

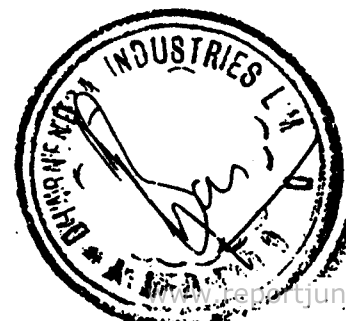
**SIXTEENTH
ANNUAL REPORT
2002-2003**

DHARNENDRA INDUSTRIES LIMITED

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For Dharnendra Industries Limited

Director



DHARNENDRA INDUSTRIES LIMITED

BOARD OF DIRECTORS

SHRI NAVINCHANDRA B. GANDHI	: Chairman
SHRI DHARMENDRA B. GANDHI	: Managing Director
SHRI BHUPENDRA B. GANDHI	: Director
SHRI BHARATBHAI DELIVALA	: Director

AUDITORS

Bharat Parikh & Associates
Chartered Accountants
Vadodara - 390 001

BANKERS

Janta Sahakari Bank Ltd.
Pune/Mumbai

REGD. OFFICE

908, G.I.D.C Engineering Estate,
Sector 28,
Gandhinagar - 382 028 (Gujarat)

CORPORATE OFFICE

2nd floor, Chakravarty Complex,
Nr. Vijay Char Rasta, Navrangpura, Ahmedabad - 380 009

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NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of the shareholders of Dharmendra Industries Limited will be held on Tuesday, the 30th September, 2003 at 11.00 a.m. at the registered office of the Company at 908, GIDC Engineering Estate, Sector 28, Gandhinagar to transact the following business:

1. To consider and adopt the audited Balance Sheet as at 31st March, 2003 and the Profit and Loss Account for the year ended 31st March, 2003 and the Directors' and Auditors Report thereon.
2. To appoint a director in place of Shri Bhupendra B. Gandhi, who retires by rotation and is eligible for reappointment.
3. To appoint M/s. Bharat Parikh & Associates, Vadodara as auditors of the company for the period commencing from the conclusion of this annual general meeting till the conclusion of the next annual general meeting and to fix their remuneration.

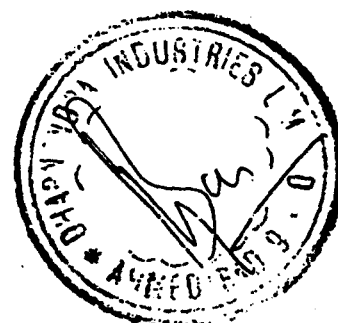
NOTES :

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and, on a poll, vote instead of himself/herself. A proxy need not be a member. Proxies in order to be effective must be received by the Company at its registered office not later than forty eight hours before the commencement of the meeting.
2. The register of Members and Share Transfer Books of the Company will remain closed from 19th September, 2003 to 1st October, 2003 (both days inclusive) with available records.
3. Due to flood in the year 2000, Register of Members, Share Transfer Books and other Statutory Records of the Company alongwith other documents/Records were destroyed in the flood. The Computer system and data storage devices were also destroyed in the flood. The Company is in the process of preparing the same and has updated the records to the extent of available informations.
4. Members are requested to notify immediately and change of address to their depository participants (DPs) in respect of their electronic share accounts and to the company in respect of their physical share folios, if any.
5. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature registered with the Company for admission to the meeting hall. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID Numbers for identification.
6. Members desiring of getting any information about the accounts and operations of the Company are requested to address their queries to the Company at least seven days in advance of the meeting so that the information required may be made readily available at the meeting.

By Order of the Board of Directors
For Dharmendra Industries Limited

Dharmendra B. Gandhi
Managing Director

Place : Ahmedabad
Date : 05-09-2003



ANNEXURE
INTIMATION TO SHAREHOLDER

Dear Shareholder,

We wish to bring to your kind attention the following .

1. Dematerialisation of Shares

As you are aware, the shares of your Company are included in compulsory trading in dematerialized segment. Hence, if any investor wishes to buy or sell securities, the investor would have to do so in the electronic mode only. The benefits of dematerialisation are :

- No bad deliveries
- Immediate transfer of Shares
- Reduction in the volume of paper handled
- Elimination of risks associated with physical certificates such as loss, theft, forgery etc.
- Reduction in transaction cost
- Trading made possible in any lot
- Faster settlement of delivery
- No stamp duty for transfer of shares

If you have not yet dematerialized your shares, you are advised to contact a depository participant for dematerializing the shares held by you.

2. Consolidation of Folios

With a view to render prompt and efficient service, you are requested to send a letter of request for consolidation of shares alongwith the relevant share certificates to the Company, in case you are holding shares of the Company in more than on folio (in the same sequence of joint names in case of joint holding).

3. Nomination facility

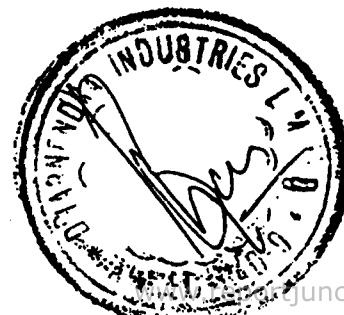
Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956 are requested to submit to the Company their request in the prescribed Form 2B.

We solicit your co-operation and compliance in this regard.

By Order of the Board of Directors
For Dharmendra Industries Limited

Dharmendra B. Gandhi
Managing Director

Place : Ahmedabad
Date : 05-09-2003



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 16th ANNUAL REPORT on the business operations of the Company and Financial Results for the year ended 31st MARCH, 2003.

FINANCIAL RESULTS :

(Rs. in Lacs)

Particulars	Current Year 31-03-2003	Previous Year 31-03-2002
Sales & Servicing Income	1983.50	4245.94
Gross Profit (Loss) from Operations	(2401.13)	(3081.55)
(Loss) of Partnership Firm	(8.05)	(192.60)
Other Income	2.43	240.26
Depreciation	99.06	99.06
Profit (Loss) before tax	(2507.31)	(3145.20)
Prior period items	337.10	96.47
Profit (Loss) after tax	(2844.41)	(3241.67)
Profit brought forward	(2169.85)	893.98
Balance Transferred from General Reserve	0.00	177.84
Profit (Loss) available for appropriation	(5014.26)	(2169.85)
Balance carried to Balance Sheet	(5014.26)	(2169.85)

OPERATIONS DURING YEAR:

The year under review has recorded turnover of Rs.1983.50 Lacs as against turnover of Rs. Rs.4245.94 Lacs during the previous. This implies reduction in turnover by about 53.28%. This has happened on account of acute liquidity crunch and non-availability of working capital funds, further the company has continue to make losses on account of increase in input prices, decrease in selling prices, increase in power and fuel and other costs and non lifting of materials by the importers on account of reduction of oil prices in the international market. The company's performance has been adversely affected throughout the year because of large scale unchecked imports coming in to the country. Internationally oil prices have fallen drastically.

To implement effective management, the Company / promoters have escrowed all its receipts and payment to the Bank and accordingly, entire cash flow part of the year under review were monitored by the bank. With regards to presentation made by auditors, the rebate, claims, reversal of debit notes and bad debts written off also includes the part amount assigned by the bank to the company which Company was not able to recover till date though Company has continued its efforts to recover the same.

To curtail the level of losses and to initiate the implementation of the Memorandum of Understanding (MOU) with the bank, the Company has withdrawn itself from the partnership firm with effect from 28.6.2002 as per retirement deed executed. In view of the above, the Company is no more partner in the said firm. As a result thereof, the Company henceforth would not be liable for losses / liabilities.

FUTURE PLANS & PERCEPTIONS:

The directors feel that had working capital been available, the sales and performance of the company would have been much better. The company is making all efforts to increase the export performance, as there good potential. The company is continuously making all efforts to increase its base in overseas market. Ice-cream Unit of the company is under revival. The Company is trying to improve its export performance for Castor Oil.

FIXED DEPOSITS:

During the year under review, the Company has not accepted any Fixed Deposits from the general public.



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DIRECTORS

At the ensuing Annual General Meeting Shri Bhupendra B. Gandhi, who retires by rotation and is eligible for re-appointment.

During the year Mr.Arvind J Shah and Mr.Mahendra A Shah has retired from the board ,the board places the record of appreciation for the services rendered during their tenure

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION:

As required by the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 the relevant data pertaining to Conservation of Energy, Technology, Absorption & Foreign Exchange earnings and outgo are given in the Annexure forming part of this report.

INDUSTRIAL RELATIONS:

Your Directors are pleased to record the appreciation and sense of commitment shown by our employees at all levels and acknowledge their contribution towards sustain progress of the Company even in the sluggish market conditions. The relations between management and employees remained cordial.

DIRECTORS:

In order to comply the provisions of Section 255 of the Companies Act, 1956, Mr.Bhupendra B. Gandhi and Mr.Navinbhai B.Gandhi, retire by rotation and are being eligible for reappointment, offers himself for reappointment.

CORPORATE GOVERNANCE:

Your Company is committed to the tenets of good Corporate Governance and has taken adequate steps to ensure that the requirement of Corporate Governance as laid down in clause 49 of the Listing Agreement are complied with.

A separate report on Corporate Governance is being published as a part of the Annual Report of the Company.

The Auditors of the Company have certified that conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement are complied by the Company and their Certificate is annexed to the report on Corporate Governance.

LISTING AGREEMENT WITH STOCK EXCHANGE:

As per the provisions of a Listing Agreement with the Stock Exchange of Ahmedabad, the Company has complied with the requirements and necessary guidelines issued from time to time by The Stock Exchange – Ahmedabad and SEBI.

AUDITORS:

M/S.Bharat Parikh & Associates, Vadodara, Chartered Accountants, Statutory Auditors of the Company whose tenure expire at the conclusion of the ensuing Annual General Meeting are eligible for reappointment.

PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956:

There are no employees who are in receipt of remuneration to the aggregate of not less than Rs.24,00,000/- per annum or Rs.2,00,000/- per month in respect of part of the year or during the year.



DIRECTORS' RESPONSIBILITY STATEMENT:

As required u/s.217 (2AA) of the Companies Act, 1956, it is hereby declared:

- (i) That in the preparation of the annual accounts for the financial year ended 31st March, 2003, the applicable accounting standards has been followed along with proper explanation relating to material departures;
- (ii) That the Directors have selected such accounting policies and applied them consistently and 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 at the end of the Financial Year and of the profit/loss of the Company for that period.
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the Annual Accounts for the financial year ended 31st March, 2003 on a going concern basis

ACKNOWLEDGEMENTS:

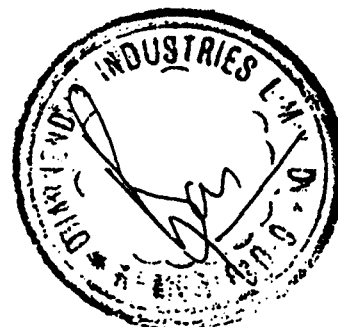
Your Directors place on record their sincere appreciation of the services rendered by the Bankers and Financial Institutions who have given their valuable cooperation during the year under review. Further, your Directors also wish to place on record the valued support and cooperation of shareholders, customers, suppliers, employees and workers of the Company.

For and on behalf of the Board

Place : Ahmedabad
Date : 05-09-2003

Navinchandra B. Gandhi
Navinchandra B. Gandhi
Chairman.

[Signature]
For Dharmendra Industries Limited
Director



ANNEXURE TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2003 -
PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION.

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ANNEXURE TO THE DIRECTORS' REPORT

Particulars required under the Company's (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

[A] CONSERVATION OF ENERGY:

a. Energy conservation measures taken :

Company is giving high priority to energy conservation and has continued with its policy of energy

Audit and periodic overhauling of the part and machinery.

b. Additional investments and proposals if any being implemented for reduction of consumption of energy

Investments in energy saving equipment are under implementation.

c. Impact of measures at (a) and (b) for reduction of energy consumption and consequent impact on the cost of production of goods.

Reduction in energy consumption leads to reduction in the cost of production and increase in the production efficiency. however the same cannot be quantified.

d. Total energy consumption and energy consumption per unit of production.

As advised to the management, The present activity of the Company is not covered under the list of specified industries.

[B] RESEARCH AND DEVELOPMENT:

a) Specific areas in which R&D carried out by the Company:

NIL

b) Benefits derived as a result of the above R & D:

NIL

c) Further plan of action :

NIL

d) Expenditure of R & D.

	Amount
i) Capital	-
ii) Recurring	-
iii) Total	-
iv) Total % of turnover	-

[C] TECHNOLOGY ABSORPTION AND INNOVATION:

a) Efforts made:

NIL

b) Benefits:

NIL

c) Particulars of Technology Imported during the last 5 years:

NIL



[D] FOREIGN EXCHANGE EARNINGS AND OUTGO :

	Current Year	Previous Year
Earnings :	249.32 Lacs	4167.56 Lacs
Outgo :	NIL	NIL

For and on behalf of the Board

Navinchandra B. Gandhi
Navinchandra B. Gandhi
Chairman

Place : Ahmedabad
Date : 05-09-2003

[Signature]
For Dharmendra B. Gandhi
Director

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