

ADITYA ELECTRO COMMUNICATIONS LIMITED

BOARD OF DIRECTORS

MR. ASHOK P. VITHLANI	-	CHAIRMAN
MR. HETAL N. TRIVEDI	-	MANAGING DIRECTOR
MR. BHAVANIPRASAD S. DAVE	-	DIRECTOR

AUDITORS

**M/s.M.R.PANDHI & ASSOCIATES
CHARTERED ACCOUNTANTS
AHMEDABAD-380009**

REGISTERED OFFICE

**6-7, PAHELGAO BUNGLOWS,
B/H.PREMCHANDNAGAR,
SATELLITE,
AHMEDABAD-380015**

STUDIO

**MANGALTIRTH, BLOCK-B, BASEMENT,
NR.SHREYAS CROSSING,
AHMEDABAD-380007**

PROCESSING FACILITIES

**6-7, PAHELGAO BUNGLOWS,
B/H. PREMCHANDNAGAR,
SATELLITE,
AHMEDABAD-380015**

10TH ANNUAL REPORT

NOTICE TO THE MEMBERS

NOTICE is hereby given that the **TENTH ANNUAL GENERAL MEETING** of the Company will be held on **30TH SEPTEMBER 2002** at the Registered Office of the Company at 10.00 A.M. to transact the following business :

1. To receive, consider and adopt the Audited Balance Sheet as at **31ST MARCH 2002** and Profit and Loss Account for the year ended on that date and Directors' Report and Auditors' Report thereon.
2. To appoint Director in place of **MR. ASHOK P. VITHLANI**, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

BY ORDER OF THE BOARD

Ahmedabad June 30, 2002

(A.P.VITHLANI)
CHAIRMAN

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from **27TH SEPTEMBER 2002 to 30TH SEPTEMBER 2002**. (both days inclusive)
3. Members are requested to, inform the Company of any change in their addresses immediately so as to enable the Company for any future communication, at their correct addresses.

ADITYA ELECTRO COMMUNICATIONS LIMITED**REPORT OF THE DIRECTORS**

The Directors hereby present their **TENTH ANNUAL REPORT** on the operation of the Company and the financial accounts for the year ended **31ST MARCH 2002**.

PERFORMANCE OF THE COMPANY

Performance of your Company during the year is summarised as under :

	(Amount Rupees in Lakhs)	
	2001-2002	2000-2001
Income from Operations	3.41	22.14
Profit/(Loss) before Depreciation	(220.10)	9.02
Less : (Add) Depreciation	12.69	14.72
Profit/(Loss) before Taxation	(232.79)	(5.70)
Less : Provision for Deferred tax asset	1.32	-
Profit/(Loss) after Taxation	(231.47)	(5.70)
Add : Balance of last year	123.73	129.43
Balance carried to Balance Sheet	(107.74)	123.73

OPERATION

During the year, the company could not do much activity due to following reasons :

1. Main customer of the company in USA has been in financial trouble due to recession in US economy.
2. The company's funds have been blocked in inventory and book debts.

Your Company has therefore made a provision for doubtful debts to the tune of Rs.212.04 lakhs. Due to this there is a net loss of Rs.232.79 lakhs.

At present the main problem is working funds, your directors are trying their best for alternative sources.

DIVIDEND

Due to loss, your Directors do not recommend any dividend for the year.

DIRECTORS

MR. ASHOK P. VITHLANI Director of your company, retires from the office by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

DEPOSITS

Your Company has not accepted any deposit from the public.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the company confirms :

10TH ANNUAL REPORT

- i. that in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
- ii. that the selected accounting policies were applied consistently and the directors made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at **MARCH 31, 2002** and of the loss of the Company for the year ended on that date;
- iii. that 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;
- iv. that the annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE

As per clause 49 of the Listing Agreement, your company will have to comply the conditions of Corporate Governance within the financial year 2002-2003. Your Directors will take necessary steps in this regard.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING/OUTGO**[A] CONSERVATION OF ENERGY**

Nature of operation of your Company is the development of Video Software for export. Hence there is no involvement of power and fuel consumption except domestic power required.

[B] TECHNOLOGY ABSORPTION

Your Company always endeavours to absorb the existing technology to the fullest extent. During the year under reference, your Company has not consolidated any new technology with the existing technology.

[C] FOREIGN EXCHANGE EARNING/OUTGO

Total Foreign Exchange used Rs.Nil
Total Foreign Exchange earned Rs.Nil

AUDITORS

You are requested to re-appoint retiring Auditors M/s.M.R.Pandhi & Associates, Chartered Accountants, Ahmedabad for the financial year **2002-2003**.

PERSONNEL

The Board wishes to place on record its appreciation of the dedication & commitment of employees of your Company at all levels.

Presently the Company has no employees whose details are required to be furnished under statement giving particulars of employees under Section 217 (2A) of the Companies Act, 1956 and the Rules made thereunder.

BY ORDER OF THE BOARD

Sd/-
(A. P. VITHLANI)
CHAIRMAN

Ahmedabad June 30, 2002

ADITYA ELECTRO COMMUNICATIONS LIMITED**AUDITOR'S REPORT**

We have audited the attached Balance Sheet of **ADITYA ELECTRO COMMUNICATIONS LIMITED, AHMEDABAD**, as at **31ST MARCH 2002** and also the Profit & Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are 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 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 of our opinion and report as under :

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. 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 the books.
3. The Balance sheet and Profit & Loss Account, dealt with by the report, are in agreement with the Books of Accounts.
4. In our opinion, the Balance Sheet comply with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956.
5. As per information furnished to us, none of the Directors of the company is disqualified from being appointed as a Director Under Section 274(1)(9) of the Companies Act, 1956.
6. In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read with and subject to notes there on gives, the information required by the Companies Act, 1956 in the manner so required and 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 2002**

AND

(ii) In the case of the Profit & Loss Account of the **LOSS** for the year ended on that date.

As required by the manufacturing and other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board, in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and the information and explanation given to us in the normal course of the audit we further report that :

- i. The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management at reasonable intervals. We are informed that no material discrepancies were noticed by the management on such verification as compared with the records of fixed assets maintained by the company.
- ii. None of the fixed assets have been revalued during the year.
- iii. (a) Physical verification has been conducted by the management at reasonable intervals in respect of finished goods, work-in-process, stores/consumables.
- (b) The procedures followed by the management for such physical verification are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.