

# **J.M.A. INDUSTRIES LIMITED**

Regd. Office : B-13, Badarpur Extn., New Delhi - 110044



## **ANNUAL REPORT 2002-2003**

**J.M.A. INDUSTRIES LIMITED****BOARD OF DIRECTORS**

Mr. Werner Boekels	Chairman
Mr. Martin Herbst	
Dr. Heinz Werner Rixen	
Mr. Peter F. Doyle	
Mr. R. Bhandari	
Mr. R.K. Bhandari	
Mr. V.K. Mathur	Additional Director
Dr. V.P. Juneja	Additional Director
Mr. Raman Sharma	Alternate Director
Mr. R.S. Sharma	Managing Director

**COMPANY SECRETARY**

Mr. Rakesh Sharma

**AUDITORS**

S.P. Chopra & Co.  
Chartered Accountants  
New Delhi

**BANKERS**

-Canara Bank  
-State Bank of Patiala

**REGISTERED OFFICE**

B-13, Badarpur Extn.,  
New Delhi - 110044

**UNITS**

- 14/6, Mathura Road,  
Faridabad, Haryana

-Derabassi, Distt. Patiala  
Punjab

**LISTING OF EQUITY SHARES**

-The Delhi Stock Exchange Association Ltd.  
3 /1 & 4/4B, Asaf Ali Road,  
New Delhi - 110002

-The Stock Exchange, Mumbai  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai - 400001

**ANNUAL GENERAL MEETING**

Saturday, 20th September, 2003 at  
Executive Club, 439, Village Shahoorpur,  
P.O. Fatehpur Beri, New Delhi - 110030.

**REGISTRAR & TRANSFER AGENTS**

M/s Intime Spectrum Registry Limited,  
A-31, IIIrd Floor, Near PVR Cinema,  
Naraina Industrial Area, Phase-I,  
New Delhi - 110028.

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# J.M.A. INDUSTRIES LIMITED

## NOTICE

Notice is hereby given that the 43rd Annual General Meeting of the members of J.M.A. Industries Limited will be held at Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi on Saturday, 20th September, 2003 at 11.00 a.m. to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2003 and Profit & Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Werner Boekels who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Dr. Heinz Werner Rixen who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

### SPECIAL BUSINESS:

5. Resolved that Mr. V.K. Mathur who was appointed as an Additional Director of the Company by the Board of Directors and who holds office as per section 260 of the Companies Act, 1956 upto date of this Annual General Meeting and in respect of whom the Company has, pursuant to section 257 of the Companies Act, 1956, received a notice in writing proposing his candidature for the office of director, be and is hereby appointed as a director of the Company, liable to retire by rotation.
6. Resolved that Dr. V.P. Juneja who was appointed as an Additional Director of the Company by the Board of Directors and who holds office as per section 260 of the Companies Act, 1956 upto date of this Annual General Meeting and in respect of whom the Company has, pursuant to section 257 of the Companies Act, 1956, received a notice in writing proposing his candidature for the office of director, be and is hereby appointed as a director of the Company, liable to retire by rotation.
7. Resolved that in supersession of all earlier resolutions in this regard, consent of the members be and is hereby given that the company can borrow money not exceeding Rs. 25 Crores together with money already borrowed (a part from temporary loans obtained from the company's bankers in the ordinary course of business), as required under Section 293 (1) (d) of the Companies Act, 1956.
8. Resolved that pursuant to the provisions of Section 284 of the Companies Act, 1956 Mr. R. Bhandari be and is hereby removed from the office of Director of the Company.

Date: 26th July, 2003

Place: Faridabad

By order of the Board

For J.M.A. Industries Limited,

Regd. Office

B-13, Badarpur Extension,

New Delhi-110044

(Rakesh Sharma)

Associate V.P.(Commercial) Cum Company Secretary

### NOTES (Forming part of the Notice):

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument(s) appointing the proxy, if any, should be delivered at the registered office of the Company at B-13, Badarpur Extension, New Delhi-110 044, not less than 48 (forty eight) hours before the commencement of the meeting and in default, the instrument of proxy shall be treated as invalid. Proxies shall not have any right to speak at the meeting.
3. The Explanatory Statement setting out the material facts in respect of the special business under item Nos. 5 to 8 is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, the 15th September, 2003 to Saturday, the 20th September, 2003 (both days inclusive).
5. Members are requested to intimate immediately of any change in their addresses.
6. Members desirous of having any information regarding Accounts are requested to send their queries to the Company at least 10 days before the date of the meeting, so that the requisite information is made available at the meeting.
7. The Company has appointed M/s. Intime Spectrum Registry Limited as its Registrar & Share Transfer Agent w.e.f. 1.4.2003 in compliance with SEBI Guidelines. The Shareholders are requested to send all the requests relating transfer/transmission, dematerialisation/rematerialisation of securities directly to M/s. Intime Spectrum Registry Limited, A-31, IIIrd Floor, Near PVR Cinema, Naraina Industrial Area, Phase-I, New Delhi-110 028.

Date: 26th July, 2003

Place: Faridabad

Regd. Office

B-13, Badarpur Extension,

New Delhi-110044

By order of the Board

For J.M.A. Industries Limited,

(Rakesh Sharma)

Associate V.P.(Commercial) Cum Company Secretary

# J.M.A. INDUSTRIES LIMITED

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956.

Item No. 5 & 6

Mr.V.K.Mathur and Dr.V.P.Juneja were appointed as an Additional Directors by the Board of Directors of the Company in terms of section 260 of the Companies Act, 1956. Mr.V.K.Mathur and Dr.V.P.Juneja shall hold office only upto the date of Annual General Meeting of the Company. The Company has received valid notice and requisite deposit from a member of the Company under section 257 of the Act, proposing the candidature of Mr.V.K.Mathur and Dr.V.P.Juneja for the office of directors.

None of the directors is interested except Mr.V.K.Mathur and Dr.V.P.Juneja as these relate to their appointments respectively.

Item No. 7

The borrowing limit of the Company was increased in 1995 to Rs. 10 Crores. Keeping in view the future requirement of funds the Board recommend to increase the borrowing limit to Rs. 25 Crores.

None of the directors is interested in the above resolution.

Item No. 8

The Company received a notice under Section 284 of the Companies Act, 1956 from a share holder proposing the above resolution at the forth coming AGM to be held on 20-09-2003. The resolution is for your consideration.

None of the directors is interested in the above resolution.

Date: 26th July, 2003

Place: Faridabad

Regd.Office

B-13, Badarpur Extension,  
New Delhi-110044

By order of the Board

For J.M.A.Industries Limited,

(Rakesh Sharma)

Associate V.P.(Commercial) Cum Company Secretary

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# J.M.A. INDUSTRIES LIMITED

## DIRECTORS' REPORT

To,  
The Members,  
Your Directors take pleasure in presenting the 43rd Annual Report together with the Audited Statement of Accounts of the Company for the period ended 31<sup>st</sup> March, 2003.

## FINANCIAL RESULTS

	(Rs. in lacs)	
	CURRENT YEAR ENDED 31.3.2003	PREVIOUS YEAR ENDED 31.3.2002
Profit / (Loss) before		
Depreciation & Interest	(201.79)	(81.02)
Interest	138.95	140.86
Profit/ (Loss) before Depreciation	(340.74)	(221.88)
Provision for Depreciation	28.30	29.84
Net profit / (Loss) after Depreciation	(369.04)	(251.72)
Balance Brought Forward	(1,447.14)	(1195.42)
Transfer from General Reserve		
to Profit & Loss Account	Nil	Nil
Balance Carried over to		
the Balance Sheet	(1,816.18)	(1,447.14)

## PERFORMANCE

During the period under review for 12 months, the Company achieved a net sales turnover of Rs. 1341.94 lacs as compared to the previous year Rs. 1318.36 lacs for 12 months. The net loss was Rs. 369.04 lacs for 12 months as compared to previous year Rs. 251.72 for 12 months. The loss during the year include loss on Foreign Exchange revaluation of loans Rs. 95.93 lacs and loss on sale of Machinery Rs. 28.06 lacs.

## DIVIDEND

Since your Company has not made any profits during the year under review, your Directors have not recommended any dividend.

## SUBSIDIARY COMPANIES

The Directors of subsidiary Companies i.e. Bitoni Lamps Limited and Chetan Genthe & Co. Limited have failed to provide the particulars as required to be appended with the accounts of Holding Company, as required under Section 212 of the Companies Act, 1956.

## FIXED DEPOSITS

Your Company have not accepted or renewed any deposit during the year under review. However, deposits of worth Rs. 35.26 Lacs were unclaimed and were not renewed pertaining to 2 depositors as on 31<sup>st</sup> March, 2003

## DIRECTORS

Mr. Werner Boekels and Dr. Heinz Werner Rixen, Directors retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Mr. V.K. Mathur and Dr. V.P. Juneja were appointed as Additional Directors of the Company by the Board of Directors whose terms of office expire on the forthcoming Annual General Meeting and Company have received notice Under Section 257 of the Companies Act, 1956 for their reappointment as directors of the Company.

## REFERENCE TO THE BIFR

The registration of the Company as Sick Industrial Company with Board for Industrial and Financial Reconstruction was rejected by BIFR on the ground of belated filing of application. The Company has already filed an appeal against the above order before Appellate Authority of Industrial & Financial Reconstruction.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors Responsibilities statement, it is hereby confirmed

- That in the preparation of annual accounts for the financial year 31<sup>st</sup> March, 2003, the applicable accounting standards had been followed along with proper explanation relating to material departure.
- That the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent give a true and fair view of the state of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- 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 and detecting fraud and other irregularities.
- That the Directors had prepared the Financial Accounts for the Financial year ended 31<sup>st</sup> March, 2003 on a going concern basis.

## AUDITORS AND AUDITORS REPORT

M/s S.P. Chopra & Co., the Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Company has received letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

The members are requested to appoint them as Statutory Auditors and authorised the Board to fix their remuneration. The observations made by the Auditors in their report are fully explained in the notes to the accounts.

## PERSONNEL

Industrial relations remained cordial through out the year. The Directors wish to place on record their appreciation of the sincere and devoted efforts of the Management, Staff and Workers during the period under review.

## PARTICULARS OF EMPLOYEES

There are no employees whose particulars are to be furnished pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

## ENVIRONMENTAL PROTECTION AND POLLUTION CONTROL

Your Company regards preservation of the environment as one of it's primary social responsibilities. Accordingly, the Company places great emphasis on compliance with pollution norms.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

Details as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 under Section 217 (1) (e) of the Companies Act, 1956 are appended as Annexure I

## INFORMATION UNDER THE LISTING AGREEMENT

Shares of your Company are listed in Mumbai and Delhi Stock Exchanges.

**J.M.A. INDUSTRIES LIMITED****CORPORATE GOVERNANCE**

As required clause 49 of the Listing Agreement of the Stock Exchanges, where the shares of the Company are listed, the Company has already constituted the following Committees i.e.

1. Audit Committee
2. Remuneration Committee
3. Investors Grievance Committee

**ACKNOWLEDGEMENT**

Your Directors are grateful to the Banks, Shareholders, Customers, Distributors, Authorised Dealers and all other business constituents for the valued co-operation and support extended by them to the Company during the year under review.

Your Directors sincerely wish to thank the working staff and executives of the Company for the continuous hard work put in by them.

For and on behalf of the Board

Place : Faridabad

Date : 23rd June, 2003

**Werner Boekels**

Chairman

**ANNEXURE TO THE DIRECTORS' REPORT****ANNEXURE I**

**INFORMATION PURSUANT TO SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.**

**A. CONSERVATION OF ENERGY**

a) Energy conservation measures taken:

The manufacturing process in our plant vary widely and cover process such as Electroplating, Painting, Die Casting, Bakelite Moulding, Sheet Metal Working and Plastic Injection Moulding.

In almost all these processes the introduction of temperature controller and their regular proper operational maintenance has ensured achievement of the energy saving.

b) Additional Investments and proposals if any, being implemented for reduction in consumption of energy:

The investments involved will be to introduce above mentioned schemes.

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

It is hoped that with the proposed implementation of the above, there would be a decrease in energy consumption.

Energy conservation has been made an integral part of the induction training programme for new employees. In addition, regular training sessions are held where employees are educated in the need to reduce energy consumption to the minimum.

d) Total energy consumption and energy consumption per unit of production : Not Applicable

**J.M.A. INDUSTRIES LIMITED****FORM - B****A. RESEARCH & DEVELOPMENT (R&D)**

1. Specific Areas in which R&D carried out by the Company : R & D has been carried out in the fields of lighting and signaling and also in the production technology with the intent of producing better quality products.
2. Benefits derived as a result of the above R & D : We have been able to successfully develop several head lamps for domestic & export market, tail lamps, blinker lamps and switches for the Indian vehicle manufactures and for export to foreign customers.
3. Future plan of action : Our R & D effort will be aimed at developing products in Line with international quality standards so that we can provide better quality products to our reputed automobile manufactures/ customers.  
**(Rs. in Lacs)**
4. Expenditure on R & D :  
 Recurring expenses : 2.20  
 R & D expenditure as a % of total turnover : 0.16%

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

1. Efforts, in brief, made towards technology absorption, adaptation and innovation. : Currently we are not importing any technology but developing ourselves our R& D facility is recognised by the Government.
2. Benefit derived as a result of the above efforts : Not Applicable
3. In case of imported technology during the last five Years :  
 a) Technology imported : Not Applicable  
 b) Year of Import  
 c) Has technology been fully absorbed  
 d) If not, areas where this has not taken place, reasons therefore and future plans of action

**B. FOREIGN EXCHANGE EARNINGS AND OUT GO (Rs. in Lacs )**

- a) Earnings : 39.98
- b) Outgo : 5.17

For and on behalf of the Board

Place : Faridabad  
 Date : 23rd June, 2003

**Werner Boekels**  
 Chairman



## J.M.A. INDUSTRIES LIMITED

### **AUDITORS' REPORT TO THE MEMBERS OF M/S. J.M.A. INDUSTRIES LTD., NEW DELHI**

We have audited the attached Balance Sheet of M/s. J.M.A. Industries Limited, New Delhi as at 31st March, 2003 and also the Profit & Loss Account and the cashflow statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We 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.

1. As required by the manufacturing and other Companies (Auditor's Report) order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate, we enclose in the Annexure a Statement on the matters specified in paragraphs (4) and (5) of the said order.

2. Further to our comments in the Annexure referred to in paragraph (1) above, we state 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 the books ;

c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account ;

d) In our opinion the Balance Sheet and the Profit & Loss Account comply with the Accounting Standards issued by the Institute of Chartered Accountants of India except to the extent as disclosed in Note no. (14) in schedule '13' of the Accounts.

e) On the basis of written representations received from the Directors except in case of two directors (namely Mr. R. Bhandari, and Mr. R. K. Bhandari) by the Company and taken on record by the Board of Directors, we are informed that the Directors are not disqualified from being appointed as Directors of the Company under clause (g) of sub section (1) of section 274 of the Companies Act, 1956. In respect of aforesaid two Directors from whom representations have not been received we are unable to comment upon the compliance of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.

f) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts read together with the "Significant accounting Policies" and further subject to Notes in the attached schedule No. '13' i.e. Note no. (3) Re : Non-provision of shortfall of Rs. 1.10 lacs in the value of investment in the shares of M/s. Wegu Sondhi Pvt. Ltd. consequent upon which the investments are higher by Rs. 1.10 lacs and losses lower to that extent ; Note No

(9)(a) Re : Liability of Rs. 86.32 lacs due to a foreign supplier for the last number of years and converted at the rates as prevalent at the time of import is provided to that extent only as determined by the management; Note No. 9 (b) Re : Provision of interest on public deposits from foreign parties by converting them at the rate of exchange prevailing as on Balance Sheet date as against the rupee amount of deposit when the deposit was initially accepted resulting in excess payment/provision of interest of Rs. 23.49 lacs for earlier years as a result of which the losses and unsecured loans are higher to that extent; Note No. 9 (c) Re : Non-provision of interest of Rs. 36.33 lacs including for earlier years on Inter Corporate Deposit and as such losses and unsecured loans are lower to that extent; Note No. (11) Re : Non-disclosure of certain information relating to Small Scale undertakings as required by the Schedule VI Part-I of the Companies Act, 1956 and amended to-date; Note No. (13), Re : Non-adjustment of discrepancies/shortages noted on physical verification of fixed assets of the Company vis-a-vis book balances, impact of which could not be ascertained pending verification; had the observations made by us in the Note No. (3), and 9 (b), & (c) been considered the loss for the year would have been Rs. 382.98 lacs (as against the reported loss of Rs. 369.04 lacs) accumulated losses would have been Rs. 1,830.13 lacs (as against reported figure of Rs. 1,816.19 lacs), investment would have been Rs. 21.52 lacs (as against the reported figure of Rs. 22.62 lacs), unsecured loan would have been Rs. 1292.40 lacs (as against reported figure of Rs. 1279.56 lacs) and further subject to other Notes thereon and documents annexed thereto, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :-

- i) In the case of Balance Sheet of the state of affairs of the Company as at 31st March, 2003; and
- ii) In the case of Profit & Loss Account of the losses for the year ended on that date.
- iii) In the case of Cash Flow Statement, of the cash flow for the year ended on that date.

For and on behalf of  
S.P. Chopra & Co.  
Chartered Accountants

Place : New Delhi  
Dated : 23rd June, 2003

Pawan K. Gupta  
Partner



## J.M.A. INDUSTRIES LIMITED

### ANNEXURE REFERRED TO IN PARA (1) OF THE AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF M/S. J.M.A. INDUSTRIES LIMITED FOR THE YEAR ENDED 31ST MARCH, 2003.

- A. (i) The Company has maintained records showing particulars including quantitative details and situation of its fixed assets. We have been informed by the management that ***fixed assets of the Company were physically verified by an independent agency during which certain discrepancies/shortages were reported. Pending verification of such discrepancies/shortages, neither any adjustments have been made in the Accounts nor the impact of these have been determined.***
- (ii) No fixed assets have been revalued during the year.
- (iii) According to the information and explanations given to us, the stock of finished goods has been physically verified at the close of the year. Stocks of stores, spare parts and raw materials of the Company were also physically verified by the management at the year end.
- (iv) In our opinion and according to the information and explanations given to us, 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) No material discrepancies were noticed on physical verification of stocks as compared to book records. However, discrepancies noticed on such verification have been properly dealt with in the books of account.
- (vi) In our opinion, on the basis of our examination of the stock records, the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding financial year.
- (vii) In our opinion the rate of interest and other terms and conditions in respect of unsecured loan taken from the holding Company M/s. Reinhold Poersch GmbH, Germany are not prima facie prejudicial to the interest of the Company. The Company has not taken any other loans, secured or unsecured from the Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- (viii) According to the information and explanations given to us by the management, the Company has not granted any loans, secured or unsecured, to Companies, firms or other parties listed in the Register maintained under Section 301 and/or to the Companies under the same management within the meaning of sub-section 1-B of Section 370 of the Companies Act, 1956.
- (ix) The Company has not given any loans or advances in the nature of loans except to its employees, which are interest free, who are regularly repaying the principal amounts as stipulated.
- (x) In our opinion and according to the information and explanations given to us by the management, 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 & machinery, equipment and other assets and for the sale of goods.
- (xi) In our opinion and according to the information and explanations given to us by the management, the transactions of purchase of goods and materials and sale of goods and materials made in pursuance of contracts or arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000/- or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices for such goods and materials or the prices at which transactions for similar goods and materials have been made with other parties.
- (xii) As explained to us, the Company has a regular procedure for determination of unserviceable or damaged stores, raw materials or finished goods. In our opinion, adequate provision has been made in the Accounts for the loss arising on the items so determined.
- (xiii) The Company has neither accepted nor renewed the deposits from Public as the Company's net worth has become negative. Further, all fixed deposits have since matured. In respect of certain deposits from foreign parties the matter regarding the basis of computation of interest is pending settlement and as such the deposits have not been paid by the Company though the same have matured.
- (xiv) In our opinion, reasonable records have been maintained by the Company for the sale and disposal of scrap. The Company has no by-product.
- (xv) The Company has appointed a firm of Chartered Accountants for conducting internal audit. In our opinion and according to the information and explanation given to us, ***the internal audit system needs to be further strengthened and scope enlarged to make it commensurate with the Company's size and nature of its business.***
- (xvi) According to the information given to us by the management, the Central Government has not prescribed the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 for any of the products of the Company.
- (xvii) According to the records of the Company, ***on occasions there were certain delays in deposit with the appropriate authorities of Provident Fund and Employees' State Insurance dues during the year.***
- (xviii) According to information and explanations given to us by the management, there are no outstanding undisputed amount payable in respect of Income-tax, Wealth-tax, Sales-tax, Customs-duty and Excise-duty for a period of more than six months from the date they became payable.
- (xix) On the basis of our examination, of the books of account of the Company, carried out in accordance with generally accepted business practice, we have not come across any personal expenses which have been charged to Revenue Account. Further, we have not been informed of any such expense by the management.
- (xx) ***The Company is a Sick Industrial Company within the meaning of clause (o) of sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985 for which as informed to us reference made to the Board for Industrial and Financial reconstruction (BIFR) has been rejected. The Company has filed an appeal with Appellate Authority for Industrial and Financial Reconstruction (AAIFR) against the said order which is pending disposal.***
- B. In respect of the trading activities of the Company, it has been explained to us by the management that there were no damaged goods.

For and on behalf of  
S.P. Chopra & Co.  
Chartered Accountants

Place : Faridabad  
Date : 23rd June, 2003

Pawan K. Gupta  
Partner