

RAJDARSHAN INDUSTRIES LIMITED



CERTIFIED TRUE COPY

For Rajdarshan Industries Limited

[Signature]
Director

**TWENTIETH
ANNUAL REPORT
2000 - 2001**



RAJDARSHAN INDUSTRIES LIMITED

BOARD OF DIRECTORS

Mr A B ARADHYE

Mr ASHOK DOSHI

Mr DEVENDRA SHARMA

Mr AJAY DOSHI

Dr M L TIWARI

BANKERS

Punjab National Bank
Udaipur Urban Co-operative Bank

AUDITORS

Yogesh & Associates
Chartered Accountants
Udaipur 313 001

SHARE TRANSFER AGENTS AND DEPOSITORY REGISTRY

Ankit Consultancy (P) Ltd.
2nd Floor, Alankar Point
Gita Bhawan Chouraha
A.B. Road
Indore (M.P.) 452 001
Ph. : 0731-491 298

REGISTERED OFFICE

59, Moti Magri Scheme
Udaipur (Raj.) 313 001

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RAJDARSHAN INDUSTRIES LIMITED**Notice to the Shareholders'**

NOTICE is hereby given that the Twentieth Annual General Meeting of the Company will be held at the Registered Office of the Company, 59, Moti Magri Scheme, Udaipur 313 001, Rajasthan on Wednesday the 05th day of September 2001, at 4:15 P.M. to transact the following business:

ORDINARY BUSINESS

- 1 To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution:

RESOLVED THAT the audited balance sheet as at 31st March 2001 and the profit and loss account of the Company for the year ended on that date, together with the directors' report and the auditors' report thereon as presented to the meeting be and the same are hereby approved and adopted.

- 2 To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution:

RESOLVED THAT Dr M L Tiwari, director who retires by rotation and being eligible for re-appointment be and is hereby re-appointed as a director of the Company.

- 3 To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution:

RESOLVED THAT Mr Ajay Doshi, director who retires by rotation and being eligible for re-appointment be and is hereby re-appointed as a director of the Company.

- 4 To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution:

RESOLVED THAT the retiring auditors Messrs Yogesh & Associates, Chartered Accountants, Udaipur be and are hereby re-appointed as auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next annual general meeting of the

Company on such remuneration as may be fixed in this behalf by the board of directors of the Company.

SPECIAL BUSINESS

- 5 To consider and if thought fit to pass with or without modification the following resolution as a special resolution:

RESOLVED THAT in terms of the SEBI guidelines on voluntary de-listing of securities from the Stock Exchanges and subject to such other relevant laws, rules, regulations, guidelines, compliance, conditions, and modifications and subject to such other approval and confirmation as may be required from the concerned stock exchanges, the consent of the members of the Company be and are hereby accorded for the voluntary de-listing of Equity Shares of the Company from all the Stock Exchanges in which the Company's Equity Shares are listed except the Regional Stock Exchange to the Company (Jaipur Stock Exchange Limited, Jaipur, Rajasthan).

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to apply to all such Stock Exchanges and to seek voluntary de-listing of equity shares of the Company and to take all necessary steps in this regard as it may in their absolute discretion deem necessary and to settle any question, difficulties, doubts that may arise in regard to de-listing of the equity shares, and to execute all such deeds, documents, writings as may be necessary or expedient and for this purpose to delegate the authority to any one or more of the directors of the Company or any person whom the Board of Directors may consider suitable to do various acts, deeds and things required to be done in this behalf.

By Order of the Board

Udaipur
28th July 2001

Devendra Sharma
Director



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 the proxy or proxies so appointed need not be a member or members as the case may be of the Company. The instrument appointing the proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company not later than 48 hours before the time fixed for holding the meeting.
- 2 The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business under item no. 5 as set out above is annexed hereto.
- 3 The register of members and the share transfer books of the Company will remain closed from 30th August 2001 to 05th September 2001, both days inclusive.
- 4 Members are requested to notify immediately any change in their addresses, to the Company's Share Transfer Agents.
- 5 As a measure of economy, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copies of the annual report to the meeting.
- 6 Members are requested to affix their signature at the space provided on the attendance sheet annexed to the proxy form and handover the slip at the entrance of the meeting hall.

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

The following explanatory statement sets out all material facts relating to the special business mentioned in the accompanying notice dated 28th July 2001 and shall be taken as forming part of the notice.

Item No.5

The Equity Shares of the Company are presently listed at Jaipur (the Regional Stock Exchange), Mumbai, Ahmedabad, Delhi, Bangalore and National Stock Exchanges.

Since the last few years the volume of trading of the Company's Equity Shares at all the Stock Exchanges has reduced considerably and in fact there are no trading except some occasional trading in the Stock Exchange, Mumbai, which does not justify payment of considerable amount by way of listing fees and other expenses the Company is incurring due to Listing Agreement entered by the Company with the Stock Exchanges.

Moreover the Company's overall financial position is not in good position and was not able to pay the annual listing fees to the stock exchanges regularly.

In these circumstances, the Board of Directors of the Company at their meeting held on 28th July 2001 have therefore decided to get the shares de-listed from all the Stock Exchanges except the Regional Stock Exchange, in accordance with the applicable laws, rules, regulations and guidelines.

As required under the Listing Agreement entered by the Company with the Stock Exchanges, the Company seeks approval of the Shareholders by way of a Special Resolution for de-listing the Equity Shares of the Company.

The Shareholders / Investors will not suffer due to de-listing as the Equity Shares of the Company will continued to be listed at the Jaipur (Regional Stock Exchange) and the Shares are also available in electronic mode through NSDL and CDSL. The Shareholders will also be given exit opportunity offer after fixing the record date for this purpose.

Mr A B Aradhye, director is not concerned or interested in the resolution.

Other directors are concerned or interested in the resolution only to the extent of their shareholdings in the Company.

Inspection of documents

The documents referred to in the notice and the explanatory statement will be available for inspection at the registered office of the Company on any working day between 11.00 a.m. and 1.00 p.m.

By Order of the Board

Udaipur
28th July 2001

Devendra Sharma
Director

RAJDARSHAN INDUSTRIES LIMITED



Directors' Report

The directors have great pleasure in presenting the twentieth annual report and the audited accounts for the year ended 31st March 2001.

2 FINANCIAL HIGHLIGHTS

(Rupees in Lakhs)

Details	Year ended 31.03.2001	Year ended 31.03.2000
Turnover and other income	687.87	542.51
Profit before interest and depreciation	45.52	84.12
Interest	88.01	239.53
Profit / (Loss) before depreciation	(42.49)	(155.41)
Depreciation	214.43	223.39
Profit / (Loss) before tax	(256.92)	(378.80)
Provision for taxation	—	—
Profit / (Loss) after tax	(256.92)	(378.80)
Add / (Less)		
Prior Period Adjustment	233.08	—
Profit brought forward from previous year	52.57	31.37
Transfer from general reserve	—	400.00
Profit available for appropriation	28.73	52.57
Appropriation		
Balance carried forward	28.73	52.57

3 DIVIDEND

In view of losses, your Directors have not recommended any dividend for the year.

4 YEAR IN RETROSPECT

During the year under review the Company has achieved a turnover of Rs.573.61 lakhs as against Rs.510.70 lakhs of previous year and increase of 12.32%. Also the losses for the year have come down to Rs.256.92 lakhs as compared to Rs.378.80 lakhs during previous year. The Company could achieve this through effective cost control measures and overall efficiency in operating the machines.

At the same time the overall increase across all major inputs in execution of the contracts and the recession in the cement industry where the Company is operating its machines has directly affected the performance and profitability of the Company.

During the year IFCI had approved the Company's proposal of one time settlement of its term loans, while the proposal for the same is pending before IDBI.

5 DEPOSITORY SYSTEM

The equity shares of the Company have been made available for dematerialization, with effect from 05th January 2001, under the "Depository System" operated by the National Securities Depository Limited and Central Depository Services (India) Limited. This will facilitate the shareholders to maintain their holdings in "electronic form".

The code number allotted to the Company is "INE610C01014".

6 DELISTING OF EQUITY SHARES

The equity shares are listed at Jaipur / Mumbai / Ahmedabad / Delhi / Bangalore and National Stock Exchanges.

The Board of Directors of the Company at their meeting held on 28th July 2001 have decided to get the shares de-listed from all the Stock Exchanges except the Regional Stock Exchange, in accordance with the applicable laws, rules, regulations and guidelines.



The resolution seeking approval of the shareholders for de-listing of equity shares is included under special business in the notice convening the ensuing annual general meeting.

7 CORPORATE GOVERNANCE

The Corporate Governance norms for the Company are effective only from the year ending 31st March 2003.

8 DEPOSITS

The Company has not accepted any deposits within the meaning of Section 58 A of the Companies Act, 1956 and the rules made there under.

9 DIRECTORS

Dr M L Tiwari and Mr Ajay Doshi, directors retire by rotation at the ensuing Annual General Meeting, and being eligible offer themselves for re-appointment.

10 AUDITORS

The Auditors, Messrs Yogesh & Associates, Chartered Accountants, Udaipur, retire in accordance with the provisions of the Companies Act, 1956, at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

11 AUDITORS' REPORT

The Auditors' Report on the Accounts is self-explanatory and no comments are required.

12 DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956 the Directors confirm that—

- (a) in the preparation of annual accounts, the applicable accounting standards have been followed.
- (b) the directors had 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 March 2001 and of the profit and loss of the Company for the year ended 31st March 2001.

- (c) the directors have taken proper and sufficient care for the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) the directors have prepared the annual accounts on a going concern basis.

13 STATUTORY STATEMENTS

As none of the employees of the Company were in receipt during the year of an aggregate remuneration of Rs.1,200,000 per annum or Rs.100,000 per month, the particulars required pursuant to section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, are not furnished.

Conservation of Energy and Technology Absorption:

The Company has no particulars to furnish under the above head since it has not carried any manufacturing activities during the year under review.

Foreign Exchange Earnings and Outgo:

Please refer Notes No.11 to 15 to Schedule O to the Accounts.

14 ACKNOWLEDGEMENT

The directors' record their gratitude to the bankers, financial institutions, government departments, for their assistance and co-operation during the year.

The directors' place on record their appreciation of the dedicated services of the workers and employees of the Company.

The directors' also thank the shareholders for their continued faith in the Company.

By Order of the Board

Udaipur
28th July 2001

Devendra Sharma M L Tiwari
Director Director

RAJDARSHAN INDUSTRIES LIMITED**Auditors' Report**

To the Members,

We have audited the attached Balance Sheet of **RAJDARSHAN INDUSTRIES LIMITED** as at 31st March 2001 and the annexed annual Profit and Loss Account of the Company for the year ended on that date and report that:

- 1 As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4-A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
- 2 Further to our comments in the Annexure referred to in paragraph 1 above:
 - (a) 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.
 - (b) 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 such books.
 - (c) The Balance Sheet and the Profit and Loss Account referred to in this report are in agreement with the books of account.
 - (d) In our opinion, the Profit and Loss Account and Balance Sheet comply with the accounting standards referred to in sub-section (3c) of Section 211 of the Companies Act, 1956.

(e) On the basis of certificate received from Directors, and taken on record by the Board of Directors, we report that none of the Directors of the Company are disqualified as on 31st March 2001 from being appointed as Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

(f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2001 and
- (ii) in the case of the Profit and Loss Account, of the loss for the year ended on that date.

For YOGESH & ASSOCIATES
Chartered Accountants

(YOGESH C POKHARNA)
Partner

Place : Udaipur
Dated : 28th July 2001

**Annexure to the Auditors' Report**

(Referred to in para (1) of our Report of even date)

- 1 The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. As explained to us that all the fixed assets of the Company have been physically verified by the management at the end of the accounting year and no discrepancies were noticed on such verification.
- 2 None of the fixed assets have been revalued during the year.
- 3 The stocks of finished goods, stores, spare parts and raw materials have been physically verified by the management at reasonable intervals during the year. In our opinion the frequency of such verification is reasonable.
- 4 In our opinion and according to the information and explanations given to us, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- 5 The discrepancies noticed on verification between the physical stocks and the book records which are not material in relation to the operations of the Company and the same have been properly dealt with in the books of accounts.
- 6 In our opinion the valuation of stock is fair and proper and in accordance with the normally accepted accounting principles and is on the same basis as in the previous year.
- 7 The Company has not taken any loans, secured and unsecured from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. As explained to us there are no companies under the same management within the meaning of Section 370(1-B) of the Companies Act, 1956.
- 8 According to information and explanations given to us the Company has not granted any loans and advances to the companies, firms and other parties listed in the register maintained under Section 301 of the Companies Act, 1956. As explained to us there are no companies under the same management within the meaning of Section 370(1-B) of the Companies Act, 1956.
- 9 According to the information and explanation given to us the Company has not granted any loans or advances in the nature of loans.
- 10 In our opinion and according to information and explanations given to us there are generally adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchase of stores, raw material including components, plant and machinery, equipments and other assets, and for the sale of goods.
- 11 In our opinion and according to the information and explanations given to us the transactions of purchase of goods, and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 as aggregating during the year to Rs.50,000/- or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices for such goods, materials or services or the prices at which the transactions have been made with other parties.
- 12 As explained to us the Company has regular procedure for the determination of unserviceable or damaged stores, raw material and finished goods and adequate provision for loss have been made in the accounts.
- 13 The Company has not accepted any deposit from public in terms of Section 58-A of the Companies Act, 1956 and rules framed thereunder.
- 14 In our opinion reasonable records have been maintained by the Company for the sale and