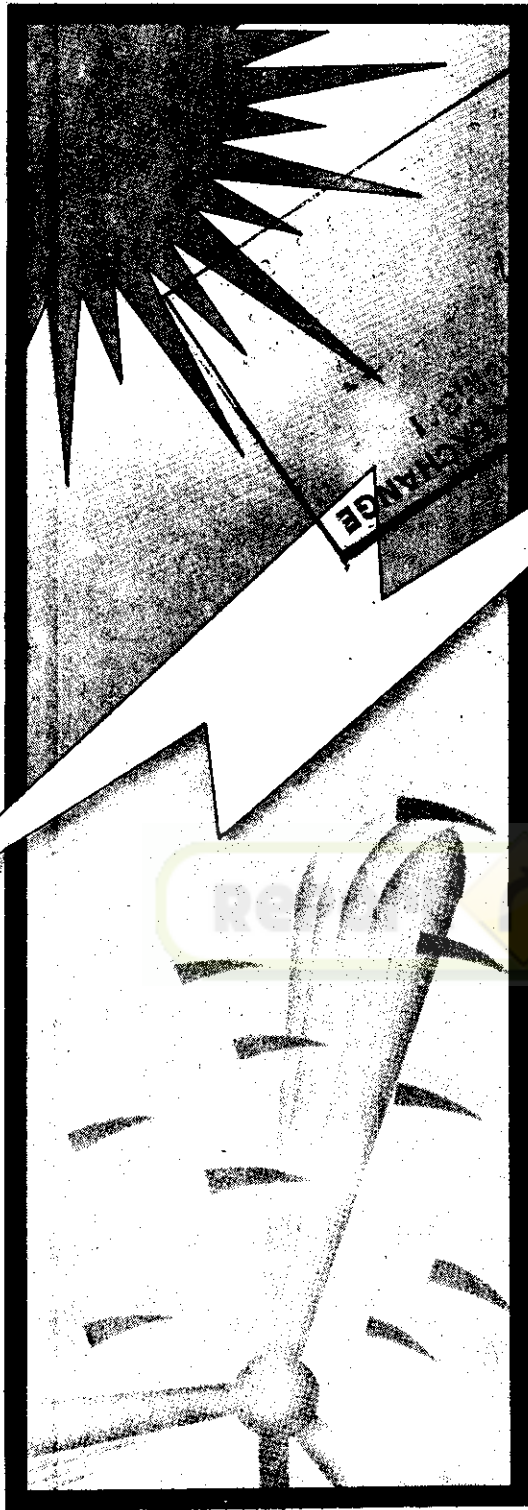


"SOURCE THAT NEVER ENDS"

7TH

ANNUAL REPORT

(YEAR ENDING 31ST MARCH, 1999)




SUN SOURCE
(INDIA) LIMITED

Regd. Office :

**1, Sonal Industrial Estate, Khoda,
Sanand-Viramgam Highway.**

Dist. : Ahmedabad - 382170

Phone : 91 - 2717-73282

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

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

AUDITORS

M/s. N.N.Patel & Associates
Chartered Accountants
31, Vishwamitra Complex,
Stadium Road,
Navrangpura, Ahmedabad- 380 014.

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**DIRECTORS' REPORT**

To

Members of the Company

FINANCIAL RESULTS

The year 1998-99 witnessed severe economic recession and your Company was also affected thereby having little business activity.

	1998-99	1997-98
The key performance parameters are as follows; (Amt.in rupees)	11,94,488	11,94,417
Expenses	9,92,886	6,32,334
Profit before taxation	2,01,602	5,62,083
Less: Provision for taxation	60,481	2,81,348
Profit after taxation	1,41,121	2,80,735
Balance carried to Balance Sheet	1,41,121	2,80,735

BADMER SOLAR PV PROJECT (WORLD LARGEST):

The Company has been striving hard for Project Funding in short term as well as long term to implement 50,000 KW (50 MW) Solar PV Power Plant Project at Village : Agoria, Dist : Badmer, Rajasthan. Fortunately, we have received sympathetic consideration from the Government Officials of Rajasthan all along.

The Company at present has two offers, one for short term and one for long term Project Funding under active consideration and negotiations. The long term offer involves joint venture with our Company to implement the entire Project with the Funds (US Dollars 150 Million) arranged by the joint venture partners.

In fact, the short term funding for initial pilot plant of few KW has been arranged and initial construction at Badmer Plant Site has started under the supervision of **Shri M. S. Dadhich, Project Director of the Company.**

DIVIDEND :

To enable future shareholders' value on the basis of present investments, your Directors recommended that no dividend be paid for the year ended 31ST MARCH, 1999

DIRECTORS :

Shri Bhachandra Pandya, Director, retires by rotation as required by the Articles of the Company, and being eligible, offers himself for re-appointment.

Shri R. K. Gupta, Director, retires by rotation as required by the Articles of the Company, and being eligible, offers himself for re-appointment.

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.50,000/- per month or Rs.6,00,000/- per annum was employed.

AUDITORS :

M/s. N. N. Patel & Associates, Chartered Accountants, Ahmedabad the retiring auditors offer themselves for re-appointment.

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 BOARDPLACE : **KHODA, AHMEDABAD.**

DATE : 27:8:1999

(R. J. PATEL)
CHAIRMAN

SUN SOURCE (INDIA) LIMITED**NOTICE**

NOTICE is hereby given that the SEVENTH ANNUAL GENERAL MEETING of the Members of SUN SOURCE (INDIA) LIMITED will be held on Monday, 27th September, 1999 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 Statement of Accounts together with Directors' Report and the Auditor's report thereon for the year ended 31ST MARCH, 1999.
2. To appoint a Director in place of Shri Bhalechandra Pandya, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri R. K. Gupta, Who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint the Auditors of the Company, and fix their remuneration.

REGD. OFFICE & FACTORY

1. Sonal Industrial Estate, Khoda,
Sanand-Viramgam Highway,
Dist : Ahmedabad - 382 170, Gujarat, (INDIA)
Phone : 91-2717-73203, 73282

ON BEHALF OF THE BOARDPLACE : **KHODA, AHMEDABAD.**DATE : **27:8:1999**

(R. J. PATEL)

CHAIRMAN

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 27th September, 1999 to 30th September, 1999 (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.

ON BEHALF OF THE BOARDPLACE : **KHODA, AHMEDABAD.**DATE : **27:8:1999**

(R. J. PATEL)

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 1999** 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 balances, 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 1999**, 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 still 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 and no material discrepancies were noticed on such verification by the management. However, no record for such physical verification was available for our verification.
- (ii) None of the fixed assets have been revalued 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 Procedure 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 have been 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.
- (xviii) The Company is not a Sick Industrial Company within the meaning of clause (O) of subsection (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

For, **N. N. PATEL & ASSOCIATES**
CHARTERED ACCOUNTANTS

PLACE : **AHMEDABAD**
DATE : **27.08.1999**

(NAVIN PATEL)
PROPRIETOR

Annual Report