



# 51st Annual Report 2010 – 2011

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## BOARD OF DIRECTORS:

(Shriyuths)

A.K. Jain	:	Chairman & Managing Director (up to 31.05.2011)
S. Paul Raj	:	Chairman & Managing Director (from 01.06.2011)
R. Manohar	:	Director (up to 05.06.2010)
R.P. Goyal	:	Director (from 07.06.2010 to 26.04.2011)
Debasis Jana	:	Director (from 27.04.2011)
K. Sreenivasachary	:	Director (from 21.06.2010 to 17.03.2011)
B.G. Gurupada Swamy	:	Director (from 17.03.2011)
B. Laxshmana Rao	:	Director (from 09.07.2009)
Ravi Kamal Bhargava	:	Director (from 23.01.2009)

## DEPUTY MANAGER (FINANCE) & COMPANY SECRETARY I/c.

K.Sreenivasa Prasad

## AUDITORS

B.R. Vasudeva Murthy  
Chartered Accountant,  
Bangalore

## BANKERS

State Bank of India



## DIRECTORS' REPORT

To

**The Shareholders,  
Tungabhadra Steel Products Ltd.**

The Directors of TSPL have pleasure in presenting the 51st Annual Report of your Company together with the Audited Annual Accounts for the year 2010-11.

The salient features of performance achieved during the year are presented herewith.

### PERFORMANCE

#### SALES TURNOVER

Sales Turnover for the year 2010-11 is ₹ 3.12 crore as against ₹ 2.17 crore during the previous year 2009-10.

#### FINANCIAL RESULTS

The net loss during the year was ₹ 26.12 crore as compared to ₹ 25.77 crore loss during the previous year 2009-10. The details of Company's financial performance are given below.

	(₹ in Crores)	
	Year ending 31-03-2011	Year ending 31-03-2010
Sales Turnover	3.12	2.17
Value of Production	2.88	2.63
Other Income	2.23	1.48
Gross profit (before Depreciation, DRE & Interest)	(-) 0.49	(-) 0.68
Depreciation & DRE	0.56	0.57
Interest	25.07	24.52
Profit / Loss (-) for the year	(-) 26.12	(-) 25.77
Provision for Tax	0.00	0.00
Profit / Loss (-) after tax	(-) 26.12	(-) 25.77

#### SHARE CAPITAL

At the end of the year, the paid up share capital of the Company stood at ₹ 8.44 crore.

#### ORDER BOOKING

Due to severe financial and operational constraints, the company could not book major orders during the year. However, company was able to book order worth ₹ 0.89 crore during 2010-11.

#### MALAPRABHA MINI HYDEL PLANT

The company has generated 36.58 lakh units of power at Malaprabha Mini Hydel Plant and earned an income of ₹ 1.28 crore during the year 2010-11, as compared to 50.244 lakh units, amounting to ₹ 1.62 crore in 2009-10.

#### HUMAN RESOURCES

The total number of employees as at 31st March 2011 stood at 100. The industrial relations have been cordial during the year and no man-days were lost due to strikes or lockouts.

#### SC / ST / OBC / PHYSICALLY HANDICAPPED EMPLOYEES

There has been no new induction in the Company

The Company has been following the directives issued by the Government of India regarding reservation of posts for Schedule Castes, Scheduled Tribes, OBC and physically handicapped persons.

#### OFFICIAL LANGUAGE - HINDI

The Annual Programme for progressive use of Hindi for Public Sector Enterprises, situated in Region 'C' formulated by Central Govt., have been duly followed. All possible efforts with regard to progressive use of Hindi as per the Official Language Policy are being made.

#### ENERGY CONSERVATION

TSPL is not a high energy consuming industry. Nevertheless, it has been making all efforts to control consumption of power and fuel.

#### FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange earnings of the company during the year was 'NIL' and expenditure in foreign currency was also NIL as indicated in notes forming part of the Accounts – Schedule –11(1).



**STATEMENT CONTAINING INFORMATION AS PER SECTION 217(2A) READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2011.**

- (a) Employed throughout the year and were in receipt of remuneration for the year in aggregate of not less than ` 2400000/- : Nil.
- (b) Employed for part of the year and were in receipt of remuneration at the rate of not less than ` 200000/- per month. : Nil.

**APPOINTMENT OF AUDITORS**

The Comptroller and Auditor General of India appointed B.R. Vasudeva Murthy, Chartered Accountants, Bangalore as Statutory Auditors of the company for the accounting year 2010-11 under Section 619(2) of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 2000.

**REVIEW AND COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA (C&AG) UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956.**

The comments of the C&AG under Section 619(4) of the Companies Act, 1956 on the accounts of the Company for the year ended 31<sup>st</sup> March 2011 are attached to this report.

**BIFR / BRPSE**

The Company was referred to BIFR in 2004. The Department of Heavy Industries has constituted an Inter-Ministerial Group for Joint Venture Formation and the process is underway. As per the directions of BIFR during the last hearing, press notification was issued for calling "Expression of Interest" for JV formation of the Company with Public/Private Sector Undertakings.

**DIRECTORATE**

During the year under report, the following changes have taken place.

Sri S. Paul Raj, MD, HMT LTD., Bangalore has been given additional charge as Chairman and Managing Director,

TSPL by DHI, Govt. of India w.e.f. 01.06.2011 in place of Sri A.K. Jain. Sri Debasis Jana, Director, DHI, has been appointed as Director on the Board of the Company w.e.f. 26.04.2011 by Govt. of India, in place of Sri R.P. Goyal. Government of Karnataka appointed Sri G.B. Gurupadaswamy, Secretary, WRD, as Director on the Board of the Company w.e.f. 16.03.2011 in place of Sri K. Sreenivasachary.

The Directors place on record their appreciation for valuable guidance given by Sri A.K. Jain during his tenure as CMD, TSPL, Sri R.P. Goyal and Sri K. Sreenivasachary during their tenure as Directors, on Board of TSPL.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 as amended by the Companies (Amendment) Act - 2000 with respect to Directors' Responsibility Statement, it is hereby confirmed

- (i) That in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March 2011, the applicable accounting standards had been followed.
- (ii) That the directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and profit or loss of the Company for the year ended 31<sup>st</sup> March, 2011.
- (iii) That the directors had 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 for preventing and detecting fraud and other irregularities;



- (iv) That the directors had prepared the accounts for the financial year ended 31st March, 2011 on a 'going concern' basis.

#### AUDIT COMMITTEE

The Board had constituted an Audit Committee in June 2002. The role and terms of reference of the Audit Committee cover the areas mentioned in Section 292A of the Companies Act, 1956.

The present composition of Audit Committee of the Board is as follows:

- |  |          |
|--|----------|
| 1. Director from Govt. of Andhra Pradesh | Chairman |
| 2. Director, DHI, from Govt. India       | Member   |
| 3. Chairman & Managing Director, TSPL    | Member   |
| 4. Independent Director                  | Member   |
| 5. Director from Govt. Karnataka         | Member   |

#### ACKNOWLEDGEMENT

The Directors place on record their gratitude to Government of India, Government of Andhra Pradesh, Government of Karnataka, C&AG and other officials, Internal Auditor and the Statutory Auditor for their continued support and co-operation. The Directors also thank all the clients, vendors and State Bank of India for their continued support and co-operation.

The Directors also expressed their sincere appreciation of the dedicated efforts put in by the employees at all levels.

**for and on behalf of the  
Board of Directors of**

**TUNGABHADRA STEEL PRODUCTS LIMITED**

**Sd/-  
S. PAUL RAJ  
CHAIRMAN & MANAGING DIRECTOR**



## AUDITOR'S REPORT TO THE MEMBERS OF TUNGABHADRA STEEL PRODUCTS LIMITED

1. We have audited the attached BALANCE SHEET of **TUNGABHADRA STEEL PRODUCTS LIMITED** as at 31<sup>st</sup> March 2011 and also the PROFIT AND LOSS Account and Cash flow statement 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 statement based on our audit **and the said report has been suitably modified to comply with the observation made by the Comptroller and Auditor General of India to make further disclosure as indicated in paragraph 4 vi.(1) and (11) of the Auditors Report.**
2. We conducted our audit in accordance with the 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 Companies (Auditor's Report) order, 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 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 purposes 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 the Profit and Loss account and Cash flow statement dealt with by this report are in agreement with the books of account.
  - iv. In our opinion, the Balance Sheet and the Profit and Loss Account and Cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act 1956, to the extent applicable; subject to:
    - a) **Note No. 14 of Schedule 11.1 – Notes to Accounts related AS-28 Impairment of Assets. The company has not made an independent assessment of any indicators that may lead to impairment of assets and has not accounted for the Loss arising therefrom. In the absence of management policy relating to ascertaining the impairment of assets, the value relating thereto is not ascertainable.**
    - v) Based on the Notification No. GSR 829(E) dated 21.10.2003 issued by the Department of Company Affairs, Government of India, the requirement under Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 do not apply to the Company, being a Government Company.
    - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon and the Company's Accounting Policies, give the information required by the Companies Act, 1956 in the manner so required and subject to -
      - 1) **The accounts of the company have been compiled as per new format prescribed by the Ministry of Corporate Affairs Notification dated 28.02.2011 though the new format is applicable from 2011-12 vide notification dated 28.03.2011.**
      - 2) **The accounts of the company have been compiled based on the assumption that the Company will continue as a going concern. The accumulated loss of ` 31,949.82 lakhs (without considering the effect of the qualification of Paras (4) to (11) detailed below) have exceeded its net-worth of ` 843.50 lakhs as at the end of the year and it has also suffered cash loss during the year and in the immediately preceding financial year**



and as such, it is 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. The company has made reference to the Board of Industrial and Financial Reconstruction (BIFR) during 2004-05. Having regard to the above, the Company’s ability to continue as a going concern is in doubt and will depend upon any revival programme by BIFR / Government. Reference is also drawn to Note No. 2 of Schedule 11.1 – Notes to Accounts.

- 3) The company does not have a qualified Company Secretary as required under the provisions of Section 2(45) and 383(A) of the Companies Act, 1956, with effect from 03.04.2003, as the earlier incumbent had resigned.
- 4) Balance under sundry creditors, other liabilities, sundry debtors, claims receivable, deposits and advances, which are remaining to be confirmed / reconciled, the consequential effect on the accounts not being ascertainable, referred to in Note No.7 of Schedule 11.1 – Notes to Accounts.
- 5) Disclosure of amounts outstanding and payable to small scale industrial undertakings and Micro, Small and Medium Enterprises are not having been made and interest liability, if any, not having been provided, referred to in Note No.8 of Schedule 11.1 - Notes to Accounts;
- 6) Payment of agreed and stipulated installments not having been made by the Company in respect of suppliers who have filed winding up petitions against the Company for recovery of their dues along with penal interest, referred to in Note No.9 of Schedule 11.1 - Notes to Accounts;
- 7) Provision for wage/salary revision arrears in respect of workmen, staff and executives not having been made, referred to in Note No.10 of Schedule 11.1 - Notes to Accounts;

- 8) The difference in Government of India loan ( ` 48 lakh) and interest ( ` 18.85 lakh) after reconciliation of loan and interest by Dept. of Heavy Industries and the Company not having been provided, referred to in Note No.11 of Schedule 11.1 – Notes to Accounts;
- 9) Provision for interest / penal damages payable due to belated payments of statutory dues not having been ascertained and made, pending receipt of formal claims from the concerned authorities;
- 10) Provision for interest on Cash Credit availed from SBI for the period from 28.02.2005 to 31.03.2011 not having been provided, as the same is not charged by the bank, referred to in Note No.15 of Schedule 11.1 – Notes to Accounts;
- 11) The Company has to seek approval by ratification for the existing secured cash credit loan of ` 1688.07 lakhs as against the limit of ` 1500.00 lakhs authorized by the board. However, the overall credit facilities availed by the company is within the approved limit of ` 5500.00 lakhs.

Give a true and fair view in conformity with the accounting principles generally accepted in India: -

- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2011; and
- (ii) In the case of the Profit and Loss Account, of the **LOSS** for the year ended on that date.
- (iii) In the case of the Cash flow statement, the cash flow for the year ended on that date.

for **B.R. VASUDEVA MURTHY**  
Chartered Accountants  
**(B.R. VASUDEVA MURTHY)**  
Partner  
Membership No.11561

Place: Bangalore  
Date: 20.07.2011



## ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 3 of our report of even date to the members of **TUNGABHADRA STEEL PRODUCTS LIMITED**, on the financial statements for the year ended 31<sup>st</sup> March 2011).

1. The nature of the Company's business / activities during the year is such that clauses (xiii) and (xiv) of paragraph 4 of the Companies (Auditors Report) Order, 2003 are not applicable to the company.
2. In respect of its Fixed Assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
  - (b) The fixed asset has not been physically verified by the Management during the year. **Reconciliation of the results of the physical verification with the fixed assets records have not been done as on date and as such, discrepancies if any, have not been identified and dealt with in the accounts.**
  - (c) In our opinion, the company has not disposed off substantial part of its fixed assets during the year and the going concern status of the company is not affected.
3. In respect of its inventories:
  - (a) As explained to us, inventories have been physically verified by the management during the year.
  - (b) In our opinion, the Company has maintained proper records of its inventories and the procedures of physical verification followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
4. According to the information and explanations given to us, the company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in register maintained under Section 301 of the Companies Act, 1956. Consequently, clauses (iii) (a) to (g) of paragraph 4 of the order are not applicable.
5. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal controls.
6. According to the information and explanations given to us, the company has not entered into any contracts or arrangements which require to be recorded in register maintained under section 301 of the Companies Act 1956.
7. The Company has not accepted any deposits from the Public and hence the provisions of Section 58-A of the Companies Act, 1956 and the rules framed thereunder do not apply.
8. In our opinion, the Company has an adequate internal audit system conducted by an external firm of Chartered Accountants, commensurate with the size and the nature of its business.
9. The Central Government has not prescribed the maintenance of cost records, under Section 209(1)(d) of the Companies Act, 1956 for any of the products of the Company. With regard to generation of electricity which





represents 40.90% (Previous year 74.08%) of total turnover, we are of the opinion that the company has, prima facie, maintained the prescribed accounts and records under the Cost Accounting Records (Electricity Industry) Rules, 2001. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.

10. In respect of Statutory dues:

**(a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company is generally regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Excise duty, Service Tax, CST and Professional Tax with the appropriate authorities and there have been delays / non-payment in respect of payment of Sales Tax & Municipal Tax. According to the information and explanations given to us, undisputed amounts payable in respect of aforesaid dues, outstanding as at 31<sup>st</sup> March 2011 for a period of more than six months from the date of becoming payable are as under:**

Name of the Statute	Nature of dues	Amount ( ` in lakhs)
Municipal Tax	Property Tax	27.09
Sales Tax Acts of various states	Sales Tax	164.98

**(b) The disputed statutory dues that have not been deposited on account of appeals pending before appropriate authorities are as under:-**

Name of the statute	Nature of dues	Amount ( ` In lakhs)	Period to which the amount relates	Forum where dispute is pending
Sales Tax of Various States	Sales Tax	295.91	1992-1993 to 2006-07	Commissioner / Commissioners (Appeals) / Appellate Tribunals
<b>Total</b>		<b>295.91</b>		

11. The Company has accumulated loss of ` 31,949.82 lakhs at the end of the financial year (without considering the effect of the qualifications at Paras 4(vi)(3) to (11) detailed in the main report) which are more than its net worth and has incurred cash loss of ` 2556.50 lakhs during the current year and ` 2520.12 lakhs in the immediately preceding financial year.
12. In our opinion and on the information and explanations given to us, the Company has defaulted in repayment of dues to Government of India as referred in Note No. 4 of Schedule 11.1 – Notes to Accounts.
13. Based on the examination of the records and information and explanations given to us, the Company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
14. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from Banks and financial institutions.



15. To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the company were, prima facie, applied by the Company during the year for the purposes for which the loans were obtained.
16. According to the cash flow statement and other records examined by us and the information and explanations given to us, we report that, on an overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investment (fixed assets etc.,) and vice versa, other than temporary deployment pending application.
17. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year.
18. The Company has not issued any debentures during the year.
19. The Company has not raised any money by way of public issue during the year.
20. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

**for B.R. VASUDEVA MURTHY**  
**Chartered Accountants**  
**(B.R. VASUDEVA MURTHY)**  
**Partner**  
**Membership No. 11561**

**Place: BANGALORE**

**Date: 20.07.2011**



## MANAGEMENT REPLIES TO QUALIFICATIONS IN STATUTORY AUDITORS REPORT 2010-11

Item No.	OBSERVATIONS OF THE AUDITORS	REPLIES OF THE MANAGEMENT
4(iv)	Balance Sheet & Profit & Loss Account dealt with by this Report comply with the Accounting Standards referred to in sub-section(3C) of Section 211 of the Companies Act, 1956 to the extent applicable; subject to:	Noted. Based on the valuation of the company carried out during 2010-11, compliance report under AS-28 Impairment of Assets will be taken up during the year 2011-12.
(a)	Note No.14 of Sch.11.1 – Notes to Accounts related to AS-28 Impairment of Assets - The company has not made an independent assessment of any indicators that may lead to impairment of assets and has not accounted for the loss arising there-from.	
4(vi)(2)	The accounts of the company have been compiled based on the assumption that the company will continue as going concern. The accumulated loss of ` 31949.82 lakh [without considering the effect of the qualification of Para (4) to (11)] have exceeded its net worth of ` 843.50 lakh as at the end of the year and it has also suffered cash loss during the year and in the immediately preceding financial year and as such, it is a “sick industrial company” within the meaning of clause (O) of Sub-section (1) of section 3 of the Sick Industrial Companies (Special Provision) Act 1985. The company has made reference to the Board of Industrial & Financial Reconstruction (BIFR) during 2004-05. Having regard to the above, the company’s ability to continue as going concern is in doubt and will depend upon any revival programme by BIFR / Government. Reference is also drawn to Note. No.2 of Schedule 11.1. – Notes to Accounts.	The Board of Directors approved the Annual Accounts of the company in its meeting held on 25.05.2011. The company has been referred to BIFR. BIFR appointed State Bank of India as Operating Agency and advised to submit Techno Economic Viability Report. BIFR directed the DHI to submit developments and action proposed by the Ministry with regard to revival through Joint venture formation of the company.
4(vi)(3)	The Company does not have a qualified Company Secretary as required under the provisions of Section 2(45) and 383(A) of the Companies Act, 1956 with effect from 03-04-2003, as the earlier incumbent had resigned.	Noted. Compliance Certificate under Section 383A of the Co., Act, 1956 is obtained from Qualified Company Secretary for the year 2010-11
4(vi)(4)	Balances under Sundry Creditors, other liabilities, Sundry Debtors, claim recoverable deposits and advances which are remaining to be confirmed / reconciled, the consequential effect on the accounts not being ascertainable, referred to in Note No.7 of schedule 11.1 – Notes to Accounts.	The confirmation of balances from various debtors, creditors and other liabilities are being pursued.



Item No.	OBSERVATIONS OF THE AUDITORS	REPLIES OF THE MANAGEMENT
4(vi)(5)	Disclosure of amounts outstanding and payable to small scale industrial undertakings and Micro, Small and Medium Enterprises are not having been made and interest liability, if any, not having been provided, referred to in Note No.8 of Schedule 11.1 – Notes to Accounts.	As information on Sundry creditors registered under SSI units is not available, specific disclosures of dues to SSI units, if any could not be given, consequently no provision for interest liability that may arise could be made.
4(vi)(6)	Payment of agreed and stipulated instalments not having been made by the company in respect of suppliers who have filed winding up petitions against the company for recovery of their dues along with penal interest, referred to in Note No.9 of schedule 11.1. – Notes to accounts.	Payment to suppliers will be released in phased manner depending on availability of funds
4(vi)(7)	Provision for wage/salary revision arrears in respect of workmen, staff and executives not having been made, referred to in Note No.10 of schedule 11.1-Notes to accounts.	As the company is incurring continuous loss and is being referred to BIFR no wage revision taken place.
4(vi)(8)	The difference in Government of India loans ( ₹ 48 lakh) and interest ( ₹ 18.85 lakh) after reconciliation of loan and interest by Dept. of Heavy Industries and the company not having been provided, referred to Note. No.11 of Schedule11.1. – Notes to Accounts.	Reconciled the Govt. of India loan & interest done up-to 31.03.2010. The differential loan and interest will be taken up with Dept. of Heavy Industries during 2011-12.
4(vi)(9)	Provision for interest / penal damages payable due to belated payments of statutory dues not having been ascertained and made, pending receipt of formal claims from the concerned authorities.	Claims towards interest / penal damages will be accounted as and when received as per Company's Accounting Policy.
4(vi)(10)	Provision for interest on cash credit availed from SBI for the period from 28-2-2005 to 31-03-2011 not having been ascertained, as the same is not charged by the bank, referred to in Note.No.15 of Schedule 11.1 – Notes to Accounts.	No interest has been charged since bank is not charging interest to Cash Credit account.
4(vi)(11)	The Company has to seek approval by ratification for the existing secured cash credit loan of ₹ 1688.07 lakhs as against the limit of ₹ 1500 lakhs authorized by the Board. However the overall credit facilities availed by the company is within the approved limit of ₹ 5500 lakhs.	Approval of the Board by ratification for the excess cash credit loan amount will be obtained during 2011-12.



**Item No.**      **OBSERVATIONS OF THE AUDITORS**

**REPLIES OF THE MANAGEMENT**

**ANNEXURE TO AUDITOR'S REPORT**

(2)(b)	The fixed assets have not been physically verified by the Management during the year. However, reconciliation of the results of the physical verification with the fixed assets records have not been done as on date and as such, discrepancies if any, have not been identified and dealt with in the accounts.	The reconciliation is being done and will be put up to the competent authority for appropriate action.
10(b)	The disputed statutory dues that have not been deposited on account of matters pending before the appropriate authorities.	The disputed statutory dues have been taken up with appropriate Appellate authorities.
11	The Company has accumulated losses of ₹ 31949.82 lakh at the end of the financial year (without considering the effect of the qualifications at Para 4(vi)(4) to (11) detailed in the main report) which are more than its net worth and has incurred cash losses during the current year of ₹ 2556.50 lakhs and in the immediately preceding financial year of ₹ 2520.12 lakhs.	Noted.



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS  
OF M/s. TUNGABHADRA STEEL PRODUCTS LIMITED FOR THE YEAR ENDED  
31<sup>ST</sup> MARCH 2011.**

The preparation of financial statements of **M/s. Tungabhadra Steel Products Limited**, for the year ended 31<sup>st</sup> March 2011 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion of these financial statements under section 227 of the Companies Act, 1956 based on the independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 25 May 2011 and their **revised report dated 20th July 2011**.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under Section 619(3)(b) of the Companies Act, 1956 of the financial statements of **M/s. Tungabhadra Steel Products Limited for the year ended 31<sup>st</sup> March 2011**. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. In view of the **revision made in Auditors Report vide Para 4 vi (1) and (11) thereof** as a result of my audit observations highlighted during supplementary audit, I have no further comments to offer upon or supplement to the Statutory Auditors' Report, under Section 619(4) of the Companies Act, 1956.

**For and on behalf of the  
Comptroller & Auditor General of India**

**Sd/-**

**(C.H. Kharshiing, I.A.A.S)**

**Pr. Director of Commercial Audit &  
Ex-Officio Member, Audit Board, Bangalore**

**Place: Bangalore  
Date : 20 July 2011**



## BALANCE SHEET AS AT 31st MARCH, 2011

		(` in Lakhs)	
Particulars	Sch No.	AS AT 31.03.2011	AS AT 31.03.2010
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds:</b>			
Share Capital	1.1	843.50	843.50
		<b>843.50</b>	843.50
<b>Non-Current Liabilities</b>			
Long term borrowings	2.1	27673.56	24956.93
Long term provisions	2.2	218.10	201.36
		<b>27891.66</b>	25158.29
<b>Current Liabilities</b>			
Short term borrowings	3.1	1688.07	1762.29
Trade Payable	3.2	510.17	513.97
Other current liabilities	3.3	2443.49	2637.25
		<b>4641.73</b>	4913.51
<b>Total</b>		<b>33376.89</b>	30915.30
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
<b>Tangible Assets</b>			
Gross Block	4.1	2087.02	2087.11
Less : Depreciation		1583.48	1527.81
Net Block		503.54	559.30
Other Non-Current Assets	4.2	22.37	24.55
		<b>525.91</b>	583.85
<b>Current Assets</b>			
Inventories	5.1	57.45	81.32
Trade receivables	5.2	437.74	510.17
Cash and Cash equivalents	5.3	273.07	259.95
Short terms loans and advances	5.4	132.90	142.46
		<b>901.16</b>	993.90
<b>Profit &amp; Loss Account (Loss)</b>	6.1	<b>31949.82</b>	29337.55
<b>Total</b>		<b>33376.89</b>	30915.30
Notes to Accounts	11.1		
Significant Accounting Policies	11.2		

Schedules 1 to 11 attached form part of the Accounts

As per our report of even date

**For B.R. Vasudeva Murthy**

Chartered Accountants

Firm Regn. No. 004561S

**B.R. VASUDEVA MURTHY**

Partner (M. No. 11561)

Place : Bangalore

Date : 25.05.2011

For and on behalf of Board of Directors  
**TUNGABHADRA STEEL PRODUCTS LIMITED**

**DEBASIS JANA**

Director, DHI

**A.K.JAIN**

Chairman & Managing Director

**K.SREENIVASA PRASAD**

Dy.Manager (Fin.) &  
Company Secretary I/c



## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

(` in Lakhs)

Particulars	Sch No.	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
<b>INCOME</b>			
Revenue from operations	7.1	311.75	217.33
Other Income	7.2	223.07	147.82
Accretion(+)/Decretion(-) to Contract Work in Progress & Revenue due on Jobs completed but not billed	8.1	-23.50	44.01
		<b>Total</b>	
		<u>511.32</u>	<u>409.16</u>
<b>EXPENDITURE</b>			
Materials consumed	9.1	169.06	66.75
Sub Contracting expenses		11.59	18.55
Employees remuneration & benefits	9.2	263.18	249.33
Manufacturing, Administration, Selling and Distribution expenses	9.3	91.54	90.13
Finance Costs	9.4	2506.63	2452.11
Depreciation	4.1	55.77	56.67
		<b>Total</b>	
		<u>3097.77</u>	<u>2933.54</u>
Loss (-) for the year		-2586.45	-2524.38
Prior period adjustments	10.1	-25.82	-52.41
Loss (-) before tax		<b>Total</b>	
		<u>-2612.27</u>	<u>-2576.79</u>
Provision for tax		-	-
Loss (-) after tax carried to Balance Sheet	6.1	<b>Total</b>	
		<u>-2612.27</u>	<u>-2576.79</u>
Notes to Accounts	11.1		
Significant Accounting Policies	11.2		

Schedules 1 to 11 attached form part of the Accounts

As per our report of even date  
**For B.R. Vasudeva Murthy**  
Chartered Accountants  
Firm Regn. No. 004561S

**B.R. VASUDEVA MURTHY**  
Partner (M. No. 11561)

Place : Bangalore  
Date : 25.05.2011

For and on behalf of Board of Directors  
**TUNGABHADRA STEEL PRODUCTS LIMITED**

**DEBASIS JANA**  
Director, DHI

**A.K.JAIN**  
Chairman & Managing Director

**K.SREENIVASA PRASAD**  
Dy.Manager (Fin.) &  
Company Secretary I/c





(` in Lakhs)

Particulars	AS AT 31.03.2011	AS AT 31.03.2010
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## SCHEDULE - 1.1

### SHARE CAPITAL

Authorised :

1,00,000 Equity Shares of ` 1000 each	<u>1000.00</u>	<u>1000.00</u>
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Issued :

99,156 Equity Shares of ` 1000 each (Previous year 99,156 Equity Shares)	<u>991.56</u>	<u>991.56</u>
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Subscribed & Paidup :

a) 66,900 (Previous year 66,900) Equity Shares of ` 1000 each, fully paid-up, held by Government of India	<u>669.00</u>	669.00
b) 10,050 (Previous year 10,050) Equity Shares of ` 1000 each, fully paid-up, held by Govt. of Andhra Pradesh	<u>100.50</u>	100.50
c) 7,400 (Previous year 7,400) Equity Shares of ` 1000 each, fully paid-up, held by Govt. of Karnataka	<u>74.00</u>	74.00
	<u>843.50</u>	<u>843.50</u>

### NON CURRENT LIABILITIES

## SCHEDULE - 2.1

### Long term borrowings

#### Unsecured Loans

Term Loans from Govt. of India :

Plan Loans	685.63	685.63
Non Plan Loans	9485.26	9242.26
Interest accrued & due thereon	<u>17502.67</u>	<u>15029.04</u>
	<u>27673.56</u>	<u>24956.93</u>

## SCHEDULE - 2.2

### Long Term Provisions

Gratuity	155.65	142.61
Leave encashment	<u>62.45</u>	<u>58.75</u>
	<u>218.10</u>	<u>201.36</u>
	<u>27891.66</u>	<u>25158.29</u>



Particulars	( ` in Lakhs)	
	AS AT 31.03.2011	AS AT 31.03.2010
<b>CURRENT LIABILITIES</b>		
<b>SCHEDULE - 3.1</b>		
<b>Short term borrowings</b>		
<b>Secured loans</b>		
Cash Credit Loan from :		
State Bank of India	1688.07	1762.29
Secured by hypothecation of Inventories, book debts (Present and future) Plant & Machinery and equitable mortgage of land and building at factory premises with CC limit of ` 1,500 Lakhs		
<b>Total</b>	<b>1688.07</b>	<b>1762.29</b>
<b>SCHEDULE - 3.2</b>		
<b>Trade Payable</b>		
Sundry Creditors	510.17	513.97
<b>SCHEDULE - 3.3</b>		
<b>Other Current Liabilities</b>		
Interest Accrued but not due on Govt. of India Loans	988.24	955.26
Advances from Customers	0.69	2.41
Deposits from contractors and others	190.72	203.11
Other creditors and other liabilities	1263.84	1476.47
<b>Total</b>	<b>2443.49</b>	<b>2637.25</b>

**SCHEDULE 4.1**

**TANGIBLE ASSETS**

**FIXED ASSETS AS AT 31.03.2011**

(` in Lakhs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31.03.2010	Additions during the year	Adjustments/ sale during the year	As at 31.03.2011	Upto 31.3.2010	For the year	Adjustments/ sale during the year	Upto 31.03.2011	As at 31.03.2011	As at 31.3.2010
Free Hold Land	2.68	0.00	0.00	2.68	0.00	0.00	0.00	0.00	2.68	2.68
Buildings	283.76	0.00	0.44	283.32	190.13	4.96	0.10	194.99	88.33	93.63
Plant and Machinery	677.48	0.11	0.00	677.59	640.98	0.63	0.00	641.61	35.98	36.50
Mini Hydel Power Plant	915.83	0.00	0.00	915.83	507.34	48.36	0.00	555.70	360.13	408.49
Electrical Installations & Equipment	50.28	0.00	0.00	50.28	46.50	0.50	0.00	47.00	3.28	3.78
Vehicles	95.46	0.00	0.00	95.46	90.68	0.00	0.00	90.68	4.78	4.78
Office & Design Equipments	30.16	0.24	0.00	30.40	22.68	1.16	0.00	23.84	6.56	7.48
Furniture & Fixtures	6.09	0.00	0.00	6.09	5.65	0.07	0.00	5.72	0.37	0.44
Data Processing Equipments	25.37	0.00	0.00	25.37	23.85	0.09	0.00	23.94	1.43	1.52
<b>TOTAL</b>	<b>2087.11</b>	<b>0.35</b>	<b>0.44</b>	<b>2087.02</b>	<b>1527.81</b>	<b>55.77</b>	<b>0.10</b>	<b>1583.48</b>	<b>503.54</b>	<b>559.30</b>
PREVIOUS YEAR	2086.76	0.35	0.00	2087.11	1471.14	56.67	0.00	1527.81	559.30	615.62





(` in Lakhs)

Particulars	AS AT 31.03.2011	AS AT 31.03.2010
<b>NON CURRENT ASSETS</b>		
<b>SCHEDULE - 4.2</b>		
<b>Other Non-Current Assets</b>		
Deposits		
With Electricity Board, Central Excise Dept. and other Govt. authorities	10.87	10.38
Security Deposits	7.36	7.36
Others (Unsecured considered good)	4.14	6.81
<b>Total</b>	<b>22.37</b>	24.55
<b>CURRENT ASSETS</b>		
<b>SCHEDULE - 5.1</b>		
<b>INVENTORIES</b>		
(As taken, valued and certified by the Management)		
Stores & Spares	22.42	23.97
Less : Prov. for Non-moving Inventory	19.95	22.07
	2.47	1.90
Raw Materials	13.18	15.11
Loose Tools	0.33	0.49
Scrap (at net realisable value)	3.19	2.04
	19.17	19.54
Contract Work-in-Progress	38.28	61.78
<b>Total</b>	<b>57.45</b>	81.32
<b>SCHEDULE - 5.2</b>		
<b>Trade Receivables</b>		
<b>Sundry Debtors</b>		
Outstanding for a period exceeding six months.	757.65	967.55
Outstanding for a period less than six months.	202.83	75.43
	960.48	1042.98
Less : Provision for Doubtful Debts	522.74	532.81
<b>Total</b>	<b>437.74</b>	510.17
(Unsecured, considered good, for which the the Company holds no security other than debtors' personal security)		



(` in Lakhs)

Particulars	AS AT 31.03.2011	AS AT 31.03.2010
<b>SCHEDULE - 5.3</b>		
<b>Cash and Cash equivalents</b>		
Cash on hand	4.04	10.63
Cheques on Hand	97.85	60.00
With Scheduled Banks		
- in Current Accounts	46.02	38.10
- in Term Deposits		
- Lodged with Customers/Govt. Authorities	8.44	38.77
- Pledged as security against BGs/LCs	116.72	92.97
- Lien free deposits	0.00	19.48
	<u>125.16</u>	<u>151.22</u>
<b>Total</b>	<u>273.07</u>	<u>259.95</u>

#### SCHEDULE - 5.4

##### Short term loans and advances

Claims recoverable	63.75	63.75
Advance to suppliers	12.03	11.75
Advance to sub-contractors	0.68	4.72
Advance to employees	61.96	60.18
Less : Provision for doubtful advances to employees	<u>-14.63</u>	<u>-14.63</u>
<b>(Unsecured and considered good)</b>	<b>123.79</b>	<b>125.77</b>
Prepaid expenses	1.52	0.61
Income Tax - refund due	0.94	
- Deducted at source	<u>0.26</u>	<u>1.35</u>
Others	0.18	0.28
Intereste Accrued on :		
Bank Deposits	4.29	12.21
Licence fee receivables	<u>1.92</u>	<u>2.24</u>
	<u>6.21</u>	<u>14.45</u>
<b>Total</b>	<u>132.90</u>	<u>142.46</u>



(₹ in Lakhs)

Particulars	AS AT 31.03.2011	AS AT 31.03.2010
<b>SCHEDULE - 6.1</b>		
<b>PROFIT &amp; LOSS ACCOUNT :</b>		
Opening Balance	29337.55	26760.76
Add: Net Loss for the year	2612.27	2576.79
<b>Total</b>	<b>31949.82</b>	<b>29337.55</b>
<b>SCHEDULE - 7.1</b>		
<b>Revenue from Operations</b>		
Sales	194.81	33.72
Less Excise duty	18.19	1.92
	<b>176.62</b>	31.80
Services	7.62	23.10
Power generation	127.51	162.43
<b>Total</b>	<b>311.75</b>	<b>217.33</b>
<b>SCHEDULE - 7.2</b>		
<b>Other Income</b>		
Sales - Scrap	9.11	19.83
Sales & Accretion/Decretion of Scrap		-11.52
Interest earned on :		
Bank Deposits	21.05	16.54
Others	0.20	0.12
	<b>21.25</b>	16.66
Recovered LD refunded by customer	43.56	34.03
Excess provisions written back	16.78	20.86
Liabilities no longer payable written back	31.40	48.52
Excess LD Provision withdrawn	80.42	0.00
Licence Fee	19.57	18.99
Miscellaneous receipts / other receipts	0.98	0.45
	<b>192.71</b>	<b>147.82</b>
<b>Total</b>	<b>223.07</b>	



(` in Lakhs)

Particulars	AS AT 31.03.2011	AS AT 31.03.2010
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#### SCHEDULE - 8.1

##### Accretion(+)/ Decretion(-) to Contract Work in Progress & Revenue due on Jobs completed but not billed

Closing stock	38.28	61.78
Opening stock	61.78	17.77
Accretion /Decretion(-)	<b>Total</b> -23.50	44.01

#### SCHEDULE - 9.1

##### MATERIALS CONSUMED

Opening Stock	17.01	24.27
Add : Purchases	167.70	59.49
	184.71	83.76
Less:		
Closing Stock	15.65	17.01
Consumption	<b>Total</b> 169.06	66.75

#### SCHEDULE - 9.2

##### EMPLOYEES REMUNERATION & BENEFITS

Salaries,Wages & Allowances	193.38	176.09
Gratuity	18.98	27.11
Contribution to Provident & other funds	21.64	20.39
Welfare expenses	29.18	25.62
Bonus	0.00	0.12
	<b>Total</b> 263.18	249.33



(` in Lakhs)

Particulars	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
<b>SCHEDULE - 9.3</b>		
<b>MANUFACTURING, ADMINISTRATION, SELLING &amp; DISTRIBUTION EXPENSES :</b>		
<b>A. Manufacturing Expenses</b>		
Power & Fuel	13.98	12.16
Excise duty	18.87	3.33
Less Recoveries	18.19	1.92
	<b>0.68</b>	1.41
Repairs and Maintenance:		
Plant & Machinery - HQs	1.35	0.61
- MMHP	7.77	7.24
Buildings	0.02	6.15
Others	2.35	1.98
	<b>11.49</b>	15.98
Equipment Hire Charges	0.18	0.22
Other Manufacturing expenses	2.34	1.88
<b>Sub Total A</b>	<b>28.67</b>	31.65
<b>B. Administration Expenses</b>		
Rent	0.00	0.09
Rates & Taxes	4.19	3.14
Insurance	0.72	0.99
Remuneration to Auditors		
Audit Fee	0.30	0.30
Tax Audit Fee	0.10	0.10
Reimbursement of expenses	0.34	0.34
	<b>0.74</b>	0.74
Legal & Professional Charges	3.56	1.95
Internal Audit Fee	0.20	0.20
Communication expenses	0.97	1.34
Travelling expenses	5.64	5.03
Bank charges	1.10	0.62
Security expenses	27.11	26.33
Printing & Stationary	1.10	1.54
Board Meeting Expenses	2.59	3.00
Provision for Non-moving inventory	0.00	1.05
Sundry debit balances / Assets written off	0.34	1.82
Others	5.53	4.41
<b>Sub Total B</b>	<b>53.79</b>	52.25





(₹ in Lakhs)

Particulars	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
<b>C.Selling &amp; Distribution Expenses</b>		
After sales services	0.69	3.95
Liquidated damages	4.13	0.00
Freight Outward	4.08	2.16
Others	0.18	0.12
<b>Sub Total C</b>	<b>9.08</b>	<b>6.23</b>
<b>TOTAL (A+B+C)</b>	<b>91.54</b>	<b>90.13</b>

**SCHEDULE - 9.4****Finance Cost**

Interest on GOI Loans	2506.62	2452.11
Others	0.01	0.00
<b>Total</b>	<b>2506.63</b>	<b>2452.11</b>

**SCHEDULE - 10.1****Prior Period Adjustments**

Municipality Tax pertaining to 2008-09 and earlier periods	0.00	2.67
Supplies / sub-contracting expenses for the previous year	0.00	12.78
Cost of materials supplied by customers during 2008-09	0.00	2.80
Work executed by customer at Risk & cost of TSPL	0.00	17.75
Entry Tax, Penalty and Interest on KST & ET of earlier periods	0.00	16.41
Employees payment for the earlier periods	2.07	0.00
Set off TDS & Sales Tax advances of earlier period	23.75	0.00
<b>Total</b>	<b>25.82</b>	<b>52.41</b>



## SCHEDULE 11.1

### NOTES TO ACCOUNTS

	(` in Lakhs)	
	31.03.2011	31.03.2010
1) Contingent Liabilities in respect of –		
(i) Claims against the Company pending judicial decisions	Nil	Nil
(ii) Other claims which the Company has not acknowledged as debts	638.81	596.53
(iii) Counter Guarantees given to bank against Bank Guarantees.	100.00	100.00
2) The accumulated loss of the Company as on 31.03.2004 was more than 50% of its average net worth during the year immediately preceding the financial year and the Company has also suffered cash loss during the year and immediately preceding financial year and as such falls within the definition of “sick industrial company” under Section 46(AA) (i) of the Companies (Second Amendment) Act 2002.		
<p>The Company has made reference to Board of Industrial &amp; Financial Reconstruction (BIFR) during September 2004 and registered by them as case No.505/2004 during November 2004. The Company was declared sick company u/s. 3(1) (o) of the Sick Industrial Companies (Special Provisions) Act, 1985 vide BIFR proceedings dated 04.08.2005 and SBI was appointed as the Operating Agency (OA) u/s.17(3) of the Act to examine and prepare a viability study report for revival of the Company and they have been directed to issue advertisement inviting proposal for Joint Venture or Merger of the Company.</p>		
3) The Company commissioned Mini Hydel Power Plant at Malaprabha, Karnataka with a capacity of 2.4 MW on 15.10.1999. As per the agreement dated 17.06.1993 entered into with the Government of Karnataka, the land is leased to the company for a period of 40 years and captive unit will vest the Govt. of Karnataka on completion of 40 years from 15.10.1999. The Company has capitalized the cost of the plant in its books and it would stand depreciated within 20 years, with a residual value of 5%.		
4) In respect of unsecured loans, unpaid instalments and interest are detailed below:		
<b><u>Term Loan from GOI (Plan &amp; Non-Plan) :</u></b>		
i) Instalments due for the year	903.72	1071.21
Cumulative installments due	8965.91	8062.19
ii) Interest due for the year	2506.62	2452.11
Cumulative interest due	18490.92	15984.30



( ` in Lakhs)

**31.03.2011**    **31.03.2010**

5) Contract Work-in-Progress includes revenue due on jobs completed, but not billed due to Non-completion of final testing / inspection by customers.		
6) Sundry Debtors include certain disputed balances, which are under various stages of negotiations and follow-up with the customers. Provisions, if any, towards doubtful amounts would be made on completion of such negotiations / follow-up. The Company is confident of recovery of these amounts based on the facts of the dispute and past experience, as these amounts are due from Government Departments. (No confirmations have been obtained in respect of such balances). However, based on analysis of each account, additional provision for doubtful debts have been made during the earlier years, in line with para-5 of Significant Accounting Policies (Schedule 11.2).		
7) Sundry Creditors, other liabilities, Sundry Debtors, claims recoverable, Deposits and Advances include some old / unlinked balances pending reconciliation / adjustment. No confirmations have been obtained in respect of such balances. Adjustments as necessary will be accounted for in the years of reconciliation / settlement / realisation of the respective balances.		
8) As the information on Sundry Creditors registered as SSI units & Micro, Small and Medium Enterprises are not available with the Company, specific disclosure of dues to SSI units & Micro, Small and Medium Enterprises, if any, could not be made. Consequently no provision for interest liability that may arise has been made.		
9) Winding-up petitions have been filed by four suppliers against the Company for realization of their dues, along with penal interest. The Company has been granted permission to repay in suitable instalments. However, the Company has not paid the stipulated instalments.	14.80	14.80
In respect of two suppliers, company petitions have been Stayed in High Court during the pendency of the proceeding before the BIFR	77.47	79.64
In respect of one supplier, Company petition has been dismissed by the High court and advised parties to settle the issue between the two Ministries. (Liabilities for the above fully provided in the books)	217.21	219.41
10) Wage / Salary revision in respect of workmen and staff is due from 01.01.1999 and in respect of executives is due from 01.01.1997. Pending finalization / implementation, no provision has been made in the accounts for the arrears payable from the due dates till 31.3.2011. The Company has made payments as interim relief to the eligible employees and retained the same as "Advances to Employees" under Loans and Advances – Schedule 5.4.	44.01	41.53

TUNGABHADRA STEEL PRODUCTS LIMITED 2010-11



(` in Lakhs)

**31.03.2011** **31.03.2010**

11) The Reconciliation of Govt. of India loans and interest thereon between TSPL and Dept. of Heavy Industries is reconciled up to year ending 31st March 2010. The difference in Govt. of India loan (` 48 lakh) and interest (` 18.85 lakh). The difference is due to that DHI is yet to consider the revised BYNL letter dated 25.1.2008, where-in the TSPL dues revised from ` 141 lakh to ` 93 lakh.

**12) Segment reporting as per AS-17**

The Management evaluates the company's performance and allocates the resources based on the analysis and various performance indicators by business/product segments i.e.

- (i) Hydro Mechanical Equipment's & Steel Structural
- (ii) Power generation

There are no inter segments transfer for the company.

**Information about business segments :**

(` In lakh)

Particulars	Fabrication of Hydro Mechanical Equipment's & Steel structural		Power generation		Consolidated total	
	Current Year 2010-11	Previous Year 2009-10	Current Year 2010-11	Previous Year 2009-10	Current Year 2010-11	Previous Year 2009-10
REVENUE	184.24	54.90	127.51	162.43	311.75	217.33
SEGMENT RESULT	-2679.03	-2679.54	66.76	102.75	-2612.27	-2576.79
OTHER INFORMATION						
Segment Assets	977.42	1117.12	449.65	460.63	1427.07	1577.75
Segment Liabilities	32473.51	30011.99	59.88	59.81	32533.39	30071.80
Fixed Assets	143.41	150.81	360.13	408.49	503.54	559.30

**13) Disclosure on 'Leases' as per AS -19 :**

a. Where the Company is a lessee :-

- i) The Company has taken land on lease from Govt. of Karnataka for Mini Hydel Plant at Malaprabha.
- ii) Lease payments are recognized in the Profit & Loss Account.

b. Where the Company is a lessor :

- i) The Company has permitted to use residential premises in the township by the ex-employees of TSPL, employees of State Govt. & teachers on monthly license fee basis.



- 14) Impairment of assets as per AS-28:  
The Company has not made an assessment of any indicators that may lead to impairment of its assets and hence not accounted for the loss arising there-from.
- 15) No interest provision is made on cash credit loan availed from State Bank of India for the period from 28.02.2005 to 31.03.2011 as the account became NPA and the interest is not being charged by the Bank. The interest so not charged to account up to 31.03.2011 is ₹ 2529.72 lakh (Previous year ₹ 2039.40 lakh).
- 16) No provision is made for income tax liability as the Company does not have any taxable income during the year. Income-tax assessments have been completed upto the financial year 2007-08. The provisions of AS-22 for Deferred Tax are not applicable in view of the continuing carried forward of losses. The appeals filed by the company before the CIT (Appeals), Hubli in respect of AY 2006-07, 2007-08 & 2008-09 for additions made under Sec. 43B and other disallowances are pending disposal. Consequent to this penal action initiated against the company are kept in abeyance by the Tax Authorities.

### 17. (a) Disclosure on Provisions ( in compliance of AS-29)

(As per Actuarial Valuation for Gratuity & Leave Encashment)

( ₹ in Lakhs)

Particulars	At the beginning of the year	Addition during the year	Used during the year	At the end of the year
Provision for Gratuity	142.61	18.97	5.93	155.65
Provision of Leave Encashment	58.75	14.98	11.28	62.45

### 17. (b) Disclosure of Employee Benefits – As per AS-15 (Revised)

PARTICULARS	FOR GRATUITY ( ₹ )		FOR LEAVE ENCASHMENT( ₹ )	
	2010-11	2009-10	2010-11	2009-10
<b>1 Assumptions</b>				
Discount Rate	8%	8%	8%	8%
Salary Escalation	4%	4%	4%	4%
Mortality rate	1%	1%	1%	1%
Mortality Table	LIC (1994-96)		LIC (1994-96)	

<b>2 Present Value of the defined benefit obligation</b>				
Present value of obligation as at beginning of the year	14261371	12098473	5875254	5096503
Interest cost	1140910	967877	470020	407720
Current service cost	503452	644543	110131	232067
Benefits paid	(593500)	(547731)	(1128094)	(762790)
Actuarial (gain)/Loss on obligation	253212	1098209	917510	901754
Present value of obligation as at end of the year	15565445	14261371	6244821	5875254

<b>3 Expenses recognized in statement of Profit &amp; Loss</b>				
Interest cost	1140910	967877	470020	407720
Current service cost	503452	644543	110131	232067
Net Actuarial (gain)/Loss recognized in the year	253212	1098209	917510	901754
Expenses recognized in statement of Profit & Loss	1897574	2710629	1497661	1541541



### 18. (a) Licensed Capacity, Installed Capacity and Production

Particulars	Licensed	Installed	Production	
			2010-11	2009-10
Fabrication of Hydro Mechanical Equipment's & Steel Structural (MT)	10000	8213	297	141
Power Generation (Units in lakh)	50.90 (2.4 M.W)	50.90 (2.4 M.W)	38.580	50.244

**NOTE:** There is no change in the capacities during the year. Production is not of standard nature. It is undertaken on specific requirement of customers. The figures furnished above are based on fabrication completed on various work orders.

### 18. (b) Raw Materials consumed:

(` In lakh)

Particulars	2010-11		2009-10	
	Qty (MT)	Value	Qty (MT)	Value
Iron & Steel including stainless steel	417.533	150.60	160.281	58.17
Steel Castings	0	0.00	0	0.00
Others		18.46		8.58
<b>Total</b>		<b>169.06</b>		<b>66.75</b>

### 18. (c) Sales:

(Value ` In lakh)

Particulars	2010-11		2009-10	
	Qty	Value	Qty	Value
Fabrication of Hydro Mechanical Equipment's & Steel Structural and related services (MT)	325.88	184.24	61.35	54.90
Power generation (Units in lakh)	38.58	127.51	50.244	162.43
<b>Total</b>		<b>311.75</b>		<b>217.33</b>



		(` in Lakh)	
		31.03.2011	31.03.2010
19.	Expenditure in foreign currency.	Nil	Nil
20.	Foreign Exchange Earnings:	Nil	Nil
21.	CIF value of import components	Nil	Nil
22.	Value and percentage of Raw Materials, boughtout Stores and Spares consumed:		
(i)	Value:		
	Imported	0	0
	Indigenous	169.06	66.75
(ii)	Percentage:		
	Imported	0	0
	Indigenous	100	100
23	(a) Figures has been rounded off to thousands and disclosed in lakh.		
	(b) Previous year's figures have been re-grouped, where-ever necessary, so as to confirm to that of the current year.		



## SCHEDULE - 11.2

### SIGNIFICANT ACCOUNTING POLICIES

#### 1. GRANTS-IN-AID

Capital/Revenue Grant-in-aid received is reduced from the concerned capital/revenue expenditure.

#### 2. FIXED ASSETS

##### 2.1 CAPITALISATION :

- i) Gross Block is stated at historical cost.
- ii) Internally fabricated equipments are valued at factory cost.
- iii) Buildings are capitalized on the basis of completion certificate. All other assets are capitalized on issue to the user.
- iv) Additions to Fixed Assets of individual value of ` 5000/- and below each are written off to expenditure.
- v) Gain /loss from disposal of assets is credited/ charged to Profit and Loss Account.

##### 2.2 DEPRECIATION :

- i) Depreciation on fixed assets is provided on Straight Line Method as per rates prescribed in Schedule XIV of the Companies Act.
- ii) Extra shift depreciation is provided considering the entire plant as one unit.

#### 3. VALUATION OF INVESTMENTS

The carrying amount for Investments is the lower of cost and fair value / quoted value and in respect of long term investments, where there is permanent decline in the value of such investments, the carrying amount is reduced to recognize the decline.

#### 4. VALUATION OF INVENTORY

##### 4.1. RAW MATERIALS, COMPONENTS, STORES AND SPARE PARTS AND OTHER MATERIALS:

- Raw materials, components, stores and spares and useful off-cuts are valued at the lower of cost and net realizable value.
  - The cost comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition and is arrived at by the weighted average method.
- i) Scrap and residuals such as zinc ash, zinc dross, shearings and borings etc., are valued at net realizable value.

- ii) Materials issued by customers on recovery basis for execution of their orders are brought on the Company's inventory and accounted as consumption on issue. Materials received on free issue basis are not brought on the Company's inventory.

- iii) Spares received along-with purchase of machinery is taken into inventory at cost. Where break-up of cost of such spares is not available, only numerical account is maintained.

- iv) Stationery and medicines are charged as expenditure on purchases.

- v) Provision towards non-moving inventory is made based on the recommendations of the Technical Evaluation Committee.

##### 4.2 LOOSE TOOLS :

Loose tools costing individually of ` 250 or less are charged off on issue and those whose individual value exceeds ` 250 are charged off equally in five years including the year of issue.

##### 4.3 CONTRACT WORK-IN-PROGRESS :

- i) Value of Contract Work-in-progress at the close of the accounting period is based on technical evaluation with reference to the stage of progress of work and is expressed as percentage completion of the contracted activity. The WIP is stated at lower of the cost plus estimated profit or assessed sale value. Cost includes all expenditure that relate directly to a specific contract activity and those that are attributable to the contract activity in general and can be allocated to specific contracts.

- ii) Minor contracts up-to ` 5 lakh are not evaluated as above but stated at lower of the cost or assessed sale value

#### 5. SUNDRY DEBTORS :

Sundry Debtors are mainly State Governments and Government Undertakings. The balances are reviewed periodically for their realisability. In respect of debts outstanding for more than 15 years, provision for doubtful debts are made in the books of account in the respective years.

#### 6. PREPAID EXPENSES

Expenses are accounted under prepaid expenses only when the amounts relating to un-expired period exceed ` 10000 in each case.

#### 7. FOREIGN CURRENCY TRANSACTIONS

Revenue, expenses and cash-flow items denominated in foreign currencies are translated





into reporting currency using the exchange rate in effect on the date of the transaction. Transaction gains or losses realized on settlement of foreign currency transactions are included in determining net profit for the profit or loss for the period in which the transaction is settled.

Monetary items designated in foreign currency which includes money held, assets and current liabilities to be received or paid in fixed or determinable amounts of money are stated at exchange rate prevailing on the Balance Sheet date by recognizing net income / expenses arising on account of exchange rate variation. Non-monetary assets and liabilities denominated in foreign currency are translated at the exchange rate prevalent at the date of the transaction.

## 8. VOLUNTARY RETIREMENT EXPENSES

The expenditure incurred in respect of payment towards Voluntary Retirement Scheme (VRS) is accounted during the year itself.

## 9. MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)

### 9.1 TECHNICAL KNOW-HOW FEE

Technical know-how fee paid under collaboration agreement for the technology obtained for development and manufacture of new/diversified products are treated as Deferred Revenue Expenditure to be written off over a period of its expected use, commencing from the year in which the first commercial production is taken up with the help of such technology.

## 10. REVENUE RECOGNITION ON CONTRACTS :

### (A) ON CONTRACT

- i) Revenue is recognized in accordance with AS-7 : Accounting for Construction Contracts issued by the Institute of Chartered Accountants of India. The revenue is ascertained on the basis of "Percentage of completion method". Profit computed on the following basis is taken credit for every accounting year:

Percentage completion of contract activity	Percentage Profit recognized
0 - 29	Nil
30 - 49	45
50 - 89	80
90 - 99	95
100 -	97.5

- ii) Claims preferred on customers as per terms of the contract are accounted as sales.
- iii) Escalation claims up-to the completion dates stipulated in the contract is accounted on accrual basis as sales. Other claims on contracts are accounted on receipt basis.

## (B) ON SALE OF POWER GENERATION

Claims preferred on Hubli Electricity Supply Company Ltd., (Previously Karnataka Power Transmission Corporation Ltd.) for the power units generated during the month are accounted as Sales.

## 11. CLAIMS

### 11.1 BY THE COMPANY :

Claims by the Company for export incentives, duty drawback and on insurance/carriers are accounted as and when they are preferred.

### 11.2 CLAIMS AGAINST THE COMPANY :

Claims against the Company are accounted on acceptance of claim by the Company.

## 12. RESEARCH AND DEVELOPMENT EXPENDITURE

Research & Development expenditure is charged to Profit & Loss Account in the year such expenditure is incurred. However expenditure on fixed assets relating to Research and Development is treated in the same way as other fixed assets.

## 13. RETIREMENT BENEFITS

### 13.1 GRATUITY :

Present liability of gratuity to employee's payable at future date is provided on actuarial basis.

### 13.2 LEAVE ENCASHMENT ON RETIREMENT :

Present liability towards encashment of leave on retirement of employees is provided on actuarial basis.

## 14. WARRANTY :

Expenditure towards warranty obligations is accounted when incurred.

## 15. PRIOR PERIOD TRANSACTIONS

- i) Income/Expenditure relating to prior period in the nature of error or omission, which do not exceed ₹ 50000 in each case, are treated as Income/Expenditure of the current year.
- ii) Direct expenses/income relating to the jobs in progress is charged to the jobs irrespective of the amount.



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011

	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
(` in Lakhs)		
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) for the year	-2612.27	-2576.79
Adjustments for -		
Depreciation charge for the year	56.77	56.67
	<u>-2556.50</u>	<u>-2520.12</u>
Adjustments for -		
Increase / Decrease in Inventories	23.87	-25.23
Increase / Decrease in Loans & Advances	11.74	28.27
Increase / Decrease in Debtors	72.43	-30.92
Increase / Decrease in Liabilities	-197.56	10.49
Increase / Decrease in Provisions	16.74	29.41
	<u>-72.78</u>	<u>12.02</u>
<b>Net Cash Flow from Operating Activities (A)</b>	<u>-2629.28</u>	<u>-2508.10</u>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Increase in Fixed Assets	-0.35	-0.35
Decrease in Fixed Assets	0.34	0.00
<b>Net Cash Flow from Investing Activities (B)</b>	<u>-0.01</u>	<u>-0.35</u>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase in Secured loan	-74.22	-209.31
Increase in Un-Secured loan	2716.63	2651.54
<b>Net Cash Flow from Financing Activities (C)</b>	<u>2642.41</u>	<u>2442.23</u>
<b>Net increase/decrease in Cash &amp; Cash equivalent (A+B+C)</b>	<b>13.12</b>	-66.22
<b>(D) Cash &amp; Cash equivalent as on 1st April 2010</b>	<b>259.95</b>	326.17
Cash & Cash equivalent as on 31st March 2011	<b>273.07</b>	259.95

As per our report of even date  
**For B.R. Vasudeva Murthy**  
Chartered Accountants  
Firm Regn. No. 004561S

**B.R. VASUDEVA MURTHY**  
Partner (M. No. 11561)

Place : Bangalore  
Date : 25.05.2011

For and on behalf of Board of Directors  
**TUNGABHADRA STEEL PRODUCTS LIMITED**

**DEBASIS JANA**  
Director, DHI

**A.K.JAIN**  
Chairman & Managing Director

**K.SREENIVASA PRASAD**  
Dy.Manager (Fin.) &  
Company Secretary I/c



**INFORMATION PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956**  
**Balance sheet abstract and Company's General Business Profile**

**I. Registration Details**

Corporate Identity Number(CIN) of Company  State Code   
 Balance Sheet Date

**II. Capital raised during the year (Amount in ` Thousands)**

Public Issue	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Rights Issue	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Bonus Issue	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Private Placement	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

**III. Position of Mobilisation and Deployment of Funds (Amount in ` Thousands)**

Sources of Funds	Total Liabilities	<input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="5"/> <input type="text" value="1"/> <input type="text" value="3"/>	Total Assets	<input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="5"/> <input type="text" value="1"/> <input type="text" value="3"/>
	Paid-up Capital	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="8"/> <input type="text" value="4"/> <input type="text" value="3"/> <input type="text" value="5"/> <input type="text" value="0"/>	Reserves & Surplus	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="0"/> <input type="text" value="0"/>
	Secured Loans	<input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="8"/> <input type="text" value="8"/> <input type="text" value="0"/> <input type="text" value="7"/>	Un Secured Loans	<input type="text" value="2"/> <input type="text" value="7"/> <input type="text" value="6"/> <input type="text" value="7"/> <input type="text" value="3"/> <input type="text" value="5"/> <input type="text" value="6"/>
Application of Funds	Net Fixed Assets	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="3"/> <input type="text" value="5"/> <input type="text" value="4"/>	Investments	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="0"/> <input type="text" value="0"/>
	Net Current Assets	<input type="text" value="-"/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="4"/> <input type="text" value="8"/> <input type="text" value="2"/> <input type="text" value="3"/>	Misc.Expenditure	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="0"/> <input type="text" value="0"/>
	Accumulated Losses	<input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="4"/> <input type="text" value="9"/> <input type="text" value="8"/> <input type="text" value="2"/>		

**IV. Performance of Company(Amount in ` Thousands)**

Turnover / Other Income	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="5"/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="2"/>	Total Expenditure	<input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="5"/> <input type="text" value="9"/>
Profit/Loss before Tax	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>	Profit/Loss after tax	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>
+ -	<input checked="" type="checkbox"/> <input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="7"/>	+ -	<input checked="" type="checkbox"/> <input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="7"/>

Please tick appropriate box + for Profit - For Loss

Earning Per Share in `	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Dividend RATE %	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
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**V. Generic Names of three principal products/services of the Company**  
 (as per monetary terms)

Product Description	Item Code No
<input type="text" value="S"/> <input type="text" value="T"/> <input type="text" value="R"/> <input type="text" value="U"/> <input type="text" value="C"/> <input type="text" value="T"/> <input type="text" value="U"/> <input type="text" value="R"/> <input type="text" value="A"/> <input type="text" value="L"/> <input type="text" value="S"/>	<input type="text" value="3"/> <input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="2"/>
<input type="text" value="C"/> <input type="text" value="R"/> <input type="text" value="A"/> <input type="text" value="N"/> <input type="text" value="E"/> <input type="text" value="S"/>	<input type="text" value="3"/> <input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="2"/>
<input type="text" value="P"/> <input type="text" value="E"/> <input type="text" value="N"/> <input type="text" value="S"/> <input type="text" value="T"/> <input type="text" value="O"/> <input type="text" value="C"/> <input type="text" value="K"/> <input type="text" value="S"/>	<input type="text" value="3"/> <input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="2"/>
<input type="text" value="P"/> <input type="text" value="O"/> <input type="text" value="W"/> <input type="text" value="E"/> <input type="text" value="R"/> <input type="text" value=""/> <input type="text" value="G"/> <input type="text" value="E"/> <input type="text" value="N"/> <input type="text" value="E"/> <input type="text" value="R"/> <input type="text" value="A"/> <input type="text" value="T"/> <input type="text" value="I"/> <input type="text" value="O"/> <input type="text" value="N"/>	

As per our report of even date  
**For B.R. Vasudeva Murthy**  
 Chartered Accountants (Firm Regn. No. 004561S)  
**B.R. VASUDEVA MURTHY**  
 Partner (M. No. 11561)

For and on behalf of Board of Directors  
**TUNGABHADRA STEEL PRODUCTS LIMITED**

**DEBASIS JANA**  
 Director, DHI

**A.K.JAIN**  
 Chairman & Managing Director

**Place : Bangalore**  
**Date : 25.05.2011**

**K.SREENIVASA PRASAD**  
 Dy.Manager (Fin.) & Company Secretary I/c



## TEN YEAR DIGEST

(` in Lakhs)

S.No	Particulars	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02
1.	Value of Production	288	263	138	254	200	235	336	737	1084	1502
2.	Sales	312	219	122	338	511	720	817	1290	1133	1560
3	Gross Profit before depreciation, Int & Tax	-49	-68	428	345	-1847	-1358	-3790	-2960	280	509
4	Depreciation	56	57	60	61	64	66	71	83	154	151
5	Gross Profit	-105	-125	368	284	-1911	-1424	-3861	-3043	126	358
6	Interest										
	a) Government	2507	2452	2201	2033	1669	1272	1101	4775	—	—
	b) Others	0	0	10	296	170	312	722	431	388	424
7	Profit before Tax	-2612	-2577	-1843	-2045	-3749	-3008	-5753	-9998	-263	-66
8	Provision for Tax	0	0	1	1	1	1	0	—	—	—
9	Profit after Tax	-2612	-2577	-1844	-2046	-3750	-3009	-5753	-9998	-263	-66
10	Gross Block	2087	2087	2087	2086	2122	2122	2167	2171	2213	2234
11	Net Block	503	559	616	674	737	801	870	941	1026	1115
12	Working Capital	-19617	-16265	-13846	-12924	-10954	-10065	-7820	-3670	3682	4618
13	Long Term Loans	10171	9928	9684	9629	9654	6976	6558	5251	1006	3973
14	Short term Loans incl. Cash Credit	1688	1762	1972	2024	2024	1759	1612	1447	1894	1801
15	Share Capital	844	844	844	844	844	844	844	844	2174	844
16	Reserves & Surplus	0	0	0	0	0	0	0	—	—	172
17	Capital Employed	-19114	-15706	-13230	-12416	-10216	-9264	-6950	-2729	4708	5733
18	Net Worth	-31106	-28494	-25917	-24073	-22028	-18277	-15311	-9624	1638	532
19	No. of employees	100	101	104	109	109	342	348	418	455	513
20	Value added	89.54	163.36	92.86	195.00	345.10	368.34	-125	-720	455	1057
21	Salaries, wages & benefits	263	249	222	215	694	697	1028	825	871	1489
22	Value added per employee	0.89	1.61	0.89	1.78	3.16	1.07	-0.36	-1.72	1.00	2.06
23	Value added per Rupee of wages (Rs)	0.34	0.65	0.42	0.90	0.49	0.53	-0.12	-0.67	0.69	1.01
24	Contribution to Exchequer	15	4	99	22	14	51	46	42	69	43
25	Internal Resource Generation	0	0	0	0	-	-	-	-	-	85
26	Export incl. deemed export	0	0	0	0	0	0	0	-	-	355
27	Salaries and wages to Sales (%)	84.29	113.69	181.97	63.61	135.00	96.80	125.83	65.32	58.25	33.76
28	Material consumption to production (%)	58.70	25.38	23.72	7.95	67.5	34.18	71.85	145	68.73	38.28
29	Inventory No. of days production	73	113	147	92	177	383	706	916	1065	818
30	Sundry Debtors No. of days Turnover	512	849	1432	1188	722	644	471	815	943	815