

**GUJARAT
APOLLO**
GUJARAT APOLLO EQUIPMENTS LIMITED

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ANNUAL REPORT

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Let's Build - - - - Better Roads

BOARD OF DIRECTORS

ANIL T. PATEL	— Chairman & Managing Director
MANIBHAI V. PATEL	— Director
ASHOK T. PATEL	— Wholetime Director
AJITKUMAR T. PATEL	— Additional Director
ASIT A. PATEL	— Executive Director
V. P. KAMDAR	— Director
ASHOK J. PATEL	— Director

Company Secretary**SURESH S. SHAH****Statutory Auditors****ARVIND A. THAKKAR & CO.,**

Chartered Accountants,

Ahmedabad.

Bankers**STATE BANK OF INDIA****DENA BANK****Registered Office**Ditasan, Post Jagudan, State Highway,
Mehsana-382 710 (North Gujarat)**Corporate Office**"Parishram", 5/B, Rashmi Society, Mithakhali Circle,
Navrangpura, Ahmedabad-380 009.

GUJARAT APOLLO EQUIPMENTS LIMITED**NOTICE :**

NOTICE is hereby given that the Thirteenth Annual General Meeting of M/S. GUJARAT APOLLO EQUIPMENTS LIMITED will be held on Tuesday, the 26th day of September, 2000 at 11.30 a.m. at the Registered Office of the Company at Ditasan, Post Jagudan, State Highway, Mehsana-382710, to transact the following Business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance-Sheet of the Company as at 31st March, 2000 and Profit and Loss account for the year ended on that date together with the Directors' and Auditors' Report thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Ashok T. Patel, who retires, by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. V. P. Kamdar, who retires by rotation and being eligible offers himself for re-appointment.
5. To re-appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :

6. To consider, and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution :
 "RESOLVED THAT Mr. Ajit T. Patel, who pursuant to Section 260 of the Companies Act, 1956, was appointed as an Additional Director of the Company on 1st April, 2000 and holds office upto the ensuing Annual General Meeting of the Company and in respect of whom the Company is in receipt of a notice alongwith a deposit of Rs. 500/- as prescribed under Section 257 of the Companies Act, 1956, proposing him for the office of the director, be and is hereby appointed as a director of the Company, whose period of office shall be liable to determination of retirement of directors by rotation."
7. To consider, and if thought fit, to pass with or without modification the following resolution as a Special Resolution;
 "RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered by insertion of Article 13B after the existing Article 13A of the existing Articles of Association of the Company along with its heading thereto :

13B Dematerialisation of Securities**(i) Interpretation Clause :**

In the interpretation of this Article, the following expressions shall have the following meanings, unless

repugnant to the subject or context :

- # "Beneficial Owner" shall mean beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.
 - # "Depositories Act, 1996" shall include any statutory modification or re-enactment thereof.
 - # "Depository" shall mean a Depository as defined, in Clause(a) of sub-section (1) of Section 2 of the Depositories Act, 1996.
 - # "Member" means the duly registered holder from time to time of the shares of the Company and includes the subscribers to the Memorandum of Association of the Company and beneficial owner as defined above.
 - # "Registered Owner" means a Depository whose name is entered as such in the records of the Company.
 - # "Security" means such security as may be specified by the Securities and Exchange Board of India from time to time.
- (ii) The Company shall be entitled to dematerialise its shares, debentures or such other securities which may have been presently issued or which may be issued at a future date and also rematerialise its securities held in Depository in accordance with the Rules framed under the Depositories Act, 1996, provided that the Company shall keep a Register of Transfer and distinctly enter therein the particulars of every transfer or transmission of any share held in material form.
 - (iii) In the case of transfer or transmission of shares or other marketable securities where the Company has not issued any certificate and where such shares or securities are being held in an electronic and fungible form in a Depository, the provisions of The Depositories Act, 1996 shall apply.
 - (iv) Save as herein otherwise provided, the Company shall be entitled to treat the person, whose name appears on the Register of Members as the holder of any share or whose name appears as the Beneficial Owner of shares in the records of the Depository as the absolute owner thereof and accordingly shall not (except as ordered by a Court of Competent Jurisdiction or as by law required) be bound to recognise any benami trust or equity or equitable, contingent, future or partial or other claim or claims or rights to or interest in such share on the part of any person whether or not it shall have express or implied notice thereof, and the provision of Section 153 of the Act shall apply.

Nomination of Shares/Debentures

- (v) Notwithstanding anything contained in any other clause or clauses of the Articles of Association of the

Company, a holder or joint holders of shares or debentures may nominate in accordance with the provisions of Sections 109A of the Companies Act, 1956 and in the manner prescribed thereunder, a person to whom, all the rights in the shares or debentures of the Company shall vest in the event of death of such holder(s). Any nomination so made shall be dealt with by the Company in accordance with the provisions of Section 109B of the Companies Act, 1956.

By Order of the Board of Directors

PLACE : Ahmedabad.
DATED : 22nd June, 2000.

Suresh Shah
Company Secretary

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 OF THE COMPANY.

A Proxy in order to be effective should be lodged at the Registered Office of the Company not later than 48 hours before the commencement of the Annual General Meeting.

2. The Register of members and the Share transfer books of the Company shall remain closed from 16th September, 2000 to 26th September, 2000 (both days inclusive).
3. Dividend, when declared shall be paid to those members whose names appear on the Register of Members of the Company, on the date of the ensuing Annual General Meeting of the Company.
4. Pursuant to Section 205(5) of the Companies Act, 1956, the dividend remaining unpaid or unclaimed for a period of 7 years from the date of such transfer shall be transferred to The Investor Education and Protection Fund established under Section 205C (1) of the said Act.
5. Members are requested to notify immediately the change in address, if any, to the Company.
6. Members attending the Annual General Meeting are requested to bring their copies of Annual Report at the meeting.

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

ITEM NO. 6

Mr. Ajit T. Patel was appointed as an Additional

Director of the Company by the Board of Directors of the Company with effect from 1st April, 2000 and pursuant to Section 260 of the Companies Act, 1956 holds office upto the ensuing Annual General Meeting of the Company.

Consequent upon restructuring of the Company in March, 2000 and M/s Apollo Earthmovers Limited and Apollo Industrial products Limited becoming its subsidiaries, Mr. Ajit T. Patel, who was Managing Director of M/s Apollo Earthmovers Limited, the wholly owned subsidiary of the Company, was appointed as an additional director of the Company. Mr. Ajit T. Patel is having vast experience in the field of manufacturing and marketing of road construction machineries and equipments. The Company may be greatly benefited by his rich experience in this line.

The Company is in receipt of a notice alongwith a deposit of Rs. 500/- from a member of the Company under Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Ajit T. Patel for the directorship of the Company.

The Directors commend passing of the resolution as set out at item no. 6 of the accompanying notice.

No director except Mr. Ajit T. Patel, the appointee himself and Mr. Anil T. Patel and Mr. Ashok T. Patel, being related to him, may be deemed to be concerned or interested in the said Resolution.

ITEM 7

Consequent to the passing of the Depository Act, 1996 and the introduction of Depository system some of the provisions of Articles of Association relating to the issue, transfer/transmission, dealing in shares etc., are proposed to be amended to conform to the requirements of the Depositories Act, 1996:

A copy of the Articles of Association is available for inspection by the members at the Registered Office of the Company on any working day between 11 a.m. to 1.00 p. m.

None of the Directors of the Company is, in any way concerned, or interested in the resolution and the Board recommends passing of the resolution at item 7 of the notice.

By Order of the Board of Directors

PLACE : Ahmedabad.
DATED : 22nd June, 2000.

Suresh Shah
Company Secretary

GUJARAT APOLLO EQUIPMENTS LIMITED**DIRECTORS' REPORT**

Dear Members,

Your Directors have great pleasure in presenting herewith their Thirteenth Annual Report for the year ended 31st March, 2000.

FINANCIAL PERFORMANCE

	(Rupees in Lacs)	
	Current Year as at 31-3-2000	Previous Year as at 31-3-99
Sales and other Income	6440.55	4,544.14
Profit before Interest, Depreciation and Taxes	617.66	594.59
Less : Interest	62.55	69.72
Depreciation	42.43	49.59
Provision for Taxation	200.00	101.00
Net Profit	312.68	374.28
Add : Profit & Loss Account Balance Brought Forward	110.35	77.67
Release from Investment Allowance Reserve	NIL	13.80
Amount available for Proposed Appropriations	423.03	465.75
Proposed Dividend	87.50	140.00
Transfer to General Reserve	200.00	200.00
Provision for Tax on Dividend	19.25	15.40
Balance Carried to Balance Sheet	116.28	110.35
	423.03	465.75

OPERATIONS :

During the year under review, the Sales and other income has gone up from Rs. 4544.14 lacs to Rs. 6440.55 lacs registering a growth of approximately 42.22%. The profit before interest, depreciation and tax has shown an increase of Rs. 23.07 Lacs from Rs. 594.59 lacs in previous year to Rs. 617.66 lacs in the current year. The Net Profit of the Company after tax has marginally decreased from Rs. 374.28 lacs to Rs. 312.68 lacs resulting into a fall in the Earning per share (EPS) to Rs. 8.93 for the year 1999-2000. The actual production of road construction and maintenance machineries has also gone up from 146 Nos. to 164 Nos.

The Company's products like the Drum Mix Asphalt Plants, Hydrostatic Sensor and Mechanical paver Finishers continued to enjoy the support from the customers. The orders on hand for the various types of equipment is manifestation of the customer's confidence on the quality of the Company's Product.

DIVIDEND :

Your Directors after considering the future expansion, decided to retain a part of the earning for ploughing back in the business and recommended a dividend of 25% on the Equity Shares of the Company, absorbing a sum of Rs. 87.50 Lacs, in comparison to 40% in the previous year.

SHIFT IN FOCUS :

Your Company shall henceforth focus only on manufacturing and marketing of road construction equipment. In line with this objective, your Company has

- Acquired 100% equity of M/s Apollo Earthmovers Private Limited, a company engaged in similar line of activities and through this acquisition, M/s Apollo Industrial Products Private Limited, a wholly owned subsidiary of M/s Apollo Earthmovers Private Limited is also now a subsidiary of your Company.
- Divested its holding in Johnson Filtration Systems (India) Ltd. and Circuit Systems (India) Ltd.

ROAD CONSTRUCTION DIVISION :

Consequent to shifting of the focus to manufacturing and marketing of Road Construction Equipment, your Directors have decided to phase out the construction activities of the Company.

ISO 9001 :

Your Directors are pleased to inform that on 13th of April, 2000 your Company was awarded ISO 9001 certification in quality management systems by SGS Yarsley International Certification Services, a Division of SGS United Kingdom Limited, UK. The ISO 9001 Certification encompasses the areas of design, development, production, installation and servicing of Road Construction Equipment like Batch / Drum Mix type Asphalt plants, Wet Mix Plants, Hydrostatic and Mechanical Paver Finishers, Front End Loaders etc.

FUTURE PLANS :

Your Company in pursuance of its policy to maintain its market leadership in the road construction equipment segment intends to expand its product range and wishes to start manufacturing of state-of-the-art Batch Mix Type Asphalt Plants of capacities 60-90 and 90-120 TPH for which negotiations are in advanced stage with a renowned Japanese Company for technical collaboration.

DEMATERIALIZATION OF SECURITIES

The Securities and Exchange Board of India (SEBI), vide its circular No. SMDRP/POLICY/CIR-23/2000 Dated 29th May, 2000 has made trading in the securities of the Company, compulsory in the dematerialised form for all investors with effect from 26th March, 2001. The Company is in the process of appointing Share Transfer Agency having connectivity with NSDL and CDSL. The necessary amendments in the Articles of Association for facilitating such trading are included in the notice for your approval.

DEPOSITS

The Company has accepted deposits from public and has complied with the provisions of Section 58A of the Companies Act,

1956 and rules made thereunder. The Company does not have any overdue deposits as at 31st March, 2000 except for 45 unclaimed deposits amounting to Rs. 4.58 Lacs.

DIRECTORS

Mr. Ashok T. Patel and Mr. V. P. Kamdar, the Directors of the Company retire at the ensuing Annual General Meeting of the Company and being eligible offer themselves for reappointment. You are requested to reappoint them. Mr. Mahendra N. Patel has ceased to be a Director on account of not seeking re-election at the last Annual General Meeting. The Board has placed on record the appreciation of the services rendered by him.

Mr. Ashok T. Patel, was appointed as a Whole time Director (Construction Division) of the Company with effect from 1st July, 1995. His term expires on 1st July 2000. However, in view of phasing out of construction activities by the Company, Mr. Ashok T. Patel has not offered the renewal of his term as whole time Director of the Company.

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

The particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure-'A' which forms part of this Report.

PERSONNEL

During the year the relation between the Management and the employees had been very cordial. As required by the provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are set out in the Annexure to the Directors' Report. However, as per the provisions of Section 219 (1) (b) (iv) of the Companies Act 1956, the report and the accounts is being sent to all shareholders of the Company excluding, the aforesaid information. Any shareholder interested in obtaining such particulars may write to the Company at its Corporate office.

AUDITORS

M/s. Arvind A. Thakkar & Co., Chartered Accountants, Ahmedabad retire at the ensuing Annual General Meeting of the Company and being eligible offer themselves for reappointment. You are requested to reappoint the Auditors and fix their remuneration.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation for the co-operation received from the Banks and Financial Institutions and services rendered by the employees of the Company and look forward to their continued support in the years to come.

For and on behalf of the Board of Directors

Place : Ahmedabad
Dated : 22nd June, 2000

Anil T. Patel
Chairman & Managing Director

ANNEXURE TO DIRECTORS' REPORT

A. CONSERVATION OF ENERGY :

	1999-2000	1998-99
Power & Fuel Consumption		
1. Electricity :		
a) Purchased Unit :	3,99,234	3,64,133
Total Amount (Rs.) :	20,74,578	18,67,900
Rate/Unit (Rs.) :	5.20	5.13
b) Own Generation :	NIL	NIL
2. Coal :	NIL	NIL
3. Furnace Oil :	NIL	NIL
4. L P G		
Quantity (Kg.) :	346	7,223
Total cost (Rs.) :	6,320	1,31,477
Rate/unit (Rs.) :	18.27	18.20

B. TECHNOLOGY ABSORPTION :

1. Research & Development (R & D)

The Company is not having an independent Research & Development Unit registered with the Government of India. However, product developmental activities continue to get utmost priority in the field of process technology, improvement in quality, import substitution etc. through the quality assurance department.

Benefit Derived as a result of above R & D

The Company has been able to substitute some of the indigenous spares, which were earlier required to be imported.

2 Technology Absorption, Adoption and Innovation

(a) Efforts : The Company has been able to indigenise components required for the manufacture of hydrostatic paver finisher.

(b) Benefits derived : Better product and indirect saving in Foreign Exchange.

(c) Particulars of Technology imported during the past 5 years :

- (i) Technology Imported : Technology relating to the production of Wheeled Loader Model 86E
- (ii) Year of import : 1997
- (iii) Has the technology been absorbed : Yet to be absorbed
- (iv) If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of actions : The agreement is for a period of 10 years which can be extended further with official approval.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

The required information is contained in the Notes to the Accounts, Schedule "T", 6 to 10.

GUJARAT APOLLO EQUIPMENTS LIMITED**AUDITORS' REPORT**

To,
The Members
Gujarat Apollo Equipments Limited

We have audited the attached Balance Sheet of GUJARAT APOLLO EQUIPMENTS LIMITED as at 31st March 2000 and the Profit and Loss Account for the year ended on that date annexed thereto. In our opinion and as per the information and explanation furnished to us and the books and records examined by us in normal course of audit, we report that :

- 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 accounts as required by law have been kept by the Company, so far as appears from our examination of books.
- c) The said Balance Sheet and Profit and Loss Account are in agreement with the books of accounts.
- d) In our opinion the balance sheet and profit loss account comply with, the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.
- e) In our opinion and to the best of our information and according to the explanations given to us the said statements of accounts subject to the Notes appearing thereon in Schedule "T" 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 Balance Sheet of the state of affairs of the Company as at 31st March, 2000.
 - AND
 - ii) in the case of Profit and Loss Account of the profit for the year ended on that date.
 - iii) As required by 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 and on the basis of such checks as we considered appropriate, we further state that :

- 1 The Company is maintaining proper records to show full particulars including quantitative details and situation of fixed assets. The physical verification of fixed assets has been carried out at the end of the year by the management and no material discrepancy was noticed on such verification.
- 2 None of the fixed assets have been revalued during the year.
- 3 The stock of finished goods, stores, spare parts and raw material has been physically verified during the year by the management. In respect of stock lying with the third parties confirmations have been obtained. In our opinion the frequency of verification is reasonable.
- 4 In our opinion and according to the information and explanations given to us, the procedure of physical verification of stocks followed by the management were found reasonable and adequate in relation to the size of the Company and the nature of its business.
- 5 The discrepancies noticed on verification between physical stock and book records were not material and the same have been properly dealt with in the books of accounts.
- 6 In our opinion, the valuation of stock is fair and proper and is in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
- 7 In our opinion, the rate of interest and the terms and conditions on which loans have been obtained from companies, firms or other parties listed in the register maintained under Section 301 and 370 (1-e) of the Companies Act, 1956 wherever applicable are not prima facie prejudicial to the interest of the Company.

- 8 The Company has given loans and advances in the nature of loans to companies, firms and other parties listed in the register maintained under Section 301 of the Companies Act, 1956. The rate of interest and other terms and conditions for such advances are not prima facie prejudicial to the interest of the Company.
- 9 The Company has given loans and advances to its employees and they are generally repaying the principal amount as stipulated and are also 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 the purchase of stores, raw materials including component, Plant and Machinery, equipments and other fixed assets, and for the sale of goods.
- 11 The Company has purchased materials stores and components exceeding Rs.50,000 in value for each type thereof from firms, companies or other parties in which Directors are interested and the prices paid for such items are reasonable as compared to the prices paid for such items are reasonable as compared to the prices of similar items supplied by other parties wherever such comparison is possible.
- 12 The Company has regular procedure for determining the unserviceable or damaged stores, raw materials and finished goods and the necessary adjustments for the loss have been made in the accounts.
- 13 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 deposit accepted from the Public.
- 14 The Company, in our opinion, is maintaining reasonable records for the sale and disposal of the realizable scrap. According to the information and explanations given to us, the Company has no by-products.
- 15 The Company has appointed a firm of Chartered Accountants who has carried out the internal audit.
- 16 As far as we are aware, the Central Government has not prescribed maintenance of cost records in respect of the products manufactured by the Company under Section 209 (1) (d) of the Companies act, 1956.
- 17 The Company is generally regular in depositing provident fund dues with the appropriate authorities. Employees State Insurance Act is not applicable to the Company.
- 18 According to the information and explanations given to us, there were no undisputed amount payable in respect of Income Tax, Wealth tax, Sales Tax, Customs and Excise duty which have remained outstanding as 31st March 2000 for a period of more than six months from the date they become payable.
- 19 According to the information and explanations given to us, and the records of the Company examined by us, no personal expenses have been charged to revenue account other than those payable under contractual obligations or in accordance with the generally accepted business practice.
- 20 The Company is not a Sick Industrial Company within the meaning of clause (o) of sub section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
- 21 During the year under audit, there were no damaged goods in respect of the trading business.

FOR, ARVIND A. THAKKAR & CO.
Chartered Accountants

Place : Ahmedabad
Date : June 22, 2000

A. A. THAKKAR
Sole Proprietor

BALANCE SHEET AS AT 31ST MARCH 2000.

Schedule		Current Year (Rupees)	Current Year (Rupees)	Previous Year (Rupees)	Previous Year (Rupees)
I SOURCES OF FUNDS :					
a) Shareholders' Fund :					
[I] Share Capital	A	3,50,00,000		3,50,00,000	
[II] Reserves and Surplus	B	15,91,28,275		13,85,34,644	
			19,41,28,275		17,35,34,644
b) Loan Funds :					
[I] Secured Loans	C	7,38,63,632		7,27,62,206	
[II] Unsecured Loans	D	5,82,85,500		5,78,43,602	
			13,21,49,132		13,06,05,808
TOTAL			32,62,77,407		30,41,40,452
II APPLICATION OF FUNDS :					
a) Fixed Assets :	E				
[I] Gross Block		11,20,51,725		10,50,49,261	
[II] Less : Depreciation		2,52,54,102		2,43,62,637	
[III] Net block			8,67,97,623		8,06,86,624
[IV] Add : Capital work in progress			86,042		1,13,19,550
			8,68,83,665		9,20,06,174
b) Investments	F		12,17,81,000		4,56,85,050
c) Current Assets, Loans and Advances					
[I] Inventories	G	8,37,02,382		7,13,02,858	
[II] Sundry Debtors	H	12,36,62,104		12,79,62,343	
[III] Cash and Bank Balances	I	1,67,29,526		1,42,45,962	
[IV] Loans & Advances	J	1,60,49,292		5,42,48,388	
		24,01,43,304		26,77,59,551	
Less : Current Liabilities and Provisions					
[I] Current Liabilities	K	10,90,16,896		8,58,38,695	
[II] Provisions	L	1,43,84,061		1,65,59,622	
		12,34,00,957		10,23,98,317	
NET CURRENT ASSETS :			11,67,42,347		16,53,61,234
d) Miscellaneous Expenditure and Losses (To the extent not written off or adjusted)					
Public Issue expenses			8,70,395		10,87,994
TOTAL			32,62,77,407		30,41,40,452
Notes on accounts & accounting policies	T				

As per our Audit Report Annexed

For, Arvind A. Thakkar & Co.
Chartered AccountantsA. A. THAKKAR
Sole ProprietorAhmedabad
Dated : June 22, 2000

For & behalf of Board of Directors

Anil T. Patel
Chairman &
Managing DirectorAsit A. Patel
Executive DirectorAhmedabad
Dated : June 22, 2000Manibhai V. Patel }
Ashok J. Patel } DirectorsSuresh Shah
Company Secretary

GUJARAT APOLLO EQUIPMENTS LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2000.**

	Schedule	Current Year (Rupees)	Current Year (Rupees)	Previous Year (Rupees)	Previous Year (Rupees)
INCOME :					
[a] Sales & Other Income	M	64,40,55,240		45,44,13,548	
[b] Increase/(Decrease) in Inventory	N	53,20,750		69,17,673	
TOTAL			64,93,75,990		46,13,31,221
EXPENDITURE :					
[c] Raw Material Cost	O	32,36,18,886		25,84,26,545	
[d] Manufacturing expenses	P	13,36,94,784		4,33,89,342	
[e] Employees cost	Q	1,31,77,386		1,15,92,823	
[f] Excise Duty		5,89,48,965		4,16,14,915	
[g] Sales tax		1,56,67,462		1,40,25,747	
[h] Administrative and other expenses	R	3,45,02,947		2,54,83,696	
[i] Selling and Distribution expenses	S	79,99,177		73,39,225	
			58,76,09,607		40,18,72,293
PROFIT BEFORE INTEREST, DEPRECIATION AND TAXES			6,17,66,383		5,94,58,928
[j] Interest		62,54,586		69,71,502	
[k] Depreciation		42,43,166		49,59,508	
			1,04,97,752		1,19,31,010
PROFIT BEFORE TAX			5,12,68,631		4,75,27,918
[l] Provision for taxation			2,00,00,000		1,01,00,000
PROFIT AFTER TAX			3,12,68,631		3,74,27,918
[m] Balance brought forward from previous year			1,10,34,644		77,67,128
[n] Release from Investment allowance reserve			-		13,79,598
AMOUNT AVAILABLE FOR APPROPRIATION			4,23,03,275		4,65,74,644
[o] APPROPRIATIONS :					
[i] General Reserve			2,00,00,000		2,00,00,000
[ii] Proposed Dividend			87,50,000		1,40,00,000
[iii] Tax on Proposed Dividend			19,25,000		15,40,000
[iv] Balance Carried to Balance Sheet			1,16,28,275		1,10,34,644
TOTAL			4,23,03,275		4,65,74,644
[p] Notes on accounts & accounting policies	T				

As per our Audit Report Annexed

For, Arvind A. Thakkar & Co.
Chartered AccountantsA. A. THAKKAR
Sole ProprietorAhmedabad
Dated : June 22, 2000

For & behalf of Board of Directors

Anil T. Patel
Chairman &
Managing DirectorAsit A. Patel
Executive DirectorAhmedabad
Dated : June 22, 2000Manibhai V. Patel } Directors
Ashok J. Patel }Suresh Shah
Company Secretary

SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2000.

	Current Year Rupees	Previous Year Rupees
SCHEDULE-A		
SHARE CAPITAL		
AUTHORISED SHARE CAPITAL		
5000000 Equity shares of Rs.10/- each	5,00,00,000	5,00,00,000
ISSUED, SUBSCRIBED AND PAID UP		
3500000 Equity Shares of Rs.10/- each fully paid up	3,50,00,000	3,50,00,000
SCHEDULE-B		
RESERVES AND SURPLUS		
CAPITAL RESERVE		
State Cash Subsidy	25,00,000	25,00,000
Share Premium	1,50,00,000	1,50,00,000
GENERAL RESERVE		
As per last Balance Sheet	11,00,00,000	9,00,00,000
Add: Transferred from Profit and Loss Account	2,00,00,000	2,00,00,000
	13,00,00,000	11,00,00,000
Profit and Loss Account	1,16,28,275	1,10,34,644
TOTAL	15,91,28,275	13,85,34,644
SCHEDULE-C		
SECURED LOANS		
Term Loan	1,80,00,000	2,60,00,000
From Industrial Development Bank of India (IDBI)		
(Above Loan is secured by way of equitable mortgage by deposit of title deeds of Company's Properties with IDBI and hypothecation of Plant and Machinery situated at Company's work and second charge by way of hypothecation of all types of inventories and book debts and personel guarantee given by Managing Director)		
CASH CREDIT		
From State Bank of India	2,70,22,599	2,29,72,601
From Dena Bank	2,88,41,033	2,37,89,605
(Above borrowing for working Capital are secured by hypothecation of raw material, stock in process, finished goods, consumable stores and tools and book debts. These borrowing have been guaranteed by Managing Director and one other Director of the Company and second charge created on movable and immovable properties.		
TOTAL	7,38,63,632	7,27,62,206
SCHEDULE-D		
UNSECURED LOANS		
Sales tax interest free Loan	1,99,96,000	1,99,96,000
From Share Holders	12,93,500	17,14,102
From public	3,69,96,000	3,61,33,500
TOTAL	5,82,85,500	5,78,43,602