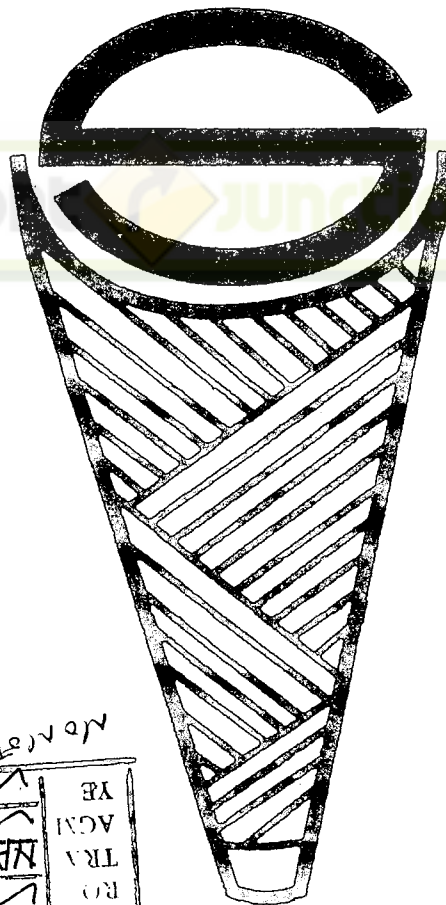


*Atlea Spumens Ltd.*

[illegible]

(Gujarat)

Dist : Mehsana

Taluka : Kadi

Village : Thol

Survey No. 876,

**PLANT**

704, "SAHAJANAND"  
Shahibaug Road, Shahibaug,  
Ahmedabad - 380 004.

**REGISTERED OFFICE**

Vijaya Bank,  
Relief Road,  
Ahmedabad-380 001.

**BANKERS**

Bhaidas M. Mehta & Co.  
Chartered Accountants,  
15, Amar Chambers, Reid Road,  
Railwaypura, Ahmedabad-380 002.

**AUDITORS**

Shri R. B. Panchariya  
Shri Satish R. Panchariya  
Shri Arun R. Panchariya  
Shri Madanlal Purohit

**BOARD OF DIRECTORS**

— Chairman  
— Managing Director  
— Director  
— Director

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## ANNUAL REPORT 1997-98

*Alka Spinners Ltd.***DIRECTORS' REPORT**

To,  
Dear Members,  
Your Directors have pleasure in submitting their 5th Annual Report together with the Audited Statement of accounts for the year ended 31st March 1998.

**FINANCIAL RESULTS**

The Company had no manufacturing activities during the year ended on 31st March, 1998. However, the company had done trading activities and some share transactions during the year ended on 31st March 1998. The Working Results of the Company for the year ended on 31st March, 1998 are as follows :-

	AS ON 31-03-98	AS ON 31-03-97
Gross Profit/(Loss) before depreciation	1283069	781818
Less: depreciation	98217	104156
Less: Income tax	—	17340
Net Profit/(loss) after depreciation	1184852	660322
Add / (Less) : balance brought from last year	51955	(413367)
Amount available for Appropriation	1236807	246955
Appropriation		
Income Tax Provision	5000	45000
General Reserve	1179852	150000
Balance Carried to Balance Sheet	51955	51955

**DIVIDEND :**

To conserve the resources for the future requirement of the funds of the company your Directors don't recommend any dividend.

**FIXED DEPOSIT :**

The company has not accepted any deposit to which the provisions of section 58 A of the Companies Act, 1956 are applicable.

**PARTICULARS REGARDING EMPLOYEES :**

There are no employees who is in receipt of remuneration exceeding the limit specified under section 217 (2A) of the Companies Act, 1956.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.**

Pursuant to Section 217 (1) (e) of the Companies Act, 1956 the information required in respect of pollution and energy conservation is NIL as there was no manufacturing activity during the year under report.

There were no earnings but outgoings of \$ 121.66 of foreign exchange during the year.

**NEW PROJECT AND STATEMENT AS PER CLAUSE 43 OF THE LISTING AGREEMENT WITH STOCK EXCHANGE**

Initially the project was delayed due to very late supply of power by GEB. Now the company has changed its project of manufacturing blended yarn which was originally thought for to 100% Cotton Yarn. Due to change in project, the cost of Project has increased and is expected to be Rs. 1184 Lacs. For financing the balance cost of the revised project negotiation with Bank/Financial institution are going on and the project is expected to start on getting the required finance.

**DIRECTORATE :**

Mr. R. B. Panchariya and Mr. Madanlal Purohit have been appointed as an Additional Directors during the year. They hold their office up to the ensuing Annual General Meeting of the Company under Section 260 of Companies Act, 1956. The company has received notices together with the required deposits under Section 257 of the Companies Act, 1956, proposing the candidatures of Mr. R. B. Panchariya and Mr. Madanlal Purohit as Directors of the company.

Mr. Ashok R. Panchariya and Mr. Jitendra Jain resigned from the board during the year. The Board wish to place on record their appreciation for the valuable services rendered by them during the tenure of their office as directors of the Company.

Mr. Arun R. Panchariya retires by rotation at the forth coming Annual General Meeting of the Company but being eligible, offers him-self for re-appointment.

**AUDITORS :**

The Auditors M/s. Bhaidas M. Mehta & Co., Chartered Accountants, Ahmedabad retires and being eligible offers themselves for re-appointment. You are requested to re-appoint the auditors and fix their remuneration.

**APPRECIATION :**

The Board places on record the appreciation of the sincere and devoted services rendered by all the employees and the continued support and confidence of the Shareholders. The Board also expresses their sincere thanks to the Banks and all other well wishers for their timely support.

**REGISTERED OFFICE :**

704, "SAHAJANAND"  
SHAHIBAUG ROAD, SHAHIBAUG,  
AHMEDABAD - 380004.

for and on behalf of the Board  
Sd/-

**R. B. PANCHARIYA**  
CHAIRMAN

PLACE : **AHMEDABAD**  
DATE : **30/06/98.**



# Alka Spinners Ltd.

## ANNUAL REPORT 1997-98

### AUDITOR'S REPORT

To,  
The Members,  
ALKA SPINNERS LTD.  
AHMEDABAD.

We have audited the attached Balance Sheet of ALKA SPINNERS LIMITED as at 31st March 1998 and the annexed Profit and Loss Account for the year ended on that date and report that :

1. 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.
2. In our opinion, proper books of Accounts, as required by law have been kept by the company so far as appears from our examinations of those books.
3. The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account of the company.
4. In our opinion and to the best of information and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :
  - i) in so far as it relates to the Balance Sheets, of the state of affairs of the company as at 31st march 1998; and
  - ii) in so far as it relates to the Profit and Loss Account, of the Profit of the company for the year ended on that date.
5. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Central Government under Section 227 (4-A) of the Companies Act, 1956 and on the basis of such examination of the Books and Record of the company as we considered appropriate and the information and explanations given to us during the course of our audit, we further report that :
  - A. According to the information given to us by the management the work of maintaining proper records showing full particulars including quantitative details and situation of fixed assets are under compilation. We are informed that fixed assets have been physically certified by the management and no material discrepancies were noticed on such verification.
  - B. None of the fixed assets have been revalued during the year.
  - C. The company has no manufacturing activity during the year, however stock of Yarn have been physically verified by the management at reasonable intervals.
  - D. The company has no manufacturing activities during the year. The procedure of physical verification of stock of yarn followed by the management are reasonable and adequate in relation to the company and nature of its business.
  - E. As there were no manufacturing activities during the year hence not applicable.
  - F. In our opinion and on the basis of our examination, the valuation of the stock is fair and proper and in accordance with the normally accepted accounting principles.
  - G. The company has not taken loans from companies, firms or other parties as listed in the register maintained under section 301 and

from companies under the same management as defined under sub section(1B) of section 370 of the Companies Act, 1956.

- H. In our opinion the terms and conditions on which loans have been granted to the companies listed in the register maintained under section 301 and to the companies, under the same management are not, prima-facie prejudicial to the interest of the company. No interest is charged on Loan & Advances to Bodies Corporates and Other.
- I. The company has not given loans and advances to the employees during the year.
- J. In our opinion, the company has got adequate internal control procedure commensurate with the size and nature of its business however the same needs to be strengthened.
- K. In our opinion and according to the information and explanation given to us, the company has not accepted any fixed deposits from public/ shareholders.
- L. The Central Government has not prescribed for maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for the product of the company.
- M. We are informed that Provident Fund Act are not applicable during the year and hence the question of depositing the same regularly does not arise.
- N. There are no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Custom duty and Excise Duty as at 31st, March 1998 which are outstanding for a period of more than six months from the date they became payable.
- O. In our opinion and according to the information and explanation given to us, no personal expenses of employees and directors (other than those payable in accordance with terms of service condition of employees or in accordance with generally accepted business practice) have been charged to the revenue account.
- P. The company is not a sick industrial company within the meaning of clause (o) of sub section(1) of section 3 of the Sick Industrial Companies (special provisions) Act, 1985.
- Q. There are no damaged trading goods during the year hence the question of providing for loss does not arise.

For **BHAIDAS M.MEHTA & CO.**  
Chartered Accountants

Sd/-  
**UPENDRA V. MODI**  
Partner

Place : Ahmedabad

Date : 30-06-98.