

**36th  
Annual Report  
2001 - 2002**

**Tobu**

**TOBU ENTERPRISES LIMITED**

**BOARD OF DIRECTORS**

Mr. Rajnish Goenka - *Managing Director*  
 Mr. Nath Mull kejriwal - *Director*  
 Mr. Ajay Mathur - *Director*  
 Mr. Hemant Rastogi - *Director*

**AUDITORS**

**M/S PADAM BAHL & CO**

*Chartered Accountants*

D-70 Ranjit Avenue, Amritsar -143001

**BANKERS**

**ANDHRA BANK**

M- 35, Connaught Circus,

New Delhi -110001

**REGISTERED OFFICE**

8/29, Kirti Nagar,

Industrial Area,

New Delhi -110015

**REGISTRARS & TRANSFER AGENT**

**M/S COMPUTECH INTERNATIONAL LIMITED**

Sri Venketesh Bhawan, 212 A (Ground Floor)

Shahpur Jat, New Delhi -110049

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**NOTICE**

Notice is hereby given that the Thirty Sixth Annual General Meeting of the Members of TOBU ENTERPRISES LIMITED will be held on Monday, 30th September, 2002 at 9:00 A.M. at Community Center, Rewla Khanpur, New Delhi - 110043, to transact the following business:

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2002 and the Profit & Loss Account for the year ended on that date together with the Report of the Directors and Auditors thereon.
2. To appoint a director in place of Mr. Ajay Mathur, who retires by rotation and being eligible offer himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS :****4. APPOINTMENT OF MR. HEMANT RASTOGI AS DIRECTOR OF THE COMPANY**

\* RESOLVED THAT Mr. Hemant Rastogi, who was appointed as an additional director of the company by the Board of Directors at its meeting held on 20th August, 2002 and holds Office up to the date of this Annual General Meeting and the company has received a notice under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of the Director of the company, be and is hereby appointed as a Director of the company whose period of office will be liable to determination by rotation."

By Order of the Board  
FOR TOBU ENTERPRISE LTD.

(RAJNISH GOENKA)  
Managing Director

Dated : 30.08.2002  
Place : New Delhi

**NOTES :**

1. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item no.4 of the notice set out above is annexed herewith and papers /documents referred to therewith are open for inspection at the Registered Office of the Company between 10:30 A.M. to 4:00 P.M. on any working day prior to the date of meeting.
2. 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 OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED AND IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED TO THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE ANNUAL GENERAL MEETING.
3. The Share Transfer Books and Register of Members will remain closed from Friday, the 27th September, 2002 to Monday, the 30th September, 2002 (both days inclusive).
4. Members are requested to notify change in their address, if any, to Computech International Limited, Sri Venkatesh Bhawan, 212-A (ground floor), Shahpur Jat, New Delhi-110049.
5. Members desirous of getting any information about the Account and Operation of the Company are requested to write their query to the company at the Registered Office well in advance so that the same may reach at least seven days before the date of meeting to enable the management to keep the information required readily available at the meeting.
6. As a measure of economy, copies of the annual report will not be distributed at the Annual General Meeting. Shareholders are, thereof, requested to bring their copies of the Annual Report at the meeting.
7. For the convenience of shareholders, attendance slip is annexed to the proxy form. Shareholders are requested to affix their signature at the space provided therefore and hand over the attendance slip at the entrance of the place of meeting. Proxy/Representative of a shareholder should mark on the attendance slip as "proxy" or "representative" as the case may be. Shareholders are also requested not to bring with them any person who is not a shareholder.
8. MEMBERS WHO ARE HOLDING SHARES IN IDENTICAL ORDER OF NAMES IN MORE THAN ONE FOLIO ARE REQUESTED TO WRITE TO COMPUTECH INTERNATIONAL LIMITED, NEW DELHI FOR CONSOLIDATION OF THEIR HOLDING IN ONE FOLIO.
9. NO GIFT WILL BE GIVEN AT THE ANNUAL GENERAL MEETING.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM NO. 4**

At the meeting held on 20th August, 2002 the Board appointed Mr. Hemant Rastogi as an additional director of the company. Mr. Hemant Rastogi holds the office only upto the date of this Annual General Meeting to be held on 30th September, 2002. Notice as required under Section 257 of the Companies Act, 1956 has been received proposing Mr. Hemant Rastogi for appointment as Director.

By Order of the Board  
FOR TOBU ENTERPRISE LTD.

Dated : 30.08.2002  
Place : New Delhi

(RAJNISH GOENKA)  
Managing Director

**DIRECTOR'S REPORT**

To,  
The Members,

Your Directors have great pleasure in presenting the Thirty Sixth Annual Report together with the Audited Statement of Annual Accounts for the Year ended 31st March 2002.

**FINANCIAL RESULTS**

	<u>Current Year</u>	<u>(Rs. in lacs)</u> <u>Previous Year</u>
Sales & Other Income	355.91	317.07
Profit Before Depreciation	(78.15)	5.85
Depreciation	6.73	7.56
Profit Before Tax	(84.88)	(1.71)
Income Tax	—	—
Profit After Tax	(84.88)	(1.71)

**OPERATIONAL PERFORMANCE**

Despite the fact that overall scenario at macro level is sluggish and recessionary trends are prevailing. Your company has tried its best to overcome the difficulty faced by it the past years. Your company has done all to achieve the best economy in operation and reducing its expenditure on one hand to improve the position, by putting up new innovative man power, materials and efficient methods, the sales of the company has increased from 317.07 to 355.91 lacs and reducing the losses to a major extent. Your Directors are committed to work hard to restore the lost glory of the company and hope to recover well in future.

**FIXED DEPOSITS**

During the year under review, the company has not accepted any Deposit under Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposit) Rules, 1975.

**DIRECTORS**

Mr. Ajay Mathur, Director of the Company retires by rotation and being eligible offers himself for re-appointment. Board appointed. Mr. Hemant Rastogi, as Additional Director w.e.f. 20.08.2002 in order to broad base the Board.

**AUDITORS**

M/S Padam Bahl & Co., Chartered Accountants, Amritsar, Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The company has received a certificate from the auditors to the effect that their re-appointment, if made, would be in accordance with Section 224(1B) of the Companies Act, 1956. The Board recommends their re-appointment.

**AUDITORS REPORT**

As regard the observations contained in the Auditor Report all points are self explanatory, except the column No.18 and 19 of auditors report which state about the outstanding Provident Fund, sales tax respectively, our explanation regarding this is, that due to meagerness of funds during the current year we are not able to submit the dues as on date.

Note No.4 of the books of accounts ask about the interest provided for, we hereby explain that due to a dispute arisen between the company and M/S Premier Finance & Trading Co. Ltd. no interest has been provided.

Note No.5 of the books of accounts asks about the provision for doubtful debts not provided for we hereby explain that we are considering them as recoverable and proceedings of recovery are going on.

Further note no. 10 of the books of accounts asks about adjustment of TDS without bank advice, we hereby explain that inspite of our repeated reminders and requests neither Bank of Madura, Calcutta has issued TDS certificate nor has replied our letters. Hence we have adjusted the balances.

**DIVIDEND**

Keeping in view the loss incurred during the year, your Directors find it difficult to recommend any dividend for the period ended MARCH 31, 2002. Therefore, no Dividend is proposed for the year under review.

**DEPOSITARY**

The shares of the company have come into the electronic form and the company has taken reasonable steps to put the scrip of the company in electronic form and adequate steps have been taken to enter into an agreement with NSDL and CSDL to keep the shares in electronic form.

**PARTICULARS OF EMPLOYEE'S**

The company does not have any employees to whom the Provisions of Section 217 (2A) of the Companies Act, 1956 read with the companies (Particulars of Employee Rules 1975) apply.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the accounts for the financial year ended on 31st March, 2002 the applicable accounting standards have been followed along with proper explanation relating to material departures:
- (ii) That the selected accounting policies were applied consistently and the directors 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 as at March 31, 2002 and of the loss of the Company for the year ended on that date;

- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2002 on a going concern basis.

**CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO.**

Information required under Section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 is given in Annexure-1 and forms an integral part of this report.

**CORPORATE GOVERNANCE**

The company believed that Corporate Governance is an indispensable and is an important instrument of investor protection. The Company has decided to take a series of proactive steps to adhere to most of the recommendations made by the Securities and Exchange Board of India on Corporate Governance during the year 2001 - 02 and hereby authorise Mr. Hemant Rastogi, Director, to ensure compliance with provisions of Clause 49 of the Listing Agreement with the Stock Exchanges.

**APPRECIATION**

Your Directors wish to place on record their deep appreciation for the continued co-operation and support given by financial institution, Bank, Customers and shareholders of the company. They also acknowledge their deep appreciation for the contribution made by the employees at all levels to the operations of the company.

For and on behalf of the Board

Dated : 30.08.2002  
Place : New Delhi

**AJAY MATHUR**  
Director

**RAJNISH GOENKA**  
Managing Director

**ANNEXURE TO THE DIRECTORS REPORT**

**ANNEXURE - I**

**THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF DIRECTORS) RULES, 1988.**

**(I) CONSERVATION OF ENERGY:**

No additional investment is proposed but all efforts are on to conservation of energy by improving operation.

**TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTS:**

**(A) Power & fuel consumption**

	<u>Current year</u>	<u>Previous Year</u>
1. Electricity		
(a) Purchased		
Unit (in 000)	283	508
Total Amount	25.38	29.69
(Rs. In lacs)		
Rate/ Unit (Rs.)	8.96	5.93

**(b) Own Generation through Diesel generator :**

The company has three D G sets (50 KVA, 125 KVA & 320 KVA) these are used during emergencies whenever there is a power outage from Delhi Vidyut Board (DVB) to sustain plant operations.

**(B) Consumption per unit of Production :**

Exact figure are not available as the company had to rely on many Bought-Out items for the manufacture of the final products.

**(II) TECHNOLOGY ABSORPTION : FORM - B**

**1. RESEARCH AND DEVELOPMENT (R & D)**

The development activities of the company are mainly towards energy conservation and quality improvement which is an on - going process. No separate record of the expenditure incurred is maintained by the company.

**2. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

Continuous efforts are being made to upgrade processes by absorption of relevant technology to suit local conditions through modernisation. The Company is not using any imported technology.

**(III) FOREIGN EXCHANGE EARNINGS AND OUTGO : NIL**

For and on behalf of the Board

Dated : 30.08.2002  
Place : New Delhi

**AJAY MATHUR**  
Director

**RAJNISH GOENKA**  
Managing Director

**AUDITORS' REPORT**

To,  
The Members of  
Tobu Enterprises Limited,

We have audited the attached Balance sheet of Tobu Enterprises Limited, as at 31st March, 2002 and the attached Profit & Loss Account for the year ended on that date. 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 statement are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. Physical verification of fixed assets was carried out by the management during the year and no discrepancies as compared to book records were observed on such verification.
2. None of the finished goods, raw materials, stores and spare parts have been physically verified by the management at reasonable intervals during the year.
3. The stock of finished goods, raw materials, stores and spare parts have been physically verified by the management at reasonable intervals during the year.
4. In our opinion and according to the information and explanations give to us, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
5. The discrepancies noticed on physical verification of stocks as compared to book records were not material and have been properly dealt with in the books of account.
6. In our opinion, the valuation of the above mentioned stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the previous year.
7. The Company has taken loans from parties listed in the register maintained under section 301 of the Companies Act, 1956 were not *prima facie* prejudicial to the interest of the Company. There is no loan from Company under the same management as defined under sub section (1B) of section 370 of the Companies Act, 1956.
8. According to the information and explanations given to us the company has not granted any loans to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. We are informed that there are no companies under the same management as this company within the meaning of section 370(1B) of the Companies Act, 1956.
9. The parties to whom the loans have been given by the Company are repaying the principal and interest as stipulated.
10. Interest free loans and advances in the nature of loans have been given to the company's employees only and they are generally repaying the principal amount where stipulated.
11. On the basis of our evaluation of internal control procedures, it appears that there are adequate internal control procedures for the purchase of finished goods, stores, raw material including components, plant and machinery, equipments and other assets and with regard to sale of goods.
12. The transactions of purchase of goods/materials and sale of goods, materials, if any made in pursuance of contracts or arrangements entered in the register maintained u/s 301 of the Companies Act, 1956 as aggregating during the year to Rs. 50,000/- or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices which are reasonable having regard to prevailing market prices for such goods or materials or the prices at which transactions for similar goods have been made with other parties.
13. As explained to us, the company has regular procedure for the determination of unserviceable or damaged stores, raw materials and finished goods and adequate provisions has been made in the accounts for the loss arising on the items so determined.
14. In our opinion and according to the information and explanation given to us, the company has complied with the provisions of section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
15. The Company has maintained reasonable records for the sale and disposal of re alisable scrap, wherever applicable. The company does not have any by-products.
16. The Company has an internal audit system commensurate with the size and nature of its business.
17. According to the information and explanation given to us the company has maintained prescribed cost records in respect of such products to which it is applicable.
18. Provident Fund dues and Employees' State Insurance dues have been regularly deposited with appropriate authorities. The arrears outstanding as on 31.03.2002 are Rs. 8,33,950/-.

19. According to the information and explanations give to us, there are no undisputed amounts payable in respect of Income-tax, Sales-tax, Wealth-tax, Customs duty and Excise duty outstanding for a period of more than six months as at 31st March, 2002 from the date they became payable except Sales tax amounting to Rs. 2,73,961/-.
20. According to the information and explanations given to us no personal expenses have been charged to revenue account.
21. In our opinion, the company is not a sick industrial company within the meaning of Clause(O) Section 3(1) of the Sick Industrial Companies (Special Provisions) Act, 1985, since its accumulated losses as at 31.03.2002 are not equal to/exceeding its net worth. However, as at 31.03.2002, more than 75% of its net worth has eroded in terms of its accumulated losses.

Subject to and in terms of the above, we also report that :

1. 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.
2. 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.
3. The attached Balance Sheet and the Profit & Loss Account are in agreement with the books of account.
4. In our opinion, the Balance Sheet and Profit & Loss Account comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956, subject to Note No. 12 in respect of segment reporting and Note No. 13 in respect of accounting for taxes on income.
5. On the basis of the written representation received from the directors and taken on record by the Board of Directors, we report that none of the said directors are disqualified as on we report that none of the said 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.
6. In our opinion and to the best of our information and according to the explanations given to us, the said statements of accounts, subject to Note No. 4 regarding non-provision of doubtful debts, loans and advances amounting to Rs. 15,08,967/- (Previous Year Rs. 16,62,703/-) and Note No. 7 & 9 regarding writing off of Deferred Revenue expenses of Bhiwadi Unit and writing off of entire capital issue expenses appearing in Schedule of Notes and having effect on the loss for the year to the extent as stated in the above notes and read together with other notes on accounts and accounting policies of the Company appearing 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 Balance Sheet, of the state of affairs of the Company as at 31st March, 2002 and
  - b) in the case of Profit & Loss Account, of the loss of the Company for the year ended on that date.

For PADAM BAHL & CO.,  
Chartered Accountants

Place : New Delhi  
Dated : 30.08.2002

(P. N. BAHL)

**BALANCE SHEET AS AT 31st MARCH, 2002**

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2002**

	SCHEDULE	As At 31.03.2002 (Rs.)	As At 31.03.2001 (Rs.)
<b>SOURCES OF FUNDS</b>			
1 Shareholders' Funds			
(a) Capital	(1)	4,73,12,000	47312000
		<u>47312,000</u>	<u>47312000</u>
2 Loan Funds			
(a) Secured Loans	(2)	8102472	7343708
(b) Unsecured Loans	(2)	25448000	23545000
		<u>33550472</u>	<u>30888708</u>
<b>TOTAL</b>		<u><b>80862472</b></u>	<u><b>78200708</b></u>
<b>APPLICATION OF FUNDS</b>			
1 Fixed Assets	(3)		
(a) Gross Block		50675948	51756348
(b) Less : Depreciation		19131093	18552108
NET BLOCK		<u>31544855</u>	<u>33204240</u>
2 Investments	(4)	<u>10000</u>	<u>1011010</u>
3 Current Assets, Loans & Advances	(5)		
(a) Inventories		13371373	11871210
(b) Sundry debtors		9075598	13684512
(c) Cash & Bank balances		1657741	766529
(d) Loans & Advances		4343096	2019539
		<u>28447808</u>	<u>28341790</u>
Less : Current Liabilities & Provisions	(6)	<u>14666782</u>	<u>12222979</u>
		<u>13781026</u>	<u>16118811</u>
4 Miscellaneous Expenditure To the extent not written off or adjusted.	(7)		
(a) Capital Issue Expenses		—	1356385
(b) Deferred Revenue Expenditure		—	3423892
(c) Debit balance as per attached P&L A/c Profit & Loss Account		35526591	23086370
<b>TOTAL</b>		<u><b>80862472</b></u>	<u><b>78200708</b></u>

Accounting Policies and Notes on Accounts (14)

Note : Figures in brackets refer to Schedules forming part of Balance Sheet.

In terms of our attached report of even date

For PADAM BAHL & CO.  
Chartered Accountants

(P.N.BAHL)

Place : New Delhi  
Dated : 30.8.2002

For and on behalf of the Board

RAJNISH GOENKA  
Managing Director

AJAY MATHUR  
Director

HEMANT RASTOGI  
Manager (Corporate Affairs)

Company Secretary

	SCHEDULE	31.03.2002 This Year (Rs.)	31.03.2001 Previous Year (Rs.)
<b>INCOME</b>			
Sales	(8)	33758763	25809546
Other income	(9)	471559	5971194
Decrease/increase in stocks	(10)	1360601	(73908)
		<u>35590923</u>	<u>31706832</u>
<b>EXPENDITURE</b>			
Consumption of raw materials, stores, indirect materials and spare parts etc.	(11)	26657967	14909769
Expenses/Losses	(12)	14601075	14269912
Interest	(13)	1212046	1112606
Excise duty Paid		106239	1695
Capital Issue Expenses Written off		339097	339097
Deferred Revenue Expenditure W/Off		489127	489127
Depreciation		673540	755741
		<u>44079091</u>	<u>31877947</u>
Balance being Loss for the year		(8488168)	(1711115)
Add : Balance of Capital Expenses W/Off (Refer Note No. 7)		1017288	—
Add : Balance of Deferred Revenue Exp. W/Off (Refer Note No. 9)		2934765	—
Add : Loss brought forward from previous year		(23086370)	(22915255)
Debit balance carried over to Balance Sheet		<u>35526591</u>	<u>23086370</u>

Accounting Policies and Notes on Accounts (14)

In terms of our attached report of even date

For PADAM BAHL & CO.  
Chartered Accountants

(P.N.BAHL)

Place : New Delhi  
Dated : 30.8.2002

For and on behalf of the Board

RAJNISH GOENKA  
Managing Director

AJAY MATHUR  
Director

HEMANT RASTOGI  
Manager (Corporate Affairs)

Company Secretary

**SCHEDULE FORMING PART OF THE BALANCE SHEET & PROFIT & LOSS ACCOUNT**

	As At 31.03.2002 (Rs.)	As At 31.03.2001 (Rs.)
<b>SCHEDULE - 1 SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
54,00,000 Equity Shares of Rs.10/- each	54000000	54000000
10,000 Preference Shares of Rs.100/-	1000000	1000000
	<u>55000000</u>	<u>55000000</u>
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
47,31,600 Equity Shares of Rs.10/- each	47316000	47316000
Less : Unpaid	4000	4000
	<u>47312000</u>	<u>47312000</u>

	As At 31.03.2002 (Rs.)	As At 31.03.2001 (Rs.)
<b>SCHEDULE - 2 LOAN FUNDS</b>		
1) TERM LOANS		
City Bank NA (Secured Against Car)	276274	477644
2) OTHERS		
Cash credit, bills discounting & overdraft on bookdebts from Andhra Bank	7826198	6866064
	<u>8102472</u>	<u>7343708</u>
<b>UNSECURED LOANS</b>		
Directors	6398000	5395000
From Body Corporates		
*Premier Finance & Trading Co.	19050000	18150000
	<u>25448000</u>	<u>23545000</u>

**NOTES:**

- 1) Cash credit, overdraft on book debts and Bills discounting loans from bankers are secured by hypothecation of fixed assets of Delhi unit and stocks/discounting of bills, book debts and by second charge over fixed assets of Bhiwadi unit and also guaranteed by three Directors of the Company.
- 2) Unsecured Loans of Rs.175 Lacs from Premier Finance & Trading Company are guaranteed by two Directors of the Company.

**SCHEDULE - 3 : FIXED ASSETS**

(Rs. in Lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2001	Additions	Deduction	As At 31.03.2002	Upto 31.03.2001	For the Year	Deduc- tion	Upto 31.03.2002	As At 31.03.2002	As At 31.03.2001
Lease Hold Land	669956	—	—	669956	29488	—	—	29488	640468	640468
Building	10787368	—	—	10787368	1277704	—	—	1277704	9509664	9509664
Plant & Macheneary Including Computers	30043990	—	1080400	28963590	11391901	153179	94555	11450525	17513065	18652089
Moulds & Dies	7521724	—	—	7521724	4512039	355647	—	4867686	2654038	3009685
Furniture & office Equipment	1147328	—	—	1147328	985403	16002	—	1001405	145923	161925
Vehicles	1025537	—	—	1025537	355573	148712	—	504285	521252	669964
<b>Sub Total</b>	<b>51195903</b>	<b>—</b>	<b>1080400</b>	<b>50115503</b>	<b>18552108</b>	<b>673540</b>	<b>94555</b>	<b>19131093</b>	<b>30984410</b>	<b>32643795</b>
<b>UNDER INSTALLATION</b>										
Moulds & Dies	560445	—	—	560445	—	—	—	—	560445	560445
<b>Sub Total</b>	<b>560445</b>	<b>—</b>	<b>—</b>	<b>560445</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>560445</b>	<b>560445</b>
<b>GRAND TOTAL</b>	<b>51756348</b>	<b>—</b>	<b>1080400</b>	<b>50675948</b>	<b>18552108</b>	<b>673540</b>	<b>94555</b>	<b>19131093</b>	<b>31544855</b>	<b>33204240</b>
Previous Year	50767303	989045	—	51756348	17796367	755741	—	18552108	33204240	32970936

	As At 31.03.2002 (Rs.)	As At 31.03.2001 (Rs.)
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**SCHEDULE - 4  
INVESTMENTS**

National Savings Certificate (VIII issue) (Deposited as security with sales tax authorities)	10000	10000
100 shares of The Co-op.Store Ltd. (at cost) (Unquoted)	—	1010
100,000 Equity Shares of Rs.10/- each of Prime Capital Market Ltd. (Unquoted) at cost	—	1000000
	<u>10000</u>	<u>1011010</u>

**SCHEDULE - 5  
CURRENT ASSETS**

**A. INVENTORIES**

(As taken, valued and certified by the management)

Stores & Spares (at cost)	237854	209453
Raw materials (at cost or under cost)	5288872	5177711
Work in process(At estimated cost)	6506417	5089958
Finished goods (At estimated cost)	1338230	1394088
	<u>13371373</u>	<u>11871210</u>

**B. SUNDRY DEBTORS (UNSECURED)**

Over six month	4831483	6581513
Others	4244115	7102999
	<u>9075598</u>	<u>13684512</u>

**CLASSIFICATION OF DEBTS**

a) Considered Goods	7566631	12021809
b) Considered doubtful but not provided for	1508967	1662703
	<u>9075598</u>	<u>13684512</u>

**C. CASH & BANK BALANCES**

In current account with Scheduled Bank	214406	161942
Cash in hand	1222562	383814
In Fixed Deposits Account	208923	208923
In Post Office Savings Bank Account (Pass Book lodged with third parties)	11850	11850
	<u>1657741</u>	<u>766529</u>
<b>TOTAL CURRENT ASSETS</b>	<b>24104712</b>	<b>26322251</b>

**D. LOANS & ADVANCES (UNSECURED)**

Advances recoverable in cash or in kind or for value to be received or pending adjustments.	698247	849735
Trade Advance	2516000	—
Loans to employees	40537	22554
Sundry Deposits	921969	971969
Interest receivable	36793	22258
Prepaid expenses	56634	54756
Advance tax and tax deducted at source	24293	24293
Balance with Excise authorities	48623	73974
	<u>4343096</u>	<u>2019539</u>

**CLASSIFICATION OF LOANS & ADVANCES**

(a) Considered good	4343096	2019539
(b) Considered doubtful but not provided for	—	—
<b>GRAND TOTAL</b>	<u>28447808</u>	<u>28341790</u>

**SCHEDULE - 6  
CURRENT LIABILITIES & PROVISIONS**

**(A) CURRENT LIABILITIES**

For goods, services, expenses etc.	10487958	8253452
Statutory liabilities	2134600	1909412
Interest accrued but not due	42633	44596
Security deposit from Dealers	201030	409607
Advance from customers and others	473384	470429
	<u>13339605</u>	<u>11087496</u>

**(B) PROVISIONS**

Provision for Gratuity	1327177	1135483
	<u>14666782</u>	<u>12222979</u>

**SCHEDULE - 7**

Capital Issue expenses	1356385	1695482
Less : Written off during the period	1356385	339097
	—	<u>1356385</u>
Deferred Revenue Expenditure	3423892	3913019
Less : Written off during the period	3423892	489127
	—	<u>3423892</u>

	As At 31.03.2002 (Rs.)	As At 31.03.2001 (Rs.)
<b>SCHEDULE - 8</b>		
<b>SALES</b>		
Sales (excluding excise duty)	34285993	26164101
Less : Returns out of sales of previous years	399709	289165
Discount/Incentives etc.	127521	65390
	<u>527230</u>	<u>354555</u>
<b>Net Sales</b>	<u><u>33758763</u></u>	<u><u>25809546</u></u>

**SCHEDULE - 9**

<b>JOB WORK INCOME</b>	405455	345204
Interest	14535	83346
Unspent liability/unclaimed balances written back	—	11167
Commission Received	44631	550000
Miscellaneous Income	6938	31477
	<u>471559</u>	<u>5971194</u>

**SCHEDULE - 10**
**INCREASE/DECREASE IN STOCKS**

<b>Closing Stock</b>		
Finished goods	1338230	1394088
Work in process	6506417	5089958
	<u>7844647</u>	<u>6484046</u>
<b>Opening Stock</b>		
Finished goods	1394088	1246736
Work in process	5089958	5311218
	<u>6484046</u>	<u>6557954</u>
<b>Decrease/Increase in stocks</b>	<u><u>1360601</u></u>	<u><u>(73908)</u></u>

**SCHEDULE - 11**
**CONSUMPTION OF RAW MATERIAL & SPARE PARTS**

Raw materials consumption etc.	25510565	12534172
Stores spares other materials etc. (Including packing materials Rs.353703.00 (Previous Year Rs.503998.00)	723213	1327302
Material Processing charges	424189	1048295
	<u>26657967</u>	<u>14909769</u>

**SCHEDULE - 12**
**EXPENSES**

Salaries, Wages, Bonus, Gratuity etc.	3896654	4617930
Contribution to Provident Fund	269762	343905
Employees Welfare expenses	199726	373453
Power & Electricity expenses	2537684	2969353
<b>Repair &amp; Maintenance :</b>		
Machinery & Moulds etc.	255240	326414
Building	39985	7944
Others	100580	301946
Commission on sale	249206	82155
Cash discount	18317	63513
Outward freight	312907	976148
Publicity	76615	32922
Other selling expenses	30642	43807
<b>Auditors remuneration :</b>		
Audit fee	21000	21000
For expenses	14154	7131
<b>Managing Director's remuneration :</b>		
Salary & Bonus	420000	420000
Contribution to Provident Fund	50400	50400

Rates & Taxes	22500	75405
Insurance	91411	117352
Bank charges	101451	224265
Travelling & Conveyance(Including Director's Travelling Rs.148688.00)	498168	678832
Sundry Balances Written off (Net)	2131798	—
Rent	149680	475800
Loss on shares written off	1001010	—
Loss On Sale of Fixed Assets	657845	—
Miscellaneous	1454340	2060237
	<u>14601075</u>	<u>14269912</u>

**SCHEDULE - 13**
**INTEREST**

On others	1212046	1112606
	<u>1212046</u>	<u>1112606</u>

**SCHEDULE - 14**
**ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**
**(A) SIGNIFICANT ACCOUNTING POLICIES**
**1. ACCOUNTING CONCEPTS**

The Company follows the mercantile system of accounting and recognises Income & Expenditure on accrual basis. Subject to Note 4 below.

**2. FIXED ASSETS**

Fixed Assets are stated at cost of acquisition including relative freight, duties and taxes and other acquisition related incidental expenses less accumulated depreciation thereon.

**3. INVESTMENTS**

Investment in NSC's is stated at Face Value.

**4. DEPRECIATION**

(a) Depreciation of fixed assets of Delhi Unit is provided in accordance with section 205(2) (a) of the Companies Act, 1956 on the basis of written down value of the assets at the rates specified in Schedule XIV to the Companies Act, 1956.

(b) No Depreciation on fixed assets of Bhiwadi unit has been provided since there was no production in Bhiwadi unit during the period under audit.

(c) The cost of leasehold land was being amortised over the period of lease. However since Bhiwadi unit is not working no amount for lease has been provided during the year.

(d) On assets added/disposed of during the year, depreciation has been provided on prorata basis with reference to the day of addition/disposal.

**5. INVENTORIES**

Stock of raw material are valued at cost. Finished goods and process stocks are valued at material cost at last purchase rates plus outside process charges, if any, and proportionate overheads. Stores & spare parts and packing materials are valued at cost. For purposes of ascertaining 'Cost', MODVAT credits are included in the respective inventories.

**6. GRATUITY/RETIREMENT BENEFITS**

Year end liabilities on account of gratuity are provided for as per actuarial valuation. Leave encashment benefit is accounted for on cash basis.

**7. CAPITAL ISSUE EXPENSES**

Capital Issue Expenses are writtenoff over a period of 10 years.

However since the amortisation is permitted in 5 years as per the current Income Tax Law. The 1/10th the expenses have been written w/o in Profit & Loss Account as per regular policy of the company and the balance amount has been w/off below the Line since 5 years have lapsed after incurring of this expenditure.

**8. FOREIGN CURRENCY TRANSACTIONS : NONE**

9. The deferred revenue expenditure of Rs. 4713724/- for 1997-98 and Rs.177549 deferred during the year 1998-1999 had to amortised over a period of 10 years commencing from the financial year -1998-99. However since there is no possibility of revival of Bhiwadi unit in the near future it has been considered necessary to write off the balance amount below the line.

**10. CONTINGENT LIABILITIES**

Contingent liabilities are not provided for in the accounts and are shown separately in notes.(B) NOTES ON ACCOUNTS AS AT AS AT

	31.03.2002 (Rs.)	31.03.2001 (Rs.)
1. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	(-)	(-)
2. Contingent liabilities not provided for : Surety Bonds in favour of Sales tax authorities	1,00,000	1,00,000
Sales tax demand in appeal	1,09,388	1,09,388



3. Claims against the company not acknowledged as debts amounting to Rs.47520/- (Previous year Rs.47,520/-).
4. The Company has borrowed a sum of Rs. 175 Lacs on interest payable @ 16% On quarterly rests. Due to a dispute no interest has been provided on this loan amounting to Rs. 34,01,331/- for the year ended 31.03.2002. Further, Intt. Rs. 2524487/- in the pertaining to the year ended 31.03.2001 was also not provided during that year. Hence loss during the year is understated by Rs. 34,01,331/-.
5. No provision has been made in the accounts for doubtful debts, loans and advances amounting to Rs.15,08,967/- (Previous year Rs.16,62,703/-). Out of the above, legal cases for Rs.12,07,908/- (Previous year Rs. 1304427/-) filed by the company are pending. Income tax matters under appeal (Amount unascertained).
6. Figures for the previous year have been regrouped/rearranged wherever considered necessary.
7. Regarding investment in 1,00,000 equity shares of prime Capital Market Ltd. the Company has neither yet received the share certificates nor refund of the amount nor the share allotment advice till 31.03.2002, the management therefore has decided to write off the value of share as loss since the market value of share as on 31.03.2002 as NIL. Similarly value of 100 shares of the Co-operative Stores Ltd. Amounting to Rs. 1,010/- has been written off during the year ended on 31.03.2002 treating it as a Loss.
8. Depreciation on fixed assets of Bhiwadi Unit not provided during the year as the production activities have been temporarily suspended w.e.f 31/12/96.
9. The Company has adjusted TDS recoverable from Bank of Madura Calcutta Rs. 10,85,214/- against amount payable to Bank of Madura out Rs.9,54,586/- during the year ended 31.03.2001 without any advise from the Bank.

**10. EARNING PER SHARE AS REQUIRED BY ACCOUNTING STANDARD-20**

Net Loss during the Year	(-) Rs. 8488168/-
No. of Equity Shares (Face Value Rs. 10 each)	4731600
Earning per Share	(-) Rs. 1.79

**11. RELATED PARTY DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD-18**

Party Name	Relation	Payment to (RS.)	Purchases From (RS.)
A. Gee's Office Care Ltd.	M.D.'s holding more than 20% Equity	241879	111316

**B. Key Managerial Personnel:**

Sh. Rajnish Goenka	Managing Director	Remuneration paid Rs. 420000/- + PF Rs. 50400/-
Sh Ajay Mathur	Director	Remuneration paid Rs. 152100/- + PF Rs. 11712/-

**12. SEGMENT REPORTING AS REQUIRED BY ACCOUNTING STANDARD - 17**

The segment wise costing has not been done by the company. Hence, the segment wise profitability figure are not available. However, segment wise turnover figures are given hereunder in view of Accounting Standard No. 17.

SEGMENT	Turnover in (Rs.)
Carrier	3307325
Other plastic Products	9382345
Toys	1729364
Cycles	3514384
Electronic Goods	15760656

The Company has not made segmentwise costing, hence segmentwise profitability figures are not available.

**13. TAXES ON INCOME AS REQUIRED BY ACCOUNTING STANDARD-22**

In view of substantial accumulated losses brought forward as per income Tax records, the Company's total Deferred Tax Assets are higher than its Deferred Tax Liabilities as on 31.03.2002. On Conservative basis, the company recognises Deferred Tax Assets only to the extent of Deferred Tax Liabilities and the excess of the Deferred Tax Assets has not been given effect to in the Balance Sheet.

**14. Auditors' Remuneration**

	Current Year	Previous Year
Audit Fee	Rs. 21000	Rs. 21000
Other Services	Rs. NIL	Rs. NIL
Audit Expenses	Rs. 14154	Rs. 7131

Additional information as required under Schedule VI to the Companies Act, 1956.

- (a) Details of licensed and installed capacities : N.A. (The company's products have been delicensed)

**(b) Stocks, Production, purchase and sale of finished goods :**

PRODUCT	OPENING STOCK		PRODUCTION		CLOSING STOCK		SALES	
	QTY	VALUE	QTY	VALUE	QTY	VALUE	QTY	VALUE
CARRIERS	1879	431813	16745	3794712	4000	919200	14624	3307325
	(-)	(-)	(58888)	(13924104)	(1879)	(431813)	(57009)	(13492291)
OTHER PLASTIC PRODUCTS		693250		9401340		214245		9382345
	(-)	(-)		(2978751)		(693250)		(2285501)
TOYS	10	3495	6883	000	35	8825	6858	1729364
	(5096)	(1223331)	(2684)	000	(10)	(3495)	(7762)	000
CYCLES	217	265530	12704		868	251818	12040	3514384**
	(59)	(23405)	(21729)		(217)	(265530)	(21554)	(7256919)
ELECTRONIC ITEMS			239010	000			239010	000
				15686593				15760656

**Production values at selling rates.**

\*\* Includes sales and stock of spare parts also.

000 This includes toys purchase from the market and sold out of those.

0000 This denotes electronic items purchase from market & sold during the year ended 31.03.2002.

NOTE : Difference in quantitative tally represents free samples/replacements/destruction.

**(c) Details of raw materials consumed:-**

Item	Unit	Qty	Value(Rs.)
Plastic resins etc.	M.tons	128	5212275
		(186)	(7813466)
Steel tubes	Mtrs.	22974	253173
		(53871)	(548422)
Electronic Items		—	15686593
		(-)	(-)
Others			4782713
			(5220579)
			25934754
			(13582467)

**(d) Value of import on C.I.F.basis Raw Material**

Nil  
(Nil)

**(e) Value of raw material, stores and spares consumed.**

	Indigenous Value (Rs.)	Imported Value (Rs.)	Indigenous % age	Imported % age
Raw material consumed	25934754	Nil	100%	Nil
	(13582467)	(Nil)	(100%)	(Nil)
Stores, Spare parts etc.	723213	Nil	100%	Nil
	(1327302)	(Nil)	(100%)	(Nil)

- f) Expenditure on employees getting remuneration of not less than Rs.6,00,000/- per year (Previous year Rs.600000) if employed throughout the year or Rs.50,000/- (Previous year Rs.50000) per month, if employed for part of the year-NIL (Previous year NIL)

1) Figures in brackets indicate comparative figures of the previous Year.

Signature to Schedule Nos. '1' to '14'  
In terms of our attached report of even date.

For **PADAM BAHL & CO.**  
Chartered Accountants

(P.N.BAHL)

Place : New Delhi  
Dated : 30.8.2002

For and on behalf of the Board

**RAJNISH GOENKA** Managing Director  
**AJAY MATHUR** Director  
**HEMANT RASTOGI** Manager (Corporate Affairs)  
Company Secretary

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL  
BUSINESS PROFILE**

**Details of Part IV of Schedule VI of the Companies Act.**

<b>I. Registration Details</b>			
Registration No.			4704
State Code			55 (Refer Code List)
Balance Sheet Date			31st March, 2002
<b>II. Capital raised during the year (Amount in Rs Thousands)</b>			
Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil
<b>III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)</b>			
Total Liabilities	95529	Total Assets	95529
<b>Sources of Funds</b>			
Paid-up Capital	47312	Reserves & Surplus	—
Secured Loans	8102	Unsecured Loans	25448
<b>Application of Funds</b>			
Net Fixed Assets	31545	Investments	10
Net Current Assets	13781	Misc. Expenditure	—
Deferred Revenue	—		
Expenditure			
Accumulated Losses	35526		
<b>IV. Performance of Company ( Amount in Rs. Thousands)</b>			
Turnover & Other Income	34230	Total Expenditure	42718
Profit before Tax	(-) 8488	Profit After Tax	(-) 8488
Earning Per Share in Rs.	(-) 1.79	Dividend Rate %	NIL
<b>V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)</b>			
Item Code No. (ITC Code)	87.12		
Product Description	Bicycles/Tricycles		
Item Code No. (ITC Code)	39.23		
Product Description	Carrier & Other Plastic Moulded Products		
Item Code No. (ITC Code)	42.02		
Product Description	Suit Case/Brief Case		
Item Code No. (ITC Code)			
Product Description	Electronic Items		

In Terms of our attached Report of even Date

For **PADAM BAHL & CO.**  
Chartered Accountants

(P.N.BAHL)

Place : New Delhi  
Dated : 30.08.2002

For and on behalf of the Board

**RAJNISH GOENKA**  
Managing Director

**AJAY MATHUR**  
Director

**HEMANT RASTOGI**  
Manager (Corporate Affairs)      Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2002**

	2001-2002		2000-2001	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit (Loss) Before Tax and extraordinary items		(8488168)		(1711115)
<b>Adjustment For :</b>				
Depreciation	673540		755741	
Interest/Other Income	(14535)		(83346)	
Interest Expenses	1212046		1112606	
Capital issue expenses W/o	339097		339097	
Loss on Sale of Fixed Assets	657845		—	
Deferred revenue expenditure W/Off	489127		489127	
Investments W/Off	1001010		—	
Extra ordinary items :		3700285		2613225
<b>Operating profit before working capital Changes</b>		<b>(4130038)</b>		<b>2442110</b>
<b>Adjustment for :</b>				
Trade and other receivables	2285357		(387942)	
Inventories	(1500163)		(396633)	
Trade Payable	2443803	3228997	(2061199)	(2845774)
<b>Cash Generated from operations</b>		<b>(901041)</b>		<b>(403664)</b>
Interest Paid		(1212046)		(1112606)
<b>Net cash from operating activities</b>		<b>(2113087)</b>		<b>(1516270)</b>
<b>B. Cash flow from investment Activities</b>				
Sale of fixed assets		328000		(989045)
Movement in loans		2661764		2140393
Interest Received		14535		83346
<b>Net Cash used in investing activities</b>		<b>3004299</b>		<b>1234694</b>
<b>C. Cash flow from financing activities</b>				
Proceeds from issue of share capital		—		—
Repayment of long term borrowings		—		—
Capital issue expenses		—		—
Interest received (Share application money)		—		—
<b>Net Cash used in financing activities</b>		<b>—</b>		<b>—</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>		<b>891212</b>		<b>(281576)</b>
Opening Balance of cash and cash equivalents		754679		1036255
Closing Balance of cash and cash equivalents		1645891		754679

For and on behalf of the Board

**RAJNISH GOENKA**  
Managing Director

**AJAY MATHUR**  
Director

**HEMANT RASTOGI**  
Manager (Corporate Affairs)      Company Secretary

Place : New Delhi  
Dated : 30.08.2002

**AUDITOR'S REPORT**

We have verified the attached cash flow statement of **Tobu Enterprises Limited** derived from audited financial statements and the books and records maintained by the company for the years ended 31st March,2001 and 31st March,2002 and found the same in agreement therewith.

**FOR PADAM BAHL & CO.**  
Chartered Accountants

(P.N.BAHL)

Place : New Delhi  
Dated : 30.08.2002

# TOBU ENTERPRISES LIMITED

Regd. Office : 8/29, Kirti Nagar Industrial Area, New Delhi - 110 015

## PROXY FORM

Master Folio No.....

I/We .....of.....

being a member/members of the **Tobu Enterprises LIMITED** hereby appoint.....

.....of..... or failing him/

her Shri ..... of .....as my/our proxy to attend and vote for me/us and on my/our behalf at the 36th Annual General Meeting of the Company held on Monday 30th September, 2002 at 9:00 A.M. at Community Centre, Rewla Khanpur, New Delhi - 110 043 at any adjournment thereof.

Signed this .....day of .....2002.

Affix a  
Rs. 1/-  
Revenue  
Stamp

**NOTE :** This proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the registered office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a member of the Company.

NO GIFTS WILL BE GIVEN AT THE ANNUAL GENERAL MEETING.

# TOBU ENTERPRISES LIMITED

Regd. Office : 8/29, Kirti Nagar Industrial Area, New Delhi - 110 015

## ATTENDANCE SLIP

PLEASE FILL ATTENDENCE SLIP AND HAND IT OVER AT THE ENTERANCE OF THE MEETING HALL.

Master Folio No.....

Name and address of the shareholder  
.....  
.....

No. of Shares held :.....

I hereby record my presence at the 36th Annual General Meeting of the Company held on Monday 30th September, 2002 at 9:00 A.M. at Community Centre, Rewla Khanpur, New Delhi - 110 043.

.....  
Name of the Shareholder or Proxy

.....  
Signature of the Sahreholder or Proxy

\* **Strike out whichever is not applicable.**