

Certified to be True Copy
For APEX INTERTECH LTD.


Director.

35TH ANNUAL REPORT (2001-2002)



APEX INTERTECH LIMITED

Report Junction

BOARD OF DIRECTORS

Mr. S. K. SHARMA
Whole-time Director

Mr. R. C. GARG

Mr. SALIL GOPAL

SHARE TRANSFER AGENTS

In-House Share Registry
3, Community Centre,
Naraina Indl. Area, Phase - I,
(Near Payal Cinema)
New Delhi - 110028
Tel. : 5792013, 5792014
Fax. : 5792011

PRINCIPAL BANKERS

Bank of Baroda
New Delhi

Syndicate Bank
New Delhi

AUDITORS

V. Sahai & Co.
New Delhi

REGD. OFFICE

Surya Kiran
19, Kasturba Gandhi Marg
New Delhi - 110 001

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Members/shareholders are requested to correspond directly with our Share Transfer Agents at their address given above for any matter related to shares. It would save time and help us in expediting the matters.

IMPORTANT

NO GIFTS/COUPONS WOULD BE GIVEN TO THE SHAREHOLDERS FOR ATTENDING THE ANNUAL GENERAL MEETING

NOTICE

NOTICE is hereby given that the THIRTY FIFTH Annual General Meeting of shareholders of APEX INTERTECH LIMITED will be held as scheduled below:

Day : Friday

Date : 27.09.2002

Time : 9.15 a.m.

Place : The Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi - 110 030

to transact the following business :

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2002 and Profit & Loss Account for the year ended on that date and the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Salil Gopal, who retires by rotation and is eligible for re-appointment.
3. To appoint M/s V. Sahai & Co., Chartered Accountants, as auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the Company and to fix their remuneration.

BY ORDER OF THE BOARD OF DIRECTORS
For APEX INTERTECH LIMITED

PLACE : NEW DELHI

DATE : 26.06.2002

(S.K. SHARMA)

Director

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. A proxy need not be a member of the Company. Proxies in order to be effective must be deposited at the registered office of the Company not less than 48 hours before the commencement of the Meeting.
2. Members are requested to notify immediately any change in their address and for any matter concerned or related to shares to the Company or directly to our Share Transfer Agents at In-house Share Registry, 3, Community Centre, Naraina Industrial Area, Phase-I, New Delhi-110028.
3. Members are requested to bring their copies of Annual Report and Accounts to the Meeting.
4. Members wishing to ask for information about the Accounts and Operations of the Company are requested to write one week in advance to the Company at Surya Kiran, 19, K. G. Marg, New Delhi-110001 to the attention of Mr. S. K. Sharma, Whole-Time Director so as to enable the Company to keep the information ready.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 23rd September, 2002 to Friday, the 27th September, 2002 (both days inclusive).

DIRECTORS' REPORT

The Directors hereby present the 35th Annual Report alongwith audited accounts of the Company for the year ended March 31, 2002.

FINANCIAL RESULTS

Working Capital resource crunch continued to seriously hamper the operations of the Company. During the year, the Company disposed off its property and other assets at Gurgaon, Haryana. This enabled the Company to pay off a part of its liabilities and reduce interest costs. The sale of the fixed assets resulted in the year closing with a cash profit of Rs.2.18 crores as against a cash loss of Rs.2.89 crores recorded during the previous year. The net profit after accounting for depreciation and income tax etc., stood at Rs.2.17 crores. This has been adjusted against the carried forward losses of the previous years.

Mr. Deepak Singh, the former Chairman of the Company did not charge interest on his outstanding loan to the Company resulting in substantial savings in interest cost. Mr. Deepak Singh has confirmed that he will not be charging any interest on his outstanding loan during the current year also.

DIVIDEND

In view of the acute financial stringency and carried forward losses, the Directors recommend that no dividend be paid for the year both on Equity as well as Preference Shares.

OPERATIONS

After hiving off of its various manufacturing divisions in the previous years, the Company continued to do trading in auto parts during a part of the year under review. However, due to its tight financial position significant turnover could not be achieved and the trading business was discontinued.

The Company is currently exploring various new activities which can be carried out within

its financial capabilities.

During the year under review, the Company divested its 40% shareholding in Apex Continental Ltd. and its property at Gurgaon primarily to reduce its outstanding liabilities as on March 31, 2001.

DIRECTORS

There was no change in the Board of Directors of your Company during the year.

Mr. Salil Gopal, Director, retires by rotation at the Annual General Meeting and being eligible, offers himself for re-appointment.

AUDITORS

The Auditors, M/s. V. Sahai & co., Chartered Accountants, New Delhi will retire at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

DEPOSITS

No deposits were invited and accepted by the Company during the year under the provisions of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION / FOREIGN EXCHANGE EARNINGS OR OUT GO

During the year under review, the Company had no activities involving substantial consumption of Energy and/or utilising Technology sourced from outside/others.

Furthermore, the Company neither earned nor spent any foreign exchange during the year under review.

PARTICULARS OF EMPLOYEES

During the year under review, the Company had no employee whose particulars are required to be mentioned pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956 read with the rules framed thereunder.

AUDITORS' OBSERVATIONS

The observations made by the Auditors are generally self explanatory. However, we wish to clarify as follows :-

Observation of the Auditors about 'going concern concept' is explained in Note No. 5 of Part 'B' of Annexure No. 10 of the Balance Sheet and does not call for any further comments.

LISTING OF SECURITIES OF THE COMPANY

The Equity Shares of the Company are listed on Delhi (Regional), Mumbai, Ahmedabad, Jaipur and Ludhiana Stock-Exchanges & the listing fee for the year 2002-03 is intended to be paid by the Company to the above stock exchanges shortly as soon as necessary funds are arranged.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm

- i) that in the preparation of annual accounts, applicable accounting standards have been followed.
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the

state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.

- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) that the Directors have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT

The Directors wish to place on record their thanks to various Government departments, Company's Bankers, Shareholders and other business associates for their support and their appreciation of the devoted services rendered by the Company personnel during the year.

FOR AND ON BEHALF OF
THE BOARD OF DIRECTORS

PLACE : NEW DELHI

(S.K. SHARMA)

DATE : 26.06.2002

Director

AUDITORS' REPORT

The Shareholders,
Apex Intertech Limited,
New Delhi.

Dear Sirs,

We have audited the attached balance sheet of Apex Intertech Limited as at 31st March 2002 and the annexed profit & loss account of your company for the year ended on that date together with the schedules referred to therein 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 section 227(4A) of the Companies Act, 1956, we enclose as per annexure a statement on the matters specified in sub-clause (A) and (C) of para 4 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 law have been kept by the company so far as it appears from our examination of the books.
 - c) The company's balance sheet and profit & loss account dealt with by this report are in agreement with the books of accounts.

d) In our opinion, subject to Note 5 on going concern the profit & loss account and balance sheet of the company comply with accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.

e) Based on the representations made by all the Directors and the information and duly certified explanations given to us by the company none of the Directors of the company have prima facie any disqualification as referred to in clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the Notes and the statement of Significant Accounting Policies 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 the balance sheet of the state of affairs of the company as at 31st March 2002; and
- ii) In the case of the profit & loss account of the company of the profit for the year ended March 31, 2002.

For V. Sahai & Co.
Chartered Accountants

Place : New Delhi
Dated : 26.06.2002

(Mahesh Sahai)
Partner

**ANNEXURE TO AUDITORS' REPORT IN THE CASE OF APEX INTERTECH
LIMITED FOR THE YEAR ENDING MARCH 31ST 2002**

1. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. These have been physically verified during the year by the management and no discrepancies were observed. In our opinion, the frequency of verification is reasonable.
2. None of the fixed assets of the company have been revalued during the year.
3. Stocks of finished goods have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
4. In our opinion and according to the information and explanations given to us, the procedures for 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. No discrepancies were noticed on physical verification of stocks between physical stocks and stocks as per book records.
6. There were no stocks at the end of the year.
7. According to the information and explanations given to us, the company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956, and/or from companies under the same management as defined under sub-section (1B) of section 370 of the Companies Act, 1956.
8. According to the information and explanations given to us, the company has not granted any loans, secured or unsecured, to companies, firms or other parties 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 (1B) of the Companies Act, 1956 where the rate of interest and other terms/conditions are prima facie prejudicial to the interests of the Company.
9. In respect of loans and advances in the nature of loans given by the company from time to time the repayment of principal and interest is in accordance with stipulated terms.
10. In our opinion and according to the information and explanations given to us during the course of the audit there are adequate internal control procedures commensurate with the size of the company and nature of its business for the purchase of stocks.
11. There were no purchase and sale of goods, materials and services, made in pursuance of contracts or arrangements required to be 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 value in respect of each party.
12. As explained to us the company has a reasonable system for the determination of unserviceable or damaged stores, raw materials and finished goods. There was no closing stock at the end of the year.
13. No deposits accepted from the public were outstanding at the end of the year.
14. There were no scrap or by-products since there were no manufacturing activities during the year.
15. The company conducts an internal review of its accounts which is commensurate with its size and nature of its business.