



HARIA EXPORTS LIMITED

Report  junction.com

33rd ANNUAL REPORT
2002 - 2003

HARIA EXPORTS LIMITED**THIRTY THIRD ANNUAL REPORT, 2002-03****BOARD OF DIRECTORS**

Mr. Kantilal L. Haria
 Mr. Manish K. Haria
 Mr. Kantilal. L. Maru
 Mr. Nitin P. Shah
 Mr. Dhanraj V. Shah
 Mr. Lalit J. Kothari
 Mr. O. S. Agarwal

Chairman & Managing Director
 Joint Managing Director
 Director
 Director
 Director
 Director
 Director

**SECRETARY
AUDITORS**

Mr. Manish R. Shah
 M/s Sunderji Gosar & Co.
 M/s Patel, Shah & Joshi

BANKERS

State Bank of India
 Bank of India

REGISTERED OFFICE

Haria Centre
 8, Subhash Road,
 Vile Parle (E),
 Mumbai - 400 057.

Tel. : (91-22) 2838 8881-84
 Fax : (91-22) 2836 7053/54
 e-mail : info@hariagroup.com

CORPORATE & ADMINSTRATIVE OFF

Plot No. 345/359
 G.I.D.C. Silvassa Road,
 Vapi-396 195

Tel. : (0260) 2431317/2430316
 Fax : (0260) 2432168
 e-mail : vapi@hariagroup.com

INVESTOR SERVICE CELL

1) Registered Office

2) Registrar & Transfer Agent

M/S.Intime Spectrum Registry Ltd.
 C-13 Pannalal Silk Mills Compound,
 L.B.S. Marg,Bhandup,
 Mumbai-400078.Phone No.25923837
 fax:25672693 Email: isrl@vsnl.com

PLANTS**1) Vapi :**

Unit No. 1
 345/358, G.I.D.C.
 Silvassa Road, Vapi,
 Gujarat.

Unit No. 2,
 297-280, G.I.D.C.,
 Silvassa Road, Vapi,
 Gujarat.

Unit No. 3,
 (100% E.O.U.)
 278, G.I.D.C.,
 Gujarat.

2) Kandla

Unit No.1,
 Kandla Special Economic
 Zone, Gandhidham,
 Kutch - 370 230.

Tel: 02836-252237
 Fax: 02836-252655

CONTENTS

	Page
Notice	1
Director's Report	7
Corporate Governance Report	13
Auditor's Report	20
Balance Sheet	22
Profit and Loss Account	23
Schedules	24
Cash Flow Statement	36

HARIA EXPORTS LIMITED**THIRTY THIRD ANNUAL REPORT, 2002-03**

NOTICE

NOTICE is hereby given that **Thirty Third Annual General Meeting of HARIA EXPORTS LIMITED** will be held on **Tuesday, 30th September, 2003 at 03.00 p.m.** at the Registered Office of the Company, at **Haria Centre, 8, Subhash Road, Vile Parle (East), Mumbai-400 057** to transact the following business:

ORDINARY BUSINESS

- (1) To receive, consider and adopt **Annual Accounts** for the year ended **31st March, 2003** together with **Directors Report and Auditors Report** thereon.
- (2) To declare **Dividend** on Equity Shares.
- (3) To appoint a Director in place **Mr.O.S.AGRAWAL** who retires by rotation and being eligible offers himself for re-appointment.
- (4) To appoint a Director in place **Mr.KANTILAL L.MARU** who retires by rotation and being eligible offers himself for re-appointment.
- (5) To appoint a Director in place **Mr.NITIN P.SHAH** who retires by rotation and being eligible offers himself for re-appointment.
- (6) To Appoint **M/s. Sunderji Gosar & 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:

(7) To consider and, if thought fit, to pass with or without modifications, the following resolution as a **Ordinary Resolution:**
"RESOLVED THAT pursuant to the provisions of Section 198,269,309,317 and Schedule XII and such other applicable provisions, if any other Companies Act, 1956,(the act)including any statutory modification or any amendment or any substitution or re-enactment thereof for the time being in force, approval of the members of the Company be and is hereby accorded to the reappointment of, including remuneration, perquisites, benefits and Amenities payable to **Shri. Kantilal L.Haria, Chairman & Managing Director** for a period of five years commencing From 19th February, 2003 to 18th February 2008, as setout In the draft agreement proposed to be entered into Between the company and shri. Kantilal L.Haria, the main terms of which are setout in this Notice, which draft agreement is hereby specifically approved with authority to the Board of Directors to the Company to alter and/or vary the terms and conditions of the said re-appointment within the limits, if any are prescribed in that Act and/or any schedules thereto;

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the co. will pay Shri.Kantilal L.Haria,Remuneration ,perquisites, benefits and amenities not exceeding the ceiling laid down in Section II of part II of schedule XIII of the Companies Act,1956, as may be decided by the Board of Directors.
RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to enhanced, Enlarge, alter or vary the scope and quantum of remuneration, prequisites,benefits and amenities payable to Shri.Kantilal L.Haria in the light of the further of the company which revision should be in conformity with any amendements to the relevent provisions of the Act and/or the rules and regulations may thereunder and/or such guidelines as may be announced by the Central Government from time to time."

(8) To consider and, if thought fit, to pass with or without modifications, the following resolution as a **Ordinary Resolution:**
"RESOLVED THAT pursuant to the provisions of Section 198, 269,309,317 and Schedule XII and such other applicable provisions, if any other Companies Act, 1956,(the act) including any statutory modification or any amendment or any substitution or re-enactment thereof for the time being inforce, approval of the members of the Company be and is hereby accorded to the reappointment of, including remuneration, perquisites, benefits and amenities payable to **Shri.Manish K.Haria, Joint Managing Director** for a period of five years commencing from 1ST JULY 2004 to 30th JUNE 2009, as setout in the draft agreement proposed to be entered into between the company and shri. Manish k..Haria, the main terms of which are setout inthis Notice, which draft agreement is hereby specifically approved with authority to the Board of Directors to the Company to alter and/or vary the terms and conditions of the said re-appointment within the limits, if any are prescribed in that Act and/or any schedules thereto;

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the co. will pay Shri.Manish k.Haria, remuneration, prequisites, benefits and amenienties not exceedings the ceiling laiddown in Section II of part II of schedule XIII of the Companies Act,1956, as may be decided by the Board of Directors.



RESOLVED FURTHER THAT the board of Directors of the company be and are hereby authorised to enhanced, enlarge, alter or vary the scope and quantum of remuneration, prerequisites, benefits and amenities payable to Shri. Manish K. Haria in the light of the further of the company which revision should be in conformity with any amendments to the relevant provisions of the Act and/or the rules and regulations may thereunder and/or such guidelines as may be announced by the Central Government from time to time."

(9) To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:
 "RESOLVED THAT subject to the provisions of the Companies Act, 1956, Securities Contracts (Regulation) Act, 1956, Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003, Listing Agreements, and all other laws, rules regulations and subject to such approvals, consents, sanctions, and permissions as may be necessary, consent of the Company be and is hereby accorded to the Board to seek voluntary delisting of its equity shares listed on following Stock Exchanges, namely:

1. The Delhi Stock Exchange Association Limited
2. The Stock Exchange, Ahmedabad

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all necessary steps in this regard to comply with all the legal and procedural formalities and do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution"

(10) To consider and if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution**:
 "RESOLVED THAT pursuant to the provisions of section 260 of the Companies Act, 1956, Mr. Dhanraj V. Shah be and is hereby appointed as a Director of the Company, liable to retire by rotation."

(11) To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:
 "RESOLVED THAT pursuant to the provisions of section 260 of the Companies Act, 1956, Mr. Lalit J. Kothari be and is hereby appointed as a Director of the Company, liable to retire by rotation."

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN ITS BEHALF AND SUCH PROXY NEED NOT BE A MEMBER, PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY. NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING AT THE REGISTERED OFFICE.
2. The **Book Closure date** of the company will be from 25.09.2003 to 30-09-2003 (both days inclusive).
3. Dividend, if sanctioned at the Meeting, will be payable to the Members as follows:
 - a) In respect of shares held in physical form, to all those Members whose names appear on the Register of Members of the company on 30th September, 2003.
 - b) In respect of shares held in demate form, to all those members whose names appear in the Statement of Beneficial Ownership furnished by the National securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as at the end of business hours on 24th September, 2003.
4. Members holding shares in dematerialised form, may please note that while opening a depository account with Depository Participant (DP) they have given their bank account details, which will be printed on their dividend warrants. However, if members want to change/correct the bank account details, they should communicate the same immediately to the concerned Depository Participant (DP). Members are also requested to furnish the MICR code of their bank to their Depository Participant.
5. Members desiring any information as regards to Accounts are requested to write in advance to the Company at least 15 days before the date of meeting to enable the Management to keep the necessary information ready.
6. The members who have so far not encashed their dividend warrants for the financial years ending on 31st March 96, 97, 98, 99, 2000, 2001 & 2002 may claim or approach the company for the payment as the same will be transferred as an when due to the Investor Education and protection fund of the Central Govt., pursuant to the introduction of Section 205C by the Company (Amendment) Act 1999.
7. Ballot Paper is enclosed and the members can make use of it, in case they are not in a position to attend the AGM.
8. Address all correspondence to the Registered Office of the Company.



ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NOS.7

The Board of Directors in their meeting held on 30th January, 2003 passed a Resolution appointing Mr.Kantilal L.Haria, Chairman & Managing Director of the Company with effect from 19th February, 2003. The above appointment is subject to approval of the Company in the General Meeting under section 269 and other applicable provisions of the Companies Act 1956. The appointment is made on the following terms & conditions which are same in all respect as they were before.

1. Salary: Rs.40000/- per month.
2. Commission : 1% of net profits of the company subject to a ceiling of 50% of the salary.
3. Perquisites: Perquisites shall be restricted to an amount equal to Annual Salary or Rs.450000/- per annum whichever is less. The perquisites are classified into following three (A,B,C) categories.

CATEGORY A

HOUSING

- a) The expenditure by the company on hiring furnished accommodation for the Managing Director and expenditure on hiring the same will be subject to a ceiling of sixty percent of salary over and above 10 percent payable by Managing Director.
- b) In case the accommodation is owned by the company, 10 percent of the salary of Managing Director shall be deducted by the Company.
- c) In case no accommodation is provided by the Company, the Managing Director shall be entitled to house rent allowance subject to a ceiling mentioned in (a) above.

MEDICAL REIMBURSEMENT: Expenses incurred for the Managing Director and his family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.

LEAVE TRAVEL CONCESSION: For the Managing Director and his family once in a year incurred in accordance with the rules specified by the company.

PERSONAL INSURANCE: On and amount the premium of which shall not exceed Rs.4000/- p.a.

CLUB FEES: Fees of clubs subject to a maximum of two clubs.

CATEGORY B

PROVIDENT FUND/SUPERANNUATION FUND: Contribution to Provident Fund, Superannuation Fund or Annual Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.

GRATUITY : Gratuity at the rate not exceeding half a month's salary for each completed year of service.

CATEGORY C

CAR: Provision of car for use on Company's business. Personal use of car for private purposes shall be billed by the Company to the Managing Director.

TELEPHONE: Provision of telephone at residence. Personal long distance calls on telephone shall be billed by the company to the Managing Director.

The draft of the agreement entered into by the Company with Mr.Kantilal L.Haria is available for inspection of the members at the Registered Office of the company between 11.0 a.m. To 1.00 p.m. On all days, except Saturdays, Sundays and Public holidays.

Mr.Kantilal L.Haria being himself and Manish K.Haria being his son and Dhanraj V. Shah being relative are interested in the Resolution.

This explanatory statement should be treated as an abstract U/s 302 of the Companies Act, 1956 of the agreement to be entered into between the Company and Mr.Kantilal L.Haria, Chairman and Managing Director.

ITEM NOS.08

The Board of Directors in their held on 30TH January, 2003 passed a Resolution appointing Mr.Manish K.Haria, Joint Managing Director of the Company with effect from 1st July, 2004. The above appointment is subject to approval of the Company in the General Meeting under section 269 and other applicable provisions of the Companies Act 1956. The appointment is made on the following terms & conditions which are same in all respect as they were before.



1. **SALARY:** Rs.35000/- per month.
2. **COMMISSION :** 1% of net profits of the company subject to a ceiling of 50% of the salary.
3. **PERQUISITES:** Perquisites shall be restricted to an amount equal to Annual Salary or Rs.420000/- per annum whichever is less. The perquisites are classified into following three (A,B,C) categories.

CATEGORY A

HOUSING

- a) The expenditure by the company on hiring furnished accomodation for the Joint Managing Director and expenditure on hiring the same will be subject to a ceiling of sixty percent of salary over and above 10 percent payable by Joint Managing Director.
- b) In case the accomodation is owned by the company, 10 percent of the salary of Joint Managing Director shall be deducted by the Company.
- c) In case no accomodation is provided by the Company, the Joint.Managing Director shall be entitled to house rent allowance subject to a ceiling mentioned in (a) above.

MEDICAL REIMBURSEMENT: Expenses incurred for the Joint Managing Director and his family subject to a ceiling of one months salary in a year or three months salary over a period of three years.

LEAVE TRAVEL CONCESSION: For the Joint Managing Director and his family once in a year incurred in accordance with the rules specified by the company.

PERSONAL INSURANCE: On and amount the premium of which shall not exceed Rs.3500/- p.a.

CLUB FEES: Fees of clubs subject to a maximum of two clubs.

CATEGORY B

PROVIDENT FUND/SUPERANNUATION FUND: Contribution to Provident Fund, Superannuation Fund or Annual Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.

GRATUITY : Gratuity at the rate not exceeding half a month's salary for each completed year of service.

CATEGORY C

CAR: Provision of car for use on Company's business. Personal use of car for private purposes shall be billed by the Company to the Joint managing Director.

TELEPHONE: Provision of telephone at residence. Personal long distance calls on telephone shall be billed by the company to the Joint Managing Director.

The draft of the agreement entered into by the Company with Mr.Manish K.Haria is available for inspection of the members at the Registered Office of the company between 11.00 a.m. To 1.00 p.m. On all days ,except Saturdays, Sundays and Public holidays.

Mr.Manish K.Haria being himself and Mr.Kantilal L.Haria being his father and Dhanraj V. Shah being Relative are interested in the Resolution.

This explanatory statement should be treated as an abstract U/s 302 of the Companies Act, 1956 of the agreement to be entered into between the Company and Mr.Manish K.Haria, Joint Managing Director.

ITEM NO. 9

As the members are aware, the Company's equity shares are presently listed on the following Exchanges namely:

1. The Stock Exchange, Mumbai,(or the BSE)
2. The Stock Exchange, Ahmedabad
3. The Delhi Stock Exchange Association Ltd.

It has been observed that the equity shares of the Company are not being traded in a material way regularly at Stock Exchanges other than the Stock Exchange,Mumbai(BSE). The Company's equity shares are specified by the Securities and Exchange Board of India (SEBI) For settlement in de-materialized form by investors. With the nationwide and extensive networking of BSE terminals to other cities, the investors have access to trade and deal in the securities across the Country. The trading volume in the Company's equity shares in Stock Exchanges other than BSE is extremely low.

In light of the above, it is felt that continued listing with Stock Exchanges does not provide any significant tangible advantage to the members of the Company. It is therefore, proposed to delist, the equity shares of the Company from all Stock Exchanges other than BSE. The equity shares of the Company will continue to be listed on BSE.



Shareholders' approval is being sought by a Special Resolution for enabling voluntary delisting of its equity shares from the above Stock Exchanges other than BSE. This would be subject to fulfillment of compliance of SEBI regulations and other formalities as may be required.

The Board of Directors recommends the resolution for the approval of the Members. None of the Directors of the Company is in any way concerned or interested in this resolution.

ITEM NO. 10

The agenda item No. 10 of the Notice relates to the appointment of Shri. Dhanraj V. Shah as a Director, liable to retire by rotation.

Shri. Dhanraj V. Shah was appointed by the HARIA EXPORTS LIMITED as Additional Director on the Board of the company on 1st July, 2003.

In terms of provisions of Section 260 of the Companies Act, 1956, Shri. Dhanraj V. Shah shall hold office of Director upto the date of ensuing Annual General Meeting (AGM). The Company has received valid notice and requisite deposit from a member of the Company under section 257 of the said Act, proposing the candidature of Shri. Dhanraj V. Shah for the office of Director.

Mr. Dhanraj V. Shah is a Senior most Production Executive since last 20 years in readymade garments in Haria Group of Companies at KESZ unit at Kandla & also visited European & African countries for Development of Business. In view of the valuable contribution received by the Company from the experience of Shri. Dhanraj V. Shah, it will be in the interest of the Company to continue / appoint him as a Director of the Company retireable by rotation. The Board, therefore, recommends the Resolution for approval by the Members.

None of the Directors of the Company except Shri. Dhanraj V. Shah and Manish K. Haria & Kantilal L. Haria being Relatives is anyway concerned or interested in the resolution.

ITEM NO. 11

The agenda item No. 11 of the Notice relates to the appointment of Shri. Lalit Kothari as a Additional Director, liable to retire by rotation.

Shri. Lalit J. Kothari was appointed by the HARIA EXPORTS LIMITED as Additional Director on the Board of the company on 1st July, 2003.

In terms of provisions of Section 260 of the Companies Act, 1956, Shri. Lalit J. Kothari shall hold office of Director upto the date of ensuing Annual General Meeting (AGM). The Company has received valid notice and requisite deposit from a member of the Company under section 257 of the said Act, proposing the candidature of Shri. Lalit J. Kothari for the office of Director.

Mr. Lalit J. Kothari is a Senior most General Manager since 1974 with Haria Group of Companies & also Incharge of Factory at Vapi looking after Production, HRD, Finance & Liasion with Govt. Authorities & also visited to Nepal, Europeans Countries for Development of Group Business. In view of the valuable contribution received by the Company from the experience of Shri. Lalit J. Kothari, it will be in the interest of the Company to continue / appoint him as a Director of the Company retireable by rotation. The Board, therefore, recommends the Resolution for approval by the Members.

None of the Directors of the Company except Shri. Lalit J. Kothari is anyway concerned or interested in the resolution.

On Behalf of the Board of Directors

Date : 8th July, 2003

Place : Regd. office

MANISH R. SHAH

Company Secretary



**Details of Directors seeking appointment/ reappointment at the Annual General Meeting
(Pursuant to Clause 49 of the Listing Agreement with the stock Exchanges)**

Name of Director	Shri.O.s.Agarwal	Shri.Kantilal L.Maru
Date of Birth	28.08.1945	24.11.1950
Date of Appointment	29.01.2002	29.01.2002
Expertise in specific functional areas	Practicing Chartered Accountant	Shipping Deptt.
Qualifications	F.C.A	S.S.C.
List of other Public Co's in which Directorship held as on 31.03.2003	NIL	1. Employment Management (I) Ltd.
Chairman/Member of the Committes of other Companies in which he is a Director as on 31.03.2003.	NIL	NIL
Name of Director	Shri.Nitin P.Shah	Shri.Dhanraj V.Shah
Date of Birth	26.03.1962	06.12.1948
Date of Appointment	29.01.2002	01.07.2003
Expertise in specific functional areas	Marketing Section	Company Incharge of Kandla
Qualifications	B.SC, MBA	S.S.C
List of other/Public Co's in which Directorship held as on 31.03.2003	NIL	NIL
Chairman/Member of the Committes of other Companies in which he is a Director as on 31.03.2003.	NIL	NIL
Name of Director	Shri.Lalit J. Kothari	
Date of Birth	01.07.1950	
Date of Appointment	01.07.2003	
Expertise in specific functional areas	Company Incharge of Vapi	
Qualifications	B.SC, G.C.D	
List of other/Public Co's in which Directorship held as on 31.03.2003	NIL	
Chairman/Member of the Committes of other Companies in which he is a Director as on 31.03.2003.	NIL	

HARIA EXPORTS LIMITED**THIRTY THIRD ANNUAL REPORT, 2002-03****DIRECTORS REPORT**

To,
The Members,
M/S HARIA EXPORTS LIMITED MUMBAI.

Your Directors have pleasure in submitting their 33rd Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2003.

FINANCIAL RESULTS

YEAR ENDED
(Rs. in Lacs)

	<u>2002-03</u>	<u>2001-02</u>
Slaes & Other Income	3295.44	7244.49
Increase/(Decrease) in stock	(92.34)	146.28
Less: Expenditure	<u>3059.20</u>	<u>7202.71</u>
Profit Before Depreciation	143.90	188.06
Less: Depreciation	<u>99.96</u>	<u>87.76</u>
Profit Before Tax	43.94	100.30
Less: Provision for Tax	<u>—</u>	<u>5.00</u>
Profit After Tax	43.94	95.30
Less: Prior period adjustments	<u>0.92</u>	<u>2.75</u>
	43.02	92.55
Less: Prior period Tax Adjusts	<u>14.98</u>	<u>15.24</u>
	28.4	77.31
Add: Balance Brought Forward	<u>1230.68</u>	<u>1186.93</u>
BALANCE AVAILABLE FOR APPROPRIATION.	1258.72	1264.24
Less/(Add) Depreciation of prior year/(written back)	—	32.86
Less: Proposed Dividend for the year	49.20	41.00
Less/(Add):Corporate Tax on Dividend (written back)	6.45	(8.30)
(Add):Proposed Dividend written back	—	(82.00)
Less: Transfer to Gen. Reserve	5.00	50.00
BALANCE TRANSFERRED TO BALANCE SHEET	1198.07	1230.68

1. AUDITORS REPORT

The observation made by the Auditors in their Reports are self explanatory and have also been further amplified in the notes to the Accounts. As regards note m (a to c) of the notes to accounts the matter is under negotiations for settlement with the party concerned.

2. DIVIDEND:

Your Directors are pleased to recommend payment of dividend @ 12% (PY 10 %) on the equity shares of the Company. The dividend on equity shares if approved would absorb Rs.49.20 lacs and will be payable to those members whose names appear on the Register of Members as on 30th September, 2003.

3. MANAGEMENT ANALYSIS**3.1. Industry Structure & Development:**

The textile industry occupies a unique place in the economy of the country by virtue of its contribution to Industrial output, employment generation and Foreign exchange earnings. Eventhough the textile industry has the distinctive advantage in respect of raw material and skilled labour, the industry is suffering from technology obsolescence which in turn effect the quality, productivity and cost effectiveness. The Government of India, Ministry of Textile has launched Technology Upgradation Fund Scheme for Textiles & Jute Industries of Rs.25000.00 crores at a concessional rate of interest of appx.5%.



3.2. **Competitives, Opportunities & Threats :**

With the onset of liberalisation and globalisation in trade, the key to success is only competitiveness. The ability to respond comprehensively to customer will depend on how competitive you are. For this purpose and in order to counter the threat of unorganised sector in Garment Segment, the company has outsourced its production with small manufacturing units located at various places in India. This enables the company, to keep the operating cost very low, take advantage of logistic and keep a control on the quality of the products. With the Removal of trade barriers and more precisely the Quota System by 2004 the Indian Readymade Garments will find additional markets in USA, Europe, Canada etc.

3.3. **Segment Wise performance :**

The Segments consist of Home Furnishing and garments. The companies business segments are organised around product lines, taking into account the nature of products and internal reporting systems.

The segment performance of the company for the year 2002- 2003 is given below :

	BUSINESS SEGMENTS		(RS.IN LACS)
	HOME FURNISHING	GARMENTS	
REVENUE			
NET SALES/INCOME	1351.40	1944.04	3295.44
SEGMENT RESULT BEFORE INT.TAX AND UNALLOCABLE COST	56.06	238.22	294.28

After deduction of Interest, Unallocable interest cost and provision for taxation, the company earned a Net Profit of Rs.43.94 lacs. For more information, please refer Notes to Accounts Schedule No.19.

3.4. **Future Outlook:**

Baring unforeseen circumstances the management is hopeful to achieve reasonable performance in the current Financial year 2003 - 2004. The company is taking adequate steps to nullify the negative aspects which effected the performance in the year 2002 - 2003.

3.5. **Risks and Concerns:**

The industry is going to face severe competition from outside once the quota system is lifted. In order to compete with the out side world, we are paying attention to the application of technology, closely monitoring the fashion trends and improved product quality. In order to be more cost efficient your company has acquired latest machinery at cost of Rs.617/- lacs(appx) The government policies, interest rates, export incentives etc may also effect the overall performance of the company.

3.6. **Internal Control System and their adequacy :**

The company has established adequate control system in respect of major areas of operations. The Internal Audit Committee is headed by an experienced chartered accountants and various Internal Control Systems are discussed at the committee meetings and appropriate steps have been taken.

3.7. **Financial Analysis :**

BALANCE SHEET

	31.03.2003	31.03.2002 (RS.IN LACS)
1. Share Capital	410	410
2. Reserve & Surplus	2459	2486
3. Loans (secured)	886	1041
4. Provision for Taxation	-	5
5. Net Fixed Assets	1300	758
6. Net Current Assets	2454	3172