

53rd
Annual
Report
2002-03

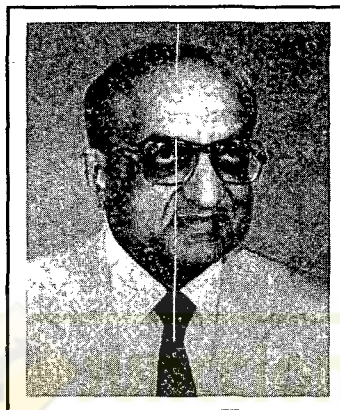
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PREMIER AUTO ELECTRIC LIMITED



PREMIER AUTO ELECTRIC LIMITED



Late Shri J. M. Vakil
Chairman-Emeritus

A TRIBUTE

Premier Auto Electric Ltd. deeply mourns the sad demise of Shri J. M. Vakil, Chairman-Emeritus of the Company. Shri J. M. Vakil was one of the architects of growth and development of PAE. He was Chairman of the Company for more than 25 years. During his tenure as Chairman, the Company went public and established itself as a reputed national distribution and marketing organization. PAE acknowledges his contribution to the Company and shareholders. We respectfully pay homage to the departed soul.

PREMIER AUTO ELECTRIC LIMITED

BOARD OF DIRECTORS

Shri Arvind R. Doshi - Chairman & Managing Director
Late Shri J. M. Vakil - Chairman-Emeritus (Upto 27th May, 03)
Shri Dilip J. Thakkar
Shri John O. Band
Shri Jaykumar K. Patil

SENIOR EXECUTIVES

Shri Samir Roy - President
Shri Pritam A. Doshi - Vice President Corp. Development
Shri D. Kaushik - General Manager - Marketing
Shri K. N. Kumar - General Manager - Finance

COMPANY SECRETARY

Shri Ajay S. Kadhao

AUDITORS

M/s. K. S. Aiyar & Co.
Chartered Accountants

SOLICITORS & ADVOCATES

M/s. Matubhai Jamietram
M/s. Madekar & Co.

BANKERS

State Bank of India
Bank of Baroda
State Bank of Indore

REGISTRAR & SHARE TRANSFER AGENTS

MCS Limited
Shri Venkatesh Bhavan
Plot No. 27, Road No. 11,
MIDC Area, Andheri (East),
Mumbai - 400 093.
Phone : 2821 5235 Fax : 2835 0456

REGISTERED & CORPORATE OFFICE

B-Block, Gold Coin,
407, Tardeo Road,
Mumbai - 400 034
Tel. : 2492 5024 / 2492 6381
Fax : 2495 0332
E-mail : corporate@paeltd.com

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FIVE YEARS AT A GLANCE

Rupees in lacs

Year ending	March 2003	March 2002	March 2001	March 2000	March 1999
INCOME / PROFITS					
Sales/Income from Operations	9361.91	8612.28	10023.15	12216.69	12738.71
Other Income	177.29	258.41	410.30	578.65	327.87
Total Income	9539.20	8870.69	10433.45	12795.34	13066.58
Total Expenditure	9576.36	9023.74	10667.96	12579.03	12892.18
Depreciation	45.69	65.57	97.62	116.32	192.11
Profit Before Tax	(82.85)	(218.62)	(332.13)	99.99	(17.71)
Provision for diminution in value of investment	16.93	12.38	140.76	-	-
Taxation (including prior years' taxes)	-	(6.98)	-	79.11	124.41
Deferred Tax Asset	-	(26.15)	-	-	-
Profit After Tax	(99.78)	(197.87)	(472.89)	20.88	(142.12)
Dividends (incl. Corp. Div. Tax)	-	-	-	-	-
Retained Earnings	-	-	-	20.88	-
ASSETS EMPLOYED					
Gross Fixed Assets	669.65	671.64	1248.20	1421.25	1793.98
Net Fixed Assets	261.06	283.27	571.51	697.65	906.45
Net Current Assets (incl. Investments)	3439.67	3200.86	3629.25	4256.90	4292.43
TOTAL ASSETS	3700.73	3484.13	4200.76	4954.55	5198.88
FINANCED BY :					
a) Borrowed Funds	687.06	380.26	864.73	1182.86	1420.00
b) Shareholders' Funds					
i) Share capital	951.96	951.96	951.96	951.96	951.96
ii) Reserves	2086.04	2151.91	2384.07	2819.73	2826.92
Total Shareholders' funds	3038.00	3103.87	3336.03	3771.69	3778.88
TOTAL FUNDS EMPLOYED	3725.06	3484.13	4200.76	4954.55	5198.88
OTHERS :					
Dividends %	-	-	-	-	-
Book Value per Share (Rs.)	31.91	32.61	35.04	39.62	39.70
Debt / Equity Ratio	0.23:1	0.12:1	0.26:1	0.31:1	0.37:1
Profit Before Tax as % of Total Income	-	-	-	0.78%	-
Profit After Tax as % of Total Income	-	-	-	0.16%	-
Profit After Tax as % of	-	-	-	-	-
Shareholders Funds	-	-	-	0.55%	-
Cash Earning per Share (CEPS) Rs.	-	-	-	1.44	0.53
Earning per Share (EPS) Rs.	-	-	-	0.22	-
Current Ratio	2.34	2.71	2.61	2.04	1.87

PREMIER AUTO ELECTRIC LIMITED

NOTICE

NOTICE is hereby given that the Fifty Third Annual General Meeting of the Members of PREMIER AUTO ELECTRIC LIMITED will be held as scheduled below:

Day : Monday
 Date : 1st September, 2003
 Time : 3.30 p.m.
 Place : M. C. Ghia Hall, Bhogilal Hargovindas Building,
 2nd Floor, 18/20 K Dubhash Marg,
 Mumbai 400 001.

The Agenda for the meeting will be as under:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2003 and the Balance Sheet as at that date and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Shri John O. Band who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Statutory Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modification, the following resolution as ORDINARY RESOLUTION:-

"RESOLVED THAT Shri Jaykumar K Patil, Director who was appointed as an Additional Director in the meeting of the Board of Directors held on 25th June, 2003 and who holds office as such upto the date of Fifty Third Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 have been received from a member signifying his intention to propose Shri Jaykumar K. Patil as a candidate for the office of Director of the Company be and is hereby appointed as a Director of the Company."

5. To consider and, if thought fit, to pass with or without modification, the following resolution as an SPECIAL RESOLUTION:-

"RESOLVED THAT pursuant to the provisions of section 21 and any other applicable provisions of the Companies Act, 1956 and subject to the approval of the Central Government and such other approvals, as may be required, the name of the Company be changed from 'PREMIER AUTO ELECTRIC LIMITED' to 'PAE LIMITED'.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do and

perform all such acts, deeds, matters and things as it may in its absolute discretion deemed necessary, desirable or appropriate and to execute all such applications, deeds, agreements, documents and writings as it may consider necessary, usual, requisite or proper for giving effect to this resolution."

6. To consider and, if thought fit, to pass with or without modification, the following resolution as SPECIAL RESOLUTION:-

"RESOLVED THAT pursuant to the provisions of Section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 and Rules and Regulations specified thereunder and subject to the approval of Central Government the consent of the Company be and is hereby accorded to Shri Pritam A. Doshi - relative of Shri Arvind R. Doshi, Chairman & Managing Director, to continue to hold an office or place of profit as Vice President (Corporate Development), of the Company, on following terms and conditions, with authority to the Board of Directors to sanction from time to time such additional increments within the grade as may be agreed by the Remuneration & Selection Committee of the Company and to sanction promotion/s of Shri Pritam A. Doshi to the next higher grade or grades together with usual allowances and benefits as applicable to such grade or grades of the Company:

- a) Salary : Rs.40,000/- per month in the grade Rs.40,000/- - 5000/- - Rs.60,000/-
- b) Housing : Residential accommodation or House Rent Allowance @ 40% of basic salary with residential telephone facility.
- c) Other benefits including, Educational Allowance, House Maintenance Allowance, Leave Travel concession, Reimbursement of actual medical expenses for self and family, Entertainment Allowance, News paper & Journal allowance, Contribution to Provident Fund, Superannuation Fund and Gratuity, will be at prescribed rates and as per the rules of the Company and as applicable to such managerial grade of the Company from time to time.
- d) Car: Provision of Company car with driver or conveyance allowance as per rules of the Company.
- e) Club Fees: Reimbursement of Membership Fees for one Club. This will not include admission and life membership fees.
- f) Leave: As per the rules of the Company.
- g) Leave Encashment: As per the rules of the Company.

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- h) Incentive: 1% of the net profit of the Company during the year subject to maximum of one annual basic salary.

"RESOLVED FURTHER THAT, the Board of Directors be and is hereby authorised to accept such amendments / modifications as may be stipulated by the Central Government and to do all such acts, deeds, matters and things as may be necessary, desirable or expedient for the purpose of giving effect to this resolution."

7. To consider and, if thought fit, to pass with or without modification, the following resolution as SPECIAL RESOLUTION:-

"RESOLVED THAT pursuant to the clause 5.2 and other applicable provisions, if any, of the SEBI (Delisting of Securities) Guidelines 2003, and subject to the provisions of the applicable laws, guidelines, rules and regulations including those of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956 and the Rules framed thereunder in this regard and subject to such other approvals, permissions and sanctions as may be required from the Stock Exchanges with which the Securities of the Company are listed and/or any other relevant Authority and subject to any conditions or modifications as may be imposed while granting such approvals, permissions and sanctions and mutually agreed to in the best interest of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company (which terms shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board of Directors by this Resolution) to seek voluntary delisting of its Equity Shares from The Stock Exchange, Ahmedabad, (ASE) after taking into account various factor such as but not limited to the incidents impact or burden of the cost of listing fee payable to the Stock Exchanges and volume of trading on the relevant Stock Exchange Ahmedabad."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do and perform all such acts, deeds, matters and things as it may in its absolute discretion deems necessary, desirable or appropriate and execute all such applications, deeds, agreements, documents and writing as it may consider necessary, usual requisite or proper for giving effect to this resolution.

By Order of the Board of Directors

Ajay S. Kadhao
Company Secretary

Registered Office:
Gold Coin, B-Block,
407, Tardeo Road,
Mumbai 400 034.

Dated : 25th June, 2003

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THIS ANNUAL GENERAL MEETING.
2. The Register of Members and Share Transfer books of the Company will be closed from Monday 25th August, 2003 to Monday 1st September, 2003 (both days inclusive)
3. Members are requested to notify any change in their address to the Company or its Registrars and Share Transfer Agents viz. M/s MCS Ltd, Sri. Venkatesh Bhavan, Plot No. 27, Road No. 11, MIDC Area, Andheri (E), Mumbai - 400 093, or their Depository Participants (DP).
4. Consequent upon the introduction of Section 205-C by the Companies (Amendment) Act, 1999, the amount of unclaimed /unpaid, dividends, share application money, Fixed Deposits and interest on Fixed Deposits, remaining unclaimed with the Company for the period of 7 years have been transferred to the Investor Education & Protection Fund (IEPF) and no claim thereto will be entertained by the said Fund and also by the Company.
Members who have not encashed the dividend warrant/s pertaining to dividend for the financial years 1995-96, 1996-97 and 1997-98 are requested to forward the same to the Company's Registrars & Transfer Agents, M/s. MCS Ltd, or to the Company immediately to facilitate payment. The due date for transfer of unclaimed dividend for the financial year 1995-96 is 7th September, 2003; after which no claim in respect of 1995-96 dividend will be entertained by the Company or by the Fund.
5. The facility for making nominations is now available for shareholders and fixed deposit-holders in respect of the shares and fixed deposits held by them. Nomination forms can be obtained from the Company's Registrars & Transfer Agents, M/s. MCS Limited or from the Company.

REQUEST TO THE MEMBERS:

1. Members are requested to bring their copy of Annual Report to the Meeting.
2. Members desiring any relevant information on the Accounts at the Annual General Meeting are requested to write to the Company Secretary at least 7 days before the date of the Meeting so as to enable the management to keep the information ready.
3. Members who have multiple folios in identical names or joint names in the same order are requested to send all the Share Certificates to the Company Secretary or to the Registrar and Transfer Agents M/s. MCS Limited for consolidation of all such folios into one to facilitate better services.

PREMIER AUTO ELECTRIC LIMITED

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 4:

Pursuant to the Section 260 of the Companies Act, 1956 read with Article 123 of the Company's Articles of Association, Mr. Jaykumar K. Patil was appointed as the Director of the Company on 25th June 2003.

Mr. Jaykumar K. Patil holds office upto the date of ensuing Annual General Meeting. Notice has been received by the Company from a member under Section 257 of the Companies Act, 1956, signifying his intention to propose Mr. Jaykumar K. Patil as a candidate for the office of the Director along with a deposit of Rs.500/-, which will be refunded to such Member, if Mr. Jaykumar K. Patil is elected as a Director.

Mr. Jaykumar K. Patil is a renowned business and social personality engaged in field of running industrial & automotive entities, educational institutions and charitable trusts. He is an able administrator and visionary. His appointment as a Director will be of immense value and benefit to the Company. Hence your Board of Directors recommends his appointment.

Except Mr. Jaykumar K. Patil no other Director of the Company is concerned or interested in this resolution.

Item No. 5:

The Company was incorporated on 13th July 1950 and is one of the largest distribution houses of India dealing with automobile spares and ancillary products of all kinds. Initially, the Company was predominantly dealing with automobile electrical products apart from other automobile spares and ancillary products.

During the course of period the Company has widened its business focus and activities and now deals and trades in wide range of automobile spares and ancillary products, under its well known brand 'PAE' (as appears on its letterhead). Since the Company represents and deals in varied automobile ancillary products not restricted only to auto electrical products, the present name of the Company does not reflect the business of the Company in real sense. As such, the Board of Directors is of view that the present name i.e. PREMIER AUTO ELECTRIC LIMITED, be changed to, retain in its abbreviated mode i.e. PAE LIMITED. The change of name of the Company to PAE LIMITED will help the Company to broaden and diversify its commercial activities into more areas of automobiles spare and ancillary business in consonance with the objects of the Company.

The Registrar of Companies, Maharashtra, vide its letter no. 130867 dated 23rd April 2003, has confirmed the availability of the name i.e. 'PAE LIMITED' for the proposed change.

As per provisions of the Companies Act, 1956 the Company can change its name subject to approval of shareholders by special resolution and subject to the approval of the Central Government. Hence this resolution is recommended for the approval of shareholders.

None of the Directors of the Company is concerned or interested in this resolution.

Item No. 6:

Mr. Pritam A. Doshi, son of Mr. Arvind R. Doshi, Chairman & Managing Director of the Company was appointed as the Vice President - Corporate Development of the Company on the pay scale of Rs. 20,000 – 5,000 – 25,000 and on such terms and conditions as approved by shareholders resolution dated 30th September 2000 and as approved by the Central Government under Section 314 (1B) of the Companies Act, 1956.

Mr. Pritam A Doshi through his academic knowledge and varied experience contributed to better management of the Company. Appreciating the efforts put by Mr. Pritam A Doshi and his need for future growth of the Company the Board of Directors, subject to the approval of the shareholders of the Company, have decided to make an upward revision in the remuneration payable to Mr. Pritam A Doshi as per the recommended resolution.

According to Section 314 (1B) of the Companies Act, 1956 read with the Director's Relatives (Office or Place of Profit) Rules, 2003 prior approval of shareholders and Central Government is required if a relative of director is appointed in office or holds place of profit in the Company and if the monthly remuneration to such relative exceed Rs. 50,000 per month. Since the monthly remuneration proposed to be payable to Mr. Pritam A Doshi may exceed Rs. 50,000 per month the prior approval of Central Government will be taken before paying such remuneration to him.

The Board therefore recommends passing of the Resolution as set out in item no.6 of the accompanying Notice. Except, Shri Arvind R. Doshi, Chairman & Managing Director, none of the Directors is concerned or interested in the Resolution except to the extent of their shareholdings, if any.

Item No. 7:

SEBI (Delisting of Securities) Guidelines 2003 issued by Securities Exchange Board of India enables companies to seek voluntary delisting of shares from any stock exchange without providing exit option to shareholders, provided that the shares are continued to be listed on BSE or NSE. As per the provisions of the said Guidelines the Company has also to follow additional conditions specified by the respective stock exchange from where the delisting of shares is sought.

The Company has sought delisting from The Stock Exchange, Ahmedabad (ASE). One of the conditions specified by ASE is of getting the approval of shareholders by passing a special resolution in respect of delisting shares from ASE. Though such an enabling special resolution in this respect was passed in Annual General Meeting held on 6th September 2002, ASE has asked the Company to get the approval of shareholders afresh in view of SEBI (Delisting of Securities) Guidelines, 2003. Hence this special resolution is recommended for approval of shareholders.

None of the other Directors is concerned or interested in the said resolution.

By Order of the Board of Directors

Ajay S. Kadhao
Company Secretary

Registered Office:
Gold Coin, B-Block, 407, Tardeo Road,
Mumbai 400 034.

Dated : 25th June, 2003.

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DIRECTORS' REPORT

To the Members:

Your Directors have pleasure in presenting their Fifty Third Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2003.

1. FINANCIAL RESULTS:

	Current Year ended 31.03.2003 (Rs. In lacs)	Previous Year ended 31.03.2002 (Rs. In lacs)
Total Revenue	9539.20	8870.69
Total Expenses	9450.35	8842.89
Less: Interest	49.47	104.35
Less: Depreciation	45.69	65.57
(Loss)/Profit before Exceptional Items and Tax	(6.31)	(142.12)
Less : Exceptional items	(93.47)	(88.88)
(Loss)/Profit before Tax	(99.78)	(231.00)
Less: Provision for tax		
Deferred Tax Asset	—	26.15
(Loss)/Profit before Tax but before prior years adjustments	(99.78)	(204.85)
Less: Prior years' adjustments		
Taxation for earlier years.	—	6.98
(Loss) / Profit after Taxes	(99.78)	(197.87)

2. OPERATIONS:

- The Sales and other Income for the financial year under review were Rs. 9539.20 lacs as against Rs. 8870.69 lacs of previous financial year registering an increase of 8%.
- Due to aggressive cost control measures the establishment expenses and employee cost are lowered substantially as compared to previous year. As a result of these measures the loss before exceptional items and tax has been reduced to Rs. 6.31 lac as compared to Rs. 142.12 lacs of previous year.
- The business trends in the after-market of the auto component industry continues to be discouraging however, the Board is confident of healthy growth in coming years, in this market by adding other products.
- Significant improvement has been made in systems implementation, cost controls and streamlining of operations.
- Due to current losses the Board does not recommend any Dividend.

3. FIXED DEPOSITS:

The amount of Fixed Deposits accepted from the public during the year under review stands at Rs.105.31 lacs.

At the end of the year, there were 16 matured deposits for Rs. 4.62 lacs, which were not claimed by the depositors, of these, Six deposits for Rs.3.28 lacs have been claimed and paid by the Company as on date of this Report. There were no deposits during the year, which were claimed but not paid by the Company. The unclaimed deposits lying with the company for more than seven years were transferred to Investor Education & Protection Fund as per section 205C of the Companies Act, 1956

4. LISTING:

The Company's shares continued to remain listed on The Stock Exchange, Ahmedabad, The Stock Exchange, Mumbai and National Stock Exchange, Mumbai throughout the year under report. The Company has paid listing fees upto date.

None of the Stock Exchange Authorities had suspended the trading of your Company's shares during the year under report. Pursuant to provisions of SEBI (Delisting of Securities) Guidelines 2003, the Board proposes to delist the shares of company from the Stock Exchange Ahmedabad.

5. DIRECTORS:

The Board reports with profound grief the sudden demise of Shri J.M. Vakil, Chairman-Emeritus on 27th May 2003. Shri J.M. Vakil was Chairman of the Company for more than 25 years. During his tenure, PAE and its shareholders saw continuous growth and development. The Company went public in the year 1992 under his stewardship. He had deep knowledge of the global auto industry in addition to his vast experience in India. The void created by his passing away is difficult to fill. The Board places on record its deep appreciation of the valuable services rendered and contribution made by Late Shri J.M. Vakil toward progress of the Company.

Pursuant to the provisions of section 256 of the Companies Act, 1956 and Article 117 of the Articles of Association of the Company Shri John O. Band, Director is retiring by rotation and being eligible, offers himself for re-appointment.

During the year Shri Vinod L. Doshi and Shri Maitreya V. Doshi, Directors have tendered their resignation from the Board of Directors of the Company. The Board places its note of appreciation of the valuable and matured guidance and support provided to the Company, by Shri Vinod L. Doshi and Shri Maitreya V. Doshi during their tenure as Directors of the Company.

Pursuant to the provisions of Section 260 of the Companies Act, 1956 and Articles 123 of the Articles

PREMIER AUTO ELECTRIC LIMITED

of Association of the Company Shri Jaykumar K. Patil was appointed as an additional director by the Board of Directors at its Meeting held on 25th June 2003 to hold the office of directorship of the Company from the date of his appointment till the date of the ensuing Annual General meeting. Shri Jaykumar K. Patil is eligible for re-appointment as Director of the Company.

6. AUDITORS:

M/s K. S. Aiyar & Co., Chartered Accountants, Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible offered themselves for reappointment. A certificate as required under Section 224 (1B) of the Companies Act, 1956 regarding their eligibility for reappointment has been received from them.

The Board of Directors recommends their reappointment as Statutory Auditors.

7. CHANGE OF NAME OF THE COMPANY:

The Board of Directors at its Meeting held on 17th April 2003, subject to approval of shareholders and Central Government, has approved the proposal of change of name of the Company from 'Premier Auto Electric Ltd' to 'PAE Limited'. The Board is of view that the present name of the Company does not truly reflect the business of the Company. The shortening of name to PAE Ltd. will enable company to broaden its vision and activities in more related areas.

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

Since the Company does not own any manufacturing facility the other particulars relating to Conservation of energy and technology absorption stipulated in the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 are not applicable.

The Company has not earned any foreign exchange and has used foreign exchange of Rs 97.56 lacs.

9. CORPORATE GOVERNANCE:

The Report on Corporate Governance alongwith the Auditors' Certificate regarding compliance of the conditions of Corporate Governance as also the Management Discussion and Analysis Report pursuant to clause 49 of the Listing agreement are annexed hereto.

10. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to the

Directors' Responsibility Statement, it is hereby confirmed:

- (i) that in the preparation of the annual accounts for the financial year ended 31st March, 2003, the applicable accounting standards had been followed along with the proper explanation relating to material departures; if any
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review:
- (iii) that the directors had taken proper and sufficient care 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;
- (iv) that the directors had prepared the accounts for the financial year ended 31st March, 2003 on a 'going concern' basis.

11. PARTICULARS OF EMPLOYEES:

There were no employees during the year drawing remuneration in excess of limit specified under section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended.

12. PERSONNEL:

Your Directors are happy to inform that employee relations continue to be cordial throughout the year.

13. ACKNOWLEDGEMENTS:

The Directors wish to place on record their appreciation for the continued support received from the Shareholders, Consortium of Bankers, Customers, Dealers, Suppliers, Principals and for the valuable contributions made by the Employees at all levels

For and on behalf of the Board of Directors

Arvind R. Doshi
Chairman & Managing Director

Registered Office:
"B" Block, Gold Coin
407, Tardeo Road
Mumbai 400 034.

Dated: 25th June 2003