

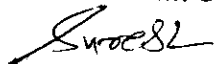
## AAKAR ENGINEERING & MANUFACTURING CO. LIMITED

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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.

CERTIFIED TRUE COPY

AAKAR ENGG. & MFG. CO. LTD.



Director/Authorised Signatory





**Aakar Engineering and Manufacturing Co. Ltd.  
Ninth Annual Report (1999-2000)**

**DIRECTORS REPORT**

To,  
The Members.

Your Directors have pleasure in presenting their report on the operations of the Company for the year ending 31<sup>st</sup> March 2000.

**Financial Results**

**Current Year Previous Year**  
(Rs. in Lacs) (Rs. in Lacs)

a) Sales and Other income	1298.39	698.63
b) Profit before Interest, Depreciation and non-cash exp.	122.50	110.29
c) Interest	29.72	22.27
d) Depreciation and other non cash expenses	75.98	74.49
e) Provision for Taxation	1.94	1.42
f) Net Profit /(Loss) before Appropriation	14.86	12.11
g) Add: Op. Balance of Profit & Loss Account	12.11	00.00
h) Net Profit transferred to Balance Sheet	26.97	12.11

**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 1,298.39 Lac (previous year Rs.698.63 Lac). The net profit for the same year was Rs. 14.86 Lac (previous year Rs. 12.11 Lac).

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Regd. Office : 82, Old Nagardas Road, Andheri (East), Bombay - 400069. Tel : 837 6286 / 838 7083 • Fax : (091) (22) 835 69 14  
Factory : A-75,76,77, Sinnar Taluka Anahyogik Vasahat, Sinnar, Nasik, Maharashtra. • Tel. (02551) 21333 • Fax : (02551) 21234



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

**Directors:** Mr. B. Kamlesh is retiring at the ensuing meeting & being eligible offers himself for reappointment. The Directors recommend his reappointment.

**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, Merchant Exporters to establish in the line of Software and eBusiness.

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

The Company invested 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 55,782 units.

**Foreign Exchange Earnings & Outgo:**  
Foreign Exchange Earnings during the year: Nil  
Foreign Exchange Outgo during the year: 2.08 Lac



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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.

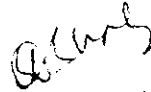
**Auditors:**

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.

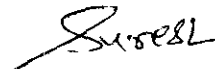
**For Aakar Engineering & Manufacturing Co. Ltd.**

  
**Sunil Shah**  
Managing Director

**CERTIFIED TRUE COPY**

**Place: Mumbai**  
**Date: 1<sup>st</sup> September 2000**

**AAKAR ENGG. & MFG. CO. LTD.**

  
Director/Authorised Signatory

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## D. T. PATEL & CO.

CHARTERED ACCOUNTANTS

**Dayashanker T. Patel**  
B.Com., F.C.A.

13-B/12, Dindoshi Prayag Co-op Hsg. Ltd.  
Shivdham Complex, Malad (E), Mumbai-97  
Tel 842 3436

### 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 2000, 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 and bonus -refer Note No.3 in Schedule 'S'.



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And read together with other notes thereon, give the information as required by the Companies Act, 1956, in the manner so requires and give a true and fair view;

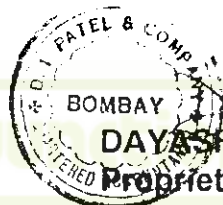
(i) In the case of the Balance Sheet, of the state of the affairs of the company as at 31st March 2000 and,

(ii) In the case of Profit & Loss Account of the Profit for the year ended on that date.

For D. T. PATEL & CO.  
CHARTERED ACCOUNTANTS

Place: Mumbai

Dated: 1<sup>st</sup> September, 2000



*Dayashanker T. Patel*  
DAYASHANKAR T. PATEL  
Proprietor

## D. T. PATEL & CO.

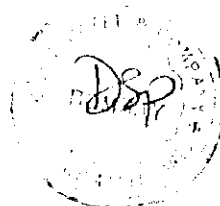
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### ANNEXURE TO AUDITOR'S REPORT (Referred to in paragraph (1) of our report of even date.)

1. As explained to us, and according to information and explanation given to us full particulars of fixed assets are under compilation and the management has physically verified the assets at reasonable interval, as the records are under compilation, discrepancy, if any not ascertainable and the material discrepancy, if any will be adjusted on completion of fixed assets records.
2. None of the fixed assets of the company have been revalued during the year.
3. The stocks of finished goods, stores, spare parts and raw materials have been physically verified by the management at reasonable intervals during the year.
4. In our opinion the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. It is explained to us that no material discrepancy has been noticed on verification between the physical stocks and book records.
6. In our opinion and on the basis of our checks, the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in preceding period.
7. The company has taken unsecured loans from companies or firms listed in the register required to be maintained under Section 301 of the Companies Act, 1956 and, in our opinion, the terms and condition of such loans are not prima facie prejudicial to the interest of the company. We are informed that there are no companies under the same management within the meaning of Section 370 (IB) of the Companies Act, 1956.
8. The company has not granted loans / advances, secured or unsecured, to companies or other parties listed in the register required to be maintained under Section 301 of the Companies Act, 1956. We have been informed that there are no companies under the same management as defined under Section 370 (IB) of the Companies Act, 1956.



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9. In our opinion the parties to whom the loans or advances in the nature of loan have been given by the company are repaying the principal amount and interest, wherever stipulated.
10. In our opinion and according to the information and explanation given to us, internal control procedures requires to be strengthened keeping in view with the size of the company and the nature of its business for purchase of stores, raw materials including components, plant and machinery, equipment and other assets and for the sale of goods
11. In our opinion and according to information and explanation given to us, the company does not have any transaction of purchase of goods and materials and sale of goods, materials and services made in pursuance to contracts or aggregating during the year to Rs. 50,000 or more. Except the purchase and Sales to one party in which a director is interested, which are reasonable, having regard to prevailing market price as per the company. Same is not comparable as the product is specially designed and develop as per the party's requirement.
12. According to the information and explanations given to us & in our opinion, the transaction of procurement of service made in pursuance of contracts or arrangements entered in the register 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 reasonable prices.
13. As per information and explanations given to us, the company does not have any unserviceable or damaged stores, raw materials or finished goods at the end of the year and hence this clause is not applicable.
14. As informed to us the company has not accepted any fixed deposit within the meaning of section 58A of the Companies Act, 1956.
15. According to the information and explanations given to us, the company does not have by-products. However, the company does generate scrap for which the proper record has been maintained by the company.
16. As per information and explanations given to us, the Company does not have internal audit system commensurate with its size and nature of its business.

