



Pennar

Pennar Industries Limited

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**Annual Report
2002 - 03**

**BOARD OF DIRECTORS**

SHRI NRUPENDER RAO (Executive Chairman)
 PROF. LAXMI NARAIN
 SHRI C. RANGAMANI (GIC Nominee)
 SHRI P. BHASKARA RAO
 SHRI CH. ANANTHA REDDY (Executive Director)

PLANTS

Patancheru Unit,
 IDA, Patancheru,
 Medak (Dist), A.P.

Isnapur Unit,
 Isnapur Village,
 Medak (Dist.), A.P.

COMPANY SECRETARY

Shri P.V.Varaprasad

Tarapur Unit,
 MIDC, Tarapur,
 Maharashtra

AUDITORS

M/s Rambabu & Co.,
 Chartered Accountants,
 31, Pancom Chambers,
 6-3-1099/1/A, Rajbhavan Road,
 Somajiguda, Hyderabad - 500 082.

REGISTERED OFFICE

1-10-75/1/1-6, 3rd Floor,
 Saptagiri Towers,
 S.P. Road, Begumpet,
 Hyderabad - 500 016, A.P.

BANKERS

State Bank of India
 State Bank of Hyderabad
 Andhra Bank
 Canara Bank
 The Bank of Rajasthan Ltd.,
 IDBI Bank Limited
 Bank of Bahrain & Kuwait B.S.C

REGISTRARS & SHARE TRANSFER AGENTS

Dakshin Consultants (P) Ltd.,
 # 6 - 3 - 655/2/4,
 Civil Supplies Bhavan Lane,
 Somajiguda,
 Hyderabad - 500 082.

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NOTICE OF THE 27TH ANNUAL GENERAL MEETING

Notice is hereby given that the 27th Annual General Meeting of PENNAR INDUSTRIES LIMITED will be held at 3.30 p.m. on Saturday, the 6th day of December 2003 at The Federation of Andhra Pradesh Chamber of Commerce and Industry (FAPCCI), House no. 11/6/841, Red Hills, Hyderabad - 500 014, to transact the following business:

1. To receive, consider and adopt the report of the Directors, the Balance Sheet as at June 30, 2003 and the Profit and Loss Account for the year ended June 30, 2003 and the report of the auditors' thereon.
2. To appoint a Director in place of Prof. Laxmi Narain, who retires by rotation and offers himself for reappointment.
3. To consider, and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 224A of the Companies Act, 1956, M/s. Rambabu & Co., Chartered Accountants, Hyderabad, the retiring auditors, be and are hereby re-appointed as auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on such remuneration and out-of-pocket expenses as may be fixed by the Board of Directors of the Company".

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 316 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approvals of Central Government, Shareholders and Financial Institutions, approval of the Company be and is hereby accorded for the appointment of Shri. Nrupender Rao as Chairman and Managing Director with the designation of "Executive Chairman" of the company for a period of three years with effect from 31st October 2003 on the remuneration set out below:

1. Date of appointment : 31st October, 2003
2. Period : Three Years
3. Particulars of remuneration :

Salary (including dearness and all other allowances)
Rs.50,000/- per month.

Perquisites whose aggregate value shall not exceed Rs.6,00,000/- per annum.

Commission not exceeding 1% on the net profits of the company computed according to the provisions of the Companies Act, 1956.

In case of loss or inadequacy of profits in any financial year(s) of the Company, Shri. Nrupender Rao shall be entitled to receive the remuneration and perquisites as aforesaid except the commission, provided that the total remuneration shall in no event exceed the limit of Rs. 12,00,000/- per annum."

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approvals of Central Government, Shareholders and Financial Institutions, approval of the Company be and is hereby accorded for the appointment of Shri. Ch. Anantha Reddy as Executive Director of the company for a period of three years with effect from 31st October 2003 on the remuneration set out below:

1. Date of appointment : 31st October, 2003
2. Period : Three Years
3. Particulars of remuneration :

Salary (including dearness and all other allowances)
Rs.50,000/- per month.

Perquisites whose aggregate value shall not exceed Rs.6,00,000/- per annum.

Commission not exceeding 1% on the net profits of the company computed according to the provisions of the Companies Act, 1956.

In case of loss or inadequacy of profits in any financial year(s) of the Company, Sri. Anantha Reddy shall be entitled to receive the remuneration and perquisites as aforesaid except the commission, provided that the total remuneration shall in no event exceed the limit of Rs. 12,00,000/- per annum."

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

a) " RESOLVED THAT the authorised share Capital of the Company be and is hereby increased from the present Rs. 45,00,00,000/- (Rupees Forty Five Crores Only) divided into 3,00,00,000 (Three hundred



Lakhs) Equity Shares of Rs.10/- (Rupees Ten only) and 15,00,000/- (Fifteen Lakhs) Redeemable Preference Shares of Rs. 100/- each (Rupees One hundred Only) to Rs. 70,00,00,000/- (Rupees Seventy Crores Only) divided into 4,50,00,000 (Four hundred & Fifty Lakhs) Equity Shares of Rs.10/- (Rupees Ten only) and 25,00,000/- (Twenty Five Lakhs) Redeemable Preference Shares of Rs. 100/- each"

- b) "RESOLVED THAT Clause V of the Memorandum of Association of the Company be amended by substituting therefor the following clause:

The Authorised Share Capital of the Company is Rs. 70,00,00,000/- (Rupees Seventy Crores Only) divided in to 4,50,00,000 (Four Hundred & Fifty Lakhs) Equity Shares of Rs.10/- (Rupees Ten only) and 25,00,000/- (Twenty Five Lakhs) Redeemable Preference Shares of Rs. 100/- each with the rights, privileges and conditions attaching thereto as are provided by the regulations of the Company for the time being in force with powers to increase and / or reduce the capital of the Company and to divide the shares in the capital from time to time being in accordance with the provisions of the Companies Act, 1956 or any other statutory enactment / order / notification in force from time to time into several classes and to attach thereto respectively such preferential / qualified or other rights, privileges or conditions including that of redemption and / or conversion including deemed redemption and / or conversion, as may be determined by or in accordance with the regulations of the Company or any statutory enactment/order/notification as may be in force from time to time and to vary, modify or delete any such rights, privileges or conditions in such manner as may from time to time be permissible under the regulations of the company or any statutory enactment / order/ notification as may be in force from time to time".

7. To consider and, if thought fit, to pass with or without

modifications, the following resolution as a Special resolution:

"RESOLVED THAT Article 3(a) of the Articles of Association of the Company be amended by substituting therefor the following Article:

The Authorised Share Capital of the Company is Rs. 70,00,00,000/- (Rupees Seventy Crores Only) divided into 4,50,00,000 (Four Hundred & Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) and 25,00,000/- (Twenty Five Lakhs) Redeemable Preference Shares of Rs. 100/- each with the rights, privileges and conditions provided by the Companies Act, 1956 and any other statutory enactment / order / notification for the time being in force and by these Articles or by a Special Resolution passed by a General Meeting duly convened and held for that purpose".

By Order of the Board
For Pennar Industries Limited

Place : Hyderabad
Date : October 31, 2003

P. V.Varaprasad
Company Secretary

NOTES:

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON POLL TO VOTE ON HIS/HER BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, must be deposited at the Registered Office of the Company, not less than 48 hours before the time fixed for the meeting.
- (b) The Register of Members and the Share Transfer Books of the Company will remain closed from December 04, 2003 to December 08, 2003 (both days inclusive).
- (c) The Explanatory Statement pursuant to Sec.173 (2) of the Companies Act, 1956 in respect of the business set out under item no. 3 to 7 is annexed.
- (d) Members are requested to bring their copies of the Annual Report to the meeting.

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

Item No. 3

This explanatory statement is given in respect of the resolution mentioned in this item of the Notice, since the resolution for the re-appointment of the retiring Auditors will be proposed as a Special Resolution. Section 224 A

of the Companies Act, 1956 provides that in the case of a Company where not less than 25% of the subscribed share capital is held by any public financial institution or any Government or Nationalised Bank or other financial institution referred therein, the appointment or reappointment of Auditors shall be made by a special resolution. As more than 25% of the subscribed share capital of the Company is held by institutions covered by the said Section, the resolution for the re-appointment of the retiring auditors is proposed as a Special Resolution.



As required under Section 224 of the Companies Act, 1956 a certificate has been received from the auditors to the effect that their appointment, if made, will be in accordance with the limits prescribed in Section 224 (1B) of the Companies Act, 1956.

None of the Directors are concerned or interested in the resolution.

The Directors commend the resolution for your approval.

Item no. 4

The Board of Directors of the Company at their meeting held on 31st October 2003 approved the appointment of Shri. Nrupender Rao as Chairman and Managing Director with the designation of Executive Chairman for a period of three years from and including 31st October 2003. The composition of payments under various heads as recommended by the Board is as under.

- i. **Duration**
Three Years from 31st October 2003 to 30th October 2006.
- ii. **Salary**
Salary (including dearness and all other allowances) Rs. 50,000/- per month.
- iii. **Perquisites**
Perquisites whose aggregate value shall not exceed Rs. 6,00,000/- per annum.
- iv. **Commission**
Commission not exceeding 1% on the net profits of the company computed according to the provisions of the Companies Act, 1956.

In case of loss or inadequacy of profits in any financial year(s) of the Company, Shri. Nrupender Rao shall be entitled to receive the remuneration and perquisites as aforesaid except the commission, provided that the total remuneration shall in no event exceed the limit of Rs. 12,00,000/- per annum."

Additional particulars of the appointee:

I. General information

Pennar Industries Limited is a cold rolled steel and cold formed profiles manufacturing industry. The company's sales during the year 2002-03 increased from Rs.75.59 crores to Rs.109.5 crores an increase of about 44.86%. During the year 2002-03 there was a significant turnaround in all areas of the Company's operations.

II. Information about the appointee:

Shri. Nrupender Rao, aged 58 years is a mechanical engineer from IIT Kharagpur and has a master degree in Industrial Engineering and Operations research from Purdue University, USA. He is a technocrat and industrialist and has wide experience in various fields

of business management. His experience would be of immense benefit to the company.

III. Other information

The year 2004 is expected to be better than last year. There has been a significant revival in the automobile segment, which will benefit the company.

IV. Statutory information

The Board recommends the appointment of Shri.Nrupender Rao as chairman and managing director of the company.

The remuneration proposed for Shri. Nrupender Rao is as permissible under Section 198 & 309 of the Companies Act, 1956, subject to approval of the central government

The Board of Directors commend the resolution for your approval.

The particulars of the remuneration as set out in the resolution may be treated as an abstract of the terms and conditions under the provisions of section 302(2) of the Companies Act, 1956.

None of the directors except Shri. Nrupender Rao is in any way concerned or interested in the said resolution.

A copy of the Board resolution dated 31st October 2003 and a copy of the Memorandum and Articles of Association of the Company are available for inspection at the registered office of the company between 11.00 a.m. and 1.00 p.m. on any working day of the company.

Item no. 5

The Board of Directors of the Company at their meeting held on 31st October 2003 approved the appointment of Shri. Ch. Anantha Reddy as Executive Director for a period of three years from and including 31st October 2003. The composition of payments under various heads as recommended by the Board is as under.

- i. **Duration**
Three Years from 31st October 2003 to 30th October 2006.
- ii. **Salary**
Salary (including dearness and all other allowances) Rs.50,000/- per month.
- iii. **Perquisites**
Perquisites whose aggregate value shall not exceed Rs.6,00,000/- per annum.



iv. Commission

Commission not exceeding 1% on the net profits of the company computed according to the provisions of the Companies Act, 1956.

In case of loss or inadequacy of profits in any financial year(s) of the Company, Shri. Ch. Anantha Reddy shall be entitled to receive the remuneration and perquisites as aforesaid except the commission, provided that the total remuneration shall in no event exceed the limit of Rs.12,00,000/- per annum."

Additional particulars of the appointee:

I. General information

Pennar Industries Limited is a cold rolled steel and cold formed profiles manufacturing industry. The company's sales during the year 2002-03 increased from Rs 75.59 crores to Rs 109.5 crores an increase of about 44.86%. During the year 2002-03, there was a significant turnaround in all areas of the company's operations.

II. Information about the appointee:

Shri. Ch. Anantha Reddy, aged 56 years is a metallurgical engineering graduate from the Regional Engineering College, Warangal and has been the recipient of the Gold Medal in the year 1970 for being the best student. He is also a member of the Indian Institute of Metals. He has been with the company since 1985 and has worked in various areas of operations. Further, during his term as Executive Director for the past three years, the company has improved significantly and is poised for full recovery during the current year. His experience would be of immense benefit to the company.

III. Other information

The year 2004 is expected to be better than last year. There has been significant revival in the automobile segment, which will benefit the company.

IV. Statutory Information

The Board recommends the appointment of Shri. Ch. Anantha Reddy as Executive Director of the company.

The remuneration proposed for Shri. Ch. Anantha Reddy is as permissible under Section 198 & 309 of the Companies Act, 1956, subject to approval of the Central Government.

The Board of Directors commend the resolution for your approval.

The particulars of the remuneration as set out in the resolution may be treated as an abstract of the terms and conditions under provisions of section 302(2) of the Companies Act, 1956.

None of the directors except Shri. Ch. Anantha Reddy is in any way concerned or interested in the said resolution.

A copy of the Board resolution dated 31st October 2003 and a copy of the Memorandum and Articles of Association of the Company are available for inspection at the registered office of the company between 11.00 a.m. and 1.00 p.m. on any working day of the company.

Item no. 6 & 7

The present Authorised Equity Share Capital of the Company is Rs. 45,00,00,000/- (Rupees Forty Five Crores Only) divided into 3,00,00,000 (Three Hundred Lakhs) equity shares of Rs. 10/- (Rupees Ten only) and 15,00,000/- (Fifteen Lakhs) Redeemable Preference Shares of Rs. 100/- each (Rupees One Hundred Only). With the proposed conversion of the portion of the loans into equity share capital by Financial Institutions, infusion of additional equity by promoters/strategic investors, it is necessary to increase the Authorised Share Capital of the Company to Rs. 70,00,00,000/- (Rupees Seventy Crores Only) divided into 4,50,00,000 (Four Hundred & Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) and 25,00,000/- (Twenty Five Lakhs) Redeemable Preference Shares of Rs. 100/- each"

The capital clause of the Memorandum of Association of the Company and the Articles of Association of the Company need to be amended. The proposed increase in the Authorised Share Capital of the Company requires the approval of members at the Annual General Meeting. The Directors commend the ordinary resolution under item no. 6 and special resolution under item no. 7 of the notice for approval of the shareholders.

None of the Directors of the Company is concerned or interested in the said resolution.

By Order of the Board
For Pennar Industries Limited

Place : Hyderabad
Date : October 31, 2003

P. V.Varaprasad
Company Secretary



ADDITIONAL INFORMATION ON DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

(I)

- | | | |
|---|---|---|
| 1. Name of the Director | : | Prof. Laxmi Narain |
| 2. Date of Birth | : | February 02, 1930 |
| 3. Date of Appointment | : | December 24, 2001 |
| 4. Qualification | : | M.Com, LLB (Delhi University), PHD,
London School of Economics |
| 5. Expertise | : | Experience in various fields of Management
for the past few decades. |
| 6. List of Companies in which out side
Directorship held as on June 30, 2003 | : | Pennar Profiles Limited
Spectrum Power Generation Limited |
| 7. Chairman / Member of the Committees of
other Companies on which he is a
Director as on June 30, 2003 | : | Pennar Profiles Limited |

(II)

- | | | |
|---|---|---|
| 1. Name of the Director | : | Shri. Nrupender Rao |
| 2. Date of Birth | : | June 23, 1945 |
| 3. Date of Appointment | : | 23-09-1995 |
| 4. Qualification | : | B.Tech (IIT, Kharagpur) M.S., Operations Research
& Industrial Engineering, Purdue University, USA |
| 5. Expertise | : | Experience in various fields of Management. |
| 6. List of Companies in which out side
Directorship held as on June 30, 2003 | : | Pennar Chemicals Limited
Pennar Aluminium Company Limited
Pennar Profiles Limited |
| 7. Chairman / Member of the Committees of
other Companies on which he is a
Director as on June 30, 2003 | : | Pennar Chemicals Limited
Pennar Profiles Limited |

(III)

- | | | |
|---|---|--|
| 1. Name of the Director | : | Shri. Ch. Anantha Reddy |
| 2. Date of Birth | : | June 5, 1947 |
| 3. Date of Appointment | : | 30-10-2000 |
| 4. Qualification | : | B.E (Metallurgical) P.G.D.M.M from
Indian Institute of Materials Management |
| 5. Expertise | : | Vast experience in the technologies of steel industry
for the past few decades and experience
in various fields of Management. |
| 6. List of Companies in which out side
Directorship held as on June 30, 2003 | : | Nil |
| 7. Chairman / Member of the Committees of
other Companies on which he is a
Director as on June 30, 2003 | : | Nil |



DIRECTORS' REPORT

To
The Members,

Your Directors present the 27th Annual Report together with the audited accounts for the year ended June 30, 2003.

FINANCIAL RESULTS:

During the year under review, your Company has made an impressive turnaround in all areas of the company's operations. The Company's sales have increased during the year (34735 Tonnes as against the previous year 25614 MT). In rupee terms, sales were Rs 109.5 Crores (previous year Rs. 75.6 Crores). The Company has made a Gross Profit before Interest and Depreciation of Rs. 140 Lakhs. The company was successful in reducing the losses (before accounting for non-recurring items) from Rs 4662 lakhs to Rs.844 lakhs in the year under review. Various actions taken by the company to improve product mix and to reduce costs have resulted in reduced losses during the year.

PERFORMANCE:

The year 2002-03 has been a good year for the steel industry in general. After the continuous demand recession, which lasted for four years, the demand for steel started looking up from April 2002. With the demand picking up from countries like Russia and China, there has been a surge in steel prices. This coupled with the growth in Automobile, Auto Ancillaries, LCV, and MCV segments in the country has resulted in an overall recovery. Indian steel industry received a boost from the overall resurgence of the Indian industry arising the increase in infrastructure spending by the Government, growth in the automobile as well as appliance sectors and higher demand from overseas markets. Your company could take advantage of the demand growth and has been steadily improving its operations. However, due to increased competition from the integrated steel plants producing large quantities of cold rolled steel, the margins of your company's products have been under continuous pressure. Continuous efforts are being made to upgrade the product mix by increasing value added products like Cold Rolled Formed Sections, Engineering Components and Road Safety Systems. This has resulted in increasing value addition leading to higher margins. Your company continued to maintain its quality rating through ISO 9002 certification for the rolling and forming division and a QS9000 certification for the components division.

RESTRUCTURING:

The Financial institutions and some banks have restructured the loans as per the approval of the Corporate Debt Restructuring (CDR) Forum in December, 2002. An important condition of the restructuring was to reduce debt through sale of some specified assets. As this could not

happen, the Company has submitted a proposal to the lenders for a revision in the restructuring scheme. IDBI, the lead financial institution for your Company has initiated the revised restructuring based on the decision taken by the lenders at a meeting of the Corporate Debt Restructuring Forum held on August 4th, 2003.

The salient features of the revised package inter alia are conversion of a portion of debt into equity shares; extended period for repayment of term loans; conversion of part of working capital loan into term loan; conversion of unpaid interest into Zero interest term loans to be repaid back ended; reduction of equity capital, induction of funds by the promoters/ strategic investors and reduction of interest payable on the loans. The Company's performance has improved with the earlier debt restructuring and it is expected to improve further, after the revised restructuring scheme is approved by the CDR Forum. Your Directors had made a reference to the Board for Industrial and Financial Reconstruction (BIFR) as the company's net worth had been completely eroded. BIFR has registered the case as No. 87/2003.

DIVIDEND:

Preference / Equity Shares

In the absence of profits, your directors are unable to recommend a dividend on the preference and equity shares for the year under review.

DIRECTORS:

Prof. Laxmi Narain retires by rotation at the ensuing Annual General meeting and offers himself for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 217(2AA) of the Companies Act, 1956, the directors would like to state that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed, except those that have been referred to by the auditors in their report;
- ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are 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) 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) the directors had prepared the annual accounts of the company on a going concern basis.

MANAGEMENT DISCUSSION & ANALYSIS AND CORPORATE GOVERNANCE:

The report on management discussion and analysis and the status report on the compliance of corporate governance are annexed and form part of the annual report. A compliance certificate from the company's auditors is annexed.

AUDITORS:

The retiring auditors at the forthcoming annual general meeting, M/s. Rambabu & Co., chartered accountants, are eligible for re-appointment and have indicated their willingness to continue.

PUBLIC DEPOSITS:

The total principal amount of fixed deposits as on June 30, 2003, was Rs.649.86 Lakhs. During the year, no fresh deposits were accepted.

PERSONNEL:

Your directors compliment the employees of the company, whose co-operation and dedicated teamwork made it possible to improve the performance in a difficult year, under challenging circumstances.

No employee was in receipt of remuneration, which requires disclosure in terms of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

LISTING OF COMPANY'S SHARES:

Your company's shares are listed at the Hyderabad Stock Exchange Ltd., 3-6-275, Himayat Nagar, Hyderabad and The Stock Exchange, Mumbai, P. J. Towers, Dalal Street, Mumbai and the company is regular in paying the annual listing fees to these stock exchanges.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

In accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, the required information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo is annexed.

AUDITORS QUALIFICATIONS:

The qualifications made by the auditors in their report regarding the accounts for the period ended June 30, 2003 have been dealt with in the Notes to Accounts (Schedule 18) and are self-explanatory.

ACKNOWLEDGEMENTS:

The Board wishes to thank SBI, IDBI, ICICI Bank, IFCI, UTI, LIC, GIC, UIIC, SBH, Canara Bank, Andhra Bank, IDBI (Bank), Bank of Rajasthan and Bank of Bahrain & Kuwait B.S.C, customers, suppliers and other stake holders for their continued support.

For and on behalf of the Board

Place : Hyderabad
Date : October 31, 2003

Nrupender Rao
Executive Chairman

ANNEXURE TO DIRECTORS' REPORT

FORM A

PARTICULARS	01-07-2002 to 30-06-2003	01-07-2001 to 30-06-2002
A POWER & FUEL CONSUMPTION		
1. ELECTRICITY :		
Purchased Units	7283816	6387012
Total Amount (Rs.)	31661722	36589647
Rate Per Unit (Rs.)	4.35	5.73
Own Generation		
Through Diesel Generator		
1000 KVA Units (KWH)	34112	73284
Units per litre of diesel oil	2.52	3.23
Cost of diesel per KWH (Rs.)	8.12	5.73
2. COAL :		
Quantity (Tonnes)	1324	1151
Total Amount (Rs.)	2685865	2330913
Average Rate (Rs.)	2028	2026



PARTICULARS	01-07-2002 to 30-06-2003	01-07-2001 to 30-06-2002
3. DIESEL OIL :		
Quantity (KL)	17	1
Total Amount (Rs.)	350556	18341
Average Rate (Rs.)	20798	18341
4. C IX OIL :		
Quantity (MT)	666	531
Total Amount (Rs.)	9439720	6817993
Average Rate (Rs.)	14184	12833
5. FURNACE OIL		
Quantity (KI)	—	1
Total Amount (Rs.)	—	11966
Average Rate (Rs.)	—	10878
B CONSUMPTION PER UNIT OF PRODUCTION		
a. Product : Cold Rolled Steel Strips		
Unit : Tonnes		
Electricity (KWH)	220	300
Coal (Kgs)	47	60
Diesel (Ltrs)	0.61	0.05
C IX (Kgs)	23.75	27.80
Furnace Oil (Ltrs)	—	0.06
b. Product : Cold Rolled Metal Profiles		
Unit : Tonnes		
Electricity (KWH)	68.41	66.48

FORM B**RESEARCH & DEVELOPMENT (R&D)**

1. Specific areas in which R&D carried out by the company :
 - a. Developed Press Components for the Brake System for Indian Railways
 - b. Developed electrostatic precipitator components for export market through FL Smith of Denmark.
2. Benefits derived as a result of the above R&D : Increased Business Volume.
3. Future plan of action :
 - a. Development of new applications for Cold Rolled Profiles.
 - b. Development of Stainless Steel / Corten Steel Profiles for Railways.
 - c. Development of new components for Automotive Applications.
4. Expenditure on R& D : Rs. 10 Lakhs
5. Technology Absorption, adaptation and innovation :
 - a. Shearing type cut off tools developed for saving of slug scrap going as slug.
 - b. Shorter annealing cycles for captive consumption of CRCA products.
6. Foreign exchange earnings and outgo : Nil