



JRC INDUSTRIES LIMITED

**EIGHTH ANNUAL REPORT
2001-2002**

JRC INDUSTRIES LIMITED

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BOARD OF DIRECTORS :

Mr. Hiren R. Shah
Mr. Gautam R. Shah
Mr. Viresh T. Kamdar
Mr. Rajesh V. Mehta
Mr. Tansukhlal D. Kamdar

AUDITORS :

M/s. Sunderji Gosar & Co.
Chartered Accountants,
Mumbai - 400 014.

CORPORATE OFFICE :

69, Kazi Sayed Street,
Mumbai - 400 003.

BANKERS :

Vysa Bank Ltd.
Citibank
Bank of Baroda
Canara Bank

REGISTERED OFFICE :

C1B / 94, GIDC Industrial Estate,
Pardi - 396 125. Dist. Bulsar,
Gujarat.

JRC INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the 8th Annual General Meeting of the Members of JRC INDUSTRIES LTD., will be held at the Registered Office of the Company at C1B/94, GIDC Industrial Estate, Pardi - 396 125. Dist. Bulsar, Gujarat on 27th June, 2002 at 11 a.m. to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at March 31st, 2002 the Profit & Loss Account for the year ended as on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Viresh T. Kamdar who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Tansukhlal D. Kamdar who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint M/s. Sunderji Gosar & Co., Chartered Accountants, as Auditors of the company and to fix their remuneration.

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company.
2. The proxy form should be lodged with the Company at its Registered office at least 48 hours before the time of the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed on Monday 24th June 2002 to Thursday 27th June, 2002 (Both days inclusive).
4. Members are requested to promptly notify any changes in their address to the company at its Registered Office. All documents referred to in the Notice and Explanatory statement are open for inspection at the Registered Office of the Company during office hours on all days except Saturday, Sunday and Public Holidays between 11.00 a.m. to 1.00 p.m. upto the date of Annual General Meeting.

IF ANY OF THE MEMBERS HAVE ANY QUERIES ON THE AUDITED ACCOUNTS, DIRECTOR'S REPORT & AUDITORS REPORT, THE SAME SHOULD BE FORWARDED TO THE COMPANY IN WRITING AT ITS REGISTERED OFFICE AT LEAST 10 DAYS BEFORE THE MEETING, SO THAT THE SAME CAN BE REPLIED AT THE TIME OF THE ANNUAL GENERAL MEETING TO THE MEMBER'S SATISFACTION.

For and on behalf of the Board of Directors

Place : Bulsar, Gujarat.
Date : 6th May 2002

HIREN R. SHAH
Chairman and Managing Director

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DIRECTOR'S REPORT

To,
The Members,
Your directors have pleasure in presenting the 8th annual report, together with the Audited Statement of Accounts of the company for the year ended 31st March 2002.

FINANCIAL RESULTS

	Rs. In Lacs Year ended 31.03.2002	Rs. In Lacs Year ended 31.03.2001
Profit before depreciation & taxes	9.03	6.00
Depreciation & LER	5.55	4.12
Provision before tax	14.53	1.88
Provision for taxation	0.18	1.21
Profit after tax	14.76	0.67
Balance available for appropriation	11.72	3.03
APPROPRIATION :		
Transfer to General Reserve	—	—
Balance Carried Forward	11.72	3.03

OPERATION :

In spite of the continuous sluggishness in the market, your company has been able to achieve a Net Profit before Tax of Rs. 1.88 Lacs. The Directors are hopeful of achieving better results in the current year.

DIVIDEND :

In view of inadequate profits in this year, your Directors are refraining from recommending any dividend for the year ended 31st March, 2002 to conserve the resources.

DIRECTOR :

Shri Viresh T. Kamdar & Tansukhlal D. Kamdar retire by rotation at the ensuing Annual General Meeting and being eligible are proposed for reappointment.

FIXED DEPOSITS :

The Company has not accepted Fixed Deposits from Public as envisaged under Section 58A and 58B of the Companies Act, 1956, read with the Companies (Acceptance of Deposits) Rules, 1975.

AUDITOR'S REPORT :

In respect of the observations made by Auditors, the notes on Accounts are self explanatory.

SECRETARIAL AUDIT'S REPORT :

In respect of the observations made by the Practising Company Secretary is enclosed.

AUDITOR :

The present Auditors M/s. Sunderji Gosar & Co., Chartered Accountants, Mumbai retire and are eligible for re-appointment.

JRC INDUSTRIES LIMITED

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000, your Directors confirm that;

- (a) in the preparation of the accounts, the applicable accounting standards have been followed;
- (b) appropriate accounting policies have been selected and applied consistently and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the affairs of the company for period ended 31st March, 2002;
- (c) Proper and sufficient care has been taken 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; and
- (d) The accounts have been prepared on a going concern basis.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

The information required under Rule 2 of the Companies (Disclosures of Particulars in the report of Board of Directors) Rules, 1988 relating to the conservation of energy and technology absorption, is not being given, since the Company is not engaged in Manufacturing activity.

During the year, the company did not earn any foreign exchange and spent Rs. 9.64 Lacs, the details of which have been stated under the notes annexed to the accounts.

PARTICULARS OF EMPLOYEES :

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Director's Report for the year ended 31st March, 2002.

None of the employee receive salary more than Rs. 12,00,000 P.A. or Rs. 3,00,000 P.M.

CORPORATE GOVERNANCE :

A report on the Corporate Governance Code along with a certificate from the auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement as also the Management Discussion and Analysis Report are annexed to this Report.

ACKNOWLEDGEMENT :

Your Directors would like to express their appreciation for the co-operation and assistance received from the bankers during the year under review.

Your Directors wish to place on record their appreciation for the devoted services by executives, officers and staff of the Company for its success.

For and on behalf of the Board of Directors

HIREN R. SHAH

Chairman and Managing Director

Place Bulsar, Gujarat.

Date : 6th May 2002

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CORPORATE GOVERNANCE

JRC Industries Ltd. came into being in 1994 with its activities running in the name & style of JRC Finvest Ltd. Later on due to sluggishness in the Market the company has diversified its business into manufacturing and trading in magnets, white board & various magnetic items. Consequence to the change in business, the name of company had been changed to JRC Industries Ltd. in 1997.

Composition of the Board

The Board comprises of 5 Directors of which 2 are Whole-time Directors. The Independent Non-Executive Directors are persons of eminence and experience drawn from various facets of corporate affairs.

Meetings and attendance

Sl. No.	Name of Director	Category of Directorship	No. of Board Meetings Attended*	Attendance at later AGM	No. of Other Directorships	No. of Other Committee Membership
1.	Hiren R. Shah	CMD	6	Yes	1	—
2.	Gautam R. Shah	WTD	6	Yes	1	1
3.	Viresh T. Kamdar	Director Non-Executive	4	Yes	1	1
4.	Rajesh V. Mehta	Director Non-Executive	3	Yes	1	2
5.	Tansukhlal D. Kamdar	Director Non-Executive	2	No	Nil	1

AUDIT COMMITTEE

The Audit Committee of the Board is constituted in 2001, to review various areas of audit and accounts. All financial statements of import, including quarterly, half-yearly and annual unaudited results are first reviewed and approved by the Audit Committee before forwarding to the Board for approval. The Audit Committee also approves internal audit programmes, reviews, Internal Audit reports and follow-up measures taken by the Management in their implementation. The terms of reference of the Audit Committee are being widened to be in conformity with Clause 49 of the Listing Agreement.

The Audit Committee comprises of 3 non-executive independent Directors.

1) Viresh T. Kamdar - Chairman 2) Rajesh V. Mehta 3) Tansukhlal D. Kamdar

Remuneration Committee

The Company has not formed a remuneration committee. The details of remuneration of Directors for the year ending 31.3.2002 are given below :

Whole-time Directors

Name	Salary p.a. (Rs.)	Commission / Reward (Rs.)	Perquisites (Rs.)	Retirement Benefits (Rs.)
Hiren R. Shah	1,80,000	—	—	—
Gautam R. Shah	1,80,000	—	—	—