

Annual Report

2001-2002



Report  Junction.com

**Goldiam
International
Limited**

Goldiam International Limited

BOARD OF DIRECTORS

MANHAR R. BHANSALI	Chairman & Mg. Director
RASHESH M. BHANSALI	Vice-Chairman & Mg. Director
CHANDRESH A. MEHTA	Whole Time Director
AJAY M. KHATLAWALA	
RAJESH G. KAPADIA	
V. N. NADKARNI	Appointed w.e.f. 02.05.02
Dr. R. SRINIVASAN	Appointed w.e.f. 02.05.02

SECRETARY

M. K. VARMA

AUDITORS

H. S. GANDHI & CO.,
Chartered Accountants

BANKERS

Hongkong & Shanghai Banking Corpn.Ltd.
Punjab National Bank
Bank of India
ABN AMRO Bank NV

REGISTERED OFFICE

Gems & Jewellery Complex
Seepz, Andheri (East)
Mumbai - 400 096.

BRANCH OFFICE

Shop No.2, Prasad Chambers
Opera House, Mumbai-400 004.

REGISTRARS AND TRANSFER AGENTS

M/s. Intime Spectrum Registry Ltd.
260, Shanti Industrial Estate
Sarojini Naidu Road, Mulund (W)
Mumbai - 400 080.
Tel. Nos. : 5647731/5672716/5684590/5652756
Fax : 5672693 • Email : isrl@vsnl.com

Branch at :

202, Daver House
D. N. Road, Mumbai - 400 001.

LISTING

The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001.

Jaipur Stock Exchange Limited
Stock Exchange Building
Jawaharal Nehru Marg
Malaviya Nagar
Jaipur - 302 017.

Stock Exchange, Ahmedabad
Kamadhenu Complex
Opp. Sahajanand College
Panjarapole
Ahmedabad - 380 015.

The Delhi Stock Exchange Association Ltd.
DSE House
3/1, Asaf Ali Road
New Delhi - 110 002.

DEMAT DETAILS

ISIN : INE025B01017

FIFTEENTH ANNUAL GENERAL MEETING

will be held on Friday, 19th July, 2002, at 4.00 p.m. at
Bonquet Hall, 'Tribune 1', 6th Floor, Hotel Tunga
International, MIDC Central Road, Andheri (East)
Mumbai-400 093.

CONTENTS

Notice	1
Directors' Report	6
Report on Corporate Governance	9
Auditors' Report	15
Balance Sheet	18
Profit and Loss Account	19
Schedules	20
Notes on Account	25
Cash Flow Statement	32

*Annual Report 2001-2002***NOTICE**

NOTICE is hereby given that the FIFTEENTH ANNUAL GENERAL MEETING of the Members of GOLDIAM INTERNATIONAL LIMITED will be held on Friday, 19th July, 2002, at 4.00 p.m. at Banquet Hall 'Tribune 1', 6th Floor, Hotel Tunga International, MIDC Central Road, Andheri (East), Mumbai- 400 093, to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Directors' Report, the Audited Balance Sheet and the Profit and Loss Account of the Company and the Auditors' Report thereon for the year ended 31st March, 2002.
2. To declare dividend on equity shares for the year ended on 31.3.2002.
3. To appoint a Director in place of Shri Rajesh G. Kapadia, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s. H.S. Gandhi & Company, Chartered Accountants, as 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:

5. To consider and if thought fit to pass the following resolution as an ordinary resolution:

"RESOLVED THAT Shri V.N.Nadkarni be and is hereby elected director of the Company, who shall be liable to retirement by rotation as per the provisions of the Companies Act, 1956 and the Memorandum and Articles of Associations of the Company."
6. To consider and if thought fit to pass the following resolution as an ordinary resolution:

"RESOLVED THAT Dr. R. Srinivasan be and is hereby elected director of the Company, who shall be liable to retirement by rotation as per the provisions of the Companies Act, 1956 and the Memorandum and Articles of Associations of the Company."
7. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of

Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the said Act, the consent of the Company be and is hereby accorded to increase the remuneration of the Whole-Time Director, Shri Chandresh A Mehta, to Rs. 60,000/- per month with effect from 1.9.2001 for the remainder of his appointment approved by the Members at the Annual General Meeting held on 3.8.2001, the other terms and conditions remaining unchanged.

FURTHER RESOLVED THAT in the event of loss or inadequacy of profit in any year, the salary payable to Shri Chandresh A. Mehta, Whole-Time Director shall be governed by Section II of Part II of Schedule XIII to the Companies Act, 1956 or any statutory modifications thereto."

8. To consider and if thought fit to pass the following resolution with or without modification as a Special Resolution:

"RESOLVED THAT approval be and is hereby given, subject to approvals as may be necessary in this regard, to have the Equity Shares of the Company delisted from the Delhi Stock Exchange Association Limited, Jaipur Stock Exchange Limited and Stock Exchange, Ahmedabad."

9. To consider and if thought fit to pass the following resolution with or without modification as a Special Resolution:

"RESOLVED THAT approval be and is hereby given to increase the Authorised Share Capital of the Company to Rs.15,00,00,000/- (Rupees Fifteen Crores only).

FURTHER RESOLVED THAT Clause V of the Memorandum of Association of the Company be amended to read as under:

"V The Authorised Share Capital of the Company is Rs.15,00,00,000/- (Rupees Fifteen Crores only) divided into 1,50,00,000 (One Crore and Fifty Lakhs) Equity Shares of Rs.10/- (Rs. Ten only) each with the rights, privileges and conditions attaching thereto as are provided by the Articles of Association of the Company for the time being with power to increase and reduce the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights,

Goldiam International Limited

privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Act or provided by the Articles of Association of the Company for the time being.'

FURTHER RESOLVED THAT Article 5 of the Articles of Association of the Company be amended to read as under:

'5 The Authorised Share Capital of the Company is Rs. 15,00,00,000/- (Rupees Fifteen Crores only) divided into 1,50,00,000 (One Crore and Fifty Lakhs) Equity Shares of Rs.10/- (Rs. Ten only) each. The Company has the power to increase or reduce its capital. Any of the said shares or any new shares hereinafter to be created may from time to time be divided into shares of several classes in such manner as may be provided hereinafter. The shares of each class may have or confer such preferred or other special rights and privileges may be issued under such restrictions and conditions whether in regard to dividend, voting, return of capital or otherwise as shall be or under provisions of the Articles of Association but so that the special rights or privileges belonging to holders of any shares issued with preferred or other rights shall not be varied or abrogated or affected except with such sanction as is provided for hereinafter.'

10. To consider and if thought fit to pass the following resolution with or without modification as an Ordinary Resolution:

"RESOLVED THAT

- a) a sum of Rs. 19,000/- (Rupees Nineteen thousand only) drawn out of the Company's Capital Redemption Reserve Account and Rs. 6,60,63,000/- (Rupees Six Crore Sixty lacs Sixtythree thousand only) from Share Premium Account as is permissible to be utilised for the purpose of issue of Bonus Shares, be and is hereby capitalised and accordingly the said sum of Rs.6,60,82,000/- (Rupees Six Crore Sixty lacs and Eightytwo thousands only) be transferred from the aforesaid sum of Rs.6,60,82,000/- (Rupees Six Crore Sixty lacs and Eightytwo thousands only) and be applied for issue and allotment of Bonus Shares to the persons, who as on the record date, to be fixed by the

Board of Directors in consultation with the Stock Exchanges where the Company's Shares have been listed, be the holders of the existing 66,08,200 Equity Shares of Rs. 10/- each of the Company in payment in full for 66,08,200 New Equity Shares and that such new fully paid Equity Shares out of the Company's unissued Shares be accordingly issued and allotted as Bonus Shares to such persons as aforesaid in the proportion of 1 (one) such New Equity Share for every 1 (one) existing share.

- b) The said 66,08,200 Equity Shares of Rs.10/- each shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with and carry the same rights as the existing Equity Shares of the Company not withstanding the date or dates of allotment thereof and shall be entitled to participate in full in any Dividend to be declared in respect of the Financial Year in which the allotment of the New Equity Shares pursuant to this resolution is made.
- c) No letter of allotment will be issued by the Company in respect of the new equity shares. However, the equity share certificates will be ready for delivery or credit in dematerialised form will be given in respect thereof to the allottees within 3 months from the date of allotment thereof.
- d) No allotment of Bonus Shares shall be made to the non-resident Indian Members till the approval of Reserve Bank of India, or such other approval as may be necessary in this regard, is obtained by the Company.
- e) For the purpose of giving effect to the resolution the Board of Directors or any committee constituted by the Board be and is hereby authorised to give such directions as may be necessary or desirable and to settle any question of difficulties whatever that may arise with regard to the issue, allotment and distribution of the New Equity Shares.
- f) It is proposed that in absence of unavoidable or unforeseen circumstances or any regulatory measures of Law precluding it, it is the intention of the Board of Directors to recommend the declaration and payment of

Annual Report 2001-2002

a Dividend of not less than 20% on the subscribed and paid up Equity Capital of the Company as increased by the issue of the New Equity Shares as aforesaid in respect of the Financial Year in which the allotment of New Equity Shares pursuant to this Resolution is made."

By order of the Board,

M. K. VARMA
Company Secretary

Place : Mumbai

Date : 2nd May, 2002

Regd. Office :

Gems & Jewellery Complex

Seepz, Andheri (E)

Mumbai - 400 096.

NOTES :

- 1) A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member.
- 2) The instrument appointing proxy should, be deposited at the Company's Registered Office not less than 48 hours before the commencement of the meeting.
- 3) Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business mentioned above is annexed hereto.
- 4) The Register of Members and Share Transfer Books will remain closed from July 16, 2002 to July 19, 2002 (both days inclusive).
- 5) In all correspondence with the Company, members are requested to quote their folio numbers and in case the shares are held in the dematerialised form, they should quote their client ID Number and DP ID Number.
- 6) Members, who hold shares in dematerialised form are requested to inform their client ID and DP ID numbers for easier identification for attendance at the meeting.
- 7) Share holders are requested to note that if physical documents, viz. Demat Request Forms (DRF) and share certificates, etc. are not received from their DPs by the Company/Registrar within a period of 30 days from the date of generation of the DRN for dematerialisation, the DRN will be treated as rejected/cancelled. Upon rejection/cancellation of the DRN, a fresh DRF has to be forwarded along with the share certificates by the DPs to the Company/Registrar. This note is only to caution shareholders that they should ensure that their DPs do not delay in sending the DRF and share certificates to the Company/Registrar after generating the DRN.
- 8) Members desiring to have any information on the accounts are requested to write to the Company at least one week before the Meeting so as to enable the Management to keep the information ready. Replies will be provided only at the Meeting.
- 9) As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Members are, therefore, requested to bring their copies of Annual Report with them.
- 10) If approval is obtained to item 10 of the agenda for issue and allotment of Bonus Shares, the same shall be allotted as per the SEBI guidelines in this regard and will be transferred to the beneficiary accounts of members holding the shares in the Demat Form on the record date to be decided by the Board after the approval of the General Body and share certificates will be dispatched to the members holding the shares in physical form to their registered addresses.
- 11) Information u/s 205A read with the Companies Unpaid Dividend (Transfer to General Reserve Account of the Central Government) Rules, 1978 as amended is given below:
 - (i) Pursuant to Section 205 of the Companies Act, 1956 all unclaimed/unpaid dividends up to the financial year ended 31.3.1995 have been transferred to the General Reserve Account of the Central Government. Shareholders, who have not yet encashed their dividend warrants for the said period are requested to claim the amount from the Registrar of Companies, Maharashtra, 'EVEREST', 100, Marine Lines, Mumbai by submitting an application in the prescribed form.
 - (ii) Consequesnt to amendment to Section 205A

Goldiam International Limited

of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999 the amount of dividend for the subsequent years remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund set up by the Government of India and no payments shall be made in respect of any such claims by the Fund.

12. Income Tax @10.50% will be deducted if the dividend payable is more than Rs. 1,000/-, unless the shareholder provides declaration in Form No. 15G in duplicate. Please send the form in duplicate with all the relevant details so as to enable the Company not to deduct tax at source.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956 FORMING PART OF THE NOTICE DATED 2ND MAY 2002:

Item No. 5

The Board at the meeting held on 2nd May, 2002 appointed Shri V.N.Nadkarni as an Additional Director of the Company whose term expires at the ensuing Annual General Meeting. The Company has received notice u/s 257 of the Companies Act, 1956 proposing his candidature for election as a director. He will be liable to retirement by rotation as per the provisions of the Companies Act, 1956 and the Memorandum and Articles of Association of the Company.

Shri V. N. Nadkarni was the Chairman of the State Bank of India and is presently associated with various Companies as Director and Consultant. He is having wide experience in the field of Banking and Finance and was director of IDBI, IFCI, IRBI, Exim Bank, UTI, NABARD, etc. He was the Chairman of the Indian Advisory Board of the Standard Chartered Bank. He is at present Director of 11 public limited companies. He is a Trustee of LIC Mutual Fund, a member of Bureau of Public Enterprises, Government of Maharashtra and Consultant/Advisor to several Public Limited Companies.

None of the other directors is deemed to be concerned or interested in the resolution.

Item No. 6

The Board at the meeting held on 2nd May, 2002

appointed Dr. R. Srinivasan as an Additional Director of the Company whose term expires at the ensuing Annual General Meeting. The Company has received notice u/s 257 of the Companies Act, 1956 proposing his candidature for election as a director. He will be liable to retirement by rotation as per the provisions of the Companies Act, 1956 and the Memorandum and Articles of Association of the Company.

Dr. R. Srinivasan was the Chairman of Bank of India and is presently associated with various Companies as Director and Consultant. As the Chairman of Bank of India he was responsible for the formation of Bank of India Shareholding Ltd., as also the entry of the Bank to the Credit Card system. He was associated with Indian and International Banks and Financial Institutions as Chairman, Vice Chairman and Director. He is Director of 10 other public limited Companies.

None of the other directors is deemed to be concerned or interested in the resolution.

Item No.7

Approval was given by the members at the Annual General Meeting held on 3rd August, 2001 for the re-appointment of Shri Chandresh A. Mehta as the Whole-Time Director of the Company w.e.f. February 1, 2001, as per the terms and conditions detailed therein at a remuneration of Rs.45,000/- p.m. In addition to the salary mentioned above he is entitled to usual benefits such as Bonus, Gratuity, Privilege Leave and commission out of net profit as computed pursuant to various provisions of the Companies Act, 1956 and subject to the ceiling prescribed under the said Act, of such amount and in such proportion as may be decided by the Board of Directors. The Board at the meeting held on 29.10.2001 decided to increase his remuneration to Rs. 60,000/- per month w.e.f. 01.09.01 for which approval of the members is now being sought.

Shri Chandresh A. Mehta has wide and rich experience in the field of Diamonds and Jewellery. The Board of Directors considering this recommends the approval of members to the resolution consenting to payment of increased remuneration.

None of the other Directors is deemed to be concerned or interested in the Resolution.

Item No.8

The Board at the meeting held on 22.01.02 decided that the Equity Shares of the Company be delisted from Ahmedabad, Jaipur and Delhi Stock Exchanges, subject to approval of the Members at the Annual

Annual Report 2001-2002

General Meeting by a Special Resolution. This decision was taken by the Board as the records show that the shares have never been traded in these exchanges in the last 7 years. Such delisting, excepting from the Regional Exchange, which in the case of your company is Stock Exchange, Mumbai, is possible only if the prior approval of members by Special Resolution is obtained and other conditions stipulated are completed. As the listing of the Shares in the three exchanges referred to above is not providing any reasonable benefit to the Members, the Board has taken the decision. Your Directors recommend to the members to pass the resolution.

As per the guidelines contained in the circular issued by SEBI in this regard, the Shareholders in the regions covered by the above stock exchanges, i.e Gujarat, Rajasthan, Delhi and Haryana will be offered an exit opportunity and the share holders in these regions on the date of the Annual General Meeting, or on such other date as may be directed by the authorities concerned, which shall be treated as the record date, shall be given the option to dispose of their holding and the promoters have consented to purchase those shares at a rate, which would be more than the weighted average of the traded price of the Shares in the preceding six months of the Annual General Meeting or of a later date as may be directed by the Stock Exchanges or SEBI, in the Bombay Stock Exchange, where the largest number of shares of the Company are traded.

None of the Directors are or are deemed to be interested in the resolution, excepting Shri Manhar R. Bhansali and Shri Rashesh Bhansali, to the extent of their liability to purchase the shares as may be offered by the Shareholders in the regions mentioned above.

Item No. 9:

The Company is proposing to issue Bonus shares at the ratio of 1 share for each share held and this could be done only after increasing the Authorised share capital of company which at present is Rs. 10,00,00,000/-. In view of the above it is necessary to increase the Authorised share capital of the company to a level to enable issue and allotment of

the Bonus shares. The Board of Directors, therefore, decided to increase the Authorised Share Capital to Rs. 15,00,00,000/- to meet the present requirement as also to meet any future contingency. Consequent to the increase in Authorised Capital of the Company, the Memorandum and Articles of Association of the Company are also to be amended to incorporate the increase in the Share Capital.

Your Directors recommend the passing of the above resolution.

None of the Directors could be deemed to be interested in the resolution excepting to the extent of their shareholdings in the Company.

Item No. 10:

The Board of Directors at the meeting held on 2nd May, 2002 decided to capitalise Capital Redemption Reserve of Rs.19,000 and Share Premium Account to the tune of Rs.6,60,63,000 and to issue and allot 66,08,200 equity Shares as Bonus to the existing shareholders in the ratio of one share against each one share held. Such issue and allotment requires the permission of the Shareholders at the General Meeting.

Your Directors recommend the passing of the above resolution.

All the Directors are interested in the resolution to the extent of their shareholding in the Company.

Documents for inspection:

The documents referred to in the Notice and Explanatory Statement in Item 5, 6, 7, 8, 9 and 10 above are open for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days until the date of the Annual General Meeting.

By Order of the Board

Place : Mumbai
Date : 2nd May, 2002

M. K. VARMA
Company Secretary

Goldiam International Limited

Directors' Report

Dear Members,

Your Directors have pleasure in presenting this Fifteenth Annual Report on the affairs of the Company together with the Audited Statements of Accounts for the year ended on 31st March, 2002.

FINANCIAL RESULTS

	(Rupees in Lacs)	
	Year ended 31.3.2002	Year ended 31.3.2001
Sales for the year	10104.86	9492.88
Profit before Interest, depreciation & taxation	2415.30	1907.81
Less Interest :	—	—
Operating profit before depreciation	2415.30	1907.81
Less: Depreciation	110.61	112.91
Profit before taxation	2304.69	1794.90
Income relating to previous year	3.51	—
Provision for taxation	227.13	41.75
Provision for taxation written off/written back	—	0.69
Profit after taxation	2081.07	1753.84
Add: Balance brought forward	1743.08	1016.94
Profit available for appropriation	3824.15	2770.78

DIVIDEND:

Your directors recommend a dividend of Rs.3/-per share, (30 %) for the year ended on 31.3.2002.

OPERATIONS:

The turnover for the year under review crossed the Rs. 100 crore mark to Rs 10104.86 lacs despite the adverse conditions in the overseas markets. The net profit after provision for interest, depreciation and taxation has also maintained the growth pattern.

Though the Company is manufacturing Platinum Jewellery, it could not achieve the expected results due to the sluggish market conditions abroad.

BONUS ISSUE & INCREASE IN AUTHORISED CAPITAL

Your Directors recommend issue and allotment of Bonus shares in the ratio of 1:1 to the shareholders who hold shares on the record date to be fixed after approval of the members at the Annual General Meeting. To facilitate the issue the share capital need be increased from the current authorised capital of Rs. 10 crores and your directors recommend increase of the share capital to Rs. 15 crores.

DEMATERIALISATION:

As the shares of the Company are notified by SEBI for compulsory trading in the dematerialised form, arrangements with the Depositories have been made well in time as per the instructions of SEBI and more than 87% of the Shares of the Company have been dematerialised. Your Directors would now request all the members who have not yet got their holdings dematerialised to do so to enable easy trading of the shares.

DIRECTORS :

As per Article 118 of the Articles of Association of the Company, Shri Rajesh G. Kapadia, Director of the Company will retire by rotation and being eligible offer himself for re-appointment. Your Directors have appointed Shri V. N. Nadkarni and Dr. R. Srinivasan as Additional Directors whose term expires at the ensuing Annual General Meeting. As required under the provisions of the Companies Act, 1956 the Company has received notice for their appointments. Your Directors recommend their appointments.

Your Directors, in appreciation of the services rendered by Shri Chandresh A. Mehta, Whole-Time Director of the Company decided to increase his remuneration to Rs.60,000/- per month w.e.f. 1.9.2001, at the meeting of the Board held on 29.10.2002. Your Directors recommend passing of the resolution approving the increased remuneration payable to him

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- that in the preparation of annual accounts for the financial year ended 31st March, 2002, the

Annual Report 2001-2002

applicable accounting standards had been followed along with proper explanation relating to material departures;

- (ii) that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that were 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 or loss of the Company for the year under review;
- (iii) that the directors had 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 fraud and other irregularities;
- (iv) that the directors had prepared the accounts for the financial year ended 31st March, 2002 on a 'going concern' basis.

AUDITORS:

M/s H.S.Gandhi & Co., Chartered Accountants, retire at the forthcoming Annual General Meeting and being eligible have consented for re-appointment. Your Directors recommend their re-appointment.

(A) CONSERVATION OF ENERGY, (B) TECHNOLOGY ABSORPTION, (C) FOREIGN EXCHANGE EARNINGS & OUTGO

As required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 the information is furnished herein below:

A. CONSERVATION OF ENERGY :

As the Gems & Jewellery Industry is not covered by the Schedule prescribed by the said Rules disclosure of particulars on conservation of energy is not applicable to the Company.

B. TECHNOLOGY ABSORPTION :

The particulars regarding absorption of technology are annexed in the prescribed form B of the Companies (Disclosure of the Particulars

in the Report of Board of Directors) Rules, 1988.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company's main line of business is the manufacture and export of Studded Gold Jewellery. The Company has achieved a growth in exports during the current year 2001-2002 with Export Turnover of Rs. 10104.86 lacs as compared to Rs. 9492.88 lacs in the previous year, 2000-2001.

Total Foreign Exchange used : Rs.60,04,19,287/-

Total Foreign Exchange earned : Rs.98,21,10,926/-

PARTICULARS OF EMPLOYEES :

Particulars of employees as required under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended by the Companies Amendment Act, 1988 are annexed hereto forming part of this report.

ACKNOWLEDGEMENTS :

Your Directors take this opportunity to place on record their appreciation and sincere gratitude to Government of India, Government of Maharashtra, Seepz Authorities and the Bankers to the Company for their valuable support, and look forward to their continued co-operation in the years to come.

Your Directors acknowledge the support and co-operation received from the employees and Unions of Employees, but for which the performance of the Company would not have reached the remarkable levels it has achieved, and thank them for the same.

For and on behalf of the Board of Directors

MANHAR R. BHANSALI
Chairman

Place: Mumbai

Dated: 2nd May, 2002

