

# **TMT (INDIA) LIMITED**

**25<sup>th</sup>**

Annual Report 2001-2002

## TMT (INDIA) LIMITED

Twenty Fifth Annual Report 2001 -2002

### BOARD OF DIRECTORS

- |                         |                     |
|-------------------------|---------------------|
| - Sri. T.G.Veera Prasad | - Managing Director |
| - Sri. A.Panduranga     | - Director          |
| - Dr. Pertti Hynninen   | - Director          |
| - Sri. A.N.Rao          | - Director          |
| - Sri. N.J.Rao          | - Director          |

### BANKERS

State Bank of Hyderabad  
Bank of Baroda  
Central Bank of India

### AUDITORS

M/s Brahmaya & Co.,  
Chartered Accountants  
ADONI

### FACTORY

**LPG & Engineering**  
Gondiparla,  
Kurnool - 518 004  
Phone: 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

**TMT (INDIA) LIMITED**  
5-8-113, 2<sup>nd</sup> floor, 21<sup>st</sup> Century Complex  
Nampally, HYDERABAD – 500 001  
Phone : 320 4088 Grams : BHADRA

**NOTICE OF THE 25th ANNUAL GENERAL MEETING**

Notice is hereby given that the 25th Annual General Meeting of the Shareholders of the Company will be held on 26.09.2002 at 3.00 pm at the Registered Office of the Company situated at the above address to transact the following :

**ORDINARY BUSINESS :**

01. To receive, consider and adopt the Balance Sheet as at 31-03-2002 and the Profit and Loss Account for the period ended 31-03-2002 and the report of the Directors and Auditors thereon.
02. To appoint a Director Mr A. Panduranga, who retires by rotation and being eligible offers himself for re-appointment.
03. To appoint a Director Mr. A. N. Rao, who retires by rotation and being eligible offers himself for re-appointment.
04. To appoint a Director Mr. Perti Hynninen, who retires by rotation and being eligible offers himself for re-appointment.
05. To appoint auditors and fix their remuneration : The retiring auditors M/S Brahmayya & Company, Chartered Accountants, Adoni are eligible for re-appointment and to consider and pass with or without modification the following resolution.

"RESOLVED THAT M/S Brahmayya & Company, Chartered Accountants, Adoni be and are hereby appointed as Auditors of the Company to hold office till the conclusion of the next Annual General Meeting of the Company on remuneration to be fixed by the Board of Directors."

**SPECIAL BUSINESS :**

01. To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution.  
"Resolved that the re-appointment of Sri. T. G. Veera Prasad as Managing Director by the Board of Directors in the meeting held on 19-07-2002 for a period of five years from 07-08-2002 to 06-08-2007 be and is hereby approved subject to the Provisions of the Sections 198, 269, 309, 310 and 311 and other applicable provisions of the Companies Act, 1956, if any, read with schedule XIII to the Companies Act, 1956, consent of the Company be and is hereby accorded to reappoint and remuneration payable to Sri. T. G. Veera Prasad, Managing Director with effect from 07-08-2002, by way of salary and perquisites as detailed below:
  - (a) Salary : Rs.30,000/- per month
  - (b) Commission @ 1% of the net profits of the company computed as provided under section 309(5) of the Companies Act, 1956 subject to a maximum of Rs.1.80 lakhs per annum.
  - (c) Perquisites : In addition to aforesaid salary, he shall also be entitled to perquisites like unfurnished accommodation, medical reimbursement for self and family, leave travel concession for self and family, club fee, personal accident insurance premium.  
Monetary value of such perquisites will be limited to Rs.2.70 Lakhs per annum.  
The perquisites shall be valued as per the Income Tax Rules, wherever applicable and in the absence of any such rule, shall be valued at actual cost.
  - (d) He shall also be eligible to the following perquisites which shall not be included in the computation of the ceiling specified above.
    - (i) Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
    - (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
    - (iii) Encashment of leave at the end of the tenure.

"Resolved further that in pursuance of the provisions of Section 198(4) of the Companies Act, 1956 the above may be paid as the minimum remuneration to Sri. T. G. Veera Prasad, Managing Director in the absence of or inadequacy of profits in any year"

By the order of the Board

Sd/-  
T. G. VEERA PRASAD  
Managing Director

Dated : 12-08-2002

Notes :

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself. The proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.
2. Explanatory statement as required u/s 173 of the Companies Act, 1956 in respect of special business is Annexed to this notice.

**ANNEXURE**

**Explanatory statement in respect of Special Business  
item no.1 of the Notice.**

As required under section 173 of the Companies Act 1956 the following is the explanatory statement setting out all material facts relating to the special business mentioned under item no.1 of the accompanying notice.

Mr. T.G.Veera Prasad was reappointed as Managing Director for period of five years at the Annual General Meeting held on 30.09.1997. As the term expires on 06.08.2002, the Board of the Directors felt it expedient to reappoint him for a further period of five years from 07.8.2002.

Mr. T.G.Veera Prasad is deemed to have been interested in this resolution. None of the other Directors is interested or concerned in any way in the resolution.

By the order of the Board

Sd/-  
T. G. VEERA PRASAD  
Managing Director

Dated : 12-08-2002

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By the order of the Board

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Managing Director

Dated : 12-08-2002

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By the order of the Board

Sd/-  
T. G. VEERA PRASAD  
Managing Director

Dated : 12-08-2002



## DIRECTORS' REPORT

Dear Members,

We have pleasure in presenting the Annual Report and the Audited statement of Accounts of your Company for the year ended 31<sup>st</sup> March, 2002.

### FINANCIAL RESULTS

(Rs. in lakhs)

	For the year ended 31-03-2002 (12 months)	for the period 1999-2001 (18 months)
Sales & other income	69.95	536.28
Profit for the year before Depreciation and Interest	7.18	332.18
Interest and Finance charges	191.49	730.45
Depreciation	50.69	123.50
Loss for the year after Interest and Depreciation	(235.00)	(521.77)
Add : Prior Period expenditure / Extra ordinary Income (Net)	(10.66)	23.52
Loss after Tax	(245.66)	(545.29)
Loss Brought forward from previous year	(620.30)	(75.01)
Loss carried to Balance Sheet	(865.96)	(620.30)

### OPERATIONS

The year under report was very challenging with many problems for survival of the Company. The operations are mainly confined to the income from leave and license fees of LPG Cylinders. The sales & other income for the year under report was Rs. 69.95 lakhs as against Rs. 536.28 lakhs in earlier years of 18 months period. The extra ordinary income (net) comprises write back of (a) unpaid interest on working capital loans from Banks of Rs.512.80 lakhs on full and final settlement of dues by the guarantor of the loans, (b) inventories written off Rs. 484.32 lakhs on account of present realisable value of stocks as certified by a chartered engineer due to deterioration in quality and prior period expenses of Rs. 39.14 lakhs towards materials consumed earlier and now taken into account on reconciliation of parties accounts.

### DIVISION / SEGMENT WISE OPERATIONS

**Engineering Division:** The operations have come to standstill due to lack of working capital facilities for execution of new contracts. Overseas contracts have not materialised due to adverse effect consequent to the terrorist attacks on World Trade Center, USA on September 11, 2001. However, the Company enjoys goodwill in the overseas market for its commitment of quality at competitive prices and is hopeful of obtaining some export orders in the near future.

**LPG Division:** The operations in the LPG unit were carried out on Leave and License basis. The income earned during the year under report was Rs.32.54 lakhs as against Rs. 195.36 lakhs in earlier year of 18 months period.

**Floriculture Division:** As in previous year there were domestic sale of flowers and the Company has taken up cleaning & upkeep of the unit for improving the yield of flowers.

### LOANS / DUES TO BANKS & INSTITUTIONS:

The consortium Banks have accepted for one time settlement of the dues. Consequently the dues were settled and paid by the guarantors for the loans. The Banks are yet to withdraw the cases before the Debt Recovery Tribunal. The securities created in favour of the Banks are being transferred in favour of the guarantors.

ICICI has also agreed in principle for settlement of their dues with the sale proceeds on disposal of the Floriculture Division. Disposal of the division is not effected during the year on account of export obligation of the Company related to the division and the case is pending before the Debt Recovery Tribunal.

**PROSPECTS:**

Consequent to the one time settlement of the dues of the Banks and Institutions the Company has opportunity to concentrate on business activities. The Company is making efforts to turn around by raising additional resources, and restart the operations in nearest future.

**FIXED DEPOSITS :**

The Company has no Fixed Deposits.

**DIRECTORS :**

Mr. A.Panda and Mr. B.M.Solanki have resigned from the Board with effect from 12-08-2002. Your Directors place on record the valuable services rendered to the Company during their tenure.

Mr. A.Panduranga, Dr.Perti Hynnenen and Mr. A. N. Rao retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

**INDUSTRIAL RELATIONS:**

Your Directors wish to place on record their appreciation of the valuable contribution made by the employees and for their cordial relations through out the year.

**PARTICULARS OF EMPLOYEES:**

None of the employees was in receipt of aggregate remuneration of Rs.12,00,000/- or more per year or Rs.100,000/- per month where employed for part of the year, as prescribed under Sec.217 (2A) of the Companies Act, 1956.

**DIRECTOR'S RESPONSIBILITY STATEMENT :**

As required under Section 217 (2AA) of the Companies Act., 1956, Your Directors confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed and there were no material departures.
2. The accounting policies selected have been applied consistently, and reasonable, prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the company as at 31<sup>st</sup> March, 2002 and of the loss of the company for the year ended 31<sup>st</sup> March, 2002.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and preventing and detecting fraud and for other irregularities.
4. The annual accounts have been prepared on a going concern basis.

**CORPORATE GOVERNANCE :**

Pursuant to Clause 49 of the Listing Agreement, the Company has to implement the code of Corporate Governance within the financial year 2002-03, latest by 21<sup>st</sup> March, 2003. The Company is taking all steps to formulate appropriate proceedings for compliance with corporate governance guidelines. The company will implement the reporting on corporate governance for the current year 2002-03.

**AUDITORS:**

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

**ENERGY CONSERVATION**

During the period under consideration power consumption is very low and attempts are being made to conserve power.

**TECHNOLOGY ABSORPTION**

The Company has competent in-house research and development team with all the required facilities including CAD centers for designing and developing the paper projects of the Company.

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the year under report, the Company has neither earned nor expended any foreign exchange.

**ACKNOWLEDGEMENTS :**

Your Directors place on record their appreciation for the valuable assistance and guidance received from Industrial Credit and Investment Corporation of India Limited, Industrial Development Bank of India, Andhra Pradesh Industrial Development Corporation, State Bank of Hyderabad, Bank of Baroda, Central Bank of India, Non Banking Finance Companies and other institutions and Govt. departments who have been associated with the Company.

For and on behalf of the Board of Directors

Sd/-  
T. G. VEERA PRASAD  
MANAGING DIRECTOR

Place : Hyderabad (Camp)

Date : 12-08-2002

## AUDITORS' REPORT

To  
The Shareholders  
TMT (INDIA) LIMITED

1. We have audited the attached Balance Sheet of TMT (INDIA) LIMITED as at 31<sup>st</sup> March, 2002 and also the Profit & Loss account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant 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.
3. As required by the Manufacturing and Other Company (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.
4. Further to our comments in the Annexure referred to above, we report that:
  - (i) 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;
  - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
  - (iii) The Balance sheet and profit and loss account dealt with by this report are in agreement with the books of account of the Company;
  - (iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in Section 211(3c) of the Companies Act, 1956;
  - (v) On the basis of the written representations received from the directors, as on 31.03.2002 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March, 2002 from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the Notes thereon give the information required by the Companies Act, 1956, in the manner so required subject to Note No.II of Schedule-19 regarding investment in shares of a Company and subject to that as against doubtful debts of Rs.686.18 lakhs provision has been made for Rs.18.00 lakhs and due to long outstanding of debts, we are unable to express our opinion on the adequacy of the provision for doubtful debts and non-provision of gratuity liability to employees on actuarial valuation and the quantum of gratuity liability is not ascertained by the Company, and give a true and fair view in conformity with the accounting principles generally accepted in India.
    - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> march, 2002 and
    - b) In the case of the Profit and Loss Account, of the Loss for the year ended on that date.

for BRAHMAYYA & CO.  
Chartered Accountants

Place: Hyderabad (Camp)  
Date : 12-08-2002

Sd/-  
B.DAIVADHEENAM REDDY  
Partner

## ANNEXURE TO THE AUDITORS 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 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 have been properly dealt with in books of account. 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 basis of lower of cost or present realisable market values as certified by a Chartered Engineer, since the stocks are being unsold/unused for more than three years and the quality has been deteriorated and the loss on account of adopting present market values, has been written off during the 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 loans to employees, free of interest and they are repaying the said loans as stipulated. The Company has not granted 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. In our opinion and according to the information and explanations given to us, the transactions of purchase of goods, materials or services and sale of goods, materials or services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of Companies Act, 1956 and 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 the prevailing market prices for such goods, materials or services or the prices at which transactions for similar goods, materials or services have been made with other parties.
8. As explained to us, the Company has identified the unserviceable or damaged stores, raw materials and finished goods on the basis of technical evaluation by a Chartered Engineer during the year under consideration and adequate provision has been made in accounts for the loss arising on the items so determined.
9. The Company has not accepted any deposits from the public during the year.
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. Internal audit was not conducted during the year under report and it is explained by the Company that in view of meager operations / transactions, internal audit was not conducted.
12. We are informed that the maintenance of Cost records has not been prescribed by the Central Government Under Section 209 (1) (d) of the Companies Act, 1956.
13. According to the information and explanations given to us and as per the records verified by us, Provident Fund and Employees State Insurance dues have not been regularly deposited by the Company during the year with the appropriate authorities and an amount of Rs. 14,37,002/- was outstanding as on 31.03.2002.
14. According to the information and explanations given to us, no undisputed amounts payable in respect of Wealth-Tax, Customs Duty and Excise Duty except Sales Tax of Rs 5,94,250/- and Income Tax deducted at source of Rs 9,95,662/- were outstanding as at 31.03.2002 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 & COMPANY  
Chartered Accountants

Sd/-  
B.DAIVADHEENAM REDDY  
Partner

Place : HYDERABAD (Camp)  
Date : 12-08-2002

# TMT (INDIA) LIMITED - HYDERABAD

## BALANCE SHEET AS AT 31st MARCH, 2002

(Rs.in Lakhs)

Particulars	Sch.Ref	31.03.2002 (12 Months)	31.03.2001 (18 Months)
<b>A. SOURCES OF FUNDS</b>			
I. Share Holders' Funds			
a) Capital	1	418.95	418.95
b) Reserves & Surplus	2	479.70	243.47
<b>TOTAL I</b>		<b>898.65</b>	<b>662.42</b>
II. Loan Funds			
a) Secured Loans	3	2,503.20	3,051.28
b) Unsecured Loans	4	63.48	49.55
<b>TOTAL II</b>		<b>2,566.68</b>	<b>3,100.83</b>
<b>TOTAL - A (I + II)</b>		<b>3,465.33</b>	<b>3,763.25</b>
<b>B. APPLICATION OF FUNDS</b>			
I. Fixed Assets			
a) Gross Block	5	1,768.58	1,769.81
b) Depreciation		642.36	592.41
c) <b>Net Block (a - b)</b>		<b>1,126.22</b>	<b>1,177.40</b>
II. Investments			
	6	29.06	30.80
III. a) Current Assets, Loans & Advances			
1. Current Assets	7	1,449.64	1,940.85
2. Loans and Advances	8	943.67	868.11
<b>TOTAL (a)</b>		<b>2,393.31</b>	<b>2,808.96</b>
b) Less Current Liabilities & Provisions			
1. Current Liabilities	9	927.92	842.83
2. Provisions	10	21.30	31.38
<b>TOTAL (b)</b>		<b>949.22</b>	<b>874.21</b>
<b>NET CURRENT ASSETS (a - b)</b>		<b>1,444.09</b>	<b>1,934.75</b>
IV. Profit & Loss Account			
		865.96	620.30
<b>TOTAL - B (I + II + III + IV)</b>		<b>3,465.33</b>	<b>3,763.25</b>
Notes to Accounts and Accounting Policies	19		

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

for and on behalf of the Board

Sd/-  
B.Daivadheenam Reddy  
Partner  
Place : Hyderabad (Camp)  
Date : 12-08-2002

Sd/-  
T.G.Veera Prasad  
Managing Director

Sd/-  
NJ Rao  
Director

# TMT (INDIA) LIMITED - HYDERABAD

## PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31st MARCH, 2002

(Rs. in Lakhs)

Particulars	Sch. Ref	31.03.2002 (12 Months)	31.03.2001 (18 Months)
<b>A. INCOME</b>			
1. Sales & Service charges	11	43.65	437.03
2. Other Income	12	26.30	62.39
3. Accretion/(Decection) to Stock	13	-	36.86
<b>TOTAL - A</b>		<b>69.95</b>	<b>536.28</b>
<b>B. EXPENDITURE</b>			
1. Consumption of Material	14	0.31	86.90
2. Employees Remuneration and Benefits	15	31.02	33.56
3. Interest	16	191.49	730.45
4. Depreciation	5	50.69	123.50
5. Other Manufacturing & Administrative Expenses	17	31.05	81.68
6. Excise Duty		-	0.76
7. Loss on sale of Vehicles		0.39	1.20
<b>TOTAL - B</b>		<b>304.95</b>	<b>1,058.05</b>
C. Net Loss for the year before extra ordinary income/Expenses (Net)		(235.00)	(521.77)
D. Extra Ordinary and Prior period Expenses/Income (Net)	18	(10.66)	(23.52)
E. Net loss after extra ordinary Income/Expenses		(245.66)	(545.29)
F. Loss Bought forward from Previous Year		(620.30)	(75.01)
G. Loss carried to Balance Sheet		(865.96)	(620.30)

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

for and on behalf of the Board

Sd/-  
B. Daivadheenam Reddy  
Partner  
Place : Hyderabad (Camp)  
Date : 12-08-2002

Sd/-  
T.G. Veera Prasad  
Managing Director

Sd/-  
NJ Rao  
Director

## TMT (INDIA) LIMITED - HYDERABAD

### SCHEDULE - 1 : CAPITAL

		(Rs.in Lakhs)	
Sl.No.	Particulars	As at 31.03.2002	As at 31.03.2001
<b>1. AUTHORISED</b>			
	a) 1,00,00,000 Equity Shares of Rs.10/- each	1,000.00	1,000.00
	<b>TOTAL</b>	<u>1,000.00</u>	<u>1,000.00</u>
<b>2. ISSUED AND SUBSCRIBED</b>			
	49,53,800 Equity Shares of Rs.10/- each	495.38	495.38
<b>3. CALLED AND PAID-UP</b>			
	41,92,300 Equity Shares of Rs.10/- each	419.23	419.23
	Less : Allotment money unpaid	(0.28)	(0.28)
	<b>TOTAL</b>	<u>418.95</u>	<u>418.95</u>

### SCHEDULE - 2 : RESERVES & SURPLUS

		(Rs.in Lakhs)	
Sl.No.	Particulars	As at 31.03.2002	As at 31.03.2001
	Capital Reserve - per last Balance Sheet	10.48	10.48
	Add : Working capital loan amount waived by the Bankers under full and final settlement of dues (Refer Note No.V of Schedule - I)	<u>236.23</u>	
	Share Premium - per last Balance Sheet	246.71	231.99
	State Subsidy - per last Balance Sheet	1.00	1.00
		<u>479.70</u>	<u>243.47</u>



## TMT (INDIA) LIMITED - HYDERABAD

### SCHEDULE - 3 : SECURED LOANS

Sl.No. Particulars	(Rs.in Lakhs)	
	As at 31.03.2002	As at 31.03.2001
<b>SECURED LOANS</b>	-	949.02
a) From Banks :		
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 including Managing Director and two of the relatives of the Managing Director of the Company)		
b) From Financial Institutions	948.62	948.62
Interest accrued and due on the above	1,261.99	1,060.35
c) Hire Purchase dues to Financiers	92.59	93.29
i) Term loans from Financial Institutions secured by first mortgage and charge ranking paripassu of all immovable properties and first charge ranking paripassu 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 of 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		
d) From Guarantors - Maddi Lakshmaiah & Associates (Securities offered to the Bankers are being transferred to the Guarantors, Refer Note No.IV of Schedule - 19)	200.00	-
<b>TOTAL</b>	<b>2,503.20</b>	<b>3,051.28</b>

### SCHEDULE - 4 : UNSECURED LOANS

Sl.No. Particulars	(Rs.in Lakhs)	
	As at 31.03.2002	As at 31.03.2001
<b>UNSECURED LOANS</b>		
a) Interest free loan from Andhra Pradesh State Government against Sales Tax	1.59	1.59
b) From Others	41.35	30.40
c) Interest on above loans from others	20.54	17.56
<b>TOTAL</b>	<b>63.48</b>	<b>49.55</b>

## TMT (INDIA) LIMITED - HYDERABAD

### SCHEDULE - 05 : FIXED ASSETS

(Rs.in lakhs)

S. NO	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS AT	ADDITIONS	DELITIONS	AS AT	UP TO	FOR THE	DELETIONS	UP TO	AS AT	AS AT
		01.04.2001	DURING THE YEAR	DURING THE YEAR	31.03.2002	31.03.2001	YEAR		31.03.2002	31.03.2002	31.03.2001
1	LAND	5.19	-	-	5.19	-	-	-	5.19	5.19	
2	BORE WELL	6.36	-	-	6.36	1.05	0.22	-	1.27	5.09	
3	BUILDINGS	87.33	-	-	87.33	22.59	2.75	-	25.34	61.99	
4	PLANT & MACHINERY	1,486.73	-	-	1,486.73	505.52	43.34	-	548.86	937.87	
5	TEMPORARY SHEDS	5.91	-	-	5.91	5.91	-	-	5.91	-	
6	ELEC. EQUIPMENTS	22.56	-	-	22.56	6.02	0.90	-	6.92	15.64	
7	OFFICE EQUIPMENTS	31.66	-	-	31.66	29.00	0.48	-	29.48	2.18	
8	FURNITURE & FIXTURES	7.49	-	-	7.49	5.30	0.47	-	5.77	1.72	
9	VEHICLES	31.14	-	1.23	29.91	16.84	2.53	0.74	18.63	11.28	
10	OXIGEN CYLINDERS	0.18	-	-	0.18	0.18	-	-	0.18	-	
	<b>TOTAL</b>	<b>1,884.55</b>	<b>-</b>	<b>1.23</b>	<b>1,683.32</b>	<b>592.41</b>	<b>50.69</b>	<b>0.74</b>	<b>642.36</b>	<b>1,040.96</b>	
	<b>CAPITAL W.I.P.</b>	<b>85.28</b>	<b>-</b>	<b>-</b>	<b>85.28</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>85.28</b>	<b>85.28</b>	
	<b>GRAND TOTAL</b>	<b>1,769.81</b>	<b>-</b>	<b>1.23</b>	<b>1,768.58</b>	<b>592.41</b>	<b>50.69</b>	<b>0.74</b>	<b>642.36</b>	<b>1,126.22</b>	

## TMT (INDIA) LIMITED - HYDERABAD

### SCHEDULE - 6 : INVESTMENTS

Sl.No. Particulars	(Rs.in Lakhs)	
	As at 31.03.2002	As at 31.03.2001
<b>1. QUOTED</b>		
a) 50,000 Equity Shares of Rs.10/- each Fully paid in M/s Sree Rayalaseema Alkalies&Allied Chemicals Ltd	5.00	5.00
<b>TOTAL</b>	<b>5.00</b>	<b>5.00</b>
<b>2. UNQUOTED</b>		
a) Government Securities		
i. National Savings Certificate	0.11	0.11
b) Shares and Units/Bonds		
i. 1200 Equity Shares of Rs.100/- each Fully paid in M/s Sree Dronachalam Lime and Minerals 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/- share (15100 shares allotted)	1.00	1.00
iv. 2500 Units of Rs.10/- each of Bank of Baroda Growth95	0.25	0.25
v. 5 Nos.Redemable Non-convertible Bonds (Zero Coupon) of IFCI (Sold in earlier years, now considered)	-	1.74
vi. 50,000 Equity Shares of Rs.10/- each of Keynet Finance Ltd.	5.00	5.00
vii. 4000 shares of Bank of Baroda Rs.25/- each at Premium of Rs.75/- per share (Rs.25/- per share Application money paid)	1.00	1.00
viii. 150000 Equity Shares of Rs.10/- each Application money paid Roses Floriculture Ltd.	15.00	15.00
Market value of quoted investments Rs.5.00 lakhs (Previous year Rs.5.00 lakhs)		
<b>TOTAL</b>	<b>24.06</b>	<b>25.80</b>
<b>GRAND TOTAL</b>	<b>29.06</b>	<b>30.80</b>

### SCHEDULE - 7 : CURRENT ASSETS

Sl.No. Particulars	As at	
	31.03.2002	31.03.2001
<b>1. INVENTORIES (Refer Note No. VI of Schedule 19)</b>		
As Certified and valued by the Management		
a) Finished goods	16.22	205.27
(At cost or Market value whichever is lower)		
b) Work-in-progress	23.52	207.82
(At cost or Market value whichever is lower)		
c) Raw Material (At cost or realisable value which ever is lower)	15.01	125.97
d) Consumables Stores & Spares (At Cost)	0.37	0.37
d) Tools and Tackles (At cost less depreciation)	0.31	0.62
<b>TOTAL</b>	<b>55.43</b>	<b>540.05</b>
<b>2. SUNDRY DEBTORS</b>		
i) Unsecured and Considered good		
a) Outstanding for a period of more than 6 months	713.30	722.65
b) Others	11.16	6.25
ii) Unsecured and considered doubtful	686.18	688.49
	1,410.64	1,417.39
Less : Provision for Doubtful Debts	18.00	18.00
<b>3. CASH AND BANK BALANCES</b>		
a) Cash in Hand	0.11	0.27
b) Bank Balance with Scheduled Banks	1.46	1.14
<b>TOTAL</b>	<b>1.57</b>	<b>1.41</b>
<b>GRAND TOTAL</b>	<b>1,449.64</b>	<b>1,940.85</b>

# TMT (INDIA) LIMITED - HYDERABAD

## SCHEDULE - 8 : LOANS & ADVANCES

Sl.No. Particulars	(Rs.in Lakhs)	
	As at 31.03.2002	As at 31.03.2001
1. LOANS - (Unsecured and considered good)		
Loans	186.67	186.67
2. ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED		
a) Advances to Suppliers/Contractors	630.30	545.01
b) Advances to Employees	16.59	12.95
c) Income Tax Advance / TDS	16.03	29.92
d) Prepaid Insurance	0.62	0.12
e) Claims Receivable	66.00	66.00
f) Insurance claim receivable	11.83	11.83
g) Interest Receivable	0.22	0.22
<b>TOTAL</b>	<b>928.26</b>	<b>852.72</b>
3. DEPOSITS		
a) Deposits with Government departments	1.95	1.93
b) Deposits with others	13.46	13.46
<b>TOTAL</b>	<b>15.41</b>	<b>15.39</b>
<b>GRAND TOTAL</b>	<b>943.67</b>	<b>868.11</b>

## SCHEDULE - 9 : CURRENT LIABILITIES

Sl.No. Particulars	(Rs.in Lakhs)	
	As at 31.03.2002	As at 31.03.2001
CURRENT LIABILITIES		
a) Sundry Creditors for Goods	633.33	536.83
b) Advances from Customers	129.71	125.69
c) Interest Accrued & not due	-	13.77
d) Other liabilities	164.88	166.54
<b>TOTAL</b>	<b>927.92</b>	<b>842.83</b>

## SCHEDULE - 10 : PROVISIONS

Sl.No. Particulars	(Rs.in Lakhs)	
	As at 31.03.2002	As at 31.03.2001
PROVISIONS		
a) Provision for Income Tax	10.58	20.66
b) Excess provision for Dividend	0.02	0.02
c) Provision for Gratuity	10.70	10.70
<b>TOTAL</b>	<b>21.30</b>	<b>31.38</b>

## SCHEDULE - 11 : SALES & CONVERSION CHARGES

Sl.No. Particulars	(Rs.in Lakhs)	
	As at 31.03.2002	As at 31.03.2001
1. SALES & CONVERSION CHARGES		
a) Domestic Sales (Engineering & Others(flowers))	11.11	241.67
b) Cylinder Conversion Charges	32.54	195.36
<b>TOTAL</b>	<b>43.65</b>	<b>437.03</b>

## TMT (INDIA) LIMITED - HYDERABAD

### SCHEDULE - 12 : OTHER INCOME

Sl.No.	Particulars	(Rs.in Lakhs)	
		As at 31.03.2002	As at 31.03.2001
<b>1. OTHER INCOME</b>			
a)	Interest receipts	0.68	0.02
b)	Other service charges	4.05	25.42
c)	Profit on Sale of Vehicle	-	0.21
d)	Sales Tax refund	18.48	-
e)	Interest Written Back	-	36.74
f)	Insurance Claim	3.09	-
<b>TOTAL</b>		<b>26.30</b>	<b>62.39</b>

### SCHEDULE - 13 : ACCRETION/(DECRETION) TO STOCK

Sl.No.	Particulars	(Rs.in Lakhs)					
		Opening Stock		Closing Stock		Accretion / (Decretion)	
		2001-2002	1999-2001	2001-2002	1999-2001	2001-2002	1999-2001
1.	Work in Process	207.81	207.81	23.52	207.81	(184.29)	-
2.	Finished Goods	205.27	205.27	16.22	205.27	(189.05)	-
		413.08	413.08	39.74	413.08	(373.34)	-

### SCHEDULE - 14 : CONSUMPTION OF MATERIAL

Sl.No.	Particulars	(Rs.in Lakhs)	
		For the year 31.03.2002	For the year 31.03.2001
<b>1. CONSUMPTION OF MATERIAL</b>			
a)	Raw Material & Components	0.31	86.90
<b>TOTAL</b>		<b>0.31</b>	<b>86.90</b>

### SCHEDULE - 15 : EMPLOYEE REMUNERATION AND BENEFITS

Sl.No.	Particulars	(Rs.in Lakhs)	
		For the year 31.03.2002	For the year 31.03.2001
<b>1. EMPLOYEES REMUNERATION AND BENEFITS</b>			
a)	Salaries and Wages	25.39	28.21
b)	Contribution to PF & ESI	1.88	2.98
c)	Staff Welfare & Other Benefits to Employees	3.75	2.37
<b>TOTAL</b>		<b>31.02</b>	<b>33.56</b>

### SCHEDULE - 16 : INTEREST

Sl.No.	Particulars	(Rs.in Lakhs)	
		For the year 31.03.2002	For the year 31.03.2001
<b>1. INTEREST</b>			
a)	Interest on Term Loans	187.87	470.46
b)	Interest on Working Capital (Settled during the year and not provided, Refer Note V of Schedule - 19)	-	246.28
c)	Interest on Others & Bank Charges	3.62	13.71
<b>TOTAL</b>		<b>191.49</b>	<b>730.45</b>

# TMT (INDIA) LIMITED - HYDERABAD

## SCHEDULE - 17 : OTHER MANUFACTURING AND ADMINISTRATIVE EXPENSES

		(Rs.in Lakhs)	
Sl.No.	Particulars	For the year 31.03.2002	For the year 31.03.2001
<b>1. OTHER MANUFACTURING &amp; ADMN.CHARGES</b>			
a)	Repairs and maintenance		
	- Plant and Machinery	0.03	0.15
	- Buildings	-	3.58
	- Others	5.40	2.52
b)	Rent	5.45	10.38
c)	Rates & Taxes	0.87	0.47
d)	Power Charges	1.42	1.64
e)	Insurance	0.22	1.27
f)	Travelling Expenses	3.63	8.66
g)	Printing and Stationery	0.90	0.72
h)	Postage, Telegram & Telephone	3.01	5.37
i)	Vehicle Maintenance	1.35	1.72
j)	Legal Fee and Expenses	2.56	17.54
k)	Technical Consultancy Fee and Expenses	1.49	18.82
l)	Remuneration to Auditors		
	- Statutory Audit Fee	0.30	0.45
	- Tax Audit	0.10	0.15
	- Expenses	0.06	0.13
m)	Office Maintenance	2.24	4.79
n)	Advertisement Expenses	-	0.09
o)	Miscellaneous Expenses	2.02	3.23
<b>TOTAL</b>		<b>31.05</b>	<b>81.68</b>

## SCHEDULE - 18 : EXTRA ORDINARY AND PRIOR PERIOD EXPENSES / INCOME (NET)

		(Rs.in Lakhs)	
Sl.No.	Particulars	For the year 31.03.2002	For the year 31.03.2001
<b>Income</b>			
	Interest on loans waived under full and final settlement (Refer Note No.V of Schedule - 19)	512.80	
<b>Less : Expenses</b>			
	Inventories of Raw materials, finished goods, work-in process written off (Refer Note No.VI of Schedule - 19)	484.32	
	Prior Period Expenses	39.14	23.52
<b>Net total taken to Profit &amp; Loss Account</b>		<b>(10.66)</b>	<b>23.52</b>

SCHEDULE - 19

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

- I. The accounts for the year 2001-2002 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.

During the year under report the stocks have been verified and are valued at present realizable market value or cost, whichever is less, since the stocks are being unused/unsold for more than three years and the quality has been deteriorated and the resultant loss has been written off.

B. DEPRECIATION:

Depreciation on the fixed assets has been 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 has been following accrual method of accounting, except, the liability for excise duty on closing stocks and gratuity to employees, which have been accounted on actual payment basis.

- 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. 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.

- F. Segment Reporting : For segment reporting for the period from 01.04.2001 the business segments have been identified based on production process of individual products and its related products, such as LPG Cylinders, Engineering goods and Floriculture.

G. Accounting for Taxes on Income :

- a) Current tax and deferred tax liability, if any, for the year is recognized for the estimated tax payable on the taxable income and timing differences, subject to consideration of prudence in respect of deferred tax asset and the same is treated as tax expense in determination of net profit for the year.
- b) Deferred tax liability as on 01.04.2001, if any, is recognized for all timing differences arising on account of difference in methods/rates of depreciation, deferred revenue expenditure and expenditure allowable under section 43B and deferred tax asset is considered in respect of carry forward losses/allowances on the principle of prudence.

- II. Investments shown in Schedule 6 includes Rs.5.00 Lakhs 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. Contingent Liabilities not provided for :
- i) Liability in respect of investments in partly paid shares Rs.3.51 lakhs (previous year Rs.3.51 lakhs).
  - ii) Bank guarantee amounting to Rs.66.00 lakhs (previous year Rs.66.00 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.
  - iii) Income tax liability of Rs. 132.86 lakhs (including interest of Rs.55.45 lakhs) levied on re-opening of assessment for the assessment year 1994-95, which was contested by the Company in Appeals and pending for disposal.
  - iv) Interest on ICICI loans for the period from 1.10.2001 to 31.3.2002 amounting to Rs. 176.58 Lakhs has not been provided, since the ICICI has agreed in principle for full & final settlement of their dues. The Company could not pay the settled amount due to export obligation, but the ICICI has raised demand for interest upto 31.3.2002 and the case is pending before Debt Recovery Tribunal.

IV. During the year under report, the Company's Guarantors Mr. and Mrs.Maddi Laxmaiah have paid the full & final settlement amount to all the Banks against the working capital loans and interest dues and the securities offered to the Bankers are being transferred to the Guarantors and the Guarantors are treated as secured creditors and the legal case pending before the Debt Recovery Tribunal is yet to be withdrawn by the Bankers..

V. On account of full & final settlement of dues to Banks, the total interest unpaid and charged to profit & loss account of the Company in earlier years of Rs. 512.80 Lakhs has been written back as extra ordinary income and credited to Profit & Loss account and interest for the year 2001-02 has not been provided and the unpaid balance under working capital loans of Rs. 236.23 Lakhs has been credited to Capital Reserve Account, since the same was not debited to Profit & Loss Account in earlier years.

VI. During the year under report, the total inventories (stocks of raw materials, finished goods, work in process and stores) have been physically verified and valued at lower of cost or present realizable market values as certified by a Chartered Engineer and the loss/decrease in value of inventories Rs. 484.32 Lakhs has been charged off to Profit & Loss account as extra ordinary item. The reduction in value was mainly on account of deterioration in quality due to lying in yard for more than three years and especially the engineering goods which were tailored for specific consumer use, have become scrap and were sold during the year as scrap and the realized amount has been credited to sales.

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

	2001-2002 (12 months) Rs.	2000-2001 (18 months) Rs.
Salary	3,60,000	5,40,000
Contribution to Provident fund	43,200	64,800
Perquisites	36,000	54,000
Club Fee	-	1,000
TOTAL	<b>4,39,200</b>	<b>6,59,800</b>

VIII. The required details of dues to small scale industrial undertakings are not available with the Company and hence not reported.

IX. Deferred Tax Liability :  
There is no deferred tax liability as on 1<sup>st</sup> April 2001 and for the current year 2001-02 on account of unabsorbed business loss/depreciation and expenditure under Section 43B allowable in future years on payment basis.



X. Segment Reporting

S.No. Particulars For the year ended 31.03.2002

01.	Segment Revenue :	
	a) LPG Cylinders	49.01
	b) Engineering Goods	19.79
	c) Floriculture	0.47
	Total	<b>69.27</b>
	Less : Inter Segment Revenue	Nil
	Net Sales / Income from operations	<b>69.27</b>
02.	Segment Results Profit (+)/(Loss)(-) before tax and interest from segments	
	a) LPG Cylinders	45.98
	b) Engineering Goods	0.34
	c) Floriculture	(54.73)
	Total	<b>(8.41)</b>
	Less : i) Interest	191.49
	ii) Other un-allocable expenditure / income(net)	(35.10)
	Extra Ordinary income / prior period	(10.66)
	Expenses (waiver of Interest on Working Capital loans by Banks, Inventories value Written off and prior period expenses)	
	Net Loss before tax	<b>(245.66)</b>
03.	Capital employed (Segment Assets – Segment Liabilities)	
	a) LPG Cylinders	26.12
	b) Engineering Goods	1324.14
	c) Floriculture	610.34
	d) Unallocated	638.77
	Total assets as per Balance Sheet	<b>2599.37</b>
	(excluding Debit balance in Profit & Loss Account)	

XI. Related party transactions :

The following are the transactions of the related parties, which are related on account of shareholding by key management personnel and their relatives, viz. Sri. T.G.Veera Prasad, Managing Director and his relatives and TMT Engineering & Exports Pvt.Ltd. an Associate Company.

S.No.	Nature of Transaction	Amount for the Year 2001-2002	Balance as at 31.03.2002
01.	Rent for office buildings	2,00,000	
02.	Remuneration to Managing Director	4,39,200	
03.	Sales /Receivables	-	44,57,337
04.	Secured Loans taken	2,00,00,000	2,00,00,000

XII. Earnings per share :

The earnings (loss) per share (face value of Rs.10/- each) calculated in compliance with the provisions of Accounting Standard 20 for the year ended 31.03.2002 comes to Rs.(5.86).

The denominator for the EPS is 41,92,300 equity shares i.e. No.of equity shares at the beginning of the year and numerator is net loss for the year after tax as per Profit and Loss Account.

There is no dilution of equity during the year.

XIII. The balances of Sundry debtors, Sundry creditors, Advance to suppliers/ Contractors, Deposits and bank balances have been shown as appearing in the books of account of the Company and are subject to reconciliation and confirmation. No provision has been made during the year for doubtful debts.

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

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

	2001-2002 (12 Months)		2000-2001 (18 Months)	
	Qty.	Amount	Qty.	Amount
(Rs. In Lakhs)				
1. TURNOVER				
A) Domestic LPG (Nos)	-	-	-	-
Engg. & Others	-	11.11	-	241.67
(A)	-	11.11	-	241.67
B) EXPORTS				
Engg.	-	-	-	-
Others(Flowers)	-	-	-	-
(B)	-	-	-	-
(A + B)	-	11.11	-	241.67
2. MATERIAL CONSUMED				
i) Pipes (Mtr)	-	-	3059.340	13.80
ii) Stores & Spares	*	0.31	-	73.10
Total :	Nil	0.31	-	86.90
3. WORK IN PROGRESS :				
A) ENGG. DIVISION				
i) Opening		199.50		199.50
ii) Closing		23.52		199.50
B) LPG CYLINDERS				
i) Opening		8.31		8.31
ii) Closing (sold during the year)		-		8.31
4. FINISHED GOODS:				
A) ENGG. DIVISION				
i) Opening		195.92		195.92
ii) Closing		6.87		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                             | 2,00,000 Nos   |
| iii) | Actual Production  | (on leave & license basis by the lessee) |                |

		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
6.	a) Value of imported raw material, spare parts & components consumed	Nil		Nil	
	b) Value of indigenous raw material, spare parts & components consumed	Nil		86.90	100%
		<u>Nil</u>		<u>86.90</u>	<u>100%</u>
7.	Expenditure in Foreign Currency	Nil		Nil	
8.	Earnings in Foreign Exchange	Nil		Nil	

Signatures to Schedules "1 to 19"

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

for and on behalf of the Board

Sd/-  
D.Daivadheenam Reddy  
Partner

Sd/-  
T.G.Veera Prasad  
Managing Director

Sd/-  
N.J.Rao  
Director

Place : HYDERABAD (Camp)  
Date : 12-08-2002

## CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.03.2002

	(Rs.in Lakhs)		
A CASH FLOW FROM OPERATING ACTIVITIES :	(-)	(+)	NET
Net Loss before Tax and Extraordinary Items	245.66	-	
Adjustments for :			
Depreciation		50.69	
Foreign Exchange	-	-	
Investments	-	-	
Loss on sale of Vehicles	-	0.39	
Interest	0.68	191.49	
Interest waiver (Extraordinary)		-	
Extra ordinary and Prior period expenses /income (net)	-	10.66	
<b>Operating Profit before Working Capital changes</b>	<b>246.34</b>	<b>253.23</b>	<b>6.89</b>
Adjustments for :			
Trade and Other Receivables	68.81	-	
Inventories	-	484.62	
Trade payables		75.01	
<b>TOTAL</b>	<b>68.81</b>	<b>559.63</b>	<b>490.82</b>
<b>Cash Generated from Operations :</b>			
Interest paid	191.49	-	
Direct Taxes paid	-	-	
<b>TOTAL</b>	<b>191.49</b>	<b>-</b>	<b>(191.49)</b>
<b>CASH FLOW BEFORE EXTRAORDINARY ITEMS</b>			<b>306.22</b>
Extra ordinary and Prior period expenses /income (net)	10.66		(10.66)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>			<b>295.56</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets			
Sale of Fixed Assets	-	0.10	
Acquisitions of Companies	-	-	
Purchase of Investments	-	-	
Sales of Investments	-	1.74	
Interest received	-	0.68	
Subsidy received on Fixed Assets	-	-	
Dividend received	-		
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>-</b>	<b>2.52</b>	<b>2.52</b>

**C CASH FLOW FROM FINANCING ACTIVITIES**

Proceeds from issue of Share Capital	-	-	
Proceeds from long term borrowings (Interest credit)	534.15		
Repayment of Finance lease liabilities	-	-	
Dividends paid	-	-	
Increase in deferred revenue expenditure	-	-	
Working Capital Loan waived by the Bankers		236.23	
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>534.15</b>	<b>236.23</b>	<b>(297.92)</b>

**NET INCREASE IN CASH AND CASH EQUIVALENTS** 0.16

**CASH AND CASH EQUIVALENTS AS AT 01.04.2001 (OPENING BALANCE)** 1.41

**CASH AND CASH EQUIVALENTS AS AT 31.03.2002 (CLOSING BALANCE)** 1.57

for and on behalf of the Board

Sd/-

T.G.VEERA PRASAD

Managing Director

Date : 12.08.2002

**CERTIFICATE**

The above Cash Flow Statement has been prepared on the basis of Audited Accounts approved by the Board of Directors and is in conformity with the Profit and Loss account and Balance Sheet.

for BRAHMAYYA & CO.

Chartered Accountants

Sd/-

B.DAIVADHEENAM REDDY

Partner

Place : Hyderabad (Camp)

Date : 12.08.2002

**TMT (INDIA) LIMITED - HYDERABAD****BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I REGISTRATION DETAILS**

Registration No.	02002	State Code	1
Balance Sheet	Date 31	Month March	Year 2002

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

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

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

Total Liabilities	3,465.33	Total Assets	3,465.33
Paid-up Capital	418.95	Reserves & Surplus	479.70
Secured Loans	2,503.20	Unsecured Loans	63.48
Application of Funds			
Net Fixed Assets	1,126.22	Investments	29.06
Net Current Assets	1,444.09	Miscellaneous Expenditure	Nil
Accumulated Losses	865.96		

**IV PERFORMANCE OF COMPANY (Amount in Rs. Lakhs)**

Turnover	69.95	Total Expenditure	304.95
Extra Ordinary Income	512.80	Extra Ordinary Expenses	523.46
Loss before tax	(245.66)	Loss after tax	(245.66)
Earning per share in Rs.	Nil	Dividend Rate %	Nil

**VI GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF COMPANY**

1. Item Code No.	8439.10
(ITC Code)	
Product Description	Pulp / Paper Machinery
2. Item Code No.	7311.00
(ITC Code)	
Product Description	LPG Cylinders
3. Item Code No.	7308.90
(ITC Code)	
Product Description	Floriculture Products