

THINK POSITIVE, REST WILL FOLLOW *Sabel*

NINTH ANNUAL REPORT 2002-2003

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PRRANETA INDUSTRIES LIMITED

REGD. OFFICE : S-574/577, 5th FLOOR, BELGIUM SQUARE,
RING ROAD, SURAT - 395 002.

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REGD. OFFICE : S-574/577, 5th FLOOR, BELGIUM SQUARE, RING ROAD, SURAT - 395 002.

BOARD OF DIRECTORS

SHRI O. P. KHANDELWAL	(CHAIRMAN & MANAGING DIRECTOR)
SHRI ABHAY KUMAR LODHA	DIRECTOR
SMT. SUMAN MOHTA	"
SMT. RAJSHREE KHANDELWAL	"
SHRI R. S. SHARMA	"
SHRI GOVIND PRASAD SHARMA	"

REGISTERED OFFICE AND SHARE TRANSFER DEPARTMENT

S-574/577, 5th FLOOR, BELGIUM SQUARE, ,
RING ROAD, SURAT - 395 002.

AUDITORS

RAJENDRA SHARMA & ASSOCIATES
CHARTERED ACCOUNTANTS
3032, JASH TEXTILE AND YARN MARKET,
RING ROAD, SURAT - 395 002.

BANKERS

THE KARUR VYSYA BANK LTD.
(MUMBAI & SURAT)
THE INDUSIND BANK LTD. (SURAT)

COMPLIANCE OFFICER

SHRI O.P. KHANDELWAL
MANAGING DIRECTOR,
S-574/577, 5th FLOOR, BELGIUM SQUARE,
RING ROAD, SURAT - 395 002.

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PRRANETA INDUSTRIES LIMITED

REGD. OFF. : S 574/577 BELGIUM SQUARE, RING ROAD, SURAT - 395 002.

NOTICE :

Notice is hereby given that Ninth Annual General Meeting of members of Prraneta Industries Limited shall be held on Tuesday 30th September 2003 at 4.00 p.m. at Registered office of the Company at S-574-77, 5th Floor, Belgium Square, Ring Road, SURAT to be transact following business.

ORDINARY BUSINESS :

1. To review, consider and adopt Balance sheet as at 31st March 2003 and Profit and Loss Account for the year ended on that date and Report of Directors and Auditors thereon.
2. To appoint director in place of Smt Rajshree Khandalwal who retires by rotation and being eligible offers herself for reappointment.
3. To appoint director in place of Shri Abhaykumar Lodha who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors to hold office from conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

5. To Consider and if thought fit to pass with or without modification (s) the following resolution as ordinary resolution.
Resolved that Shri Govind Prasad Sharma be and is hereby appointed a Director of the company liable to retire by rotation.

By Order of the Board of Directors

Place : SURAT
Date : 06.08.2003

O.P. Khandelwal
Chairman & Managing Director

NOTES :

1. A Member entitled to vote at the meeting is entitled to appoint a proxy to attend and on poll to vote instead of himself. A proxy in order to be effective should be deposited at Registered office of the company not less than 48 hours before the time fixed for the meeting
2. The members desirous of any information on accounts are requested to intimate the company details required 10 days in advance so that same can be made readily available at time of meeting
3. The Share transfer books and register of members shall remain closed from 16.09.2003 to 30.09.2003 both days inclusive.
4. Explanatory Statement pursuant to section 173(2) in respect of Special Business is enclosed herewith.

Explanatory statement pursuant to section 173(2) in respect of Special Business of the Companies Act 1956 setting out material facts relating to business mentioned in accompanying notice dated 06.08.2003.

ITEM NO. 3

Shri Govind Prasad Sharma Joined the Board with effect from 06.08.2003 as additional director by virtue of section 260 of the Companies Act 1956, read with provisions of Articles of Association of the company. The Company is required to broden the Strengon of Board of Directors to meet the stipulations of corporate governance. Shri Govind Prasad Sharma has business experience and shall be helpfull to the company in its diversification plans.

None of the Directors except shri Govind Prasad Sharma is Interested in the resolution. The directors recommand resolution for approval by members

By Order of the Board of Directors

Place : SURAT
Date : 06.08.2003

O.P. Khandelwal
Chairman & Managing Director



DIRECTORS REPORT

To,
Members
Praneta Industries Limited

Your directors have pleasure in presenting Ninth Annual Report and Audited statement of Accounts for the year ending 31st March 2003.

Financial Results :

(Rs. in '000)

Particulars	For the Year 31.03.2003	For the Year 31.03.2002
Sales/Business income	29550.70	4877.46
Operating Income	652.58	662.95
Other Income	20.51	55.91
TOTAL INCOME	30223.79	5596.32
Profit before depreciation & tax	348.50	247.81
Less : Depreciation	221.02	204.87
Provision for tax	10.00	3.30
Profit after Depreciation & Tax	117.48	39.64

Operations :

The total income of the company has increased from Rs. 55.96 lacs to Rs. 302.33 lacs however profits before tax has increased from Rs. 0.43 lacs to Rs. 1.27 lacs. The Company has concentrated on art silk business and the sales have increased for Rs. 47.00 lacs to Rs. 295.50 lacs. As announced in the last year report the company has ventured in the Biotech Business and the expenses in the field is Rs. 1.11 lacs. The company shall concentrate in cotton and sugarcane crop research.

Dividend :

In view of inadequacy of profits the directors do not recommend any dividend for the year under review.

Directors :

The retiring directors are eligible for reappointment and Board of Directors recommend reappointment of retiring directors. Shri Govind Prasad Sharma has been appointed as additional director of the company and directors recommend his approval at the Annual general Meeting.

The details of directors seeking appointment/reappointment is as under.

Mrs. Rajshree Khandelwal aged about 34 years is a science graduate and has developed expertise in general administration. She is instrumental in framing policies relating to human resource development.

Mr. Abhay Kumar Lodha is a Chartered Accountant. He is about 55 years and is advising the company on accounts and taxation matters.

Shri Govind Prasad Sharma is graduate and is about 42 years. He is in charge of bio-tech division of the company.

Auditors :

The retiring auditors M/s Rajendra Sharma and Associates. Chartered Accountants retire at ensuing Annual General Meeting and being eligible offer themselves for reappointment. The directors recommend reappointment of Auditors for the year 2003-2004. Company has received certificate from auditors to the effect that their appointment if made will be within of section 224(A) of Companies Act 1956

Deposits :

The Company has not accepted any fixed deposits as per section 58A of the companies Act 1956.

Listing :

The Shares of the company are listed at vadodra, Mumbai and Ahmedabad Stock Exchanges and are freely traded. The shares have been dematerialised and the members can avail the benefit of demate Trading in shares of the company.

Directors responsibility statement :

Pursuant to Section 217(2AA) of the Companies (Amendment) Act 2000 your directors confirm that

- (a) in preparation of the accounts the applicable accounting standards have been followed.
- (b) appropriate accounting policies have been selected and applied consistently directors have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the affairs of the period ended 31st March 2003
- (c) Proper and sufficient care has been taken 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 the fraud and other irregularities.
- (d) The accounts have been prepared on a going concern basis.

Personnel

Relations between Employees and Management remained cordial during the year.

No employees is in receipt of remuneration in excess of limits prescribed in accordance with section 217 (2A) of the Companies Act 1956 readwith Companies (Particulars of Employees) Rules 1975 and details thereunder should be treated as nil.

Conversion of energy, technology absorption & foreign exchange earning & Out go :

The Company is not having any manufacturing activity. The company has no activity in relation to conservation of energy or technology absorption. The Company has no foreign earning or out go.

Corporate Governance :

Report on Corporate governance as per revised listing agreement along is enclosed.

Appreciation :

Your directors place on record sincere gratitude to share holders, banker, business associates, government agencies for co-operation. Directors are also happy to place on record appreciation for co-operation & support of staff members.

Place : SURAT

Date : 06.08.2003

For and on behalf of Board of Directors

Sd/-

Chairman

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy :

The company has always been committed to the principal of good corporate governance which interalia transparency, integrity and accountability of management. The company is also aware of its responsibilities towards shareholders and to protect their rights and to enhance value of their investments. The Company has system of disclosing detailed information on working of the company from time to time.

Board of Directors :

The Board of Directors Comprises of Chairman and Managing Director and four other directors. During the year four Board meetings were held on 30th April 2002, 26th July, 31st October 2002 and 31st January 2003 respectively. All directors except Shri Abhay kumar Lodha attended all board meetings. Leave of absence was granted to Mr. Abhay Kumar Lodha. The directors are not directors of any other public limited companies. All directors attended last Annual meeting. Rs.4800 fees is being paid to directors for attending Board Meetings of Committee meetings. The total remuneration paid to directors was Rs. 1,20,000/-

Audit Committee :

The Audit Committee constituted by company consists of Shri Abhaykumar Lodha as chairman and shri sumat Mota and shri Radhashyam Sharma as members. The four meetings of audit committee were held during the year. The audit committee meetings were attended by all members. The role of Committee are as laid down in relevant clause of listing agreement and section 292(A) of the Companies Act 1956.

Shareholders and Investors grievence Committee :

The Shareholders and investors grievence committee is headed by smt. Rajshree Khandelwal. the terms of reference of committee are

1. review of reports submitted by Share Transfer Agents.
2. Periodic interaction with share Transfer Agents to ensure that the work is carried within time limits.
3. Supervision for share transfer department for physical transfer.

Remuneration Committee :

Remuneration Committee has been constituted in current financial year. No review of remuneration was done during the year ended 31.03.2003. The Committee comprises of two independent directors Shri A. K. Lodha and Shri Radhayshyam Sharma. During the year remuneration of Rs. 1,20,000.00 was paid to Shri O.P. Khandelwal Chariman and Managing Director.

The terms of references of remuneration committee is to review remuneration payable to directors. The company's policy is to remunerate directors in line with remuneration package in industry in similar size of company.

General Body Meetings :

The details of General Body meetings for last three years is as under.

Year 2002 Date 30.09.2002 Place registered Office

Year 2001 Date 29.09.2001 Place registered Office

Year 2000 Date 29.09.2000 Place registered Office

No resolution requiring postal ballot was proposed at above Annual General Meetings.

Disclosures :

There are no materially significant related party transactions that would have potential conflict with company at large.

No penalties have been imposed no company by stock exchange or Securities and Exchange Board of India or any statutory authority on any matter relating to capital markets during the period under review.

Means of Communication :

Quarterly results are sent to Stock Exchanges and also Published in Vernacular and English News papers. The quarterly results are not sent to each shareholders. The annual accounts are sent to each share holders. The Company has not made any official press release.

General Shareholders Information :

Annual General Meeting : 30.09.2003 at 4.00 p.m. at registered office of company.

Book Closure 16.09.2003 to 30.09.2003

Listing Mumbai, Vadodra and Ahmedabad Stock Exchange

Stock Code

ISIN No. INE063D01014

Dematerialisation of Shares :

As on 31st March 3165838 Share have been dematerialised on NSDL and 633662 Shares have been dematerialised on CDSL. 46.6% Shares in aggregate have been dematerialised.

Registered Office : S 574/577 Belgium Square, Ring Road, Suart - 395 002.

The Company do not have any plants.

Address of Communication : S 574/577 Belgium Square, Ring Road, Suart - 395 002.

Place : Surat

Date : 06.08.2003

For and on behalf of Board of Directors

**Sd/-
Chairman**