

AUDITORS' REPORT

To

The Members of

GUJARAT CYPROMET LIMITED

We have audited the attached Balance Sheet of GUJARAT CYPROMET LIMITED as at 31st March, 2000 and also the annexed Profit & Loss Account of the Company 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 purposes 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 examination of the books.
3. The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
4. In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the accounting standards referred to in sub-Section (3C) of Section 211 of the Companies Act, 1956.
5. (i) As stated in note-13 of Schedule - 15, we have relied upon management representation in respect of type & quantum and valuation of inventories of work-in-progress as at 31/3/2000. In view of our audit trail/check, we are unable to make any judgement in respect of, effects if any, on the profit for the year and state of affairs of the company as at 31/3/2000.

(ii) The balances of debtors, creditors, deposits and loans & advances are subject to confirmation.

(iii) As stated in note-12, there is a large increase in old debts for which no confirmations are available and hence we are unable to make any judgement in respect of, effects if any, on profit for the year and state of affairs of the company as at 31/3/2000.

Subject to above, in our opinion and to the best of our information and according to the explanations given to

the Companies Act, 1956 in the manner so required thereon, give the information required by law 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

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

As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Central Government and on the basis of such checks as we considered appropriate and as per the information and explanations given to us, we further state that:

1. The Company is maintaining proper record showing full particulars, including quantitative details and situation of fixed assets. We are informed that all the fixed assets have been verified by the management during the year. No material discrepancies between the book records and the physical inventory has been noticed in respect of the assets physically verified.
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 during the year at reasonable intervals.
4. In our opinion and according to the information and explanations given to us, the procedures of physical verification of the stock followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. Discrepancies noticed on physical verification of stocks as compared to book records were not material and the same 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 stock is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
7. The company has not obtained any loans secured or unsecured from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

Gujarat Cypromet Limited

Gujarat Cypromet Limited

Board of Directors

Shri. Bhogilal D. Shah
Shri. Narendra P. Mehta
Shri. Mihir T. Choksi
Shri. Lalit P. Mehta
Shri. Champaklal A. Shah
Shri. Rajendra P. Goyal
Shri. Uttamkumar M. Kale
Shri. D. R. Shah
Shri. Atanu C. Chakraborty
Shri. Girish Sahastrabudhe

Chairman
Managing Director
Executive Director
Director
Director
Director
Nominee of IDBI
Nominee of GLIC
Nominee of GLIC
Nominee of GSFC

Auditors

M/s. Shah & Shah Associates
Chartered Accountants
Ahmedabad .

Bankers

Union Bank of India
South Indian Bank Ltd.
Development Credit Bank Ltd.

Registered Office & Works

Plot No. 69/70, 74-79, 81/82,
Survey No. 196 / 1 ,
Mahalaxmi Industrial Estate ,
Village Iyava , Sanand - Viramgam Highway ,
Sanand , Gujarat - 382 110 .

Corporate Office

7/10 , Botawala Building ,
Office No. 4 , Horniman Circle ,
Fort, Mumbai - 400 001 .

Marketing Division

4 , Al - Hasant Chamber ,
3 , North South , 10th Road ,
JVPD Scheme, Andheri (West)
Mumbai - 400 049 .

Share Transfer Agents

Satelite Corporate Services Pvt. Ltd.
39 / 7254, Azad Nagar , II Veera Desai Road ,
Andheri (West) , Mumbai - 400 053 .



Gujarat Cypromet Limited

NOTICE

Notice is hereby given that the Eighth Annual General Meeting of the Members of Gujarat Cypromet Limited will be held at Plot No.69/70, 74-79, 81/82, Survey No.196/1, Mahalaxmi Industrial Estate, Village Iyava, Sanand Viramgam Highway, Sanand, Gujarat - 382 110 on Thursday, 30th November, 2000 at 12.30 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2000 and Profit and Loss account for the year ended on that date and the Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Shri Mihir T. Choksi who retires by rotation, but being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Rajendra P. Goyal who retires by rotation, but being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

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 A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Members are requested to bring their copies of the Annual Report at the time of attending the Annual General Meeting.
3. Members are requested to notify immediately change in their addresses, if any, or make correspondence to the Registered Office of the Company or to Satellite Corporate Services Private Limited, 39/724, Azad Nagar II, Veera Desai Road, Andheri (West), Mumbai - 400 053 Share Transfer Agents of the Company quoting their Folio No.
4. All correspondence with respect to shares held in electronic mode should be sent to the depository participants with which members have opened demat account.
5. The Company has been granted extension of time by the Registrar of Companies, Gujarat, to hold Annual General Meeting on or before 30th November, 2000.

By order of the Board

Mihir T. Choksi
Executive Director

31st October, 2000

Registered Office :
Plot No.69/70, 74-79, 81/82,
Mahalaxmi Industrial Estate,
Survey No.196/1, Village Iyava,
Sanand Viramgam Highway,
Sanand, Gujarat - 382 110.

8th Annual Report

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the Seventh Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2000.

FINANCIAL RESULTS

(Rs.in lacs)

Description	Year Ended 31st March'00	Previous Year Ended 31st March'99
Sales and Other Income	4535.57	3922.22
Profit before Depreciation and Financial Charges	892.51	783.99
Less : Depreciation	146.56	132.16
Financial Charges	730.30	601.44
Profit before Taxation	15.65	50.39
Less : Provision for tax	1.80	5.30
Profit after Tax	13.85	45.09
Balance of Profit Brought Forward	284.19	239.10
Surplus Carried to Balance Sheet	298.04	284.19

OPERATIONS

During the year under review, the sales increased by 15.63%, from Rs. 3922.22 lacs to Rs. 4535.58 lacs and the operating profit, before depreciation, interest and taxes improved by 13.84%, from Rs. 783.99 lacs to Rs. 892.51 lacs. However, the profit, after tax has declined to Rs. 13.85 lacs, from Rs. 45.09 lacs in 98-99, on account of higher financial charges and written off debtors.

Cupro Nickel, Admiralty Brass and Aluminium Brass Heat Exchanger and Condenser Tubes along with 70/30 Brass Tubes for Sugar Mills have dominated the Product Mix along with Mother Tubes for the Redrawing Sector.

The Company has established credentials for supply of Condenser Tubes for Power Plants and with implementation of number of major Power Plant Projects over the next two years, expects substantial market share in this Product Group.

PHASE II

Having already fulfilled the additional Import requirements of the Export Promotion Capital Goods (EPCG) Licence, the Company is in the process of acquiring balance indigence equipment for Phase II activities.

The Company proposes to introduce a range of speciality products like Small Diameter Rods, Sections and Wires to enhance the overall profitability and export potential of the integrated project by April, 2001.

INSURANCE

All the properties and insurable interests of the Company including Buildings, Plant and Machinery and Stocks, wherever necessary and to the extent required, have been adequately insured.

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

In accordance with the requirements of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, statement showing particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the Annexure.

Y2K COMPLIANCE

The Computer System (both Hardware and Software) of the Company is Y2K Compliant.



Gujarat Cypromet Limited

LISTING

The equity shares of the Company are listed on the Mumbai, Ahmedabad, Chennai, Delhi and National Stock Exchanges.

DIRECTORS

Shri Mihir T. Choksi and Shri Rajendra P. Goyal, Director of the Company, would retire at the ensuing Annual General Meeting and they are eligible for reappointment.

Shri. N. N. Jambusaria resigned as Director of the Company effective from 26th June, 2000. The Board wishes to place on record the sincere appreciation of the valuable advice and guidance rendered by him during the tenure of his office as Director.

DEMATERIALISATION OF SHARES

The shares of the Company have been made available for Dematerialisation with the Central Depositing Services Limited (CDSL) and National Depository Services Limited (NSDL).

PARTICULARS OF EMPLOYEES

The Company does not have any employee, whose particulars are required to be given pursuant to the Provisions of Section 217 (2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules 1975.

AUDITORS

The note numbers 1, 2 and 13 in the notes to the Accounts referred by the Auditors in their report, are self explanatory.

M/s. Shah & Shah Associates, Chartered Accountants, Auditors of the Company would retire at the ensuing Annual General Meeting and they are eligible for re-appointment.

You are requested to appoint Auditors and to fix their remuneration.

ACKNOWLEDGMENT

The Board would like to thank Industrial Development Bank of India, Union Bank of India, South Indian Bank Limited, The Development Credit Bank Limited, Gujarat State Financial Corporation and the Co-Promoters, Gujarat Industrial Investment Corporation, for their continued support. The contribution and selfless hard work put in by the employees, deserves special mention. The Board would also like to express its appreciation to the Shareholders for the confidence reposed by them in the Company.

For and on Behalf of Board

N. P. Mehta
Managing Director

Mumbai
31st October, 2000

L. P. Mehta
Director

8th Annual Report

ANNEXURE TO DIRECTORS' REPORT

Information pursuant to the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

1. CONSERVATION OF ENERGY :

A) Power and Fuel consumption :	
High Tension Electricity Consumption :	
Units (KWH) :	2418290
Total Amount (Rs in lacs)	127.33
Rate/Unit (Rs.)	5.26
B) Generated Power :	
Diesel Consumption Purchase (Litres)	
Total Amount (Rs in lacs)	45.70
Total Unit generated (KWH)	1095229
Cost per unit (Rs.)	4.17

2. TECHNOLOGY ABSORPTION :

The Company has not imported any technology during the year.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO :

A) Earnings :

The Company has earned an amount of Rs. 193.72 lacs from exports during the year under report.

B) Outgo :

Foreign Exchange outgo was Rs. 267.39 lacs, on account of import of materials and expenses.

For and on Behalf of Board

N. P. Mehta
Managing Director

Mumbai
31st October, 2000

L. P. Mehta
Director

