



# **TAMILNADU STEEL TUBES LIMITED**

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20th

**A N N U A L  
R E P O R T  
1998 - 99**

**TAMILNADU STEEL TUBES LIMITED, CHENNAI****BOARD OF DIRECTORS**

Sri Rakesh Goyal  
Sri G.N. Gupta  
Sri. M.J. Lakshmi Narasimha Rao  
Sri Narender Kapoor  
Sri Mahavir Singh  
Sri K. Venkataraman  
Sri Gopal Singh

**STATUTORY AUDITORS**

M/s. Kumbhat & Co.,  
Chartered Accountants,  
Chennai - 600 079

**ADVISTORS : (Legal)**

Sri. V.Ramachandran (Advocate)  
24, Nungambakkam High Road,  
Chennai - 600 079

**(Secretarial)**

Sri. R. Sethuraman

**BANKERS**

The Jammu & Kashmir Bank Ltd., Chennai

**REGISTERED &  
ADMINISTERED OFFICE**

7-A, Sunkurama Street, Chennai - 600 001.

**WORKS**

B-10, Maraimalai Nagar Industrial Complex,  
Post Kattankulathur  
Kancheepuram Dist.

**TWENTIETH ANNUAL GENERAL MEETING****NOTICE**

NOTICE is hereby given that the 20th Annual General Meeting of the Company will be held at 10.00 a.m on Wednesday, the 29th September, 1999 at "Ranee Seethai Hall", Anna Salai, Chennai - 600 006, to transact the following business:

1. to receive, consider and adopt the Directors Report, the Audited Balance Sheet of the Company as at 31st March, 1999 the Profit and Loss Account for the year ended that date and the report of the Auditors thereon.
2. to appoint Directors:
  - a) to appoint a Director in the place of Sri Mahaveer Singh, who retires by rotation and being eligible offers himself for re-appointment.
  - b) to appoint a Director in the place of Shri K. Venkataraman, who retires by rotation and being eligible offers himself for re-appointment.
  - c) to appoint a Director in the place of Sri Narander Kapoor, who retires by rotation and being eligible offers himself for re-appointment.
3. to appoint Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and to fix their remuneration. M/S. Kumbat & Co., Chartered Accountants are proposed for re-appointment.
4. Special Business : to approve by special resolution the Commencement of business as detailed in para 25 of Part.C Other objects of Clause IV of the Memorandum of Association of the Company, under Sec.2 (A) of SEC. 149 of the companies Act. 1956.

Date : 19-08-99

Place : Chennai

By Order of the Board  
for **TAMILNADU STEEL TUBES LIMITED**

**K. VENKATARAMAN**  
Director

**NOTE :**

- i. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself, and the proxy need not be a member. 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.
- ii. The Register of members and Share Transfer Book of the company will remain closed from 24.9.99 - 29.9.99.
- iii. Members are requested to intimate any change in their addresses registered with the company.
- iv. Members are requested to bring the copy of the Annual Report with them.
- v. No Gifts will be distributed

**EXPLANATORY STATEMENT UNDER SEC.173(2) OF THE COMPANIES ACT :- ITEM 4 ON THE AGENDA :**

The Board of Directors have resolved to diversify the activities of the Company, in view of the sluggishness in the market, in order to improve the performance of the Company. They have therefore decided to commence new business as detailed in the above proposed resolution. Para 25 of Part. C of Clause IV of the Memorandum of Association reads as follows :-



## TAMILNADU STEEL TUBES LIMITED, CHENNAI

"25. To promote, form or acquire any company and to take, purchase or acquire shares or interest in any company and to transfer to any such company any property of this company and to take or otherwise acquire, hold and dispose of or otherwise deal in and invest in any shares, debentures and other securities in or any company or companies either out of its own funds or out of funds that it might borrow by issue of debentures or from bankers or otherwise however or in any other manner whatsoever and to subsidise or otherwise assist any such company".

As a special resolution of the Company is required before such commencement. (which has to be filed with the Registrar of Companies with a duly verified declaration in the prescribed form), the above resolution is put up before the General Body.

None of the Directors are interested in any of the resolutions.

### AUDITORS REPORT TO THE SHAREHOLDERS OF TAMILNADU STEEL TUBES LIMITED, CHENNAI

We have audited the attached Balance Sheet of Tamilnadu Steel Tubes Limited, Chennai as at 31st March 1999 and the Profit and Loss Account for the year ended on the date annexed there to and report that :

1. As required by the Manufacturing and Other Companies (Auditors Report) Order, 1998, issued by the Company Law Board in terms of Section 277 (4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph "1" above, we state that :
  - a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.
  - b) In our opinion, proper books of accounts, as required by law, have been kept by the company so far as appears from our examination of those books.
  - c) The Balance Sheet and Profit and Loss Account referred to in 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 give to us, the said Balance Sheet and Profit and Loss Account read together with the notes thereon give the information required by the Companies Act 1956, in the manner so required and give true and fair view.
    - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 1999 and
    - ii) in the case of the profit and Loss Account, of the Profit of the Company for the year ended on that date.

For **KUMBHAT & CO.,**  
Chartered Accountants

Place: Chennai

Date : 19.08.99

(**AJIT KUMBHAT**)  
Partner

**ANNEXURE REFERRED TO IN PARAGRAPH "1"  
OF OUR REPORT OF EVEN DATE**

RE : Tamilnadu Steel Tubes Limited, Chennai

- 1) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. All the assets have not been physically verified the management during the year but there is a regular programme of verification which in our opinion is reasonable with regards to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.
- 2) None of the fixed assets have been revalued during the year.
- 3) The Stock of finished goods, stores and spare parts and raw material have been physically verified by the management at the close of the accounting year.
- 4) In our opinion and according to explanations give 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 nature of its business.
- 5) The discrepancies noticed on such verification as compared to book records, which were not material, have been properly dealt with in the books of account.
- 6) On the basis of our examination of stock records, we are of the opinion that the valuation of stock records, we are of the opinion that the valuation of stocks is fair and proper and in accordance with the normally accepted accounting principles and is on the same basis as in the proceeding year.
- 7) In our opinion the rate of interest and other terms and conditions on which loans have been taken from firms or other parties listed in register maintained under section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the company.
- 8) In as much as the company has not granted any, whether secured or unsecured loans, to any companies firms or other parties specified in Paragraph 4(A) (viii) the question of expressing any opinion does not arise.
- 9) The company has granted interest free advances in the nature of loans to its employees and the same and being recovered at periodic intervals.
- 10) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with size of the company and the nature of its business with regard to purchase of stores, raw materials plant and machiner, equipment and other assets and with regard to the sale of goods.
- 11) In our opinion and according to the information and explanations given to us the transactions of purchase of goods and materials and sale of goods materials and services made in pursuance of contracts and arrangements entered in the register maintained u/s 301 and aggregating during the year to Rs. 50000 or more in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices for such goods materials or services or the prices at which transactions for similar goods, material or services have been with other parties.
- 12) As explained to us, the company has a regular procedure for the determination of unserviceable or damaged stores and finished goods. Adequate provision has been made in accounts for the loss arising on the items so determined.
- 13) In our opinion and according to information and explanations given to us, the company has complie with provisions u/s 58A of the Companies Act, 1956 and companies (Acceptance of deposits) Rules, 1975.
- 14) In our opinion reasonable records have been maintained by the company for sale and disposal of realisable scrap. The Company has no by-products.
- 15) In our opinion the company's internal audit system is commensurate with the size and nature of its business.
- 16) The company has maintained cost records as prescribed u/s 209 (1) (d) of the Companies Act 1956.
- 17) According to the records of the company, Provident Fund and Employee State Insurance dues have been regularly deposited during the year with appropriate authorities.