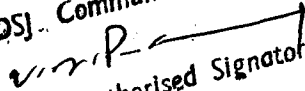


**DSJ COMMUNICATIONS LTD.**

For DSJ Communications Ltd.  
  
Director / Authorised Signatories

**CERTIFIED TRUE COPY**

**13<sup>TH</sup>  
ANNUAL  
REPORT  
2001-2002**

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**13TH ANNUAL GENERAL MEETING**

**DATE : 31ST MARCH, 2003.**

**DAY : MONDAY**

**TIME : 10.00 A.M.**

**PLACE : 105, Shreyas Building, Behind  
Monginis Cake Factory, New Link  
Road, Andheri (W),  
Mumbai-400 053.**

**BOARD OF DIRECTORS**

Vijaysingh B. Padode - Chairman

Pratap V. Padode - Director

Atul Tandan - Director

Vishnu Ajitsaria - Director

**COMPANY SECRETARY**

S. B. Kumar

**AUDITORS**

M/s. A. D. & Co.

Chartered Accountants

(Formerly Anand Parekh & Co.)

**REGISTERED OFFICE**

105, Shreyas Building,  
Behind Monginis Cake Factory,  
New Link Road, Andheri (W),  
Mumbai-400 053.

**BANKERS**

State Bank of Hyderabad

**REGISTRAR AND  
SHARE TRANSFER AGENTS**

M/s. IIT Corporate Services Ltd  
Protoprima Chambers,  
Suren Road, Andheri (E),  
Mumbai - 400 093

**NOTICE**

NOTICE is hereby given that the Thirteenth Annual General Meeting of the Shareholders of the Company will be held on Monday, the 31st March, 2003 at 10.00 A.M. at 105, Shreyas Building, Behind Monginis Cake Factory, New Link Road, Andheri (W), Mumbai-400 053 to transact the following business:-

**ORDINARY BUSINESS:**

1. To receive, consider and adopt audited Balance Sheet as at 30th September 2002 and the Profit and Loss Account for the year ended on that date together with the report of the Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. Atul Tandan who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and fix their remuneration.

**Registered Office:**  
105, Shreyas Building,  
New Link Road,  
Andheri (W), Mumbai - 400 053.

**By Order of the Board**  
For DSJ Communications Limited,

**Dated : 4th March, 2003**

**S. B. KUMAR**  
**COMPANY SECRETARY**

**FOR THE ATTENTION OF SHAREHOLDERS**

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.
2. Proxies, in order to be effective, must be received at the Registered office of the Company at least 48 hours before the scheduled time of the Meeting.
3. Members attending the Meeting are requested to bring with them the attendance slip enclosed herewith and handover the same at the entrance hall, duly filled and signed.
4. The Register of members and Share Transfer books of the Company will remain closed from Wednesday, 26th March, 2003 to Sunday, 30th March, 2003 (both days inclusive).
5. Members holding Shares in the physical form are requested to promptly notify any change in their address to our Registrar and Transfer agent at IIT Corporate Services Limited Protoprma Chambers, 2nd Floor, Suren Road, Andheri (E), Mumbai-400093. Members holding Shares in the Demat form are requested to notify the aforesaid changes to their depository participant(s) where they hold their Account.
6. Members are requested to quote their folio number in all their correspondence.
7. Members desirous of obtaining any information concerning the Account of the Company are requested to address their queries to the Company Secretary at least 7 days in advance of the Meeting so that the information required can be made readily available at the Meeting.
8. Members who hold Shares in the dematerialised form, are requested to bring their depository Account number for identification.
9. Members are requested to kindly bring their copies to the Meeting since extra copies will not be supplied at the Meeting.
10. The Equity Shares of the Company have been Sub-Divided from face value of Rs. 10/- to face value of Re. 1/- each at the EGM held on 31/07/2001 and the same have been effective from 26/09/2001 at the Stock Exchanges.

**SHARE HOLDERS INFORMATION**

**Scrip Code : 526677 ISIN: INE 055C01020**

Stock Exchanges on which the Company's Securities are listed.

The Company's securities are listed at the following 2 Stock Exchanges in India :-

1. The Stock Exchange, Mumbai, (Regional Stock Exchange) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.
2. National Stock Exchange of India Limited,  
Exchange Plaza, 5th Floor, Plot No. C/1, G. Block, Bandra-Kurla Complex, Bandra (E), Mumbai-400 051.

**By Order of the Board**  
For DSJ Communications Limited,

**S. B. KUMAR**  
**COMPANY SECRETARY**

**Dated: 4th March, 2003**

**DIRECTORS REPORT**

To the Members of DSJ Communications Limited

The Directors hereby present their Thirteenth Annual Report together with Audited Accounts for the year ended 30th September 2002.

	Year ended 30th September, 2002	(Rs in Lacs) Year ended 30th September, 2001
<b>1. FINANCIAL RESULTS</b>		
Total Income	40.99	196.17
Profit/(Loss) before Interest and depreciation	(-) 7.28	(-)106.19
Interest	545.27	546.57
Profit/(Loss) after interest but before depreciation	(-)552.55	(-)652.76
Depreciation	42.85	44.98
Profit/ (Loss) after tax	(-)595.40	(-)697.74
<b>APPROPRIATIONS</b>		
Profit/(Loss) for the year	(-)595.40	(-)697.74
Less: Provision for fluctuation in value of Investments	1.11	61.28
Add: Balance brought forward from earlier Year	(-)6187.07	(-)5550.61
Add: Revised Provision for Bad and Doubtful Debts/Advances	-	-
<b>Balance carried to Balance Sheet</b>	<b>(-)6781.36</b>	<b>(-)6187.07</b>

**2. REFERENCE TO AAIFR**

The Company made a reference to BIFR under section-15 of the Sick Industrial Company (Special provisions) Act 1985 (SICA) in November 1998. As per the order dated 26th September 2002 the BIFR dismissed the company reference filed by the Company. Against the said order of BIFR the Company has appealed to AAIFR (Appellate Authority for Industrial and Financial Reconstruction) and the appeal has been registered and assigned No.369/02 is now under consideration of AAIFR.

**3. DIVIDEND**

In view of the loss your Directors regret that they cannot declare any dividend.

**4. OPERATIONS**

The Company continues to incur losses in view of the termination of the publishing activity which is the main source of business. However the Management is trying for a revival and approaching several leading publishers for negotiations for take off of the operations and resumption of the Publishing activities and keep the flow of revenues to sustain the operational expenditure which has drained the Net-worth substantially and is a visible burden for the coming years.

**5. LITIGATION**

The payments to Registrar & Share transfer agents of the Companies M/s IIT Corporate Services Limited is pending and they have given legal notices to discontinue the services in spite of request to them by the Company not to do so in the interest of the Shareholder's and bear with us for the time being.

IDBI has filed a suit against the Company for recovery of the amount which matter is pending in the Debt Recovery Tribunal-I, Mumbai.

**6. FIXED DEPOSITS**

The Company has not invited or accepted any fixed deposits during the period under report under section 58A of the Companies Act, 1956.

## 7. ADDITIONAL INFORMATION

Information in terms of Section 217(1)(e) of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, forming a part of Directors' Report is given hereunder:

### a) CONSERVATION OF ENERGY

The Company's operations involve low energy consumption and there are no major areas where energy conservation measures could be taken.

### POWER AND FUEL CONSUMPTION

#### 1) ELECTRICITY

	2001-2002		2000-2001	
	<u>Unit</u>	<u>Amount</u>	<u>Unit</u>	<u>Amount</u>
i) Purchased	1693	7,217	15570	71,782
ii) Own generation	Nil	Nil	Nil	Nil

### b) TECHNOLOGY ABSORPTION

The Company does not have any technical collaboration arrangements. Keeping in mind the indigenous conditions, the Company has always used the latest technology available in the industry.

## 8. FOREIGN EXCHANGE EARNINGS/OUTGO

The foreign exchange earnings during the year amounted to Rs. Nil as against Rs.1.20 lacs in the previous year. The total foreign exchange utilised during the year was Rs.0.03 Lacs, the break-up of which is as under:-

Expenditure in foreign currency (subject to deduction of tax wherever applicable)

	2001-2002 (Rs.)	2000-2001 (Rs.)
Foreign Travelling	-	4,70,584
Others (Local Travelling)	41,108	3,46,470
Total	41,108	8,17,054

## 9. PARTICULARS OF EMPLOYEES

Particulars of employees as required under sub Section (2A) of Section 217 of the Companies Act, 1956 read with the Companies (Particulars of employees) as amended is not applicable.

## 10. AUDITORS COMMENTS

The comments of the Auditors, in their report on the Accounts are self-explanatory and no separate comments are required thereon.

## 11. DIRECTORS

Shri. Atul Tandan will retire by rotation but being eligible offers himself for re-appointment. Shri. Vishnu Ajitsaria had been appointed an Additional Director during the year. He would cease to be a Director on date of Annual General Meeting and he has not offered himself for re-appointment. There was a clerical error in the last year Annual Report in which it was stated all the Director's are Non-executive, which is untrue, and we have one whole-time Director who is the Chairman.

## 12. SUBSIDIARY COMPANIES

The Company has no subsidiaries.

**13. AUDITORS**

The Company's Auditors M/s A. D. & Co. (Formerly Anand Parekh & Co.), Chartered Accountants, retire at the ensuing Annual General Meeting. They are eligible for re-appointment and have consented to act as Auditors of the Company, if appointed necessary Certificates pursuant to Section 224 (1-B) of the Companies Act, 1956 would be obtained from the Auditors.

**14. DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- In preparation of Accounts, the applicable Accounting standards have been followed.
- Accounting policies selected were applied consistently. Reasonable and prudent judgements and estimates were made so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the loss of the Company for that period.
- Proper and sufficient care has been taken for 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 frauds and other irregularities.
- The annual Accounts of the Company have been prepared on a "Going Concern Basis".

**15. REPORT ON CORPORATE GOVERNANCE**

- **COMPANY'S PHILOSOPHY**

The Company firmly believes in and has consistently endeavoured to practice good Corporate Governance. The Company also believes in the values of transparency, professionalism and Accountability in its dealings with its customers, employees, Shareholders and with every individual who comes in contact with the Company.

- **BOARD OF DIRECTORS**

Composition of the Board of Directors as on 30th September 2002

Name of Director	Executive Non-Executive	No of Directorship Public Private	Other Board Committees of which Member/Chairman
Sh. V.B.Padode	Executive	2 5	
Sh.Pratap V Padode	Non-Executive	2 5	1
Sh.Vishnu Ajitsaria	Non-Executive	1	2
Sh. Atul Tandan	Non-Executive		

- **BOARD MEETINGS:**

The Company places before the Board all the relevant and necessary information periodically at their Meetings such as of Quarterly financials, any legal proceedings by or against the Company, Committee Minutes such as Minutes of Audit Committee, Share Transfer Committee and any other information, which has a bearing on the profitability of the Company.

During the year under review Eight Board Meetings were held. Agenda papers were sent to all the Directors well in advance of each Meeting.

Date of Board Meeting	City	No of Directors attended
31.10.2001	Mumbai	2
31.12.2001	Mumbai	3
21.01.2002	Mumbai	4
31.01.2002	Mumbai	4
22.02.2002	Mumbai	4
28.03.2002	Mumbai	4
30.04.2002	Mumbai	4
29.07.2002	Mumbai	4

**● CONSTITUTION OF COMMITTEES:**

In spite of the heavy losses the Board tried its best to comply with the code of Corporate Governance without any remuneration to any of the Director's. The Board tried to keep the minimum compliances in place as per clause 49 of the listing agreement. Following are the details:

**AUDIT COMMITTEE:**

Audit Committee consists of Mr.V.B.Padode, Mr.Atul Tandan and Mr.Vishnu Ajitsaria with Mr.Ajitsaria as the Chairman of the Committee. The term of reference of the Audit Committee include approving and implementing the audit procedures and techniques, reviewing the financial reporting systems, internal control systems and control procedures and ensuring compliance with the regulatory guidelines. The Committee had three Meetings during the year:

Date of Committee Meeting	City	No of Members attended
21.10.01	Mumbai	2
22.02.02	Mumbai	3
28.09.02	Mumbai	3

All the Directors attended the last AGM held on 28th March 2002.

Date	Place	Attendance of Director's
28.03.2002, 11.30 A.M	Mumbai,105-Shreyas,Newlink Road Andheri (w), Mumbai-400 053	All
12.03.2001, 11.30 A.M	RohitChamber, 4 <sup>th</sup> Floor, Janmabhoomi marg, Fort, Mumbai-400 001	All
13.03.2000, 11.00 A.M	Janmabhoomi Bhavan, Janmabhoomi Marg, Fort, Mumbai-400 001	All

**SHARE TRANSFER COMMITTEE:**

Mr. Pratap V Padode (Chairman)  
Mr. Ajit Saria (Member)

The Committee meets at regular intervals to oversee share transfer and related functions. In addition the Company has appointed M/s. IIT Corporate Services Limited, Protoprima Chamber's, 2nd floor, Suren Road, Andheri-400 093, to handle both physical as well as Demat mode as the Registrar and Share Transfer Agent of the Company. The Company Secretary has been designated as the Compliance Officer.

## **SHAREHOLDER/INVESTOR GRIEVANCE COMMITTEE :**

- a. Mr. Vishnu Ajitsaria ( Chairman)
- b. Mr. Pratap V Padode (Member)

This Committee was formed for review, record and help to resolve/attend to any grievances of Investors. If any grievance arises then such cases are referred to this Committee for earliest resolution of any problem. The Company Secretary has been designated as the Compliance Officer.

## **REMUNERATION COMMITTEE:**

The Company has not constituted any remuneration committee as the directors are not drawing any remuneration as the company has accumulated losses substantially and not generating any revenue.

## **MEANS OF COMMUNICATION:**

The quarterly/half yearly/annual unaudited/audited financial results of the Company are sent to the Stock Exchanges immediately after the Board of Directors approves them.

## **THE RESULTS WERE PUBLISHED IN THE FOLLOWING NEWSPAPERS:**

- a. Free Press (English language)
- b. The Nav Shakti (Vernacular language)

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

As per the requirements of listing agreement, a report on Management analysis and discussion report is being given herewith discussing the key issues:

### **INDUSTRY STRUCTURE:**

The Company has been going through a very difficult phase as the owners of the publishing rights have terminated the publishing rights and due to which the Company has lost substantial revenue due to suspension of the activities. The management is trying to negotiate and initiate talks with other publishers for commencement of the operations so that the fixed expenditure, which is draining the net-worth because of absence of revenue, can be marginalised. In view of the losses the management has decided not to take any remuneration from the Company till things are back to normal and operations look up. The Company is trying to bank on the vast goodwill of the Publishing brand image which it has built over the years with its own Equity Research team and owes it to its large subscriber base which has given a huge support to the Company in spite of the above factors. The print media industry has been affected by the slowdown in economy and advertising expenditure and big consumers switching preferences to electronic media. Recently the government has permitted Foreign Direct Investment in this industry, which will lead to enhanced competition. The Management has appealed to Appellate Authority for Industrial and Financial Reconstruction for reference to some Operating agency for initiating revival, which has been long overdue. The management is hopeful that some strategy would be worked out to bail out the Company out of its current financial crisis and retain the goodwill, which it has built consistently over the years and had made substantial investment.

### **INTERNAL CONTROL SYSTEM:**

The Company's internal control system are adequate considering the size and nature of operation of the Company, to meet regulatory/statutory requirements, assure recording of all transactions and report reliable and timely financial information and additionally it also provides obsolescence.

### **HUMAN RESOURCES**

Our primary endeavor has been to recruit quality manpower and ensure that we have the adequate manpower skills commensurate with needs. Efforts are on to bring in a dynamic Chief Executive officer who would lend his vision and foresight and guide the Company out of its present crisis and jump start the activities. Industrial relations of the Company continue to be cordial.

### **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE AND OUTLOOK**

The current accounting year is for period of 12 months commencing from 1st October 2001 to 30th September 2002. The fixed expenses are wiping out the net worth, as there is no revenue being generated to sustain the same, which is a factor to worry about. These Financials will improve once the operations take a jump start after the negotiations are over. The Management is trying to curtail the expenses as best as it can so the net worth can be preserved for the fresh initiation when revenues will make an inflow.

### **CAUTION STATEMENT**

Readers are cautioned that this discussion report contains forward-looking statements that involve risks and uncertainty. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of their date. The above discussion should be read in conjunction with the financial statements included herein and the notes thereto.

### **ACKNOWLEDGEMENTS**

The Directors are grateful to the Clients Subscribers, Bankers, Financial Institutions, Suppliers and Employees of the Company for their co-operation and assistance during the year. The Directors are also grateful to the Shareholders for their unstinted support to the Company during the year.

**On Behalf of the Board of Directors**

**Place : - Mumbai**  
**Date : - 4th March, 2003**

**V. B. PADODE**  
**Chairman**

## **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

### **TO THE MEMBERS OF DSJ COMMUNICATIONS LIMITED**

We have examined the compliance of conditions of corporate governance by DSJ Communications Ltd. for the year ended on 30th September 2002 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges. The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither the duty of an auditor nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement. As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Investors' Grievance Committee. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For A. D. & CO.**  
**CHARTERED ACCOUNTANTS**  
**(Formerly Anand Parekh & Co.)**

**Place: Mumbai**  
**Date: 4th March, 2003**

**(A. J. TIBREWALA)**  
**PARTNER**

## AUDITORS REPORT

### REPORT OF THE AUDITORS TO THE MEMBERS OF DSJ COMMUNICATIONS LTD.

#### ON THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER, 2002

We have audited the attached Balance Sheet of DSJ Communications Ltd as at 30th September, 2002 and the Profit and Loss Account of the company for the year ended on that date, annexed thereto and report that :

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Sec.227 (4-A) of the Companies Act, 1956 we enclose in the Annexure, a statement on the matters specified in the paragraphs 4 & 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 the law have been kept by the company, so far as appears from our examination of these books.
  - (c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
  - (d) In our opinion the Balance sheet and the Profit and Loss Account dealt with by this report comply with the accounting standard referred to in the sub section (3C) of section 211 of the Companies Act, 1956, to the extent applicable.
  - (e) On the basis of written representations received from the Directors of the Company as at 30th September, 2002 and taken on record by the Board of Directors, we report that no director is disqualified from being appointed as a Director of the company under clause ( g ) of sub-section (1 ) of Section 274 of the Companies Act, 1956 : and
  - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to Note No.: 5 (c ) and 21 of the Notes to accounts, regarding provision for fluctuation in value of investments and Provision of deferred tax liability / tax assets, 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 Balance Sheet, of the state of affairs of the Company as at 30th September, 2002
    - (ii) in the case of the Profit and Loss Account, of the Loss of the company for the year ended 30th September, 2002

For A. D. & CO.  
CHARTERED ACCOUNTANTS  
(Formerly Anand Parekh & Co.)

Place : Mumbai  
Date : 4th March, 2003

(A. J. TIBREWALA)  
PARTNER

**ANNEXURE TO THE REPORT OF  
THE AUDITORS TO THE MEMBERS OF****DSJ COMMUNICATIONS LIMITED  
ON THE ACCOUNTS FOR THE PERIOD ENDED 30TH SEPTEMBER, 2002.****(Referred to in Paragraph 1 thereof)**

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. These fixed assets have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. No material discrepancies were noticed on such verification.
2. The fixed assets of the Company have not been revalued during the year.
3. The Stock of Finished Goods and Raw Materials have been physically verified during the year by the management at reasonable intervals.
4. The procedure for physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
5. No material discrepancies have been noticed on physical verification of stocks as compared to book records.
6. On the basis of our examination of stock records, we are of the opinion that the valuation of stock is fair and proper and in accordance with the normally accepted accounting principles, and is generally on the same basis as in the preceding year.
7. The Company has taken loans from Companies and other parties listed in the Register maintained under section 301 of the Companies Act, 1956 and / or from the companies under the same management as defined under sub-section (IB) of section 370 of the Companies Act, 1956. The rate of interest and other terms and conditions of such loans are prima facie not prejudicial to the interest of the Company.
8. The Company has granted interest free loans to Companies listed in the Register maintained under section 301 of the Companies Act, 1956 or to Companies under the same management within the meaning of section 370 (IB) of the Companies Act, 1956. The other terms and conditions of such loans are prima facie not prejudicial to the interest of the Company. Also, there are transactions on current account with such Companies on which no interest is charged.
9. Loans and advances in the nature of loans have been given to employees and other parties who are repaying the principal amount as stipulated and are regular in payment of interest, wherever applicable.
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of stores, raw material including components, plant and machinery, equipment and other assets and for the sale of goods.
11. The transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or agreements entered in the registers maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs.50,000/- or more in respect of each party, have been made at prices which in our opinion are reasonable having regard to prevailing market prices for such goods and materials, or the prices at which transactions for similar goods have been made with other parties.
12. As Explained to us, the Company has a regular procedure for the determination of unserviceable or damaged stores, raw materials and finished goods. Adequate provision has been made in the account for the loss arising on the items so determined.

13. During the year under review the Company has not accepted any deposit from the public under section 58A of the Companies Act, 1956.
14. In our opinion, reasonable records have been maintained by the Company for the sale and disposal of realisable scrap. The Company has no by-products.
15. The Company has an adequate internal audit system which commensurate with the size of the Company and the nature of its business. However, these reports were not made available for our review.
16. We are informed that maintenance of cost records has not been prescribed by the Central Govt. under section 209(1) (d) of the Companies Act, 1956 for any of the products of the Company.
17. The Company is generally regular in depositing Provident Fund and Employees State Insurance dues during the financial year with the appropriate authorities. In few instances the dues were paid after the due dates. However, at the end of the year there were no overdue outstanding.
18. Income Tax authorities have raised a demand of Rs 37.98 lacs in respect of Assessment Year 1995-96. The company has filed an appeal against the same. Except for this amount, there are no undisputed amounts payable in respect of income tax, sales tax, customs duty and excise duty as at 30th September, 2002. outstanding for a period of more than six months from the date when they became payable.
19. The Company has a policy to exercise reasonable checks and controls for authorisation of various expenses which intend to ensure that such expenses are authorised either on the basis of contractual obligation / terms of employment or which are in accordance with the generally accepted business practices having regard to the company's needs and exigencies. In terms of these observations, we have not come across any expenses charged to revenue account which in our opinion and judgement and to the best of our knowledge and belief, would be regarded as personal expense .
20. The Company is a Sick Industrial company within the provision of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985. The Company has made a reference to BIFR under Section 15 of the Sick Industrial Companies (Special Provision) Act, 1985 in November 1998.
21. In respect of services rendered :
  - i) The Company has a reasonable system of recording receipts, Issues and consumption of materials and stores.
  - ii) Considering the nature of services rendered and the basis of billing, allocation of material and labour to each job is not required.
  - iii) The Company has a proper system of internal control, with authorization at appropriate levels.
22. The Company has maintained proper records of transactions and contracts in respect of trading in shares and other securities and timely entries have been made therein. All shares, debentures and other securities have been held by the Company in its own name except to the exemption granted under Section 49 of The Companies Act, 1956 and save for certain shares which are either lodged for transfer or held with valid transfer forms.

**For A. D. & CO.**  
**CHARTERED ACCOUNTANTS**  
**(Formerly Anand Parekh & Co.)**

**Place : Mumbai**  
**Date : 4th March, 2003**

**(A. J. TIBREWALA)**  
**PARTNER**

# DSJ COMMUNICATIONS LTD.

**BALANCE SHEET AS ON 30TH SEPTEMBER 2002**

	SCHEDULE	RUPEES	AS ON 30/09/2002 (RUPEES)	AS ON 30/09/2001 (RUPEES)
<b><u>SOURCES OF FUNDS</u></b>				
Shareholders Funds :				
Share Capital	1		74,196,500	74,196,500
Reserves and Surplus	2		399,170,859	399,170,859
Loan Funds :				
Secured Loans	3		146,215,767	146,326,648
Unsecured Loans (From Companies)	4		19,474,500	20,474,500
			<u>639,057,626</u>	<u>640,168,507</u>
<b><u>APPLICATION OF FUNDS</u></b>				
Fixed Assets :	5			
Gross Block		126,394,781		124,979,381
Less: Depreciation		<u>53,259,531</u>		<u>48,974,152</u>
			73,135,250	76,005,229
Add : Capital Work in progress			8,701,305	9,023,300
Net Block			<u>81,836,555</u>	<u>85,028,529</u>
Investments	6	169,684,336		169,809,335
Less: Provision for Investment Fluctuation Reserve		<u>111,879,419</u>		<u>111,990,607</u>
			57,804,917	57,818,728
Current Assets, Loans and Advances	7	160,576,342		163,201,445
Less: Current Liabilities and Provisions	8	<u>339,444,650</u>		<u>284,736,602</u>
Net Current Assets			(178,868,308)	(121,535,157)
Miscellaneous Expenditure to the extent not written off or adjusted			147,993	148,622
Profit & Loss Account (As per annexed profit & loss Account)			<u>678,136,469</u>	<u>618,707,785</u>
			<u>639,057,626</u>	<u>640,168,507</u>
Notes to Accounts	14			

As per our report of even date  
For A. D. & CO.,  
Chartered Accountants  
(Formerly Anand Parekh & Co.)

For and on behalf of the board

(A. J. TIBREWALA)  
Partner

V. B. PADODE  
Chairman

P. V. PADODE  
Director

S. B. Kumar  
Company Secretary

Place : Mumbai  
Date : 4th March, 2003

Place : Mumbai  
Date : 4th March, 2003

# DSJ COMMUNICATIONS LTD.

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH MARCH 2003

		AS ON 30/09/2002 RUPEES	AS ON 30/09/2001 RUPEES
SCHEDULE			
<b><u>INCOME</u></b>			
Advertisement		1,965,900	7,807,232
Sale of Publications		721,829	9,400,752
Other Income	9	1,411,386	2,408,791
		<u>4,099,115</u>	<u>19,616,775</u>
<b><u>EXPENDITURE</u></b>			
Cost of Materials Consumed	10	161,327	2,828,345
Printing and Publication Expenses		282,976	2,987,529
Employees Remuneration and Benefits	11	359,497	3,107,681
Administrative Expenses	12	792,620	6,917,863
Sales Promotion and Advertisement		214,028	3,244,686
Finance Charges	13	54,526,588	54,657,408
Profit /Loss on Sale of Investments		125,000	8,149,000
Depreciation		4,285,379	4,498,102
Sundry Balances Written Off		2,838,363	1,496,176
Preliminary Expenses Written Off		16,914	1,225
		<u>63,602,692</u>	<u>87,888,015</u>
<b><u>PROFIT/(LOSS) BEFORE TAX</u></b>		(59,503,577)	(68,271,240)
Add/(Less): Prior period adjustments		<u>36,295</u>	<u>1,503,236</u>
Loss For The Year Transferred to Appropriation A/C		<u>(59,539,872)</u>	<u>(69,774,476)</u>
<b><u>APPROPRIATIONS</u></b>			
(Loss)For The Year		(59,539,872)	(69,774,476)
Less: Provision for Fluctuation in Value Of Investments		111,188	6,127,705
Add: Balance brought forward from last year		(618,707,785)	(555,061,014)
<b><u>BALANCE CARRIED TO BALANCE SHEET</u></b>		<u>(678,136,469)</u>	<u>(618,707,785)</u>

Notes to Accounts

14

As per our report of even date  
For A. D. & CO.,  
Chartered Accountants  
(Formerly Anand Parekh & Co.)

For and on behalf of the board

(A. J. TIBREWALA)  
Partner

V. B. PADODE  
Chairman

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Director

S. B. Kumar  
Company Secretary

Place : Mumbai  
Date : 4th March, 2003

Place : Mumbai  
Date : 4th March, 2003

**SCHEDULES FORMING PART OF THE ACCOUNTS****AS ON  
30/09/2002  
RUPEES****AS ON  
30/09/2001  
RUPEES****SCHEDULE 1****SHARE CAPITAL****Authorised :**

10,00,00,000 Equity Shares of Re.1/- each (P.Y.10,00,00,000 Shares of Re.1/- each)	100,000,000	100,000,000
15,000 (Previous Year 15,000) 14% Non-Cumulative Redeemable Shares of Rs.100/- each	1,500,000	1,500,000
5,00,000 (Previous Year 5,00,000) 10% Cumulative Convertible Preference Shares of Rs.10/- each	5,000,000	5,000,000
	<u>106,500,000</u>	<u>106,500,000</u>

**Issued, Subscribed and Paid-up**

79,081,500 (Previous Year 79,081,500) Equity Shares of Re.1/- each.	79,081,500	79,081,500
Less : Calls in arrears	<u>5,785,000</u>	<u>5,785,000</u>
	73,296,500	73,296,500
9,000 (Previous Year 9000) 14% Non-Cumulative Redeemable Preference Shares of Rs.100/- each fully paid up	<u>900,000</u>	<u>900,000</u>
	<u>74,196,500</u>	<u>74,196,500</u>

**SCHEDULE 2****RESERVES & SURPLUS**

Share Premium	<u>399,170,859</u>	<u>399,170,859</u>
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**SCHEDULE 3****SECURED LOANS**

Cash Credit Facility from a Bank	21,607,583	21,718,464
Corporate Loan from Financial Institutions	<u>124,608,184</u>	<u>124,608,184</u>
	<u>146,215,767</u>	<u>146,326,648</u>

## SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS

AS ON 30/09/2002 RUPEES	AS ON 30/09/2001 RUPEES
-------------------------------	-------------------------------

### SCHEDULE 4

#### UNSECURED LOANS

Inter Corporate Deposit from Companies  
under the same Management  
From Other Companies

17,778,000	17,778,000
1,696,500	2,696,500
19,474,500	20,474,500

### SCHEDULE 5 FIXED ASSETS

(Amount in Rupees)

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS ON 30/09/01	ADDITIONS DURING THE YEAR	DEDUCTION DURING THE YEAR	AS ON 30/09/02	AS ON 30/09/01	ON DEDUCTIONS	FOR THE YEAR	AS ON 30/09/02	AS ON 30/09/02	AS ON 30/09/01
<b>OWNED</b>										
GOODWILL	888,150	-	-	888,150	-	-	-	-	888,150	888,150
BUILDINGS	47,770,892	1,415,400	-	49,186,292	5,817,395	-	881,616	6,699,011	42,487,281	41,953,497
PLANT & MACHINERY	43,343,876	-	-	43,343,876	25,415,067	-	1,970,892	27,385,959	15,957,917	17,928,809
OFFICE EQUIPMENT	10,142,066	-	-	10,142,066	3,361,602	-	452,062	3,813,664	6,328,402	6,780,464
FURNITURE & FIXTURE	15,494,613	-	-	15,494,613	7,040,306	-	980,809	8,021,115	7,473,498	8,454,307
VEHICLES	139,784	-	-	139,784	139,783	-	-	139,783	1	1
<b>LEASED</b>										
COMPUTERS(MODEMS)	7,200,000	-	-	7,200,000	7,199,999	-	-	7,199,999	1	1
<b>TOTAL</b>	<b>124,979,381</b>	<b>1,415,400</b>	<b>-</b>	<b>126,394,781</b>	<b>48,974,152</b>	<b>-</b>	<b>4,285,379</b>	<b>53,259,531</b>	<b>73,135,250</b>	<b>76,005,229</b>
<b>ADD : CAPITAL WORK IN PROGRESS</b>									<b>87,01,305</b>	<b>9,023,300</b>
<b>TOTAL</b>	<b>124,979,381</b>	<b>1,415,400</b>	<b>-</b>	<b>126,394,781</b>	<b>48,974,152</b>	<b>-</b>	<b>4,285,379</b>	<b>53,259,531</b>	<b>81,836,555</b>	<b>85,028,529</b>
<b>PREVIOUS YEAR</b>	<b>124,979,381</b>	<b>-</b>	<b>-</b>	<b>124,979,381</b>	<b>44,476,050</b>	<b>-</b>	<b>4,498,102</b>	<b>48,974,152</b>	<b>85,028,529</b>	<b>89,526,631</b>

**SCHEDULE 6****INVESTMENTS**

<b>QUOTED (EQUITY SHARES)</b>	<b>AS ON 30/09/2002</b>		<b>AS ON 30/09/2001</b>	
	<b>QUANTITY NO'S</b>	<b>(AT COST) (RS)</b>	<b>QUANTITY NO'S</b>	<b>(AT COST) (RS)</b>
Agro Chem Punjab Ltd	200	5,020	200	5,020
Auto Pal Industries Ltd	2500	25,000	2500	25,000
Bharat Fertilizers Ltd	50	1,500	50	1,500
Vinayaka Synthetics Ltd	65	650	65	650
Cephram Organics Ltd	1560	16,540	1560	16,540
Cosmos Films Ltd	800	8,000	800	8,000
Dataline & Research Technologies (I) Ltd * (d)	2180100	59,280,750	2180100	59,280,750
Disposable Medi-aids Ltd	4900	49,000	4900	49,000
D.C.L.Finance Ltd	600	1,000	600	1,000
Essen Computers Ltd	200	17,070	200	17,070
Ganesh Polytex Ltd	800	8,000	800	8,000
Indian Magnetics Ltd	50	500	50	500
Indian Tonners & Developers Ltd	300	3,000	300	3,000
Madalsa International Ltd	2500	25,000	2500	25,000
Nepc Agro Foods Ltd	600	10,940	600	10,940
Paushak Ltd	950	19,605	950	19,605
Pradeep Drugs Ltd	7900	79,000	7900	79,000
Prashant Proteins Ltd	3300	85,725	3300	85,725
Premier Industries Ltd	2000	96,600	2000	96,600
Professional Circuit Board Ltd	1500	15,000	1500	15,000
Road Master Steel Ltd	385	12,850	385	12,850
Shyam Vinyl Ltd	400	6,020	400	6,020
Tata Hydro Ltd	2030	281,238	2030	281,238
Tri Star Soya Ltd	1250	30,125	1250	30,125
Uttam Galva Ltd	600	27,030	600	27,030
Varun Benzo Plast Ltd	1000	41,000	1000	41,000
Ganesh Benzoplast Ltd	50	1,875	50	1,875
Tisco Ltd	2950	800,925	2950	800,925
Transchem Ltd	15000	1,689,750	15000	1,689,750
Shri Vardhaman Overseas Ltd	3300	165,000	3300	165,000
DSJ Finance Corporation Ltd * (c)	3078433	70,019,370	3078433	70,019,370
Nath Pulp	7350	640,552	7350	640,552
Ganesh Benzoplast Ltd	489	36,675	489	36,675
Ganesh Benzoplast Ltd	489	46,455	489	46,455
Mudra Financial Services	725000	7,250,000	725000	7,250,000
		<u>140,796,765</u>		<u>140,796,765</u>

## SCHEDULE 6

### INVESTMENTS

	AS ON 30/09/2002		AS ON 30/09/2001	
<b>UNQUOTED (EQUITY SHARES)</b>	QUANTITY NO'S	(AT COST) (RS)	QUANTITY NO'S	(AT COST) (RS)
Saraswat Co-op.Bank Ltd	1000	10,000	1000	10,000
National Co-op.Bank Ltd	3000	30,000	3000	30,000
Infotech CompuSoft Ltd	20000	200,000	20000	200,000
Asian Information & Marketing Serv.Ltd	1663200	16,632,000	1663200	16,632,000
Sangam Credit Capital Pvt. Ltd	100000	1,000,000	100000	1,000,000
		<u>17,872,000</u>		<u>17,872,000</u>
<b>UNQUOTED (PREFERENCE SHARES)</b>				
Padode Communications Pvt.Ltd *	60000	600,000	60000	600,000
Narad Investments Pvt.Ltd. *	10000	100,000	10000	100,000
Mahan Leasing Pvt.Ltd *	10000	100,000	10000	100,000
		<u>800,000</u>		<u>800,000</u>
<b>DEBENTURES (NCD)</b>				
DSJ Finance Corporation Limited * (c)	3	15,000	3	15,000
<b>INVESTMENT IN JOINT VENTURE COMPANY</b>				
DSJ Asia Communications Ltd. *	14000	5,755,570	14000	5,755,570
(14000 Equity Shares of face value H\$ 100 each)				
SHARE APPLICATION MONEY **		4,445,000		4,570,000
TOTAL INVESTMENTS		<u>169,684,336</u>		<u>169,809,335</u>
LESS :INVESTMENT FLUCTUATION RESERVE		111,879,419		111,990,607
		<u>57,804,917</u>		<u>57,818,728</u>

NOTE: a) \* Indicates Companies under the same management.

b) \*\* Includes Amount applied in co's under the same management

c) DSJ Finance Corporation Ltd is under Liquidation.

d) Dataline & Research Technologies (I) Ltd. is sick company and as on date delisted from stock market.

# DSJ COMMUNICATIONS LTD.

## SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	AS ON 30/09/2002 RUPEES	AS ON 30/09/2001 RUPEES
<b>SCHEDULE 7</b>		
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
Sundry Debtors (Unsecured, Considered Good)		
Due for more than Six Months	51,389,482	49,213,789
Other Debts	-	4,348,828
	51,389,482	53,562,617
Cash on Hand	212,465	150,626
Balance with Scheduled Banks in Current Account	299,345	1,452,407
in Margin Deposit Account	669,500	674,646
(A)	52,570,792	55,840,296
Loans and Advances (Unsecured-Considered Good)		
Advances recoverable in cash or in kind or for value to be received	103,881,431	103,049,307
Deposits	4,124,119	4,311,842
(B)	108,005,550	107,361,149
(A) + (B)	160,576,342	163,201,445
<b>SCHEDULE 8</b>		
<b>CURRENT LIABILITIES AND PROVISION</b>		
<b>CURRENT LIABILITIES</b>		
Creditors for Goods	6,447,340	9,047,726
Pre-Received Subscription	1,276,285	3,729,606
Other Liabilities	314,421,025	254,659,270
(A)	322,144,650	267,436,602
<b>PROVISIONS</b>		
Provision for Taxation	17,300,000	17,300,000
(A) + (B)	339,444,650	284,736,602
<b>SCHEDULE 9</b>		
<b>OTHER INCOME</b>		
Interest Income	5,552	118,850
Dividend Income	50	3,420
Rent Income	60,000	60,000
Miscellaneous Income	13,784	87,521
Service Income	1,332,000	2,139,000
	1,411,386	2,408,791

# DSJ COMMUNICATIONS LTD.

## SCHEDULE FORMING PART OF THE ACCOUNTS

	AS ON 30/09/2002 RUPEES	AS ON 30/09/2001 RUPEES
<b>SCHEDULE 10</b>		
<b>COST OF MATERIALS CONSUMED</b>		
Paper Consumed		
Opening Stock	-	-
Add: Purchases	161,327	2,828,345
	<u>161,327</u>	<u>2,828,345</u>
Less: Closing Stock	-	-
	<u>161,327</u>	<u>2,828,345</u>
<b>SCHEDULE 11</b>		
<b>EMPLOYEES' REMUNERATION AND BENEFITS</b>		
Salary, Wages & Bonus, etc.	330,970	2,919,376
Contribution to Funds and other Staff Benefits	27,527	187,055
Director's Sitting Fees	1,000	1,250
	<u>359,497</u>	<u>3,107,681</u>
<b>SCHEDULE 12</b>		
<b>ADMINISTRATIVE AND OTHER EXPENSES</b>		
Printing and Stationery	29,732	290,711
Legal and Professional Fees	207,052	1,067,528
Postage and Courier Charges	39,368	899,071
Service Charges	-	5,125
Telephone and Telex	55,420	491,025
Conveyance	25,048	495,442
Travelling Expenses	41,108	817,054
Motor Car Expenses	2,770	277,140
Newspaper and Periodicals	5,104	54,199
Membership & Subscription	-	85,200
Commission and Brokerage	2,500	101,540
Auditor's Remuneration	10,000	60,000
Rent, Rates and Taxes	6,927	175,493
Electricity Charges	7,217	71,782
Repairs and Maintenance	7,580	229,335
Packing Forwarding, Transport	27,622	590,749
Computer Consumables	-	46,600
Donation to (Gujarat Earthquake Fund)	-	4,000
Insurance Charges	7,781	80,413
General Expenses	7,509	104,789
Claims & Damages	80,877	-
Web-Site Development Charges	-	480,250
R&T Charges and Listing Fees	229,005	490,417
	<u>792,620</u>	<u>6,917,863</u>
<b>SCHEDULE 13</b>		
<b>FINANCE CHARGES</b>		
Interest to Banks	3,600,000	3,600,000
Bank Charges and Commission	7,592	65,427
Interest to Financial Institutions		
On Term Loan	44,737,264	44,765,550
Others	6,181,732	6,181,732
Other Finance Charges	-	44,699
	<u>54,526,588</u>	<u>54,657,408</u>

**NOTES FORMING PART OF THE BALANCE SHEET AND THE PROFIT & LOSS  
ACCOUNT FOR THE YEAR ENDED 30TH SEPTEMBER, 2002****SCHEDULE 14****NOTES TO ACCOUNTS****1. SIGNIFICANT ACCOUNTING POLICIES:**

The following significant accounting policies have been applied by the company:

**a. Basis of Accounting:-**

Financial Statements are prepared under historical cost convention on accrual basis.

**b. Fixed Assets:-**

Fixed assets are stated at cost of acquisition or construction less depreciation. Cost of Fixed Assets is inclusive of incidental expenses incurred upto the date of commissioning of new project, interest upto the date of capitalisation and other direct expenses for acquiring the assets.

**c. Foreign Currency Transactions:-**

Foreign currency transactions are accounted at equivalent rupee values based on the exchange rates prevailing on the date of the transaction. Current Assets and Current Liabilities including balances in respect of a foreign branch are re-stated at the exchange rate prevailing on the last date of transaction. The resultant differences in exchange rate if any, are charged to revenue account.

**d. Depreciation:-**

Depreciation on all Fixed Assets have been provided on Straight Line Method at the rates prescribed in schedule XIV to the Companies Act, 1956.

Depreciation on Assets leased is provided on Straight line basis as per the rates prescribed under Schedule XIV to the Companies Act, 1956 and not equal to annual lease charge where 100% of the cost of assets is depreciated over the primary period of lease, as recommended by the Institute of Chartered Accountants of India.

**e. Investments:-****i) Quoted :-**

Long Term Investments are stated at cost less Provision for fluctuation in market value.

**ii) Unquoted :-**

Unquoted investments are valued at cost.

**f. Valuation of Inventories:-**

Inventories including finished goods are valued at lower of cost or net realisable value.

**g. Revenue Recognition:-**

Revenue from sale of publications and advertisements are accounted net of agency commission. Sale of publications includes subscription which is accounted on the basis of copies of magazines serviced during the year. Dividend and interest on Shares and Debentures are accounted on receipt basis.

**h. Retirement Benefits:-**

Retirement benefits like gratuity and leave encashment are accounted on the basis of estimates made by the Company.

**i. Barter Deals :-**

The Company has entered into Barter Deals with various parties from whom amounts are recoverable towards Advertisement income. This is adjusted for services utilised and debited to respective expenses. However, in case of certain parties, reconciliation are pending for want of proper documents/ information.

- j. Accounts made for the period upto March 2002 have a book loss, provisions of section 115JA of the Income Tax Act, 1961 are not applicable. Hence no provision for Income Tax has been made.
- k. Contingent Liabilities not provided for in the books are separately stated in the Notes to Accounts.

## 2. SHARE CAPITAL-SCHEDULE - 1

- (i) 14% Non-Cumulative Redeemable preference shares were redeemable on or before 31st March 2001, at the discretion of the Board of Directors. The Board of Directors have decided to extend the redemption upto 31st March 2004.
- (ii) Call in arrears includes Rs.53.38 Lacs due towards share premium (Previous year Rs. 53.38 Lacs)

## 3. SECURED LOAN-SCHEDULE - 3

- a. Bank loan on cash credit account are secured by hypothecation of stocks, debtors and collateral security by way of hypothecation of a printing machinery along with personal guarantee of four Directors.
- b. Loans from Financial Institutions are secured against mortgage of specified immovable properties. Formalities for creation of mortgage was not completed upto the date of Balance Sheet. The loan is also secured with personal guarantee of four Directors.
- c. Loan from IDBI is secured against pledge of quoted marketable shares held by the Company with 50% margin, hypothecation of movable assets and personal guarantee of two directors. IDBI has filed a suit against the Company for recovery of the amount which matter is pending in the Debt recovery Tribunal-I, Mumbai.

## 4. FIXED ASSETS - SCHEDULE - 5

- a. Building includes Rs.500/- being the cost of shares in a private company and Rs.500/- in a co-operative society.
- b. The Company has leased one of its property to a relative of Director for the purpose of residential accommodation

## 5. INVESTMENTS - SCHEDULE - 6

- |   | <u>30th Sept'2002</u>                            | <u>30th Sept'2001</u> |
|---|--|-----------------------|
| a. Market value of quoted investments:  | Rs. 289.12 Lacs                                  | Rs.288.06 Lacs        |
| b. Aggregate investments in Companies under same management   | Rs. 1358.55 Lacs (Previous year Rs.1358.55 Lacs) |                       |
| c. The Board had decided to make provision for fluctuation in market value of quoted long term investments. This represents diminution /increase in the market value of investments i.e. the difference between its cost and market value as on Balance Sheet date. Provision to the extent of Rs.1.11 Lacs is reversed in the current year due to increase in market value of shares (Previous Year Provision Rs.61.27 lacs)   |  |                       |
| d. The shares held by the Company in DSJ Asia Communications Ltd. are not in the possession of the Company. The Promoters of the Company have left the place and abandoned the company. The above company has no assets as most of them were intellectual rights and the Company's Promoters are not traceable and a complaint has been filed with the Consulate General of China, Consulate General of Hong Kong and Commercial Crime Branch of Hong Kong. The above registered company in Hongkong has no operations of business whatsoever. The Company requested the Reserve Bank of India for granting us permission to write off the amount. Still the request is under the consideration of Reserve Bank of India. |  |                       |

## 6. CURRENT ASSETS & LIABILITIES - SCHEDULE - 7 & 8

- a. Inventories of unsold magazines are not valued as the same has insignificant commercial value.

- b. During the year, the Company has written off Rs.119.66 Lacs from Sundry Debtors including the amount due from Companies under same management which the company had already made provision in earlier year and is certain of not recovering the same.
- c. During the year, the Company has written off Rs.243.48 Lacs from Loans and Advances including amount due from Companies under the same management which the Company has already made provision in the earlier year and is certain of not recovering the same.
- d. Sundry Debtors & Sundry Creditors are subject to confirmation and reconciliation, if any.
- e. In the opinion of the Board of Directors, the Current Assets, loans and advances, have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet after the provisions.
- f. The Company has taken Legal action against certain Debtors for recovery by sending notices. Most of the parties have responded to these notices. The Board is of the opinion that the said amounts shall be recoverable. The aggregate value of debts due from these parties is Rs. 59.38 Lacs (Previous year Rs. 59.38 Lacs).

## 7. CONTINGENT LIABILITIES:-

- i. Counter guarantees for issue of bank guarantees Rs.72.26 Lacs (previous year Rs.72.26 Lacs)
- ii. Claims not acknowledge as Debts - Not ascertainable.
8. Amount repayable to Institutions within One year Rs.NIL (Previous year Rs NIL). The Company has however not paid any installment to any Institutions. The entire debt is thus overdue.
9. Future rentals obligations in respect of assets taken on lease is Rs. NIL (Previous Year Rs. NIL). Lease rentals payable within one year is Rs. NIL (Previous Year Rs. NIL). Assets taken on lease include Machinery, Vehicles, Computers etc.
10. The Interest provided on outstanding balance of Cash Credit limit with Bank of Baroda is on adhoc basis.
11. The Interest provided on outstanding corporate loan from Financial Institutions is on adhoc basis.

## 12. OTHER INCOME - SCHEDULE 10

	(Rs. in lacs)	
	<u>2001-2002</u>	<u>2000-2001</u>
a. Includes gross interest on Other Interest Income	0.06	1.19
b. Tax deducted at source from interest amounted to Rs. Nil(Previous Year Rs. 0.26 Lacs)		

## 13. MANAGING DIRECTOR'S REMUNERATION AND BENEFITS - SCHEDULE 13

Managerial remuneration for Director (exclusive of payment to gratuity and pension funds on actuarial valuation)

	(Rs. in lacs)	
	<u>2001-2002</u>	<u>2000-2001</u>
Remuneration	NIL	NIL
Perquisites	NIL	NIL

<b>14. Directors sitting fees</b>	<b><u>2001-2002</u></b>	<b><u>2000-2001</u></b>
	0.01	0.01

## 15. AUDITORS' REMUNERATION:-

	<b><u>2001-2002</u></b>	<b><u>2000-2001</u></b>
Includes payments for:-		(Rs. in lacs)
Statutory Audit	0.10	0.35
Tax Audit	-	0.20
Others Matters	-	0.05
	<u>0.10</u>	<u>0.60</u>

## 16. QUANTITATIVE INFORMATION

	<b><u>2001-2002</u></b>		<b><u>2000-2001</u></b>	
	<b><u>QTY</u></b>	<b><u>VALUE RS.</u></b>	<b><u>QTY</u></b>	<b><u>VALUE RS.</u></b>
A. Turnover				
(i) Sale of Magazine	-	7,21,829	-	94,00,752
B. Raw Material Consumed				
Paper Consumed (KG)	5070	1,61,327	77118	28,28,345
Other Consumables	NIL	NIL	NIL	NIL
C. Opening Stock of Finished Goods:-				
Directories	NIL	NIL	NIL	NIL
D. Closing Stock of Finished Goods :-				
Directories	NIL	NIL	NIL	NIL

NOTE: In view of the nature of business of the Company, there is no opening and closing stock of finished goods of magazines.

17. The Company is engaged in the business of publication of magazines. The printing of magazines is done by outside parties on job work basis. In view of the nature of such operations, the information with regard to licensed capacity, installed capacity and actual production is not applicable, and hence not furnished.

## 18. VALUE OF RAW MATERIALS AND STORES CONSUMED

	<b><u>2001-2002</u></b>		<b><u>2000-2001</u></b>	
	<b><u>VALUE RS.</u></b>	<b><u>%</u></b>	<b><u>VALUE RS.</u></b>	<b><u>%</u></b>
A. Raw Material				
Imported	NIL	NIL	NIL	NIL
Indigenous	161,327	100%	28,28,345	100%

## 19. VALUE OF IMPORTS ON C.I.F. BASIS

Raw Material	NIL	NIL	NIL	NIL
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**20. Expenditure in foreign Currency : (Subject to deduction of Tax wherever applicable)**

	<b><u>2001-2002</u></b>	<b><u>2000-2001</u></b>
	<b>(Rs.)</b>	<b>(Rs.)</b>
Foreign Travelling	-	4,70,584
Others (Local Travelling)	41,108	3,46,470
	<b><u>41,108</u></b>	<b><u>8,17,054</u></b>
Total	<b><u>41,108</u></b>	<b><u>8,17,054</u></b>

**21. The Accounting year of the Company began on 1st October, 2001. In view of this, the deferred tax liability / tax assets is not arrived at and no provision is made in the accounts towards the same.**

**22. Earnings in Foreign Exchange Rs.Nil (Previous Year Rs. 1.20 Lacs)**

**23. Figures have been re-grouped/re-arranged wherever necessary and rounded off to the nearest rupee.**

**24. The Company does not have separate records of suppliers of small scale or ancillary industries defined under the "Interest on delayed payments to small scale and Ancillary undertakings Act, 1993." In the absence of such information, interest on overdues amounts to such suppliers, if any, as on 30th September, 2002 is not ascertained and hence not provided for.**

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**As per our report of even date  
For A. D. & CO.,  
Chartered Accountants  
(Formerly Anand Parekh & Co.)**

**For and on behalf of the board**

**(A. J. TIBREWALA)  
Partner**

**V. B. PADODE  
Chairman**

**P. V. PADODE  
Director**

**S. B. Kumar  
Company Secretary**

**Place : Mumbai  
Date : 4th March, 2003**

**Place : Mumbai  
Date : 4th March, 2003**

# DSJ COMMUNICATIONS LTD.

			(Rs. in Lacs)	
	Rupees	2001-2002 Rupees	2000-2001 Rupees	2000-2001 Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Net profit before tax and extraordinary items		(-)595.04		(-)682.71
Add: Adjustments for;				
Depreciation	42.85		44.98	
Interest and Finance charges	<u>545.26</u>		<u>546.57</u>	
		588.11		591.55
Less : Adjustments for;				
Interest and Dividend received	0.06		1.22	
Rent Income	<u>0.60</u>	<u>0.66</u>	<u>0.60</u>	<u>1.82</u>
Operating Profit before Working		(-)7.59		(-)92.98
Capital Changes Adjustments for;				
Trade & Other Receivables	26.25		11.98	
Inventories	2.12		1.51	
Miscellaneous Expenditure	0.17		0.01	
Trade Payables	522.54		555.28	
Pre-Received subscription	<u>24.54</u>	<u>575.62</u>	<u>8.28</u>	<u>557.06</u>
Cash Generated from Operations		568.03		484.08
Interest Paid		(-)545.27		(-)546.57
Cash Flow before Extraordinary items		22.76		(-)62.49
Prior Year Adjustments		<u>(-)0.36</u>		<u>(-)15.03</u>
Net Cash from Operating Activities		22.40		(-)77.52
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Net deployment in Fixed Assets	-		-	
Net deployment in Investments	1.25		95.25	
Interest Received	0.06		1.18	
Dividend Received	-		0.03	
Rent Income	<u>0.60</u>		<u>0.60</u>	
Net Cash used in Investing Activities		1.91		97.06

# DSJ COMMUNICATIONS LTD.

	2001-2002 Rupees	(Rs. in Lacs) 2000-2001 Rupees
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Capital	-	-
Proceeds from long Term & Short Term Borrowings	-	-
Dividends Paid	-	-
Net Cash used in Financing Activities	-	-
Net Decrease in Cash & Cash Equivalents	20.49	19.54
Cash & Cash Equivalents (opening)	22.57	42.11
Cash & Cash Equivalents (closing)	2.08	22.57

As per our report of even date  
For A. D. & CO.,  
Chartered Accountants  
(Formerly Anand Parekh & Co.)

For and on behalf of the board

(A. J. TIBREWALA)  
Partner

V. B. PADODE  
Chairman

P. V. PADODE  
Director.

S. B. KUMAR  
Company Secretary

Place : Mumbai  
Date : 4th March, 2003

Place : Mumbai  
Date : 4th March, 2003

## AUDITORS CERTIFICATE

The Board of Directors  
DSJ Communications Limited  
105, Shreyas Building, New Link Road,  
Andheri (W), Mumbai-400 053.

We have examined the attached cash flow statement of DSJ Communications Ltd. for the period ended 30th September, 2002. The statement has been prepared by the company in accordance with the requirements of listing agreement clause 32 with Bombay Stock Exchange and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the company covered by our Report of 3rd March, 2003 to the members of the Company.

For A. D. & CO.  
CHARTERED ACCOUNTANTS  
(Formerly Anand Parekh & Co.)

Place : Mumbai  
Date : 4th March, 2003

(A. J. TIBREWALA)  
PARTNER

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS****I. REGISTRATION DETAILS**Registration No **54329**State Code **III**Balance Sheet Date **30092002****II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)**

Public Issue

**NIL**

Right Issue

**NIL**

Bonus Issue

**NIL**

Private Placement

**NIL****III. POSITION OF MOBILISATION & DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)**

Total Liabilities

**639057**

Total Assets

**639057****SOURCES OF FUNDS**

Paid-Up Capital

**74196**

Reserves &amp; Surplus

**399170**

Secured Loans

**146216**

Unsecured Loans

**19475****APPLICATION OF FUNDS**

Net Fixed Assets

**81836**

Investments

**57805**

Net Current Assets

**(-)178868**

Misc. Expenditure

**148****IV. PERFORMANCE OF COMPANY (Amounts in Rs. Thousands)**

Turnover

**4099**

Total/Expenditure

**63603**

Profit/Loss Before Tax

**(-)59540**

Profit/Loss after Tax

**(-)59540**

Earning Per Share (Rs)

**NIL**

Dividend Rate

**NIL****V. GENERIC NAMES OF THREE PRINCIPLE PRODUCTS/SERVICES OF COMPANY**Item Code No. **N/A**(ITC Code) **N/A**

Product Description:

1. Publisher &amp; Printer of Magazines Trade Directories and Newsletters

For and on behalf of the board

Place : Mumbai  
Date : 4th March, 2003V. B. PADODE  
ChairmanP. V. PADODE  
DirectorS. B. KUMAR  
Company Secretary

**DSJ COMMUNICATIONS LTD.**

Regd. Office : 105, Shreyas Building, New Link Road, Andheri (W), Mumbai-400 053.

DP Id.\* **ATTENDENCE SLIP**No. of Shares Client Id.\* Folio No. 

I hereby record my presence at the Thirteenth Annual General Meeting of the Company at 105, Shreyas Building, Behind Monginis Cake Factory, New Link Road, Andheri (W), Mumbai-400 053 on Monday, March 31st, 2003 at 10.00 a.m.

Name of Shareholder \_\_\_\_\_  
(in block letters)

Name of the Proxy \_\_\_\_\_  
(in block letters)

(To be filled if the proxy attends, instead of the shareholder)

Ledger Folio No. \_\_\_\_\_ No. of shares held \_\_\_\_\_

Signature of the Shareholder \_\_\_\_\_

Signature of the proxy \_\_\_\_\_

\* Applicable for investors holding shares in electronic form.

----- TEAR HERE -----

**DSJ COMMUNICATIONS LTD.**

Regd. Office : 105, Shreyas Building, New Link Road, Andheri (W), Mumbai-400 053.

DP Id.\* **PROXY FORM**No. of Shares Client Id.\* Folio No. 

I/We \_\_\_\_\_ of \_\_\_\_\_ being a member/members of M/S DSJ Communications Ltd. hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to vote for me/our behalf at the 13th Annual General Meeting of the Company to be held on 31st March, 2003 at 10.00 a.m. at 105, Shreyas Building, Behind Monginis Cake Factory, New Link Road, Andheri (W), Mumbai-400 053. And at any adjournment thereof.....

Revenue Stamp  
1/- Rupee

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2003

Signature (s) of the shareholders

\* Applicable for investors holding shares in electronic form.

- Note:**
1. Proxy form duly completed and stamped must reach the Company's Registered Office not less than 48 hours before the aforesaid meeting.
  2. Member/Proxy holder wishing to attend the meeting must bring the Attendance slip duly signed to the meeting and hand it over at the entrance.

**BOOK-POST**

If undelivered, please return to:

**DSJ Communications Limited**  
105, Shreyas Building,  
Behind Monginis Cake Factory,  
New Link Road, Andheri (W),  
Mumbai-400 053.