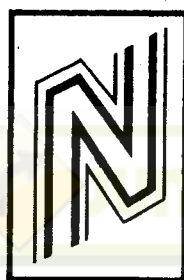


# NOVA IRON & STEEL LIMITED



NOVA R.G.  
GROUP

11th  
ANNUAL  
REPORT  
2000-2001

NOVA R.G.  
GROUP**NOVA IRON & STEEL LIMITED****11TH ANNUAL REPORT**

Year ended 31st December 2001

**BOARD OF DIRECTORS**

Sh. R.K. Gambhir  
 Sh. G.K. Gambhir  
 Sh. Narsingh Awatar  
 Sh. V.K. Sakhuja

**WHOLE TIME DIRECTOR**

Sh. M. Ramachandran

**DIRECTOR CUM-COMPANY SECRETARY**

Sh. S. P. Maken

**BANKERS**

Bank of India  
 Punjab National Bank  
 Canara Bank

**AUDITORS**

Antima & Goel  
 Chartered Accountants  
 3618/XI, Netaji Subhash Marg,  
 Darya Ganj, New Delhi-110002

**CORPORATE OFFICE**

506, Hemkunt Tower,  
 98, Nehru Place, New Delhi-110 019

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NOVA R.G.  
GROUP**NOVA IRON & STEEL LIMITED****NOTICE**

Notice is hereby given that the 11th Annual General Meeting of Nova Iron & Steel Limited will be held at the Plant site at Village Dagori, Tehsil Belha, District Bilaspur, Chattisgarh on Friday, the 28th day of June, 2002 at 2.00 P.M. to transact the following business:

**ORDINARY BUSINESS**

1. To consider and adopt the Audited Accounts of the Company as at 31st December, 2001 and the report of the Directors and Auditors thereon.
2. To appoint Director in place of Shri N. Awatar who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Director in place of Shri G.K. Gambhir who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company and to fix their remuneration. M/s Antima & Goel, Chartered Accountants, retire at the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment.

**SPECIAL BUSINESS**

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

"RESOLVED THAT Sh.V.K.Sakhuja, who was appointed an Additional Director of the Company w.e.f. 30th March, 2002 and who ceases to hold office under Section 260 of the Companies Act, 1956, be and is hereby appointed a Director of the Company".

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

"RESOLVED THAT Sh. S.P. Maken, who was appointed an Additional Director of the Company w.e.f. 21st June, 2001 and who ceases to hold office under Section 260 of the Companies Act, 1956, be and is hereby appointed a Director of the Company, not liable to retire by rotation".

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

"RESOLVED THAT pursuant to the provisions of Section 269, 198, 309, 314, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the central Govt. and such other approvals as may be required, the appointment of Sh.

S.P. Maken as a Whole Time Director of the Company, not liable to retire by rotation, for a period of 3 years w.e.f. 21.6.2001 be and is hereby approved on the following terms and conditions:

- I. **SALARY** : Basic salary of Rs.12,000/- (Rupees Twelve Thousand Only) per month.

**II. PERQUISITES :****CATEGORY A :**

- i) House Rent Allowance/Company leased accommodation upto Rs.6000/-(Rupees Six Thousand Only) per month.
- ii) Reimbursement of the following at actuals not exceeding :
  - Rs. 10,600/- per month for Car Maintenance expenses for the business of the Company.
  - Rs. 2,000/- per month on Newspapers, Books & Periodicals
  - Rs.1,200/- per month on Medical Expenses
  - Rs. 3,000/- per month on Business Promotion

**CATEGORY B:**

- i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per rules of the Company and to the extent these are, singly or put together not taxable under the Income Tax Act, 1961.
- ii) Encashment of Leave(s) as per rules of the Company.
- iii) Gratuity as per rules of the Company.

**CATEGORY C:**

Providing of car for use of Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls and use of car for private purpose shall, however, be billed by the Company to him.

For the purpose of calculating the ceiling of remuneration, Perquisites shall be evaluated as per Income Tax Rules, wherever applicable.

In the event of loss or inadequacy of profits, Mr. S.P.Maken will be paid the remuneration as mentioned hereinabove subject to the maximum limit as prescribed in Schedule XIII of the Companies Act, 1956.

"RESOLVED FURTHER that services of Mr.S.P.Maken can be terminated by giving a minimum written advance notice of three months by either party or by payment of three month's salary in lieu thereof.

NOVA R.G.  
GROUP**NOVA IRON & STEEL LIMITED**

"RESOLVED FURTHER THAT subject to the approval of the Central Govt. , wherever necessary, the Board of Directors of the Company be and is hereby authorised to alter and vary the terms and Conditions of appointment of Sh. S.P. Maken, as it may, from time to time, in its discretion deem fit."

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

"RESOLVED THAT pursuant to the provisions of sections 269, 198, 309, 314 Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Govt. and such other approvals as may be required, the re-appointment of Shri M. Ramachandran as a Wholetime Director of the Company, not liable to retire by rotation, for a period of 3 years w.e.f. 20.8.2001, be and is hereby approved on the following terms & conditions -

Basic Salary Rs.20,000/- (Rupees Twenty Thousand only)

**PERQUISITES :****CATEGORY A:**

- (i) Company leased accomodation.
- (ii) Reimbursement of the following at actuals not exceeding:
  - Rs. 2,000/- Per month on Books & Periodicals.
  - Rs. 3,000/- Per month on Business Promotion.
  - Rs. 5,000/- Per month on Children Education.
  - Rs. 1,665/- Per month on Medical Expenses.
  - Rs. 2,000/- Per month as Servant Allowance.
  - Rs. 2,000/- Per month as Gardner Allowance.
  - Rs. 1,000/- Per month on Courier Charges.
- (iii) Leave Travel Assistance equivalent to one month's basic per annum.
- (iv) Free use of Company's car and driver for the business of the Company.
- (v) Free use of telephone at residence for the business of the Company.

**CATEGORY B:**

- (i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per rules of the Company and to the extent these, singly or put together, are not taxable under the Income Tax Act, 1961.
- (ii) Encashment of leave(s) as per rules of the Company.
- (iii) Gratuity as per rules of the Company.

**CATEGORY C:**

Providing of car for use of Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls and use of car for private purpose shall, however, be billed by the Company to him.

For the purpose of calculating the ceiling of remuneration, Perquisites shall be evaluated as per Income Tax Rules, wherever applicable.

In the event of loss or inadequacy of profit, Shri M. Ramachandran would be paid the remuneration as mentioned hereinabove and subject to maximum limit prescribed under Schedule XIII of the Companies Act, 1956.

"RESOLVED FURTHER THAT subject to the approval of the Central Govt., wherever necessary, the Board of Directors of the Company be and is hereby authorised to alter and vary the terms and conditions of appointment of Sh. M. Ramachandran, as it may, from time to time, in its discretion deem fit."

**By Order of the Board**

Place : New Delhi

Date : 28th May 2002

Sd/-

(S. P. Maken)

**Director & Company Secretary**

NOVA R.G.  
GROUP**NOVA IRON & STEEL LIMITED****ANNEXURE TO THE NOTICE**

**Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.**

**ITEM NO.5**

Sh. V.K. Sakhuja, a B.A. (Hons)-Economics is an Ex-Banker. He has a rich experience of the working of Industrial Companies including of the Steel Industry. He has already been on the Board of Nova Iron & Steel Limited from 18.4.1991 to 29.5.1997. He was appointed an Additional Director of the Company w.e.f. 30.3.2002 by the Board of Directors of the Company. As per provisions of Section 260 of the Companies Act, 1956 he holds office as a Director only up to the date of the ensuing Annual General Meeting. Pursuant to Section 257 of the Companies Act, 1956, a Notice has been received from a member signifying his intention to propose Sh. V.K. Sakhuja's appointment as a Director. He is not a Director in any other Company.

Sh. R.K. Gambhir and Sh. G.K. Gambhir, Directors are interested in the resolution being relatives.

**ITEM NO. 6.**

Sh. S.P. Maken is a Law Graduate and a Company Secretary. He has an overall working experience of about 30 years, including in the United Breweries Group, DCM Group and MODIs at Senior positions. He is working in NOVA Group for the last over 8 years as Vice-President (Legal) & Company Secretary. He was appointed as an Additional Director of the Company on 21.6.2001 by the Board of Directors. As per provisions of Section 260 of the Companies Act, 1956 he holds office as a Director only up to the date of the ensuing Annual General Meeting. Pursuant to Section 257 of the Companies Act 1956, a notice has been received from a Member signifying his intention to propose Sh. S.P. Maken's appointment as a Director. He is not a Director in any other Company.

None of the Directors is interested in the Resolution.

**ITEM NO. 7**

The Board of Directors in its Meeting held on 21st June, 2001 appointed Sh. S.P. Maken as a Whole Time Director of the Company for a period of 5 years on the terms and conditions mentioned in the proposed Resolution.

The terms of his appointment were according to Schedule-XIII to the Companies Act, 1956 and necessary particulars in Form 25C were also filed with the Registrar of Companies. The appointment of Whole Time Director requires the approval of Shareholders. However, in view of the amendment of Schedule -XIII vide Notification No. 5/48/2001-C(V) dated 16.1.2002 issued by the Ministry of Law, Justice & Company Affairs (Department of Company Affairs) his appointment and Remuneration are now also subject to the approval of the Central Govt. keeping in view that the Company has defaulted in repayment of its debts to the Financial Institutions. As per new stipulations, the remuneration proposed has to be first approved by the Remuneration Committee and the Special Resolution for payment of remuneration has to be for a period not exceeding 3 years. The Remuneration Committee in its Meeting held on 15.4.2002 has approved the proposed remuneration for Sh. S.P. Maken. The Directors, therefore, recommend this resolution for your approval as a Special Resolution.

None of the Directors is interested in the Resolution.

**ITEM NO.8**

Mr. M.Ramachandran is M-Tech. in Electrical Engineering and has experience of more than 28 years in setting up and management of Sponge Iron Projects. He has earlier worked in different capacities in other Sponge Iron manufacturing Companies viz. Bihar Sponge Iron Ltd., Sponge Iron India Ltd. He was earlier appointed as an Additional Director and Whole Time Director on 20.8.1996 and his 5 years term expired on 19.8.2001. The Board of Directors, therefore, re-appointed him as a Whole Time Director, for a period of 3 years in its Meeting held on 21.6.2001 on the terms and conditions mentioned in the proposed Resolution. He is not a Director in any other Company.

The terms of his appointment were according to Schedule-XIII to the Companies Act, 1956 and necessary particulars in Form 25C were also filed with the Registrar of Companies. The appointment of Whole Time Director requires the approval of Shareholders. However, in view of the amendment of Schedule -XIII vide Notification No. 5/48/2001-C(V) dated 16.1.2002 issued by the Ministry of Law, Justice & Company Affairs (Department of Company Affairs) his appointment and Remuneration are now also subject to the approval of the Central Govt. keeping in view that the Company has defaulted in repayment of its debts to the Financial Institutions. As per new stipulations, the remuneration proposed has to be first approved by the Remuneration Committee and the Special Resolution for payment of remuneration has to be for a period not exceeding 3 years. The Remuneration Committee in its Meeting held on 15.4.2002 has approved the proposed remuneration for Sh.M.Ramachandran. The Directors, therefore, recommend this resolution for your approval as a Special Resolution.

None of the Directors is interested in the Resolution.

**By Order of the Board**

Place : New Delhi  
Date : 28th May 2002

Sd/-  
(S. P. Maken)  
Director & Company Secretary

NOVA R.G.  
GROUP**NOVA IRON & STEEL LIMITED****DIRECTORS' REPORT**

Your Directors have pleasure in presenting the Eleventh Annual Report together with Audited Accounts for the period ended 31st December, 2001.

Since the accounting year under reference has been extended by six months to end on 31st December, 2001 against the previous year's closing on 30th June, 2000, the company has prepared the accounts for a period comprising of 18 months for this year also.

**FINANCIAL RESULTS**

	(2000-2001) (18months)	(1999-2000) (18months) (Rs.in Lakhs)
Total Income	10308.34	11590.46
Gross Profit(Loss)	(679.21)	315.01
Before interest and depreciation		
Interest & Financial Charges	10406.66	7553.99
Cash Profit/(Loss)	(11085.87)	(7238.98)
Misc. Expenses written off	87.00	87.00
Depreciation	1496.61	2212.40
Net Profit/(Loss) Transferred to Balance Sheet	(12669.48)	(9538.38)

**OPERATIONS & FUTURE OUTLOOK**

The operations of the Company during the period under review continue to be under strain. Such strain is reflected in the rising costs of Iron Ore, Coal, Power, freight and other inputs with no corresponding increase in Sponge Iron prices which has further worsened the financial position of the Company. This has eroded the bottom line of the Company. The sponge iron industry is yet to get encouraging support from the Government.

As informed in the previous reports the Company was declared a Sick Company by the Board for Financial and Industrial Reconstruction (BIFR) vide its order dated 23rd June, 1998. The Company had submitted a scheme for Rehabilitation to the Operating Agency i.e. IFCI and BIFR. Subsequently, the Company submitted a modified proposal on 15.10.1999. The BIFR at the hearing on 27th October, 1999 directed the Company to hold discussions with the Secured Creditors for sorting out the matter regarding the reliefs & concessions sought and to submit an agreed Comprehensive Rehabilitation Scheme with the means of Finance fully tied up. Subsequently, the Company submitted a revised Rehabilitation proposal vide its letter dated 11th November, 1999.

The Company has not heard anything from the Operating Agency (IFCI) so far, nor the OA has carried out any techno

economic feasibility. In the meantime, the Company filed a Writ Petition in the High Court at Jabalpur (MP) against the Order of BIFR dated 27th October, 1999, on the plea that the normal procedure laid down under the Sick Industrial Companies (Special Provisions) Act, (SICA) has been ignored completely by the BIFR and that the BIFR has failed to apply its mind to the proposal submitted by the Company and has insisted that even prior to the submission of a proposal, the Company arrives at an agreed scheme with secured creditors.

The Jabalpur High Court granted stay of the proceedings at BIFR in the meantime. The matter has since been transferred to the Chattisgarh High Court at Bilaspur.

As reported earlier, your Directors feel that it is possible to revive the Company if the revised scheme of Rehabilitation, as submitted to the operating Agency and BIFR, is approved.

**DIVIDEND**

Your Directors express their inability to recommend dividend for the period under review.

**DIRECTORS**

In accordance with the provisions of Articles of Association of the Company, Shri N. Awatar and Sh. G.K. Gambhir, Directors retire by rotation and are eligible for reappointment

Sh.P. Murari ceased to be a Director on account of resignation w.e.f. 7.12.2001. The Board places on record its appreciation and gratitude for the valuable contribution made by Sh.P. Murari during his tenure as a Director of the Company.

Sh. A. Rama Mohan Rao (UTI Nominee) ceased to be a Director of the Company w.e.f. 15.3.2001 because of the withdrawal of his nomination by UTI. The Board places on record its appreciation for the valuable services rendered by Sh. A. Rama Mohan Rao during his tenure as a Director of the Company.

Sh. Brijendra Sahay, BIFR Nominee resigned as a Director of the Company vide his letter dated 21st June, 2001.

Sh. Sujit K. Mandal was nominated by IFCI Ltd. on the Board of the Company w.e.f. 29.9.2001. His nomination, however, was withdrawn by IFCI Ltd. w.e.f. 6.2.2002.

The Board places on record its appreciation for the valuable services rendered by Sh. Sujit K. Mandal during his tenure as a Director of the Company.

Sh. S.P. Maken has been appointed as an Additional Director and a Whole Time Director w.e.f. 21.6.2001. Sh. V.K. Sakhuja has been appointed as an Additional Director w.e.f. 30.3.2002.

Sh.M. Ramachandran, Whole Time Director whose earlier 5 years term expired on 19.8.2001 is proposed to be reappointed.





## NOVA IRON & STEEL LIMITED

### AUDITORS

The Company's Auditors M/s Antima & Goel, Chartered Accountants will retire at the conclusion of the forthcoming Annual General Meeting and are eligible for reappointment.

### PUBLIC DEPOSITS

The Company has not invited or accepted any deposits from public within the meaning of Section 58A of the Companies Act, 1956.

### CORPORATE GOVERNANCE

A detailed report on Corporate Governance and a Certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance in terms of Clause 49 of Listing Agreement is appended as Annexure -I to this report.

### DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956

As stipulated in Section 217(2AA) of Companies Act, 1956, your Directors hereby confirm that :

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) The directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st December, 2001 and of the profit and loss of the Company for the period ended on that date;
- iii) The directors have taken proper and sufficient care of 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) The directors have prepared the annual accounts on a going concern basis.

### PARTICULARS RELATING TO EMPLOYEES

During the year the company had no employees to whom the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 were applicable.

### PARTICULARS RELATING TO TECHNOLOGY ABSORPTION, CONSERVATION OF ENERGY & FOREIGN EXCHANGE EARNINGS AND OUTGO.

Statement giving information regarding conservation of energy, technology absorption etc. required under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is appended as Annexure -II and forms part of this Report.

### INDUSTRIAL RELATIONS

Relations between the Management and its Employees/ Workmen have been cordial and the Directors wish to express their appreciation for the co-operation and dedication of the Employees/Workmen at all levels of the Company.

### COMPLIANCE CERTIFICATE FROM THE AUDITORS IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT.

A certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance in terms of Clause 49 of the Listing Agreement is appended as Annexure III to this report.

### ACKNOWLEDGEMENTS

Your Directors convey their sincere thanks to the Bankers, Financial Institutions, various departments in Central and State Governments and all others associated with the Company for their co-operation, continued support and confidence reposed by them in the Company.

Place: New Delhi  
Date : 28.5.2001

(R . K. GAMBHIR)  
DIRECOTR

(N. AWATAR)  
DIRECTOR

NOVA R.G.  
GROUP**NOVA IRON & STEEL LIMITED****ANNEXURE-II TO DIRECTORS' REPORT**

**STATEMENT PUNSUANT TO SECTION 217(1) (e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES 1988.**

**(A) CONSERVATION OF ENERGY :****a) ENERGY CONSERVATION MEASURES TAKEN:**

- \* By procuring prepared Iron Ore of size 5-18mm in place of 5-20, size iron ore, the operating Hours of iron ore crusher and the Raw Material Preparation Plant have been reduced to a great extent.
- \* Energy audit of all the Electrical drives has helped in the stoppage of idle running of Motors and saving of Electrical Energy and its cost.

**b) ADDITIONAL INVESTMENT AND PROPOSAL BEING IMPLEMENTED FOR REDUCTION OF CONSUMPTION OF ENERGY**

- \* Installation of additional 1250 KVA DG set to avoid raw material feed loss.
- \* Installation of Hydraulic Fluid Coupling for 250 KW Waste Gas Fan to reduce Power Consumption.
- \* Implementation of skewed gas flow technology from M/s Baltec System, Australia, for improving the performance of the Electrostatic Precipitator.
- \* Proposed to install a new energy efficient vibrating Screen in the product separation circuit to achieve higher recovery of quality product and saving of energy.

**c) IMPACT OF ABOVE MEASURES :**

With the implementation of the measures referred above at (a) Saving in energy has been achieved. Implementation of measures cited at (b) would result in

- i) Increased Production
- ii) Reduced Power Consumption
- iii) Improved Financial Performance and
- iv) Improved dust collection efficiency and improved working Environment.

**TECHNOLOGY ABSORPTION :**

Efforts made in technology absorption as per Form -B Annexure.

**FOREIGN EXCHANGE EARNINGS AND OUTGO:**

**ACTIVITIES RELATING TO EXPORTS, INITIATIVES TAKEN TO INCREASE EXPORTS, DEVELOPMENTS OF NEW EXPORT MARKETS FOR PRODUCTS AND SERVICES AND EXPORT PLANS.**

Cost of key inputs to manufacture Sponge Iron, like Iron Ore, Coal, Power and transportation etc., have increased substantially. Indian Coal based sponge Iron industry is in a disadvantageous position with respect to its overseas counterparts. However, company is making efforts to counter the difficulties and explore the export markets.

**TOTAL FOREIGN EXCHANGE USED & EARNED (2000-2001)**

* Earned	: Nil
* CIF Value of Imported Components and Spares	: Nil
* Other Expenses	: Rs. 2,35,448
* Interest on Loans	: Rs. 93,07,443

**FORM -B : RESEARCH AND DEVELOPMENT (R & D)****1. SPECIFIC AREA IN WHICH R & D CARRIED OUT BY THE COMPANY.**

- \* Studies on process parameters like feed rates and physical characteristics of raw materials, temperature profile etc. on Campaign life.
- \* Studies on characteristics of Iron Ore from New Sources.
- \* Studies on utilisation of Waste Material and marketing research for selling the waste materials.
- \* Studies on New Type of Refractory material.

**2. BENEFITS DERIVED AS A RESULT OF THE ABOVE R & D:**

- \* Campaign life has been improved resulting in two shut downs only in a year instead of 3 or 4 and increases in the production. \* Alternative sources of Iron Ore have been developed and cost of Iron Ore could be reduced marginally. Crushing losses have been brought down appreciably.
- \* Market for sale of all types of waste material has been developed.
- \* Suitable indigenous refractory for sponge iron kilns has been developed..
- \* Refractory consumption has been reduced.

**3. FUTURE PLAN OF ACTION:**

- \* Condition monitoring and predictive maintenance to improve plant availability.
- \* Study of gas flow pattern in electrostatic precipitator for enhancement in performance.

**4. EXPENDITURE ON R & D:**

- \* Since in-house expertise, available equipments and Instruments were used, separate identification/allocation of expenditure towards R & D is not feasible.

**TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION :**

- \* Lurgi's technology based on SL/RN Process has been fully absorbed and Process/operations parameters have been optimised.



NOVA R.G.  
GROUP**NOVA IRON & STEEL LIMITED****CERTIFICATE****ANNEXURE - III****To The Members of  
Nova Iron & Steel Limited**

We have examined the compliance of conditions of Corporate Governance by Nova Iron & Steel Limited ("the Company") for the year ended on 31st December, 2001, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges. The Company has to comply with these norms by 31st March, 2002 compulsorily. However, the Company has complied the same materially.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the Company has complied in material respects with the conditions of Corporate Governance, except as reported in the Corporate Governance report, as stipulated in the above mentioned Listing Agreement.

We have been explained that no investor grievances remained un-attended for a period exceeding one month, as at 31st December, 2001 against the Company as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency of effectiveness with which the management has conducted the affairs of the Company.

for **ANITMA & GOEL**  
**Chartered Accountants**

(R.B. Goel)  
Partner

New Delhi  
28th May, 2002

