

TMT (INDIA) LIMITED

23rd

Annual Report 1998-1999

TWENTY THIRD ANNUAL REPORT 1998-99

BOARD OF DIRECTORS

- | | |
|--------------------------|---------------------|
| - Sri T. G. VEERA PRASAD | - Managing Director |
| - Dr. A. PANDA | - Director |
| - Sri A. PANDURANGA | - Director |
| - Dr. PERTTI HYNNINEN | - Director |
| - Sri A. N. RAO | - Director |
| - Sri N. J. RAO | - Director |
| - Sri B. M. SOLANKI | - Director |

BANKERS

STATE BANK OF HYDERABAD
BANK OF BARODA
CENTRAL BANK OF INDIA

AUDITORS

M/s. BRAHMAYYA & COMPANY
Chartered Accountants
ADONI

FACTORY

Gondiparla, Kumool - 518 004
Phones : 80050
Grams : "BHADRA"

FLORICULTURE

Karikaldoddi
Hosur (Village)
Bidadi Hobli
Ramnagar (Talug)
BANGALORE (Dist.)

REGISTERED OFFICE

5-8-113, 21st Century Complex,
2nd Floor, Nampally,
HYDERABAD - 500 001
Phone : 91-40-3204088

DIRECTORS' REPORT

Your Directors hereby present their report and Audited Accounts for the year ended 30th September, 1999.

FINANCIAL RESULTS :

(Rs. in Lakhs)

	Current Year 1998-99	Previous Year 1997-98
Sales & other Income	199.02	237.17
Profit/(Loss) before Interest and Depreciation	134.88	(164.04)
Interest and finance charges	388.27	298.56
Depreciation	83.98	83.98
Loss After Interest and Depreciation	(337.37)	(546.58)
Add : Defered revenue expenditure written off	47.83	107.28
Prior period expenditure	28.57	22.55
Loss before/after tax	(413.77)	(676.41)
Less : Excess provision for income tax of earlier years	17.47	-
Profit brought forward from earlier year	---	197.70
Loss carried to Balance Sheet	(396.30)	(478.71)

OPERATIONS

During the year under report the operations were confined to indigenous sales of flowers in the floriculture unit and giving the LPG unit on leave and license basis. On account of recession in the paper industry and paucity of funds the operations had virtually come to a standstill and consequently the total income for the year under report was very low, and the company has therefore, incurred loss after providing for interest and depreciation.

PROSPECTS

Manufacturing and supply of paper machinery and engineering service contracts are under negotiations with the parties. Floriculture Division proposals for replanting and export of flowers are under consideration. Market for paper industry is picking up slowly and the company is expecting some orders to materialise during the current year.

LOANS

Financial Institutions and consortium banks have recalled the loans and the same is pending before the Debt Recovery Tribunal. The company is trying for various ways & means to come out of the present financial crisis.

LISTING OF SHARES

The Company's Shares are listed at Hyderabad (Regional Stock Exchange), Ahmedabad and Mumbai Stock Exchanges. The company now proposes to approach Ahmedabad Stock Exchange for delisting of shares in accordance with the delisting norms prescribed by the SEBI.

DIVIDEND

In view of the loss, your Directors are unable to recommend dividend for the year.

INDUSTRIAL RELATIONS

Your Directors wish to place on record their appreciation of the valuable contribution made by the

TMT (INDIA) LIMITED

employees and for their cordial relations throughout the year.

PARTICULARS OF EMPLOYEES

None of the employees were in receipt of aggregate remuneration of Rs. 6,00,000/- or more per year or Rs. 50,000/- per month where employed for part of the year as required under Sec. 217(2A) of the Companies Act, 1956.

DIRECTORS

Mr. A. Panduranga and Mr. A.N. Rao the Directors retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

AUDITORS

M/s. Brahmayya & Company, Chartered Accountants, Adoni retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment.

AUDITORS REPORT

As reported by the auditors, Provident Fund and Employees State Insurance dues and undisputed Income Tax dues outstanding for more than six months are pending on account of paucity of funds and the payments are being made in current year.

Regarding Sales Tax dues outstanding for more than six months, they are pending on account of assessments being under completion during the current year.

ACKNOWLEDGEMENTS

Your Directors place on record their gratitude for the assistance and guidance received from Technology Development and Information Company of India Limited (TDICI), Industrial Credit and Investment Corporation of India Limited (ICICI), Industrial Development Bank of India (IDBI), Andhra Pradesh Industrial Development Corporation (APIDC), State Bank of Hyderabad (SBH), Bank of Baroda (BoB), Central Bank of India (CBI) and other institutions who have been associated with the Company.

For and on behalf of the Board of Directors

Place : Hyderabad
Date : 19-05-2000

Sd/-
T.G. VEERA PRASAD
Managing Director

CASH FLOW STATEMENT FOR THE PERIOD ENDED 30-09-1999

(Rs. in lakhs)

A.	CASH FLOW FROM OPERATING ACTIVITIES :	(-)	(+)	NET
	Net Loss before Tax and Extraordinary Items	365.94	---	
	Adjustments for :			
	Depreciation	--	83.98	
	Foreign Exchange	--	--	
	Investments	--	1.32	
	Interest / Divided	0.27	388.27	
	Operating Profit before Working Capital changes	366.21	473.57	107.36
	Adjustments for :			
	Trade and Other Receivables	---	124.44	
	Inventories	---	0.96	
	Trade Payables	98.22	---	
	TOTAL	98.22	125.40	27.18
	Cash Generated from Operations :			134.54
	Interest paid	388.27	--	
	Direct Taxes paid	---	17.47	---
	TOTAL	388.27	17.47	(370.80)
	CASH FLOW BEFORE EXTRAORDINARY ITEMS			(236.26)
	Extraordinary Items	---	---	
	NET CASH USED IN OPERATING ACTIVITIES			(236.26)
B.	CASH FLOW FROM INVESTING ACTIVITIES			
	Purchase of Fixed Assets	--	--	
	Sale of Fixed Assets	--	--	
	Acquisitions of Companies	--	--	
	Purchase of Investments	--	--	
	Sale of Investments	--	0.20	
	Interest received	--	0.27	
	Subsidy received on Fixed Assets	--	--	
	NET CASH FROM INVESTING ACTIVITIES	--	0.47	0.47
C.	CASH FLOW FROM FINANCING ACTIVITIES			
	Proceeds from issue of Share Capital	--	--	
	Proceeds from long term borrowings	--	230.43	
	Repayment of Finance lease liabilities	--	--	
	Dividends paid	--	--	
	Increase in deferred revenue expenditure	--	--	
	Net Cash from financing activities	--	230.43	230.43

TMT (INDIA) LIMITED

NET DECREASE IN CASH AND CASH EQUIVALENTS	(5.36)
CASH AND CASH EQUIVALENTS AS AT 01-10-98 (OPENING BALANCE)	6.55
CASH AND CASH EQUIVALENTS AS AT 30-09-99 (CLOSING BALANCE)	1.19

For and on behalf of the Board

Sd/-
T.G. VEERA PRASAD
Managing Director

Date : 19-05-2000

CERTIFICATE

The above Cash Flow Statement has been verified by us and certified to be true and in conformity with the Audited Statements.

for BRAHMAYYA & CO.
Chartered Accountants

Sd/-
B. DAIVADHEENAM REDDY
Partner

Place : Hyderabad (CAMP)
Date : 19-05-2000

AUDITORS' REPORT

To,
The Shareholders
TMT (INDIA) LIMITED

We have audited the attached Balance Sheet of TMT (INDIA) LIMITED as at 30th September, 1999 and the Profit & Loss Account for the year ended on that date annexed thereto and report that :

1. As required by the Manufacturing and other Companies (Auditor's 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 paragraphs 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 purpose 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 such 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, the Profit & Loss account and Balance Sheet complied with the accounting standards referred to in section 211(3c) of the Companies Act, 1956.
 - (e) *In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to notes No. II & VII of the notes to accounts, the said Balance Sheet and the Profit & Loss Account read together with the notes thereon give the information as required by the Companies Act, 1956 in the manner so required and give a true and fair view :*
 - i) In so far as it relates to the Balance Sheet, of the state of affairs of the company as on 30th September, 1999 and
 - ii) In so far as it relates to the profit and loss account of the loss of the company for the year ended on that date.

for BRAHMAYYA & CO.
Chartered Accountants

Place : Hyderabad
Date : 19-05-2000

Sd/-
B. DAIVADHEENAM REDDY
Partner

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in para one of our report of even date :

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 by the management during the period but there is a regular programme of verification, which in our opinion is reasonable, having regard to the size of the Company and the nature of assets and no material discrepancies have been noticed on verification.
2. None of the fixed assets have been revalued during the year.
3. The stocks of finished goods, stores, spare parts and raw materials have been physically verified during the period by the management. In our opinion the frequency of verification of stocks followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business and the discrepancies noticed on such verification between the physical stock and book records were not material and the same have been properly dealt with in books of accounts. On the basis of our examination of stock records, we are of the opinion, that the valuation of stocks is fair and proper in accordance with normally accepted accounting principles and is on the same basis as in the preceding year.
4. The Company has not taken any loans from Companies, Firms or other parties listed in the Register maintained under Section 301 and 370 (1-C) of the Companies Act, 1956.
5. The Company has given loans and advances in the nature of advances to employees, free of interest and they are not repaying the said advances as stipulated. The Company has not advanced any loans to Companies, Firms or other parties listed in the register maintained under Section 301 and 370 (1-C) of the Companies Act, 1956.
6. In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of raw materials, stores including components, plant and machinery, equipment and other assets and with regard to the sale of goods.
7. There are no purchases from the Companies, Firms or other parties during the period in which the Directors are interested as listed in the Register maintained under Section 301 of the Companies Act, 1956.
8. As explained to us, there are no unserviceable or damaged stores, and raw materials during the period under consideration for written off, hence the question of adequate provision for these does not arise.
9. The Company has not accepted deposits from the public.
10. In our opinion, reasonable records have been maintained by the Company for the sale and disposal of scrap and the Company has not produced any by-products during the period.
11. In view of meager operations and transactions during the year under report, internal audit was not conducted.
12. We are informed that the maintenance of Cost records for the products of the Company has not been prescribed by the Central Government Under Section 209 (1) (d) of the Companies Act, 1956.
13. According to the records of the Company, Provident Fund and Employees State Insurance dues have not been regularly deposited during the period with the appropriate authorities and an amount of Rs. 15,72,838/- was outstanding as on 30-9-1999
14. According to the information and explanation given to us, no undisputed amounts payable in respect of Wealth Tax, Customs Duty and Excise Duty were outstanding as on 30-09-1999 except sales tax of Rs. 8,46,367/- and Income tax deducted at source Rs. 13,44,263/- for a period of more than six months from the date they became payable.
15. According to the information and explanation given to us, no personal expenses of employees or Directors have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
16. The Company is not a Sick Industrial Company within the meaning of Clause (O) of Sub-Section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

for BRAHMAYYA & CO.
Chartered Accountants
Sd/-

B. DAIVADHEENAM REDDY
Partner

Place : Hyderabad
Date : 19-05-2000

TMT (INDIA) LIMITED
BALANCE SHEET AS AT 30th SEPTEMBER, 1999

(Rs.in Lakhs)

PARTICULARS	Sch.Ref.	30.09.99	30.09.98
A. SOURCES OF FUNDS			
I. Share Holders' Funds			
a) Capital	1	418.95	418.95
b) Reserves & Surplus	2	243.47	564.76
TOTAL I		<u>662.42</u>	<u>983.71</u>
II. Loan Funds			
a) Secured Loans	3	2,442.64	2,231.72
b) Unsecured Loans	4	102.56	83.05
TOTAL II		<u>2,545.20</u>	<u>2,314.77</u>
TOTAL - A (I + II)		<u>3,207.62</u>	<u>3,298.48</u>
B. APPLICATION OF FUNDS			
I. Fixed Assets			
a) Gross Block		1,796.46	1,796.46
b) Depreciation		471.11	387.13
C. Net Block (a - b)		<u>1,325.35</u>	<u>1,409.33</u>
II. Investments			
a) Current Assets, Loans & Advances		30.80	32.32
III. a) Current Assets, Loans & Advances			
1. Current Assets	7	1,975.90	2,037.09
2. Loans and Advances	8	803.74	873.31
TOTAL (a)		<u>2,779.64</u>	<u>2910.40</u>
b) Less Current Liabilities & Provisions			
1. Current Liabilities	9	968.35	998.91
2. Provisions	10	34.83	102.49
TOTAL (b)		<u>1,003.18</u>	<u>1,101.40</u>
Net Current Assets (a - b)		<u>1,776.46</u>	<u>1,809.00</u>
IV. Deferred Revenue Expenditure			
Profit & Loss Account	18 19	0.00 75.01	47.83
TOTAL - B (I + II + III + IV)		<u>3,207.62</u>	<u>3,298.48</u>
Notes to Accounts and Accounting Policies	20		

As per our report of even date
for BRAHMAYYA & COMPANY
Chartered Accountants

Sd/-
B.DAIVADHEENAM REDDY
Partner

HYDERABAD (CAMP)
Date: 19.05.2000

FOR AND ON BEHALF OF THE BOARD

Sd/-
T.G.VEERA PRASAD
Managing Director

Sd/-
N.J. RAO
Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 30th SEPTEMBER, 1999
(Rs.in Lakhs)

PARTICULARS	Sch.Ref.	30.09.99	30.09.98
A. INCOME			
1. Sales	11	0.43	127.14
2. Other Income	12	198.59	138.03
3. Accretion/(Decretion) to Stock	13	0.00	(28.00)
TOTAL - A		<u>199.02</u>	<u>237.17</u>
B. EXPENDITURE			
1. Consumption of Materials	14	1.27	129.12
2. Employees Remuneration and Benefits	15	27.92	71.50
3. Interest	16	388.27	298.56
4. Depreciation	5	83.98	83.98
5. Other Manufacturing & Administrative Expenses	17	33.63	80.44
6. Excise Duty		—	2.10
7. Loss on sale of Investments		1.32	—
8. Insurance Claim loss		*	100.05
9. Deferred Revenue Expenditure		47.83	107.28
10. Prior period expenses		28.57	22.55
11. Provision for Doubtful Debts.		—	18.00
TOTAL - B		<u>612.79</u>	<u>913.58</u>
C. Net loss for the year		<u>(413.77)</u>	<u>(676.41)</u>
D. Excess Provision for Income Tax of earlier years		17.47	—
E. Profit brought forward from Previous Year		—	197.70
F. Surplus/(Loss) carried to Balance Sheet		<u>(396.30)</u>	<u>(478.71)</u>

As per our report of even date
for BRAHMAYYA & COMPANY
Chartered Accountants

Sd/-
B.DAIVADHEENAM REDDY
Partner

FOR AND ON BEHALF OF THE BOARD

Sd/-
T.G.VEERA PRASAD
Managing Director

Sd/-
N.J. RAO
Director

HYDERABAD (CAMP)
Date: 19.05.2000

TMT (INDIA) LIMITED

SCHEDULE - 1 CAPITAL (Rs.in Lakhs)

S.No.	PARTICULARS	As at 30-09-99	As at 30-09-98
1.	AUTHORISED		
	a) 1,00,00,000 Equity Shares of Rs. 10/- each	1,000.00	1,000.00
	TOTAL	1,000.00	1,000.00
2.	ISSUED AND SUBSCRIBED		
	49,53,800 Equity Shares of Rs. 10/- each	495.38	495.38
3.	CALLED AND PAID-UP		
	41,92,300 Equity Shares of Rs. 10/- each	419.23	419.23
	Less : Allotment money unpaid (other than Directors)	0.28	0.28
	TOTAL	418.95	418.95

SCHEDULE - 2 RESERVES & SURPLUS (Rs.in lakhs)

S.No.	PARTICULARS	As at 30-09-99	As at 30-09-98
1.	General Reserve - per last Balance Sheet	321.29	800.00
	Less : Loss as per Profit & Loss A/c. (per contra)	396.30	478.71
		0.00	321.29
2.	Capital Reserve - per last Balance Sheet	10.48	10.48
3.	Share Premium - per last Balance Sheet	231.99	231.99
4.	State Subsidy - per last Balance Sheet	1.00	1.00
	TOTAL	243.47	564.76

SCHEDULE - 3 SECURED LOANS (Rs.in lakhs)

PARTICULARS	As at 30-09-99	As at 30-09-98
SECURED LOANS		
a) From Banks :	702.10	569.07
Cash Credit, Packing Credit & Bills Discounted (Secured by Hypothication of Stock of Raw Material, Stores & Spares, Finished Goods, Work-in-Progress, Book debts and second charge on fixed assets and personal guarantee of Directors of the Company)		
b) From Financial Institutions and Others	1,151.52	1,323.96
Interest accrued and due	589.02	338.69
i) Term loans from Financial Institutions secured by first mortgage and charge ranking paripassu of all immovable properties and first charge by hypothication of all movable properties (save and except book debts) present and future pertaining to floriculture project and personal guarantee of Managing Director and / or other Director of the Company.		
ii) Corporate loan from Financial Institutions secured by pledge of shares of the Company held by promoters and personal guarantee of Managing Director and other Director of the Company and charge all fixed assets of the Company other than Floriculture Project.		
iii) Other loan from Institution secured by stock of materials covered under bills discounted and collateral security of immovable property of Managing Director of the Company.		
iv) Hire Purchase loans from others secured by the specified assets financed.		
TOTAL	2,442.64	2,231.72

SCHEDULE - 4 UNSECURED LOANS (Rs.in lakhs)

PARTICULARS	As at 30-09-99	As at 30-09-98
UNSECURED LOANS		
a) Interest free loan from Andhra Pradesh State Government against Sales Tax paid	1.59	1.59
b) From Promoters & Others	65.18	62.57
c) Interest on above loans from others	35.79	18.89
TOTAL	102.56	83.05

TMT (INDIA) LIMITED

SCHEDULE : 05 FIXED ASSETS

(Rs. in lakhs)

Sl. No.	Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK	
		As at 01-10-98	Additions	Deletions	As at 30-9-99	Upto 30-9-98	For the Year	Upto 30-9-99	As at 30-9-99	As at 30-9-98
1.	LAND	5.19	----	----	5.19	----	----	----	5.19	5.19
2.	BORE WELL	6.36	----	----	6.36	0.52	0.21	0.73	5.63	5.84
3.	BUILDINGS (ENGG)	5.48	----	----	5.48	5.02	0.02	5.04	0.44	0.46
4.	BUILDINGS (L P G)	11.74	----	----	11.74	5.81	0.39	6.20	5.54	5.93
5.	BUILDINGS (FLORICULTURE)	70.11	----	----	70.11	4.88	2.34	7.22	62.89	65.23
6.	PLANT & MACHINERY (ENGG)	171.97	----	----	171.97	92.63	8.16	100.79	71.18	79.34
7.	PLANT & MACHINERY(LPG)	55.30	----	----	55.30	43.87	2.63	46.50	8.80	11.43
8.	PLANT & MACHINERY(OTHERS)	574.98	----	----	574.98	100.83	27.31	128.16	446.82	474.13
9.	FLORICULTURE GREEN HOUSE	705.76	----	----	705.76	89.98	33.53	123.51	582.25	615.78
10.	TEMPORARY SHEDS	5.91	----	----	5.91	5.91	0.00	5.91	0.00	0.00
11.	ELEC. EQUIPMENTS	22.56	----	----	22.56	3.16	1.07	4.23	18.33	19.40
12.	OFFICE EQUIPMENTS	31.66	----	----	31.66	18.03	4.37	22.40	9.26	13.63
13.	FURNITURE & FIXTURES	7.49	----	----	7.49	4.11	0.48	4.59	2.90	3.38
14.	VEHICLES	36.51	----	----	36.51	12.18	3.47	15.65	20.86	24.33
15.	OXIGEN CYLINDERS	0.18	----	----	0.18	0.18	----	0.18	0-00	0-00
	TOTAL	1,711.20	0.00	0.00	1,711.20	387.13	83.98	471.11	1,240.09	1,324.07
	CAPITAL W.I.P.	85.26*	0.00	0.00	85.26				85.26	85.26
	GRAND TOTAL	1,796.46	0.00	0.00	1,796.46	387.13	83.98	471.11	1,325.35	1,409.33

* includes amounts paid for lands being under registration

SCHEDULE - 6 INVESTMENTS

(Rs.in lakhs)

Sl. No.	PARTICULARS	As at 30-09-99	As at 30-09-98
1.	QUOTED		
a)	50,000 Equity Shares of Rs.10/- each Fully paid in M/s Sree Rayalaseema Alkalies and Allied Chemicals Ltd.	5.00	5.00
b)	2,000 Equity Shares of Rs.10/- each Fully paid in M/s Sreenidhi Housing & Finance Ltd. (Sold)		0.20
	TOTAL	5.00	5.20
2.	UNQUOTED		
a)	Government Securities		
	National Savings Certificate	0.11	0.11
b)	Shares and Others		
i.	1200 Equity Shares of Rs.100/- each Fully paid in M/s Sree Dronachalam Lime and Mineral Pvt.Ltd.	1.20	1.20
ii.	5000 Equity Shares of Rs.10/- each Fully paid in M/s T G L Quick Foods Ltd.	0.50	0.50
iii.	Vishal Paper Tech (India) Ltd., application money paid for 20,000 shares at Rs.5/- per share (15,100 Shares allotted)	1.00	1.00
iv.	2500 Units of Rs.10/- each of Bank of Baroda Growth'95	0.25	0.25
v.	5 Nos.Redemable Non-convertible Bonds (Zero Coupon) of IFCI (Maturity Value on 31.12.2002 Rs.5,00,000/-)	1.74	1.74
vi.	900 Equity Shares of Rs.10/- at a premium of Rs.120/- per Share of IDBI (partly paid)	---	0.32
vii.	50,000 Equity Shares of Rs.10/- each of Keynet Finance Ltd.	5.00	5.00
viii.	2,000 Optionally fully convertible 15% Debentures of Rs.190/- each of Lloyds Finance Ltd. (partly paid forfeited)	---	1.00
ix.	4000 shares of Bank of Baroda of Rs.25/- each at a premium of Rs.75/- per share (Rs.25/- per share) (Application money paid)	1.00	1.00
x.	1,50,000 equity shares of Rs.10/- each of Roses Floriculture Ltd.	15.00	15.00
	TOTAL	25.80	27.12
	GRAND TOTAL	30.80	32.32

TMT (INDIA) LIMITED

SCHEDULE - 7 CURRENT ASSETS

(Rs.in lakhs)

S.No.	PARTICULARS	As at 30-09-99	As at 30-09-98
1. INVENTORIES			
As Certified by the Management			
a)	Finished goods (At cost or Market value whichever is lower)	205.27	205.27
b)	Work-in-progress (At cost or Market value whichever is lower)	207.82	207.82
c)	Raw Material (At cost)	212.25	212.25
d)	Tools and Tackles (At cost less depreciation)	1.25	2.21
e)	Consumable Stores and Spares (At cost)	0.37	0.37
TOTAL		<u>626.96</u>	<u>627.92</u>
2. SUNDRY DEBTORS			
(Unsecured and Considered good)			
a)	Outstanding for a period of more than 6 months	1,364.99	1,420.62
b)	Others	0.76	—
Less : Provision for Bad & Doubtful Debts		18.00	18.00
TOTAL		<u>1,347.75</u>	<u>1,402.62</u>
3. CASH AND BANK BALANCES			
a)	Cash in Hand	0.14	0.01
b)	Bank Balance with Scheduled Banks	0.98	0.96
c)	Fixed Deposits with Banks	0.07	5.58
TOTAL		<u>1.19</u>	<u>6.55</u>
GRAND TOTAL		<u>1,975.90</u>	<u>2,037.09</u>

SCHEDULE - 8 LOANS & ADVANCES

(Rs.in lakhs)

S.No.	PARTICULARS	As at 30-09-99	As at 30-09-98
1. ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED			
a)	Loans	186.67	186.67
b)	Advances to Suppliers/Contractors	458.19	494.39
c)	Advances to Employees	39.43	35.32
d)	Insurance claim receivable	11.83	11.83
e)	Income Tax Advance / TDS	25.32	74.30
d)	Prepaid Expenses	0.53	0.22
g)	Claims Receivable	66.00	55.00
h)	Interest Receivable	0.22	—
TOTAL		<u>788.19</u>	<u>857.73</u>
2. DEPOSITS			
a)	Deposits with Government departments	1.36	1.27
b)	Deposits with others	14.19	14.31
TOTAL		<u>15.55</u>	<u>15.58</u>
GRAND TOTAL		<u>803.74</u>	<u>873.31</u>

TMT (INDIA) LIMITED

SCHEDULE - 9 CURRENT LIABILITIES (Rs.in lakhs)

S.No.	PARTICULARS	As at 30-09-99	As at 30-09-98
CURRENT LIABILITIES			
a)	Sundry Creditors for Goods	569.60	596.86
b)	Advances from Customers	172.03	190.43
c)	Interest Accrued & not due	11.63	18.47
c)	Other Liabilities	215.09	193.15
	TOTAL	<u>968.35</u>	<u>998.91</u>

SCHEDULE - 10 PROVISIONS (Rs.in lakhs)

S.No.	PARTICULARS	As at 30-09-99	As at 30-09-98
PROVISIONS			
a)	Provision for Income Tax	24.07	91.65
b)	Provision for Dividends (excess provided)	0.06	0.06
c)	Provision for Gratuity	10.70	10.78
	TOTAL	<u>34.83</u>	<u>102.49</u>

SCHEDULE - 11 SALES & DESPATCHES AGAINST WORKS CONTRACTS (Rs.in lakhs)

S.No.	PARTICULARS	For the year 30.09.99	For the year 30-09-98
1. SALES			
a)	Domestic Sales	0.43	121.61
b)	Export Sales	---	5.53
	TOTAL	<u>0.43</u>	<u>127.14</u>

SCHEDULE - 12 OTHER INCOME (Rs.in lakhs)

S.No.	PARTICULARS	For the year 30.09.99	For the year 30-09-98
1. OTHER INCOME			
a)	Income from Scrap	---	0.23
b)	Interest Received	0.27	4.14
c)	Rent & Other Income	198.32	133.66
	TOTAL	<u>198.59</u>	<u>138.03</u>

TMT (INDIA) LIMITED

SCHEDULE - 13 ACCRETION/(DECRETION) TO STOCK

(Rs.in lakhs)

Sl.No.	Particulars	Opening Stock		Closing Stock		Accretion/(Decretion)	
		1998-99	1997-98	1998-99	1997-98	1998-99	1997-98
1.	Work in Progress	207.81	249.31	207.81	207.81	--	(41.50)
2.	Finished Goods	205.27	191.77	205.27	205.27	--	13.50
		<u>413.08</u>	<u>441.08</u>	<u>413.08</u>	<u>413.08</u>	<u>0.00</u>	<u>(28.00)</u>

SCHEDULE - 14 CONSUMPTION OF MATERIAL

(Rs.in lakhs)

S.No.	PARTICULARS	For the Year 30-09-99	For the year 30-09-98
1.	CONSUMPTION OF MATERIAL		
	a) Raw Material & Components	1.27	128.83
	b) Fabrication and Other Service Charges	--	0.29
	TOTAL	<u>1.27</u>	<u>129.12</u>

SCHEDULE - 15 EMPLOYEE REMUNERATION AND BENEFITS

(Rs.in lakhs)

S.No.	PARTICULARS	For the Year 30-09-99	For the year 30-09-98
1.	EMPLOYEES REMUNERATION AND BENEFITS		
	a) Salaries and Wages	23.76	62.15
	b) Contribution to PF & ESI	2.02	5.03
	c) Staff Welfare & Other Benefits to Employees	2.14	4.32
	TOTAL	<u>27.92</u>	<u>71.50</u>

SCHEDULE - 16 INTEREST

(Rs.in lakhs)

S.No.	PARTICULARS	For the Year 30-09-99	For the year 30-09-98
1.	INTEREST		
	a) Interest on Term Loans	237.49	181.79
	b) Interest on Working Capital	124.70	91.06
	c) Interest on Others & Bank Charges	26.08	25.71
	TOTAL	<u>388.27</u>	<u>298.56</u>

TMT (INDIA) LIMITED

SCHEDULE - 17 OTHER MANUFACTURING AND ADMINISTRATIVE EXPENSES (Rs.in lakhs)

S.No.	PARTICULARS	For the year 30-09-99	For the year 30-09-98
1. OTHER MANUFACTURING & ADMN.CHARGES			
a)	Repairs and Maintenance - Plant & Machinery	0.29	0.07
b)	Repairs and Maintenance - Others	0.76	1.25
c)	Rent	7.89	9.01
d)	Rates & Taxes	0.10	0.35
e)	Power Charges	1.62	9.36
f)	Insurance	2.55	2.48
g)	Travelling Expenses	6.74	31.42
h)	Printing and Stationery	1.02	0.98
i)	Postage, Telegram & Telephone	3.92	11.52
j)	Vehicle Maintenance	0.94	2.71
k)	Technical Consultancy Fee and Expenses	5.50	4.52
l)	Carriage Outwards	—	1.38
m)	Selling Expenses	—	1.49
n)	Remuneration to Auditors - Statutory Audit Fee	0.30	0.30
	- Tax Audit	0.10	0.10
	- Expenses	0.05	0.02
o)	Directors Sitting Fee	0.06	0.21
p)	Office Maintenance	0.77	1.80
r)	Advertisement Expenses	—	0.04
s)	Miscellaneous Expenses	1.02	1.43
	TOTAL	33.63	80.44

SCHEDULE - 18 DEFERRED REVENUE EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF) (Rs.in lakhs)

S.No.	PARTICULARS	For the year 30-09-99	For the year 30-09-98
	Planting Material	221.44	221.44
	Technical Knowhow	48.58	48.58
		<u>270.02</u>	<u>270.02</u>
	LESS : Written off	270.02	222.19
	BALANCE	0.00	47.83

SCHEDULE - 19 PROFIT & LOSS ACCOUNT (Rs.in lakhs)

S.No.	PARTICULARS	For the year 30-09-99	For the year 30-09-98
	Loss as per Profit & Loss Account	396.30	478.71
	Less : Adjusted against General Reserve (per Contra)	321.29	478.71
	Balance Loss Carried to Balance Sheet	75.01	0.00

SCHEDULE - 20

NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

- I. The accounts for the year 1998-99 are prepared on the basis of the following major accounting policies.
- A. VALUATION OF INVENTORY :
1. Raw Materials, consumable stores & spares are valued at cost.
 2. Finished goods and work in progress are valued at cost or market value whichever is lower.
 3. Tools and tackles are valued at cost less depreciation.
 4. Scrap is valued at realisable value.
- B. DEPRECIATION :
- Depreciation on the fixed assets is provided by following straight line method at the rates prescribed in schedule XIV to the Companies Act, 1956, as modified by the Dept of Company affairs vide its notification No. GSR 756(E) dt. 16-12-1993.
- C. The Company is following accrual method of accounting.
- D. Expenses or income pertaining to earlier years are treated as prior period expenses or income only when the individual transactions exceed Rs. 5,000/-.
- E. Excise Duty is accounted on actual payment.
- F. Interest on delayed allotment moneys has been accounted on receipt basis.
- G. Expenses incurred for Floriculture on planting material and technical know-how fees are treated as deferred revenue expenditure and written off over a period of three years, the expected life of the plants yield. Income from floriculture has been taken into account on actual sale of flowers and the expenditure has been charged off in the year it is incurred.
- II. Investments shown in Schedule 6 includes Rs.5.00 lacs towards 50,000 Equity Shares of Rs. 10/- each in M/s. Sree Rayalaseema Alkalies and Allied Chemicals Ltd. Due to fraudulent transfer of Company's shareholding in respect of the above shares, Company has filed a petition, for rectification of register of members, before the Hon'ble High Court of Andhra Pradesh after the disposal of petition by the Company Law Board and the same is pending before the High Court.
- III. Following are the details of Contingent Liabilities :
- i) Value of Bank Guarantees : Rs. 0.30 lakhs (Previous Year Rs.11.30 lakhs).
 - ii) Liability in respect of investments in partly paid shares Rs. 2.91 lakhs (Previous Year Rs. 6.55 lakhs)
 - iii) Bank guarantee amounting to Rs.66.00 lakhs (previous year Rs. 55.00 lakhs) invoked by the party before the due date & without fulfilling the conditions of guarantee and being contested by the Company, treated as advance / claims recoverable.
- IV. Since there were meager operations during the year under report on account of recession in the market and due to paucity of funds, some of the staff are not attended. Hence the liabilities and expenses were provided based on the information available. Interest on loans provided provisionally on accrual basis, subject to confirmation. Financial Institutions and the Leader of Consortium banks have recalled the loans for repayment and the same is pending before the Debt Recovery Tribunal.

TMT (INDIA) LIMITED

V. (a) Managerial remuneration under Section 198 of the Companies Act, 1956 to the Managing Director included in Schedule 15, is as follows:

	1998-99 (Rs.)	1997-98 (Rs.)
Salary	3,60,000	3,60,000
Contribution to provident fund	36,000	36,000
Perquisites - H.R.A.	36,000	36,000
Personal accident Insurance	—	1,000
	<u>4,32,000</u>	<u>4,33,000</u>

VI. EXPENDITURE IN FOREIGN CURRENCY

	1998-99 (Rs. in lakhs)	1997-98 (Rs. in lakhs)
i) Travelling Expenses	1.09	15.87
ii) Purchase of Material / Equipment	—	—
iii) Others	—	—

VII. Confirmation of balances from the parties, Banks/Institutions are awaited and the balances are shown as appearing in the books of account of the Company.

VIII. Previous year figures have been regrouped & rearranged wherever necessary.

IX. Additional information pursuant to paragraphs 3, 4, 4C and 4D of part II of Schedule VI to the Companies Act, 1956.

	Qty.	1998-99 Amount	Qty. (Rs. in lakhs)	1997-98 Amount
1. TURNOVER				
A) Domestic LPG (Nos.)	---	---		---
Engg. & Others	---	0.43		121.61
(A)		<u>0.43</u>		<u>121.61</u>
B) EXPORTS				
Engg.	---	---		---
Others (Flowers)	---	---		5.53
(B)		<u>---</u>		<u>5.53</u>
(A + B)		<u>0.43</u>		<u>- 127.14</u>
2. MATERIAL CONSUMED				
i) Steel Plates & Rods (M.T.)	---	---	---	---
ii) Pipes (Mtr)	---	---	---	---
iii) HR Sheets (M.T.)	---	---	---	---
iv) Others	---	1.27	---	129.12
		<u>1.27</u>		<u>- 129.12</u>

TMT (INDIA) LIMITED

3. WORK-IN-PROGRESS

A) ENGG. DIVISION		
i) Opening	199.50	241.00
ii) Closing	199.50	199.50
B) LPG CYLINDERS		
i) Opening	8.31	8.31
ii) Closing	8.31	8.31

4. FINISHED GOODS

A) ENGG. DIVISION		
i) Opening	195.92	182.42
ii) Closing	195.92	195.92
B) LPG CYLINDERS		
i) Opening	9.35	9.35
ii) Closing	9.35	9.35

5. Details of licenced capacity, installed and production.

A) ENGG. DIVISION				
i) Licenced Capacity		Not applicable		Not applicable
ii) Installed Capacity		Not applicable		Not applicable
iii) Actual Production		Not applicable		Not applicable
B) LPG CYLINDERS				
i) Licenced Capacity		Not applicable		Not applicable
ii) Installed Capacity				2,00,000 Nos.
iii) Actual Production				

	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
6. a) Value of imported raw material, spare parts & components consumed	--	---	--	---
b) Value of indigenous raw material, spare parts & components consumed	1.27	100%	129.12	100%
	<u>1.27</u>	<u>100%</u>	<u>129.12</u>	<u>100%</u>

SIGNATURES TO SCHEDULES " 1 TO 20 "

As per our report of even date
for BRAHMAYYA & COMPANY
Chartered Accountants

Sd/-
B.DAIVADHEENAM REDDY
Partner

FOR AND ON BEHALF OF THE BOARD

Sd/-
T.G.VEERA PRASAD
Managing Director

Sd/-
N.J. RAO
Director

HYDERABAD (CAMP)
Date: 19.05.2000

TMT (INDIA) LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No.	02002	State Code	01
Balance Sheet	Date	30 Month	September Year 1999

II. CAPITAL RAISED DURING THE YEAR (Amount Rs. in lakhs)

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount Rs. in lakhs)

Total Liabilities	3207.62	Total Assets	3207.62
Paid-up Capital	418.95	Reserves & Surplus	243.47
Secured Loans	2442.64	Unsecured Loans	102.56

Application of Funds

Net Fixed Assets	1325.35	Investments	30.80
Net Current Assets	1776.46	Miscellaneous Expenditure	Nil
Accumulated Losses	75.01		

IV. PERFORMANCE OF COMPANY (Amount Rs. in lakhs)

Turnover	199.02	Total Expenditure	564.96
Profit / (Loss) before tax	(365.94)	Profit / (Loss) after	
Deferred Revenue		Deferred Revenue	
Expenditure Written Off	47.83	Expenditure Written Off	(413.77)
		Profit / (Loss) after tax	(413.77)
Earning per share in Rs.	N.A.	Dividend Rate %	Nil

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICE TO COMPANY

- Item Code No. 8439.10
(ITC Code)
Product Description Pulp / Paper Machinery
- Item Code No. 7311.00
(ITC Code)
Product Description LPG Cylinders
- Item Code No. 7308.90
(ITC Code)
Product Description Floriculture Projects

As per our report of even date
for BRAHMAYYA & COMPANY
Chartered Accountants

Sd/-
B.DAIVADHEENAM REDDY
Partner

FOR AND ON BEHALF OF THE BOARD

Sd/-
T.G.VEERA PRASAD
Managing Director

Sd/-
N.J. RAO
Director

HYDERABAD (CAMP)
Date: 19.05.2000