

wires & fabriks



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WIRES AND FABRIKS (S.A.) LTD.

ANNUAL REPORT

AN ISO 9002 COMPANY

MD	✓		BKC	✓
CS	✓		DY	✓
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		

Directors

M. P. JATIA

Chairman

M. L. BHAGAT

D. D. TRIVEDI

M. D. AGRAWAL

V. K. BHARGAVA

M. K. KHAITAN

K. K. KHAITAN

Joint Managing Director

B. K. KHAITAN

Managing Director

S. B. CHITRE

Financial Institutions' Nominee

R. C. MODY

Financial Institutions' Nominee

Secretary

A.K MUCHHAL

Auditors

S. S. Kothari & Co.

Bankers

State Bank of Bikaner & Jaipur

Indian Overseas Bank

Registered Office

7, Chittaranjan Avenue,

Calcutta - 700 072.

Works

Industrial Area, Jhotwara,

Jaipur - 302 012.

Sales Offices

NEW DELHI

BANGALORE

HYDERABAD

PUNE

CONTENTS	PAGE
Introduction	3
Notice of Annual General Meeting	4
Directors' Report	6
Auditors Report	10
Balance Sheet	12
Profit & Loss Account	13
Notes on Accounts	25

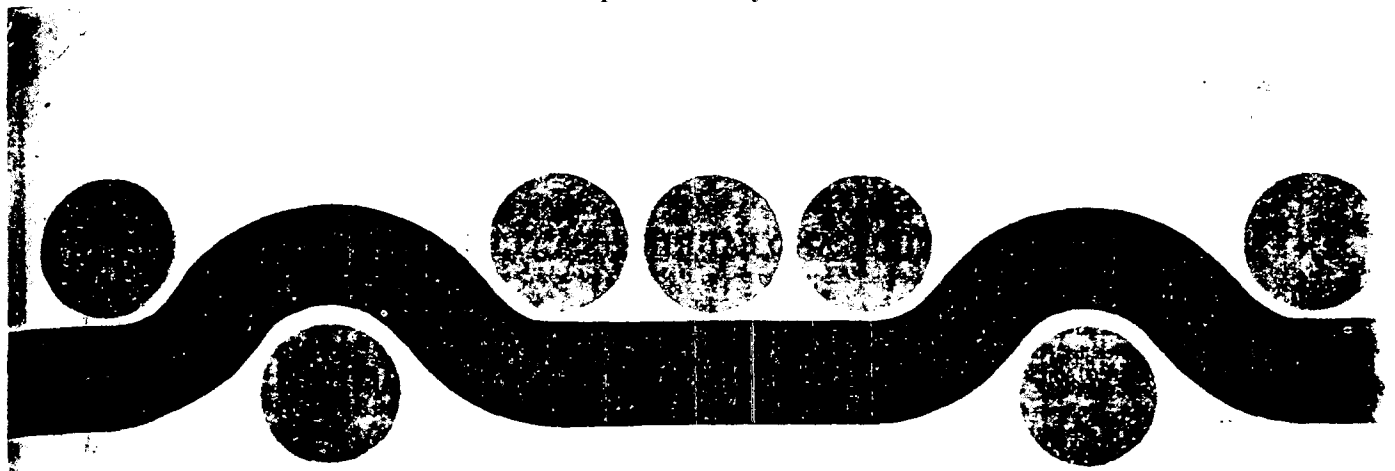
The Shareholders are requested to send correspondence at the following address

Share Department

Wires and Fabriks (S.A.) Limited

7, Chittaranjan Avenue,

Calcutta - 700 072



In 1963, at Jaipur with German Machinery and technology, the Company started manufacturing Phosphor Bronze and Stainless Steel wire cloth which found application in the paper industry.

In 1981, the Company introduced Single Layer Synthetic Fabrics with West German collaboration. The Company was the first to introduce Double Layer Synthetic Fabrics in 1986. The Company has also successfully introduced technical fabrics in 1994.

Today, Wires & Fabriks is the market leader in India for Forming Fabrics and the only manufacturer in India and among the few in world for Triple Layer Fabrics, which represents the latest in Forming Fabrics Technology.

The Company has a rare distinction of being the only ISO 9002 Company in its field in India. The Company is proud of its in-house R&D record, with major innovations to its credit. The Company is the first manufacturer of industrial fabrics in the country to have a Govt. of India recognised in-house R&D unit. The Company's chequered history on the export front proves that it can compete with the best in the world.

The Company's mission is to consistently delight its customers through its value added products and services and to create a strong technological base through an environment of team work which will enable it to become a world class manufacturer in its existing product line and to use its strength to diversify into other profitable ventures.



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WIRES AND FABRIKS (S.A.) LIMITED

NOTICE OF THE ANNUAL GENERAL MEETING - 1997

Notice is hereby given that FORTYTH Annual General Meeting of the Members of WIRES AND FABRIKS (S.A.) LIMITED will be held on Tuesday, 30th September, 1997 at 11:00 A.M. at Great Eastern Hotel, 1, 2 & 3, Old Court House Street, Calcutta - 700 069 to transact the following business :

ORDINARY BUSINESS

1. To consider and adopt Balance Sheet as at 31st March, 1997, Profit and Loss Account for the year ended on that date and the Directors Report and Auditors Report thereon.
2. To declare Dividend on Equity Shares for the financial year ended 31st March, 1997.
3. To appoint a Director in place of Mr M L Bhagat who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr V K Bhargava who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Auditors who shall hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration. In connection therewith to pass, with or without modification, the following as ORDINARY RESOLUTION:

"RESOLVED THAT M/s S S Kothari & Co., Chartered Accountants, the retiring Auditors, be and are hereby appointed Auditors of the Company to hold office from the conclusion of this Annual General meeting until the conclusion of the next Annual General Meeting.

FURTHER RESOLVED that the Auditors be paid such remuneration as may be mutually agreed upon between the Jt. Managing Director of the Company and the Auditors, plus Conveyance, Travelling and other out of pocket expenses."

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to appoint any person or persons whether in employment of the Company or not, to act as trustee(s) for acquiring of Equity Shares of the Company which are otherwise than in market lot (hereafter referred to as "Odd lot shares") with the express understanding that the trustee(s) so appointed by the Board shall get the odd lot shares consolidated into market lot, and shall sell the same at such price or prices to such person or persons as the trustee(s) may think fit, the net proceeds (after deducting all expenses incidental to sale) shall be distributed among Shareholders who surrendered the odd lot shares in proportion to shares so surrendered."

7. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT in accordance with the provisions of sections 198, 269, 309 read with schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) the company hereby approves the appointment of Shri M K Khaitan as Executive Director of the Company for a period of five years with effect from 01.09.1997 on the terms and conditions including remuneration as set out in the agreement to be entered into between the company and Shri M K Khaitan, a draft whereof is placed before the meeting and is hereby specifically sanctioned with the liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement so as not to exceed the limits specified in the Schedule XIII of the Companies Act, 1956, including any statutory modification or any enactment thereof, for the time being in force, or any amendments and/or modifications that may hereafter be made thereto by the Central Government or as may be agreed to between the Board of Directors and Shri M K Khaitan.

RESOLVED FURTHER THAT where in any financial year closing on and after 1st April, 1997, the company has no profits or its profits are inadequate, the company may pay Shri M K Khaitan remuneration by way of salary, perquisites and other allowances not exceeding ceiling limits of Rs.10,50,000/- per annum or Rs.87,500/- per month in addition thereto the perquisites not exceeding the limits specified under section II of part II of the Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT in the event of any statutory amendment or modification or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorised to vary or increase the remuneration, including salary, commission, perquisites, allowances etc. within such prescribed limit or ceiling and the aforesaid draft Agreement between the Company and Shri M K Khaitan be suitably amended to give effect to such modification, relaxation or variation without any further reference to the Company in General Meeting.

RESOLVED FURTHER THAT the Board of the Directors of the Company be and is hereby authorised to take such steps as may be necessary, to give effect to this resolution."

Registered Office :
7, Chittaranjan Avenue,
Calcutta 700072

Date : 19.08.1997

By order of the Board
For Wires and Fabriks (S.A.) Limited

A.K. Muchhal
Company Secretary



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NOTES :

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and a proxy need not be a member. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.
2. The explanatory statement pursuant to section 173 of the Companies Act, 1956 in respect of the special business under item no. 6&7 set out above is annexed hereto.
3. The register of the members and the share transfer books of the company will remain closed from 23rd September, 1997 to 30th September, 1997 (both days inclusive) for the purpose of payment of Dividend, if declared, in respect of Equity shares.
4. Subject to the provisions of the section 205A and 206 A of the Companies Act, 1956 the dividend on the shares, when sanctioned, will be payable on or after 10th November, 1997 to those members or their mandate(s) whose names appear in the Company's Register of Members on 30th September, 1997.
5. Pursuant to Section 205A(5) of the Companies Act, 1956 all dividends upto the financial year ended 31st March, 1993 which remained unpaid or unclaimed have been transferred to the General Revenue Account of the Central Government. Members concerned are requested to claim the amount from the Registrar of the Companies, West Bengal, Nizam Palace, 234/4, Acharya Jagdish Chandra Bose Road, Calcutta - 20. In case any assistance is required, please write to the Registered office of the Company.
6. Members are requested to intimate to the Company Queries, if any, regarding accounts and operations of the company, at least 7 days before meeting to enable the management to keep the information required ready at the meeting.
7. Members/Proxies should bring the attendance slips duly filled in for attending the meeting. Members/Proxies are also requested to bring their Copy of Annual Report to the Meeting.
8. In order to render better services, we request you to kindly furnish us the information on the attached sheet.

EXPLANATORY STATEMENT**ITEM NO. 6 TRUST FOR ODD LOT SHAREHOLDERS :**

The Board of Directors have considered advisable in the interest of the Shareholders of the Company to appoint such person or persons, as it may deem fit, to act as trustees for helping the shareholders who hold odd lot shares to fetch better price, as odd lot shares are not tradeable on stock exchanges. The Directors recommend this resolution for approval of the members. None of the Directors are concerned or interested in the resolution.

ITEM NO. 7 APPOINTMENT OF SHRI M K KHAITAN AS EXECUTIVE DIRECTOR.

Shri M K Khaitan have been associated with the company for several years. The Board of Directors have felt that it would be in the best interest of the company to appoint Shri M K Khaitan, as Executive Director of the Company. Consequently the Board of Directors at its meeting held on 19.08.1997 has appointed Shri M K Khaitan as Executive Director for a period of 5 years with effect from 01.09.1997.

The draft agreement to be entered into by the company with Shri M K Khaitan in respect of his appointment inter-alia contains the following terms and conditions: The Remuneration payable to Shri M K Khaitan is as under :

- | | |
|--------------------------|--|
| Salary | : Rs. 50,000/- per month in the scale of Rs. 50,000 — 6,000 — 80,000. |
| Commission | : @ 1% of the net profit of the company for each financial year subject to the overall ceiling laid down in section 198 and 309 of the Companies Act, 1956. |
| Perquisites & Allowances | : In Addition to Salary, Shri M K Khaitan shall be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; House maintenance allowance together with reimbursement of expenses/or allowances for utilisation of or reimbursement of actual expenses for utilisation of gas, electricity, water, furnishing and repairs; medical reimbursement (including hospitalisation, nursing home charges, surgical charges, travelling expenses for self and family); leave travel concession for self and his family including dependents; club fees, medical insurance, accidental insurance and such other perquisites and allowances as agreed by the board of directors upto 100% of salary, subject to overall ceiling of remuneration stipulated in Section 198 and 309 of the Companies Act, 1956. |
- Further, Shri M K Khaitan will be provided/entitled to the following which will not be included in the computation of ceiling on remuneration specified as above
- I) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - II) Gratuity Payable at a rate not exceeding half a month's salary for each completed year of service.
 - III) Leave as per the rules of the Company including encashment of Leave not exceeding one month leave for every 11 months of service.
 - IV) Provision of Car, for use on company's business and telephone at residence.

The minimum remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of Shri M K Khaitan will be subject to a maximum ceiling of Rs.10,50,000/- per annum or Rs.87,500/- per month, in the manner set out in the Section II of Part II of Schedule XIII of the Companies Act, 1956.

The terms and conditions of appointment as set out in the draft agreement and remuneration herein may be altered and varied from time to time by the Board of Directors of the Company as it may, at its discretion deem fit, so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), or any amendments made thereto.

The appointment and remuneration payable to Shri M K Khaitan are to be approved by the members of the company in their General Meeting and the Directors recommend this resolution for acceptance by the members.

The draft agreement to be entered into by the Company with Shri M K Khaitan is available for inspection at the Registered office of the Company on any working day excluding Saturday upto the date of 40th Annual General Meeting between 11.00 a.m. to 2.00 p.m.

The above may be treated as an abstract of contract/appointment between the company and Shri M K Khaitan pursuant to Section 302 of the Companies Act, 1956, when executed.

Shri M. K. Khaitan is deemed to be interested or concerned in the resolution. Further Shri B. K. Khaitan, a relative of Shri M. K. Khaitan may be deemed to be concerned or interested in the resolution. Save and except the above, none of the Directors of the Company are in any way concerned or interested in the resolution.

Registered Office :
7, Chittaranjan Avenue
Calcutta 700 072

Date : 19.08.1997

By order of the Board,
For Wires & Fabriks (S.A.) Ltd.
A. K. Muchhal
Company Secretary



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DIRECTORS' REPORT FOR THE YEAR 1996-97

Your Directors have pleasure in presenting the Annual Report and Audited Accounts of your Company for the year ended 31st March, 1997.

FINANCIAL RESULTS

	(Rs. in Lacs)	
	31.3.97	31.3.96
Turnover	2762	2884
Operating Profit	739	680
Profit Before Tax	164	338
Profit available for appropriation	291	467
Proposed Dividend (including Tax)	50	70

DIVIDEND

The Directors have recommended a dividend of Rs. 1.50 per share amounting to Rs. 46 lacs for the year under review. The consequent outflow including the dividend tax of Rs. 4 lacs. is Rs. 50 lacs.

OPERATIONS & FUTURE PROSPECTS

The recessionary trend in the Indian Economy affected the Paper industry considerably. Major expansion projects and green-field projects conceived during the good times of 1994-95 were delayed. This directly affected the turnover of your Company due to reduced offtake. Higher depreciation of Rs. 199 lacs (Rs. 113 lacs) and interest of Rs. 427 lacs (Rs. 301 lacs) eroded the increased operating profit of Rs. 739 lacs (Rs. 680 lacs) inspite of lower sales.

Research & Development, installation of new machines and modernisation of certain existing machines has now allowed us to manufacture new products with high value addition. This makes us ready for the new and modernised paper machines. Your Company's new products have been well accepted by

even the most modern, widest and fastest paper machine in the country (Machine II of M/s Tamilnadu Newsprint & Papers Limited).

The worst seems to be over as signs of revival emerge. Expansion / modernisation projects are once again gaining momentum. We foresee a revival from the third quarter onwards and your Company is ready to take full advantage.

EXPORTS

Realising the need and importance for growth, we are spending considerable resources in this area. We clearly see that in the coming decade, exports shall form a substantial portion of our turnover.

Our ISO 9002 accreditation, modernised plant and equipment and new products introduced are showing results. Exports are increasing, at a satisfactory pace. Besides expanding in existing markets, we have entered new markets, creating a strong base for future growth.

RESEARCH & DEVELOPMENT

Your Company has had a successful track record in its R&D efforts. Significant investments were made in R&D as a result of which, your Company has been able to develop new varieties of products and improve product quality besides improving productivity and reducing costs.

All this will go a long way in making your Company globally competitive and improving the performance of the Company in the coming years.

Your Company will now be one among the few manufacturers in the world to offer the latest triple layer fabrics. Your Company intends to continue the leadership role in R&D in the coming years.



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HUMAN RELATIONS

Your Directors wish to express its deep appreciation to all employees of your Company for their services to your Company during the year. Except for a brief Industrial unrest, the industrial relations continued to be cordial.

DIRECTORS

Mrs. S B Chitre was inducted in the Board by IDBI as their nominee with effect from 25th March, 1997. Mr R C Mody was inducted in the Board by RIICO as their nominee with effect from 21st May, 1997.

Mr. M L Bhagat and Mr. V K Bhargava retire from the Board and being eligible, offer themselves for reappointment. Mr. M. K. Khaitan was also reappointed as Executive Director by the Board. The Board recommends their re-appointment. The necessary resolutions for these appointments will be placed before you for approval, in the Annual General meeting.

AUDITORS

M/s S.S.Kothari & Company, Chartered Accountants, auditors of the company retire from office and being

eligible, offer themselves for reappointment. The necessary resolution for their appointment will be placed before you for approval, in the Annual General meeting.

INFORMATION

Information pursuant to Section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in the Annexure to the Report.

Information pursuant to Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is given in the Annexure to the report.

APPRECIATION

Your directors wish to place on record their gratitude to the financial institutions, banks and investors for their valuable assistance and continued support and confidence in your Company. Thanks are also due to our customers, suppliers, government agencies and other associates for their valuable & continued support and confidence in your Company.

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For and on behalf of the Board

CALCUTTA
19th August, 1997

B.K.KHAITAN
Managing Director

K.K.KHAITAN
Jt. Managing Director



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ANNEXURE TO DIRECTORS' REPORT

Information pursuant to section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in Report of Directors) Rules, 1988 and forming part of the Directors' report for the year ended on 31st March, 1997

A. CONSERVATION OF ENERGY

imported mechanical/electrical components and special quality raw material.

1. Energy Conservation measures taken :

- i) Developed latest state-of-art technology for heat setting of synthetic fabrics.
- ii) Installation of pneumatic devices and PLC operated electric panels to reduce power consumption.

2. Additional investments and proposals, if any, being implemented for reduction in consumption of energy:

- i) Installation of the developed latest State-of-Art technology for heat setting.
- ii) Installation of Voltage Variation Control equipments for optimising power consumption.
- iii) Installation of smaller capacity DG Set to meet off peak requirement of power.

3. Impact of the measures at (1) and (2) above for reduction of energy consumption and consequent impact on the cost of production of goods :

Installation of above equipments and devices will optimise energy consumption and improve the quality and availability of power thereby reducing costs.

B. TECHNOLOGY ABSORPTION**Research and Development****1. Specific areas in which R&D work carried out by the Company :**

- i) Design and development of fabric weaving designs for enhancing the product life, performance and finding new areas of application.
- ii) Development of installation state-of-art technology and equipment for heat setting of synthetic fabrics.
- iii) Improved method of joining of synthetic-fabrics in the manufacturing process.
- iv) Development of local vendors for substitution of

2. Benefits derived as a result of above R&D:

- i) Manufacturing latest state-of-art Fine Double Layer/Triple Layer fabrics. Thereby able to offer a complete range to the customers and getting the distinction of being one of the few companies in the world to be able to supply Triple Layer Fabrics.
- ii) Significant improvement in process capabilities to manufacture wide product range.
- iii) New product development resulting in serving new market segment and application.
- iv) Reduction in the cost of imported components.
- v) High flexibility in manufacturing capability to meet specific customer needs.

3. Future Plan of Action :

- i) Commissioning of latest state-of-art equipments for heat setting for synthetic fabrics.
- ii) Further upgradation of ISO 9000 quality systems to meet the requirements of ISO 9001 quality system.
- iii) Automation of critical process area through online computerise process monitoring and control.
- iv) Modernisation of weaving loom with latest systems to improve the quality of weaving.
- v) Development of new weaving design and products for other application areas including filter cloth.
- vi) Development of new products.

4. Expenditure on R&D:

(Rs. in lacs)

(a) Capital	63.89
(b) Recurring	14.57
(c) Total	78.46
(d) Total R & D Expenditure as a percentage of total turnover	2.84%



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Technology absorption, adoption and Innovation**1. Efforts made :**

Technology of various products being developed and absorbed.

2. Benefits :

The technological base is becoming more stronger and the company is now able to do research and upgrade the technology further depending on the market needs. This has further widen the scope of further development and introduction of new products.

C. FOREIGN EXCHANGE EARNING AND OUTGO**1. Activities Relating to Exports:**

The Company has been regularly exporting its products to several countries and its product has been well received by all the customers abroad. The major thrust given by the company to export is continuing and has already started yielding results helped by the R&D made and the ISO 9002 certification.

2. Total Foreign Exchange used and earned :

	(Rs. in lacs)
Foreign Exchange earned	487.63
Foreign Exchange used	255.66

ANNEXURE TO DIRECTORS' REPORT

Information pursuant to section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975 and forming part of the Directors' report for the year ended on 31st March, 1997

Name	Age (Yrs)	Qualification	Experience (Years)	Date of Employment	Designation	Remuneration Rs.	Previous employment
Mr. B. K. KHAITAN	43	B. COM.	25	28.12.1972	Managing Director	9,51,171	—
Mr. K. K. KHAITAN	42	B. COM.	23	14.08.1978	Jt. Managing Director	10,27,413	Kingsley Corporation Pvt. Ltd.
Mr. M. K. KHAITAN	38	B. COM.	12	01.01.1986	Executive Director	9,42,822	—

- NOTES :
- All appointments are contractual.
 - Mr. B.K. Khaitan, Managing Director and Mr. M.K. Khaitan, Executive Director are related to each other.
 - Remuneration includes salary, HRA, Company's contribution to Provident Fund, Gratuity and Superannuation and monetary value of perquisites.
 - There was no employee covered under above rules, employed for part of year.
 - None of the employees of the Company was in receipt of remuneration in the year which is in excess of that drawn by the Managing/Jt. Managing/Executive Directors and holds by himself or alongwith his spouse and dependent children, not less than 2% of the equity shares of the Company.



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AUDITORS' REPORT TO THE SHAREHOLDERS

We report that we have audited the Balance Sheet of WIRES AND FABRIKS (S.A) LIMITED as at 31st March, 1997 and the Profit & Loss Account of the Company for the year ended on that date, both as attached hereto, which are in agreement with the Company's books of account, as submitted to us. 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 have been kept by the Company as required by law so far as it appears from our examination of those books.

In our opinion and to the best of our information and according to the explanation given to us, the said accounts subject to note no.4 in Schedule 22 regarding non-provision of gratuity liability and note no.15 regarding overcharging of depreciation to the extent stated therein and consequential effects on the profit for the year and read together with other Notes and Accounting Policies appearing thereon give the information required by the Companies Act, 1956 in the manner so required and the Balance Sheet gives a true and fair view of the state of the Company's affairs as at 31st March, 1997 and the Profit and Loss Account gives a true and fair view of the profit for the year ended on that date.

As required by the Manufacturing and other Companies (Auditor's Report) Order, 1988 issued by the Central Government and on the basis of such checks of the books and records of the Company as we considered appropriate and the information and explanations given to us during the course of audit, we state that in our opinion :-

- i. The Company is maintaining proper records showing full particulars including quantitative detail and situation of fixed assets. The fixed assets of the Company were physically verified by the Management on a phased programme in a cycle of three years as adopted by the Company. No material discrepancy on such verification was noticed. In our opinion, the frequency of verification of fixed assets is reasonable.
- ii. The company has not revalued any assets during the year.
- iii. The stock of Finished goods, Stores, Spare parts, Raw materials and Trading goods lying at its location, have been physically verified by the management at reasonable intervals except the stock valued Rs.27,93,330 lying in Warehouse, Rs.15,87,405 in

transit and Rs.10,11,097 lying with third party at the year end.

- iv. The procedures of physical verification of stock followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- v. The discrepancies noticed on physical verification of stock as compared to book records, which are, in our opinion, were not material, have been properly dealt with in the books of account.
- vi. In our opinion and on the basis of our examination, the valuation of stock is fair and proper, in accordance with the normally accepted accounting principles and is on the same basis as in the preceeding year subject to note no.E (3) of the relevant part of Accounting Policy in Schedule No.22 regarding non-consideration of excise duty which has no bearing on the profit.
- vii. The Company has not taken any, Secured and Unsecured loan from Companies, Firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. There are no companies under the same management within the meaning of section 370 (1B) of the Companies Act, 1956.
- viii. The Company has not granted any Loan, Secured and Unsecured, to Companies, Firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956 except in case of a particular loan which has been given free of interest in earlier year. There are no Companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956.
- ix. In respect of loans and advances in the nature of loans, given by the Company, including to the employees, the same are being repayed together with interest as stipulated, except Rs.1,23,314 due from the employees who have left for which steps are being taken for recovery.
- x. In our opinion, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of Stores, Raw materials including Components, Plant and Machinery, Equipment and Other assets and for the Sale of goods.
- xi. According to the records produced for our verification and as per information and explanations given to us transactions of purchase of goods and materials in