

14th Annual Report

2004 - 2005

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N. R. INTERNATIONAL LTD.

14TH ANNUAL REPORT 2004-2005

Board of Directors

**Mr. Nirmal Modi
Mr. Deepak Agarwal
Mr. V. K. Srivastava
Dr. R. K. Joshi
Mr. N. K. Joshi
Mr. B. K. Joshi**

Company Secretary
Mr. Biswa Ranjan Nanda

Auditors

V. Lohia & Co.
Chartered Accountants

Registered Office

**C-301, Lake Apartment
210, Jessore Road
Kolkata – 700 089**

Bankers

The Federal Bank Limited

Registrars & Share Transfer Agents

ABS Consultants Private Limited
Room No. – 99, 6th Floor
Stephen House, 4, B. B. D. Bag (East)
Kolkata – 700 001

NOTICE

Notice is hereby given that the Fourteenth Annual General Meeting of the Members of M/s N. R. International Limited will be held on Monday, November 07, 2005 at 10:30 a.m. at the Community Hall of Lake Apartment, 210, Jessore Road, Kolkata - 700 089 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2005 and the Profit & Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint Directors in the place of Mr. B. K. Joshi & Mr. R. K. Joshi who retire by rotation and being eligible, offer themselves for re-appointment.
3. To appoint Auditors and to fix their Remuneration and to pass, with or without modification, the following resolution, which will be proposed as an Ordinary Resolution:

"RESOLVED that M/s V. Lohia & Co., Chartered Accountants, be and are hereby appointed as Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and that the Audit Committee of the Board of Directors be and is hereby authorised to determine the remuneration payable to the Company's Auditor."

SPECIAL BUSINESS

4. To consider and if thought fit to pass the following resolution(s) as Ordinary Resolution, with or without any modification(s)

"RESOLVED THAT in accordance with the provisions of Section 309 read with the provisions of Schedule – XIII and Article – 119 of the Articles of Association and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the revised remuneration payable to Mr. Nirmal Modi for his service as Chairman-cum-Whole-time Director of the Company with effect from 01.04.2005 in terms of letter to be addressed to him by the Company, a draft of which was submitted to the meeting and initialed by the Chairman hereof for the purpose of identification, subject to such modification thereof."

5. To consider and if thought fit to pass the following resolution(s) as Ordinary Resolution, with or without any modification(s)

"RESOLVED THAT in accordance with the provisions of Section 309 read with the provisions of Schedule – XIII and Article – 119 of the Articles of Association and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the revised remuneration payable to Mr. Deepak Agarwal for his service as Managing Director

of the Company with effect from 01.04.2005 in terms of letter to be addressed to him by the Company, a draft of which was submitted to the meeting and initialed by the Chairman hereof for the purpose of identification, subject to such modification thereof."

6. To consider and if thought fit to pass the following resolution(s) as Special Resolution, with or without any modification(s)

"RESOLVED THAT pursuant to the provisions of Section 149 (2A) of the Companies Act, 1956 the Company hereby approves the commencement of new businesses as follows:

"To carry on business as dealers, distributors, stockiest, buyers, sellers, cleaners, stores, importers, exporters or guarantors of motor car, trucks, lorries & carriages, tractors, earth moving equipments, trailers and other vehicles, agricultural implements, pumps & machineries and spare parts, engine, motor, accessories, components, tools, batteries, glass panels and sheets, apparatus fittings, furnishing materials, tyres, tubes, paints, lubricants, fuel, oils, gas or other material used or required for such vehicles, implements or machines and to act as transporters of goods and passengers traveling & clearing agents and to let out, hire or licence on hire purchase system, automobiles and other vehicles, implements, machines and of the aforementioned products and things."

"To carry on business as transporters of goods, passengers, livestock, and material by road, rail, water ways, sea or air and to own, purchase, take or give on lease, charter or hire of otherwise run, use or acquire, transport vehicles, crafts, ships and carriage of all kinds required for the transport business and to act as forwarding agents, warehouseman, booking agents."

"To carry on the business of manufacturers of, dealers in, exporters & importers of all variety of steels, stainless steel, special steel, carbon steel, tool alloy steel, mild steel, sponge iron, pig iron, ferro silicon, ferro chrome and any other kind and grades of steels and to carry on and execute the work of steel engineers including manufacturing and dealing in steel billets, steel rods, steel ingots, steel sheets, steel wires and in all kinds of steels products whether forged, rolled or drawn and consequently to manufacture, sell and to deal in all or any of the by-products which will be obtained in the process of manufacturing these steel products."

7. To consider and if thought fit to pass, with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 81 (1A) 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) and

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enabling provisions of the Memorandum & Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the company are listed and subject to any approval, consent, permission and / or sanction of the appropriate authorities, (hereinafter collectively referred to as "the appropriate authorities"), and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, and/or sanction (hereinafter referred to as "the requisite approvals"), and which may be agreed to by the Board of Directors of the Company (hereinafter called 'the Board' which term shall be deemed to include any committee which the Board may have constituted or herein after constitute to exercise its powers including the power conferred by this resolution), the Board be and is hereby authorised to create, offer, issue and allot, from time to time in one or more tranches, Equity Shares (hereinafter referred to as the "Securities") to be subscribed by bodies corporate or other entities, whether or not such investors are Members of the company, under preferential issue through offer letter and/ or circular and / or information memorandum and/ or such other documents/writings in such a manner and on such terms and conditions as may be determined by the Board in its absolute discretion, provided that the price of the equity shares so issued shall not be less than Rs. 58/- (Rupees Fifty-eight only) including a premium of Rs.48/- per equity share of Rs. 10/- each being the price with respect to the Relevant Date i.e. 6th October, 2005, as prescribed under the Guidelines for Preferential Issue contained in Chapter XIII of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 and the aggregate amount of the Securities so issued shall not exceed Rs. 3.625 Crores.

"FURTHER RESOLVED THAT the equity shares allotted in terms of this resolution shall rank pari passu in all respects with the then existing equity shares of the Company."

"FURTHER RESOLVED THAT for the purpose of giving effect to the above, the Board is be and hereby authorised on behalf of the Company to take all actions and to do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue or allotment of aforesaid

Securities and listing thereof with the stock exchange (s) as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of any of the said securities utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

"FURTHER RESOLVED THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any committee of Directors or Chairman and Managing Director or any other Director (s) or Officer (s) of the Company to give effect to the said Resolutions."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 16 and 94 (1) (a) of the Companies Act, 1956 and other applicable provisions, if any, read with Article 4 of the articles of association of the Company the Authorised Share Capital of the Company be and is hereby increased from Rs. 5.00 Crores (Rupees Five Crores only) divided into 50,00,000 Equity Shares of Rs. 10/- each to Rs. 6.00 Crores (Rupees Six Crores only) divided into 60,00,000 Equity Shares of Rs. 10/- each.

"FURTHER RESOLVED THAT the existing Clause – V of the Memorandum of Association of the Company be substituted by the following:

- V. The Authorised Share Capital of the Company is Rs. 6,00,00,000/- (Rupees Six Crores only) divided into 60,00,000 (Sixty Lacs) Equity Shares of Rs. 10/- (Rupees Ten only) each with the power to sub-divide, consolidate and increase or decrease and with power from time to time to issue any share of the original capital or any new capital with and subject to any preferential, qualified or special rights, privileges or conditions as may be thought fit and upon sub-division of a share to apportion the right to participate in any manner as between the shares resulting from such sub-division."

Place: Kolkata
Date: 14.10.2005

By Order of the Board

Biswa Ranjan Nanda
Company Secretary

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NOTES:-

1. A member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote on a poll instead of himself and such 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 commencement of the meeting.
2. The Share Transfer Books and Register of Members of the Company will remain closed from November 01, 2005 to November 06, 2005 (both days inclusive).
3. Members are requested to produce the enclosed Attendance Slip duly signed as per the specimen signature with the Company / Depository Participant for admission to the Meeting Hall.
4. Members who hold shares in de-materialised form, are requested to bring their Client ID and DP ID Nos. for easier identification of attendance at the Meeting.
5. Members holding shares in physical form, are requested, to notify immediately any change in their address and bank particulars to the Company or its Share Transfer Agents and in case their shares are held in de-materialised form, this information should be passed on directly without any delay to their respective Depository Participants and not to the Company or the Share Transfer Agents.
6. In all correspondence with the Company, members are requested to quote their folio numbers and in case their shares are held in de-materialised form, they must quote their DP ID and Client ID Numbers.
7. Members holding shares in physical form can now avail the facility of nomination in respect of shares held by them pursuant to amendment in the Companies Act, 1956. The prescribed Form (Form-2B) can be obtained from the share department of the Company on request. Members desiring to avail this facility may send their nomination forms duly filled in to the Company or its Share Transfer Agents by quoting their respective Folio Numbers.
8. Investors / Shareholders are requested to kindly note that if physical documents viz. Demat Request Forms (DRF) and Share Certificates etc. are not received from their DP's by the Share Transfer Agents (STA) within a period of 15 days from the date of generation of the DRN for dematerialisation, the DRN will be treated as rejected / cancelled. Upon rejection / cancellation of the DRN a fresh DRF has to be forwarded along with the Share Certificate by the DP's to the STA. This note is only to caution investors / shareholders that they should ensure that their DP's do not delay in sending the DRF and share certificates to the STA after generating DRN.

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

Item No. 4 and 5

The present terms of office of Sri Nirmal Modi as Chairman-cum-Whole-time Director and Deepak Agarwal as Managing Director will expire on 31st October, 2008 and 31st March, 2009 respectively. The Board of Directors recommended the revised remuneration with effect from 01.04.2005, in respect of each of the above Directors as detailed below:

Particulars	Sri Nirmal Modi (Chairman) Rs.	Sri Deepak Agarwal (Managing Director) Rs.
Basic Pay (Per Month)	37,500	25,000
Information up-gradation Allowance (Per Month)	4,000	4,000
Uniform Allowance (Per Month)	4,000	3,500
Medical Reimbursement (Per Annum)	15,000	12,000
P.A. Salary (Per Month)	3,500	-----
Leave Travel Concession	45,000	30,000

The perquisites and allowances payable to the aforesaid Directors shall not include accommodation, which shall be provided or house rent allowances in lieu thereof be paid in additions to above. The perquisites above mentioned includes medical reimbursement, leave travel concession for self and family including dependants; insurance and such other perquisites and / or allowances, up to the amount specified above, subject to an overall ceiling of remuneration stipulated in Section 198 and 309 of the Companies Act, 1956. The terms and conditions set out in their existing agreement may also be revised and read out with all above changes.

Sri Nirmal Modi and Sri Deepak Agarwal are interested in the resolutions, which pertain to their respective revisions in the remuneration payable to them. Further they may also be deemed to be interested in the resolutions pertaining to their respective revisions in the remuneration as they are related to each other. Save and except the above, none of the Director's of the Company is in any way, concerned or interested in the resolutions.

Your Directors recommend the resolutions set out at items 4 & 5 of the Notice for your approval.

Item No. 6

The Company is empowered by the existing object clause in the Memorandum of Association to manufacture and carry on the business mentioned in the item No. 6, which will include:

"To carry on business as dealers, distributors, stockiest, buyers, sellers, cleaners, stores, importers, exporters or guarantors of motor car, trucks, lorries & carriages, tractors, earth moving equipments, trailers and other vehicles, agricultural implements, pumps & machineries and spare parts, engine, motor, accessories, components, tools, batteries, glass panels and sheets, apparatus fittings, furnishing materials, tyres, tubes, paints, lubricants, fuel, oils, gas or other material used or required for such vehicles, implements or machines and to act as transporters of goods and passengers traveling & clearing agents and to let out, hire or licence on hire purchase system, automobiles and other vehicles, implements, machines and of the aforementioned products and things."

"To carry on business as transporters of goods, passengers, livestock, and material by road, rail, water ways, sea or air and to own, purchase, take or give on lease, charter or hire of otherwise run, use or acquire, transport vehicles, crafts, ships and carriage of all kinds required for the transport business and to act as forwarding agents, warehouseman, booking agents."

"To carry on the business of manufacturers of, dealers in, exporters & importers of all variety of steels, stainless steel, special steel, carbon steel, tool alloy steel, mild steel, sponge iron, pig iron, ferro silicon, ferro chrome and any other kind and grades of steels and to carry on and execute the work of steel engineers including manufacturing and dealing in steel billets, steel rods, steel ingots, steel sheets, steel wires and in all kinds of steels products whether forged, rolled or drawn and consequently to manufacture, sell and to deal in all or any of the by-products which will be obtained in the process of manufacturing these steel products."

The manufacturing/trading/services activities in respect of the above products would amount to commencement of new businesses.

The Board of Directors of the Company feels that it would be in the interest of the Company to carry on the above activities. The Company therefore is seeking the approval and consent of the shareholders under Section 149(2A) and other applicable provisions of the Companies Act, 1956 for the commencement of new business set out in the said resolutions.

None of the Directors is in any way concerned or interested in the Resolution.

Item No. 7

The Company plan to capture the emerging growth opportunities in the business of Manufacturing / Dealing in Low Ash Meteorological (LAM) Coke alongwith Washed Coal. Presently, government has issued notification to use coal with low ash contents, which should not be more than 34% to control pollution and save environment. Indian Coal contains more ash. Due to this factor the Indian industries started using imported coal to meet the Government norms, which is it-self more costly.

Keeping these factors into consideration and the existing availability of infrastructure the Chief Promoters of the Company has already acquired land for setting-up of a Coal Washery Plant at Jharsuguda, Orissa. The site is within the vicinity of coal mines to make low ash coal for use by the industries and save Indian currency in the Global market.

In order to achieve the above objectives and to strengthen its financial position the Company plans to augment its long term resources upto Rs. 3.625 Crores. For this purpose and for general corporate purposes, as may be decided by the Board in the best interest of the Company, it is proposed to issue equity shares in the Company to certain Corporate Bodies as per details given below, on a preferential allotment basis, in terms of the guidelines for Preferential Issue containing Chapter XIII of the Securities & Exchange Board of India (Disclosure & Investor Protection) Guidelines, 2000 (hereinafter refer to as the "preferential issue guidelines"), including any statutory modification and re-enactment thereof for the time being in force.

The details of the issue and other particulars as required in terms of the Preferential Issue Guidelines are given as under:

- i. **Securities to be issued:** The Resolution set out in the accompanying notice is an enabling resolution, entitling the Board to issue Equity Shares as may be deemed appropriate in the best interest of the Company.
- ii. **Pricing of Equity Shares:** Each equity shares of the face value of Rs. 10/- shall be issued at a price not being less than Rs. 58/- (including a premium of Rs. 48/-) per equity shares. Such price has been arrived at with respect to the relevant date i.e. 6th October, 2005 as prescribed under the said Preferential Issue Guidelines.
- iii. **Lock-in:** The Securities issued under the above Preferential Issue shall be locked-in for a period of one year from the date of allotment.
- iv. **Particulars of subscribers:** The Corporate Bodies investors have agreed to subscribed to the equity shares under the said preferential issue, as per the details given below:

N.R. INTERNATIONAL LIMITED

Sl. No.	Name of the Proposed Subscribers	Category	No. of Equity Shares
01.	Aim Credit Capital Private Limited	Private Corporate Body	3,12,500
02.	Flexier Impex (P) Limited	Private Corporate Body	3,12,500
Total:			6,25,000

Any of the equity shares issued as above, that may remain un-subscribed for any reason whatsoever, may be offered and allotted by the Board in its absolute discretion to any other person/entity/investor within the same category/class, on the same terms and conditions.

- v. **Shareholding Pattern:** The Shareholding pattern giving present position as also considering full allotment of equity shares arising out of the securities issued as above are given below:

Sl. No.	Category of Shareholdings	Pre-Issue Shareholdings		Post-Issue Shareholdings	
		No. of Shares	%	No. of Shares	%
01.	Promoters Group: Indian Promoters and persons acting in concert	30,62,247	68.60	30,62,247	60.17
02.	Non-Promoters Group:				
(a)	Institutional Investors, Mutual Funds, UTI, Bodies Corporate, NRI & OCBs.	2,59,336	5.81	8,84,336	17.38
(b)	Indian Public	11,42,477	25.59	11,42,477	22.45
	Total:	44,64,060	100	50,89,060	100

Notes : The Company shall complete the allotment of securities in terms of the resolution set out in the accompanying notice on or before the expire of 15 days from the date of passing the resolution.

Your Directors recommend the resolutions set out at Items 7 of the Notice for your approval.

None of the Directors is in any way concerned or interested in this Resolution.

Item No. 8

The Company's present authorized share capital is Rs. 5,00,00,000/- divided into 50,00,000 equity shares of Rs. 10/- each. In order to facilitate to recommended Preferential Issue as above and further expansion of the Capital base in future it is proposed to increase the Authorised Share Capital from Rs. 5,00,00,000/- to Rs. 6,00,00,000/- by creation of 10,00,000 additional equity shares of Rs. 10/- each.

As a consequent of the above, it is also necessary to alter the Memorandum of Association of the Company.

Your Directors recommend the resolutions set out at items 8 of the Notice for your approval.

None of the Directors is in any way concerned or interested in this Resolution.

By Order of the Board

Place : Kolkata
Date : 14.10.2005

Biswa Ranjan Nanda
Company Secretary

Chairman's Statement

Dear Shareholders,

It gives me immense pleasure in welcoming you to the 14th Annual General Meeting of your Company. The Director's Report and Audited Accounts for the year ended 31st March, 2005, are already with you and with your permission, I take them as read.

Before I take up the agenda for today's meeting, I would like to share with you some of my perception relating to the Coal Industry and the performance of NRIL, as well as the growth opportunities pursued by the Company.

Our primary policy is production & productivity. Your Directors have considered the financial years 2004-05 and 2005-06 as year of expansion & diversification. During the financial year the Company has made remarkable expansion in its coke oven plant situated at Govindpur, Dhenkanal by installation of 18 new coke ovens into the last year total of 32 coke ovens out of its own cash accruals. Further, 18 more coke ovens are planned for construction during the current financial year. The turnover of the Company as compared to the financial year 2003-04 has been reduced marginally but there is an overall growth of around 97% in its manufacturing activity, which resulted its all time highest profitability of Rs.156.56 Lacs.

During the financial year 2004-05 the company has also diversified its trading activities by entering into a lease agreement with M/s Essar Oil Limited, Mumbai for opening of a retail outlet at Tangi, Cuttack, Orissa on DO-DO basis. In addition to that your Company has also started import & trading of H. M. Scraps.

After a continuous follow-up your Company has got the much awaited listing approval from Bombay, Calcutta, Ahmedabad & Bhubaneswar Stock Exchanges followed by the trading approval of all Stock Exchanges during the current financial year. At present 44,64,060 numbers of equity shares of the Company are in trading at Bombay Stock Exchange.

On behalf of the Company and all of you, I take this opportunity to thank our valued customers, investors, suppliers, bankers, consultants, the Member of the Board, the Government of India, the Government of Orissa in particular and the NRIL collective, for their excellent support and co-ordination to achieve yet another year of success for the Company. We are committed to strive together as a team to attain the main objective of the Company while ensuring our economical, social & moral commitments.

I once again welcome you and thank you for the confidence you have reposed on us.

Nirmal Modi
Chairman

DIRECTOR'S REPORT

To
The Members of
N. R. INTERNATIONAL LIMITED

Your Directors have pleasure in presenting their Fourteenth Annual Report together with the audited accounts of the Company for the year ended March 31, 2005.

FINANCIAL RESULTS

The performance of the Company for the financial year ended 31st March 2005 is summarised below:

	<u>As at 31.03.2005 Rs.</u>	<u>As at 31.03.2004 Rs.</u>
Working for the year yielded a Profit before depreciation, Interest, and tax	2,02,07,921	1,63,81,123
Less : Interest	<u>20,29,972</u>	<u>32,64,988</u>
	1,81,77,949	1,31,16,135
Less Depreciation	<u>25,21,628</u>	<u>23,88,572</u>
Profit before tax	1,56,56,321	1,07,27,563
Less : Provision for taxation	11,70,163	8,22,326
Deferred Tax	<u>50,33,236</u>	<u>25,01,406</u>
Profit after tax	94,52,922	74,03,831
Less: Income Tax adjustment for earlier years	3,50,192	4,63,436
Add : Surplus brought forwards previous year	94,11,387	24,70,992
Surplus carried to Balance Sheet	<u><u>1,85,14,117</u></u>	<u><u>94,11,387</u></u>

DIVIDEND

With a view to plough back of earnings for the future growth of the company, your Directors do not recommend any dividend for the year.

REVIEW OF OPERATION

During the year 2004-05, the turnover of the company is marginally reduced by around 3.7%. However the overall profitability of company has been increased by 45.9% in the said financial year.

Your company has already stabilized its existing line of businesses; these are Material Handling, Logistics Management and Services, Bulk Cargo Handling at Ports, Ship Chartering, Import & Trading of Non-coking Coal, Coking Coal, Ferrous & Non-Ferrous Metals and Manufacture of LAM Coke & Hard Coke. Accordingly, the Board of Directors of the Company has considered both the financial years 2004-05 & 2005-06 as the year of expansion & diversification and to plough back the entire internal cash accruals for future investments, instead of availing long-term loans from Bank/Financial Institutions.

N.R. INTERNATIONAL LIMITED**FUTURE OUTLOOK**

With regard to further expansion of its existing **Coke Oven Plant at Orissa**, the final phase of expansion work, i.e. addition of 18 more Coke Ovens for a total of 68 Coke Ovens are scheduled to be commenced during the second quarter of the current financial year and by the end of the financial year 2005-06 the Company will be in a position to commence the Commercial Production. After the above expansion the Company will be able to bridge the gap of Demand & Supply among its existing market network.

In the first phase of its diversification, the Company has already set-up the **Retail Outlet of M/s. Essar Oil Limited** at Bainchua, Tangi, Cuttack, Orissa and its operation will be commenced soon. Though it's a new area of operation, your Directors are quite confident to handle the new business smoothly.

In the second phase of its diversification, your directors are planning to set-up an one million tons **Coal Washery Plant** in the State of Orissa and more specifically at Jharsuguda District. The Company has already acquired Land adjacent to the Railway Siding and having surrounded by all Coal Mines within a periphery of around 3 KM.

To capitalize the vast experience/exposure of your Directors in the similar line of business followed by the notification issued by the Government of India, Ministry of Environment for use of washed coal by the Thermal Power Plants to control the environmental pollution your Directors are utilizing all available resources for setting-up of the above Plant latest by end of this financial year.

Your directors are also planning to set-up well modernized **Mini Steel Plant with Captive Power Plant** in the State of Jharkhand. Necessary application has been already made to the Department of Industries, Government of Jharkhand and the initial acceptance has also received from the Government for setting up steel plant. The work is in progress for setting up Mini Steel Plant.

RESERVES

The total Reserves as on 31st March 2005 stood at Rs. 1239.18 Lacs as against Rs. 1148.16 Lacs of last year.

PARTICULARS OF EMPLOYEES

Information as per Section 217(2A) of Companies Act, 1956 has not been given as none of the employees are in receipt of remuneration in excess of the limits prescribed therein.

FIXED DEPOSITS

Your company has not accepted any deposits as such, no amount of principal or interest is outstanding on the date of the Balance Sheet.

DIRECTORS

Mr. B. K. Joshi and Mr. R. K. Joshi, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

AUDITORS

M/S. V. Lohia & Co., Chartered Accountants, Auditors of the Company retire at the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a certificate from them to the effect that their reappointment, if made, would be within the limits prescribed under section 224(1B) of the Companies Act, 1956.

AUDITORS' REMARKS

The notes to the accounts referred to in the Auditors Report are self-explanatory and therefore do not call any further comments.

DIRECTORS RESPONSIBILITY STATEMENT

Your Directors hereby confirm:

- i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) that 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 of the company for that period;
- iii) that 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;
- iv) that directors had prepared the annual accounts on a going concern basis.

PARTICULARS OF ENERGY CONSERVATION, ETC.

Particulars with respect to conservation of energy as per section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars