The World of Kohinoor
The Flavour of Joy

Annual Report
2001-2002

Satnam Overseas Limited

Chairman
Jugal Kishore Arora

Jt. Managing Directors
Satnam Arora
Gurnam Arora

Non-Executive Directors
Vijay Burman
Anil Bhatia
Vijay Parkash Aggarwal

Company Secretary
Rajiv Dudeja

Auditors
M/s Nath Ahuja & Co.
Chartered Accountants
New Delhi 110 048

Bankers
Oriental Bank Of Commerce
Corporate Branch, New Delhi

Canara Bank
Corporate Service Branch, New Delhi

Andhra Bank, New Delhi

UTI Bank, New Delhi

Bank of Nova Scotia, New Delhi

Registered Office, Corporate Office & Share Deptt.
201, Vipps Centre, 2 Community Complex,
Greater Kailash-II, Masjid Moth,
New Delhi 110 048 (India)
Ph. 646 5757 (10 Lines)

Works
50-51 Milestone, G.T. Road,
Murthal Dist. Sonepat (Haryana)

Gate Bhagtenwala, Amritsar (Punjab)

Transfer Agents

(PHYSICAL SHARES)
FINTECH COMPU SYSTEMS LTD
WZ-1390/4, 3rd Floor, Pankha Road
Nangal Raya, (Nr. D-Block, Janakpuri
Bus Terminal), New Delhi - 110 046
Phone : 5556025

(ELECTRONIC CONNECTIVITY)
ALANKIT ASSIGNMENTS LTD
205-206, Anarkali Complex,
Jhandewalan Extn.
New Delhi - 110 055
Phone : 3513512-14

Listing of Equity Shares

(Listing Fees Paid)

1. The Delhi Stock Exchange Association Ltd.
3/1 Asaf Ali Road
New Delhi 110 002
2. The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai 400001
3. The Ludhiana Stock Exchange Association Ltd.
Feroze Gandhi Market, Ludhiana 141001
4. The Stock Exchange Ahmedabad
Kamdhenu Complex
Opp. Sahajanand College, Panjarapole
Ahmedabad - 380015
5. National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor,
Plot no. C/1 - G Block
Bandra-Kurla Complex
Bandra (E) Mumbai 400 051

Contents

NOTICE

Notice is hereby given that the Thirteenth Annual General Meeting of the members of Satnam Overseas Limited will be held on Saturday, the 28th September, 2002 at 1:00 p.m. at Surya Gardens, Sector-D, Pocket II, Vasant Kunj, New Delhi-110070 to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2002, the Profit & Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Jugal Kishore Arora, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to pass with or without modification, the following resolution as an ordinary resolution :-

   "RESOLVED THAT pursuant to the provisions of Section 224(1) and other applicable provisions, if any, of the Companies Act, 1956, M/s Nath Ahuja & Co., Chartered Accountants, the retiring Auditors of the Company be and are hereby appointed as the auditors of the company to hold office from the conclusion of this Annual General Meeting of the company till the conclusion of the next Annual General Meeting of the Company at the remuneration to be fixed by the Board of Directors."

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modification(s), the following resolutions as **ORDINARY RESOLUTIONS**:-

4. "RESOLVED that pursuant to the provisions of Section 198, 269, 309, 310 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 the consent of Company be and is hereby accorded to the reappointment of Shri Jugal Kishore Arora as Chairman of the company for a period of five years w.e.f. 26th September, 2002 on terms as to salary and perquisites as set out below :

   Remuneration

   Salary : Rs.2,00,000/- per month.

   Perquisites : In Addition to the above salary Shri Jugal Kishore Arora shall be entitled to the following perquisites :

   1. Contribution to Provident Fund, Superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
   2. Gratuity payable at a rate not exceeding 15 days salary for each completed year of service and
   3. Encashment of Leave at the end of tenure.

   RESOLVED further that in the event of loss or inadequacy of profits in any financial year of the Company during the term of Shri Jugal Kishore Arora's office as Chairman, the remuneration and the perquisites set out hereinabove be paid or granted to Shri Jugal Kishore Arora as minimum remuneration provided that the total remuneration by way of salary, perquisites and any other allowances shall not exceed the amount as provided in Section II of Part II of Schedule XIII of the said Act or any amendments thereto.

   RESOLVED further that in the event of any statutory amendment or modification or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956 , the Board of Directors be and is hereby authorised to vary or increase the remuneration, including the salary, perquisites, allowances etc. within such prescribed limit or ceiling without any further reference to the Company in General Meeting, subject however to the provisions of Section 302 of the Companies Act, 1956.

   RESOLVED further that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, things and matters as may be necessary to give effect to the above resolution".

5. "RESOLVED that pursuant to the provisions of Section 198, 269, 309, 310 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 the consent of Company be and is hereby accorded to the reappointment of Shri Satnam Arora as Jt.Managing Director of the company for a period of five years w.e.f. 26th September, 2002 on terms as to salary and perquisites as set out below :

   Remuneration

   Salary : Rs.2,00,000/- per month.

Perquisites : In Addition to the above salary Shri Satnam Arora shall be entitled to the following perquisites:

1. Contribution to Provident Fund, Superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
2. Gratuity payable at a rate not exceeding 15 days salary for each completed year of service and
3. Encashment of Leave at the end of tenure.

RESOLVED further that in the event of loss or inadequacy of profits in any financial year of the Company during the term of Shri.Satnam Arora's office as Jt.Managing Director, the remuneration and the perquisites set out hereinabove be paid or granted to Shri Satnam Arora as minimum remuneration provided that the total remuneration by way of salary, perquisites and any other allowances shall not exceed the amount as provided in Section II of Part II of Schedule XIII of the said Act or any amendments thereto.

RESOLVED further that in the event of any statutory amendment or modification or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956 , the Board of Directors be and is hereby authorised to vary or increase the remuneration, incuding the salary, perquisites, allowances etc. within such prescribed limit or ceiling without any further reference to the Company in General Meeting, subject however to the provisions of Section 302 of the Companies Act, 1956.

RESOLVED further that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, things and matters as may be necessary to give effect to the above resolution".

6. "RESOLVED that pursuant to the provisions of Section 198, 269, 309, 310 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 the consent of Company be and is hereby accorded to the reappointment of Shri Gurnam Arora as Jt.Managing Director of the company for a period of five years w.e.f. 26th September, 2002 on terms as to salary and perquisites as set out below :

Remuneration

Salary : Rs.2,00,000/- per month.

Perquisites : In Addition to the above salary Shri Gurnam Arora shall be entitled to the following perquisites:

1. Contribution to Provident Fund, Superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
2. Gratuity payable at a rate not exceeding 15 days salary for each completed year of service and
3. Encashment of Leave at the end of tenure.

RESOLVED further that in the event of loss or inadequacy of profits in any financial year of the Company during the term of Shri.Gurnam Arora's office as Jt.Managing Director, the remuneration and the perquisites set out hereinabove be paid or granted to Shri Gurnam Arora as minimum remuneration provided that the total remuneration by way of salary, perquisites and any other allowances shall not exceed the amount as provided in Section II of Part II of Schedule XIII of the said Act or any amendments thereto.

RESOLVED further that in the event of any statutory amendment or modification or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956 , the Board of Directors be and is hereby authorised to vary or increase the remuneration, incuding the salary, perquisites, allowances etc. within such prescribed limit or ceiling without any further reference to the Company in General Meeting, subject however to the provisions of Section 302 of the Companies Act, 1956.

RESOLVED further that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, things and matters as may be necessary to give effect to the above resolution".

7. "RESOLVED that Mr.Anil Bhatia who was appointed as an Additional Director of the Company and whose term of office expires at this Annual General Meeting and in respect of whom the company has received a notice under Section 257 of the Companies Act, 1956 from a member proposing candidature of Mr.Anil Bhatia for the office of Director be and is hereby appointed as Director of the company who will be liable to retire by rotation."

8. "RESOLVED that Mr. Vijay Parkash Aggarwal who was appointed as an Additional Director of the Company and whose term of office expires at this Annual General Meeting and in respect of whom the company has received a notice under Section 257 of the Companies Act, 1956 from a member proposing candidature of Mr.Vijay Parkash Aggarwal for the office of Director be and is hereby appointed as Director of the company who will be liable to retire by rotation."

9. "RESOLVED that in modification of earlier resolution passed in this behalf, the consent of the Company be and is hereby accorded under Section 293 (1)(d) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the company for borrowing from time to time all such sums of money as they may deem requisite for the purpose of the business of the Company notwithstanding that moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the company's

bankers in the ordinary course of business) may exceed the aggregate of the paid up capital and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount upto which moneys may be borrowed by the Board of Directors and outstanding shall not exceed the sum of Rs.400 Crores (Rupees Four Hundred Crores) at any point of time".

10. "RESOLVED that in modification of earlier resolution passed in this behalf, the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company to mortgage and/or charge all or any part of immovable properties of the company wheresoever situated both present and future and whole or part of the undertakings of the company of every nature and kind whatsoever and/or creating a floating charge on all or any immovable properties of the company and the whole of the undertaking of company together with power to take over the management of the business and concern of the company in certain events, to or in favour of banks, financial institutions or any other lenders to secure the amount borrowed/to be borrowed by the Company from time to time for the due payment of the principal together with interest costs, charges, expenses and all other monies payable by the company in respect of such borrowings upto a maximum of Rs.400 Crores (Rupees Four Hundred Crores only)".

By Order of the Board
For SATNAM OVERSEAS LIMITED

New Delhi
August 20, 2002

RAJIV DUDEJA
COMPANY SECRETARY

NOTES :

a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**

b) Relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business to be transacted at the meeting is annexed hereto.

c) The Register of Members and Transfer Books of the Company will remain closed from Tuesday, the 17th September, 2002 to Saturday, the 28th September, 2002 (both days inclusive) in connection with the Annual General Meeting.

d) The Share Department at the Registered Office of the company is open for public dealings between 10.00 a.m. to 1.00 p.m. from Monday to Friday, excluding Holidays.

e) Entry in the Meeting Hall shall be strictly restricted to Members/valid Proxies only carrying the Attendance Slip.

f) The Company has already transferred all unclaimed dividend declared for the year ended 31st March, 1995 to the General Revenue Account of the Central Government in terms of the provisions of Section 205 A of the Companies Act, 1956. Those Shareholders who have so far not claimed or collected their dividend for the aforesaid year may claim their dividend from the Registrar of Companies NCT of Delhi and Haryana, Paryavaran Bhawan, CGO Complex, New Delhi 110 003.

g) Pursuant to the provisions of Section 205 C of the Companies Act 1956, dividend for the Year ended 31st March, 1996 and thereafter, which remains unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund (IEF). Shareholders who have not encashed the Dividend Warrant(s) so far for the Financial Year Ended 31st March, 1996 or any subsequent Financial Years are requested to make their claim to the office of the Registrar and Transfer Agents M/s.Fintech Compu Systems Limited or to the Company's Share Deptt. at 201, Vipps Centre, Masjid Moth, Greater Kailash-II, New Delhi 110 048. It may also be noted that once the unclaimed dividend is transferred to the IEF, as above, no claim shall lie in respect thereof as against the Company.

h) Members are requested to intimate the change, if any, in their registered addresses, to the Registrars, Fintech Compu Systems Ltd at WZ-1390/4, 3rd Floor, Pankha Road, Nangal Raya, (Nr.D-Block, Janakpuri Bus Terminal) New Delhi 110 046. In case of dematerialised shares, the aforesaid intimation should be given to the Depository Participant with which the member has account.

i) Shareholders desiring any information as regards Accounts should write to the Company's Registered office at least ten days before the date of the meeting for the attention of Shri Rajiv Dudeja, Company Secretary or Shri Rajiv Mangla, Financial Controller, so as to enable the management to keep the information ready.

j) Additional information pursuant to Clause 49 of the Listing Agreement with Stock Exchanges in respect of Directors seeking appointment / re-appointment at the Annual General Meeting is provided in Explanatory Statement.

EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM No. 4, 5 and 6

The Board in its meeting held on 26th September, 1992 appointed Shri Jugal Kishore Arora as Chairman. Shri Satnam Arora & Shri Gurnam Arora as Jt. Managing Directors of the company for a period of five years effective 25th September, 1992. They were further reapponted for a period of 5 years and resolution to that effect was passed by the shareholders in the Annual General meeting held on 24th September, 1997 with modification in terms of appointment reated to salary which was increased from Rs.50,000/- to Rs.1,00,000/- approved by Shareholders in the Annual General Meeting held on 25th September, 1998 which was consistent with the provisions of Schedule XIII of the companies Act, 1956.

Shri Jugal Kishore Arora

Shri Jugal Kishore Arora is associated with the Organisation since its inception. He has been looking after and is in-charge of Production. His vast experience of over two decades in the rice industry, together with a sharp eye for detail, have reaped rich dividends. In fact, they have been largely responsible for the wide acceptance that the company's Basmati Brands enjoy all over the World today.

Shri Satnam Arora

Shri Satnam Arora has vast experience in marketing the rice in overseas market. Shri Satnam Arora has been looking after Export Marketing and Finance. The fact that the company has taken a Commanding Share of the Basmati Export Market is largely because of the sincere efforts and initiative taken by Shri Satnam Arora.

Shri Gurnam Arora

Shri Gurnam Arora has over thirty years of experience in rice industry. Shri Gurnam Arora has been looking after Domestic Marketing, Purchase, Administration, Quality Control and Corporate Affairs of the Company. Shri Gurnam Arora's broad vision helped the company increase in domestic share. The Sales in domestic market have increased from 584 million in 1995 to Rs. 1231 million in 2002.

Keeping in view the contribution in the growth of the company, their experience and expertise as also the increased responsibilities, the Board of Directors recommend for the approval of shareholders the reappointment and payment of remuneration as stated in the resolution w.e.f. 26th September, 2002 for a period of five years.

Shri Jugal Kishore Arora, Chairman and Shri Satnam Arora & Shri Gurnam Arora Jt.Managing Directors of the company are interested in the proposed resolutions being related to each other and to the extent of remuneration payable to them. No other Director is concerned or interested in the resolutions.

This explanation together with the accompanying notice should be treated as an extract u/s 302 of the Companies Act, 1956 in respect of the appointment of Shri Jugal Kishore Arora as Chairman and Shri Satnam Arora & Shri .Gurnam Arora as Jt.Managing Directors of the company.

ITEM No. 7 & 8

Shri Anil Bhatia & Shri Vijay Parkash Aggarwal were appointed as Additional Directors of the Company on 10th October, 2001 and vacate office at this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956 and Articles of Association of the Company.

Shri Anil Bhatia is a Post Graduate and has over 35 years of experience in Export & Import of Electrical & Engineering Products. He is also a member of Audit Committee. Shri Bhatia is also a Director of Indian Delco Ltd.

Shri Vijay Parkash Aggarwal is a Science Graduate. He is the Chairman of Investor's Grievance Committee. Shri Aggarwal has rich experience of over 37 years in International Trading of various types of Textile Fibres, Petro-chemicals and other Agro Commodities.

Notices u/s 257 of the Companies Act 1956 have been received from members signifying their intention to propose the names of Shri Anil Bhatia and Shri Vijay Parkash Aggarwal as Directors of the Company.

Your Directors recommend the aforesaid resolutions at item no. 7 & 8 for approval by the members.

None of the Directors except Shri Anil Bhatia and Shri Vijay Parkash Aggarwal is concerned or interested in the said resolution.

ITEM No. 9 & 10

At the eighth Annual General Meeting of the Company held on 24th September, 1997, the Board of Directors of the company was authorised under Section 293(1)(d) of the Companies Act, 1956 to borrow money or moneys, which together with the money already borrowed by the Company, apart from working capital loans obtained by the Company in the ordinary course of business, exceed the aggregate of paid-up share capital of the Company and free reserves, such that the total amount so borrowed does not exceed Rs.200,00,00,000 (Rupees Two Hundred Crores only)

The resolution authorising the Board of Directors to borrow was further modified in the twelfth Annual General Meeting and the limits of borrowing was increased to Rs.300 crores.

Keeping in view, the increase in demand, your company is likely to expand capacity in near future and will require some additional loans for part financing of expansion schemes. Accordingly, members approval is sought for authorising the Board of Directors of the Company to borrow upto Rs.400,00,00,000 (Rupees Four Hundred Crores Only)

None of the directors is, in any way, concerned or interested in the resolution.

By Order of the Board
For SATNAM OVERSEAS LIMITED

New Delhi
August 20, 2002

RAJIV DUDEJA
COMPANY SECRETARY

DIRECTOR'S REPORT & MANAGEMENT DISCUSSION & ANALYSIS

Your Directors submit their report and audited Accounts for the year ended March 31, 2002.

FINANCIAL PERFORMANCE

(Rs. in Lacs)

Particulars	Year Ended March 31, 2002	Year Ended March 31, 2001
Turnover & other income	35241	34345
Profit before Depreciation	1176	1107
Depreciation	348	320
Profit before Tax	828	787
Provision for Taxation	93	30
Profit after Tax	735	757
Add: Balance Brought Forward	—	—
Profit available for appropriation	735	757
APPROPRIATION		
Transfer to General Revenue	735	757
Proposed Dividend (Including Tax)	NIL	NIL

During the year under review, the company achieved a turnover of Rs.35048 Lacs and a profit before tax of Rs.828 Lacs. However net profits of the company declined to Rs.735 lacs as a result of higher provision for taxation.

In the last year, your company put in a lot of emphasis to increase exports of rice from the country. With its traditional strength in the exports of basmati and non-basmati rice gathered over the years, your company exported rice worth Rs. 1505 million in the year 2001-02 in comparison to Rs. 1267 million exported in the last year, thereby achieving a growth of 19%. The company having established a subsidiary in USA and joint venture operations in U.K and United Arab Emirates, has been able to provide renewed impetus to the growth of exports of your company.

Your company has now made substantial inroads in the overseas markets, particularly in USA, Canada, England, France and other middle eastern countries. We at Satnam have concentrated in marketing of Branded Rice in order to maximise selling under our own brand names even in the overseas markets. And the aforesaid subsidiary and joint venture operations have made this possible. Your company has exported both basmati and non-basmati rice as well as spices and pulses in large quantities and has been able to maintain its lead amid strong competition.

Your Directors are pleased to inform that your company has been awarded the ISO 9002 Certification, the internationally accepted quality standard and is one of the first in its category to have achieved this distinction. Apart from this your company has also been awarded the In Process Quality Control Certification from the Ministry of Commerce, Government of India for self certification of quality.

The products of your company confirm to all international quality specifications. Moreover, products from the company have found approval from United States - Food & Drug Administration (perhaps the most stringent body in the world) and are now selling in the mainstream American markets under its own brand names.

FUTURE PROSPECTS

Exports of Indian agro products have largely been commodity driven. From the beginning, your company has made a conscious attempt to promote branded products in the overseas market. It is one of the very few companies who have managed to carve out a success in this endeavour in the highly competitive global market.

Your Company has received highly encouraging response in the last year. The visibility of its brands has improved significantly in the global market. **SUPER KOHINOOR**, the flagship brand of the company has emerged as one of the leading brands around the world. Today, the company sells Super Kohinoor, the most premium Indian basmati rice in all major rice consuming countries like USA, Canada, England, France, Saudi Arabia, UAE and other middle east countries.

In order to promote the branded sales in the overseas markets, the company has planned to undertake extensive promotional campaigns covering electronic media, print media, radio and outdoor media. The company has also plans to advertise rigorously in leading TV Channels for the promotion of Super Kohinoor Basmati Rice in addition to participating in various trade shows and exhibitions in order to spread awareness and promote Super Kohinoor as the most premium Indian basmati rice.

With stiff competition and growing customer awareness, it has become imperative on the part of the company to constantly innovate and meet the customers' expectations. Therefore, in the year 2001-2002 your company has put additional special emphasis on new product development to take lead from the competition.

The company has developed a new variant of Basmati Rice & Spice for the overseas market with three attractive flavours: Vegetable, Tomato and Mushroom. To encash on the growing demand for health food in the overseas market, it has innovated this new variant with benefits like "NO MSG", "NO CHOLESTEROL", "NO ADDED SUGAR" etc.

The company has also developed other convenience food products (in both ready-to-cook and ready-to-eat categories) to cater to the emerging convenience food market. In today's fast paced life style, more and more number of people are looking for convenience in making a meal without compromising on the nutritional value and hygiene of the product. This is where, these newly developed products from the company fit in. They are extremely user friendly and they cook really fast. The ready-to-eat products can be made ready in just about 2/3 minutes. The company plans to launch these products in the coming year.

Packaged basmati rice has always been aimed at the upper and upper middle class households because of its inherent high costings. Your company has been trying to widen the market by launching a range of basmati brands aimed at different price segments. In fact, there is a host of brands with the price range starting from Rs. 30/- to Rs. 85/- per Kg. The company plans to introduce broken basmati rice in consumer packs i.e. in 5 Kg. poly pack for the price conscious market segments. All the while, the company has been trying to maintain consistency in quality, so that whenever a customer buys something from Satnam, he gets assured quality.

Efforts are on to tap new markets and possible products. The Current year has commenced as per plan in the Export and Domestic market and your Directors are hopeful of continued good results. Net sales and net profits during the first quarter ended 30th June, 2002 amounted to Rs.13100 Lacs and 185 Lacs respectively as against net sales and net profit of Rs.5874 Lacs and Rs.71 Lacs respectively for the corresponding quarter in the last year.

Your Directors are quite hopeful of achieving commendable results during the current year.

DIVIDEND

Keeping in view the need to conserve the company's resources and to meet the Company's requirement of funds in the wake of new projects, your Directors are constrained not to recommend any dividend for the year under report.

DIRECTORATE

In accordance with the provisions of the Companies Act, 1956 Shri Jugal Kishore Arora - Director retires by rotation at this Annual General Meeting and being eligible offers himself for reappointment.

Shri Anil Bhatia and Shri Vijay Parkash Aggarwal were appointed as Additional Directors on 10th October, 2001

Notices u/s 257 of the Companies Act, 1956 have been received from members signifying their intention to propose the name of Shri Anil Bhatia and Shri Vijay Parkash Aggarwal as Directors of the company.

Your Directors recommend the resolutions at item no. 7 and 8 for approval by the members.

None of the Directors except Shri Anil Bhatia & Shri Vijay Parkash Aggarwal is, in any way concerned or interested in the resolution.

SUBSIDIARY COMPANIES

As required by section 212 of the Companies Act, 1956 statement in respect of Sachdeva Brothers Limited and Satnam Overseas Ltd. Inc. which are subsidiaries of your company is annexed and forms an integral part of this report.

CONSOLIDATED RESULTS

As required under the current listing norms, consolidated financial statements are being published in the Current Year's Annual Report. The summary of the Consolidated financial performance of the Company and its subsidiaries, after eliminating inter company transactions, is as follows :-

	(Rs. lacs)
	2001-2002
Turnover and Other Income	35258
Profit before Depreciation	1149
Depreciation	353
Profit before Tax	796
Profit After Tax	703

INTERNAL CONTROL SYSTEM

Your Company has well established Internal Control Procedures across its various locations, commensurate with its size and nature of operations. The Internal audit function is adequately resourced and reports independently to the Audit Committee of the Board.

CORPORATE GOVERNANCE

Your company has taken adequate steps to ensure compliance with the provisions of Corporate Governance as stipulated by the Stock Exchanges. A separate report on Corporate Governance alongwith Auditor's Certificate on its compliance by the company is attached as Annexure 'A' to this report.

AUDITORS

M/s Nath Ahuja & Co. Statutory Auditors of the Company, retire and offer themselves for reappointment. The Company has obtained a Certificate to the effect that their reappointment, if made, would be in conformity with the limits specified under section 224 (1B) of the Companies Act, 1956.

FIXED DEPOSITS

Your company has not accepted any deposit from Public during the year under review.

INFORMTION REGARDING CONSERVATION OF ENERGY ETC. AND EMPLOYEES

Information required under 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 and information as per section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975 as amended from time to time are given in Annexures 'B' & 'C' forming part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of Companies Act, the Directors confirm that:

— in the preparation of the annual accounts, the applicable accounting standards have been followed;

— appropriate accounting policies have been selected and applied consistently and judgements and estimates made 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 ended 31st March, 2002 and the profit and loss account for the year ended 31st March, 2002;

— Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

— The annual accounts have been prepared on a going concern basis.

ACKNOWLEDGEMENT

Your Directors wish to convey their gratitude and appreciation of efficient and loyal services rendered by the staff and work force of the company without whose whole hearted efforts, the achievements made would not have been possible. The Board also wish to place on record their appreciation to the company's customers, shareholders, investors, Bankers, Agents, Suppliers, Distributors and other business associates for their co-operation and support.

FOR AND ON BEHALF OF THE BOARD

NEW DELHI
AUGUST 20, 2002

JUGAL KISHORE ARORA
CHAIRMAN