

# VIL OVERSEAS ENTERPRISES B.V.

Directors:  
**S. M. Bhandarkar** (Chairman)  
**P. N. Dhume**  
 PKF Holland Trust B.V.  
 Represented by  
**Dr. J.C.M. Van Sonderen**

## DIRECTORS' REPORT

### TO THE MEMBERS

Your Directors have pleasure in submitting their Third Annual Report and the Accounts for the year ended 31st March, 2002.

- The Company has earned a dividend income of Euro 102 418 and after meeting its operating and administrative expenses, recorded a profit of Euro 79 081 for the year under review as compared to Euro 7 593 in the previous year.
- The Directors recommend a dividend of 10% for the year 2001-2002.
- M/s. Wallast Accountants & Belastingadviseurs, the retiring auditors, being eligible, offer themselves for re-appointment.
- As regards the remark of the Auditors in their Report in respect of valuation of participations of the Company 'at Cost', the Company feels that taking into consideration the financial performance of these participations, no adverse adjustments would be required.

On behalf of the Board of Directors

**S.M.Bhandarkar**  
 Chairman

Dubai, 25th May, 2002.

## AUDITORS' REPORT

To the shareholders of  
**VIL Overseas Enterprises B.V.**

### Introduction

We have audited the accompanying balance sheet, as at 31st March, 2002 and the related statement of Income for the period ended 31st March, 2002 of VIL Overseas Enterprises B.V. at Delft, the Netherlands. These financial statements are prepared for the incorporation in the annual report of the parent company, Voltas Limited. The financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

### Scope

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the Netherlands. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

### Matters affecting opinion

The financial statements include the participations of the company at cost. No audited financial information for the year ended 31st March, 2002 of all participations is yet available. Also, due to geographic circumstances and regulatory restrictions, we are unable to review the work of those other auditors.

### Opinion

In our opinion, except for the effect of adjustments in respect of the participations referred to in the preceding paragraph, if any, the financial statements give a true and fair view of the company's financial position as at 31st March, 2002 and of the result for the year then ended in accordance with accounting principles of the parent company.

Delft, 23rd May, 2002

Wallast accountants en belastingadviseurs

## BALANCE SHEET AS AT 31ST MARCH, 2002

	Euro	As at 31-3-2001 Euro
<b>SOURCES OF FUNDS</b>		
Share Capital	618 729	618 729
Reserves and Surplus	24 761	7 553
<b>Shareholders' Funds</b>	<b>643 490</b>	<b>626 282</b>
<b>APPLICATION OF FUNDS</b>		
Participations (at cost)	414 661	414 661
Voice Antilles N.V.	160 788	160 788
Saudi Ensas Company For Engineering Services Ltd. Lalbuksh Voltas Engineering Services & Trading L.L.C.	25 934	25 934
	601 383	601 383
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
Advance to Voice Antilles N.V.	Nil	5 672
Prepayments	6 300	Nil
Bank Balances	109 680	27 168
<b>Less: Current Liabilities and Provisions</b>	<b>(73 873)</b>	<b>(7 941)</b>
<b>Net Current Assets</b>	<b>42 107</b>	<b>24 899</b>
	643 490	626 282

Dubai, 25th May, 2002.

Chairman  
 Director

**S.M. Bhandarkar**  
**P.N. Dhume**

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2002

	Euro	Period ended 31st March, 2001 Euro
<b>OTHER INCOME</b>		
Dividends from participations	102 418	50 852
<b>EXPENSES</b>		
Operating and Administrative Expenses	23 150	43 295
Interest	187	(36)
	23 337	43 259
<b>Net result for the year</b>	<b>79 081</b>	<b>7 593</b>

Dubai, 25th May, 2002.

Chairman  
 Director

**S.M. Bhandarkar**  
**P.N. Dhume**

## NOTES TO THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT

### Objectives

The corporation's object categories of business are:  
 Investment in overseas ventures, undertaking turnkey projects and trading activities.

### General

Assets and liabilities are valued at nominal values if not stated otherwise. Profits are taken into account at the moment they have been realized and the losses are taken as soon as they appear.

Amounts in foreign currencies are taken at the moment that they have been converted at the official rate of exchange as per balance sheet date. Exchange differences are dealt with through the profit and loss account.

### Accounting period

The financial statements cover the period 1st April, 2001 upto and including 31st March, 2002.

### Participations

The participations consist of acquired interests in the capital of the following companies during the year 2000:

	%	Acquisition costs Euro
Voice Antilles N.V.	100	414 661
Saudi Ensas Company For Engineering Services Limited	39	160 788
Lalbuksh Voltas Engineering Services & Trading L.L.C.	29	25 934
		601 383

The participations are carried at acquisition costs.

### Share capital

The entire paid up share capital of the company, consist of 13 635 Shares of NLG 100 each (EURO 45.38) is held by Voltas Limited, Mumbai, India.

The capital has been transferred into euro's in accordance with Article 178c Part 9, Book 2 of the Netherlands Civil Code.

### Reserves and Surplus

Balance as per 31st March, 2001	7 553
Result for the year ended 31st March, 2002	79 081
Proposed dividend	(61 873)
Balance as per 31st March, 2002	24 761

The proposed dividend is included in current liabilities and provisions as per 31st March, 2002.

Dubai, 25th May, 2002.

Chairman  
 Director

**S.M. Bhandarkar**  
**P.N. Dhume**