



ANNUAL REPORT 2003 – 2004



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BOARD OF DIRECTORS

	EHJAZ ELIAS	Managing	Directo
	R MUTHU	Director	
ı	FIROZ ELIAS	Director	
	S.H. MOHIDEEN	Director	

AUDITORS

M/S. VIVEKANANDAN ASSOCIATES (Chartered Accountants Chennai.

REGISTERED OFFICE & FACTORY

216-B, Ennore Coastal High Road, Kaladipet, Chennai - 600 019.

BANKER Indian Bank

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the Nineteenth Annual General Meeting of the members of AGRI-MARINE EXPORTS LIMITED will be held at 11.30 A.M. on Wednesday, the 29th day of September 2004 at the Registered Office of the Company at 216-B, Ennore Coastal High Road, Kaladipet, Chennai - 600 019 to transact the following business:

ORDINARY BUSINESS

- To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2004 and Profit and Loss account for the year ended 31st March 2004 and the Reports of the Directors and Auditors thereon.
- To appoint a Director in the place of Mr. Firoz Elias who retires by rotation and being eligible offers himself for re-election.

To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution.

"RESOLVED that M/s Vivekanandan Associates, Chartered Accountants, Chennai, be and are hereby appointed as the Statutory Auditors of the Company to hold office until the conclusion of the next Annual General Meeting, on such remuneration as may be decided by the Board of Directors in addition to reimbursement of out of pocket expenses incurred by them."

By Order of the Board

20th August 2004 Chennai - 600019 S.H. MOHIDEEN DIRECTOR

NOTES .

- 1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on poll, to vote instead of himself/herself and a proxy need not be a member of the company. The instrument appointing the Proxy shall be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for the commencement of the meeting. In default, the instrument of proxy shall not be treated as valid.
- 2. Members are requested to notify immediately any change in their address to the Company.
- Shareholders seeking any information with regard to accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
- Members/Proxies should bring the attendence slip duly filled in for attending the meeting.
- Shareholders are requested to bring their copy of Annual Report for the meeting.

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Nineteenth Annual Report along with the Audited Accounts for the year ended 31st March 2004.

FINANCIAL RESULTS

Your Company has recorded a total other income Rs. 94.93 Lakhs during the year ended 31st March 2004. The Net Loss of your Company during the year under review is Rs. 65.20 Lakhs.

The financial results of the company for the year ended 31st March 2004 are summarised as follows:

	rks. in takns
Other income	94.93
Total Expenditure	100.16
Gross Loss before depreciation and taxation	5.23
Depreciation	59.97
Net Loss carried to Balance Sheet 2	65.20
	,

FUTURE PLANS

Due to versatility of the Factory, your Company is venturing into export of Processed Food Products and Vegetables. The company is able to cut costs and improve on the revenue through processing. The Company has been registered with the Board for Industrial and Financial Reconstruction (BIFR) and the Operating Agency, namely, IDBI is in preparation of a report. The company is hopeful of getting concessions in the BIFR package.

SUBSIDIARY COMPANIES

The Turnover of the subsdiaries, namely, Agri-marine (Europe) Limited amounted to 1,57,181 UK Pounds while M&M Harvests did not do any turnover during the year.

PUBLIC DEPOSIT

The Company has not accepted any deposit from the public during the year.

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AGRI MARINE EXPORTS LTD.

RESPONSIBILITY STATEMENTS

The Directors Confirm:

- a. that in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b. that they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to given 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 that period;
- c. that they 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;
- d: that they have prepared the annual accounts on a going concern basis.

DIRECTORS

Under Article 79 of the Articles of Association of the Company Mr. Firoz Elias, Director of the Company is retiring by rotation and being eligible offers himself for reappointment.

PARTICULARS OF EMPLOYEES

With regard to information relating to employees covered under Section 217(2A) of the Companies Act, we wish to report that no employee of the Company is in receipt of remuneration during the year under review in excess of the prescribed limits.

AUDITORS

M/s Vivekanandan Associates; the auditors of the company retire at the conclusion of the Annual General Meeting and are eligible for re-appointment.

CLARIFICATION ON THE AUDITORS' COMMENTS

Note No.6: The company is following the practice of accounting of export revenue receipts at the rates prevailing on the date of negotiation. The net effect would be the same for the revenue would be increased/decreased and the effect would be shown separately as exchange fluctuation. As the net effect is the same the company is following this method consistently.

Note No. 4 & 5: The company is optimistic over the realisation of the Debtors and hence did not warrant any provision for bad and doubtful debtors. Since the company's credit facilities have become non performing assets, in some cases, the company could not obtain confirmation of

balances from Banks and Financial Institutions. However, there is no operation in these accounts and obtaining confirmation is only procedural and this will not affect in any way.

Note No. 7: The working capital loan has become a non performing asset with respect to the bank and hence no provision has been made on the said loans. The company felt that the rate of interest charged by the bank could be negotiated and hence no provision has been made.

Note No.8: Regarding capitalisation of interest pertaining to term loan from IDBI, it is clarified that the interest on the loan from IDBI form part of the fixed assets for which the said loan is raised and hence the company capitalised the interest

Point No.4 of Annexure to Auditors Report: The company did not have purchases during the year and is doing only processing and hence the internal control procedures for the purchase of raw materials and others have no bearing on the present company's business.

Point No.9 of Annexure to Auditors Report: Due to the financial crunch faced by the company, there are delays in depositing the PF and ESI dues. However, there is no outstanding to be remitted to the authorities.

Disclosure of particulars with respect to conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo as required under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the report of the Board of Directors for the year ended 31st March 2004.

(Rs.in Lakhs)

Total Foreign Exchange Earnings during the year NIL

Total Foreign Exchange used during the year NIL

The particulars regarding conservation of Energy, Technology Absorption and R & D are not applicable during the year.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

a. / Industry structure and development

The European Union has set standards for marine products and your company has got the certification of its factory approved. Even after that the demand for the products abroad has not taken off.

b. Opportunities and threats

The company has ventured into providing the factory on job work basis due to stiff competition in the international market as well as domestic market.

c. Segment wise performance

The company is into only one segment of marine products and the performance is given in the main directors report.

d. Outlook

The outlook for the company is encouraging with more and more enquiries for job work by non certified clients...

e. Risks and concerns

In the absence of any positive trigger for increased marine products consumption, the strategy would have to contend with severe competition and focus on demonstrating tangible value through job work.

f. Internal control systems and their adequacy

Your company continues to place considerable emphasis and effort on the internal control systems.

The matters required to be set in the Corporate Governance is enclosed alongwith this report.

ACKNOWLEDGEMENTS

The Board of Directors thanks its Shareholders, Bankers and Financial Institutions for their continued support and wishes to place on record its sincere appreciation and gratitude to all it's employees for their contribution.

For and on behalf of the Board

20th August 2004 Chennai - 600 019 EHJAZ ELIAS Managing Director S.H. MOHIDEEN Director

CORPORATE GOVERNANCE

a. Company philosophy

The Company firmly believes in and continues to practice good Corporate Governance. The Company's essential character is shaped by the very values of transparency, professionalism and accountability. The Company continuously endeavours to improve on these aspects on an ongoing basis.

b. Board of Directors

The Board of Directors comprises a Managing Director and 3 Non-executive Directors. During the year, 4 Board Meetings were held on 30th April 2003, 31st July 2003, 28th October 2003, 30th January 2004. The composition of the Board of Directors and their attendance at the Meetings during the year and at the last Annual General Meeting as also number of other directorships/memberships of committees are as follows:

Name of Director	Category of	No. of Board	Attendance	No. of other.	Committee Me	embership
	Directorship	Meetings attended	at last AGM	Directorships	-Member	Chairman
Mr. R. Muthu Mr. Ehjaz Elias Mr. S.H.Mohideen Mr. Firoz Elias	NED MD NED NED	4 4 4	Yes Yes Yes Yes	4 2 2 1	1 3 3 3	Nil 3 Nil Nil

MD - Managing Director NED - Non-Executive Director

c. Audit Committee:

The Audit Committee is to oversee the Company's financial reporting process and disclosure of its financial information, to recommend the appointment of Statutory Auditors, and fixation of their fees, to review and discuss with the Auditors about internal control systems, the scope of Audit including the observations of the Auditors, adequacy of the internal audit / control system, major accounting policies, practices and entries, compliances with accounting standards and Listing Agreement entered into with the Stock exchange and other legal requirements concerning financial statements and related party transactions, if any, to review the Company's financial and risk management policies and discuss with the internal Auditors any significant findings for follow-up thereon, to review the Quarterly, Half Yearly and Annual financial statements before they are submitted to the Board of Directors.

The Committee also meets the operating management personnel and reviews the operations, new initiatives and performance of the business units. Minutes of the Audit Committee Meetings are circulated to the Members of the Board, discussed and taken note of



retination and Composition: Name of Member Status No.of Meetings attended Chairman Mr. S.H. Mohideen Mr. R. Muthu Member

The Financial Manager is permanent invitee.

d. Remuneration Committee:

Terms of reference:

To review, assess and recommend the appointment of Executive and Non-Executive Directors and, to review their remuneration package, to recommend compensation to the Non-Executive Directors in accordance with the provisions of the Companies Act, 1956.

Composition & Remuneration Policy:
The Committee did not meet during the year since there was no revision of remuneration.

e. Shareholders' Grievance Committee:

Terms of reference:

To look into the investors' comp<mark>laints, if</mark> any, and to redress the same expeditiously. The com<mark>mittee approves request</mark>s for issue of Duplicate Share Certificates and requests for issue of new certificates on split/consolidation/renewal, etc., as also requests for transmission of shares and Bonds, as may be referred to it by the Share Transfer committee.

Composition:

The Shareholders' Grievance Committee comprises one Non-Executive Director and the Managing Director.

During the year, the Committee held 3 meetings and the attendance of members were as follows:

Name of Member	Status	No.of Meetings attended
Mr. S.H. Mohideen	Chairman	3
⇔Mr. Ehjaz Elias 🦠	Member	3
The Secretarial Officer is	the Compliance Officer.	

During the year, there were no letters/complaints received from the investors.

The Board has delegated the powers to approve transfer of the Securities allotted by the company to a Share Transfer Committee. The Committee held 1 meeting during the year and approved the transfer of the shares lodged with the

f. General Body Meetings: -

The last three Annual General Meetings were held as under:

Financial Year	Type of Resolution passed	Location
2000-2001	Special	216-B, Ennore Coastal High Road, Kaladipet, Chennai
2001-2002	Ordinary	216-B, Ennore Coastal High Road, Kaladipet, Chennai
2002-2003	Special	216-B, Ennore Coastal High Road, Kaladipet, Chennai

No special resolutions were required to be put through postal ballet last year.

No special resolutions on matters requiring postal ballot are placed for shareholders' approval at this meeting.

Disclosures:

- # Pi During the year, there were no transactions of material nature with the directors or the management or their y subsidiaries or relatives that had potential conflict with the interest of the company.
 - 2. There were no instances of non-compliance on any matter related to the capital markets, during the last three years. However, the Company's shares were suspended from trading in the Stock Exchanges.

Quarterly results are published in Makkal Kural and Trinity Mirror. Management's Discussion & Analysis forms part of the Annual Report, which is mailed to the shareholders of the company.



. General Shareholders' information:

 Annual Géneral Meeting is to be held on Wednesday, the 29th September 2004 at 216-B, Ennoré Coastal High Road, Kaladipet, Chennai 600019.

2. Financial Calender:

Annual results of previous year Mailing of annual reports. First quarter results
Annual General Meeting Second quarter results
Third quarter results
Fourth Quarter results

Early September
First week of September
31st July 2003
30th September 2003

28th October 2003 31st January 2004 28th July 2004

- 3. Listing of equity shares/debentures on stock exchanges at Chennai, Mumbai.
- 4. Stock market price data for the year 2003-2004:

•			BS	E	1909 SEN	SEX
•			HIGH (Rs.)	LOW (Rs.)	HIGH	LOW
Ápr	2003		Not traded	Not traded	1033.45	920,00
May	2003		Not traded	Not traded	1013.85	930.80
June	2003	. ,	Not traded	Not traded	1141.30	1004.70
July	2003	_	Not traded	Not traded	1198.50	1089.30
Aug	2003		Not traded	Not traded	1365.80	1164.75
Sept	2003	(F	Not traded	Not traded	1430.70	1285.25
Oct	2003		Not traded	Not traded	1574.10	1407.95
Nov	2003	أزاري مأ	Not traded	Not traded	1630.25	1509,15
Dec	2003	•	Not traded	Not traded	1914.40	1615.70
Jan	2004	. *	Not traded	Not traded	2014.65	1756:25
Feb	2004		Not traded	Not traded	1935.80	1755:65
Mar*	. 2004		 Not traded 	Not traded	1898.70	1669.70

5. Share Transfer system:

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6. Distribution of shareholding as on 31st March 2004

No. of Shares	Shareh	olders TE	: Share	holding
A STATE OF THE STA	Numbers	Percentage	Numbers	Percentage
Up to 5000 5001-10000	13812 311	95.94 - • • • • • • • • • • • • • • • • • •	19402000 2541000	39.34 5.15
10001-20000 20001-30000 30001-40000	126 	0.88 0.25 0.26	, 1911000 , 892000 1418000	3.87 1.81 2.87
40001-50000 50001-100000 Above 100001	15 29	0.10 0.20 0.22	710000 2016000 20458000	1.44 4.08
TOTAL	14397 3	100.00	49348000	100.00

Shares in physical mode that are lodged for transfer are processed and returned to the shareholders within the stipulated time. The share related information is computerized and is available at any time.



7. Categories of Shareholders as on 31st March 2004:

CategoryNo.of Shares held% ShareholdingNon resident Indians44000.09Bodies Corporate1326002.69Directors & their relatives168720034.18

8. Plant Locations:

The Company's plants are located at 216-B, Ennore Coastal High Road, Kaladipet, Chennai: 600 019.

9. Address for correspondence:

The Company's Registered Office is situated at 216-B, Ennore Coastal High Road, Kaladipet, Chennai: 600 019. Tel No.25992315, Fax: 25991217

Shareholder correspondence should be addressed to the above address.

AUDITOR'S CERTIFICATE

(under Clause 49 of the Listing Agreement)

TO THE MEMBERS OF AGRI MARINE EXPORTS LIMITED

We have examined the compliance of conditions of corporate governance by Agrimarine Exports Limited (the Company) for the year ended on 31st March, 2004 as stipulated in clause 49 of the Listing Agreements of the Company with the stock Exchanges.

The compliance of conditions of corporate governance is the resposibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of corporate governance. It is neither an audit not an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement, subject to the following:

- 2. The member of the Audit Committee is a director of the company.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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For Vivekanandan Associates Chartered Accountants

20th August 2004 Chennai S. DEHALEESAN Partner Mem No. 27312

AUDITOR'S REPORT

TO THE MEMBERS OF AGRI MARINE EXPORTS LIMITED

We have audited the attached balance sheet of Agrimarine Exports Limited as at March 31, 2004 and also the profit and loss account and cash flow statement for the year ended on the date annexed thereto. 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 conduced 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 the 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 Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of subsection (4A) of the Companies Act, 1956, we enclose in the

Annexure a statement on the matters specified in paragraph 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 purpose of our audit;
- 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, 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, profit and loss account and cash flow statement (read in conjunction with the Notes and Schedule attached thereto) dealt with by this report comply with the accounting standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the directors, as on 31st March, 2004, and taken on record by the board of Directors, we report that none of the directors

is disqualified as on 31st March, 2004 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

(vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon subject to:

Note No. 6 regarding accounting policy for foreign currency transactions

Note No. 4. 8. 5 regarding non-provision for bad and doubtful debts & confirmation of balances

Note No.7 regarding non-provision of Interest on loans from banks

Note No 8 regarding capitalization of interest pertaining to Term Loan from financial institution.

give 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.

- (a) in the case of the balance sheet, of the state of affairs of the company as at 31st March, 2004;
- (b) in the case of the profit and loss account, of the loss for the year ended on that date; and
- (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

Posts

For Vivekanandan Associates Chartered Accountants

20th August 2004 Chennai

and following

S. DEHALEESAN Partner Mem No. 27312

ANNEXURE TO THE AUDITORS' REPORT

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITORS' REPORT TO THE MEMBERS ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2004.

- 1. (a) The Fixed Assets register maintained by the company has to be updated to show full particulars including quantitative details and situation of fixed assets.
- (b) We were informed that the Fixed Assets have been physically verified by the management at reasonable intervals and discrepancies noticed on such verification have been given effect in accounts.
 - (c) In our opinion, the company has not disposed off a substantial part of fixed assets during the year and therefore paragraph 4(i) (c) of the companies (Auditor's Report) Order, 2003 (hereinafter referred to as the Order) is not applicable.
- (a) The Company handled no raw materials or finished goods during the year. Hence the compliance regarding physical verification of inventories, its frequency of verification is not commented upon.
 - (b) No physical verification of inventories was conducted since the Company did not carry any raw materials, finished goods during the year. Hence commenting on the on reasonableness and adequacy in relation to the size of the company and the nature of its business does not arise.
 - (c) As said earlier, the Company handled no raw materials, finished goods during the year. However, the company is maintaining proper records of inventory of consumables used for processing and no material discrepancies have been noticed on physical verification of inventories as compared to the book records.
- The company has not taken any loans, secured or unsecured, to/from companies, firms or other parties listed

- in the register maintained under Section 301 of the Companies Act, 1956. However, the Company has granted unsecured loans of Rs. 31,80,751/- to firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 being a company under the same management as per section 370 (1B) of the Companies Act, 1956 and the ferms and conditions are not prima face prejudicial to the interest of the company.
- 4. In our opinion and according to the information and explanation given to us the internal control procedures are not commensurate with the size of the company and nature of its business for purchase of raw material including components, plant and machinery, equipment and other assets and for the sale of goods and services.
- (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 that exceed the value of rupees five lakhs in respect of any party during the year.
- 6 In our opinion and according to the information and explanations given to us, as the company has not accepted deposits from the public paragraph 4(vi) of the Order is not applicable.
- Although the company has no formal internal audit system as such, its internal control procedures ensure reasonable internal checking for financial and other records and this needs to be strengthened.
- 8: The Central Government has not prescribed maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956.



- (a) According to the records, information and explanations given to us, the Company is not regular in depositing with appropriate authorities undisputed amount of provident fund, employees' state insurance. However, there were no arrears of dues to provident fund or employees' state insurance remaining unpaid on the date of this report. There are no undisputed amounts of sales-tax, excise duty and other statutory dues applicable to it that were outstanding as on 31st March 2004 for a period of more than six months from the date they become payable except for Rs 1,26.587/towards Wealth Tax for the Assessment years 1996-'97 to 2001-02 and Income tax Rs. 10,71,361/-PARTY DE (including Rs.9,09,241/- towards interest) for the Assessment year 1996-97.
 - (b) According to the information and explanation given to us the following are the details of disputed Sales Tax, Excise Duty and Employees State Insurance dues that have not been deposited with the concerned authorities.

Name of the Statutory dues	Forum where Unpaid Amount the dispute is in Rs.
SALES TAX	Şales Tax Tribunal 3,89,067
INCOME TAX	Income Tax Appellate Tribunal 7,25,465
•	Commissioner of Income Tax (Appeals) 39,34,957

- 10. The Company's accumulated losses as on 31st March 2004 were Rs. 10,77,73,446/- as against the Networth of Rs. 6,08,82,135/- The Company has not incurred cash losses in the current financial year but has incurred cash losses during 2002-03, the immediately preceding financial year. The Company has been declared as sick industrial undertaking under the Sick Industrial Companies (Special Provisions) Act, 1985.
- 11. In our opinion and according to the information and explanations given to us, the company has defaulted in repayment of dues to banks and financial institutions as listed below.

Bank/Financial Institution	Period of default	Amount (Rs.)
Indian Bank	Since March 1997	7,37,21,809
Industrial Development Bank of India	Since March 1997	3 ,12,31,960
Gujarat Industrial Investment	Access to the	
Corporation	Since April 1997	1,35,38,531

The above sums are as shown in the Books of accounts and do not include interest payable to the Financial Institutions shown elsewhere as deferred liability (Rs. 1,35,77,143) and unrecorded interest of Rs. 7,06,28,705/- (as reported in Note 7).

- 12. The company has not granted any loans or advances on the basis of security by way of piedge of shares, debentures and other securities and therefore paragraph 4(xii) of the Order is not applicable.
- 13. The provisions of any special statute applicable to chit fund and nidhi/mutual benefit fund/society are not applicable to the company and therefore paragraph 4 (xiii) of the Order is not applicable.
- 14. The company is not dealing or trading in shares, securities, debentures and other investments and therefore paragraph 4 (xiv) of the Order is not applicable.
- 15. According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions and therefore paragraph 4 (xv) of the Order is not applicable.
- 16. The company has not availed term loans during the year.
- 17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, in our opinion, short term funds of Rs.15,341/-has been used for fixed assets (long term investments) no long term funds were raised for short term investments.
- 18. The company has not made any preferential allotment of shares during the year and therefore paragraph 4 (xviii) of the Order is not applicable.
- The company has not issued any debentures during the year and therefore paragraph 4 (xix) of the Order is not applicable.
- 20. The company has not raised any money by way of public issues during the year and therefore paragraph 4 (xx) of the Order is not applicable.
- 21. Based upon the audit procedures performed and as per the information and explanations given to us by the management, we report that no fraud on or by the company has been reported or noticed during the year.

For Vivekanandan Associates
Chartered Accountants
S. DEHALEESAN

20th August 2004 S. DEHALEESAN Chennai Partner Mem No. 27312