

"SOURCE THAT NEVER ENDS"

6THANNUAL REPORT
(YEAR ENDING 31st MARCH, 1998)


MD	✓	BKC	✓
CS	NA	DPY	NA
RO	✓	DIV	NA
TRA	NA	AC	✓
AGM	✓	SHI	✓
YE	✓		✓

CERTIFIED TO BE TRUE COPY



DIRECTOR

SUN SOURCE (INDIA) LTD.



SUN SOURCE
(INDIA) LIMITED

Regd. Office :

1, Sonal Industrial Estate, Khoda,
Sanand-Viramgam Highway,
Dist: Ahmedabad - 382170
Gujarat (INDIA)
Phone: 91- 2717-73203, 73282

SUN SOURCE (INDIA) LIMITED**BOARD OF DIRECTORS**

The Board of Directors comprises of eminent professionals and businessmen with expertise who are capable of achieving the targeted level of operations.

NAME	BACKGROUND	OTHER POSITIONS HELD
• Mr. Rajnikant J. Patel Chairman	Turnkey Project Engineer	Chairman-cum Managing Director Ecotech Consultants Pvt. Ltd.
• Mr. Ashok K. Gajjar Vice Chairman	Manufacturing & Export of Machineries	Managing Partner M/s. Laxmi Vijay Brass & Iron Works Baroda.
• Mr. R. Krishnamurthy Director	Consulting Engineer	Former Executive Director BHEL, Madras.
• Ms. Nisha Patel Director	Overseas Investor from USA.	Represents NRI Investor Group
• Mr. Bhalchandra Pandya Director	NRI Investor Group from USA.	Represents NRI Investor Group
Mr. Mukund Purohit Alternate Director of Mr. Bhalchandra Pandya	Businessman	
• Mr. Vishnu I. Patel Director	Businessman	President Vadodara Stock Exchange Ltd.
• Mr. R. K. Gupta Director	Advocate	Director M/s. Indcon Management Services (P) Ltd. New Delhi.

AUDITORS

M/s. M.R. Pandhi & Associates
Chartered Accountants
101, Panchdeep Complex, Mayur Colony,
Opp. Narayan Nidhi, Nr. Mithakhali Six Roads,
Navrangpura, Ahmedabad-380009

BANKERS

- (1) Vijaya Bank
- (2) State Bank of Saurashtra
- (3) State Bank of India
- (4) Oriental Bank of Commerce

REGD. OFFICE & FACTORY

One-Sonal Industrial Estate, Khoda,
Sanand - Viramgam Highway
Dist: Ahmedabad-382170 Gujarat, (INDIA)
Phone : 91- 2717-73203, 73282.

SUN SOURCE (INDIA) LIMITED**NOTICE**

NOTICE is hereby given that the **SIXTH ANNUAL GENERAL MEETING** of the Members of **SUN SOURCE (INDIA) LIMITED** will be held on Monday, 28th September, 1998 at 10.00 A.M., at our Registered Office at One - Sonal Industrial Estate (Khoda) Sanand Viramgam Highway, Dist.Ahmedabad - 382 170, Gujarat (India), to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statements of Accounts together with Directors' Report and the Auditor's Report thereon for the year ended **31ST MARCH 1998**.
2. To appoint a Director in place of Shri Vishnu I. Patel, who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS :-**3. TO APPOINT AUDITORS**

Resolved that M/s. N. N. PATEL & ASSOCIATES, Chartered Accountants, Ahmedabad be and hereby appointed as the auditors of the company to hold office from the conclusion of next Annual General Meeting at a remuneration to be decided by the Board of Directors of the Company."

REGD. OFFICE & FACTORY

1, Sonal Industrial Estate, Khoda,
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Phone : 91- 2717-73203, 73282.

ON BEHALF OF THE BOARD

PLACE : AHMEDABAD

DATE : 27.08.1998

(R.J.PATEL)
CHAIRMANReport  junction.com**NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, SHOULD BE DULY STAMPED, COMPLETED, SIGNED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF THE MEETING.
2. The Register of Members and Share Transfer Book of the Company will remain closed from 24th September, 1998 to 28th September, 1998 (Both days inclusive)
3. Members are requested to advise the Company immediately of any change in their address.
4. As a measure of economy, members are requested to bring their copies of the Annual Report at the venue of the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF COMPANES ACT, 1956.**ITEM NO.4**

The present auditors of the company M/s. M. R. Pandhi & Associates have submitted their resignation after the Board Meeting approving the annual accounts for the year ended 31st March, 1998. Subsequently, Company has received a notice from one of the members proposing the name of M/s. N. N. PATEL & ASSOCIATES, Chartered Accountants, Ahmedabad as the auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting.

Pursuant to Section 225 of the companies Act, 1956. if the retiring auditor is not reappointed, then a special resolution is required to appoint a new Auditor at the annual General Meeting. Members are requested to consider and pass the special resolution. None of the directors is interested in the resolution.

ON BEHALF OF THE BOARD

PLACE : AHMEDABAD

DATE : 27.08.1998

(R.J.PATEL)
CHAIRMAN

SUN SOURCE (INDIA) LIMITED**DIRECTORS' REPORT**

To,
Members of the Company
COMPANY PERFORMANCE :

FINANCIAL RESULTS

The year under review was full of challenges and intense competition. The year 1997-98 witnessed economic recession and your Company was also affected thereby.

The key performance parameters are as follows :

	1997-98	1996-97
Income	11,97,417	37,62,697
Expenses	6,32,334	30,97,303
Profit before taxation	5,62,083	6,65,694
Less : Provision for taxation	2,81,348	2,51,162
Profit after Taxation	2,80,735	4,14,232
Balance carried to Balance Sheet	2,80,735	4,14,232

BADMER SOLAR PV PROJECT

An understanding was reached between US Investors and your Company for implementing the 50 MW Solar Photovoltaic Power Plant and Badmer. However, due to the US Government sanctions against India for Pokhran II Nuclear tests, Barmer Project implementation could not start as agreed upon. Only after US sanctions are released or withdrawn the US Investors would be prepared to review the matter again.

DIVIDEND

To enable future shareholders' value on the basis of present investments, your Directors recommend that no dividend be paid for the year ended 31ST MARCH 1998.

DIRECTORS

Shri Vishnu I. Patel, retires by rotation as required by the Articles of Association of the Company and being eligible, offer himself for re-appointment.

Shri R. Krishnakurthy, Director of the Company retires from the office by rotation at the forthcoming Annual General meeting and is not offering himself for reappointment.

AUDITORS OBSERVATION

The observations of the Auditors in their report are explained in the notes to the accounts which are self explanatory.

DEPOSIT

The Company has not accepted any deposits from the public.

PARTICULARS OF EMPLOYEE

None of the employee drawing remuneration exceeding Rs.25,000/-per month or Rs.3,00,000/-per annum was employed.

AUDITORS

M/s M.R. Pandhi & Associates, Chartered Accountants, Ahmedabad, the retiring auditors are not offering themselves for re-appointment. The company has received notice from a member proposing name of new auditor which is taken in the notice as special business.

ACKNOWLEDGEMENT

The Board of Directors wish to place on record their unsustained support, involvement, co-operation and assistance received from the Govt. of Rajasthan, Govt. of India, Bankers and Employees of the Company.

ON BEHALF OF THE BOARD

PLACE : AHMEDABAD

(R.J. PATEL)

DATE : 27.08.1998

CHAIRMAN

SUN SOURCE (INDIA) LIMITED**AUDITORS' REPORT**

To,
The Shareholders,
SUN SOURCE (INDIA) LIMITED
Ahmedabad

We have audited the attached Balance Sheet of **SUN SOURCE (INDIA) LIMITED, AHMEDABAD**, as at **31ST MARCH 1998** and also the Profit & Loss Account of the Company for the year ended on that date annexed thereto and report as under :

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 account as required by law have been kept by the Company so far as it appears from our examination of the books.
3. The Balance Sheet and Profit & Loss Account, dealt with by the report, are in agreement with the Books of Accounts.
4. In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read with and subject to Note No.1 regarding non-confirmation of balance, Note No.19 regarding Advances and other notes thereon gives, 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 1998** and
 - (ii) In the case of the 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 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 and the information and explanation given to us in the normal course of the audit we further report that :

- (i) As informed to us, the Company has maintained a fixed assets register showing full particulars including quantitative details and situation of fixed assets. As the acquisition and construction of fixed assets is in progress, we are informed that the entries will be made on completion of construction, erection and acquisition. These fixed assets have been physically verified by the management at the end of the year. However no record for such physical verification was available for our verification. No material discrepancies were noticed on such verification.
- (ii) None of the fixed assets have been re-valued during the year.
- (iii) Inventories of raw materials, stores and spare parts have been physically verified by the Management at the end of the year. In our opinion, the frequency of such verification is reasonable.
- (iv) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the company and nature of its business.
- (v) The discrepancies noticed on verification between physical inventories and book records were not material in relation to the operations of the company and the same have been properly dealt with in the books of accounts.
- (vi) In our opinion, the valuation of the above mentioned inventories is fair and proper in accordance with the normally accepted accounting principles.
- (vii) The Company has not taken any loan, secured or unsecured from the Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 and/or from the Companies under the same management as defined under section 370(1-B) of the Companies Act, 1956.
- (viii) The Company has not granted any loans to Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956, and/or to the Companies under the same management as defined under subsection 1(B) of Section 370 of the Companies Act, 1956(1 of 1956).
- (ix) In respect of loans and advances in the nature of loans given by the Company, the terms and conditions of repayment of principal amount and interest are not specified. Provision of interest on loans is not made. Confirmations of loans are not available. In view of this we are unable to express our opinion in this regard.
- (x) We are informed that the company is in the process of setting up an adequate Internal Control Procedures commensurate with the size of the Company and the nature of its business with regard to purchase of stores, raw materials including components, plant & machinery, equipment and other assets and with regard to the sale of goods.
- (xi) In our opinion and according to the information and explanation given to us, there were no transactions of purchase of goods and materials and sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 aggregating during the current accounting year to Rs.50,000/- or more in respect of each party.
- (xii) The Company has not accepted any deposit from public.
- (xiii) The Company has not yet set up formal Internal Audit System commensurate with size and nature of business.
- (xiv) As informed to us, the Provident Fund and E.S.I. Scheme are not applicable to the Company.
- (xv) As informed to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Custom Duty and Excise duty which have remained outstanding as at last day of the financial year under report for a period of more than six months from the date they became payable.
- (xvi) On the basis of (i) the examination of the books of accounts of the company (ii) the vouchers examined by us on test check basis and (iii) the explanation given to us against our inquiries and to the best of our knowledge and belief, we have not come across any expenses charged to revenue account except for those which were either incurred under service contract obligation or in accordance with normally accepted business practices which in our opinion and judgement and to the best of our knowledge and belief could be regarded as personal expenses.
- (xvii) We have been informed by the Company that there is no by product. Scrap is not generated by the manufacturing process of the Company.
- (xix) 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 M. R. PANDHI & ASSOCIATES
CHARTERED ACCOUNTANTS

(M.R.PANDHI)
PARTNER

PLACE : **AHMEDABAD**
DATE : **27.08.1998**