



Rasoi Limited

Report and Accounts
2000-2001

BOARD OF DIRECTORS

RAGHU MODY
SHASHI MODY
S. L. BACHHAWAT
KAPIL KAUL
MANISH LOHIA
PROF. M. M. CHAKRABARTY
A. C. CHAKRABORTTI
SUDHIR JALAN
HAIGREVE KHAITAN

Chairman**Vice-Chairperson****Deputy Managing Director****Director Corporate Affairs****Director Finance****COMPANY SECRETARY**

S. SUBRAMANIAN

ASST. COMPANY SECRETARY

A. R. LODHA

AUDITORS

LODHA & COMPANY

BANKERS

ALLAHABAD BANK
BNP PARIBAS
INDUSIND BANK

SOLICITORS

KHAITAN & COMPANY

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REGISTERED OFFICE

RASOI COURT
20, SIR R. N. MUKHERJEE ROAD
KOLKATA - 700 001
PHONE : 248 0114/5
FAX : 248 1200
Email-rasoi@vsnl.com

WORKS

KOLKATA (WEST BENGAL)
KUNDLI (HARYANA)

EQUITY SHARES LISTED ON

Calcutta, Mumbai and Delhi Stock Exchanges

NOTICE

NOTICE is hereby given that the 97th Annual General Meeting of the Members of Rasoi Limited will be held at the Williamson Magor Hall of the Bengal Chamber of Commerce & Industries, 6 Netaji Subhas Road, Kolkata - 700 001, on Friday, the 21st day of September, 2001, at 4.00 p.m. to transact the following business :

AS ORDINARY BUSINESS :

1. To consider and adopt the Audited Profit and Loss Account for the financial year ended 31st March, 2001 and the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri R N Mody, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Sudhir Jalan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

AS 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 Shri S L Bachhawat, be and is hereby appointed as a Director of the company, liable to retire by rotation".

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

"RESOLVED that pursuant to Section 198, 269 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force) and subject to all such sanctions as may be necessary, the consent of the Company be and is hereby accorded to the appointment of Sri S. L. Bachhawat as Deputy Managing Director of the Company for a period of 5(five) years with effect from 1st September, 2000 on the following terms and conditions.

I. REMUNERATION :

Salary - Rs 27,900/- per month with an annual increase, which may be decided by the Board of Directors from time to time within the limits, specified in Schedule XIII of the Companies Act, 1956

II. PERQUISITES & AMENITIES :

(a) ACCOMMODATION

Reimbursement of expenses pertaining to Gas, Electricity, Water, other utilities, upkeep and maintenance etc.

(b) MOTOR CAR :

Provision of Motor Car with Driver for the Company's business.

(c) CLUB FEE

Reimbursement of club bills subject to a maximum of two clubs (not including admission and Life Membership Fees)

(d) COMMUNICATION FACILITIES

Provision of telephone, telefax and other communication facilities at the residence.

(e) PROVIDENT AND OTHER FUNDS

Company's contribution towards provident fund, pension fund/superannuation fund as per the rules of the company.

(f) EX-GRATIA

Ex-gratia equal to one month's salary.

(g) **GRATUITY**

15 days salary for every completed years of service subject to the limit as prescribed under Payment of Gratuity Act, 1972.

(h) **LEAVE ENCASHMENT**

Encashment of Leave accumulated as per the rules of the Company.

(i) **OTHER PERQUISITES**

Subject to the overall ceiling on remuneration mentioned hereinbelow, other allowances, benefits and perquisites as the Board of Directors may from time to time decide.

OVERALL REMUNERATION

The aggregate of salary and perquisites in any financial year shall not exceed the limits prescribed from time to time under Sections 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may for the time being, be in force.

MINIMUM REMUNERATION

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of the said Deputy Managing Director, the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule XIII of the Companies Act, 1956.

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits of the Company in any financial year during the currency of the term of the office of Shri S L Bachhawat, the Company shall pay Shri S L Bachhawat remuneration by way of salary, perquisites and other allowances as Minimum Remuneration as stated hereinabove."

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION** :

"RESOLVED that Shri Manish Lohia, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

8. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION** :

"RESOLVED that pursuant to Section 198, 269 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force) and subject to all such sanctions as may be found necessary, the consent of the Company be and is hereby accorded to the appointment of Shri Manish Lohia as Wholtime Director designated as Director Finance of the Company for a period of 5(five) years with effect from 1st September, 2000, on the following terms and conditions.

I. REMUNERATION :

Salary - Rs 20,500/- per month with an annual increase, which may be decided by the Board of Directors from time to time within the limits, specified in Schedule XIII of the Companies Act, 1956

II. PERQUISITES & AMENITIES :

(a) **MOTOR CAR :**

Provision of Motor Car with Driver for the Company's business.

(b) **CLUB FEE**

Reimbursement of club fees subject to a maximum of two clubs (not including admission and Life Membership Fees)

(c) **COMMUNICATION FACILITIES**

Provision of telephone, telefax and other communication facilities at the residence.



(d) **PROVIDENT AND OTHER FUNDS**

Company's contribution towards provident fund, pension fund/superannuation fund as per the rules of the company.

(e) **EX-GRATIA**

Ex-gratia equal to one month's salary.

(f) **GRATUITY**

15 days salary for every completed years of service subject to the limit as prescribed under Payment of Gratuity Act, 1972.

(g) **LEAVE ENCASHMENT**

Encashment of Leave accumulated as per the rules of the Company

(h) **OTHER PERQUISITES**

Subject to the overall ceiling on remuneration mentioned hereinbelow, other allowances, benefits and perquisites as the Board of Directors may from time to time decide.

OVERALL REMUNERATION

The aggregate of salary and perquisites in any financial year shall not exceed the limits prescribed from time to time under Sections 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may for the time being, be in force.

MINIMUM REMUNERATION

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of the said Director Finance, the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule XIII of the Companies Act, 1956.

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits of the Company in any financial year during the currency of the term of the office of Shri Manish Lohia, the Company shall pay Shri Manish Lohia, remuneration by way of salary, perquisites and other allowances as Minimum Remuneration as stated hereinabove."

9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION :¹

"RESOLVED that Shri Kapil Kaul, be and is hereby appointed as a Director of the Company, liable to retire by rotation".

10. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION.

"RESOLVED that pursuant to Section 198, 269 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force) and subject to all such sanctions as may be found necessary the consent of the Company be and is hereby accorded to the appointment of Shri Kapil Kaul as Wholetime Director designated as Director Corporate Affairs of the Company for a period of 5 (five) years with effect from 1st September, 2000, on the following terms and conditions.

I. REMUNERATION :

Salary - Rs 21,000/- per month with an annual increase, which may be decided by the Board of Directors from time to time within the limits, specified in Schedule XIII of the Companies Act, 1956.

II. PERQUISITES & AMENITIES :

(a) **ACCOMMODATION :**

Free furnished accommodation and reimbursement of expenses pertaining to Gas, Electricity, Water, other utilities, upkeep and maintenance etc.

(b) MOTOR CAR :

Provision of Motor Car with Driver for the Company's business.

(c) COMMUNICATION FACILITIES

Provision of telephone, telefax and other communication facilities at the residence.

(d) PROVIDENT AND OTHER FUNDS :

Company's contribution towards provident fund, pension fund/superannuation fund as per the rules of the company.

(e) EX-GRATIA

Ex-gratia equal to one month's salary.

(f) GRATUITY

15 days salary for every completed years of service subject to the limit as prescribed under Payment of Gratuity Act, 1972.

(g) LEAVE ENCASHMENT

Encashment of Leave accumulated as per the rules of the Company.

(h) OTHER PERQUISITES

Subject to the overall ceiling on remuneration mentioned hereinbelow, other allowances, benefits and perquisites as the Board of Directors may from time to time decide.

OVERALL REMUNERATION

The aggregate of salary and perquisites in any financial year shall not exceed the limits prescribed from time to time under Sections 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may for the time being, be in force.

MINIMUM REMUNERATION

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of the said Director Corporate Affairs, the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule XIII of the Companies Act, 1956.

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profit of the Company in any financial year during the currency of the term of the office of Shri Kapil Kaul, the Company shall pay Shri Kapil Kaul, remuneration by way of salary, perquisites and other allowances as Minimum Remuneration as stated hereinabove."

11. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION.

"RESOLVED that pursuant to the provisions of Sec 310 of the Companies Act, 1956, the consent of the company be and is hereby accorded to the payment of additional gratuity of Rs. 5,00,000/- made to Shri D S Jain, Managing Director, upon his retirement from the services of the company."

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The proxies to be effective should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
2. An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, relating to the Special Business to be transacted at the meeting is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will be closed from 14th September, 2001, to 21st September, 2001 (both days inclusive).



4. Members are requested to bring their copies of the Annual Report, as copies of the Report will not be distributed again at the Meeting.
5. Members seeking any information with regard to the accounts of the Company are requested to write to the Company at its Registered Office so as to reach at least 10 days before the date of Meeting to enable the Management to keep the information ready.
6. Intimation of any change in address of Members should be sent to the Company immediately.
7. Members are requested to produce the enclosed attendance slip duly signed as per the specimen signature recorded with the Company for admission to the meeting hall.
8. Information u/s 205A read with the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978 as amended is given below :
 - i) Pursuant to Section 205 of the Companies Act, 1956 all unclaimed/unpaid dividends up to the financial year ended 31st March, 1995 have been transferred to the General Revenue Account of the Central Government. Shareholders, who have not yet encashed their dividend warrants for the said period are requested to claim the amount from the Registrar of Companies, West Bengal, 234/4, A J C Bose Road, Kolkata 700 020, by submitting an application in the prescribed form.
 - ii) Consequent upon amendment in Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend for the subsequent years remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund set up by the Government of India and no payments shall be made in respect of any such claims by the Fund.

Members who have not yet encashed their dividend warrant (s) for the financial year ended 31st March, 1996 onwards are requested to make their claims to the Company accordingly without any delay.
9. Members are requested to inform their Bank Account Numbers and Bank branch details to the Company to enable it to include these details in the dividend warrants and thus minimise the chances of loss of dividend warrants. The above information may be given to the Company's Registered Office on or before 15th September, 2001.

Registered Office :

Rasoi Court
20, Sir R. N. Mukherjee Road
Kolkata - 700 001
Date : 21st May, 2001

By Order of the Board

S. SUBRAMANIAN
Company Secretary

EXPLANATORY STATEMENT UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956
ITEM NO 5 & 6

At their meeting held on 31st August 2000, your Board appointed Shri S L Bachhawat as an Additional Director in terms of Sec 260 of the Companies Act, 1956 and Article 83 of the Articles of Association of the Company. Before joining the Board Shri S L Bachhawat, was the President of the Company responsible for the Sales, Marketing and Manufacturing operations. He has been with the company for 25 years and has vast experience in the Vanaspati Industry.

As per the provisions of Sec 260 of the Companies Act, 1956 and as per the Articles of Association of the Company Shri S L Bachhawat will be holding office as Director only upto the date of this meeting. His candidature for Directorship of the Company has been proposed by a shareholder pursuant to Sec 257 of the Companies Act, 1956 along with a deposit of Rs. 500/-. The Board considers that the Company will benefit from the association of Shri S L Bachhawat and recommends the resolution for your approval.

Shri S L Bachhawat was also appointed as the Deputy Managing Director of the Company for a period of five years with effect from 1st September, 2000, on the terms and conditions detailed in the resolution at item No. 6.

None of the Directors of the Company are concerned or interested in the resolution (s) at item 5 & 6. Shri S L Bachhawat may, however, be deemed to be concerned or interested in these resolutions and his appointment.

ITEM NO. 7 & 8

At their meeting held on 31st August, 2000, your Board appointed Shri Manish Lohia as an Additional Director in terms of Sec 260 of the Companies Act, 1956 and Article 83 of the Articles of Association of the Company. Before joining the Board Shri Manish Lohia, was the Senior Vice President of the Company heading the Finance division.

As per the provisions of Sec 260 of the Companies Act, 1956 and as per the Articles of Association of the Company Shri Manish Lohia will be holding office as Director only upto the date of this meeting. His candidature for Directorship of the Company has been proposed by a shareholder pursuant to Sec 257 of the Companies Act, 1956 along with a deposit of Rs. 500/-. The Board considers that the Company will benefit from the association of Shri Manish Lohia and recommends the resolution for your approval.

Shri Manish Lohia was also appointed as a Wholetime Director designated as Director Finance of the Company for a period of five years with effect from 1st September, 2000, on the terms and conditions detailed in the resolution at item No. 8.

None of the Directors of the Company are concerned or interested in the resolution (s) at Item no. 7 & 8. Shri Manish Lohia may, however, be deemed to be concerned or interested in these resolutions and his appointment.

ITEM NO. 9 & 10

At their meeting held on 31st August, 2000, your Board appointed Shri Kapil Kaul as an Additional Director in terms of Sec 260 of the Companies Act, 1956 and Article 83 of the Articles of Association on the Company. Before joining the Board Shri Kapil Kaul, was the Senior Vice President of the Company responsible for expansion and diversification activities.

As per the provisions of Sec 260 of the Companies Act, 1956 and as per the Articles of Association of the Company Shri Kapil Kaul will be holding office as Director only upto the date of this meeting. His candidature for Directorship of the Company has been proposed by a shareholder pursuant to Sec 257 of the Companies Act, 1956 along with a deposit of Rs. 500/-. The Board considers that the Company will benefit from the association of Shri Kapil Kaul and recommends the resolution for your approval.

Shri Kapil Kaul was also appointed as a Wholetime Director designated as Director Corporate Affairs of the Company for a period of five years with effect from 1st September, 2000, on the terms and conditions detailed in the resolution at item No. 10

None of the Directors of the Company are concerned or interested in the resolution (s) at item No 9 & 10. Shri Kapil Kaul may, however, be deemed to be concerned or interested in these resolutions and his appointment.

ITEM NO 11

Shri D S Jain, retired and subsequently resigned as Managing Director of the Company on 31st August, 2000, after serving the company for 35 years. As per the terms of appointment of Shri D S Jain, his entitlement to gratuity was restricted to Rs 2.50 Lacs. Considering the valuable services rendered by Shri D S Jain, to the Company the Board of Directors felt it would be appropriate to reward Shri D S Jain by paying Rs 7.50 Lacs as gratuity, subject to the approval of the general meeting. The above payment is in accordance with the limits specified under Schedule XIII of the Companies Act, 1956. Your Directors recommend the resolution for your approval.

None of the Directors of the Company are considered or interested in the resolution.

Registered Office :
Rasoi Court
20, Sir R. N. Mukherjee Road
KOLKATA - 700 001
Date : 21st May, 2001

By Order of the Board

S. SUBRAMANIAN
Company Secretary



DIRECTORS' REPORT TO THE MEMBERS

The Directors have pleasure in presenting the Ninety-Seventh Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2001.

FINANCIAL RESULTS :

	2000-2001 (Rs. Lacs)	1999-2000 (Rs. Lacs)
Sales and Other Income / Receipts	7421	8779
Profit before Interest, Depreciation & Taxation	184	334
Interest	(22)	(14)
Depreciation	(44)	(43)
Profit before Taxation	118	277
Excess /Short Provision for Taxation relating to earlier years	-	7
Provision for Taxation	40	(94)
Profit available for appropriation	78	190
Appropriations :-		
Dividend	36	45
Dividend Tax	4	5
Transfer to General Reserve	10	20
Balance carried to Balance Sheet	28	120

DIVIDEND

Taking into account the performance of the Company, the Board has recommended dividend of Rs 2.00 per share for the year ended 31st March, 2001.

RESERVES AND SURPLUS

The Balance in Reserves and Surplus stands at Rs. 1207.39 Lacs (Previous Year Rs. 1168.94 Lacs) after the appropriation as mentioned above.

PERFORMANCE

Until the recent budget the Government of India had taken a very proactive approach towards the Vanaspati Industry in India.

By allowing import of vegetable oil, Eastern India Vanaspati Units somehow had been able to survive. We have been able to do so, more so, because of the Industrial Promotion Assistance granted by the West Bengal Government. The smooth and easy availability of RBD Palmolen, on one hand,

had helped us to maintain production in this non-oil producing region and compete with vanaspati from Northern and Western India but on the other hand, it acted as a cheap substitute and replacement for vanaspati used by not so quality conscious bakery and sweet-meat shops.

Moreover, the Nepalese Units were taking benefit under the Indo-Nepal Trade Treaty 1996 and limited impact was noticed in our markets in the States of West Bengal, Assam and North East. These Nepalese products slowly started to establish and capture the market.

The steep hike in import duty rates in the recent budget has turned the clock back on the Vanaspati Industry in India. As a result, Nepalese Vanaspati is being sold in the market cheaper by Rs. 125/- to Rs. 150/- per tin of 15kg, which is more than 30% of the present selling prices of vanaspati. Your Company and the Vanaspati Manufacturers Association have made various representations to both State and Central Government at various levels of the plight suffered.

Your Directors have approached the Government to levy a higher duty on refined oil as compared to lower duty for Crude Palm Oil, which should be allowed to be imported only by Vanaspati Manufacturers, so that the domestic industry can survive and regain its lost market and compete effectively with cheap imported refined oil and Nepalese Vanaspati. Your Directors are hopeful of favourable support from the Government.

As informed earlier, your Company has taken a decision to modernize and expand both the production capacity as well as range of products. Accordingly your Company had finalized the site for new plant at Banganagar. Your Directors are pleased to inform that procurement and development of land is complete and orders of major plant and machinery have been placed and they have started reaching the site-installation is in progress. It is expected that the new plant will commence operation by end of 2001.

The Management of the Company is gearing itself to meet the new challenges, which will be faced by it under the new W.T.O. regime in the market place. It is intent to bring further economies of scale and value added quality products which will be complementary to the 'RASOI' brand.

We are extremely grateful to the Government of West Bengal for extending its full co-operation and assistance.

DIRECTORS' REPORT

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

Information pursuant to Section 217 (1) (e) of the Companies Act, 1956, is annexed hereto forming part of this report.

FOREIGN EXCHANGE EARNINGS & OUTGO

There have been no foreign exchange earnings during the year. However, your Company has incurred an expenditure of Rs. 1.87 Lacs (Previous Year Rs. 11.94 Lacs) in foreign exchange during the year.

COST AUDIT

The Central Government has directed your company, pursuant to the provisions of Section 233B of the Companies Act, 1956 to carry out an audit of the Company's cost accounts relating to Vanaspati Products. Accordingly, your Directors have approved the appointment of Shri T P Acharyya, a qualified Cost Accountant, to conduct the audit for the year ending 31st March 2002.

PUBLIC DEPOSITS

One Deposit from Public aggregating to Rs. 1000/- due for repayment was unclaimed by the depositor as at 31.03.2001.

PERSONNEL

During the year, there were no employees in respect of whom information as per Sec 217 (2A) of the Companies Act, 1956 is required to be annexed with this report.

DIRECTORS

In terms of the provisions of the Articles of Association, Shri Raghu Mody and Shri Sudhir Jalan, retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Shri D S Jain retired and subsequently resigned from the Board w.e.f 31st August, 2000. The Board wishes to record its sincere appreciation for the valuable services rendered by Shri D S Jain during his tenure as the Managing Director of the Company.

Shri S L Bachhawat was appointed as an Additional Director of the Company with effect from 1st September, 2000 and also as the Deputy Managing Director. As an Additional Director under Article 83 of the Articles of Association of the

Company, Shri S L Bachhawat will hold office upto the date of Annual General Meeting. Notice has been received from a member pursuant to Sec 257 of the Companies Act, 1956, proposing the appointment of Shri. S L Bachhawat, as a Director of the Company in the ensuing Annual General Meeting. The terms and conditions, on which Shri S L Bachhawat has been appointed, are given in the Notice convening the 97th Annual General Meeting of the Company.

Shri Kapil Kaul was appointed as an Additional Director of the Company with effect from 1st September, 2000 and also as the Wholetime Director. As an Additional Director under Article 83 of the Articles of Association of the Company, Shri Kapil Kaul will hold office upto the date of the Annual General Meeting. Notice has been received from a member pursuant to Sec 257 of the Companies Act, 1956, proposing the appointment of Shri. Kapil Kaul, as a Director of the Company in the ensuing Annual General Meeting. The terms and conditions, on which Shri Kapil Kaul has been appointed, are given in the Notice convening the 97th Annual General Meeting of the Company.

Shri Manish Lohia was appointed as an Additional Director of the Company with effect from 1st September, 2000 and also as the Wholetime Director. As an Additional Director under Article 83 of the Articles of Association of the Company, Shri Manish Lohia will hold office upto the date of the Annual General Meeting. Notice has been received from a member pursuant to Sec 257 of the Companies Act, 1956, proposing the appointment of Shri Manish Lohia, as a Director of the Company in the ensuing Annual General Meeting. The terms and conditions, on which Shri Manish Lohia has been appointed, are given in the Notice convening the 97th Annual General Meeting of the Company.

AUDITORS' REPORT

The observations made by the Auditors in their Report are self explanatory and have also been further clarified in Schedule S to the Accounts.

DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217 (2AA) of the Companies Act, 1956, your Directors state :

- i) That in the preparation of the annual accounts, the applicable accounting standards have been followed and wherever required, proper explanations relating to material departures have been given;