

SIXTY SEVENTH

ANNUAL

REPORT

2000-2001

Report  Junction.com



*Sir Shadi Lal
Enterprises Ltd.*

SIR SHADI LAL ENTERPRISES LIMITED**SIR SHADI LAL ENTERPRISES LIMITED**

BOARD OF DIRECTORS : Ms. Rupa Lal (Managing Director)
 Shri Rajat Lal (Managing Director)
 Shri Hemantpat Singhania
 Shri Onke Aggarwal
 Shri Bhanubhai I. Patel
 Shri K.P. Bhatnagar
 Smt. Sudha Singhania
 Smt. Manjula Viswanathan
 Shri R.L. Srivastava
 Shri Vivek Viswanathan

SECRETARY : Shri K.B. Lal

BANKERS : State Bank of India

AUDITORS : Messrs. Basant Ram & Sons
 Chartered Accountants
 A-18, Nizamuddin East,
 Murli Marg, New Delhi-110 013

REGISTERED OFFICE : 4-A, Hansalaya, 15, Barakhamba Road,
 New Delhi-110 001

MANUFACTURING UNITS : Upper Doab Sugar Mills
 Shamli, Distt. Muzaffarnagar (U.P.)

 Shamli Distillery & Chemical Works
 Shamli, Distt. Muzaffarnagar (U.P.)

 Pilkhani Distillery & Chemical Works
 Pilkhani, Distt. Saharanpur (U.P.)



SIR SHADI LAL ENTERPRISES LIMITED

SIR SHADI LAL ENTERPRISES LIMITED

Regd. Office : 4-A, Hansalaya, 15, Barakhamba Road, New Delhi-110 001

NOTICE FOR THE 67TH ANNUAL GENERAL MEETING

Notice is hereby given that the 67th Annual General Meeting of the Shareholders of Sir Shadi Lal Enterprises Limited will be held on Friday the 28th September, 2001 at 4.00 P.M. at P.H.D. House, Opposite Asian Games Village, New Delhi-110 016 to transact the following business :

A. ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance sheet as at 31st March, 2001, Profit & Loss Account for the year ended on that date, and the Reports of the Directors and Auditors thereon.
2. To declare Dividend.
3. To elect a Director in place of Sh. R.L. Srivastava, who retires by rotation and being eligible, offers himself for re-election.
4. To elect a Director in place of Sh. B.I. Patel, who retires by rotation and being eligible, offers himself for re-election.
5. To elect a Director in place of Sh. K.P. Bhatnagar, who retires by rotation and being eligible, offers himself for re-election.
6. To appoint Auditors for the Year 2001-2002 and to fix their remuneration.

B. SPECIAL BUSINESS :

7. To consider and if thought fit, to pass the following resolution with or without modification as an ordinary resolution :
"RESOLVED that Sh. Vivek Viswanathan, who vacates his office at the conclusion of this Annual General Meeting in terms of provision of section 262(2) of the companies Act, 1956, be and is hereby appointed as Director of the Company."

By Order of the Board,

Place : New Delhi
Dated : 28th July, 2001

K.B.LAL
Secretary

Notes :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
Proxies in order to be effective must be received at the registered office of the Company not less than 48 hours before the Annual General Meeting.
2. The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of Special Business under item No. 7 set out above is annexed.
3. The register of Members and share transfer books of the Company will remain closed from 15th September, 2001 to 17th September, 2001 (both days inclusive).
4. The Dividend, if declared at the meeting, will be payable at the specified branches in India of State Bank of India (as may be approved by the Bank) on or after 1st October, 2001, to those members whose names stand on the Register of Members of the Company on 17th September, 2001.
5. Shareholders are requested to intimate to the Company change, if any, in their registered address.
6. Members who are holding shares in identical order of names in more than one folio are requested to write to the Company to enable it to consolidate their holdings in one folio.
7. Members are requested to bring their copies of the Report and Accounts to the meeting.

8. Members who require any information about the accounts to be explained in the meeting are requested to inform the Company about the intended query at least seven days in advance of the meeting.
9. Those members who have not encashed/claimed their Dividend Warrants for the Financial Years from 1994-95 to 1999-2000, are requested to approach the Company for revalidation of dividend warrants or for obtaining duplicate dividend warrants.
10. Pursuant to section 205A of the Companies Act, 1956, all unpaid/unclaimed dividends declared for and upto the Accounting period ended 31st March, 1994 have been transferred to the General Revenue Account of Central Government. Members, who have not yet encashed their dividend warrants for the said period, are requested to claim the amount from the Registrar of Companies, National Capital Territory of Delhi & Haryana, Paryavaran Bhawan, CGO Complex, New Delhi.
Members are hereby informed that dividend which remain unclaimed/unencashed over a period of seven years have to be transferred by the company to "Investor Education & Protection Fund"(IEPF) constituted by the Central Government under section 205A and 205C of the Companies Act, 1956. Further, under the amended provisions of Section 205B of the Companies Act, 1956, no claim shall lie for the unclaimed Dividend from IEPF by the Shareholders.
11. Section 109A of the Companies Act, 1956 has extended nomination facility to individuals holding shares in Companies. Shareholders, in particular, those holding shares in single name, are requested to avail of the above facility by furnishing to the company the particulars of their nominations. Shareholders may please write to the Company for the prescribed Nomination Form.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956**ITEM NO. 7**

The Board of Directors of the Company had appointed Shri. Vivek Viswanathan as a Director, effective from 24.03.2001 to fill the vacancy caused by the death of Sh. Narendra Lal, Managing Director of the Company pursuant to the provisions of Section 262(2) of the Companies Act, 1956. Sh. Vivek Viswanathan holds office only upto the date of 67th Annual General Meeting of the Company. The Company has received a notice in writing alongwith a deposit of Rs. 500/- from a member U/S 257 of the Companies Act, 1956, signifying his intention to propose the candidature of Sh. Vivek Viswanathan as a Director of the Company subject to retirement by rotation.

Sh. Vivek Viswanathan has got his early education from Doon School, Dehradun and passed B.A. (Hons.) from Delhi University in 1992. He has also passed "Post Graduate Programme in Management" from International Management Institute, New Delhi in 1995. He has about six years service experience with M/s VST Industries Ltd. and Coca-Cola India Ltd. and familiarized himself with the working of the Industry.

The Directors recommend the appointment of Sh. Vivek Viswanathan. Except Smt. Manjula Viswanathan and Sh. Vivek Viswanathan, no Director of the Company is in any way concerned or interested in the resolution, at item no. 7 of the notice.

SIR SHADI LAL ENTERPRISES LIMITED



DIRECTORS' REPORT

Dear Members,

Your Directors have the pleasure in submitting before this august house their 67th Report together with audited statements of account of your company for the year ended 31st March, 2001.

Before making comments on the financial results of the Company, your Directors feel their utmost duty to express their deep sense of sorrow on the sad demise of its Chairman and Managing Director, Lala Narendra Lal, who breathed his last on 24.02.2001. Lala Narendra Lal had been actively associated with this Company from its inception not only as one of the promoters, but also with its management, first as one of the Managing Agents and then as one of the Managing Director and later on Chairman cum Managing Director. The Company made all-round progress during his tenure. The vacuum created in the Company due to his demise can not be filled-up.

Ms. Rupa Lal and Shri Rajat Lal, Joint Managing Directors have joined this Company in the year 1983 and have been constantly assisting the Managing Director in all the fields of the management of the Company. By virtue of their 18 years long experience they have familiarized themselves with the working of all the departments of the Company. To fill-up the vacuum created by the death of Lala Narendra Lal and to keep the interest of the Company in mind, the Board of Directors of the Company have changed the designation of Ms. Rupa Lal and Shri Rajat Lal from "Joint Managing Directors" to the "Managing Directors" w.e.f. 24.03.2001, for the remaining tenure of their appointment i.e. upto 31.03.2004 without any change in the existing terms & conditions of their appointment approved by the shareholders.

FINANCIAL PERFORMANCE :

We feel satisfaction in reporting that inspite of all odds which the Sugar and Alcohol Industry is facing in the present days, your company has posted reasonably good profits and has achieved significant improvement in the performance of its business. The year has been closed on a happy note which is evident from the following data for the year ended 31st March, 2001:-

	(Rs. in lakhs)
- Profit before providing for depreciation i.e. Cash Profit	2120.32
- Less - Provisions for :	
- Depreciation	414.54
- Income Tax including tax on Dividend	600.00
	<u>1014.54</u>
- Distributable Profit	<u>1105.78</u>

DIVIDEND :

Taking into account the financial performance of the year ended 31st March, 2001 and the prospects of the Current Financial Year, your Directors recommend a dividend of 27% on the equity share capital of Rs. 350.00 lakhs, which will be paid out of the above distributable profit. The balance distributable profit of Rs. 1011.28 lakhs is being transferred to general reserve to make the total Reserves and surplus as on 31.03.2001, at Rs. 6580.55 lakhs.

SUGAR FACTORY :

The manufacturing results of the Sugar Factory for the crushing season 2000-2001 as compared to last crushing season are as under :

	Season 2000-2001	Season 1999-2000
- Gross Working Days	194	190
- Total Cane Crushed (Qtls.)	9701845	9698812
- Average Sugar Recovery (%)	10.53	10.34
- Total Sugar Produced (Qtls.)	1021605	1003018

We are happy to report here that the total cane crushed, sugar recovery and the sugar production achieved during the crushing season 2000-2001 has been ever highest in the history of the Sugar Factory of your Company which is the result of the continuous investment on the modernisation of the machinery & plant and the higher trend of pol in cane in the area.

DISTILLERIES:

With the help of the tie-up arrangement for production of Indian Made Foreign Liquor and continuous hard efforts of the management, your both the Distilleries have been able to increase the capacity utilisation by producing 1,71,02,828 BL spirit in current financial year as against 1,55,94,137 BL in the previous year. Due to improved plant performance the Distilleries have been able to make a good contribution in the profitability of the Company.

It is heartening to note that the State Government has started realising the problems of the Distilleries and has taken some corrective actions. The Excise Duty structure and the procedure for sale of country liquor in the State of U.P. has been revised w.e.f. 1st April, 2001. The Distilleries are now free to sell their country liquor anywhere in the State of U.P. in place of the specific areas allotted by the Excise Department earlier.

CONTD.....



SIR SHADI LAL ENTERPRISES LIMITED

DIRECTORS' REPORT CONTD.

The changed policy is expected to be fair to all concerned i.e. the Government, the Industry and the consumer. However, there is a big scope for further rationalization of the Excise Duty structure in respect of distillery products so that the produce of the U.P. State may become competitive as compared to the other neighbouring states. The present heavy Excise Duty imposed by the Central Government on molasses sold by the Sugar Units to the Distilleries is also required to be reduced.

MODERNISATION:

As reported earlier, continuous investments are being made on the modernisation of machinery & plant of all the manufacturing units of the Company by adopting the latest and most modern technology with energy saving devices. It is a matter of satisfaction to report that the modernisation projects taken-up so far have paid rich dividends due to which not only the plant performance has been improved but the increased productivity has also reduced the cost of production correspondingly.

CANE DEVELOPMENT:

The better yield of sugar can only be achieved when the raw material i.e. sugarcane is healthy and disease free. To achieve this object, continuous expenses are being incurred on providing various insecticides & healthy seeds at subsidized rates to the farmers, on road development in the reserved area of the Factory and on educating the farmers with the latest developments with regard to sowing & providing the new varieties of healthy cane suitable to different parts of the crushing season of the Factory i.e. the early, middle and later part.

DIRECTORS :

The following Directors of your Company retire by rotation U/s 256 of the Companies Act, 1956. They are eligible for reappointment and offer themselves for the same :-

1. Shri R.L. Srivastava
2. Shri B.I. Patel
3. Shri K.P. Bhatnagar

In addition, Mr. Vivek Viswanathan, who was appointed to fill-up the vacancy caused due to the death of Lala Narendra Lal, also stands retired U/s 262 of the Companies Act, 1956. It is proposed to elect him as a Director of the Company.

Necessary resolutions are being placed for your kind approval.

AUDITOR'S REPORT :

The Note Number B-1(C-iii) of the Schedule 'F' attached to the Balance Sheet, referred by the Auditors in their report, is self explanatory. Therefore, no further explanation is needed.

PUBLIC DEPOSITS :

The confidence of the general public in placing their savings with your Company is growing year after year. The total amount of fixed deposits with your company as on 31st March, 2001 was Rs. 1124.29 lakhs as against Rs. 827.58 lakhs as on 31st March, 2000. Only a sum of Rs. 1.25 lakhs relating to six depositors was not claimed on due dates upto the end of the accounting year. Of these, deposits of Rs. 0.70 lakhs relating to five depositors have been claimed and paid subsequently. The balance amount of Rs. 0.55 lakhs to the remaining one depositor, will be paid when claimed.

OTHER INFORMATIONS:

Information pursuant to sub-section 1(e) of Section 217 of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 is given in Annexure-1 of this report.

Information pursuant to sub-section (2A) of Section 217 of the Companies Act, 1956, read with the Companies (particulars of employees) Rules, 1975, as amended upto date, is given in Annexure-2 of this report.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to Sub-section (2AA) of Section 217 of the Companies Act, 1956, it is hereby stated and confirmed that :-

- i) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that 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 and of the profit or loss of the Company for that period;
- iii) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for

SIR SHADI LAL ENTERPRISES LIMITED

safeguarding the assets of the Company and for preventing the detecting fraud and other irregularities;

- iv) The directors had prepared the annual accounts on a going concern basis.

LISTING ARRANGEMENT :

The shares of the Company are listed with the Delhi Stock Exchange Association Limited, "DSE House", 3/1, Asaf Ali Road, New Delhi-110 002 and the listing fee for the year 2001-2002 has been paid to the said Stock Exchange.

CURRENT YEAR PROSPECTS :

Shareholders are aware that the financial results of a Sugar Factory are very much dependent on the condition of cane crop, cane price and the Government Policies. It is heartening to note that the understandings between the Industry, Farmers and the Government are now much healthier and positive than in the past. While the interest of the farmers and consumers is paramount, it will not be in the interest of either of them if the Industry's interest is neglected or the Industry is made sick, due to unrealistic high price of cane which ultimately tends to increase the cane arrears and the market price of sugar.

Presently the Sugar Industry is burdened with the excessive sugar stocks due to continuous higher production than the requirement of the country. Keeping in view the ample availability of sugar and other related factors, the Central Government is gradually reducing the levy quota which makes

more free sugar available to the consumer in the open market at a reasonable price. The profitability of Sugar Industry, is being, adversely effected due to extra inventory carrying cost and low realisation in the domestic market inspite of continuous increase in the cane price and other inputs. To partly dispose of the excessive inventory, the Industry is making export of sugar even at a price lower than the prevailing rates locally.

The financial performance of the Distilleries is also fully dependent upon the State Government Policies like Excise Duty structure, availability of adequate molasses and the sale price from the finished products.

In view of the above circumstances it is premature to make any fair estimate of the financial working of the current year. However, the management of the Company is confident that if the reasonable Government policies, fair to all concerned, are announced for the next crushing season and various duties on Distillery products are rationalized, your company will be able to perform well in the current financial year as well.

APPRECIATION :

We wish to put on record our appreciation for the valuable services of the sincere workers, staff and executives of the company which have actively contributed to its' efficient management. We will also like to put on record our appreciation for the valuable co-operation and support from the Financial Institutions and Banks. Our appreciation and sincere thanks are also due to the worthy Shareholders and Depositors for their confidence and understanding.

Rupa Lal

Rajat Lal

Hemantpat Singhania

Onke Aggarwal

Bhanubhai I. Patel

K.P. Bhatnagar

Sudha Singhania

Manjula Viswanathan

Place : New Delhi

R.L. Srivastava

Dated : 28th July, 2001

Vivek Viswanathan



SIR SHADI LAL ENTERPRISES LIMITED

ANNEXURE '1' TO DIRECTORS' REPORT

INFORMATION AS PER SECTION 217 (1) (e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2001.

A. CONSERVATION OF ENERGY

- a) Energy conservation measures taken : The replacement of AC Drives with DC Drives, inefficient pumps with efficient pumps and installation of Micro processor based conductivity control valve for clear juice condensate has reduced the energy consumption on these units.
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy
- c) Impact of the measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods. } The computerised condensers control system for Pans & Evaporators is being installed which will reduce the energy consumption.
- d) Total energy consumption and energy consumption per unit of production as per Form A of the Annexure in respect of industries specified in the schedule thereto.
- Particulars in respect of Sugar Unit of the Company as per Form 'A'

(A)	Power and fuel consumption :	Current Year	Previous Year
1.	Electricity :		
a)	Purchased (Units)	10,36,079	10,11,643
	Total Amount (Rs.)	42,14,782	40,88,499
	Rate/Unit (Rs.)	4.07	4.04
b)	Own Generation :		
i)	Through Diesel Generator (Units)	8,71,470	6,38,220
	Unit per Ltr. of Diesel Oil	2.93	3.04
	Cost/Unit (Rs.)	5.97	4.79
ii)	Through steam Turbine (Units)	2,35,59,480	2,34,20,800
	Unit per pound of Steam	1.545	1.53
	Cost/Unit (Rs.)	0.65	0.61
2.	Coal (specify quality and where used) :		
	Fire-wood used in Boilers :		
	Quantity (MT)	NIL	16.925
	Total Value (Rs.)	NIL	35.751
	Average Rate per MT (Rs.)	NIL	2112.32
3.	Furnace Oil :		
	Quantity (KL)	NIL	NIL
	Total Value (Rs.)	NIL	NIL
	Average Rate per KL (Rs.)	NIL	NIL
4.	Other (Own bagasse) :		
	Quantity (MT)	2,69,685	2,68,814
	Total Value (Rs.)*	13,58,34,698	16,13,85,189
	Average Rate per MT (Rs.)	503.68	600.36

*Bagasse, a residual received after crush of cane, is used as fuel in boilers. The notional value of the same has been taken at average sale price for the year.

(B)	Consumption per unit of Production :		
	Products (Sugar in Qtls.)	9,90,866	9,75,350
	Electricity KWH	25.70	25.70
	Furnace Oil KL	NIL	NIL
	Fire-wood MT	NIL	Negligible
	Bagasse MT	0.272	0.276

SIR SHADI LAL ENTERPRISES LIMITED

**B. TECHNOLOGY ABSORPTION****EFFORTS MADE IN TECHNOLOGY ABSORPTION AS PER FORM 'B'****i) Research & Development (R&D) :**

- | | |
|--------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| 1. Specific Areas in which R&D carried out by the Company | : The Company has been putting continuous efforts to develop disease free healthy cane of high yielding varieties in its area. |
| 2. Benefits derived as a result of the above R & D | : Due to the crushing of early maturing cane varieties, in early part of the season, the recovery of sugar has improved. |
| 3. Future plan of action | : The Company plans to continue Research & Development for disease free healthy and high yielding varieties of cane in its area. |
| 4. Expenditure on R & D : | |
| a) Capital | Nil |
| b) Recurring | Rs. 17,91,854 |
| c) Total | Rs. 17,91,854 |
| d) Total R & D expenditure as a percentage of total turnover | 0.12% |

ii) Technology absorption, adaptation and innovation :

- | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| 1. Efforts, in brief, made towards technology absorption, adaptation and innovation | } Efforts are being made to adopt latest and most modern technologies for cane crushing and for sugar manufacturing process. |
| 2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc. | |
| 3. In case of imported technology (imported during the last five years reckoned from the beginning of the financial year), following information may be furnished : | |
| a) Technology imported | } No Technology has been imported during the last five years. |
| b) Year of Import | |
| c) Has technology been fully absorbed ? | |
| d) If not fully absorbed, areas where this has not taken place, reasons therefor, and future plans of action | |

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| i) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans. | Export of 3,61,000 Qtls. Sugar, Valuing Rs. 44,75,45,000 has been made during the year through a third party. |
| ii) Total Foreign exchange used and earned : | |
| Used | Rs. 2,08,251 |
| Earned | Rs. Nil |

Rupa Lal
Rajat Lal
Hemantpat Singhania
Onke Aggarwal
Bhanubhai I. Patel
K.P. Bhatnagar
Sudha Singhania
Manjula Viswanathan
R.L. Srivastava
Vivek Viswanathan

Place : New Delhi
Dated : 28th July, 2001



SIR SHADI LAL ENTERPRISES LIMITED

ANNEXURE '2' TO DIRECTORS' REPORT

STATEMENT CONTAINING INFORMATION AS PER SECTION 217 (2A) (b) (ii) READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES 1975, AS AMENDED UP-TO-DATE, AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 31st MARCH, 2001.

A. EMPLOYED THROUGHOUT THE FINANCIAL YEAR AND WERE IN RECEIPT OF REMUNERATION IN AGGREGATE OF NOT LESS THAN Rs. 12,00,000 PER ANNUM.

Sl. No.	Name	Age/ Years	Designation/ Nature of Duties	Qualification	Experi-ence (Years)	Date of commence-ment of employment	Remun-eration paid (Rs.)	Previous Employer
1.	Sh. K.B. Lal	69	Sr. Executive Director -cum-secretary	B. Com. (Hons.) A.C.A., A.C.S., A.C.I.S. (London)	45	01.05.1975	12,55,120	The Delhi Cloth & General Mills Co. Ltd.
2.	Sh. Rajat Lal	41	Managing Director	B.Com., B.S. (U.S.A.), M.B.A. (U.S.A.)	18	16.05.1983	56,66,188	---
3.	Ms. Rupa Lal	51	Managing Director	M.A., LL.B.	18	01.01.1983	56,66,188	—

B. EMPLOYED FOR PART OF THE FINANCIAL YEAR AND WERE IN RECEIPT OF REMUNERATION AT A RATE NOT LESS THAN Rs. 1,00,000 PER MONTH.

1.	Sh. Narendra Lal	87	Managing Director	Bar-at-Law	62	1955	68,30,473	Sir Shadi Lal Sugar & General Mills Ltd.
----	------------------	----	-------------------	------------	----	------	-----------	------------------------------------------

- Notes :**
1. Remuneration includes Salary, Bonus, Allowances, Commission, Medical Reimbursement, Contribution to Provident & Superannuation Fund and Value of Perquisites.
 2. Except L. Narendra Lal, Managing Director, Ms. Rupa Lal and Mr. Rajat Lal, Managing Directors, none of the employee is related to any of the Directors.
 3. All the above named employees are whole-time employees of the company and the conditions of their employment are governed by the individual appointment letters.

Report Junction.com

Rupa Lal
Rajat Lal
Hemantpat Singhania
Onke Aggarwal
Bhanubhai I. Patel
K.P. Bhatnagar
Sudha Singhania
Manjula Viswanathan
R.L. Srivastava
Vivek Viswanathan

Place : New Delhi
Dated : 28th July, 2001

SIR SHADI LAL ENTERPRISES LIMITED

**AUDITORS' REPORT**

To,
The Shareholders of
Sir Shadi Lal Enterprises Limited

We have audited the attached Balance Sheet of Sir Shadi Lal Enterprises Limited as at 31st March, 2001 and the annexed Profit and Loss Account for the year ended on that date and report that :

As required by the Manufacturing and other Companies (Auditors' Report) Order, 1988, issued by the Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order, to the extent applicable to the Company.

Further to our comments in the Annexure referred to in paragraph (1) above, we further report that :

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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 those books;
- c) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of account;
- d) According to the information and explanations given to us and on the basis of written representations received from the Directors of the Company and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2001 from being appointed as a Director under section 274(1)(g) of the Companies Act, 1956;
- e) In our opinion and to the best of our information and according to the explanations given to us the accounts, read together with significant Accounting Policies & Notes thereon, comply with the Accounting standards referred to in Section 211(3C) of the Companies Act, 1956, 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 Profit & Loss Account, of the Profit of the Company for the year ended on that date.

For BASANT RAM & SONS
Chartered Accountants

Place : New Delhi
Dated : 28th July, 2001

H.K. Chadha
Partner