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TAMILNADU STEEL TUBES LIMITED, CHENNAI

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TAMILNADU STEEL TUBES LIMITED

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21 st
ANNUAL
REPORT
1999 - 2000

BOARD OF DIRECTORS

Sri Rakesh Goyal, Managing Director.
 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

ADVISORS: (Legal)

Sri. V. Ramachandran (Advocate)
 24, Nungambakkam High Road,
 Chennai - 600 034

(Secretarial)

Sri. R. Sethuraman

BANKERS

The Jammu & Kashmir Bank Ltd., Chennai

**REGISTERED &
 ADMINISTRATIVE OFFICE**

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

WORKS

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

TWENTYFIRST ANNUAL GENERAL MEETING**NOTICE**

NOTICE is hereby given that the 21st Annual General Meeting of the Company will be held at 10.00 a.m. on Thursday, the 28th September 2000 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 2000 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 Shri Lakshmi Narashima Rao, who retires by rotation and being eligible offers himself for re-appointment.
 - (b) to appoint a Director in the place of Sri Gopal Singh, 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 consider and, if thought fit, to pass with or without modifications the following resolution:

AS A SPECIAL RESOLUTION:

"RESOLVED THAT the existing shares of the Company be delisted from the Mumbai Stock Exchange and The Ahmedabad Stock Exchange in accordance with the provisions of the Listing Agreement and all other relevant Laws, Rules, Regulations and guidelines (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as prescribed or imposed while granting such approvals, permissions and sanctions.

RESOLVED FURTHER THAT the Board of Directors of the Company (which include any Committee of Directors that may be appointed by the Board) be and is hereby authorised to agree to such terms and conditions which they may consider appropriate and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle such question, difficulty or doubt that may arise in regard to delisting of the Equity Shares from Mumbai and Ahmedabad Stock Exchanges".

By Order of the Board

Date: 5.8.2000

for **TAMILNADU STEEL TUBES LIMITED.**

Place : Chennai

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 25-9-2000 to 28-9-2000.
- 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

Presently the Company's equity shares are listed in the following Stock Exchanges:

1. Madras Stock Exchange Ltd., Chennai.
2. Stock Exchange, Mumbai.
3. Stock Exchange, Ahmedabad.

Since there is not adequate distribution of share holders in Mumbai and Ahmedabad regions and since there are no trading or negligible trading in these regions this resolution has been proposed for de-listing of equity shares from Mumbai and Ahmedabad Stock Exchanges.

The listing fees have been paid upto date for the Madras Stock Exchange and upto 97-98 for the Mumbai Stock Exchange and for the year 99-2000 for Ahmedabad Stock Exchange.

DIRECTORS' REPORT

Your Directors present the Annual Report on the working of the Company for the year 1999-2000.

FINANCIAL RESULTS

	<u>This Year</u>	<u>Previous Year.</u>
	1999-2000	1998-1999
	(Rs. in lakhs)	
Sales and Other Receipts	3,573.81	4,388.94
Expenditure	4,334.26	4,469.59
Materials consumed & Manufacturing expenses	3,515.14	3,538.88
Administrative expenses	464.03	637.07
Selling & Distribution expenses	56.45	63.02
Interest & Financial Charges	203.14	199.32
Preliminary expenses written off	0.94	0.94
Depreciation	31.38	30.34
Loss on sale of Assets	2.23	-
Decrease in stock	60.92	-
Profit / (Loss) for the year	(760.44)	1.76
Provision for Taxation	-	0.61
Surplus / (deficit)	(760.44)	1.14

The trend this year has been the same as last year and the Company has incurred heavy loss.

EXPORTS: Export for the year at FOB value was Rs. 133.76 lakhs against Rs. 264.05 lakhs in the previous year.

YEAR 2000 Y2K COMPLIANCE: During the year 1999-2000, your company has spent about Rs. 1.23 lakhs in respect of the needs of Y2K Compliance. There has been practically no problems in the transition period.

SICK INDUSTRIAL COMPANY: During the year, the Company having become sick Industrial Company within the meaning of Clause (o) of Section-3 of the Sick Industrial Companies (Special Provision) Act, 1985, your Directors have initiated steps under Sec. 15(1) of the Act and to determine the measure to be adopted.

VOLUNTARY DELISTING OF THE COMPANY'S EQUITY SHARES FROM MUMBAI AND AHMEDABAD STOCK EXCHANGES: The equity Shares of the Company were originally listed in the Stock Exchanges at Chennai, Mumbai, and Ahmedabad. Since there is not adequate distribution of Shareholders in the regions of Mumbai and Ahmedabad and since there is no trading or negligible trading in these regions, a special resolution has been proposed for delisting of the equity shares from Mumbai and Ahmedabad Stock Exchanges.

PARTICULARS IN REGARD TO CONSUMPTION OF ENERGY: are furnished in the Annexure.

DIRECTORS: Directors Sri Lakshmi Narasimha Rao and Sri Gopal Singh, retire by rotation at this Annual General Meeting and have been proposed for re-appointment.

INDUSTRIAL RELATIONS: Industrial Relations have continued to be good during the year.

LIST OF EMPLOYEES FALLING UNDER SEC. 217(2-A) of THE COMPANIES Act: NIL

ACKNOWLEDGEMENT: Your Directors acknowledge and wish to place on record the support and co-operation received by the Company from Central Govt. and State Govt., The Jammu & Kashmir Bank Ltd.

By Order of the Board

CHENNAI

05.08.2000

RAKESH GOYAL

K. VENKATARAMAN

ADDENDUM TO THE DIRECTORS' REPORT

The following replies are furnished to the qualificatory remarks of the Auditors under the relevant paragraphs of the Annexure to the Auditor's Report.

PARA 15: The Company has introduced a good internal control system and your Directors are taking steps to strengthen the internal audit side.

PARA 16: Steps are being taken to finalise the cost records on the basis of the audited financial accounts that have just been completed.

PARA 20: Steps are being taken to refer the matter to the BIFR under the relevant Act.

ANNEXURE

Form for disclosure of particulars with respect conservation of energy

A. POWER AND FUEL CONSUMPTION 1998-99 1999-2000**1. ELECTRICITY**

a) Purchased Unit KWH	14,57,124	12,75,216
Total amount	60,23,435	56,72,067
Rate / Unit	4.13	4.45
b) Own Generation		
i) Through Diesel Generator Units	59,500	22,497
Units per ltr. of Diesel oil	2.50	2.50
Cost / Unit	4.40	5.03
ii) Through Steam turbine/Genrator units	-	-
Units per ltr. of fuel oil gas cost/unit	-	-

2. COAL (Specify quality & where used)

Qty. tonnes	-	-
Total Cost	-	-
Average rate	-	-

3. FURNACE OIL

Qty. (Ltrs)	3,60,852	3,78,834
Total cost	21,21,424	33,18,857
Average rate per Litre	5.88/lit	8.76/lit

4. OTHER INTERNAL GENERATION

Qty -	-	-
Total Cost	-	-
Rate / Unit	-	-

5. CONSUMPTION PER UNIT PRODUCTION PRODUCT DETAILS: ERW M.S. PIPES AND GALVANISED PIPES

UNIT	STANDARD	1998-99	1999-2000
ELECTRICITY	-	135.82 UNIT/MT OF BLACK PIPES PRODUCTION	151.47 UNIT/MT OF BLACK PIPES PRODUCTION
FURNACE OIL	-	35.18 LTR/MT OF BLACK PIPES GALVANISED	36.36 LTR/MT OF BLACK PIPES GALVANISED

COAL OTHERS



TAMILNADU STEEL TUBES LIMITED, CHENNAI

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 2000 and the Profit and Loss Account for the year ended on that date annexed there to 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 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 given 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, 2000 and
 - ii) In the case of the Profit and Loss Account, of the Loss of the Company for the year ended on that date.

Place : Madras

for KUMBHAT & CO.,
Chartered Accountants,

Date : August 5th 2000,

AJIT KUMBHAT
Partner