



PRAJ INDUSTRIES LIMITED

16th Annual Report
2001-2002

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PRAJ INDUSTRIES LIMITED

Registered Office : " PRAJ HOUSE",
Bavdhan, Pune 411 021. (INDIA)

NOTICE

Notice is hereby given that Sixteenth Annual General Meeting of PRAJ INDUSTRIES LIMITED will be held on Tuesday 24th September, 2002 at 10.30 a.m. at the registered office at "PRAJ HOUSE", Mumbai-Bangalore Highway, Bavdhan, Pune 411 021 to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2002 and Profit & Loss Account for the year ended on that date together with Auditor's Report and Directors' Report thereon.
2. To appoint a Director in place of Shri V. A. Datar, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditor's 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 modifications, the following resolution as a Special Resolution :

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions if any, of the Companies Act, 1956 (hereinafter referred to as 'The Act') and provisions contained in the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the re-appointment of Shri Shashank Inamdar as Joint Managing Director of the Company for a further period of three years with effect from 1st August, 2002 on the remuneration as set out in the draft agreement tabled before the meeting and initialled by the Chairman for the purpose of identification.

RESOLVED FURTHER THAT in the event of any statutory amendment, modification, substitution or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorised to vary or increase the remuneration, including salary, commission, perquisites, allowances, etc. within such prescribed limit or ceiling to give effect to such modification, relaxation or variation without any further reference to the Company in General Meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary, to give effect to the Resolution."

5. To pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri Diwakar Nimkar who was appointed as an Additional Director at the meeting of the Board of Directors held on 23rd April, 2002, and whose term expires on the commencement of this Annual General Meeting of the Company and for the appointment of whom the Company has received a notice under Section 257 of the Act from a member proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company whose period of office will be liable to determination by retirement by rotation."

By Order of the Board of Directors

DEEPAK MOGAL
COMPANY SECRETARY

Mumbai, 30th July, 2002

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. A PROXY NEED NOT BE A MEMBER.**
- (b) The proxy form duly completed in must reach the registered office of the Company not later than 48 hours of the time for holding of the Annual General Meeting.
- (c) The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of item (4) & (5) of the special business is annexed herewith.
- (d) Members are requested to notify immediately any change of their address to their Depository Participants (DPs) in respect of their electronic share accounts and to the Company at its registered office in respect of their physical share folios, if any, to avoid procedural delays.
- (e) Members attending the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting hall.

- (f) Members are requested to notify their queries on Accounts etc. atleast 48 hours before the time appointed for the meeting to facilitate the replies thereto.
- (g) Members are requested to note that the REGISTER OF MEMBERS AND THE SHARE TRANSFER BOOK OF THE COMPANY shall remain closed from 16th September, 2002 to 24th September, 2002 (both days inclusive).
- (h) The unclaimed dividend upto the Company's Financial Year 1993-1994 have been transferred to General Revenue Account of the Central Government. Shareholders who have not encashed their dividend warrants for the said year are requested to claim the amount from the Registrar of Companies, Pune, PMT Commercial Building, 3rd floor, Deccan Gymkhana, Pune 411 004.

Pursuant to sections 205A to 205C of the Companies Act, 1956, any money transferred to Unpaid Dividend Account which remains unpaid or unclaimed for a period of 7 years from the date of such transfer shall be transferred by the Company to a fund called Investor Education and Protection Fund, set up by the Central Government. Accordingly, the unclaimed or unpaid dividend for the years 1994-1995 will become transferable on 4th November, 2002 & the unpaid dividend for the years 1995-96 to 1997-98 will become transferable at the end of the seven years respectively, to the said Fund and no claims shall lie against the Fund or the Company in respect individual amounts thereafter. Shareholders are therefore requested to check up and send their claims, if any for the relevant years from 1994-95 to 1997-98 before the respective amounts become due for transfer to above Fund.

ANNEXURE TO THE NOTICE

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

ITEM NO. 4

STATEMENT PURSUANT TO PROVISIO IV SUB-CLAUSE B OF CLAUSE 1 TO THE SCHEDULE XIII TO THE COMPANIES ACT, 1956

The Company had entered into an agreement dated 11th October, 1997, with Shri Shashank Inamdar re-appointing him as Joint Managing Director of the Company for a term of five years w.e.f. 1st August, 1997. The agreement expires on 31st July, 2002. It is proposed to re-appoint Shri Shashank Inamdar as Joint Managing Director for a further period of three years w.e.f. 1st August, 2002, subject to the approval of shareholders. Further, it is also proposed to revise the remuneration payable to him. The matter of payment of remuneration was referred to the Remuneration Committee constituted as per Schedule XIII to the Companies Act, 1956 (hereinafter referred to as Schedule XIII). The Remuneration Committee has after taking into account financial position of the Company, trend in the industry, appointee's qualifications, experience, past performance over 17 years in Praj Industries Ltd. and remuneration already drawn by him and also taking into account interest of the Company and shareholders, approved the remuneration package payable to him w.e.f. 1st August, 2002, which shall be paid subject to the approval of shareholders by a Special Resolution. The revised remuneration as approved by the Remuneration Committee is within the limits prescribed under Clause 1(B) of Part II of Section II of Schedule XIII.

The information relevant for considering the resolution is as under :

Praj Industries Limited is a Manufacturer and Supplier of Distillery, Brewery and Heat Exchanger equipments for last seventeen years. The Company has been exporting the critical equipments and technology to various countries like Sri Lanka, Nepal, Philippines, Indonesia, Thailand, Australia, West Indies etc. The Company has a track record as net foreign exchange earner for last couple of years. The Company's performance is steadily improving for last few years. It has been achieving a turn over level of around Rs. 50 crores for last few years. Its share of face value of Rs. 10 is being quoted in bourses at around Rs. 45 per share. The Company has foreign collaboration with Delta T of USA for Molecular Sieve Dehydration Technology, HRS Heat Exchangers Ltd. of UK for Corrugated Tube Heat Exchangers. The Company has number of patents to its credit and has functioning R&D Center recognised by DSIR. Shri Shashank Inamdar is a B.Tech Chemical Engineer from IIT, Mumbai. He has been working with Praj Industries Limited for last seventeen years. He has over 20 years post qualification experience and is widely travelled person. He has number of papers in his credit at various symposiums and seminars. The remuneration payable to Shri Shashank Inamdar, Joint Managing Director will be as under :-

SALARY

Salary not exceeding Rs. 1,00,000/- per month. The starting salary shall be Rs. 66,000/- per month .

PERQUISITES AND ALLOWANCES

- i. In addition to the salary payable, the Joint Managing Director shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance, together with reimbursement of expenses or allowances for utilities such as gas,

- electricity, water, furnishings and repairs; medical reimbursement; leave travel concession for himself and his family; club fees, medical insurance and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Shri Shashank Inamdar; such perquisites and allowances to be restricted to 95% of the annual salary.
- ii. For the purpose of calculating the above ceiling, the perquisites and allowances shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such Rules, they shall be evaluated at actual cost.
- Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.
- iii. Company's contribution to Provident Fund and Superannuation or Annuity Fund, to the extent these either singly or together are not taxable under the Income Tax Act. Gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure, shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

PERFORMANCE BONUS

In addition to salary, the Performance Bonus will be paid to him depending upon the performance of Company and his individual performance. The quantum of performance bonus will be recommended by the Chairman & Managing Director and approved by the Remuneration Committee of the Company and shareholders so that total payments will not exceed the limits prescribed under Clause 1(B) of Part II of Section II of Schedule XIII to the Companies Act, 1956.

OTHER BENEFITS

Benefits under any other scheme, provisions and amenities as are granted/likely to be granted to the Senior Executives of the Company in accordance with the Company's Practice, Rules & Regulations in force from time to time.

Apart from the remuneration aforesaid Shri Shashank Inamdar shall be entitled to the reimbursement of expenses incurred in connection with the business of the Company.

The terms and conditions of the said re-appointment and/or Agreement may be varied/enhanced from time to time by the Remuneration Committee as it may in its discretion may deem fit within the maximum amounts payable to Joint Managing Director as per Schedule XIII to the Companies Act, 1956, or any amendments made hereafter in this regard.

The Company has been reporting healthy operating profits. The inadequacy of profits is mainly arising on account of substantial write-off of receivables by the Company during the just concluded financial year. The Company is confident of achieving reasonably good profits to justify the remuneration proposed to be paid to Shri Shashank Inamdar.

In the event of any statutory amendment, modification, substitution or relaxation by the Central Government to the Companies Act, 1956, the Board of Directors be and is hereby authorised to vary or increase the remuneration, including salary, perquisites, allowances, etc. within such prescribed limit or ceiling to give effect to such modification, relaxation or variation without any further reference to the Company in General Meeting.

TERMINATION OF THE AGREEMENT

The Agreement with Shri Shashank Inamdar may be terminated by either party giving the other party six months' notice or the Company paying six months' remuneration in lieu of the notice.

1. The Draft Agreement between the Company and Shri Shashank Inamdar is available for inspection by the members of the Company at its Registered Office between 11.00 a.m. and 1.00 p.m. on any working day of the Company.
2. This may be treated as an abstract of the Draft Agreement between the Company and Shri Shashank Inamdar, pursuant to Section 302 of the Companies Act, 1956.
3. None of the Directors other than Shri Shashank Inamdar, is in any way concerned or interested in the said resolution.

ITEM NO. 5

Shri Diwakar Nimkar is Civil Engineer and is an expert in project management and execution. He was appointed as an Additional Director of the Company with effect from 23rd April, 2002. As per the provisions of Section 260 of the Companies Act, 1956, he holds office upto the date of the ensuing Annual General Meeting. The Company has received a notice from a member under Section 257 of the Act, signifying his intention to propose the appointment of Shri Diwakar Nimkar as a Director of the Company. The Company has also received the deposit of Rs.500/- as required under the Act.

The Board of Directors recommends his appointment as Director.

None of the Directors other than Shri Diwakar Nimkar, is in any way concerned or interested in the said resolution.

PRAJ INDUSTRIES LIMITED
Registered Office : "PRAJ HOUSE",
Bavdhan, Pune 411 021

SIXTEENTH ANNUAL GENERAL MEETING - Tuesday, 24th September, 2002

ADMISSION SLIP

(To be handed over at the entrance of the Meeting Hall)

Folio No. _____

I certify that I am a Member/Proxy for the Member of the Company and hold _____ Shares. I hereby record my presence at the SIXTEENTH ANNUAL GENERAL MEETING being held on Tuesday, 24th September, 2002, at 10.30 a.m. at "PRAJ HOUSE", Bavdhan, Pune 411 021

Name of Member/Proxy (in block letters)

Member's/Proxy's Signature

Notes:

1. A member/proxy wishing to attend the Meeting must complete this Attendance Slip and hand it over at the entrance.
2. Joint members may obtain attendance slips at the entrance.
3. If you intend to appoint a proxy, please complete form below and deposit it at the Company's Registered Office atleast 48 hours before the meeting.

Tear Here

PRAJ INDUSTRIES LIMITED
Registered Office : "PRAJ HOUSE",
Bavdhan, Pune 411 021

PROXY FORM

SIXTEENTH ANNUAL GENERAL MEETING - Tuesday, 24th September, 2002.

Folio No. _____

I/We _____ of _____ in the state of _____ being
a member/members of Praj Industries Limited, hereby
appoint _____ of _____ or failing him/her
of _____ as my/our proxy to attend and vote for me/us on my/our behalf, at the SIXTEENTH
ANNUAL GENERAL MEETING of the Company to be held on Tuesday, 24th September, 2002 at 10.30 a.m. at
"PRAJ HOUSE", Bavdhan, Pune 411 021 and at any adjournment thereof.

Place : _____

Date : _____

Affix
Re.1
Revenue
Stamp

Signature

This proxy form duly completed must reach the Company's Registered Office atleast 48 hours before the Meeting.



PRAJ INDUSTRIES LIMITED

BOARD OF DIRECTORS	:	Pramod Chaudhari Chairman & Managing Director Shashank Inamdar Joint Managing Director Venkatachala Datar Berjis Desai Khushrooh Byramjee Diwakar Nimkar
COMPANY SECRETARY	:	Deepak Mogal
AUDITORS	:	B.K.Khare & Co. Chartered Accountants, 706/708, Sharda Chambers, New Marine Lines, Mumbai - 400 020
INTERNAL AUDITORS	:	G.D. Apte & Co. Chartered Accountants, Dream Presidency, 1202/17E, Shivajinagar, Off Apte Road Pune - 411 004
BANKERS	:	Bank of Maharashtra Bank of India The Vysya Bank Canara Bank
REGISTERED OFFICE	:	"PRAJ HOUSE", Bavdhan, Pune 411 021. INDIA
R & D CENTRE	:	Matrix - The Innovation Center "PRAJ HOUSE", Bavdhan, Pune 411 021. INDIA
MANUFACTURING FACILITY	:	S.No.748, Sanaswadi, Pune 412 207

DIRECTORS' REPORT

To The Members of Praj Industries Limited,

Your Directors are pleased to present the 16th Annual Report and the Audited Statements of Accounts for the year ended 31st March, 2002, together with the notice of Annual General Meeting.

1. OPERATING PERFORMANCE

In the year under review, your Company has recorded a total income of Rs. 591.277 million (previous year Rs. 429.780 million). This represents a 38% increase over the previous financial year. This has been mainly on account of focused efforts on the chosen line of businesses. Your Company has maintained the level of EBIDT (FY 01-02 Rs. 41.560 millions as against FY 00-01 Rs. 42.445 millions) even after write off of slow and non moving receivables to the tune of Rs. 32.551 millions during the year under review.

2. OPERATIONS

2.1 Business Scenario

Technology and Engineering of Ethanol Plants is a significant business for your Company. The introduction of Fuel Ethanol Programme in many countries across the globe, including India, Thailand, Australia, and many other regions, has enhanced business opportunities for this technology.

Governments in various countries are evaluating fuel ethanol policies and it would be some time before the programme takes off in right earnest.

Meanwhile, your Company is technologically geared up to address the requirements of the fuel ethanol market. Your Company has forged a technical collaboration with Delta T Corporation, USA, pioneers of the advanced Molecular Sieve Dehydration System (MSDH) technology for fuel ethanol production.

In fact, In India your Company has taken a lead and has installed South East/South Asia's first MSDH fuel ethanol plant.

The geographical reach of your Company has also increased and your Company is being considered as preferred technology partners for projects in the developed continents like Australia and Europe. The recent breakthrough in Australia for an integrated fuel ethanol plant bears out this fact. Your Company continues to seek opportunities to increase its share of business in India as well as in the international markets. Your Company has also been awarded contracts in Africa and in South, Central America and the Caribbeans. The fact that most orders have been bagged amidst stiff international competition is a testimony to the competitiveness of your Company's technologies and its brand equity.

In Brewery Plant & Equipment too, your Company is considered a lead supplier of engineering and plant by global beer Companies. Recently, your Company has completed a turnkey brewery and several projects for design and engineering of equipment and systems for breweries in India and abroad.

Other products including corrugated tube heat exchangers continue to turn in improved performance.

Your Company has also received orders for engineering and manufacture of equipment under the accreditation of ASME U & H stamp.

2.2 Business Orientation

Value addition has been adopted as a benchmark of performance and your Company's strategies are being driven by high-end value-added technologies and services. Value engineering, lower project cycle time, better customer relationship management and many other programmes are under implementation so that value for your Company and its Customer's is realized equitably.

2.3 Process Improvement

Your Company has launched an ISO 9001 Standard 2000 certification programme which is aimed at improving the business processes of your Company for greater customer satisfaction. Your Company aims to acquire formal certification at the earliest.

3. RESEARCH, DEVELOPMENT AND INNOVATION

Your Company has always considered innovative technologies as the main source of its competitiveness. In order to support further innovation and developments, your Company has invested in expanding its Research facilities. Called **Matrix - the innovation center**, its activities will be guided by market oriented developments. Matrix has a three pronged agenda on the basis of time frame: The first agenda will support present businesses, the second covers medium term initiatives and the third will focus upon the long term.

4. HUMAN RESOURCES

Your Company operations are technology oriented and hence knowledge intensive and human resources play a vital role in your Company's success. Recognizing this, your Company has initiated many HR agendas which will bring out the best in its people.

Your Company continues to attract the best engineering and other professional talent in the industry.

Further, your Company has created a work environment which encourages innovation and meritocracy. Your Company has put in place a performance based remuneration package which will recognize excellence.

5. CORPORATE BUSINESS

5.1 Listing Fees :

The Company's shares are listed on National Stock Exchange of India Ltd., The Stock Exchange Mumbai, The Pune Stock Exchange Ltd. and The Stock Exchange, Ahmedabad. The Annual Listing Fees for 2002-2003 has been paid to all the Stock Exchanges.

5.2 Registrar & Transfer Agents (For Electronic Mode Only) :

Intime Spectrum Registry Pvt. Ltd., 260, Shanti Industrial Estate, Sarojini Naidu Road, Mulund (W), Mumbai 400 080 are the Company's Registrar & Transfer Agents (for electronic mode of shareholding only). The Company has in-house share transfer department for physical mode of share transfer.

5.3 Electronic Shareholding & Trading :

As on 30th June, 2002, 96.59% of the Company's equity was in electronic mode. SEBI has directed the trading of the Company's script in electronic mode only w.e.f. 15th March, 2000.

5.4 Subsidiary Company :

During the year your Company has acquired shares of Pacecon Engineering Projects Limited (PEPL) and Praj Far East Pte Ltd. (PFE) as a result of which both PEPL and PFE have become subsidiaries of your Company.

As required under Section 212 of the Companies Act, 1956, the accounts for the year ended 31st March, 2002, of the subsidiary companies are attached herewith together with statement under that section.

Pursuant to Accounting Standard No. 21 the consolidated results of your Company after incorporating the results of its subsidiaries viz. PEPL & PFE are enclosed.

5.5 Buy-back of Shares :

Your Company had passed a resolution in Extra - Ordinary General Meeting held on 28th September, 2001, for buy-back of shares of your Company. However, keeping the overall market conditions in view, your Company has decided to defer the buy-back of shares.

6. PARTICULARS OF EMPLOYEES

There are no employees covered under Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended from time to time.

7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ADAPTATION , INNOVATION :

7.1 Conservation of Energy :

The operations of your Company are not energy intensive as the operations are limited to machining, metal working and finishing of a variety of equipment.

7.2 Technology Absorption, Adaptation, Innovation :

During the year under review, your Company entered into a technical collaboration with Delta T Corporation, USA for MSDH based fuel ethanol technology. The technology has been absorbed and engineering packages have been developed, with two plants already completed based on this technology.

8. FOREIGN EXCHANGE EARNINGS & OUTGO

Particulars regarding the foreign exchange earnings are presented in Schedule 19 (Item 20) and outgo are presented in Schedule 19 (Item 18 & 19) of the Audited Accounts. Your Company has retained its status as a net forex earner.

9. DIRECTORS

Shri V. A. Datar retires by rotation in terms of Articles 82 of the Articles of Association of the Company and being eligible offers himself for re-appointment.

The term of office of Shri Diwakar Nimkar, appointed as Additional Director on 23rd April, 2002, will expire at the commencement of the ensuing Annual General Meeting. Your Company has received a notice from a member in terms of Section 257 of the Companies Act, 1956, proposing the candidature of Shri Diwakar Nimkar as Director, together with a Deposit of Rs. 500/-. The resolution for his appointment is set at item No. 5 of the notice of Annual General Meeting for your approval.

10. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the requirements of Section 217(2AA) of the Companies Act, 1956, the Board of Directors confirm that :

In the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;

The accounting policies which have been selected and applied consistently and judgements and estimates made 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 2002 and of the profit of the Company for that period;

Proper and sufficient care has been taken 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 fraud and other regularities;

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

11. AUDITORS**11.1 Internal Auditors**

The Internal Auditors, M/s G. D. Apte & Co., Chartered Accountants, Pune have conducted the audit periodically and submitted reports which have been considered while finalising the accounts of the Company by statutory auditors and audit committee.

11.2 Statutory Auditors

The Auditors, M/s B. K. Khare & Co., Chartered Accountants, 706/708, Sharda Chambers, New Marine Lines, Mumbai 400 020 retire at the conclusion of the 16th Annual General Meeting. They are eligible for re-appointment and have expressed their willingness to continue as Auditors, if re-appointed.

12. ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation of the support which the Company has received from Government Agencies, Financial Institutions, Bankers, Suppliers, Collaborators, Stakeholders and most importantly, its employees.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 30th July, 2002

PRAMOD CHAUDHARI
CHAIRMAN & MANAGING DIRECTOR

AUDITORS' REPORT

To
The Members of
Praj Industries Limited

1. We have audited the attached Balance Sheet of **PRAJ INDUSTRIES LIMITED** as at 31st March, 2002 and also the Profit and Loss Account 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 an opinion on these financial statements based on our audit.
2. We 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 test check 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, 1988, issued by the Company Law Board, in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a Statement on the matters specified in para 4 and 5 of the said Order on the basis of such checks of the books and records as were considered appropriate, and according to the information and explanations given to us in the course of the audit.
4. Further to our comments in the Annexure referred to in paragraph above, we report that:
 - (1) 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.
 - (2) 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 the books.
 - (3) The Balance Sheet and Profit and Loss Account dealt with by the Report are in agreement with the books of account.
 - (4) In our opinion the Balance Sheet and Profit and Loss Account dealt with by the report comply in all material respects with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
 - (5) On the basis of the written representations received from the Directors as on 31st March, 2002, and taken on record by the Board of Directors we report that none of the Director is disqualified as on 31st March, 2002, from being appointed as a Director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.
 - (6) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India:
 - (i) in the case of Balance Sheet, of the state of the Company's affairs as at 31st March, 2002 and
 - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date.

For B.K. KHARE & COMPANY
Chartered Accountants

U.B. JOSHI
Partner

Place : Mumbai

Date : 30th July, 2002

