



Ecoplast Limited

Nineteenth Annual Report and Statement of Accounts for the year ended 31st March 2001

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Ecoplast Ltd.

Nineteenth Annual Report 2000-2001

Board of Directors	: Mr. P. P. KHARAS Mr. JAYMIN B. DESAI Mr. BHUPENDRA B. DESAI – (Alternate to Mr. Bankim B. Desai) Mr. P. D. KARKARIA Mr. J. A. MOOS	– Chairman & Managing Director – Executive Director – Director – Director – Director
Secretary	: Mr. M. S. Moholkar	
Bankers	: UNION BANK OF INDIA M. S. Marg, Mumbai – 400 023.	
Legal Advisors	: M. S. Bodhanwalla & Co. Motlibai Wadia Building, 22D, S. A. Brelvi Road, Fort, Mumbai – 400 001.	
Auditors	: M/s. AKKAD MEHTA & CO. Chartered Accountants, 10, Ketayun Mansion, Shahaji Raje Marg, Vile Parle (E), Mumbai – 400 057.	
Share Registrars & Manager to the F.D. Scheme	: Tata Share Registry Ltd. Army & Navy Building, 148, Mahatma Gandhi Road, Fort, Mumbai – 400 001. Tel. : 2873831 Fax : 2844160 Website : www.tata.com/tsrl	
Registered Office	: National Highway No. 8, Water Works Cross Road, Abrama, Valsad – 396 001, GUJARAT. E-Mail : eco@ad1.vsnl.net.in	
Head Office	: 4, Magan Mahal, 215, Sir. M. V. Road, Andheri (E), Mumbai-400 069. E-Mail : ecoplast@bom3.vsnl.net.in	
Web site	: http://www.ecoplastindia.com	

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NOTICE TO MEMBERS

NOTICE is hereby given that the NINETEENTH Annual General Meeting of the Company will be held at the Registered Office of the Company at National Highway No. 8, Water Works Cross Road, Abrama, Valsad-396 001, at 11.00 a.m. on 24th August 2001, to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt Audited Balance Sheet as at 31st March, 2001 and Profit and Loss Account for the year ended on that date, and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. B.B. Desai, who retires by rotation and being eligible, offers himself for reappointment.
3. To declare a Dividend on Equity Shares for the financial year 2000-2001.
4. To appoint Auditors of the Company from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting and fix their remuneration. M/s. Akkad Mehta & Co., Chartered Accountants, retiring Auditors of the Company are eligible for reappointment.

By Order of the Board

M. S. MOHOLKAR
Secretary

Place : Mumbai

Dated : 22nd June, 2001

Notes :

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE

COMPANY. THE PROXY FORM DULY COMPLETED MUST BE RETURNED SO AS TO REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE AFORESAID MEETING.

- (b) The Register of Members and the share transfer books of the Company will remain closed from 10th August, 2001 to 24th August, 2001 (both days inclusive).
- (c) Dividend as recommended by the Directors for the year ended 31st March, 2001 if declared, will be payable to those shareholders whose names appear in the Register of Members as at the close of business on 24th August, 2001 and the dividend warrants will be posted to them on or after the date of AGM.
- (d) Members who are holding shares in identical order of names in more than one account are requested to intimate to the Tata Share Registry Ltd., at their office situated at 148, Army & Navy Building, Mumbai-400 001, the ledger folio of such accounts together with the Share Certificates to enable the Company to consolidate all the holdings into one account. The Share Certificates will be returned to the members after making the necessary endorsement in due course.
- (e) Members are requested to bring their copy of the Annual Report at the Annual General Meeting. As a measure of economy no extra copies of the Annual Report will be supplied at the meeting.
- (f) Members are requested to notify any change in their address to the Tata Share Registry Ltd.,
- (g) Members seeking further information on the Accounts or any other matter contained in the Notice, are requested to write to the Company at least 7 days before the meeting, so that relevant information can be kept ready at the meeting.

Nineteenth Annual Report 2000 – 2001

FINANCIAL HIGHLIGHTS	31.3.2001	31.3.2000	31.3.1999	31.3.1998	31.3.1997	
OPERATION						
				(Rs. '000)		
Sales (Net)	245,918	214,939	133,491	161,549	229,679	
Other Income	1,715	1,626	1,104	861	1,051	
Operating Income	20,328	14,053	5,862	10,430	26,111	
[Before depreciation and Investment Allowance]						
Profit before tax	14,443	8,423	547	5,314	20,298	
Profit after tax	9,803	6,983	547	4,864	15,348	
Dividend & Corporate Tax thereon	4,628	3,660	0	1,980	6,600	
Retained Earnings	5,175	3,323	547	2,884	8,748	
Earnings per Share (Rs.)	3.27	2.33	0.18	1.62	5.12	
[On Face Value of Rs. 10/-]						
ASSETS						
Gross Block	155,067	140,133	136,987	126,851	124,960 *	
Net Block	105,353	96,522	99,825	96,041	100,312 *	
Net Current Assets	72,123	47,503	49,900	64,849	70,511	
Total Assets	208,513	189,837	182,049	186,905	214,721	
NET WORTH						
Equity Capital	30,000	30,000	30,000	30,000	30,000	
Reserves and Surplus	88,126	84,246	81,970	82,469	80,631 *	
Net Worth	118,126	114,246	111,970	112,469	110,631 *	
Book Value per Share (Rs.)	39.38	38.08	37.32	37.49	36.88 **@	
[On Face Value of Rs. 10/-]						
BORROWINGS						
Long Term	10,136	3,124	10,846	14,623	21,333	
Short Term	48,252	30,351	29,343	36,596	35,422	
	58,388	33,475	40,189	51,219	56,755	
RATIOS						
Profit before tax to Sales and Other Income	%	5.83	3.89	0.41	3.27	8.80
Profit before tax to Net Worth	%	12.23	7.37	0.49	5	18
Dividend to Equity Capital	%	14	10	0	6	20 **
Dividend to Net Worth[Yield]	%	4	3	0	1.76	5.97 *
Return on Capital Employed	%	16	15	8	12	21 *
Dividend Cover	Times	2.12	1.91	0	2.46	2.33
Current Ratio	Ratio	1.34:1	1.40:1	1:59:1	1.78:1	1.46:1
Long Term Debt : Equity	Ratio	0.34:1	0.10:1	0.36:1	0.49:1	0.71:1

* Subsequent to revaluation of Fixed Assets

**Pro-rata on enlarged capital

@ Subsequent to issue of Bonus Shares in the ratio of 3:1

SOURCES AND APPLICATION OF FUNDS FOR THE YEAR ENDED 31ST MARCH, 2001

	[Rs. '000]	
	31.3.2001	31.3.2000
	Rs.	Rs.
SOURCES OF FUNDS		
Profit before tax	14,443	8,423
Depreciation and Preliminary Exp.	5,424	5,765
Decrease in Working Capital	0	2,400
Increase in Borrowing	24,914	0
	44,781	16,588
APPLICATION OF FUNDS		
Expenditure on Fixed Assets (Net of retirement)	15,185	3,146
Increase in Investment	335	1,625
Increase in Working Capital	19,993	0
Decrease in Borrowing	0	6,716
Income-tax	4,640	1,441
Dividend & Corporate Tax thereon	4,628	3,660
	44,781	16,588

DIRECTORS' REPORT

To
The Shareholders,

The Directors are pleased to present the Nineteenth Annual Report and Audited Accounts for the year ended 31st March, 2001.

1. FINANCIAL RESULTS

	(Rs. '000s)	
	31.3.2001	31.3.2000
Net Sales	245,918	214,939
Other Income	1,715	1,626
Sales and Other Income	247,633	215,334
Operating Profit (before Depreciation)	20,328	14,053
Less: Depreciation	5,885	5,630
Profit before tax	14,443	8,423
Less: Provision for tax (Previous year includes Rs. 5.81 lacs for earlier years)	4,640	1,441
Profit for the year (after tax)	9,803	6,982
Balance brought forward	8,462	7,140
	18,265	14,122
APPROPRIATION		
Transfer to General Reserve	2,500	2,000
Dividend on Equity Shares	4,200	3,000
Corporate Dividend Tax	428	660
Balance Carried Forward	11,137	8,462
	18,265	14,122

2. OPERATIONS:

Your Company continued to make improvements in its Operating Results. The sales income and profit after tax increased by 14% and 40% respectively over the previous year.

In anticipation of a rising demand from specific market segments the Company expanded its multilayer film capacity by 60%, in very quick time and thereby achieved a 45% increase in business volume in the second half of the year, as compared to the first half-year. The efforts to promote business in export markets provided growth and improved results. The business volume and income from exports increased by 31% to Rs.16.2 million.

There are reports that the GDP growth in the Agricultural sector has been stagnant in the last couple of years. Agricultural and rural incomes have diminished except for a few select pockets. As a result there has been little or no growth in the consumption of "fast-moving-consumer-goods", and consequently the demand for films in the flexible packaging segment has also remained stagnant.

3. DIVIDEND :

The Directors recommend a dividend of 14% for the year on the equity capital to the Members, for approval at the Annual General Meeting.

4. CAPITAL & FINANCE :

The Company's Working Capital facilities with Union Bank of India were renewed at Rs.45.00 million with some modifications to suit the Company's requirements.

The Company obtained a Term Loan of Rs. 11.01 million from Union Bank of India for the purchase of Plant and Machinery. The Company has repaid Rs. 3.9 million against the Term Loan to Union Bank of India and Rs. 0.17 million to Gujarat State Financial Corporation.

5. BORROWING :

The Company continued accepting Fixed Deposits from the public during the year under review. The Company has collected Rs.3.67 million under the scheme during the year. At the close of the year there were no Fixed Deposits due for payment which remained either unclaimed or unpaid except 18 deposits amounting to Rs.544,000/- which have matured but not claimed. The Company has complied with all the requirements of the Companies (Acceptance of Deposits) Rules 1975.

6. PROSPECTS FOR THE CURRENT YEAR :

Barring any unforeseen circumstances the growth rate in terms of business volume and profits is expected to be higher than in the previous year. The Company is working on developing new applications for films in hitherto uncharted areas, to maintain the growth and profitability in the longer term.

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

Information in accordance with Clause (e) of sub-section (1) of section 217 of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the financial year ended 31st March, 2001 is given in the Annexure to the Report.

8. PARTICULARS OF EMPLOYEES :

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is not provided, as the same is not applicable to employees of the Company.

9. AUDITORS' QUALIFICATIONS :

The Auditors have qualified their Report with regard to the issue of Bonus Shares to the tune of Rs.10 Million by capitalisation of Revaluation Reserve on the plea that this is contrary to the recommendation of the Institute of Chartered Accountants of India.

In this connections the Directors would like to clarify that the Company has been legally advised that the provisions of the Companies Act, 1956 do not prohibit or restrict the Company from capitalising its Revaluation Reserves by issue of Bonus Shares. The Capitalisation does not involve any release of the Company's assets to its shareholders and in fact it freezes any possibility of its distribution except in the event of winding up. This legal position has been confirmed by English Courts in the case of Dimula Valley (Ceylone) Tea Ltd. v. Laurie.

Further more the Memorandum and Articles of Association also provides for and permits the capitalisation of Revaluation Reserves by issue of Bonus Shares. The Bonus Shares were issued when the Company was a closely held Company, to whom the guidelines for issue of Bonus Shares by Public Company, as framed by SEBI, did not apply at the relevant time.

The recommendation was issued by the Institute of Chartered Accountants of India subsequent to the Company's issue of Bonus Shares. The Directors are therefore of the opinion that both according to the accounting principles and principles of Company Law, the Company is justified in capitalising its Revaluation Reserve.

10. SUBSIDIARY COMPANY :

As required u/s 212 of the Companies Act, 1956 annexed hereto are the Audited Statement of Accounts, Report of Board of Directors and Auditors for the year ended 31st March, 2001 of Jampore Printers Ltd.

11. LISTING OF EQUITY SHARES :

The Company's Equity Shares are listed on the Stock Exchange, at Mumbai, Baroda and Ahmedabad.

The Company has paid listing fees for the period 1st April, 2001 to 31st March, 2002.

12. DIRECTORS :

Mr. B.B.Desai, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

13. CORPORATE GOVERNANCE :

Although the guidelines prescribed by SEBI on Corporate Governance are not applicable to your Company for the year under report, effective steps have been initiated to comply with the guidelines.

14. DIRECTORS' RESPONSIBILITY STATEMENT :

The Directors have fulfilled their responsibility for the preparation of the accompanying financial statements by taking all reasonable steps to ensure that:

- These statements have been prepared in conformity with generally accepted accounting principles and appropriate accounting standards. Judgements and estimates that are reasonable and prudent have been made where necessary.
- The accounting policies selected and applied consistently give a true and fair view of the financial statements.

- The Company has implemented internal controls to provide reasonable assurance of the reliability of its financial records, proper safeguarding and use of its assets and detection of frauds and irregularities. Such controls are based on established policies and procedures, and are implemented by trained, skilled and qualified personnel with an appropriate segregation of duties. The company's internal auditors conduct regular internal audits, which complement the internal controls. "Integrity" is one of the core values of the Company, which prescribes that the company and all employees are to maintain the highest ethical standards and that its business practices are to be conducted in a manner above reproach.

The Company's statutory auditors, M/s. Akkad Mehta & Co., have audited the financial statements in accordance with generally accepted auditing standards and practices as indicated in their report.

The Directors are satisfied that the Company has adequate resources to continue its business in the foreseeable future and consequently consider it appropriate to adopt the Going Concern basis in preparing financial statements.

15. DEMATERIALISATION OF SHARES :

The Company has received intimation from the Stock Exchange, Mumbai that the Company's shares are to be dealt in dematerialised format. Accordingly, Tripartite Agreement will be signed between the Company, Central Depository Services (I) Ltd., National Security Deposit Ltd., and Tata Share Registry Ltd., for providing Electronic connectivity. Members holding shares in physical form will be separately advised to dematerialise their shares to avoid risk associated with holding the share certificates in physical form.

16. AUDITORS

M/s. Akkad Mehta & Co., Chartered Accountants, Auditors of the Company retire at the Annual General Meeting. They are however, eligible for reappointment. A certificate to the effect that their re-appointment if made, will be in accordance with the limit specified in sub-section (1-B) of Section 224 of the Companies Act, 1956 has been furnished.

15. ACKNOWLEDGEMENT

The Board wishes to place on record its appreciation for the efforts and dedication of all employees which led to improved results in an unfavourable business environment. The Directors wish to acknowledge the support and co-operation extended by Union Bank of India, The Gujarat State Financial Corp. and not the least its shareholders for their continuing support and confidence in the Company.

On behalf of the Board of Directors

P. P. KHARAS

Chairman & Managing Director

Place : Mumbai

Dated : 22nd June, 2001.

ANNEXURE TO THE DIRECTORS' REPORT

STATEMENT CONTAINING PARTICULARS PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF DIRECTORS' REPORT.

A. CONSERVATION OF ENERGY:

Adequate measures have been taken to avoid wastage of energy. The requirement of disclosure with respect to conservation of energy is not applicable to the Company.

B. TECHNOLOGY ABSORPTION:**RESEARCH & DEVELOPMENT (R & D)**

1. Specific areas in which R & D was carried out by the Company:

The development of film structures as import substitutes for:-

- Processed food packaging
- Thermal Laminating films

The other major development involved making a film used in the manufacture of Telephone Cable for export.

2. Benefits derived as a result of above R & D:-

These developments resulted in the Company entering Speciality films market segments, and higher value added films.

For our customers these developments meant better cost-performance benefits.

These developments helped savings in foreign exchange by reducing imports of these films.

3. Future plan of Action:

(a) To continue development of special purpose films which are currently being imported.

(b) To evaluate new generation of polyolefins, that have the potential to provide lighter weight packaging (reducing thickness), without compromising on performance or can be employed for higher packaging speeds, while at the same time reducing leakage rates.

(c) To simulate packaging conditions and provide to customers comparative behaviour patterns of existing and new polymers on packaging systems.

4. R&D Expenditure

(Rs.'000)

	31.3.2001	31.3.2000
a. Capital Expenditure	51	635
b. Recurring Expenditure	430	381
c. Total Expenditure	481	1016
d. Total R&D Expenditure as a percentage of total turnover (Indirect overheads in terms of significant time, effort and the infrastructure supporting the R & D programme are not reflected in the above figures)	0.20%	0.47%

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION:

Continuous efforts are made towards technology absorption, adoption and innovation by developing new film structures for applications in speciality market segments. The thrust has been on improving the quality of all products and developing new products to compete effectively in the market place.

No technology has been imported by the Company over the last five years.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars with regard to Foreign Exchange Earnings and Outgo appear in Schedule 16 under Note 10 forming part of the accounts.

On behalf of the Board of Directors

P. P. KHARAS

Chairman & Managing Director

Place : Mumbai

Dated : 22nd June, 2001

AUDITORS' REPORT

To
The Shareholders

ECOPLAST LIMITED

We have audited the attached Balance Sheet of **M/s. ECOPLAST LIMITED** as at 31st March, 2001 and the Profit and Loss Account for the year ended on that date annexed thereto and report that:

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, we state that:
 - (a) We have obtained 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 account as required by law have been kept by the Company so far as appears from our examination of such books.
 - (c) The Balance Sheet and Profit and Loss Account and Balance Sheet referred to in this report are in agreement with the books of account.
 - (d) In our opinion, the Profit and Loss Account and Balance Sheet complies with the Accounting Standard specified by the Institute of Chartered Accounts of India, referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - (e) On the basis of the written representations received from the directors, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2001 from being

appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

- (f) *The company when it was unlisted had issued Bonus shares on 29th June, 1994, for Rs. 10 Million (10,00,000 equity shares of Rs. 10/- each) by capitalising part of its revaluation reserve. Accordingly, the paid up equity share capital of the company stands increased by Rs. 10 Million and the revaluation reserve stands reduced by that amount. The issue of bonus shares as aforesaid is contrary to the circular issued by the Department of Company Affairs issued in September, 1994 and the recommendations of the Institute of Chartered Accountants of India issued in November, 1994.*
- (g) Subject to foregoing, in our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the 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 Sheet, of the state of affairs of the company as at 31st March, 2001 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.

For AKKAD MEHTA & CO
Chartered Accountants

SANJAY MEHTA
Partner

Mumbai, June 22, 2001

ANNEXURE TO THE AUDITORS' REPORT (Referred to in paragraph 1 thereof)

1. The company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets. We are informed that major portion of the Fixed Assets have been physically verified by the management during the year in accordance with phased programme of verification which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. As explained to us no material discrepancies were noticed on such verification.
2. None of the fixed assets have been revalued during the year.
3. The stocks of finished goods, spares and raw materials have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
4. 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. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
6. On the basis of our examination of Stock records, in our opinion, the valuation of stocks is fair and proper in accordance with generally accepted accounting principles and is on the same basis as in the preceding year.

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7. The Company has taken loans from Companies listed in the register maintained under Section 301 of the Companies Act, 1956. The rate of interest and other terms and conditions of these loans are *Prima Facie* not prejudicial to the interest of the Company. The provisions of section 370 of the Companies Act, 1956 are not applicable to a company on and from 31st October, 1998.
8. In respect of unsecured loans granted to companies firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, in our opinion, the rate of interest and other terms and conditions are *Prima Facie* not prejudicial to the interest of the company. In terms of Sub-Section (6) of Section 370 of the Companies Act, 1956, provisions of the section are not applicable to a company on or after 31st October, 1998.
9. Employees and other parties to whom loans and advances in the nature of loans have been given by the company are repaying principal amounts wherever stipulated and are also generally regular in payment of interest wherever applicable.
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of stores, raw materials including components, plant and machinery, equipments and other assets and with regard to the sale of goods.
11. In our opinion and according to the information and explanations given to us, the transactions of purchase of goods and materials and sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the registers maintained under section 301 and aggregating during the year to Rs.50,000 or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices for such goods, materials or services or the prices at which transactions for similar goods, materials or services have been made with other parties.
12. As explained to us, the Company has a regular procedure for the determination of unserviceable or damaged stores, raw materials and finished goods. Adequate provision has been made in the accounts for the loss arising on the items so determined.
13. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted by the company from the public.
14. In our opinion and according to the information and explanations given to us; reasonable records have been maintained by the Company for the sale and disposal of realisable scrap. The Company has no by-products.
15. Present coverage of internal audit by the Internal Auditors appointed by the Company, together with the present internal control system is commensurate with the size of the Company and nature of its business and is, in our opinion, adequate.
16. We are informed that the Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, for the products of the Company.
17. According to the records of the Company Provident Fund and Employees' State Insurance dues where deducted/accrued in the books of account, have generally been regularly deposited during the year with the appropriate authorities.
18. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty were outstanding, as at 31st March, 2001 for a period of more than six months from the date they became payable.
19. According to the information and explanations given to us, no personal expenses of employees or directors have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
20. 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.

For AKKAD MEHTA & CO
Chartered Accountants

SANJAY MEHTA
Partner

Mumbai
22nd June, 2001



BALANCE SHEET AS AT 31ST MARCH, 2001

	SCHEDULE	31.3.2001 Rs.	31.3.2000 Rs.
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	30,000,000	30,000,000
Reserves and Surplus	2	88,125,911	84,246,359
		<u>118,125,911</u>	<u>114,246,359</u>
LOAN FUNDS			
Secured Loans	3	44,755,286	10,133,701
Unsecured Loans	4	13,632,590	23,340,739
		<u>58,387,876</u>	<u>33,474,440</u>
		<u>176,513,787</u>	<u>147,720,799</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	155,066,918	140,132,586
Less : Depreciation		<u>49,713,672</u>	<u>43,610,105</u>
NET BLOCK		<u>105,353,246</u>	<u>96,522,481</u>
INVESTMENTS			
	6	2,210,335	1,875,335
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	7	25,836,956	22,126,787
Sundry Debtors	8	58,967,292	53,437,882
Cash & Bank Balances	9	5,205,930	5,429,731
Loans and Advances	10	9,483,637	8,625,955
		<u>99,493,815</u>	<u>89,620,355</u>
Less: Current Liabilities & Provisions	11	<u>31,999,629</u>	<u>42,117,394</u>
NET CURRENT ASSETS		<u>67,494,186</u>	<u>47,502,961</u>
MISCELLANEOUS EXPENDITURE	12	1,456,020	1,820,022
NOTES TO THE ACCOUNTS	16	<u>176,513,787</u>	<u>147,720,799</u>

Note: Schedule 1 to 12 and 16 referred to herein form an integral part of the Balance Sheet.

As per our Report of even date.
For **AKKAD MEHTA & CO.**
Chartered Accountants

P. P. KHARAS

Chairman & Managing Director

SANJAY MEHTA
Partner

JAYMIN B. DESAI

P.D. KARKARIA

Directors

Mumbai,
Dated : 22nd June, 2001.

M. S. MOHOLKAR

Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2001

	SCHEDULE	31.3.2001 Rs.	31.3.2000 Rs.
INCOME			
Sales		245,917,557	214,939,259
Other Income	13	1,714,557	1,626,163
Increase / (Decrease) in Stocks	14	1,845,175	(1,231,532)
		249,477,289	215,333,890
EXPENDITURE			
Manufacturing & Other Expenses	15	216,098,593	187,623,059
Interest and Finance Charges		13,051,122	13,657,461
Depreciation (Refer Note No. 3)		5,884,838	5,629,758
		235,034,553	206,910,278
PROFIT BEFORE TAX		14,442,736	8,423,612
Provision for Tax (including for earlier year Rs. Nil. Previous year Rs. 5,81,001)		4,640,000	1,441,011
PROFIT AFTER TAX		9,802,736	6,982,601
Balance brought forward		8,462,290	7,139,689
		18,265,026	14,122,290
APPROPRIATION			
Transfer to General Reserve		2,500,000	2,000,000
Dividend on Equity Shares		4,200,000	3,000,000
Corporate Dividend Tax		428,400	660,000
Balance carried forward		11,136,626	8,462,290
		18,265,026	14,122,290

NOTES TO THE ACCOUNTS

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Note: Schedule 13 to 16 referred to herein form an integral part of the Profit and Loss Account.

As per our Report of even date.
For **AKKAD MEHTA & CO.**
Chartered Accountants

P. P. KHARAS*Chairman & Managing Director*

SANJAY MEHTA
Partner

JAYMIN B. DESAI**P.D. KARKARIA***Directors*

Mumbai,
Dated : 22nd June, 2001.

M. S. MOHOLKAR*Secretary*