



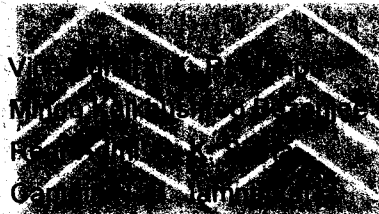
Mackinnon Mackenzie & Company Ltd.

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**Annual Report
2002 - 2003**

Mackinnon Mackenzie & Co. Ltd.

BOARD OF DIRECTORS


V. C. P. Capadia
Captain O. P. Dogra

AUDITORS

J. D. Menta & Co., Chartered Accountants, Bombay

**ADVOCATES AND
SOLICITORS**

Manekshaw & Sethia, Bombay

**REGISTRAR AND SHARE
TRANSFER AGENTS**

Datacorp Management Services,
202-204, Nariman Ind. Estate,
Link Road, Malad (W),
Mumbai - 400 064.

BANKERS

Bank of India
Central Bank of India
Indian Bank
Standard Chartered Bank
Vijaya Bank

REGISTERED OFFICE

4, Shoorji Vallabhdas Marg, Ballard Estate,
Bombay - 400 038.

In view of the high cost of paper and printing, copies of the Annual Report cannot be distributed at the Annual General Meeting. You are, therefore, requested to bring your copy of the Annual Report to the Meeting.

Mackinnon Mackenzie & Co. Ltd.

NOTICE

Notice is hereby given that the 52nd Annual General Meeting of the Shareholders of MACKINNON MACKENZIE & COMPANY LIMITED will be held on Monday, the 29th September, 2003 at 10:00 a.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dabash Marg, Mumbai 400 001, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at 31st March 2003 and the Profit and Loss Account for the year ended on that date and the report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. M.K.B. Capadia who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors on a remuneration to be fixed by the Board of Directors.

SPECIAL BUSINESS:

4. To consider & if thought fit, to pass, with or without modification, the following Resolution as a Special Resolution:

"RESOLVED THAT – pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the re-appointment of Rear Admiral P.K. Sinha as Whole-Time Director, designated as Executive Director, for further period of one year with effect from 1st July 2003 on the terms and conditions including remuneration as are set out in the draft agreement to be entered into between the Company and Rear Admiral P.K. Sinha, a draft whereof is placed before this meeting which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute to exercise its powers including the powers conferred by this resolution) to alter and vary their terms and conditions of the said appointment and/or remuneration and/or agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time being in force or any amendments

and/or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Rear Admiral P.K. Sinha."

"RESOLVED FURTHER THAT – where in any financial year closing after 31st March, 2004, the Company has no profits or its profits are inadequate, the Company do pay to Rear Admiral P.K. Sinha, remuneration by way of salary, perquisites and allowances not exceeding the ceiling specified under Section II and Part II of Schedule XIII to the Companies Act, 1956."

"RESOLVED FURTHER THAT – the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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 the proxy need not be member. Proxy forms should be deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
- b) The Register of Members and the Share Transfer Books of the Company will be closed from Thursday, 18th September 2003 to Monday, 29th September 2003 (both days inclusive) in terms of the provisions of Sections 154 of the Companies Act, 1956.
- c) Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under Item No. 4 of Special Business of the Notice set out above are annexed herewith.

By Order of the Board of Directors
For Mackinnon Mackenzie & Company Limited

CAPT. N.B. JAMNERKAR REAR ADMIRAL P.K. SINHA
DIRECTOR DIRECTOR

Mumbai, 14th August, 2003.

Registered Office: 4, Shoorji Vallabhdas Marg, Ballard Estate, Mumbai-400 001.

ANNEXURE TO THE NOTICE

Explanatory Statement under Section 173(2) of the Companies Act, 1956.

Item No. 4

1. **Remuneration:** The remuneration paid to the Whole Time Director shall not exceed Rs. 40,000 per month or Rs. 4,80,000/- per annum in accordance with Section I of Part II of Schedule XIII of the Companies Act, 1956. Rear Admiral P.K. Sinha respectively will be remunerated as follows:

- (a) **Salary:** Rs. 20,000/- per month including dearness and all other allowances.
- (b) **Perquisites:** In addition to the above salary, he will also be entitled to the Perquisites mentioned below, the value of which shall be restricted to an amount equal to the annual salary, with limits, as applicable, given below:
- (c) **Housing:** The expenditure by the Company on hiring furnished
 - (i) accommodation for the Whole Time Director will be subject to a ceiling of 60% of the salary, over and above 10% payable by him.

Explanation: The expenditure incurred by the Company on Gas, Electricity, Water and Furnishings shall be valued as per the Income Tax Rules, 1962, Subject to a ceiling of 10% of the salary of Rear Admiral P.K. Sinha.

- (ii) **Servants Wages:** Remuneration of servants sweeper's wages upto a maximum of Rs. 1,500/- per month.
- (iii) **Medical Reimbursements:** Reimbursement of expenses incurred for self and family subject to a ceiling of one month's salary in a year or of three month's salary over a period of 4 year.
- (iv) **Leave Travel Concession:** Leave Travel Concession for self and family, once in a year in accordance with the rules of the Company.

Explanation: Family means the spouse, the dependent children and dependent parents of the Whole Time Director.

- (v) **Club Fees:** Fees of Clubs, subject to a maximum of two clubs will be allowed. This will not include admission fees and life membership fees.

(d) **Car and Telephone:** Provision for use of Company car for official business and telephone at residence will not be considered as perquisites. Personal long distance calls and use of car for private purposes shall be billed by the Company.

(e) The whole Time Director shall also be eligible for the following perquisites which shall not be included in the computation of the ceiling on remuneration as specified in Schedule XIII:

- (i) Encashment of unavailed leave of one month per year at the end of the tenure.
- (ii) Company's contribution to the Provident Fund subject to ceiling of 10% of salary.
- (iii) Company's contribution to the Superannuation Fund as per Company's Rule but it shall not together with Company's contribution to Provident Fund exceed 25% of salary laid down under the Income Tax Rules 1962.
- (iv) Gratuity not exceeding half months salary for each completed year of Service subject to such limit as described by Income Tax Act 1961.

- 2. The Whole Time Director, so long as he functions as such, shall not be paid any Sitting fees for attending meetings of the Board of Directors or Committees thereof.
- 3. The Company shall reimburse to the Whole Time Director entertainment, travelling and all other expenses incurred by him for the business of the Company.
- 4. The aforesaid appointment may be terminated at any time by either party thereto by giving to the other party three month's notice of such termination and neither party will have any claim against the other for damages or compensation by reason of such termination.

By Order of the Board of Directors
For Mackinnon Mackenzie & Company Limited

CAPT. N.B. JAMNERKAR
DIRECTOR

REAR ADMIRAL P.K. SINHA
DIRECTOR

Mumbai, 14th August, 2003.

Registered Office: 4, Shoorji Vallabhdas Marg, Ballard Estate, Mumbai-400 001.

Mackinnon Mackenzie & Co. Ltd.**REPORT OF THE DIRECTORS TO THE SHAREHOLDERS**

To the Members,

MACKINNON MACKENZIE & COMPANY LIMITED

The Directors present their 52nd Annual Report together with the Audited Accounts for the year ended 31st March, 2003.

1. FINANCIAL RESULTS:

During the year the Company had an operating loss of Rs. 8,28,983/- as summarised below :-

	Year ended 31.03.2003 Rs.	Year ended 31.03.2002 Rs.
1. Income from operations	1,07,40,849	97,94,763
2. Other Income	9,29,550	63,70,294
3. Total Expenditure	1,24,99,382	87,76,737
4. Gross Profit/(Loss) before interest	(8,28,983)	73,88,320
Depreciation & Tax		
Less : (a) Interest	50,58,42,206	62,79,09,424
(b) Provisions for Depreciation	1,71,539	1,87,902
(c) Provision for Doubtful Debts	4,70,381	—
Profit/(Loss) before extraordinary/prior period	(50,73,13,109)	(62,07,09,006)
Items & Tax		
Add : (d) Extraordinary / prior period items	9,956	(51,97,371)
5. Net Profit / (Loss) after Tax	(50,73,03,153)	(62,59,06,377)
6. Appropriation of Profit and Reserves	—	—
(a) Add: Short Provision for Income Tax in respect of earlier year	—	—
(b) Add: Profit/(Loss) B/F from earlier year	(4,24,34,81,821)	(3,61,75,75,445)
7. Cumulative Profit/(Loss)	(4,75,07,84,974)	(4,24,34,81,822)

The debit balance in the Profit & Loss Account after considering prior years' adjustments stands at Rs. 4,75,07,84,974/-

2. DIVIDEND:

In view of the losses suffered by the Company, your Directors do not recommend dividend for the year under review.

3. SETTLEMENT WITH BANKS:

The Bank of India have transferred the debts owed by the Company to them to Ms. ABC & Sons Ltd. M/s ABC & Sons Ltd. has agreed to waive interest with effect from 1st Oct. 2002. Possibility of any future business, is totally dependant on an amicable settlement with other creditors of the Company.

Mackinnon Mackenzie & Co. Ltd.

4. QUALIFICATIONS IN AUDITORS' REPORT :

With reference to the comments contained in their report, the position has been explained in the Notes to the Accounts and are self-explanatory. Information Pursuant to Section 217 of the Company's Act, 1956 is given in Schedule 19 with Balance Sheet and Profit and Loss Account.

5. DIRECTORS :

Mr. M.K.B. Capadia retires by rotation and being eligible offers himself for re-appointment.

6. FIXED DEPOSITS :

The Company has not accepted any fixed deposits from the public during the year under review.

7. AUDITORS :

The Auditors M/s. J. D. Mehta & Co., Chartered Accountants retiring at the ensuing Annual General Meeting and are eligible for re-appointment.

8. SUBSIDIARY COMPANIES :

As required under the provisions of the Companies Act 1956 the Annual Accounts of Strand Properties Ltd. are attached herewith.

9. DIRECTORS RESPONSIBILITY :

The Company is in compliance with various accounting and financial reporting requirements in respect of the financial statements for the period under review. Pursuant to Section 217(2AA) of the Companies Act, 1956, and in respect of the annual accounts for the period under review, the Directors hereby confirm that :

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- (ii) Appropriate accounting policies have been selected and applied consistently and judgement and estimates that are reasonable and prudent have been made 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 loss of the Company for that period.
- (iii) Proper and sufficient care for 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 frauds and other irregularities have been taken to the best of their knowledge and ability.
- (iv) The annual accounts have been prepared on a "going concern basis."

10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO:

The Company does not have activities related to conservation of energy and technology absorption. During the year foreign exchange out go was Rs. Nil/- The foreign exchange earned during the year was Rs. 24,34,120/-

11. PARTICULARS OF EMPLOYEES :

The Company has no employee in the category specified under Section 217(2A) of the Companies Act, 1956.

12. ACKNOWLEDGEMENT :

Your Directors take this opportunity of thanking the Shareholders, the Company's Bankers, Auditors, Business Associates, Mumbai Port Trust, Brihan Mumbai Municipal Corporation and Employees for their co-operation received during the year under review.

On behalf of the Board of Directors

MR. M.K.B. CAPADIA
Director

Date : 14th August, 2003
Place : Mumbai

Mackinnon Mackenzie & Co. Ltd.

AUDITORS' REPORT TO THE MEMBERS OF MACKINNON MACKENZIE & COMPANY LIMITED
AS AT 31ST MARCH 2003

1. We have audited the attached Balance Sheet of M/S. MACKINNON MACKENZIE & COMPANY LIMITED as at 31st March 2003, and also the attached Profit and Loss Account and the Cash Flow 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 opinion on these financial statements based on our audit.

2. We have 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.

3. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1958 issued by the Company Law Board in terms of Section 224(4A) of the Companies Act, 1956, we include in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to above, We report that:

(i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

(ii) 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 those books.

(iii) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account.

(iv) In our opinion, the Profit & Loss Account and the Balance Sheet comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 except for long term investment in Strand Properties Limited in respect of which no provision has been made for permanent diminution in value on account of huge losses made by the said Company.

(v) On the basis of written representations received from the directors as on 31st March 2003, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2003 from being appointed as directors in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

In our opinion, and to the best of our information and according to the explanations given to us, the said account subject to:

1) We refer to Notes 1,2,7,9,10,11,12, and 14 appearing in Schedule 19 with regard to the following:

- Investment made at Calcutta Rs. 56,000/- are presently not available physically as building is destroyed by fire. (Refer Note No. 11 (c) in Schedule 19.)
- Despite continued huge losses resulting in total erosion of the net worth of the Company, the accounts for the year have been prepared on the assumption of going concern basis. Should the Company be unable to continue as a going concern, the extent of effect the resultant adjustments would have on the net worth at the year end and the loss for the year is not ascertainable. (Refer Note No.2 in Schedule 19).
- Non Provision of Doubtful Loans and Advances.

Loans and Advances shown under "Advances Recoverable in Cash or kind or for value to be received-Unsecured Considered Good" includes certain old balances amounting to Rs.10,05,656/- for which no provision for doubtful items if any, has been made in the accounts pending review/confirmation of the same. As a result, the effect of such non-provision on the loss for the year cannot be ascertained. (Refer Note No. 9 in Schedule 19)

Mackinnon Mackenzie & Co. Ltd.

- d) Sundry Creditors includes an amount of Rs.18,71,563/- which represent old balances for which no write back has been made in the accounts pending the review / confirmation of the same. As a result, the effect of such write back, if any, on the loss for the year cannot be ascertained. (Refer Note No. 10(a) in Schedule 19)
- e) We refer to Note 10(b) in the Schedule 19 regarding certain old credit balances outstanding in various accounts amounting to Rs.4,11,73,592/- for which no write back has been made in accounts pending the review / confirmation of the same. As a result, the effect of such write back, if any on the loss for the year cannot be ascertained.
- f) The Company's Bankers have filed suit in Bombay High Court for recovery of loans which were transferred to Debt Recovery Tribunal. Out of 3 Banks, Bank of India has assigned entire debt to a company and suit is again transferred to Bombay High Court. Suits are for recovery of Rs. 81,66,06,521/- outstanding as on 31st March, 1991. However loans along with interest accrued and due to Banks and others as per terms of loans amounting to Rs. 4,595,474,424/- is outstanding as on 31st March, 2003. However no confirmation are available from Bankers and others for the same. We are therefore unable to comment on the effect of the same if any on secured loans due to Banks and Debt balance of Profit & Loss Account as at 31st March, 2003 (Refer Note No. 12 in SCHEDULE 19)
- g) The Company has an investment of Rs. 3,70,800/- in Strand Properties Limited. Further the Company owes Rs. 1,13,73,690/- and Rs. 13,30,000/- to Strand Properties Limited. The accumulated losses of Strand Properties Limited as on March 31, 2003 amounting to Rs. 73,68,709/- greatly exceeds its net worth. No provision has been made for the possible loss in this regard. We are, therefore, unable to comment on the effect of the same, if any, on the loss for the year and accumulated losses as at March 31, 2003 (Refer Note No. 7 in SCHEDULE 19)
- h) Non-availability of confirmations in respect of balances of secured and unsecured loans, debtors, certain bank balances, deposits and creditors appearing in Schedules 3,4,7,8,9 and 10 of the accounts respectively. (Refer Note No. 14 in SCHEDULE 19).
- Consequential effect of the matters referred to in 1(a) to 1(h) above the loss for the year and accumulated losses as at 31st March 2003 is not ascertainable.
- i) Subject to the effect of such adjustments, if any, as might have been required; had the outcome of the uncertainties referred to in paragraph 1 above been known and subject to the matters referred to in paragraphs A10 and A12 of the Annexure.
- j) In the absence of information about status of fixed assets in Kolkata branch no provision is made for loss at Kolkata for Plant & Machinery Rs. 3,414/- and Office & Electrical Equipments Rs. 24,773/-.

And read with other notes to accounts and accounting policies give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :-

(a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2003 and

(b) In the case of Profit and Loss Account of the Loss for the year ended on that date.

For J. D. MEHTA & COMPANY
Chartered Accountants.

Place : Mumbai
Dated : 14th August, 2003

J.D.MEHTA
PROPRIETOR
Membership No. 11472

Mackinnon Mackenzie & Co. Ltd.

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF AUDITOR'S REPORT OF EVEN DATE TO THE SHAREHOLDERS OF
MACKINNON MACKENZIE & COMPANY LIMITED, ON THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2003.

- (A)
- The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets. It is the Company's policy to verify all assets once in three years. The physical verification of the assets of the Company has been carried out during 1999-2000 except at Kolkata branch, which was destroyed by fire. No significant discrepancies were noticed on such verification.
 - The fixed assets of the Company have not been revalued during the year.
 - The Company has not taken any loans, secured or unsecured from Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. In terms of sub-section (60) of Section 370 of the Companies Act, 1956, provisions of the Section are not applicable to a Company on or after 31st October, 1999.
 - The Company has not granted any loans, secured or unsecured to company, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. In terms of Sub-section (6) of Section 370 of the Companies Act, 1956, provision of the Section are not applicable to a Company on or after 31st October 1999.
 - The parties including employees, officers, agents or subsidiaries in future of loans have been provided that the company are repaying the principal amount of the loans and are also generally regular in payment of interest where applicable except in certain cases where the interest is not as per stipulations, the write-off interest has been made pending the review/reconciliation of the same. However, certain advances made by the Company where the interest has been provided and fixed, the Company is experiencing difficulties in the recovery of these amounts, some of which have been provided for in these accounts.
 - In our opinion, internal control procedures are not commensurate with the size of the Company and the volume of its business for the purchase of equipment and other assets. The Company being a service company does not sell any goods.
 - There are no transactions of sale of service made in pursuance of contracts of 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.
 - The Company has not accepted any deposits from the public within the meaning of Section 304A of the Companies Act, 1956.
 - The Company is not a manufacturing, mining or processing Company and therefore does not have any stockpile of goods or materials.
 - No internal audit has been carried out during the year, as the Company does not have separate audit system.
 - As informed by the Management, maintenance of legal records has not been prescribed by any government authority under Section 209(1)(d) of the Companies Act, 1956.
 - The Company has not been regular in depositing the Provident Fund and ECI dues with the appropriate authorities. An amount of Rs. 4,24,528/- and Rs. 7,552/- for Provident Fund and ECI dues respectively is outstanding as of 31st March 2003.
 - There were no undisputed amounts payable in respect of Income tax, sales tax and excise duty as at 31st March 2003, which were outstanding for a period of more than six months from the date they became payable.
 - During the course of examination of books of accounts carried out in accordance with the generally accepted accounting practices followed in India, we have not come across any substantial expenses of the employees or directors which have been charged to revenue accounts, nor have we been informed of such cases by the management, other than those payable under contractual obligations or in accordance with generally accepted business practices.
 - By virtue of provisions of Section 1(4) of the Sick Industrial Companies (Special Provisions) Act, 1985, this Act is not applicable to the Shipping Activities of the Company and that the Company is not sick industrial company within the meaning of Clause (i) of the sub-section (1) of the Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
- (B) In respect of service activities:
- The Company does not carry out any service and the Company being engaged in Agencies, allocation of materials consumed and man hours to relative jobs is not applicable to the Company.
 - Being a Company engaged in Agencies, allocation of stores and labour to jobs is not applicable to the Company. The provisions of clause (iii), (iv), (v), (vi) & (vii) of sub-section (1) of the Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985 are not applicable to the Company.

Mumbai
Dated: 14th August, 2003

For J. D. Mehta & Company
Chartered Accountants

Proprietor
Membership No. 11472

Mackinnon Mackenzie & Co. Ltd.

BALANCE SHEET AS AT 31ST MARCH, 2003.

	Schedule No.	Rs.	As at 31.3.2003 Rs.	As at 31.3.2002 Rs.
SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS				
CAPITAL	1		24,861,125	24,861,125
RESERVES AND SURPLUS	2		11,246,274	11,246,274
LOAN FUNDS				
Secured Loans	3	4,595,474,424	4,098,462,476	
Unsecured Loans	4	1,330,000	1,330,000	4,099,792,476
			<u>4,632,911,823</u>	<u>4,135,899,875</u>
APPLICATION OF FUNDS				
Fixed Assets				
Gross block		14,429,612	14,429,611	
Less: Depreciation		<u>11,389,444</u>	<u>11,217,904</u>	
Net block	5		3,040,168	3,211,707
INVESTMENTS				
	6		769,963	375,663
CURRENT ASSETS, LOANS AND ADVANCES				
Sundry Debtors	7	19,134,218	15,576,089	
Cash and Bank Balances	8	4,065,657	8,226,283	
Other Current Assets				
Interest accrued on Investment		8,545	8,545	
Loans and Advances	9	7,890,310	13,514,044	
		<u>31,098,731</u>	<u>37,324,961</u>	
Less: CURRENT LIABILITIES AND PROVISIONS				
Liabilities	10	143,431,234	138,679,783	
Provisions	11	<u>1,070,030</u>	<u>1,533,747</u>	
		<u>144,501,264</u>	<u>140,213,530</u>	
NET CURRENT ASSETS			(113,402,534)	(102,888,569)
DEBIT BALANCES IN PROFIT & LOSS ACCOUNT		4,750,784,874	4,243,481,822	
LESS:				
BALANCE IN GENERAL RESERVE		8,280,748	4,742,504,226	8,280,748
TOTAL			<u>4,632,911,823</u>	<u>4,135,899,875</u>

Schedules referred to above form an integral part of the Balance Sheet and should be read in conjunction therewith.

The accompanying notes form an integral part of the Balance Sheet

In terms of our report of even date

For J.D. MEHTA & COMPANY

Chartered Accountants

J.D. MEHTA

Proprietor

Mumbai, Dated : 14th August, 2003.

M.K.B. CAPADIA

REAR ADMRL. P. K. SINHA

CAPT. N. B. JAMNERKAR

Directors