

## 9th Annual Report 1997-98

MD	<input checked="" type="checkbox"/>		BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		

## SUNLINE TUBES LIMITED

31-32-80, Dabagardens, Visakhapatnam - 530 020



## **BOARD OF DIRECTORS**

Mr. S.K.Giri

Mr. I.Vishnu Rao

Mr. P.Saibaba

Mrs.B.Usha R.Shetty

Mr.Ch.Rajendra Prasad

Dr.(Mrs.)Aradhana Giri

Dr.N.A.N.Murthy

Chairman & Managing Director

Director

Director

Director

Director

Director

Director

## **AUDITORS**

C.Mukherjee & Co.,

Chartered Accountants,

Visakhapatnam

## **BANKERS**

State Bank of Mysore

M.V.P.Colony,

Visakhapatnam

## **REGISTRARS & SHARE TRANSFER AGENTS**

PAARK CONSULTANTS LIMITED

1-2-383, Gagan Mahal Road,

Hyderabad-29

## **SECRETARY**

**A. CHANDRASEKHAR**

50-111-3/1, T.P.T. Colony,

Seethammadhara

Visakhapatnam - 530 013

## **REGISTERED OFFICE**

31-32-80, Dabagardens,

Visakhapatnam-530 020

## **FACTORY**

Lankelapalem,

Paravada Mandal,

Visakhapatnam -531 021

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 9th Annual General Meeting of the members of SUNLINE TUBES LIMITED will be held at Hotel Meghalaya, Visakhapatnam on 29th of September 1998 at 3:00 P.M. to transact the following business :

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 1998 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To elect Director in place of Mr.P. Saibaba who retires by rotation and being eligible offers himself for re-appointment.
3. To elect Director in place of Mr .I.Vishnu Rao who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and in this regard to consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution.

" RESOLVED THAT Messrs C.Mukherjee & Co., Chartered Accountants, Visakhapatnam be and are hereby appointed as Auditors of the Company to hold the office until the conclusion of next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors exclusive of travelling & other out of pocket expenses."

### REGISTERED OFFICE :

31-32-80, Dabagardens,  
Visakhapatnam-530 020

By Order of the Board

Sd/-

**S.K.GIRI**

CHAIRMAN & MANAGING DIRECTOR

Place : Visakhapatnam

Date : 2-9-98

Note : 1. A member entitled to attend and vote is entitled to appoint a proxy and such a proxy need not be a member.

The proxy form duly stamped and executed, should be deposited at the Registered Office of the Company at least forty-eight hours before the time fixed for the commencement of the meeting.

2. The share Transfer Books and Registers of members shall remain closed from 25-09-1998 to 29-09-1998 (both days inclusive)

## DIRECTORS' REPORT

Your Directors are pleased to present the 9th Annual Report with audited accounts for the year ended 31-03-1998

### **OPERATIONAL REPORT**

Due to Non-Receipt of call money your company faced major constrains to increase the production schedule. This was the main reason which resulted shortfall in the projected target. Despite all hardship your company has almost overcome the difficulties and achieved the production at a modest volume. However your directors are pleased to inform you that from 1998-99 onwards your company shall overcome the problems substantially and will arrange the working capital facilities also. Your directors are confident to achieve a satisfactory result in the ensuing year.

### **MARKETING SCOPE**

Your company has received satisfactory orders from Visakhapatnam Steel Plant and Hindustan Zinc Limited which will be executed in the current year. Apart from the above your company is finalising annual agreement with other organisations also to undertake major share of Lancing Pipes and Steel Pipes from the market.

### **PERFORMANCE VERSUS PROJECTIONS**

*(In terms of clause 43 of Listing Agreement)*

The projections in the prospectus dated 15.02.96 for issue of Equity shares given by the Company and the actual performance are as under.

Sl.No.	Particulars	1997-98	
		Projections	Actuals
1.	Net Sales and other Income	3984.57	49.28
2.	Profit before interest, Depreciation and Taxation	414.70	12.30
3.	Net Profit	213.79	1.85
4.	Earning per Share (Rs.)	3.72	0.06

### **INDUSTRIAL RELATIONS**

Industrial relations were satisfactory. Your Directors place on record their appreciation of the valuable contributions made by the employees of your Company.

## ***DIRECTORS***

Mr. P. Saibaba and Mr. I. Vishnu Rao retire at the Annual General Meeting and being eligible offer themselves for re-appointment.

## ***PARTICULARS OF EMPLOYEES***

There are no employees who have received the remuneration during the year which in aggregate was more than the prescribed limits specified under section 217(2A) of the Companies Act, 1956, read with the Companies (particulars of employees) rules, 1975 as amended.

## ***ENERGY TECHNOLOGY AND FOREIGN EXCHANGE***

Information on conservation of energy, technology absorption and foreign exchange earnings/outgo, as required to be disclosed in terms of Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, is annexed hereto and forms part of this report.

## ***AUDITORS***

M/s. C.Mukherjee & Co., Chartered Accountants, Visakhapatnam retire and are eligible for reappointment. A certificate under Section 224(1-B) of the Companies Act, 1956 has been received from them.

## ***ACKNOWLEDGEMENTS***

Your Directors wish to thank the bankers, financial institutions, customers and suppliers for their continued support. Your Directors also thank and place on record their appreciation of the good work done by all the employees of the Company.

For and on behalf of the Board

Sd/-

**(S.K. Giri)**

Chairman & Managing Director

Place : Visakhapatnam

Date : 02-09-98

## ANNEXURE TO THE DIRECTOR'S REPORT (Forming part of the Director's Report)

### ANNEXURE-1

Information under Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Director's Report.

#### A. CONSERVATION OF ENERGY MEASURES TAKEN :

##### a. ENERGY CONSERVATION MEASURES IMPLEMENTED

1. The Tube Welder consists of various circuits which utilises power as per requirement.
2. Capacitors have been installed to improve power factor.

##### b. ENERGY CONSERVATION MEASURES PROPOSED

1. Regular maintenance of Electrical equipments are being done to rationalise the power requirement.

#### B. TECHNOLOGY ABSORPTION

1. Adequate facility and testing equipments have been installed for technology absorption and innovation.
2. Information regarding technology import;
  - a. Technology imported - Nil
  - b. Year of import - N.A.
  - c. Technology absorbed fully - N.A.
  - d. Area where technology is not absorbed - N.A.

#### C. FOREIGN EXCHANGE EARNING AND OUTGO - Nil

### FORM-A

Form for disclosure of particulars with respect to conservation of energy  
POWER AND FUEL CONSUMPTION

	Current Year	Previous Year
1. Electricity :		
a. Purchased Units	22,356	18,072
Amount (Rs.)*	71,540	59,195
Rate/Unit (Rs.)	3.20	3.20
*Includes power utilised for expansion project		
2. Own Generation	Nil	Nil

### FORM-B

#### RESEARCH AND DEVELOPMENT

Necessary measures have been taken to improve the Quality of Lancing pipes and Steel Pipes.  
Necessary layout also made to improve the production.

## AUDITORS' REPORT

We have audited the attached Balance sheet of SUNLINE TUBES LIMITED, as at 31st March, 1998 and also the annexed Profit & Loss Account for the period ended on the date and report that:

1. We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for purpose of our audit.
2. In our opinion, proper books of account, as required by law, have been kept by the Company so far as it appears from our examination of the books.
3. The Balance Sheet and Profit and Loss Account, dealt with by this Report are in agreement with the books of accounts.
4. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, together with notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view.

- a. In the case of the Balance Sheet the State of affairs of the Company as at 31 st March, 1998 and
- b. In the case of Profit & Loss Account, of the profit for the period ended on that date.

5. As required by the manufacturing and other Companies (Auditors' Report) Order, 1975 issued by the central Government in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate, we further state that :

- i. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. There is a regular programme for verification of major assets, which in our opinion is reasonable having regard to the size of the Company and nature of its business. No discrepancies have been noticed on such verification.
- ii. None of the fixed assets have been revalued during the year.
- iii. Physical verification has been conducted by the management at reasonable periods during the year in respect of stores. We are informed that there no discrepancies on such verification between the physical stocks and book records. In our opinion, valuation of these stocks is fair and proper in accordance with the normally accepted accounting principles.
- iv. The procedure of physical verification of stock followed by the management is reasonable and adequate in relation to the size of the Company and nature of its business.
- v. No discrepancies were noticed on verification between the physical stock and book records.
- vi. On the basis of our examination of stock records, we are of the opinion that the valuation of stock is fair and proper in accordance with normally accepted accounting principles and is on the same basis as in the preceding year.
- vii. The Company has not obtained any loan from Companies, firms of other parties listed in the registers maintained under Section 301 and 370 (1B) of the companies Act, 1956.
- viii. In our opinion, the rates of interest and the terms and conditions of loans, secured or unsecured, granted by the Company during the year, to companies under the same management as defined under the subsection (1B) of section 370 of the Companies Act, 1956, are not prima facie prejudicial to the interest of the Company. There are no Companies, firms or other parties listed in the register maintained under section 301 of the companies Act, 1956.