

M/S ACME INDUSTRIES LIMITED, DELHI

DIRECTOR REPORT

Dear Members,

Your directors have pleasure in presenting you the X Annual Report together with the Audited Statements of Accounts of the Company for the year ending on 31st March, 2002.

OPERATIONS:

No profit & loss account has been prepared as the company has not commenced its commercial activities. The expenses incurred during this period have been shown in the statement of pre-operating expenses. Further, the financial institution has taken over the physical possession of assets of the company and started recovery proceedings.

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company Sh. Amit Bansal, Director of the Company retires by rotation at this meeting and being eligible offer himself for re-appointment.

AUDITORS:

M/s Goel Singhal & Associates, Chartered Accountants, Muzaffarnagar retire at this ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

AUDITORS REPORT:

The notes to the accounts referred to in Auditors Report are self explanatory and, therefore, do not call for any further explanation Under Section 217(3) of the Companies Act, 1956.

DEPOSITS:

The company has not accepted any Deposits during the year attracting the provisions of Section 58-A of the Companies Act, 1956 and Rules framed thereunder.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

(1) That in the preparation of the accounts for the financial year ended 31st March, 2002, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;

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For Acme Industries Limited


Amit Bansal
Director

(ii) That the Directors have 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 of the profit or loss of the Company for the year under review;

(iii) That 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;

(iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2002 on a 'going concern' basis.

PARTICULARS OF EMPLOYEES:

As required by the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, there is no employee drawing remuneration in excess of the limit specified in said rules.

CORPORATE GOVERNANCE:

Your company attaches considerable significance to good corporate governance as a step towards building investor confidence, improve investors' protection and maximise long term shareholder value to the extent possible & practicable for the company. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a compliance report on Corporate Governance has been annexed as part of the Annual Report.

FOREIGN EXCHANGE:

During the year under review, the company has not used or earned any foreign exchange.

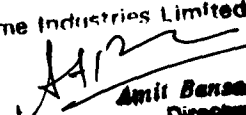
APPRECIATION:

Your Directors place on record their sincere appreciation of services rendered by parties concerned.

For and on behalf of the Board,

DATED: 19.08.2002
PLACE: MUZAFFARNAGAR


(ANAND PRAKASH BANSAL)
CHAIRMAN

Certified True Copy
For Acme Industries Limited

Anil Bansal
Director

Goel Singhal & Associates

Chartered Accountants

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Muzaffarnagar - 251 007

AUDITORS REPORT

To
The Members,
ACME INDUSTRIES LIMITED
DELHI

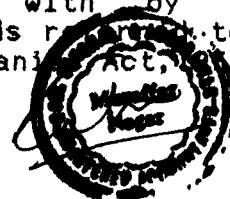
We have audited the attached Balance Sheet of M/s ACME INDUSTRIES LIMITED, DELHI as at 31st March, 2002 and report that no Profit & Loss Account is prepared in accordance with the provisions of part II of Schedule VI of Companies Act, 1956, since the company has not started commercial operation. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan & 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.

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 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.

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 it appears from our examination of these books;
- (iii) The Balance Sheet dealt with by this report are in agreement with the books of account of the company;
- (iv) In our opinion, the Balance Sheet dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;



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For Acme Industries Limited

Amit Banzal
Amit Banzal
Director