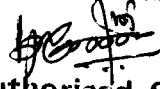


VARUN MERCANTILE LIMITED
17TH ANNUAL REPORT AND ACCOUNTS
31ST MARCH, 2002

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CERTIFIED TRUE COPY
For Varun Mercantile Ltd.


Authorised Signatory

VARUN MERCANTILE LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE SEVENTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF VARUN MERCANTILE LIMITED WILL BE HELD ON MONDAY, THE 30TH DAY OF SEPTEMBER, 2002 AT 10.30 A.M. AT THE REGISTERED OFFICE OF THE COMPANY AT 506, CHIRANJIV TOWERS, 43, NEHRU PLACE, NEW DELHI - 110 019 TO TRANSACT THE FOLLOWING BUSINESS :

1. To consider and adopt the Balance Sheet as at 31st March, 2002, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Lalit K Shroff, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and fix their remuneration.

By order of the Board of Directors

sdl
K.VARADARAJAN
DIRECTOR

PLACE : MUMBAI
DATED : 5th September, 2002

Registered Office :
506, Chiranjiv Towers,
43, Nehru Place,
New Delhi - 110 019

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.
2. The Register of Members and Transfer Books of the Company will be closed from Tuesday the 17th September, 2002 to Friday the 21st September, 2002. (both days inclusive).

VARUN MERCANTILE LIMITED

DIRECTORS' REPORT

To

The Members,

The Directors have pleasure in presenting their Seventeenth Annual Report and the audited accounts for the financial year ended 31st March, 2002.

WORKING :

During the year under report, your Company earned interest income of Rs.2.23 lakhs. However, after incurring necessary expenses and providing 0.55 lakhs for taxation, the Company earned a net profit of Rs.1.00 lakh.

DIVIDEND :

Your directors do not recommend any dividend for the year under report.

DIRECTOR :

Shri Lalit K Shroff retires by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO :

The information on conservation of energy, technology absorption, etc, required to be disclosed in terms of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is not given, since the Company is not engaged in manufacturing activity.

There were no foreign Exchange earnings and outgo, during the year under review.

PERSONNEL :

The Company has not paid any remuneration attracting the provisions of Companies (Particulars of Employees) Rules, 1975 read with Section 217 (2A) of the Companies Act, 1956. Hence, no information is required to be appended to this report in this regard.

DEPOSITS :

The Company has not accepted any Deposit, during the year.

VARUN MERCANTILE LIMITED

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) that in the preparation of the accounts for the financial year ended 31st March, 2002, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were 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 the year under review;
- (iii) that the Directors have taken proper and sufficient care 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 fraud and other irregularities;
- (iv) that the Directors have prepared the accounts for the financial year ended 31st March, 2002 on a 'going concern' basis.

CERTIFICATE UNDER COMPANIES (COMPLIANCE CERTIFICATE) RULES, 2001:

Pursuant to the requirement under Section 383A of the Companies Act, 1956, the Company has obtained a Certificate from a Company Secretary in whole-time practice. The copy of the said certificate is attached to this report.

AUDITORS :

The Auditors, M/s N.A.Jain & Co., Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. Certificate from the Auditors has been received to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224 (1) of the Companies Act, 1956.

For and on behalf of the Board

sdl- *sdl-*
K.VARADARAJAN BITTAL M SINGHI
DIRECTOR DIRECTOR

PLACE : MUMBAI

DATED : 5th September, 2002

Hasmukhlal N. Dalia
B.Com., F.C.S., A.C.A.

COMPANY SECRETARY

☎ : 620 51 92

B/12, SHALIMAR APPARTMENTS,
ADJ. TO SHOPPER'S STOP,
S. V. ROAD, ANDHERI (W),
MUMBAI - 400058.

Ref. No.:

Date :

COMPLIANCE CERTIFICATE

Registration No. : 55-20108

Nominal Capital : Rs. 3,00,00,000/-

To,
The Members,
Varun Mercantile Limited

I have examined the registers, records, books and papers of Varun Mercantile Limited ("the Company") as required to be maintained under the Companies Act, 1956, ("the Act") and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2002. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Delhi, during the financial year ending 31st March, 2002, as per the provisions under the Act and the rules made thereunder.
3. The Company being a public limited company, during the year under scrutiny, has the requisite paid-up capital.
4. The Board of Directors duly met 8 times on 11/4/2001, 30/4/2001, 31/7/2001, 05/9/2001, 31/10/2001, 19/11/2001, 31/1/2002 and 28/3/2002 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. There were no circular resolutions passed during the financial year ended on 31st March, 2002.
5. The Company closed its Register of Members from 18.9.01 to 28.9.01 (both days inclusive) and complied with the provisions of Section 154 of the Act.
6. The Annual General Meeting for the financial year ended on 31st March, 2001 was duly held on 29-09-2001 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra-ordinary General Meeting was held during the financial year.
8. The Company has not advanced loans to its directors and/or persons or firms or Companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Company has not issued any duplicate certificates during the Financial Year.



Hasmukhlal N. Dalia
B.Com., F.C.S., A.C.A.

COMPANY SECRETARY

☎ : 620 51 92

B/12, SHALIMAR APPARTMENTS,
ADJ. TO SHOPPER'S STOP,
S. V. ROAD, ANDHERI (W),
M U M B A I - 4 0 0 0 5 8 .

Ref. No.:

Date :

Registration No. : 55-20108

13. The Company has
 - (i) not issued any shares or securities during the financial year;
 - (ii) not deposited any amount in a separate Bank Account as no dividend was declared during the Financial Year;
 - (iii) not posted any warrants for dividends to any member of the Company as no dividend was declared during the Financial Year;
 - (iv) not transferred any amounts in unpaid dividend account, no application money due for refund, no matured deposits, no matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years during the Financial Year;
 - (v) duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of Additional Directors, Alternate Directors and Directors to fill casual vacancy during the Financial Year.
15. The Company has not made any appointment of Managing Director / Whole-time Director / Manager during the Financial Year.
16. The Company has not appointed any sole-selling agents during the Financial Year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies or such other authorities prescribed under the various provisions of the Act during the Financial Year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares/debentures/other securities during the Financial Year.
20. The Company has not bought back any shares during the Financial Year.
21. The Company has no Redeemable Preference Shares/debentures during the Financial Year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial Year.
24. The Company has not borrowed any money from directors, members, public, financial institutions, banks or others during the financial year under certification..
25. The Company has made loan to a body corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.

