Government on 5th October, 1998. Those who have not encashed the payment may please write to the Company before 30th September, 1998.

#### EXPLANATORY STATEMENT

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

##### Item No. 8

The Board of Directors have appointed selling agents under Sl. No. 1 to 4 and reappointed selling agents under Sl. No. 5 to 8 of the resolution as per the terms set at item No. 8 of the Notice of the ensuing Annual General Meeting.

The services of the selling agents appointed / reappointed by the Company are required to increase the level of export sales of the products of the Company. The selling agents are dealers in automobile spares with well equipped sales network in their respective areas.

The Directors recommend this resolution for approval of the shareholders.

Copy of the agreements referred to in item No. 8 will be open for inspection at the Registered Office of the Company during office hours on all working days upto the date of ensuing Annual General Meeting.

None of the Directors of the Company is in any way concerned or interested in this resolution.

Coimbatore  
26th May, 1998

By Order of the Board  
**L.G. VARADARAJULU**  
CHAIRMAN

**PREMIER INSTRUMENTS & CONTROLS LIMITED****BOARD OF DIRECTORS**

Mr. L.G. Varadarajulu  
*Chairman*

Mr. N. Duraiswamy  
Mr. L. Lakshman  
Mr. V. Chidambaram  
Mr. E.K. Parthasarathy  
Mr. V. Ramakrishna  
Mr. Suresh Jagannathan  
Mr. C.R. Swaminathan  
Mr. K.N.V. Ramani  
Mr. D. Sarath Chandran  
Mr. V. Srinivasan (ICICI Nominee)  
Mr. Shigehiko Ito

Mr. D. Vijay Mohan  
*Vice Chairman & Managing Director*

**COMPANY SECRETARY**

Mr. V. Srinivasan

**AUDITORS**

M/s. Suri & Co.  
Chartered Accountants  
Coimbatore

**BANKERS**

Andhra Bank  
State Bank of India  
ANZ Grindlays Bank Limited  
Deutsche Bank  
ICICI Banking Corporation Limited  
ABN Amro Bank

**REGISTERED OFFICE**

P.B. No. 6331  
1087-A, Avanashi Road  
Coimbatore - 641 037, India  
Ph : 0422-211520 (5 lines) Fax : 0422-210028  
Telex : 0855-8376 PIL IN

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**FACTORIES****PLANT I**

Post Box No. 4209  
Perianaickenpalayam  
Coimbatore - 641 020

**PLANT II**

Plot No. 267 Phase II  
Udyog Vihar  
Gurgaon - 122 016

**DIRECTORS' REPORT****+ pricol +**

Your Directors have pleasure in presenting the Twenty-sixth Annual Report together with the audited accounts for the financial year ended 31st March, 1998.

**Financial Highlights**

	Year ended	
	31.3.98	31.3.97
	(Rupees in Millions)	
Net Sales	1376.619	1308.357
Profit before Interest, Lease, Depreciation and Tax	298.674	291.536
Less : Interest (Net) & Lease Charges	55.336	67.588
Depreciation	84.158	63.632
Profit before Tax	159.180	160.316
Less : Provision for Taxation	48.000	49.000
Profit after Tax	111.180	111.316
Add : Balance Brought forward from the previous year	23.172	16.497
Taxation provision for earlier years no longer required	—	8.286
Part of Debenture Redemption Reserve no longer required	3.500	—
Amount available for appropriation	137.852	136.099
<b>Appropriations</b>		
Debenture Redemption Reserve	—	1.700
General Reserve	90.000	90.000
Dividend recommended 35% (Previous year 35%)	20.963	19.297
Dividend Tax	2.096	1.930
Balance carried forward	24.793	23.172
	137.852	136.099

**Dividend**

Your Directors recommend a dividend of 35%. The 486,666 Equity Shares of Rs. 10/- each allotted to M/s. Denso Corporation, Japan, during the year would be eligible for pro-rata dividend for the financial year ended 31st March, 1998 from the date of allotment, i.e. 9th April, 1997.

**Review of Operations & Future Outlook**

During the year 1997-98, as a result of slow down in the economy, the automobile industry barring motorcycle segment has suffered a severe set-back, more particularly in heavy and light commercial vehicle segments.

Despite the above situation, your Company's overall turnover has increased by 5.22%. One of the positive features of operations of the Company during the year under review was strong performance in the export which registered a growth of 31% over the previous year. Though the sales registered a growth of 5.22%, the profit after tax remained more or less at the same level as in the previous year due to vehicle manufacturers not giving any price increase and also on account of higher depreciation. The raw materials and salary increases have been offset by reduction in cost in other areas due to better efficiency.

It is generally expected that there should be a recovery in the commercial vehicles segment of the automobile industry in the later half of the current year, 1998-99. If the expectations materialise, the major players in the industry will implement their expansion scheme as scheduled. With the collaborator's support, the Company is confident of facing the future challenges.

**Foreign Exchange Earnings and Outgo**

During the year, the Company's foreign exchange earnings were Rs. 161.224 million. The expenditure in foreign currency on account of revenue was Rs. 88.556 million and capital goods was Rs. 47.109 million. Net Foreign Exchange earned was Rs. 25.559 million.

**Increase in Capital**

As you are aware, during the year under review, the paid-up capital of the Company has been increased from Rs. 55.133 million to Rs. 60 million by way of allotment of 486,666 Equity Shares of Rs. 10/- each at a premium of Rs. 220/- per share on preferential basis to M/s. Denso Corporation, Japan, our collaborator, on 9th April, 1997. The Company has received INR 111.933 million in foreign exchange.



## Directors

Mr. L. Lakshman, Mr. E.K. Parthasarathy, Mr. V. Suresh Jagannathan and Mr. V. Ramakrishna retire by rotation at the ensuing Annual General Meeting and are eligible for reappointment.

## Auditors

The Auditors of the Company, M/s. Suri & Co., retire at the ensuing Annual General Meeting and are eligible for reappointment.

## Fixed Deposits

The Company had as on 31st March, 1998 deposits amounting to Rs. 39.359 million which includes 49 deposits of Rs. 0.500 million unclaimed as on 31st March, 1998. 24 deposits amounting to Rs. 0.290 million have since been renewed/discharged. Reminders have been sent to unclaimed deposit holders for suitable instructions.

## Subsidiary

The Statement relating to the subsidiary company, Integral Investments Limited pursuant to Section 212 of the Companies Act, 1956 together with its Balance Sheet as at 31st March, 1998 and the Profit and Loss account for the year ended 31st March, 1998 is annexed hereto.

## Industrial Relations & Human Resource Development

Industrial relations during the period under review continues to be cordial. As in the past, the Company has paid full attention for the development of the human resources through continuous training and development programmes.

## Personnel

Information in accordance with sub-section (2A) of Section 217 of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended, is annexed to and forms part of this Report.

## Conservation of Energy

Our Company is not a power intensive industry. However, the Company continues its efforts to improve the methods of energy conservation and utilisation.

## Research and Development and Technology Absorption

R & D activities of the Company were directed towards new product development and improvement in the existing products, quality enhancement and technology upgradation to achieve international standard.

R & D Centre continues to provide strong support base both in the areas of quality and new product development to enable the Company to deliver the products to suit changing needs of the overseas / domestic customers.

Continuous efforts are being made towards upgradation of technology, improving quality of the product, increasing productivity through cost effective programmes and value engineering techniques to enable the Company to compete effectively in the market.

## Expenditure on R & D : (Rs. in Million) (Other than indirect overhead expenses)

Capital	5.832
Recurring	33.797
Total	39.629

Total R & D expenditure other than indirect overhead expenses as a percentage of total turnover net of excise duty is 2.88%.

## Acknowledgements

The Board of Directors wish to thank shareholders, customers, dealers, suppliers, bankers, financial institutions and collaborators for their unstinted support and co-operation.

The Board of Directors wish to place on record their appreciation for the excellent support and contribution made by the employees at all levels towards achieving the objectives of the Company.

By Order of the Board  
**L.G. VARADARAJULU**  
CHAIRMAN

Coimbatore, 26th May, 1998

## ANNEXURE TO DIRECTORS' REPORT

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**PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST MARCH, 1998.**

Sl. No.	Name & (Age)	Designation / Nature of Duties	Remuneration		Qualification & Experience (Years)	Date of Commence- ment of Employment	Last Employment
			Gross Rs.	Net Rs.			
1.	D. Vijay Mohan (50)	Vice Chairman & Managing Director General Management of affairs of the Company	1,920,052	1,280,874	B.E. (Mech.), Master of Management Science (USA) (25)	03.04.1973.	—
2.	S. Jagdishan (50)	Vice President - Business Development	529,661	389,767	D.M.E. (30)	30.08.1979	Asia Automotive Ltd.
3.	G. Ranganathan (42)	General Manager - Manufacturing Engg.	455,903	325,291	B.E. (Hons.) M.Tech. (18)	28.07.1980	—
4.	P.S. Srinivasan* (51)	Dy. General Manager - Production & Supply (Electronics)	440,731	349,785	B.Sc., B.Tech. (28)	21.09.1984	Continental Device
5.	G. Joseph Thanaraj (57)	General Manager - Tool Room	428,593	301,478	B.E. (Mech.) (35)	02.12.1991	Simco Engg. Ltd.
6.	K. Udhayakumar (49)	General Manager - Quality System / Materials (Instruments)	422,802	300,980	B.E. (24)	11.02.1976	PSG Foundry
7.	Lt.Col.S.Purushothaman (52)	Dy. General Manager - H R	398,158	296,881	B.Sc. (31)	01.09.1993	Indian Army
8.	G. Damodaran (58)	Dy. General Manager - Plant Maintenance	382,440	275,640	Electrical Supervisory Certificate (39)	01.07.1974	Hotel Ashoka (P) Ltd.
9.	M.H.J. Messiahdas (48)	Dy. General Manager Production Engineering / Production & Supply (Instruments)	368,892	267,046	B.E. (Elec. & Tele. Comm.) PGDIE & Productivity (22)	16.01.1989	Shardlow India Ltd.
10.	K.C. Parameswaran (53)	General Manager - Business Development	368,819	275,415	B.Sc., D.M.I.T. (30)	09.05.1975	Formica India Ltd.
11.	R. Krishnamurthi (47)	Dy. General Manager - Electronics	365,030	267,725	B.Sc. (23)	01.12.1983	T.I. & M. Sales Ltd.
12.	A. Venkatesan (48)	Dy. General Manager - Information System	360,700	273,271	B.Sc., B.Com. (27)	15.09.1975	Sovereign Engineers Pvt. Ltd.
13.	K.S. Seshadri (49)	Dy. General Manager - Component Manufacturing	353,252	262,264	B.E. (26)	16.01.1989	Madras Cements Ltd.
14.	Jatinder Punj (45)	Regional Manager - Marketing	351,349	277,853	B.A. (Hons.) (25)	17.02.1983	Fit Tight Nuts & Bolts Ltd.
15.	R. Janardhanan (49)	Dy. General Manager - Finance & Secretarial	343,138	254,468	B.Com., F.C.A. (25)	20.12.1975	India Cements Ltd.
16.	V. Sesisekar * (47)	Dy. General Manager - Product Engg.	340,785	286,023	B.Tech. (27)	01.01.1974	GTTC
17.	Col. K. Bhaskaran (60)	Dy. General Manager - Production & Supply (Defence & Cable)	332,072	244,764	D.B.M. (40)	07.10.1988	Indian Army
18.	K. Selvaraj * (56)	Senior Manager - Administration	302,028	247,160	N.D.Com. (35)	14.06.1973	Mopeds India Ltd.

- NOTE: 1. Mr. D. Vijay Mohan is related to Mr. L.G. Varadarajulu, Chairman and Mr. D. Sarath Chandran, Director.  
 2. Nature of Employment whether contractual or otherwise : The Vice Chairman & Managing Director is appointed for a period of five years at a time. Rest of them are permanent employees of the Company.  
 3. \* Employed only for part of the year.  
 4. Gross remuneration includes salary, commission, performance reward, allowances, Company's contribution to provident fund, gratuity fund, service weightage and superannuation fund, reimbursement of medical and leave travel expenses.  
 5. Net remuneration represents salary, commission, performance reward, allowances, reimbursement of medical and leave travel expenses less income-tax, contribution to gratuity fund, service weightage, provident fund and superannuation fund.



## TEN YEAR PERFORMANCE AT A GLANCE

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Rupees in Millions

OPERATING RESULTS	1989 MAR (9 Mon)	1990 MAR (12 Mon)	1991 MAR (12 Mon)	1992 MAR (12 Mon)	1993 MAR (12 Mon)	1994 MAR (12 Mon)	1995 MAR (12 Mon)	1996 MAR (12 Mon)	1997 MAR (12 Mon)	1998 MAR (12 Mon)
Net Turnover	204.18	321.44	371.87	397.07	445.00	598.44	846.11	1100.76	1308.36	1376.62
Production	206.43	323.73	382.62	400.18	441.65	590.17	846.27	1105.58	1330.85	1383.95
Gross Surplus from operation	39.88	55.46	66.90	71.76	76.22	100.37	165.07	192.35	279.94	287.38
Other Income	0.10	0.10	0.20	0.39	18.27 *	0.83	1.45	8.27	11.59	11.29
Lease Finance Charges	3.23	5.14	7.65	8.76	8.34	9.42	8.07	6.13	5.29	4.12
Depreciation	8.20	13.30	14.64	18.07	19.02	20.68	39.53	46.55	63.63	84.16
Interest (Net) (a)	11.42	21.17	29.11	37.00	33.89	24.06	8.54	24.65	62.30	51.22
Profit before tax (b)	17.13	15.95	15.70	8.32	33.24 *	47.04	110.38	123.29	160.31	159.18
Tax (Net)	3.00	1.71	5.00	1.07	7.54	21.70	33.12	8.76	42.64 #	50.10 #
Profit after tax (c)	14.13	14.24	10.70	7.25	25.70	25.34	77.26	114.53	117.67	109.08
Dividend (d)	2.25	3.38	3.38	4.52	5.42	6.62	12.84	19.30	19.30	20.96
Retained Profit	11.88	10.86	7.32	2.73	20.28	18.72	64.42	95.23	98.37	88.12

SOURCES OF FUNDS	1989 MAR	1990 MAR	1991 MAR	1992 MAR	1993 MAR	1994 MAR	1995 MAR	1996 MAR	1997 MAR	1998 MAR
Share Capital	15.00	22.50	22.50	30.10	30.10	30.10	41.35	55.13	55.13	60.00
Reserves & Surplus**	35.78	39.15	46.47	60.61	80.90	102.74	246.69	351.80	450.18	646.37
Networth (e)	50.78	61.65	68.97	90.71	111.00	132.84	288.04	406.93	505.31	706.37
Borrowed Funds (f)	114.22	158.32	196.83	195.49	151.75	158.18	157.99	330.96	434.47	478.91
Total capital employed (g)	165.00	219.97	265.80	286.20	262.75	291.02	446.03	737.89	939.78	1185.28

## APPLICATION OF FUNDS

Gross Fixed Assets**	105.10	162.51	199.11	223.42	192.95	232.46	367.12	583.35	772.05	992.50
Depreciation	35.69	48.95	63.47	81.55	91.75	111.97	151.01	197.11	260.56	343.32
Net Fixed Assets**	69.41	113.56	135.64	141.87	101.20	120.49	216.11	386.24	511.49	649.18
Investments	2.72	2.70	3.00	3.00	3.03	5.53	30.45	30.45	78.44	76.10
Net Current Assets	92.87	103.71	127.16	141.33	158.52	165.00	199.47	321.20	349.85	460.00
Net Assets Employed	165.00	219.97	265.80	286.20	262.75	291.02	446.03	737.89	939.78	1185.28

## PERFORMANCE INDICATORS

Equity shares of										
Rs. 10/- each in millions (h) Nos.	1.50	2.25	2.25	3.01	3.01	3.01	4.14	5.51	5.51	6.00
Rights Issue	—	—	—	1:3	—	—	—	1:3	—	—
Bonus Issue	—	1:2	—	—	—	—	—	—	—	—
Earnings per share (c/h) Rs.	9.42	6.33	4.76	2.41	8.54	8.42	18.66	20.79	21.36	18.18
Dividend per share (d/h) Rs.	1.50	1.50	1.50	1.50	1.80	2.20	3.50 \$	3.50	3.50	3.50 \$
Networth per share (e/h) Rs.	33.85	27.40	30.65	30.14	36.88	44.13	69.57	73.85	91.71	117.73
Total Debt : Networth (f:e) Ratio	2.25:1	2.57:1	2.85:1	2.16:1	1.37:1	1.19:1	0.55:1	0.81:1	0.86:1	0.68:1
Return on capital										
employed [ (a+b)/g ] %	17.19	16.83	16.59	15.38	25.40	24.43	26.66	20.05	23.69	17.75
Return on Networth (c/e) %	27.83	23.10	15.51	7.99	23.15	19.08	26.82	28.14	23.29	15.44

\* Includes profit on sale of assets of Rs. 15.74 millions and the gratuity provision of Rs. 2.12 millions written back.

\*\* Excluding Revaluation.

\$ On pro-rata basis with respect to date of allotment.

# Includes Tax on Dividend.

**REPORT OF THE AUDITORS TO THE SHAREHOLDERS****+ pricol +**

We have examined the accounts of Premier Instruments & Controls Limited, Coimbatore, for the year ended 31st March, 1998 and the attached Balance Sheet as at 31st March, 1998 and the Profit and Loss Account for the year ended on that date annexed thereto and report that :

In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the attached schedules and notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :

- 1) In the case of the Balance Sheet, of the Company's affairs as at the end of the financial year, and
- 2) In the case of the Profit and Loss Account, of the Profit for the year.

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.

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 such books.

The Company's Balance Sheet and the Profit and Loss Account dealt with by this report 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, we have further to report as under :

- 1) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the Management during the year and no discrepancies have been noticed on such verification.
- 2) The fixed assets of the Company have not been revalued during the year.

- 3) The stocks of finished goods, spare parts and raw materials have been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.
- 4) 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.
- 6) On the basis of our examination of stock records, we are of the opinion that the valuation of stocks is fair and proper in accordance with the normally accepted accounting principle, and is on the same basis as in the preceding year.
- 7) The Company has not taken any loans secured or unsecured from Companies, Firms and other parties listed in the register maintained under Section 301 of the Companies Act, 1956, and / or Companies within the purview of sub-section (1B) of Section 370 of the Companies Act, 1956.
- 8) The Company has granted unsecured loans to Companies, listed in the register maintained under Section 301 of the Companies Act, 1956. The rate of interest and other terms and conditions are prima facie not prejudicial to the interest of the Company.
- 9) Loans and advances in the nature of loans have been given only to employees who are repaying the principal amount as stipulated and no interest is chargeable on the outstanding amounts.
- 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 purchases of stores, Raw Materials including components, Plant and Machinery, Equipment and other assets and with regard to the sale of goods.