

11th
Annual Report
2002-2003

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For **ASHIANA ISPAT LTD.**


Company Secretary

ASHIANA ISPAT LIMITED

(AN ISO 9001-2000 COMPANY)

BOARD OF DIRECTORS

- | | |
|----------------------------|-----------------------|
| 1. Shri Naresh Chand | - Managing Director |
| 2. Shri Sukhbir Singh Jain | - Director |
| 3. Shri Neeraj Jain | - Whole Time Director |
| 4. Shri Sanjay Jain | - Director |
| 5. Shri Puneet Jain | - Whole Time Director |
| 6. Shri Ajay Kumar Sharma | - Director |
| 7. Shri Raj Kumar Jain | - Director |

COMPANY SECRETARY

Harun Rashid Ansari

REGD. OFFICE & WORKS :

A-1116, Phase-III, RIICO Industrial Area,
Bhiwadi-301 019, Distt. Alwar (Rajasthan)
E-mail : ail.com@indiatimes.com

CORPORATE OFFICE :

C-9/25, Sector-8,
Rohini, Delhi-110 085

AUDITORS :

M/s S. Singhal & Company
Chartered Accountants
E-127, Industrial Area
Bhiwadi-301 019, Distt. Alwar (Rajasthan)

SHARE TRANSFER AGENT :

Intime Spectrum Registry Ltd.
A-31, IIIrd Floor, Naraina Industrial Area,
Phase-I, New Delhi-110028
Ph.: 51410592-94

BANKERS :

State Bank of Bikaner & Jaipur
Kamal Cinema Building
Safderjung Enclave
New Delhi-110029

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NOTICE

NOTICE is hereby given that the 11th Annual General Meeting of the members of the Company will be held on Saturday the 30th day of August, 2003 at 11.00 A.M. at the Registered Office of the Company at A-1116, RIICO Industrial Area, Phase-III, Bhiwadi-301019, Alwar (Rajasthan), to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2003 and the Profit & Loss Account as on that date together with the reports of the Auditors' and Directors' thereon.
2. To appoint a Director in place of Shri Sukhbir Singh Jain who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Sanjay Jain who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors of the Company and to fix their remuneration. M/s S. Singhal & Co., Chartered Accountants, Bhiwadi retire at the Annual General Meeting and being eligible offer themselves for re-appointment.

SPECIAL BUSINESS :

5. To consider and if thought fit to pass, with or without modification(s), the following resolution as Ordinary Resolution :

"RESOLVED THAT in accordance with the provisions of Section 198, 269 read with Schedule XIII, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and in terms of Article 64 of the Articles of Association of the Company, consent of the company be and is hereby accorded to the appointment of Mr. Puneet Jain as Whole Time Director of the Company w.e.f. 20th January 2003 for a period of five years upon such terms and conditions and remuneration as detailed below and with such powers and duties as may from time to time require him to exercise :

Remuneration Rs. 25,000.00 P.M.

Perquisites :

1. As per the Rules of the Company.
2. Leave Travel Concession for self and family in accordance with the Rules of the Company.
3. Leave on full pay and allowance as per the Rules of the Company.
4. Gratuity payable as per the Rules of the Company.
5. Benefits of Provident Fund and Superannuation fund as per Rules of the Company.
6. Benefits of mediclaim as per Rules of the Company.

"RESOLVED FURTHER THAT the remuneration payable to Mr. Puneet Jain will be governed in accordance with section II of Part II of Schedule XIII of the Companies Act, 1956, in the event of the Company suffering loss or having inadequate profits in any accounting year."

6. To consider and if thought fit to pass, with or without modification(s), the following resolution as Ordinary Resolution :

"RESOLVED THAT in accordance with the provisions of Section 198, 269 read with Schedule XIII, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and in terms of Article 64 of the Articles of Association of the Company, consent of the company be and is hereby accorded to the appointment of Mr. Neeraj Jain as Whole Time Director of the Company w.e.f. 20th January 2003 for a period of five years upon such terms and conditions and remuneration as detailed below and with such powers and duties as may from time to time require him to exercise :

Remuneration Rs. 25,000.00 P.M.

Perquisites :

1. As per the Rules of the Company.
2. Leave Travel Concession for self and family in accordance with the Rules of the Company.
3. Leave on full pay and allowance as per the Rules of the Company.
4. Gratuity payable as per the Rules of the Company.
5. Benefits of Provident Fund and Superannuation fund as per the Rules of the Company.
6. Benefits of mediclaim as per the Rules of the Company.

"RESOLVED FURTHER THAT the remuneration payable to Mr. Neeraj Jain will be governed in accordance with section II of Part II of Schedule XIII of the Companies Act, 1956, in the event of the Company suffering loss or having inadequate profits in any accounting year."

7. To consider and if thought fit to pass, with or without modification(s), the following resolution as Special Resolution :

"RESOLVED THAT in terms of SEBI (Delisting of Securities) Guidelines, 2003, and also Guidelines / Notifications issued / to be issued by SEBI from time to time and subject to the provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted hereinafter) and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as 'the Board', which term shall deem to include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution), consent is hereby accorded to the Board to get the Equity Shares of the Company be delisted from the Stock Exchanges, Magadh Stock Exchange Association Limited, Patna, Delhi Stock Exchange Association Limited, New Delhi and Jaipur Stock Exchange Limited, Jaipur.

8. To consider and if thought fit to pass, with or without modification(s), the following resolutions as Ordinary Resolution :

"RESOLVED THAT Shri Ajay Kumar Sharma a Director who was appointed as an Additional Director as per the provisions of Section 260 of the Companies Act, 1956 and Article 77 of the Articles of Association by the Board of Directors in their meeting held on 20.01.2003 and who holds office as such upto the date of 11th Annual General Meeting and in respect of whom notices under Section 257 of the Companies Act, 1956 have been received from members signifying their intention to propose Shri Ajay Kumar Sharma as a candidate for the office of Director of the Company be and is hereby appointed as a Director of the Company liable to retire by rotation."

9. To consider and if thought fit to pass, with or without modification(s), the following resolution as Ordinary Resolution :

"RESOLVED THAT Shri Raj Kumar Jain a Director who was appointed as an Additional Director as per the provisions of Section 260 of the Companies Act, 1956 and Article 77 of the Article of Association by the Board of Directors in their meeting held on 20.01.2003 and who holds office as such upto the date of 11th Annual General Meeting and in respect of whom notices under Section 257 of the Companies Act, 1956 have been received from members signifying their intention to propose Shri Raj Kumar Jain as a candidate for the office of Director of the Company be and is hereby appointed as a Director of the Company liable to retire by rotation."

By order of the Board of Directors

Sd/-
(NARESH CHAND)
Chairman

Place: Delhi
Date : 20.05.2003

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll, in his/her stead. The proxy need not be a member of the Company.
2. Proxies in order to be effective, must be received by the Company at the Registered Office address not less than 48 hours before the meeting.
3. The Register of Members and Share Transfer Register shall remain closed with effect from 18th August, 2003 to 23rd August, 2003 (both days inclusive)
4. The Shareholders are requested to communicate to the Registrar & Transfer Agent, change in address, if any at the address given in the Annual Report.
5. Members are requested to preferably send their queries to the Registered Office 7 days before the date of AGM.
6. Shareholders are requested to bring their copy of Annual Report to the Meeting.
7. Members / Proxies should fill Attendance Slip for attending the meeting.

8. In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
10. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the company on all working days between 11.00 a. m. and 2.00 p. m. up to the date of the Annual General Meeting.
11. Corporate Members intending to send their authorized representative are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 5 & 6

Sh. Puneet Jain is a graduate and the youngest Director on the Board with more than 8 years of business experience. He had made significant contribution for the development of the R&D and Technical Division of M/s. Kamdhenu Ispat Limited during his tenure of directorship.

Shri Neeraj Jain is a commerce graduate with more than 17 years of business experience. He is one of the founder members of Kamdhenu Ispat Limited a rolling mill situated at Bhiwadi, Rajasthan. He had made a significant contribution in the formation of strategic alliance, planning, production and distribution.

In recognition of his wide experience in steel industry they were appointed as Whole-time Director on the Board of your company.

The members are requested to accord their approval for the appointment of Sh. Puneet Jain and Shri Neeraj Jain by passing the resolutions set out at Sr. No. 5 & 6 of the notice.

Shri Naresh Chand, Shri Sukhbir Singh Jain and Shri Sanjay Jain may be deemed to be interested in the resolution as they are related to each other.

This may be treated as the abstract of the terms and conditions of the re-appointment of the above Directors under Section 302 of the Companies Act, 1956.

ITEM No. 7

At present equity shares of our company are listed on the following Stock Exchanges:

1. Magadh Stock Exchange Association Ltd., Patna
2. The Delhi Stock Exchange Association Ltd., New Delhi
3. Jaipur Stock Exchange Association Limited, Jaipur, and
4. The Stock Exchange, Mumbai

Trading volumes on Magadh, Jaipur and Delhi Stock Exchanges are negligible and better to say that the shares are not traded at all. Your Company's shares are listed with Mumbai Stock Exchange having nation wide terminals. With net working facilities of BSE, the members of the company have access to on-line dealings in the Company's Equity Shares across the country.

SEBI vide Circular SMD /Policy/Cir-7/2003 dated 17th February, 2003 issued fresh guidelines for Delisting of Securities. Pursuant to Clause 5.2 relating to delisting of Securities (Voluntary) of a Listed Company, an EXIT opportunity need not be given in cases where securities continue to be listed in a Stock Exchange having nationwide terminals.

Board of Directors considering the matters relating to non-trading of the shares, cost reduction measure and availability of nation wide net working facilities of BSE decided to delist the shares from stock exchanges Patna, Jaipur and Delhi. The proposed delisting of the Company's Equity Shares from Patna, Jaipur and Delhi Stock Exchanges will not adversely effect any investor including the members in these regions because Company's Equity Shares will continue to be listed on Bombay Stock Exchange (BSE) having nation wide terminals.

The members are requested to accord their approval for delisting of the Company's Equity Shares from Patna, Jaipur and Delhi Stock Exchanges by passing the resolutions set out at Sr. No.7 of the notice.

None of the directors is in any way interested or concerned in the resolution.

ITEM NO. 8

Shri Ajay Kumar Sharma a Law graduate and C.S. (Intr.) is a highly qualified personality had been appointed on the Board as an Additional Director and his tenure is going to end with

the conclusion of this Annual General Meeting. Board of Directors considering his qualification and services rendered by him felt satisfaction and recommend for his appointment as director liable to retire by rotaion. The members are requested to accord their approval.

None of the directors is in any way interested or concerned in the resolution.

ITEM NO. 9

Shri Raj Kumar Jain a young and dynamic person having vast exposure of controlling and monitoring the distribution system had been appointed on the Board as an additional Director and his tenure is going to expire with the conclusion of this Annual General Meeting. Board of Directors considering his experiences and services rendered by him felt satisfaction and recommend for his appointment as director liable to retire by rotaion. The members are requested to accord their approval.

None of the directors is in any way interested or concerned in the resolution.

By order of the Board of Directors

Place: Delhi
Date : 20.05.2003

Sd/-
(NARESH CHAND)
Chairman

EXPRESSION



Dear Shareowners,

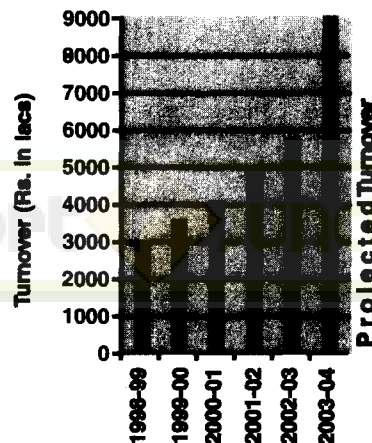
(Naresh Chand Jain)

I feel happy in sharing with you the development of our trade and industry that took place during the financial year under consideration. All achievements and developments are the result of your continuous support and faith in the management. Our management is continuously doing best efforts to bring the company on the path of development. I would like to share with you on the following matters and waiting for your valuable suggestions at the Annual General Meeting:

PERFORMANCE OF YOUR COMPANY

Despite of the sluggishness in the Iron & Steel Industry your Company has been continuously marching ahead on the path of success. The overall performance of the Company during the year under consideration has been satisfactory. The turnover of the Company was Rs. 5704.06 Lac which shows a growth of 14.68 % as compared to the previous year figure of 4971.86 Lac. The Company has also achieved a Net Profit before Tax Rs. 25.11 Lac as against Rs. 23.17 Lac during the previous year. We have planned a target to achieve the turnover of Rs. 9000.00 lac during the current financial year ending 31.03.2004.

Performance during the past five years and projection for the current financial in terms of turnover has been reproduced in the form of graph which shows continuous growth of your Company



BUSINESS OUTLOOK:

In comparison to the European Countries our country lacks behind in infrastructure. But we are committed to occupy a berth of developed nation by the year 2020. As the Govt. of India has already announced a number of measures to achieve this target. Dream project of our Hon'ble Prime Minister to connect all the Metro cities by eight lane highway is in progress. Govt. Policy to provide housing loan on soft rate of interest is also a major phenomenon to boost the steel industry. Any infrastructure, development and construction work can not get its shape without the use of reinforcement bar. And well-developed infrastructure is the parameter for measuring the development of the country. All this development and commitment predict the better future for steel industries in our country. Export business is also inevitable after the development of friendship with China. In this respect prospects of the steel industry are bright in our country.

Steel Industries and our products

We are an ISO 9001-2000 certified company by DNV Quality Evaluation System, Netherland. We have been manufacturing reinforcement bars of International quality for over a decade. We are committed to continue our journey to excellence. Heralding an era of growth, trust, faith and commitment to build India as an ABHEDYA ASHIANA,

Our products, an output of state-of-the art automatic plant coupled with German Technology, dominate market in quality and trust. The plant is fully automatic for Hot Rolling (HR) and Precision Twisting Techniques (PTT) manufacturing superior quality of saria (HSD/CTD/TMT) having edge over other manufacturers in terms of the following characteristic features:

❖ Tough Bond Strength

Ashiana Ispat Bars, designed with Special Deformed Pattern, build an extra strength between the bars and surrounding concrete and give invincible support to mammoth structures.

ASHIANA ISPAT LIMITED**❖ Superfine Weldability**

Superior and extra convenient work with low Carbon content in Ashiana Bars take care for excellent weldability and gives them an edge over conventional Cold Twisted Deformed Bars.

❖ Preferred Bendability

Tough outer surface and ductile core makes Ashiana Ispat the choice of seasoned and renowned builders and engineers, who look forward to hassle free ductility and bendability. Virtually an epitome of quality that is much superior to ISI standard.

❖ Strong Network - Instant Availability

Marketed through one of the widest dealer network, Ashiana Reinforcement Bars are readily available in wide range of 8 mm to 25 mm and feel happy in providing 6mm and 28mm or above on demand, in the entire stretch of Northern India instantly.

STRATEGY AND PLANNING:

We are concentrating on Research and Development and planning for substantial expansion of the production capacity and introduce the new products i.e. Galvanized / Rust proof Saria etc. We are further planning to install a new project of furnace for manufacturing the Ingot, which will be utilized as raw material for our finished products Saria (HSD Bars). Our new strategy will reduce the production cost and increase the profitability.

Services to Shareholders

Corporate Governance emphasizes the principle of self-governance. This principle may be new for rest of the world but since the time of civilization. Our glorious past taught us the lesson of self-governance. We have been following the spirit of Corporate Governance since the date of incorporation of the company but as per the guidelines of Regulatory Authority i.e. SEBI we were accountable to implement the same on or before 31.03.2003. We have implemented the same as per Clause 49 of the Listing Agreement well in time.

We have appointed M/s. Intime Spectrum Registry Limited, A - 31, IIIrd Floor, Naraina Industrial Area, Phase -I, New Delhi - 110 028 as registrar and request all the members to lodge their complaint with them for quick redressal of grievances, if any. You are also welcomed to write directly to us for any kind of grievances if any.

I wish all of you and pray to ALMIGHTY for your prosperity. Your continuous support is solicited. I assure to grow as per your expectation, where interest of all of us would be protected.

With best regards

(NARESH CHAND JAIN)

Managing Director

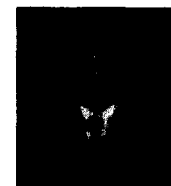
MANAGEMENT AT GLANCE

Ashiana Ispat Limited an ISO 9001:2000 Certified Company having a team of excellent managerial personnel. The Management of the Company is being governed by Whole Time dedicated personnel under the dynamic leadership of our Managing Director Shri Naresh Chand. Keeping the excellency, two new Whole Time Directors Shri Neeraj Jain and Shri Puneet Jain were appointed. They are the **key** personalities of the management.

Shri Neeraj Jain, a Commerce Graduate having more than 17 years of experience of Iron and Steel Industry. Before joining our team he was the Whole Time Director of M/s Kamdhenu Ispat Limited and his contribution towards the development of the Company in all respects has been significant. We are sure that his immense presence on our Board will act as a source of inspiration that leads towards the prosperity and development of the Company.



Shri Puneet Jain, a young person having dynamic personality and positive attitude with leadership quality having rich experience, is the another Whole Time Director, who was recently opted on our Board. His vision is to make optimum level of contribution as industrialist, to bring the Country in the category of Developed Nation. An impulsive characteristic feature of his personality will be very much beneficial for overall development of the Company.



ASHIANA ISPAT LIMITED**DIRECTORS' REPORT**

To

The Members,

The Directors have pleasure in presenting the 11th Annual Report and Audited Accounts for the Financial Year ended 31st March, 2003.

FINANCIAL RESULTS

(Rupees in Lac)

	2002-03	2001-02
1. Total Income	5693.17	5051.81
2. Profit before interest and depreciation	83.58	81.91
3. Interest	22.62	25.90
4. Depreciation	35.85	32.84
5. Profit/(Loss) for the year before tax	25.11	23.17
6. Balance (Cr.) brought forward from the previous year	29.94	09.59
7. Balance (Dr.) carried forward to Balance Sheet	00.31	29.94

DIVIDEND

The financial position of the company did not allow for recommendation of dividend. Therefore, the Directors regret their inability to recommend any dividend on the equity shares for the year 2002-2003.

PERFORMANCE OF THE COMPANY

The overall performance of the Company during the year under consideration has been satisfactory. The turnover of the Company was Rs. 5704.06 Lac which shows a growth of 14.68 % as compared to the previous year figure of 4971.86 Lac. The Company has also achieved a Net Profit before Tax Rs. 25.11 Lac as against Rs. 23.17 Lac during the previous year.

BUSINESS OUTLOOK:

Prospects of the steel industries are bright. Our country is committed to occupy the berth of developed nation by 2020. The Govt. of India has already announced a number of measures to achieve the target. Dream project of our Prime Minister to connect all the Metro cities by eight lane highway is in progress. Govt. Policy to provide housing loan on soft rate of interest is also a major phenomenon to boost the steel industries. Any infrastructure development and construction work can not get its shape without the use of reinforcement bar. And well-developed infrastructure is the parameter for measuring the development of the country. All this development and commitment predicts the better future for steel industry in our country. Export business is also inevitable after the development of friendship with China.

DIRECTORS:

Appointment / Re-appointment of Directors:

Shri Puneet Jain, who had been inducted on the Board as Whole-Time Director of the Company is a person of excellent personality, having more than 10 years of experience of the trade and industries. He is well known figure of steel industries

and during the tenure of Directorship product of Kamdhenu Ispat Limited achieved the heights and got popularity in the market. Board of Directors, keeping his track record of excellent performance inducted him on the Board, subject to your approval at the Annual General Meeting.

Shri Neeraj Jain, a Commerce Graduate is the tycoon of the steel industries. A great personality and founder member of Kamdhenu Ispat Limited having more than 12 years experience of the Iron & Steel Trade is known as synonymous for the Steel Industries. Your Board feels that his immense presence as Whole Time Director of the Company will open a new chapter of success.

Shri Ajay Kumar Sharma a Law graduate and C.S. (Intermediate) is a highly qualified personality had been appointed on the Board as a Additional Director and his tenure is going to end with the conclusion of the Annual General Meeting. Board of Directors considering his qualification and services rendered by him felt satisfactory and recommend his appointment as Director, liable to retire by rotation.

Shri Raj Kumar Jain a young and dynamic person having vast exposure of controlling and monitoring the distribution system, had been appointed on the Board as Additional Director and his tenure is going to expire with the conclusion of this Annual General Meeting. Board of Directors considering his experiences and services rendered by him felt satisfactory and recommend his appointment as Director, liable to retire by rotation.

The following Directors retire by rotation and are eligible for re-appointment

Shri Sukhbir Singh Jain is the senior most Director of your Company. His presence on the Board enlighten the younger generations and boost their moral to accept the challenges ahead. He is liable to retire by rotation and being eligible offers himself for reappointment.

Shri Sanjay Jain is a well qualified and experienced person having rich experience of Iron & Steel Industry. He is liable to retire by rotation and being eligible offers himself for re-appointment.

Resignation of Directors:

Sh. Satish Kumar Aggarwal, Sh. Pradeep Kumar Aggarwal, Sh. Sunil Kumar Aggarwal and Sh. Saurabh Aggarwal resigned from the Board. Board of Directors appreciates and takes on records their valuable contributions made in uplifting the company during their tenure.

AUDITORS

The auditors of the Company M/s S. Singhal & Co., Chartered Accountants, Bhiwadi hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. Your Directors and Audit Committee recommend their re-appointment. The requisite certificate pursuant to Section 224(1B) of the Companies Act, 1956, has been received.

FIXED DEPOSIT:

The Company did not accept any deposits covered under Section 58A of the Companies Act, 1956 during the year under review.

LISTING OF SECURITIES

At present the Securities of the Company are listed with the Magadh Stock Exchange Association Limited, Patna, the Stock Exchange Mumbai, the Delhi Stock Exchange Association Limited and the Jaipur Stock exchange Association Limited.

The Company proposes to delist the Equity Shares from all the Stock Exchange except the Stock Exchange Mumbai and the Board of Directors proposed a resolution to be passed by shareholders in this Annual General Meeting giving consent to delist the shares from the all stock exchanges except the BSE complying with the provisions of SEBI circular No. SMD/ Policy/ Cir-7/2003 or any other Rules as applicable at the time Delisting takes place.

DEPOSITORY SYSTEM:

As per the SEBI Guidelines to have a Common Share Transfer Agent for all of the works related to Physical and Demat form of shares, M/s. Intime Spectrum Registry Limited of A-31/III Floor, Naraina Industrial Area, Phase-I, New Delhi, has been appointed as share transfer agent. All the members are requested to contact them for any kinds of shares related matters.

Implementation of the Corporate Governance:

As per Clause 49 of the Listing Agreement company has constituted the following committees:

Shareholders Grievances committee:

Sh. Sanjay Jain Director is the Chairman and Sh. Naresh Chnad & Sh. Ajay Kumar Sharma are the members of the committee. Meeting of the Shareholders Grievances will be held at the regular interval to short out any kinds grievances of the investor.

Remuneration Committee:

Sh. Sanjay Jain the chairman and Sh. Ajay Kumar Sharma & Sh. Raj Kumar Jain are the members of the Committee. Committee will review the remuneration of Executive Directors in term of the financial performance and other related matters of the trade and industries.

Audit Committee:

Sh. Sanjay Jain is the Chairman and Sh. Ajay Kumar Sharma & Sh. Raj Kumar Jain are the members of the Committee. The duties, responsibilities and powers of the committee has been defined by the Board at the time of its constitution.

DIRECTORS' RESPONSIBILITY STATEMENT:

While preparing the Annual Financial Statements the Company has adhered to the following:

1. In the preparation of the said financial statements the Company has followed the applicable accounting standards, referred to in Section 211(3-C) of the Companies Act, 1956.

2. The Company has followed the said Accounting Standards and has been applying them consistently and has made Judgement and estimates that are reasonable, prudent and are in the interest of the Company's business, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2003 and of the profit/loss of the Company, for the said period.
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 for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the financial statements on a going concern basis.

OBSERVATION OF THE AUDITORS IN THE ANNUAL ACCOUNTS

The Auditors have made no comment in their report.

INDUSTRIAL RELATIONS

The relations with labour remained cordial during the year.

ENERGY CONSERVATION/TECHNOLOGY ABSORPTION/ FOREIGN EXCHANGE EARNING AND OUTGO

Particulars of Energy Conservation, Technology Absorption and Foreign Exchanges earnings and out go as per section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of the Particulars in the Report of Board of Directors) Rules 1988, are given in annexure "I" and form part of this Report.

PARTICULARS OF EMPLOYEES

Particulars of employees under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975, are not applicable because non of the Directors or employees of the Company getting remuneration exceeding the limit prescribed therein.

ACKNOWLEDGEMENT:

Yours Director take the opportunity to offer thanks to the State Bank of Bikaner & Jaipur for their valuable assistance.

Your Directors also wish to place on record their deep scence of appreciation for the devoted services of the executives, staff and workers of the company for smooth operations of the Company.

By order of the Board of Director

Place : Bhiwadi
Date : 20.05.2003

Sd/-
(NARESH CHAND)
Chairman