

AAKAR ENGINEERING AND MANUFACTURING COMPANY LIMITED

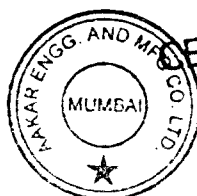
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EIGHTH ANNUAL REPORT

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AAKAR ENGG. & MFG. CO. LTD.

Deepati S.G.
Director/Authorised Signatory



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AAKAR ENGINEERING & MANUFACTURING CO. LIMITED

BOARD OF DIRECTORS : Mr. Sunil D. Shah
Managing Director

Dr. S. Somasundaram

Dr. Champak Nandu

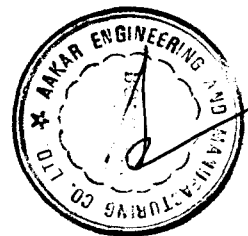
Mr. Vipin Nisar

Mr. B. Kamlesh

AUDITORS : D. T. PATEL & CO.,
Chartered Accountants,
Mumbai

BANKERS : JANKALYAN SAHKARI BANK LTD.
Sakinaka Branch, Andheri (East),
Mumbai

REGISTERED OFFICE : 82, Old Nagardas Road,
Andheri (East),
Mumbai 400 069.



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**Aakar Engineering and Manufacturing Co. Ltd.
Eighth Annual Report (1998-99)**

NOTICE

Notice is hereby given that the Eight Annual General Meeting of Aakar Engineering and Manufacturing Co. Ltd. will be held on 28th September, 1999 at its Registered Office 82, Old Nagardas Road, Andheri (East), Mumbai 400 069, at 10.00 a.m. to transact the following business :

Ordinary Business

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended 31st March 1999 and the Balance Sheet and Notes to Accounts, as at 31.3.1999 and the report of Directors and Auditors thereon.
2. To appoint a director in place of Dr. S. Somasundaram, who retires by rotation and being eligible offers himself for re-appointment.
3. To confirm the appointment of Mr. B. Kamlesh as Director of the Company.
4. To appoint Auditors for the current year to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting, and to fix their remuneration. M/s. D. T. Patel & Co., the retiring Auditors are eligible for re-appointment.

Special Business

5. To consider, and if thought fit, to pass the following resolution with or without modification as SPECIAL RESOLUTION :

"RESOLVED THAT the consent of the Company be and is hereby accorded under the Provision of Section 21 of the Companies Act, 1956, to the Board of Directors of the Company to make application to Registrar of Companies, Maharashtra, to effect change in the name of the Company from the Present " AAKAR ENGINEERING AND MANUFACTURING COMPANY LIMITED" TO "AAKAR TECHNOLOGIES LIMITED" or such other name in

For Aakar Engineering & Manufacturing Co. Ltd.

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Authorised Signatory

AAKAR ENGINEERING AND MANUFACTURING COMPANY LIMITED.

Registered Office: 82, Old Nagardas Road, Andheri (East), Mumbai - 400 069, Tl. : (022) 436 7083 • Fax : (022) 436 7084
Branch Office: A-75, 1/27, Scheme Tehnika Andhwaik, Chhatrapati Shivaji Maharaj, Maharashtra, • Tl. : (0255) 121334 • Fax : (0255) 21234



order of preference, approved by the Registrar of Companies and to authorise Board of Directors to complete necessary formalities relating to the change of Name of the Company and modification in the main object clause of the Company.

By order of the Board

Sunil Shah
Managing Director

Place : Sion

Date : 3rd September, 1999

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. A proxy form, duly completed should be deposited at the registered office of the company, not later than 48 hours before the meeting.
2. Member are requested to intimate the change of address, if any.
3. All documents referred to in the accompanying notice are open for inspection at the registered office of the company on all working days upto the date of Annual General Meeting.
4. Members are requested to intimate queries, if any, regarding accounts, at least 7 days before the meeting to enable the management to keep the information required available at the time of meeting.
5. Members are requested to bring their copies of Annual Report to the meeting along with the attendance slip. * For Aakar Engineering & Manufacturing Co. Ltd.

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S. G. S.
Authorised Signatory

AAKAR ENGINEERING AND MANUFACTURING COMPANY LIMITED

Plot Office 62, Old Nagar Road, Andheri (East), Bombay - 400 060. Tel : 887 6267 & 88 7015 • Fax : (022) 835 00 11
Plot Office 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, Sion, Taluka Andheri (East), Mumbai - 400 008. • Tel. (022) 55112133 • Fax : (022) 55112134

6. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of resolutions under items 4 is annexed hereto.

ITEM NO. 5

Under Section 21 of the Companies Act, 1956 it is necessary to obtain consent of the shareholders in the General Meeting by passing Special Resolution to effect change in the name of the Company.

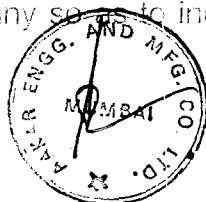
Members of the Company are aware that the Company was setup with an objective to manufacture various moulds and dies for Plastic Industry since 1992. The main objective of the Company to be persuaded was to Develop, Design, Fabricate, Process, Prepare, Assemble or cause to be Designed, Fabricate, Processed, Assembled and Manufactured and to Trade in Plant & Machineries, Equipments, Instruments, Moulds, Mould Bases, Components, Plates, Dyes, Jigs, Fixtures, Tools and things required in Textile, Petro-Chemical, Chemical, Plastic, Rubbers, Auto mobiles, Construction, Aeronautics, Engineering, Shipping, Electronics, Electrical, Pneumatics, Hydraulic and other Industries. The activities of the Company were mainly related to Manufacturing and allied activities.

Hence, the existing name i.e. AAKAR ENGINEERING AND MANUFACTURING COMPANY LIMITED was most suitable and appropriate to the objectives of the Company.

During the course of period, the company planned to diversify its activities and to expand its horizon. As such Company has established a Software Division and plans to have its overseas office to support its overseas business. Also Company plans to carry on activity in the field of Information Technology, Internet, E-Commerce and other computer related activities. Further, the Company decided to go in for Import and Export of Products like Cosmetics, Garments, Decorative Items, etc. Since the Company does not Manufacture such Products, these products are to be purchased from other local manufacturers and to export them. The Company has undergone adequate research and market analysis for the proposed new venture. Over a period of time the Company has developed good contacts and business relations with local professionals agencies who will be helping the Company in its new venture.

As such, besides persuading the main objective of manufacturing, the Company is intending to diversify and expand into other ventures for which opportunities may arise. Since the Company plans to pursue MANY objectives in future, the Board of Directors of the Company has proposed to change the name of the Company from existing "AAKAR ENGINEERING AND MANUFACTURING COMPANY LIMITED" to "AAKAR TECHNOLOGIES LIMITED" or such other name in order of preference, approved by the Registrar of Companies and to change the main objects clause of the Company so as to include above activities in the main object clause.

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For Aakar Engineering & Manufacturing Co. Ltd.

Authorized Signatory

AAKAR ENGINEERING AND MANUFACTURING COMPANY LIMITED.

Registered Office: 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.



Aakar Engineering and Manufacturing Co. Ltd.
Eighth Annual Report (1998-99)

DIRECTORS REPORT

To,
The Members,

Your Directors have pleasure in presenting their report on the operations of the Company for the year ending 31st March, 1999.

Financial Results	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
a) Sales and Other income	780.70	292.97
b) Profit before Interest, Depreciat on and non cash exp.	109.98	13.98
c) Interest	22.27	14.69
d) Depreciation and other non cash expenses	74.18	31.23
e) Provision for Taxation	1.42	0.00
f) Net Profit /(Loss) before Appropriation	12.11	(31.94)
g) Add : Op. Balance of Profit & Loss Account	0.00	19.63
h) Add: Adjustment of earlier year	0.00	(47.66)
i) Transfer to General Reserve	0.00	59.97
j) Net Profit transferred to Balance Sheet	12.11	0.00

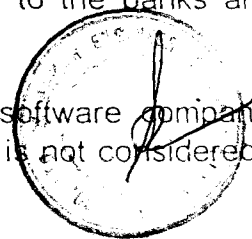
Dividend : The Board of Directors does not recommend any dividend to conserve resources.

Status of Project : The Company has established the high tech project with computerised machinery's, CAD & CAM facilities to manufacture various types of moulds for plastic processing. The plant has become fully operational through out the year.

Turnover and Profits and Operations : Turnover for the year under review amounted to Rs 780.70 lacs (previous year Rs.292.97 lacs). The net profit for the same year was Rs. 12.11 lacs (previous year Loss Rs. 31.94 lacs).

Finance and Accounts : During the year, company continue to have availed required working capital from M/s. Jankalyan Sahakari Bank Limited. The company was regular in making payment of interest and principal to the banks and other institutes.

Investments : The Company has acquired shares of software companies and considering future potential, the diminishing market value is not considered, as the investment is made on long term basis.



Sd/- _____

Directors : Dr. S. Somasundram is retiring at the ensuing meeting & being eligible offers himself for reappointment. The Directors recommend his reappointment.

The Board of Directors of the Company, in their meeting held on 26th August, 1998, appointed Mr. B. Kamlesh as additional director of the Company, to hold office up to ensuing Annual General Meeting and also being eligible, offer himself for appointment as Director liable to retire by rotation.

Marketing : The market price of moulds are reasonable and competitive in comparison with local manufacturers and despite the competition, the company has been able to get good orders and its products were well received in the market.

Expansion / Diversification : The management has decided to expand the activity from mould making and machining, to establish in the line of Merchant Exporters, for which necessary formalities are completed. The Company has received good order booking in the field of Garments.

The Company has also established a software division and the Company plans to have its overseas office to support its overseas operation.

The Company proposed to invest in the equity of Infotech Companies towards establishing strategic alliances in software business.

Industrial Relations : During the year, industrial relations has been extremely cordial and the directors thank all the employees for their contribution towards the growth of the organisation.

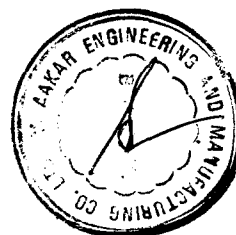
Conservation of Energy :

Electricity consumed 68,994 units.

Foreign Exchange Earnings & Outgo :

Foreign Exchange Earnings during the year : Nil.

Foreign Exchange Outgo during the year : During the year the company has imported Machinery and has expended Rs. 14.56 lacs (S\$ 39,200 & FL 20,900) for the same.



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Particulars of Employees :

As required under Sub Section 2A of Section 217 of Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and as amended from time to time, the particulars of such employees are not applicable to the Company.

Y2K Compliance :

The Company is in the process of achieving Year 2000 compliance in all computerised and embedded systems. The Company does not envisage any serious threat to its business activities from the Y2K problem.


Auditors :

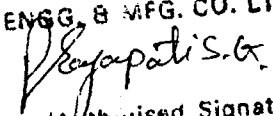
The Auditors M/s. D.T.Patel & Co., Chartered Accountants, are holding their office as the Auditors of the Company till the conclusion of the ensuing Annual General Meeting and shall retire at the conclusion of the said General Meeting and shall be eligible to offer themselves for reappointment.

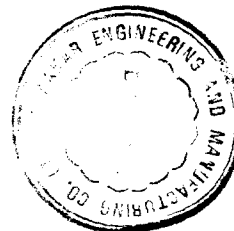
Acknowledgement :

The Directors wish to take this opportunity to thank all the employees of the Company as also the M/s. Janakalyan Sahakari Bank Ltd. and various other Government Agencies for their continuous contribution towards the growth of the organisation.

For Aakar Engineering & Manufacturing Co. Ltd.


Sunil Shah
Managing Director

AAKAR ENGG. & MFG. CO. LTD.

Director/Authorised Signatory



Place : Sinnar
Date : 3rd September, 1999

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D. T. PATEL & CO.,
Chartered Accountants

Dindoshi Wadi, Room No. 2,
Opp. Pravasi Ind. Estate,
Goregaon (E), Mumbai 400 063.
Ph. : 875 68 01

AUDITORS REPORT

To,

The Members of AAKAR ENGINEERING AND MANUFACTURING CO. LTD.,

We have audited the attached Balance Sheet of AAKAR ENGINEERING AND MANUFACTURING CO. LTD. as at 31st March 1999, and the Profit and Loss account for the year ended on that date, annexed there to and report as under :

1. As required by the Manufacturing and other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of section 227(4A) of the Companies Act, 1956, we enclose, in the annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph 1 above.
 - (a) We have obtain 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 accounts as required by Law have been kept by the company so far as it appears from our examination of the books ;
 - (c) The Balance Sheet & Profit & Loss Account dealt with by this report are in agreement with the books of accounts ;
 - (d) In our opinion; and to the best of our information and according to the explanations given to us, the Profit & Loss Account & Balance Sheet complies with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, subject to
 - a) No provision has been made in respect of liability for Gratuity - refer Note No.2 in Schedule 'S'.
 - b) No Provision has been made in respect of liability for leave encashment -refer Note No.3 in Schedule 'S'.
 - c) No Provision has been made for diminution in the value of Investment of Rs. 11.25 lacs - refer Note No. 10 in Schedule 'S'.

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