

**TAMIL NADU STEEL TUBES LIMITED, CHENNAI**

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**TAMIL NADU STEEL  
TUBES LIMITED**

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**23<sup>rd</sup>  
ANNUAL  
REPORT  
2001-2002**

**TAMIL NADU STEEL TUBES LIMITED, CHENNAI****BOARD OF DIRECTORS**

Sri Rakesh Goyal, Managing Director  
 Sri.M.J.Lakshmi Narasimha Rao  
 Sri.Mahavir Singh  
 Sri.U.Ranjit Singh

**STATUTORY AUDITORS**

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

**ADVISORS : (Legal)**

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

**(Secretarial)**

Sri.R.Sethuraman

**BANKERS**

The Jammu & Kashmir Bank Ltd., Chennai - 2

**REGISTERED &  
ADMINISTRATIVE OFFICE**

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

**WORKS**

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



## TWENTY THIRD ANNUAL GENERAL MEETING

### NOTICE:

NOTICE is hereby given that the 23rd Annual General Meeting of the Company will be held at 10.00 a.m. on Thursday, the 26th September 2002, at "ANNA AUDITORIUM" (A.S.I. CONVENTION CENTRE), No.18, Swamy Sivananda Salai, Chepauk, Chennai - 600 005, 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 2002, the profit & 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 M.J. Lakshmi Narasimha Rao, who retires by rotation and being eligible offers himself for re-appointment,
  - (b) to appoint a Director in the place of Sri Mahaveer Singh who retires by rotation at this Meeting and is proposed for re-appointment.
3. to appoint Auditors to the Company to hold office until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s. Kumbhat & co., Chartered Accountants, are proposed for re-appointment.

By Order of the Board

for TAMILNADU STEEL TUBES LTD.

Date: 27.06.2002

Place: CHENNAI

M.T. ELUMALAI

Executive 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. Duly executed proxies 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 Books of the Company will remain closed from 23.09.2002 to 26.09.2002.
- 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.

True Copy  
For TAMILNADU STEEL TUBES LTD.,

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Executive Director

**DIRECTORS REPORT:**

YOUR Directors present the 23rd Annual Report on the working of Company for the year 2001-2002.

<b>Financial Results</b>	<b>This Year 2001-2002</b>	<b>Previous Year 2000-2001</b>
	<b>2002</b>	<b>2001</b>
	<b>(Rs. in Lakhs)</b>	
Sales & Other Receipts	2,178.05	2,493.27
Expenditure	2,473.82	3,179.28
Materials Consumed & Mfg. Expenses	1,990.94	2,480.91
Administrative Expenses	274.40	600.19
Selling & distribution Expenses	81.85	20.58
Interest & Financial Charges	13.47	21.59
Preliminary Expenses written off	0.94	0.94
Depreciation	29.81	31.10
Loss on Sale of Fixed Assets	-	-
Decrease in Stock	132.40	23.95
Profit / (Loss) for the year	(295.77)	(686.01)
Provision for Taxation	-	-
Surplus (Deficit)	(295.77)	(686.01)

The trend this year has been the same as last year and the Company has incurred further losses.

**EXPORT:** Export for the year at FOB Value was Rs. 160.34 Lacs as against Rs. 79.21 Lacs in the previous year.

**SICK INDUSTRIAL COMPANY:** During last year, the Company had become a Sick Industrial Company within the meaning of Clause (O) of subsection (1) of Sec.3 of the Sick Industrial Companies (Special Provisions) Act 1985, and has been registered with B.I.F.R. (Board for Industrial & Financial Reconstruction), New Delhi. Indian Bank, Chennai-1, has been appointed as "Operating Agency" by the BIFR.

**VOLUNTARY DELISTING OF THE COMPANY'S EQUITY SHARES FROM MUMBAI & AHMEDABAD STOCK EXCHANGES:** The Equity Shares of the Company were originally listed in the Stock Exchanges at Chennai, Mumbai and Ahmedabad. Since there is no adequate distribution of Shareholders in the Regions of Mumbai and Ahmedabad, and since there was no trading or negligible trading in these regions, a special resolution was passed in the Annual General Meeting held on 28.09.2000 to "DELIST" the equity shares from Mumbai and Ahmedabad Stock Exchanges. Action on this being pursued by your Directors.

**LISTING FEES:** Listing Fees Rs. 4,200/- has been paid as part amount to Madras Stock Exchange, for the year 2002-2003, Rs. 2,500/- as part amount to Ahmedabad Stock Exchange, for the year 2001-2002, and Rs. 5,125/- as part amount to Mumbai Stock Exchange, for the year 1998-99.

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



## TAMILNADU STEEL TUBES LIMITED, CHENNAI

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

Sri. K. Venkataraman & Er. K. Shunmugham, have resigned from their Directorship during the year and Board has placed on record the valuable services rendered by them to the Company.

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

**REPORT ON CORPORATE GOVERNANCE:** Your Board of Directors have taken note of the amendments to the Listing Agreement communicated by the Stock Exchanges as prescribed by SEBI in their Letter No. SMDRP/CTR10/2000, dated 21.02.2000 amended by their Letter dated 09.03.2000 and have also noted the Schedule for implementation of the amendments. Your Company has to implement them from 2002-2003 onwards, but not later than March 31, 2003. Your Directors accordingly propose to draw up a Scheme of implementation, having regard to the Registration of the Company under SICA (Act).

**DIRECTOR RESPONSIBILITY STATEMENT:** In terms of Sec. 217 (2AA) read with Section 292A of the Companies Act 1956, we, the Directors of Tamilnadu Steel Tube Ltd., state in respect of Financial Year 2001-2002 that;

- a. In the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b. The Directors have selected such accounting policies and applied them consistently and made judgements 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 loss of the Company for the period;
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The Directors have prepared the annual accounts on a going concern basis;
- e. The Managing Director has not drawn any remuneration during the year.

**LIST OF EMPLOYEES FALLING UNDER SEC. 217 (2-A) OF THE COMPANIES ACT 1956:**  
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. and our Bankers.

By Order of the Board

CHENNAI RAKESH GOYAL  
27.06.2002 Managing Director

MAHAVIR SINGH  
Director

M.J.LAKSHMI NARASIMHA RAO  
Director

True Copy

For TAMILNADU STEEL TUBES LTD.,

Executive Director



## ANNEXURE

From for disclosure of particulars with respect to conservation of Energy:

<b>A. POWER AND FULL CONSUMPTION</b>		<b>2000-2001</b>	<b>2001-2002</b>
1.	<b>ELECTRICITY:</b>		
a.	Purchased Unit KWH	9,13,308	11,90,472
	Total Amount	44,23,362	51,85,173
	Rate / Unit	4.84	4.36
b.	Own Generation		
i.	Through Diesel Generator Units	16,512	34,377
	Units per Ltr. of Diesel Oil	2.50	2.50
	Cost / Unit	6.64	7.20
ii.	Through Steam Turbine/Generator Units	-	-
	Units per Ltd. of Fuel Oil Gas	-	-
	Cost/Unit	-	-
2.	<b>COAL (Specify quality &amp; where used)</b>		
	Qty. (Tonnes)	-	-
	Total Cost	-	-
	Average Rate	-	-
3.	<b>FURNACE OIL</b>		
	Qty. (Ltrs.)	2,86,338	2,79,174
	Total Cost	30,66,679	27,74,353
	Average Rate Per Ltr.	10.71	9.94
4.	<b>OTHER INTERNAL GENERATION</b>		
	Qty.	-	-
	Total Cost	-	-
	Rate / Unit	-	-

## CONSUMPTION PER UNIT PRODUCTION

PRODUCT DETAILS : E.R.W. MS PIPES AND GALVANISED PIPES

UNIT	STANDARD	2000-2001	2001-2002
ELECTRICITY	-	165.96 UNIT/M.T OF BLACK PIPES PRODUCTION	127.59 UNIT/M.T OF BLACK PIPES PRODUCTION
FURNACE OIL	-	31.70 LTR/MT OF BLACK PIPES GALVANISED	33.34 LTR/MT OF BLACK PIPES GALVANISED
COAL OTHERS	-	-	-

By Order of the Board

CHENNAI RAKESH GOYAL  
27.06.2002 Managing Director

MAHAVIR SINGH  
Director

M.J. LAKSHMI NARASIMHA RAO  
Director



## 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 2002 and also the profit and Loss Account for the year ended on that annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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 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 "I" 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 (and proper returns adequate for the purposes of our audit have been received from the branches not visited by us).
  - 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, the profit & Loss Account and Balance Sheet, referred to in Report, comply with the applicable Accounting Standards referred to in Sub-Section 3(c) of Section 211 of the Companies Act, 1956.
  - e) On the basis of the written representations received from the directors, and taken on record by the Board of Directors, we report that, that none of the directors are disqualified as on 31st March 2002 from being appointed as directors in terms of clause(g) of sub-section (1) of Section 274 of the companies Act, 1956.
  - (f) 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, 2002 and
    - ii) In the case of the profit and Loss Account, of the Loss of the Company for the year ended on that date.

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

Place: CHENNAI  
Date : 27.06.2002

(AJIT KUMBHAT)  
Partner