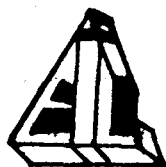


ANNUAL REPORT

2002 - 2003

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ENTERPRISE INTERNATIONAL LTD.

BOARD OF DIRECTORS

Mr. GOPAL DAS SARDA (Chairman)

Mr. BIJOY KUMAR SARDA

Mr. BIMAN CHATTERJEE

Mr. JAI NARAYAN NATHANY

COMPANY SECRETARY :

Mr. SOURINDRA NATH MUKHERJEE

AUDITORS :

M/S. K. M. TAPURIAH & CO.

Chartered Accountants

BANKERS :

BANK OF INDIA

STATE BANK OF INDIA

CITI BANK NA

ICICI BANK

REGISTERED OFFICE :

"SARDA HOUSE"

61, Jatindra Mohan Avenue,

Kolkata - 700 005

CORPORATE OFFICE :

"Amar Sudha Building"

3rd Floor

5A/1A, Lord Sinha Road,

Kolkata - 700 071

ENTERPRISE INTERNATIONAL LIMITED**NOTICE TO THE MEMBERS**

NOTICE is hereby given that the 14th Annual General Meeting of the Company will be held at BIRLA PLANETARIUM HALL, M. P. BIRLA PLANETARIUM, 96, JAWAHARLAL NEHRU ROAD, KOLKATA - 700 071 on Wednesday, the 24th day of September, 2003 at 10.00 A.M. to transact the following business :

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2003 together with the Director's Report and Auditor's Report thereon.
- 2) To appoint a Director in place of Sri Biman Chatterjee who retires by rotation and being eligible offer himself for re-appointment.
- 3) To appoint Auditors to hold Office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

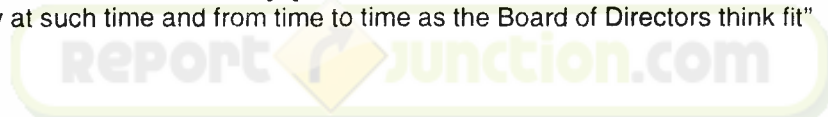
SPECIAL BUSINESS

- 4) To consider and if thought fit, to pass, with or without modification, the following resolution as ORDINARY RESOLUTION :

"RESOLVED THAT Sri Jai Narayan Nathany who was appointed as an Additional Director of the Company be and is hereby appointed as a Director of the Company, liable to retirement by rotation"

- 5) To consider and if thought fit, to pass, with or without modifications, the following resolution as a SPECIAL RESOLUTION.

"RESOLVED THAT pursuant to the provisions of Section 149 (2-A) and other applicable provisions, if any, of the Companies Act, 1956, approval of the Company be and is hereby accorded for commencing and undertaking all or any of the business as set out and specified in Sub-clause-18 of Clause-III [C] of the Memorandum and Articles of Association of the Company at such time and from time to time as the Board of Directors think fit"



Regd. Office :
61, Jatindra Mohan Avenue,
Kolkata - 700 005

By Order of the Board
For **ENTERPRISE INTERNATIONAL LIMITED**

G. D. SARDA
Chairman

Date : 31st May, 2003

Notes :

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT TO BE A MEMBER OF THE COMPANY.
- 2) Proxies, in order to be effective should be completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- 3) The Register of Members and Share Transfer Books shall remain closed from Tuesday, the 16th September, 2003 to Tuesday, the 30th September, 2003 (Both days inclusive) in connection with the 14th Annual General Meeting.

ENTERPRISE INTERNATIONAL LIMITED

- 4) Members desirous of obtaining any information concerning the Accounts and operations of the Company are requested to send their queries to the Company at least Seven days prior to the meeting so that the required information can be made available at the Meeting.
- 5) Members attending the meeting are requested to bring with them the Attendance Slip attached to the Annual Report duly filed in and signed and handover the same at the entrance of the Meeting hall.
- 6) Members are requested to note that pursuant to the provisions of section 205 C of the Companies Act, 1956, the dividend remaining unclaimed/unpaid for a period of seven years from the date they became due for payment shall be credited to the Investors Education and Protection Fund, set up by the Central Government, Members who have so far not claimed the dividend are requested to make claim with the Company as no claim shall lie against the Fund or the Company in respect of individual amount once credited to the said Fund.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956**Item no. 4**

Mr. Jai Narayan Nathany was appointed as an additional Director of the Company w.e.f. 1st August 2003. In terms of Section 260 of the Companies Act, 1956, Mr. Nathany will hold office upto the date of the next Annual General Meeting of the Company. The Company has received the required notice from a member of the Company under Section 257 of the Act proposing the candidature of Mr. Nathany as Director of the Company.

Mr. Nathany aged about 46 years, is a graduate in commerce from Calcutta University. Mr. Nathany has rich business knowledge.

Considering the rich and vast experience of Mr. Jai Narayan Nathany, it will be in the interest of the Company to avail of his contribution in the overall progress of the Company and accordingly the Board recommends the resolution for approval of members.

Mr. Jai Narayan Nathany is interested in the resolution set out in item No. 4 concerning his appointment. Save and except no other Directors are interested in the aforesaid resolution.

Item no. 5

The present business of the company consists of trading of Raw Silk Yarn. To deploy the surplus funds of the Company in Judicious manner, it is considered to be appropriate to commence the business as set out in Sub Clause 18 of Clause III [C] of Memorandum of Association of the Company.

Pursuant to Section 149 (2-A) of the Companies Act, 1956 commencement of any new business mentioned under clause III [C] of the Memorandum of Association of the Company requires approval of the Share holders by Special Resolution passed in that behalf in the General Meeting. New business as mentioned in Sub Clause 18 of Clause III [C] of Memorandum of Association may be commenced by the Company at any time after the approval of the Share holders is obtained vide the proposed Special Resolution. The said Sub-Clause 18 of Clause III [C] of the Memorandum of Association is reproduced below :

Sub-Clause – 18

To carry on the business of an investment company and to invest in acquire buy, sell, transfer, underwrite, subscribe for hold, dispose of shares, bonds, obligations, stocks, securities, debentures, debenture stocks issued or guaranteed by any company constituted and carrying on business in India or elsewhere, and Government State, dominions, sovereign, Central or State Commissioners, Port Trust, Public body or authority, Supreme, Municipal, Local, or otherwise whether in India or elsewhere, and to invest Money on personal security or on any other security and generally to land and advance money to such persons, firms or companies and upon such terms and subject to such conditions as may seem expedient.

ENTERPRISE INTERNATIONAL LIMITED**DIRECTORS' REPORT TO THE MEMBERS :-**

Your Directors have pleasure in presenting their with the Fourteenth Annual Report together with the Audited Accounts of the Company for the Financial Year ended on 31st March, 2003.

1. FINANCIAL RESULTS

The summarised Financial Results for the year are as under :

	Year ended 31.03.2003	(Rupees in Lacs) Year ended 31.03.2002
Total Income	1392.30	2004.94
Profit before Interest		
Depreciation & Tax	8.99	3.88
Less : Interest	1.32	—
Profit before Depreciation & Tax	7.67	3.88
Less : Depreciation	5.65	5.79
Profit / (Loss) before Tax	2.02	(1.91)
Less : Provision for Tax	0.16	—
Profit / (Loss) after Tax	1.86	(1.91)
Add : Surplus brought forward	123.13	125.04
Adjustment from earlier taxation	0.33	—
Surplus carried to Balance Sheet	125.32	123.13

2. OPERATIONS :

Despite the recession in the economy for last two consecutive years, your company has earned Rs. 1.86 lacs. The prices of Raw Silk were under pressure throughout the year. In spite of sluggish economic growth there is growth potential in Silk Market. Your Company will persist in its endeavour to improve operational efficiency and minimize costs.

3. DIVIDEND :

In view of inadequacy of profits the Board does not recommend any dividend.

4. DIRECTORS :

Sri Biman Chatterjee will retire from the Board of Directors by rotation in accordance with the provisions of Articles of Association of the Company and being eligible offers himself for re-appointment.

Sri Jai Narayan Nathany was appointed as the additional Director of the Company w.e.f. 1st August, 2003. Notice under Section 257 has been received proposing his name.

5. AUDITORS :

M/s K. M. TAPURIAH & CO., Chartered Accountants, Kolkata, the Auditors of the Company hold Office until the conclusion of the forthcoming Annual General Meeting. The Company has received a letter from them to the effect that their appointment, if made, by the Company for the year 2003-2004 will be within the limit prescribed under Section 224 (1-B) of the Companies Act, 1956. The Board of Directors commends their re-appointment.

6. PERSONNEL :

Your Directors are pleased to record their appreciation for the dedication and contribution made by employees at all levels who, through their competence and hard work, have enabled your company achieve better performance and look forward to their support in the future as well.

ENTERPRISE INTERNATIONAL LIMITED

Particulars of Employees as per Section 217 (2-A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is not furnished as there was no employee in receipt of remuneration exceeding the limits fixed under the said provisions of the Act, 1956.

7. AUDITORS REPORT :

The notes to the Accounts referred to in the Auditors' Report are self explanatory and, therefore, do not call for any further comment under Section 217 (3) of the Companies Act.

8. STATUTORY INFORMATION :

The Company has no activities requiring disclosures relating to conservation of Energy etc. The Technology is indigenous based on hand process. During the year under review the earnings in Foreign Currency was Rs. 105.79 Lacs and the Expenditure in Foreign Currency was Rs. 893.73 Lacs.

9. DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the Provisions of Sub-Section (2-AA) of Section 217 of the Companies Act, 1956, your Directors confirm :

- i) that in the preparation of the Annual Accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures ;
- ii) that the accounting Policies selected had been applied consistently and made judgements and estimates made are reasonable and prudent so as to give a true and fair view of the State affairs of the Company at the end of the Financial Year as on 31st March, 2003 and of the Profit of the Company for the period.
- iii) that proper and sufficient care had 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; and
- iv) that the Annual Accounts had prepared on a going concern basis.

10. SUBSIDIARY COMPANY

Pursuant to the requirements of Section 212 of the Companies Act, 1956, the Annual Reports and Accounts of the wholly owned Subsidiary company, viz. ENTERPRISE FINANCE LIMITED, for the year ended 31st March, 2003 are annexed hereto.

11. ACKNOWLEDGEMENT

Your Directors would like to place on record their sincere appreciation for the support and continued co-operation extended by Government Authorities, the Shareholders, Banks, Financial Institutions. Customers and the Employees.

Place : Kolkata

Date : 31st May, 2003

For and on behalf of the Board

GOPAL DAS SARDA
Chairman

Information required to be furnished under the listing Agreement.

The names and addresses of the Stock Exchanges where Company's Share are listed.

1. The Calcutta Stock Exchange Association Ltd.

7, Lyons Range,
Kolkata - 700 001

2. The Stock Exchange, Mumbai,

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

The Listing Fees for the year 2002-2003 has been paid on time to all the Stock Exchanges.

ENTERPRISE INTERNATIONAL LIMITED**AUDITOR'S REPORT****TO THE MEMBERS OF ENTERPRISE INTERNATIONAL LIMITED**

1. We have audited the attached Balance Sheet of ENTERPRISE INTERNATIONAL LIMITED as at 31st March 2003 and the relative Profit & Loss Account for the year ended on that date, both of which we have signed under reference to this report. 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 have 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 for our opinion.
3. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956 of India (the 'Act') and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we set out in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 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 purposes of our audit ;
 - (b) 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 ;
 - (c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account ;
 - (d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report have been prepared in compliance with the applicable accounting standards referred to in section 211 (3C) of the Act ;
 - (e) On the basis of written representations received from the directors, as on 31st March, 2003, and taken on record by the Board of Directors of the Company, none of the directors is disqualified as on 31st March, 2003 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act ;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit and Loss Account together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act, and also 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, 2003; and
 - (ii) in the case of the Profit and Loss Account, of the Profit for the year ended on that date.
 - (iii) in the case of cash flow statement, of the cash flows for the year ended on that date.

Annexure to the Auditor's Report

(Referred to in paragraph 3 of our Report of even date)

- (i) (a) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year at reasonable intervals. To the best of our knowledge, no serious discrepancies have been noticed on verification.
- (ii) The Fixed Assets of the Company have not been revalued during the year.
- (iii) The Stock of finished goods, stores, spare parts and raw materials of the Company have been physically verified by the management at reasonable interval.

ENTERPRISE INTERNATIONAL LIMITED

- (iv) The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (v) The discrepancies noticed on verification between the physical stocks and book records are not material and have been properly dealt with in the books of accounts.
- (vi) On the basis of our examination of the valuation of stocks, we are of the opinion that such valuation is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceeding year.
- (vii) The Company has not taken any loans secured or unsecured, from Companies, firms or other parties as listed in Register maintained under Section 301 of the Companies Act, 1956 or from the Companies under the same management as defined under Section 370 (1-B) of the Companies Act, 1956.
- (viii) The Company has not granted any loan, secured or unsecured to firms and other parties listed in the Register maintained under Section 301 of the Companies Act, 1956 or to the Companies under the same management as defined under Section 370 (1-B) of the Companies Act, 1956, except interest free loan to its subsidiary. In our opinion, having regard to the involvement with subsidiary Company and considering the explanations given to us in this regard, the terms and conditions of the above are not prima facie, prejudicial to the interest of the Company.
- (ix) The Parties including employees to whom loans or advances in the nature of loans have been given by the Company, where applicable, are generally repaying the principal amounts as stipulated and are also regular in the payment of interest. No recoveries have been made in respect of some intercorporate loans and advances, which are repayable on demand. There have been delays in recovery of interest and based on explanations given to us reasonable steps are being taken by the company for recovery.
- (x) There are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of stores, raw materials including components, plant and machinery, equipments and other assets and for the sale of same.
- (xi) The Company has a regular procedure for the determination of unserviceable or damaged stores, raw materials, trading goods and finished goods and necessary adjustments for the loss arising on the items so determined have been made in the accounts.
- (xii) The Company has not accepted any Public Deposit.
- (xiii) Reasonable records have been maintained by the Company for the sale and disposal of significant realisable scraps.
- (xiv) The Company has an internal audit system commensurate with the size and nature of its business.
- (xv) Maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 is not applicable to the Company.
- (xvi) There are no undisputed amounts payable in respect of income tax, wealth tax, sales tax, excise duty and customs duty as at 31st March 2003 which are outstanding for a period of more than six months from the date they become payable.
- (xvii) During the course of our examination of the books of accounts, we have not come across any personal expenses which have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
- (xviii) The Company is not a sick industrial company within the meaning of clause (O) sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
- (xix) The Company is maintaining proper records in respect of dealing and trading in shares and debentures. Timely entries have been made therein for transactions and contracts entered into by the Company. The shares and debentures have been held by the Company in its own name.
- (xx) The other provisions of the Manufacturing and other Companies (Auditor's Report) Order, 1988 are not applicable to the Company and or are in the process of being registered in the name of the Company.

For **K. M. TAPURIAH & CO**
Chartered Accountants

Place : Kolkata
Date : 31st May, 2003

M. S. TAPURIAH
Proprietor

ENTERPRISE INTERNATIONAL LIMITED**BALANCE SHEET AS AT 31ST MARCH, 2003**(Amount in Rupee)
As at 31.03.2002

	Sch. No.	As at 31.03.2003	As at 31.03.2002
I. SOURCES OF FUNDS			
1. Shareholder's Funds			
a) Capital	A	29942250	29942250
b) Reserves & Surplus	B	35586188	35366772
Total :		<u>65528438</u>	<u>65309022</u>
II. APPLICATION OF FUNDS :			
1. Fixed Assets	C		
a) Gross Block		5452104	5416559
b) Less : Depreciation		<u>2050042</u>	<u>1498474</u>
c) Net Block		3402062	3918085
2. Investments	D	1336024	2959170
3. Current Assets, Loans & Advances	E		
a) Inventories		7677356	7762207
b) Sundry Debtors		746711	17691981
c) Cash & Bank Balances		4078415	4916858
d) Loans & Advances		66817268	29279278
		<u>79319750</u>	<u>59650324</u>
Less : Current Liabilities & Provisions	F		
a) Liabilities		18841560	1820354
b) Provisions		15897	54321
		<u>18857457</u>	<u>1874675</u>
Net Current Assets		60462293	57775649
4. Miscellaneous Expenditure	G	328059	656118
(To the extent not written off or adjusted)			
Total :		<u>65528438</u>	<u>65309022</u>

NOTES ON ACCOUNTS K

As per our attached report of even date

For **K. M. TAPURIAH & CO.**
Chartered Accountants**(M. S. TAPURIAH)**
Proprietor

Kolkata, the 31st May, 2003

G. D. SARDA
B. K. SARDA
B. CHATTERJEE
Directors**SOURINDRA NATH MUKHERJEE**
Secretary

ENTERPRISE INTERNATIONAL LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2003**

		(Amount in Rupee)	
INCOME	Sch. No.	Year ended 31.03.2003	Year ended 31.03.2002
Sales		130293693	195922899
Duty Draw Back		176876	—
Other Income	H	8760144	4571020
Stock in trade		7677356	7762207
		<u>146908069</u>	<u>208256126</u>
EXPENDITURE			
Opening Stock		7762207	8831642
Purchase		101075324	138673577
Manufacturing & Other Exp.	I	34163262	56370271
Administrative & Selling Exp.	J	2906598	3978508
Loss on Sale of Investment		83257	—
Interest		131836	794
Depreciation		564823	579424
Auditors Remuneration		<u>18900</u>	<u>13650</u>
		146706207	208447866
PROFIT/ (LOSS) BEFORE TAX		201862	(191740)
Less : Provision for Tax		<u>15897</u>	<u>—</u>
PROFIT/ (LOSS) AFTER TAX		185965	(191740)
Income Tax Adjustment relating to earlier year		<u>33451</u>	<u>—</u>
		219416	(191740)
Balance b/f		<u>12313022</u>	<u>12504762</u>
Balance carried forward		<u><u>12532438</u></u>	<u><u>12313022</u></u>

NOTES ON ACCOUNTS K

As per our attached report of even date

For **K. M. TAPURIAH & CO.**
Chartered Accountants**(M. S. TAPURIAH)**
Proprietor

Kolkata, the 31st May, 2003

G. D. SARDA
B. K. SARDA
B. CHATTERJEE
Directors**SOURINDRA NATH MUKHERJEE**
Secretary