
ANNUAL REPORT
2003-2004

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INDUSTRIAL ORGANICS LIMITED



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Board of Directors

Shri K L Dalal

Dr M A Zahir

Dr (Mrs) H K Bal

Shri Yogesh Goel - *PSIDC Nominee*Shri B Dasgupta - *IDBI Nominee*Shri R K Thukral - *Executive Director*Shri Varinder Gupta - *Chairman & Managing Director***Senior Executives**Shri Rakesh Mahajan - *Counsellor (Finance & Accounts)*Shri N K Pundir - *Counsellor (Marketing)*Shri Vijay Garg - *Counsellor (Commercial)*Shri Damandeep Singh - *Counsellor (Production)*Shri Krishan Singla - *Counsellor (Secretarial Affairs)*Shri Vijay Singla - *Co-ordinator (R & D and PDC)***Senior Company Secretary**

Shri Krishan Singla

Statutory Auditors

M/s K K Kapoor & Associates
Chartered Accountants,
Ludhiana

Cost Auditors

M/s Ramanath Iyer & Co.
Cost Accountants,
New Delhi

Bankers

Punjab National Bank

Registrar and Share Transfer Agents

M/s Alankit Assignments Limited,
2E/8, 1st Floor, Jhandewalan Extension,
New Delhi

Registered Office:

Trident Complex,
Raikot Road, Barnala -148 101
District Sangrur (Punjab)
Phone : +91-1679-244700-07
Fax : +91-1679-244708
E-mail : ioldhl@industrialorganics.com
Website : www.industrialorganics.com

Head Office:

Trident House,
85, Industrial Area 'A'
Ludhiana - 141 003
Phone : +91-161-2661616-18
Fax : +91-161-2608784
E-mail : iol@industrialorganics.com

Works:

Village Fatehgarh Chhana,
Mansa Road, Barnala - 148 101
District Sangrur (Punjab)
Phone : +91-1679-285285-88
Fax : +91-1679-285292
E-mail : ioldhl@industrialorganics.com



NOTICE

NOTICE is hereby given that the Seventeenth Annual General Meeting of the Members of **INDUSTRIAL ORGANICS LIMITED** will be held on Saturday, the 12th day of June, 2004 at 10.00 AM at the Registered Office of the company, Trident Complex, Raikot Road, Barnala, District Sangrur, Punjab to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet of the company as at 31st March, 2004 and the Profit & Loss Account for the year ended on that date alongwith the Reports of the Auditors and the Directors thereon.
2. To appoint a Director in place of Sh K L Dalal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sh Yogesh Goel, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Dr M A Zahir, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Dr (Mrs) H K Bal, who retires by rotation and being eligible offers herself for re-appointment.
6. To appoint a Director in place of Sh R K Thukral, who retires by rotation and being eligible offers himself for re-appointment.
7. To appoint a Director in place of Sh Varinder Gupta, who retires by rotation and being eligible offers himself for re-appointment.
8. To appoint Auditors and to fix their remuneration.

M/s K K Kapoor & Associates, Chartered Accountants, the retiring Auditors, being eligible offer themselves for re-appointment.

By order of the Board
for INDUSTRIAL ORGANICS LIMITED

Place : Barnala
Dated : April 17, 2004

Krishan Singla
Sr Company Secretary

NOTES:

- i) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on poll instead of himself/herself and proxy need not be a member. Proxy form in order to be effective must be received by the company not less than 48 hours before the meeting. The blank proxy form is enclosed.
- ii) Transfer of shares and related activities are being carried out by the company through its Registrar & Share Transfer Agents (RTA) at the following address:
**M/s Alankit Assignments Limited,
2E/8, 1st Floor,
Jhandewalan Extension,
New Delhi – 110 055.**
- iii) The Register of Members and Share Transfer Books will remain closed from **Tuesday, the 8th day of June, 2004 to Saturday, the 12th day of June, 2004** (both days inclusive).
- iv) Members who are holding shares in identical order of names under more than one folio are requested to send the relative share certificates to the company for consolidation of the entire holding under one folio.
- v) Documents referred to in the Notice are open for inspection at the Registered Office of the company on all working days, except holidays, between 11.00 AM to 1.00 PM.
- vi) Members desiring any information on Accounts or other items of Agenda are requested to write to the company at its Registered Office at least ten days before the date of the Annual General Meeting so as to enable the Management to keep the information ready.
- vii) Members are requested to:
 - a) Intimate their Permanent Account Number.
 - b) **Notify the change of address with pin code, to ensure quick delivery of letters.**
 - c) Bring their copies of Annual Report at the meeting.
 - d) Complete the enclosed attendance slip and deliver the same at the entrance of the meeting hall.
- viii) All requests regarding transfer of share, dematerialisation of shares, change of address etc. should be made to Registrar & Share Transfer Agents of the company at above said address.

By order of the Board
for INDUSTRIAL ORGANICS LIMITED

Place : Barnala
Dated : April 17, 2004

Krishan Singla
Sr Company Secretary

INDUSTRIAL ORGANICS LIMITED**DIRECTORS' REPORT****Dear Members**

The Directors of the company have pleasure in presenting the Seventeenth Annual Report and Audited Accounts for the financial year ended 31st March, 2004.

1. FINANCIAL RESULTS

The financial results of the company for the year under report are given below:

Particulars	(Rs in Lacs)	
	Year ended 31st March, 2004	Year ended 31st March, 2003
a) Turnover	6137.08	6232.37
b) Profit/(Loss) before interest & depreciation	553.91	31.17
c) Interest	330.99	466.37
d) Profit before depreciation	222.92	(435.20)
e) Depreciation	189.63	177.66
f) Profit/(Loss) before tax	33.29	(612.86)
g) Provision for taxation	—	—
h) Profit/(Loss) after tax	33.29	(612.86)
i) Less: Prior period expenses	1.28	2.81
j) Balance brought forward from previous year	(1539.46)	(923.79)
k) Balance carried to the Balance Sheet	(919.35)	(1539.46)

2. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**a) INDUSTRY STRUCTURE**

The chemical industry in India is well established and has recorded a steady growth in the overall industrial scenario. The chemical and allied industries have been amongst the faster growing segments of the Indian industry. The Indian chemical industry accounts for the second highest weighting of 12.5% in the index of industrial production and also makes the largest contribution by value (about 15%) to the gross industrial production.

The Indian chemical industry produces a wide spectrum of products, including pharmaceuticals, dyes, man-made fibres, plastics, pesticides, fertilisers, cosmetics and toiletries, paint, auxiliary chemicals and organic and inorganic compounds for applications ranging from automobiles, construction chemicals and food additives to veterinary & health care products. Organic chemicals especially alcohol based chemicals constitute one of the prominent segments of Indian chemical industry.

The Government embarked on the path of economic liberalization and integration of Indian economy with the global economy few years ago and this process is still continuing. Tariff levels have been reduced substantially after the announcement of liberalized policy. The main thrust in the chemical industry is on the modernization so as to improve the efficiency by lowering the operating cost and conservation of energy. There is a tremendous scope for

growth in the chemical sector.

India is emerging as one of the largest and cheapest producers of pharmaceuticals in the world, accounting for nearly 8.5% of the world's drug requirements in terms of volume, and 1.3 % in value terms and ranks among the top 15 drug manufacturing countries. The Indian pharmaceutical industry is the largest in the developing world and is currently a world leader in manufacture and export of basic drugs such as ethambutol and ibuprofen.

b) PERFORMANCE REVIEW

There was overall improvement in the performance of the company in production, consumption norms & profitability in comparison to the previous year's performance. The turnover of the company has marginally decreased by 1.53% from Rs 6232.37 lacs to Rs 6137.08 lacs due to discontinuation of production of Ibuprofen about for seven months. However, the company turn around from loss to profit by earning operating profit before interest and depreciation of Rs 553.91 lacs during the year under review against operating profit of Rs 31.17 lacs during the previous year due to substantial reduction of alcohol price during the last quarter of the year, restructuring of term liabilities on the reduced rate of interest by IDBI and discount given by the supplier of steam and power in addition to the operational efficiency. The business segment performance is given below:

The company is manufacturing alcohol based chemicals like Acetic Acid, Ethyl Acetate & Acetic Anhydride and bulk drug like Ibuprofen.

Acetic Acid

The production of Acetic Acid has increased from 14146 MT during the previous year to 16067 MT during the year under review showing an increase of 13.58%. The sale of Acetic Acid has also increased from 4551 MT to 5259 MT during the year under review.

Ethyl Acetate

The production of Ethyl Acetate has increased from 5321 MT to 7582 MT recording an increase of 42.49% and its sale increased from 5245 MT to 7650 MT during the year under review.

Acetic Anhydride

The production of Acetic Anhydride has decreased by 7.13% from 4842 MT during the previous year to 4497 MT during the year under review. Accordingly the sale of Acetic Anhydride has decreased to 4548 MT against 4865 MT during the previous year.

Ibuprofen

The Ibuprofen plant, the production of which has been stopped for seven months during the year under review for modification and up-gradation of plant was recommenced in the month of November, 2003. Accordingly the production



for the year under review is 129 MT against 359 MT during the previous year.

c) CONTRIBUTION TO NATIONAL EXCHEQUER

Your company has contributed a sum of Rs 759.40 lacs to the Exchequer by way of Central Excise Duty in addition to contribution through other direct and indirect taxes.

d) SWOT ANALYSIS OF THE COMPANY

Strengths:

1. Strong & old player in alcohol based chemical industry in Northern India.
2. Access to the steam & power from a nearby company at competitive price.
3. Committed workforce & cordial industrial relations.
4. Better consumer understanding & relationship.

Weakness:

1. Locational disadvantages.
2. Lack of production of speciality chemicals.

Opportunities:

1. Abundant availability of renewable resources like molasses to produce alcohol based chemicals & other chemicals can provide viable alternative to petroleum feed stock.
2. Alcohol based chemicals are versatile chemicals having a diverse use in PTA, dyes, foodstuff, paint and pharmaceuticals etc.

Threats:

1. State Government's policies lead to unavailability of alcohol as raw material in the industrial sector.
2. Unavailability of skilled labour in the area.
3. Availability & consumption of alcohol in the country is balanced between potable alcohol & chemicals. Government decision to allow to use of alcohol as a fuel in the form of gasohol will adversely effect its availability at affordable price for chemical industry.

e) FUTURE PROSPECTS

The future of alcohol based chemical industry seems to be uncertain as the different governments are charging the different duties on the industrial alcohol which impacting the fortunes of the alcohol based industry. ICMA has made a representation to the Central Government to stress upon the different state governments to implement uniform policies with respect to the industrial alcohol and not to impose any fee/ taxes on the movement of the industrial alcohol, as it is out of their preview, to allow the free movement of industrial alcohol like any other raw material.

Recently, the State Government has increased the permit fee on the procurement of industrial alcohol from Rs 0.30 to Rs 0.60 per BL w.e.f. 01.04.2004, which may effect adversely the alcohol based chemical industry in Punjab. The company

has made the presentation to the State Government for the roll back of the increase in the permit fee and we are hopeful that the State will take a favourable decision in this case. The sugar cane production during this season is likely to come down by 20 % from that of the last year and may further reduce in the coming year. This along with the ethanol programme introduced by the government will make the availability of industrial alcohol scarce for the chemical industry. To meet the demand the company has proceeded to book advance orders of alcohol with the overseas parties to secure the position of the company.

The company has taken various steps to streamline the production process of the company, which has enabled the company to increase the capacity to produce at lower operating cost.

Alcohol based chemicals are very versatile products being used in many industries like pharmaceuticals, textiles, PTA, flexible packaging, dyestuff, paints and ink etc., which are progressing very fast. Thus the demand for the acetic acid and other alcohol based products like ethyl acetate and acetic anhydride is showing continuous increase and is further expected to increase by 7-10% in the coming year. The demand for the acetic anhydride is also showing the great increase due to the shift in the demand for paracetamol from nimesulide due to the controversy on its side effects and of its banning by other countries like Spain and Finland. The demand for ibuprofen is continuously increasing due to non availability of alternative better analgesic medicine and India is emerging the main source of the import of this bulk drug in the world.

f) INTERNAL CONTROL SYSTEMS AND ADEQUACY

Well established and well defined internal controls, checks and systems are in place at all levels and in all departments of the company, supported by an internal audit conducted by independent Chartered Accountants.

g) HUMAN RESOURCES

Industrial relations at works of the company remained cordial and harmonious during the year under review. The company considers human resources very valuable assets for the development of the organization. To enhance competencies of the employees, the company organizes series of in-house as well as external training programmes.

h) CAUTIONARY STATEMENT

Statement in the Management Discussion and Analysis describing the company objectives, projection, estimates and expectations may be "Forward Looking Statements" with in the meaning of applicable laws & regulations. Actual results may differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include but not restricted to the economic conditions affecting demand/supply and price

conditions in the domestic and overseas markets in which the company operates, changes in the Government regulations, tax laws, and other statutes, as also other incidental factors.

3. DEREGISTRATION OF THE COMPANY FROM BIFR

The company has got registered with the Board for Industrial & Financial Reconstruction (BIFR) on 20.06.2002 as its accumulated losses have exceeded the net worth of the company. The company is continuously trying to improve operational efficiencies and settlement of cases with the financial institutions, banks and creditors out of the BIFR. The company has entered into a settlement with the supplier of steam and power to the company. The company could not pay the dues to them and total outstanding on account of purchase of steam and power is to the tune of Rs 1773 lacs. The company had entered into settlement with them on the terms and conditions that, they will write off Rs 750 lacs for the current and earlier years, Rs 500 lacs outstanding be converted into 7% non cumulative redeemable preference shares and the balance amount of Rs 523 lacs be treated as deferred credits. On settlement with them, the net worth of the company has become positive, and the company will apply to the BIFR for deregistration of the company. However, accumulated losses are still more than 50% of the net worth of the company.

4. EXPANSION CUM DE-BOTTLENECKING PROJECT

The company is in the process of finalizing the expansion cum de-bottlenecking scheme and restructuring of its liabilities and limits with the financial institutions and banks. The scheme envisaged expansion of capacity of acetic acid from 13500 TPA to 22500 TPA, ethyl acetate from 6600 TPA to 7500 TPA, acetic anhydride from 4500 TPA to 7500 TPA and ibuprofen from 600 TPA to 720 TPA. The scheme involves the total cost of Rs 936.82 lacs which will be financed by way of term loans of Rs 450 lacs, and the balance would be contributed from promoters contribution and internal accruals. The technical feasibility of the scheme was conducted by NITCON and the financial feasibility of the scheme was done by IDBI. IDBI has approved the restructuring of term liabilities and has pleased to reduce the rate of interest on term loans to 13% p.a. and deferred interest will carry interest @ 5% p.a. The company has applied to the banks for restructuring of the credit limit facilities and providing of financial assistance which is under their consideration.

5. DIRECTORS

During the year under review, IDBI has nominated Sh B Dasgupta, Dy General Manager, IDBI, Chandigarh as Director on the Board of the company with effect from March 5, 2004. The Directors welcome him on the Board.

During the year under review, Sh N C Gupta, Mrs Dimple Gupta and Sh C S Dhawan, Directors have resigned from the

directorship of the company. The company places on record its appreciation for the services rendered by all of them during their tenures in the company.

In accordance with the provisions of the Companies Act, 1956 and Article 146 of the Articles of Association of the company and newly adopted Code of Conduct, all Directors of the company except Nominee Director of IDBI, are liable to retire by rotation.

6. ALLOTMENT OF PREFERENCE SHARES

The company authorized by the shareholders in its meeting held on 12.12.2003, has allotted 50,00,000, 7% Non Cumulative Redeemable Preference Shares of Rs 10/- each for an amount of Rs 500 lacs.

7. CORPORATE GOVERNANCE

The company has in place a system of Corporate Governance. A separate report on Corporate Governance forms part of the Annual Report of the company. A certificate from the Auditors of the company regarding compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed to the report on Corporate Governance.

The Board of Directors of the company has also evolved and adopted a 'Combined Code of Corporate Governance and Conduct' based on the principles of good corporate governance and best management practices being followed globally, besides, complying with the needs of the law of the land. The Code adopted by the Board is provided elsewhere in this Annual Report.

8. SAFETY HEALTH AND ENVIRONMENT

Safety is company's top priority with regard to employment and the company has been encouraging safety measure at all levels of operation especially at the floor level. Regular training programmes are being conducted to bring in awareness about the importance of safety at the work place.

Bi-monthly medical camps are also being organized for the welfare of the members in addition to regular medical facilities provided to them. The company has been awarded safety award from Punjab Government for the year 2002 for minimum accidents.

9. INVESTOR SERVICES

The company is committed to provide the best services to the shareholders. As per the SEBI regulations, both transfer and dematerialization of shares are being done at single point by M/s Alankit Assignments Limited, New Delhi, Registrar and Share Transfer Agents (RTA) of the company. Till date no correspondence/enquiry from any shareholder is pending with the company for reply.

10. INSURANCE

All the insurable immovable as well as movable assets of the



company including stocks continued to be properly insured and all the insurance policies are in force as on the date of the report.

11. FIXED DEPOSITS

The company has not accepted/renewed any deposits from the public/members during the year under review.

12. LISTING OF SHARES

The equity shares of the company continued to be listed and traded on:

- The Stock Exchange, Mumbai

The company has made all compliances of the Listing Agreement including payment of annual listing fees to the Stock Exchange where the shares of the company are listed. The company had applied for delisting of shares from the Ludhiana Stock Exchange Association Limited (LSE) and the Delhi Stock Exchange Association Limited (DSE). The securities of the company has been delisted from the Delhi Stock Exchange Association Limited on 22.03.2004 and the approval of delisting of securities is still awaiting from the Ludhiana Stock Exchange Association Limited. However, the approval in principle for the same has been granted by LSE.

13. AUDITORS AND AUDITORS' REPORT

M/s K K Kapoor & Associates, Chartered Accountants, Auditors of the Company, retire at the conclusion of ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

The Auditors' Report on the accounts is self-explanatory and no comments are required.

14. COST AUDITORS

The Central Government had directed the audit be carried out of the cost accounts maintained by the company in respect of chemicals by a qualified cost accountant. The Board subject to the approval of the Central Government has appointed M/s. Ramanath Iyer & Co., Cost Accountants, New Delhi as Cost Auditors, for the year 2004-05.

15. INDUSTRIAL RELATIONS

The Industrial relations remained cordial and harmonious throughout the year.

16. ENERGY CONSERVATION/TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Energy conservation continues to be an area of major emphasis in the company. A statement giving details of conservation of energy, technology absorption, foreign exchange earnings and outgo, in accordance with 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 is annexed hereto as Annexure I and forms part of the report.

17. INFORMATION ON PERSONNEL

The statement showing the particulars of the employees as required by the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, is not given as no employee was in receipt of remuneration equal to or exceeding Rs 24.00 lacs per annum, if employed for the full year or Rs 2.00 lacs per month if employed for the part of the year.

18. DIRECTORS' RESPONSIBILITY STATEMENT

Directors' Responsibility statement pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956 is enclosed as Annexure II and forms part of the report.

19. ACKNOWLEDGEMENT

The Board of Directors of your company are pleased to place on record their sincere gratitude and appreciation for the assistance and co-operation received from the Union Government, the Punjab Government, the Punjab State Industrial Development Corporation Limited, the Financial Institutions and the Company's Bankers, Members, Customers and Business Constituents.

Your Directors also express their appreciation and gratitude for the continued devout, sincere and unstinted services rendered by the counsellors, co-ordinators and facilitators at all levels of operations for the success and progress of the company.

For and on behalf of the Board

Place : Ludhiana
Dated : April 17, 2004

Varinder Gupta
Chairman & Managing Director

R K Thukral
Executive Director

INDUSTRIAL ORGANICS LIMITED**ANNEXURE I TO THE DIRECTORS' REPORT**

Information as per Section 217(1)(e) read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2004.

1. CONSERVATION OF ENERGY**1.1 Energy conservation measures taken:**

- a) A new cooling tower with increased capacity of 3300 cubic meter has been installed.
- b) To save power, Dump Kettle has been installed in Acetic Acid & Ethyl Acetate plant.
- c) Vacuum booster in Acetic Anhydride plant was installed to save high cost steam by operating the same on power.
- d) Heat recovery PHEs were installed.
- e) Furnace modification by starting to use pet coke.
- f) Pipeline modification for cooling water and power saving.
- g) Steam ejectors were replaced by vacuum boosters to save steam in Ibuprofen plant.

1.2 Additional Investments and proposals, if any, being implemented for reduction of consumption of energy.

- a) Vacuum Absorption Machine (VAM) to be installed to save steam.
- b) Re-engineering of Brine plant for better utility, lesser power consumption and steam saving.

1.3 Impact of measures taken at (1.1) and (1.2) above for reduction of energy consumption and consequent impact on the cost of production of goods:

These measures have been resulted in saving of power and steam consumption.

1.4 Total energy consumption and consumption per unit of production as per Form-A of the annexure in respect of Industries specified in the schedule thereto.

Particulars	Unit	2003-04	2002-03
A. Power and Fuel Consumption			
1. Electricity			
a) Purchased Units	KWH IN LACS	104.67	116.89
Total Amount	RS IN LACS	419.94	445.35
Rate/Unit	RS/KWH	4.01	3.81
b) Own Generation			
i) Through Diesel Generator			
Units	KWH IN LACS	6.09	5.62
Units per liter of HSD	KWH	3.31	3.42
Cost/Unit	RS/KWH	5.81	4.81
ii) Through Steam Turbine/Generator	KWH IN LACS	NIL	NIL
2. Coal		NIL	NIL
3. Furnace Oil	KL	824.41	855.12
4. Others/Internal Generation		NIL	NIL
B. Consumption per unit of production :			
Acetic Acid	KWH/MT	434	464
Ethyl Acetate	KWH/MT	178	210
Acetic Anhydride	KWH/MT	457	410
Ibuprofen	KWH/MT	5334	7222
Basic Chromium Sulphate	KWH/MT	130	177



2. TECHNOLOGY ABSORPTION

Efforts made in technology absorption as per Form B of the annexure :

FORM-B

Disclosure of particulars with respect to technology absorption.

1. Research & Development (R & D) :

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

- i) Modification & optimisation of chemical plant to increase the production capacity.
- ii) Re-engineering of all plants to reduce breakdowns.
- iii) Automation of process to control the parameters.
- vi) Dump Kettles were installed in Ethyl Acetate and Acetic Acid plant to improve the quality of the products.
- v) Successfully started to use dilute acetic acid (Drain in Acetic Acid plant) in anhydride plant as a reactant.

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

Reduction in cost of production & improvement in the quality of the products.

c) Future plan of action:

The R & D team is pursuing other option to improve process parameters so as to reduce the product cost and is also looking forward in other drugs i.e. Ketoprofen, Flubirofen, Sodium Phosphate and Aluminium Sulphate.

d) Expenditure on Research & Development:

Expenses incurred on R & D are booked in respective general accounting heads.

2. Technology Absorption, Adaptation & Innovation: Nil

3. Foreign Exchange Earnings & Outgo:

(Rs in lacs)

Used	1.85
Earned	100.64

ANNEXURE II TO THE DIRECTORS' REPORT

Directors' Responsibility Statement

Pursuant to provisions of section 217(2AA) of the Companies Act, 1956 it is hereby confirmed that:

1. in preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
2. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
3. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. the director had prepared the annual accounts on a going concern basis.

For and on behalf of the Board

Place : Ludhiana
Dated : April 17, 2004

Varinder Gupta
Chairman & Managing Director

R K Thukral
Executive Director