



# **Compucom Software Limited**

**8th Annual Report 2001-02**

Report  Junction.com

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## Board of directors

**Ajay Kumar**  
CEO-US Operations  
Co-founder of Compucom in 1991 in USA

**Surendra K Surana**  
Managing Director and  
CEO India operations  
Co-founder of Compucom in 1991 in USA

**Shubh Karan Surana**  
Director

**John A. Giunta**  
Director, Executive Vice President Marketing and  
sales with Tekmark Global Solutions, LLC,(TGS)  
the strategic alliance partner of Compucom

**Stephen C. Viehman**  
Director

**Sanjiv Agarwal**  
Non-Executive Independent Director  
Audit Committee & Shareholders  
Grievances Committee.

**Dr. K.P. Sharma**  
Non- Executive Independent  
Director, Audit Committee &  
Compensation Committee

**S.D.Shukla**  
IAS (retd.) Non- Executive Independent Director  
Shareholders Grievances Committee &  
Compensation Committee.

## Executive Management

Mr. Ajay Kumar  
CEO - US Operations

Mr. Surendra (Sam) K Surana  
CEO - India Operations

Mr. Jyotin Pandya  
Vice President

Mr. Atul Lakhotia  
Company Secretary /  
Compliance Officer

Mr. G.K. Garg  
General Manager  
(Marketing & Admin.)

Mr. Nitin Kapoor  
Operations Manager  
(International Projects)

## Auditors

M/s S. Misra & Associates  
Chartered Accountants  
5A, Tilak Marg, C-Scheme,  
Jaipur 302005

## Legal Advisor

Mr Amrit Surolia,  
Advocate, Raj.High Court

## Bankers

Citi Bank, NA  
HDFC Bank  
Bank of Baroda  
IDBI Bank  
The Vysya Bank

## Registered office

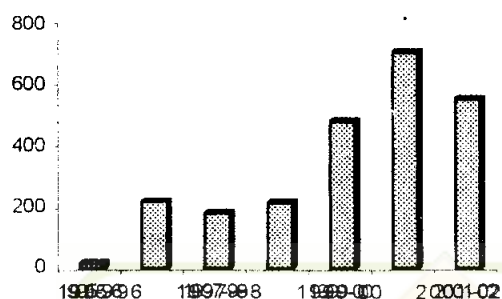
5A, Tilak Marg, C-Scheme  
Jaipur 302005, Rajasthan  
India



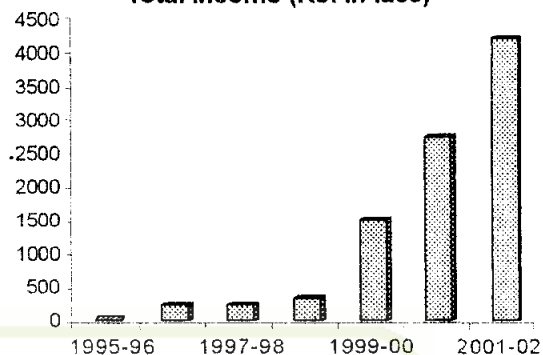
## A Historical Perspective

	Rs. in lacs						
Particulars	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
For the Year							
Revenue	16.22	247.34	224.27	336.6	1500.44	2707.14	4151.12
Operating Profit ( PBDIT)	15.19	217.71	181.61	224.11	507.56	789.08	688.95
Interest	-1.74	0	0	0	1.39	4.18	1.39
Depreciation	0.06	1.33	4.25	13.36	15.98	26	81.86
Provision for Income Tax	0	0	0	1.54	17.54	63.18	59.88
Profit after tax from ordinary activities	15.13	216.38	177.36	209.21	472.65	695.72	545.82
Dividend	0.01	1.74	0.87	2.08	91.56	138.44	50.25
Return on average net worth %	131.85	166.15	54.44	40.38	35.41	28.59	18.05
Return on average capital employed %	131.85	166.15	54.44	40.38	35.41	28.59	18.05
As at the end of year							
Share Capital	7.94	7.94	7.94	334.65	499.94	502.45	502.45
Reserves and Surplus	15.01	229.57	406.08	287.48	1614	2298.31	2793.87
Long Term Debt	0	0	0	0	0	0	0
Gross Block	9.06	98.37	155.66	221.78	437.16	998.29	1133.47
Net Current Assets	13.92	127.91	250.36	380.3	1183.25	1093.72	379.30
Per Share Data							
Earnings From Ordinary Activities ( Rs.)	0.45	6.49	5.32	6.25	11.37	13.87	10.86
Book Value	0.69	7.12	12.42	18.59	42.28	55.74	65.6
Dividend ( Rs.)	1	2	1	2	2	2.5	1

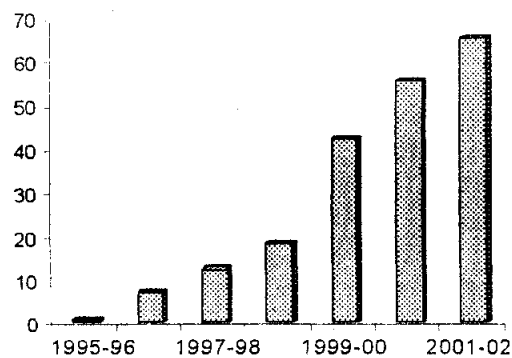
Net profit from ordinary activities  
(Rs. in lacs)



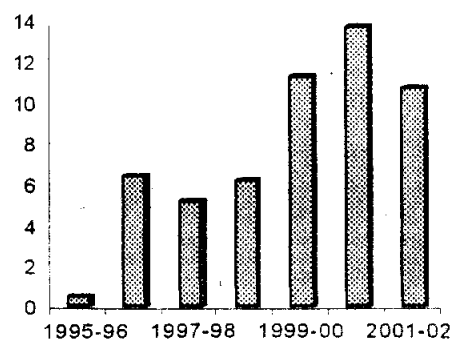
Total Income (Rs. in lacs)



Book-Value per share (Rs.)



Earning per share (Rs.)





## Letter to shareholders

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Dear shareholder,

I am delighted to provide annual report on your Company's performance during FY 2001-02. The total income increased by 53% and however net profit decreased by 21% from normal business activities. The pressures on margin, due to increased (post WTC terror attacks) use of resources / facilities in USA, higher depreciation, lower realizations from schools education contracts and decreasing yield on treasury products, had adverse impact on bottom line despite noticeable increase in revenues.

No new major export project could materialize during the year as general economic / IT slow down, aided by terrorist attacks in September 2001, in USA persisted. However strategic partner in USA continued its support to the company. The spill over from US slowdown also affected European markets and despite subsidiary's presence in Germany, no major sales order/project materialized so far from European segment.

As communicated earlier through quarterly results, the poor business prospects, for export and learning solutions, during current financial year will continue to exert pressures on revenues/profits. This, coupled with re-taxation of dividend, has constrained directors to adopt liberal distributions to shareholders.

Short-term outlook for software export looks less encouraging. However domestic markets do provide encouraging hopes as e-Governance, e-CRM, e-Commerce, IT enabled services and Telecom reforms are catching up fast in our country. This trend augers well for IT technologies in which your company has forte with sound resources base / infrastructure. The leveraging of strong brand / network in the State of Rajasthan and successful launch of e-CRM product iCARE are also expected to generate more business opportunities in the domestic markets.

Softening interest rate; reduced tensions on borders; ongoing PSU divestments/restructuring and relatively stable Government at center should provide continuous growth momentum to the economy which in turn should generate more business / demands for Information Technology industry in the country.

With warm regards,

Surendra Kumar Surana  
Managing Director

Jaipur, July 30, 2002



## Directors' report

To the members,

Your directors are pleased to present their report on business and operations of the company for year ended on March 31, 2002.

### Financial results

Rs. in lacs

Year ended March 31	2002	2001
<b>Total income</b>	<b>4,151.12</b>	<b>2,707.14</b>
Total expenses	3,462.17	1,918.06
Operating profit (PBDIT)	688.95	789.08
Interest	1.39	4.18
Depreciation	81.86	26.00
Profit before tax from ordinary activities	605.70	758.90
Provision for income-tax	59.88	63.18
Profit after tax from ordinary activities	545.82	695.72
Cumulative effect of change in Income Tax accounting policy	-	0.65
<b>Net profit after tax</b>	<b>545.82</b>	<b>696.37</b>
<b>Appropriations</b>		
Dividend - recommended	50.25	125.63
Dividend tax	-	12.81
Transfer to general reserve	300.00	300.00
<b>Earning per share Basic &amp; Diluted (in Rupees)</b>		
- Income from ordinary activities	<b>10.86</b>	<b>13.87</b>
- Net profit	<b>10.86</b>	<b>13.88</b>

**Results of operations** - During the FY 2002, revenues increased by 53.34% from Rs. 2,707.14 lacs to Rs.4,151.12 lacs. Operating profit dropped by 12.69% from Rs. 789.08 lacs to Rs.688.95 lacs. Profit after tax from ordinary activities declined by 21.55% from Rs. 695.72 lacs to Rs. 545.82 lacs. Earning per share for the year was Rs.10.86 compared to Rs.13.87 in previous year.

As required by AS 21, Consolidated financial statements are provided in later section of this annual report.

**Dividend** - Your directors recommend a dividend of Rs. 1 per share for FY 2002 as compared to Rs. 2.50 per share for FY 2001. Total dividend amount for current year is Rs. 50.25 lacs against Rs. 125.63 lacs for previous year. Adverse business conditions and prolonged recovery prompted directors to preserve cash in business for acquisition opportunities and for dividend distributions in future.

**Stock Options** - No stock options were issued during the year except to employees under ESOP plan which was set up in 1999. Options issued in the year 2000 for 160,000 equity shares to non resident associates had lapsed in February 2002 and 10% non-refundable application money Rs.5,071,575 received by the company stands credited to Capital Reserve at the year end.

**Business** - Total income registered a growth of 53% over previous year comprising of 33%, 267% and 26% increase in Export, Learning solutions and Treasury activities revenues respectively. However operating profits declined by 13% mainly due to adverse conditions affecting software services industry worldwide. Salient features of operations during FY 2002 were:

- Commencement of full-scale operations from new software development facility at Sitapura, Jaipur.** - Day to day operations including management, administration, projects execution and marketing were shifted to new facility at EPIP adjacent to IT training Institute. This enabled management/staff to co-ordinate all activities from one single location. The communication link stands now expanded to 512kbps leased connectivity. It will also qualify company to strive to secure new business / orders in IT enabled services segment.
- Strategic alliance partner.** - During the year the strategic alliance partner maintained and extended their full support to company in tiding over the difficult situation due to severe slow down in US economy. Despite many odds Alliance partner rendered immense help in successful commercial launch of our eCRM product iCARE in US markets. In order to provide total US based vendor credentials to company, essential to chase / secure / implement business relationship with various customers in USA, Europe, Asia etc, Alliance partner agreed to form a new company Tekmark-CSL International Solutions Inc.(TCIS) providing on-site implementation capability with representation in technical decision making process that is necessary prior to acceptance of project for execution.
- Own Marketing efforts in USA. (CGS)** - The company is continuing its own marketing efforts through its US subsidiary Compucom Global Solutions Inc.(CGS) It is co-ordinating the execution of ongoing export projects. Many of our customers in USA are serviced through CGS. Several small projects were secured by company only due to its local presence/face via CGS as many times customers are reluctant. due to distance/ travel/cost constraints, to deal directly with company based in India. During the year billing for export projects through CGS increased by 21%.
- CSL Global Solutions, GmbH, the subsidiary in Europe (CSLGmbH)** - During the year Mr. Peter Rack, CEO and minority partner resigned in June 2001 and handed over the charge to Mr. Alok Kumar who was seconded by company from India. Company while placing new CEO had indicated that it will not be able to sustain operations in Germany if no business is generated by end of the year. In view adverse political scenario Board had extended dead line till end of June 2002. The final decision will be made soon, if necessary, on outsourcing the bare minimum activity to local resident or to wind up the operation.
- Learning solutions segment** - Learning solutions business, despite severe slow down, had registered impressive growth due to commencement of execution of long-term contract of computer education in government schools. The results reflect only 9 months performance of these contracts. The performance could have been better but for the teething troubles encountered in view of large geographic areas involved. The scope of work had to be curtailed by Government due to drought conditions in Rajasthan. However



Directors are optimistic about maintaining robust growth during current year as Govt. has recently made a policy decisions enlarging the scope of work.

- f. **Treasury activities** - During the year management took the advantage of investing in Debt mutual funds which have returned yields higher, due to softening interest rates, than investment in bank Deposits. Directors have always taken conservative approach while investing surplus funds avoiding speculative investments.

**Human resources management** - Company being in IT industry, human resources are key to the success and growth of the organization. A well-designed system of human resources management is in place to address the needs of recruitment, training and development, compensation. The Company's attrition rate has improved. Company's employee stock ownership plan has been fully subscribed to by eligible employees at first vesting.

**Compucum Institute of Advance Computing** - Institute was made operational during the year and education activity had commenced offering high-end career oriented courses including affiliation with University of Rajasthan. Institute received encouraging response during first year of operation from Students as many of them opted for it in view of its reputation attached to a leading IT company/employer of the Rajasthan. More course offerings are planned from current year keeping in mind the changing market demands.

**Quality** - Adoption of the ISO quality system has enabled the company to identify risks at project plan stage itself, mature processes in software development business, enhance process quality and aligning them with customer/project requirements leading to better risk management and higher customer satisfaction. To ensure effectiveness of the quality system, bi-annual independent audit reviews are being organized.

**Directors' Responsibility statement** - Pursuant to Section 217(2AA) of the Companies Amendment Act 2000, Directors confirm that:

1. in preparation of the annual accounts, applicable accounting standards have been followed.
2. Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to provide a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March 2002 and of the profit of the company for that year.
3. Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Companies Act 1956 for safeguarding assets of the company and for preventing and detecting fraud / irregularities.
4. Directors have prepared the Annual Accounts on a going concern basis.

**Fixed Deposits** - Your company did not accept any fixed deposit falling within definition of Section 58A of Companies Act, 1956.

**Directors** - Mr. Ajay Kumar and Shubh Karan Surana retire by rotation at the ensuing annual general meeting. Being eligible for re-appointment, they are willing to continue on the board. In March 2002, Board inducted three Independent Directors namely Mr. Sanjiv Agarwal, Mr. S.D. Shukla and Dr. K.P. Sharma as Additional Directors in compliance with clause 49 of the listing agreements with the Stock Exchanges. These additional Directors hold office as such up to the conclusion of ensuing Annual General Meeting of members of the company.

**Auditors** - The auditors, S. Misra & Associates, Chartered Accountants, hold office until the conclusion of ensuing annual general meeting and being eligible, have offered for reappointment. As required under section 224 of the Companies Act, 1956, the company has obtained from them a confirmation to the effect that their re-appointment, if made, would be in conformity with the limits prescribed in the said section."

**Conservation of energy, research and development, technology absorption, foreign exchange earnings and outgo**  
(Particulars prescribed under Section 217(1)(e) of Companies Act, 1956 read with rules made there under)

Operations of the company are not energy intensive. Electricity forms a very little part of total revenue of the company. However, management is cautious about energy wastage. Company has installed wherever possible, energy efficient lightings and equipment. Financial impact of these measures is immaterial.

The company is continuously improving its business process by research and developments for better quality and customer satisfaction. As the company is engaged in a business marked with rapid technology changes and obsolescence, it has plans and policies in place to ensure that all its hardware and software resources are periodically upgraded to incorporate the best available technologies. Company has well laid out training programs to upgrade skills of its employees in line with changing market conditions.

The details of foreign exchange earnings and outgo are given in notes on accounts.

**Particulars of employees** - Pursuant to Section 217 (2A) of the Companies Act, 1956 and Companies (Particulars of Employees) Rules 1975, it is reported that there was no employee drawing remuneration during the year at or above the rates mentioned therein.

**Corporate Governance** - Pursuant to clause 49 of the listing Agreements with the Stock Exchanges, a Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance on Corporate Governance are made a part of the annual report.

**Acknowledgement** - Your Directors sincerely appreciate the support and co-operation extended to them by shareholders, employees, associates and business partners during the year. Directors are grateful to all customers, vendors, bankers, Stock Exchanges and Government for their continued support to your Company.

For and on behalf of the Board

**Surendra K Surana**

Managing Director

Jaipur, July 30, 2002



**Auditor's Certificate regarding compliance of Corporate Governance**

To Members of  
Compucom Software Limited

We have examined the records with respect to the compliance of Corporate Governance as stipulated in Clause 49 of the Listing Agreements entered into by the company with Stock Exchanges for the financial year ended on March 31, 2002.

The objective of our examination is to give our opinion on whether the Company has complied with conditions of Corporate Governance as stipulated in provisions of clause 49 of Listing agreements with Stock Exchanges in India.

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 nor an expression of an opinion on financial statements of the company.

In our opinion and to the best of our information and according to explanations given and representations made by Directors, we certify that the Company has made adequate efforts to comply with conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

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

**FOR S.MISRA & ASSOCIATES**

Chartered Accountants

**SACHINDRA MISRA**

Partner

Jaipur, July 30, 2002

**Corporate Governance Report for the year 2001-02**

(Pursuant to Clause 49 of the Listing Agreements entered into with Stock Exchanges)

**1. Management's philosophy on Corporate Governance.**

Company's Philosophy on code of corporate governance is to achieve business excellence by providing better services to its clients. The Board of Directors of the company fully subscribes to the framework for corporate governance as prescribed by the code. The Board has set, as its mission, the implementation of a Corporate Governance System to ensure transparency, control, accountability and responsibility in all areas of operation. The Board strongly believes that the company should develop this desired minimum framework by adopting the best governance practices so as to build a strong brand / image of the company and to protect / enhance value for all its shareholders, employees, clients and society at large.

**2. Board of Directors**

Pursuant to SEBI guidelines, Company expanded its Board during the year by appointing three independent non executive directors with places on various committees formed and complied with Corporate Governance requirements. With this the number of Independent Directors is more than one-third of the total number of Directors.

None of Directors on the Board is a member on more than 10 committees and Chairman of more than 5 Committees ( as specified in Clause 49) across all the companies in which he is a Director. Required disclosures have been obtained from Directors.

The No. of Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting and also the number of Directorships and Committee Memberships held by them in other companies is given below:

Name	Category	No. of board Meetings Attended during 2001-02	Attendance at AGM held on 29th Sept, 2001
Mr. Surendra K. Surana	Promoter Not Independent Managing Director	5	Yes
Mr. Shubh .K. Surana	Promoter Not Independent Non Executive	4	Yes
Mr. Ajay Kumar	Promoter, NRI Not Independent Non Executive	Nil	No
Mr. John A. Guinta	Not Independent Non Executive, Non resident	Nil	No
Mr. Stephen .C. Viehman	Not Independent Non Executive, Non resident	1	No
Mr. Sanjiv Agarwal	Independent Non Executive	NA	NA
Mr. S.D. Shukla	Independent Non Executive	NA	NA
Dr. K.P. Sharma	Independent Non Executive	NA	NA

None of the Directors hold any directorships or committee positions in any other public companies.

Five Board Meetings were held during the financial year 2001-02 and the gap between two meetings did not exceed Four months.

The dates on which the Board Meeting were held are as follows:

April, 30, 2001, July 30, 2001, October 30, 2001, January 30, 2002., March 9, 2002

As the expansion of the Board by way of appointing Additional Director under the Provisions of Section 260 has only taken place on 9th March, 2002, three Independent Non-executive Directors Viz. Mr. Sanjiv Agarwal ( FCA, FCS, and Management Consultant) Mr. S.D. Shukla ( Retired IAS and Ex- Chairman of Railway Recruitment Board) and Dr.K.P.Sharma ( Retired Law Professor) could not participate in Board meetings held during the Year 2001-2002.





### 3. Audit Committee

Board constituted its Audit Committee at Board Meeting held on 9th March 2002. The Broad terms of reference of the Audit Committee is to advise Board in matters pertaining to selection / adoption of accounting policies and procedures, compliance with accounting standards, to review its financial statements and adequacy of its Internal Control systems. Audit Committee shall also advise the Board in matters of appointment of Statutory Auditors and qualifications if any in the Auditor's Report. The scope of the activities of the Audit Committee includes areas prescribed by Caluse 49 II ( D).

The Audit Committee shall have powers in accordance with prevalent provisions of Companies Act, SEBI Guidelines and listing agreement. The company has complied with the requirements of Clause 49 II (A) as regards Composition of Audit Committee.

Composition of the Audit committee is as under:

Name of Members	Category
Mr. Sanjiv Agarwal	Independent, Non- Executive
Mr. Shubh Karan Surana	Promoter, Not Independent, Non- Executive
Dr. K.P.Sharma	Independent, Non Executive

Mr. Sanjiv Agarwal Shall Chair the Committee and the Quorum of meeting of Committee would be 2 members.

The Company Secretary acts as Secretary to Audit Committee. Statutory Auditor attended the audit committee meeting for review of annual accounts.

### 4. Compensation Committee

Board constituted a Compensation Committee in its board meeting held on 9th March, 2002.

The Board terms of reference of the Committee is to advise the Board about remuneration of Non- Executive Directors, compensation policies, Employee Stock Options Scheme of the Company.

The Composition of the Committee is as under:

Name of Members	Category
Mr. Shubh Karan Surana	Promoter, Not Independent, Non- Executive Director
Mr. S.D. Shukla	Independent, Non - Executive Director
Dr. K.P.Sharma	Independent, Non- Executive Director

The Committee shall elect its Chairman and finalize its conduct procedures. Quorum of the meeting shall be two members.

Remuneration to Directors

Total remuneration paid to Managing Director for the FY ended on 31.03.2002 amounted Rs 940,000/- (Previous year 1,075,000).

All Non- Executive Directors are paid a sitting fee of Rs. 3,000/ for their attendance at every meeting of the Board and or Committee. No other remuneration was paid to them for the FY ended on 31.03.2002.

### 5. Investor's Relation Committee

Board had constituted Investor's Relation Committee in its Board meeting held on 9th March, 2002. The Committee is set up to inter-alia monitor the Investor's Grievances procedures. The Committee shall see that investors' complaints are resolved within the stipulated time as per the guidelines of SEBI and Stock Exchanges. In addition, Committee will also look into matters to facilitate better investors' services and relations.

The Composition of the Committee is as under:

Name of Members	Category
Mr. Shubh Karan Surana	Promoter, Not Independent, Non- Executive Director
Mr. S.D.Shukla	Independent, Non- Executive Director
Dr. K.P. Sharma	Independent, Non-Executive Director

Committee shall elect the Chairperson of the meeting and implement necessary procedures.

Mr. Prabhat Gupta , was Company Secretary and Compliance Officer of the company till 30.June 2002. Mr. Atul Lakhota has been appointed Company Secretary and Compliance Officer of the company with effect from 1st July, 2002.

### 6. General Body Meetings

Details of the location of the last three Annual General Meetings ( AGM) and the details of the resolutions passed or to be passed by the postal Ballot.

AGM for the Financial Year ended	Date and time of AGM	Locations of Holding AGM
2000-2001	29 th September, 2001 at 11.00 A.M.	IT 14 & 15 , Export Promotion Industrial Park, Sitapura, Jaipur-302022
1999.2000	26 th August,2000 at 11.00 A.M.	IT 14 & 15 , Export Promotion Industrial Park, Sitapura, Jaipur-302022
1998-1999	5 th July, 1999 at 10:30 A.M.	5A, Tilak Marg, Opp. Udyog Bhawan C-Scheme Jaipur 302005



All resolutions set out in respective AGM notices were passed by shareholders. No Postal Ballots were used for voting at these meetings. At the forthcoming AGM, there is no item on the agenda that needs approval by postal Ballot.

**7. Disclosures**

The details of materially significant related party transactions made by the company with its Promoters, Directors or Management, their Subsidiaries or relatives etc have been disclosed in section on Notes to Accounts as required by AS-18, issued by ICAI.

The Stock Exchange, Mumbai had suspended for a week in Oct / Nov 2001 trading in company script for late receipt by BSE of share holding pattern information in REVISED format. Delay had occurred due to late receipt in mail by company of relevant BSE notification. Except this incident, beyond Company control, no other lapses occurred in compliance requirement of Stock Exchanges and Companies Act, 1956.

**8. Means of communication:**

The Quarterly, Half Yearly and annual results were published in widely circulated National / local dailies namely Business Standard and Samachar Jagat.

The Company results and official news releases and Shareholding Pattern are also displayed on the Company's website.

Website Address is [www.compucotech.com](http://www.compucotech.com).

Details in Management Discussion / Analysis, Notes to Accounts and Directors' Report provided in separate sections earlier are not repeated in this section and form part of this Report on Corporate Governance for relevant information.

## Auditor's report

To

Members

Compucom Software Limited

1. We have audited the attached Balance Sheet of Compucom Software Limited as at March 31, 2002, and Profit and Loss Account of the company for the year ended on that date annexed thereto. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial are free of material misstatement. An audit includes examining, on test basis, evidence supporting amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on matters specified in Para 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - a. 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.
  - b. 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 such books.
  - c. The Balance sheet and Profit and Loss account dealt with by this report are in agreement with the books of accounts.
  - d. In our opinion, the Balance sheet and Profit and loss account dealt with by this report comply with the accounting standards referred to in sub-section 3C of Section 211 of the Companies Act, 1956 to the extent applicable.
  - e. In our opinion and to the best of our information and according to explanations given to us, the said accounts read with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
    - i. In the case of Balance sheet, of the state of affairs of the Company, as at March 31, 2002;
    - ii. In the case of Profit and loss account, of the profit of the Company, for the year ended on that date.
5. On the basis of written representations received from the Directors of the Company as at March 31, 2002 and taken on record by the Board of Directors, we report that no director is disqualified from being appointed as director of the company under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

**FOR S.MISRA & ASSOCIATES**

Chartered Accountants

**SACHINDRA MISRA**

Partner

Jaipur, July 30, 2002