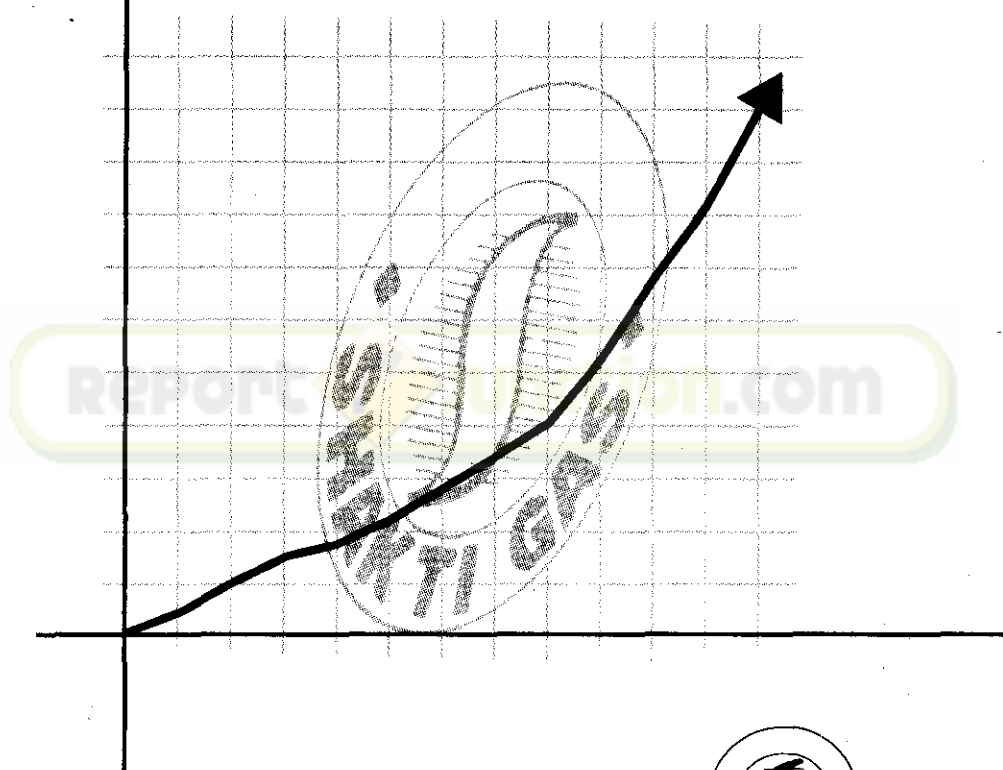


## SIXTH ANNUAL REPORT - 1998-99

# SHAKTI VISION 2007



**SHRI SHAKTI LPG LTD.**

INDIA'S LARGEST PRIVATE SECTOR LPG COMPANY

ప్రజాడి న్యూస్ సర్కిల్) లక్ష్మి ఉపయోగించే పెట్రోల్‌లో కత్తి పెరిగిపో  
 గ్నూ 8: పెను తక్కువగా ఉన్నందున తక్కువగా ఈ వాహనాలు  
 ఉంచే చర్యలు తీసుకోవాలని రాష్ట్ర పెనుతున్నాయని రాష్ట్ర  
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 వాహనాలు పెనుతున్నాయని రాష్ట్ర  
 (ఎల్ పీజి) పెనుతున్నాయని రాష్ట్ర  
 వినియోగ పెనుతున్నాయని రాష్ట్ర  
 పేరేంజింగ్ పెనుతున్నాయని రాష్ట్ర

**Shakti LPG, AR**  
**conversion kits**

By Our Staff Reporter

Mr. N. Chandrababu Naidu, CM of AP takes a test ride in LPG driven Autorikshaw while CMD of our Company Mr.D.V.Manohar explains.

HYDERABAD, March 28. (Andhra Pradesh News) Mr. N. Chandrababu Naidu, CM of AP, took a test ride in a LPG driven Autorikshaw while Mr. D.V. Manohar, CMD of our company, explained the features of the conversion kits. The kits are jointly developed by Shakti LPG and AR (Automotive Research and Research Institute) to run three-wheeled vehicles on LPG.

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ஆட்டோக்களின்  
கியாஸ் சிலிண்டர்

‘ஸ்ரீசக்தி எஸ். பி. ஜி  
நிறுவனம் ஏற்பாடு

நெகரவலி

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அரு

ನಿಗಲೂರು, ಆ.2- ಅಚೋರಿಕ್ಕಾ ಇದನ್ನು ದೃಢಪಡಿಸಿದೆ. ಕೇವಲ  
ನ ಆಗುವ ವಾಯುಮಾಲಿನ್ಯ ರೂಪಾಯಿ ವೆಚ್ಚ ಮಾಡಿ  
ಮವ ನಿಟ್ಟಿನಲ್ಲಿ ಶ್ರೀ ಶಕ್ತಿ, ಎಲ್‌ಪಿಜಿ ಅಳವಡಿಸಬಹುದು. ರಾಜ್ಯಾದ್ಯ  
ಟಿಡ್ ಸಂಸ್ಥೆಯವರು ಇದೀಗ ಹೊಸ ಪ್ರಮುಖ ವಿತರಕರಿದ್ದು  
ಮಿಜಿ ಅಚೋರಿಕ್ಕಾಗಳನ್ನು ಎಲ್‌ಪಿಜಿ ಸಿಲಿಂಡರ್‌ನ ಮರುತ  
ಕಟ್ಟಿಗೆ ಬಿಡುಗಡೆ ಮಾಡಿ ತೊಂದರೆ ಆಗದು  
ಶ್ರೀಕಾಗೋಷ್ಠಿಯ ಸಿಲಿಂಡರ್‌ಗಳನ್ನು  
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ಶಕ್ತಿ ಡಿ.ಎಂ.ಸಿ.ಬಿ.  
ಬಿ.ಕೆ.ಬಿ. ಆಗಿ ಎಲ್‌

ಪಿಹಿಯಾ ವಾಹನ ಅಬ  
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ಮನ್ಮ ಅಭಿಪ್ರಾಯ  
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ಭಿವೃದ್ಧಿಪಡಿಸಿ  
ತಿರ್ ಸೆಟ್ಟಿನ  
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## Shri Shakti LPG Limited

**BOARD OF DIRECTORS**

Mr. D.V. Manohar	<i>Chairman &amp; Managing Director</i>
Mr. D.V. Satya Kumar	<i>Executive Director</i>
Mr. D.V. Rajasekhar	<i>Director</i>
Dr. D.V. Prabhu Kumar	<i>Director</i>
Dr. A. Balasetty	<i>NRI Director</i>
Dr. Vijaya A. Kinni	<i>NRI Director</i>
Dr. Bharat H. Barai	<i>NRI Director</i>
Mr. B.R. Shetty	<i>NRI Director</i>
Dr. Kamlesh V. Bulchandani	<i>NRI Director</i>
Dr. P. Suruli Narayanasami	<i>NRI Director</i>
Dr. Gorantla Govindaiah	<i>NRI Director</i>
Mr. B.K. Bakhshi	<i>Director</i>

**COMPANY SECRETARY &  
VICE PRESIDENT (FIN.)**

Mr. P.S. Narayana

**AUDITORS**

M/s. Venugopal & Chenoy  
Chartered Accountants  
Hyderabad.

**LEGAL ADVISOR**

Mr. Koka Satyanarayana Rao  
Hyderabad.

**BANKERS**

State Bank of Hyderabad  
Punjab National Bank

**REGISTRARS & SHARE  
TRANSFER AGENTS**

Karvy Consultants Ltd.  
Regd. Office : Karvy House  
46, Avenue 4, Street No. 1  
Banjara Hills  
Hyderabad - 500 034.

**REGISTERED OFFICE**

Venus Plaza  
Adjacent to Airport  
Begumpet  
Hyderabad - 500 016.  
Tel: 91-40-789 9416  
Fax: 91-40-781 4411

**PLANTS**

Nemam Village  
Beach Road  
Kakinada - 533 005 (A.P.)  
  
Bibinagar  
Near Railway Station  
Nalgonda District (A.P.)

**NOTICE**

NOTICE IS HEREBY GIVEN THAT THE SIXTH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY will be held on Tuesday, the 28th September 1999 at 10.30 A.M. at Hari Hara Kala Bhavan, Near Patny Circle, Secunderabad - 500 003 to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Balance Sheet, Profit and Loss Account and the Reports of Directors and Auditors thereon for the year ending March 31, 1999.

2. **Appointment of Director**

To appoint a Director in place of Dr.D.V. Prabhu Kumar who is retiring at this meeting under Article 105 of Articles of Association of the Company and being eligible offered himself for reappointment. Notice is received from some shareholders proposing his name as a Director.

Therefore submitted to members to pass the following resolution with or without modification as an ordinary resolution.

"RESOLVED that Dr.D.V. Prabhu Kumar, Director retiring by rotation at this Annual General Meeting be and is hereby reappointed as a Director whose term of office shall be liable for determination by retirement of Directors by rotation as provided under Article 105 of Memorandum and Articles of Association of the Company".

3. **Appointment of Director**

To appoint a Director in place of Mr.B.R.Shetty who is retiring at this meeting under Article 105 of Articles of Association of the Company and being eligible offered himself for reappointment. Notice is received from some shareholders proposing his name as a Director.

Therefore submitted to members to pass the following resolution with or without modification as an ordinary resolution.

"RESOLVED that Mr.B.R.Shetty, Director retiring by rotation at this Annual General Meeting be and is hereby reappointed as a Director whose term of office shall be liable for determination by retirement of Directors by rotation as provided under Article 105 of Memorandum and Articles of Association of the Company".

4. **Appointment of Director**

To appoint a Director in place of Dr.A.Bala Setty who is retiring at this meeting under Article 105 of Articles of Association of the Company and being eligible offered himself for reappointment. Notice is received from some shareholders proposing his name as a Director.

Therefore submitted to members to pass the following resolution with or without modification as an ordinary resolution.

"RESOLVED that Dr.A.Bala Setty, Director retiring by rotation at this Annual General Meeting be and is hereby reappointed as a Director whose term of office shall be liable for determination by retirement of Directors by rotation as provided under Article 105 of Memorandum and Articles of Association of the Company".

5. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS**

6. To consider and if thought fit to pass the following resolution with or without modifications as Ordinary Resolution.

"RESOLVED that subject to the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Mr.D.V. Manohar be and is hereby reappointed for another period of five years from July 25, 1999 to July 24, 2004 on the following terms and conditions.

**PART I**

**Salary:** Rs.30,000 p.m. in the scale of Rs.30,000 - 5,000 - 60,000

**PART II****PERQUISITES:****Category A :**

1. **HRA :** Upto 60% of the salary. Over and above 10% payable by the appointee.
2. **Re-imbursement of medical expenses upto :** Actually incurred for self and family subject to a ceiling of one month's salary in a year or three months' salary in a block of three years.

3. **LTC** : For self and family once in a year to and from any place in India in accordance with the rules of the Company.
4. **Fees of Clubs** : Subject to a maximum of two clubs. This will not include Admission and Life Membership fees.
5. **Personal Accident Insurance** : Of an amount the annual premium of which does not exceed Rs.4,000/-.
6. **Earned Leave** : One month's earned leave on full pay for every 11 months of service.
7. **Re-imbursement of Entertainment and other expenses** : Reimbursement of entertainment and other expenses actually and properly incurred in the course of the legitimate business of the Company.
8. **Re-imbursement of expenses on books, journals and periodicals upto** : Rs.1,000/- per month

**Category B :**

1. **Company's contribution to P.F.**: Company's contribution to P.F. as per the rules of the Company
2. **Company's contribution to pension / superannuation fund** : As per the rules of the Company
3. **Gratuity**: 15 days' salary for each completed year of service (minimum service being 5 years) restricted to Rs.1,00,000/-

**Category C:**

1. **Telephone facility** : Free telephone facility at Residence.
2. **Car** : Provision of car for use on Company's business.

However, personal long distance calls will be billed to him by the Company.

**Commission** : The total remuneration payable to the Managing Director including Commission at 5 % of the net profit shall be subject to a maximum limit specified in Section 198 and 309 of the Companies Act, 1956.

In the case of absence or inadequacy of profits in future years, the total remuneration payable to the Managing Director shall be as per the limits specified in Part II of Section II of Schedule XIII to the Companies Act, 1956.

7. To consider and if thought fit to pass the following resolution with or without modifications as Ordinary Resolution.

"RESOLVED that subject to the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Mr.D.V. Satya Kumar be and is hereby reappointed for another period of five years from April 01, 1999 to March 31, 2004 on the following terms and conditions.

**PART I**

**Salary**: Rs.30,000 p.m. in the scale of Rs.30,000 - 5,000 - 60,000

**PART II****PERQUISITES:****Category A :**

1. **HRA** : Upto 60% of the salary. Over and above 10% payable by the appointee.
2. **Re-imbursement of medical expenses upto** : Actually incurred for self and family subject to a ceiling of one month's salary in a year or three months salary in a block of three years.
3. **LTC** : For self and family once in a year to and from any place in India in accordance with the rules of the Company.
4. **Fees of Clubs** : Subject to a maximum of two clubs. This will not include Admission and Life Membership fees.
5. **Personal Accident Insurance** : Of an amount the annual premium of which does not exceed Rs.4,000/-.
6. **Earned Leave** : One month's earned leave on full pay for every 11 months of service.
7. **Re-imbursement of Entertainment and other expenses** : Reimbursement of entertainment and other expenses actually and properly incurred in the course of the legitimate business of the Company.
8. **Re-imbursement of expenses on books, journals and periodicals upto** : Rs.1,000/- per month

**Category B :**

1. **Company's contribution to P.F.**: Company's contribution to P.F. as per the rules of the Company



**Shri Shakti LPG Ltd.**

4

2. **Company's contribution to pension / superannuation fund :** As per the rules of the Company
3. **Gratuity :** Gratuity payable in accordance with an approval fund which does not exceed half month's salary.

**Category C:**

1. **Telephone facility :** Free telephone facility at Residence.
2. **Car :** Provision of car for use on Company' business.

However, personal long distance calls will be billed to him by the Company.

In the case of absence or inadequacy of profits in future years, the total remuneration payable to the Executive Director shall be as per the limits specified in Part II of Section II of Schedule XIII to the Companies Act, 1956.

8. **To consider and if thought fit, to pass the following Resolution with or without modifications as Ordinary Resolution.**

"RESOLVED that subject to the provisions of section 198, 269, 309 & 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Mr. B.K. Bakhshi be and is hereby appointed as President and Whole Time Director for a period of three years on the following Terms & Conditions.

**PART I**

**Salary:** Rs.30,000 p.m. in the scale of Rs.30,000 - 5,000 - 60,000

**PART II****PERQUISITES:****Category A :**

1. **HRA :** Upto 60% of the salary. Over and above 10% payable by the appointee.
2. **Re-imbursement of medical expenses upto :** Medical Expenses actually incurred for self and family subject to a ceiling of one month's salary in a year or three months salary in a block of three years.
3. **LTC :** For self and family once in a year to and from any place in India in accordance with the rules of the Company.

4. **Fees of Clubs :** Subject to a maximum of two clubs. This will not include Admission and Life Membership fees.

5. **Personal Accident Insurance :** Of an amount the annual premium of which does not exceed Rs.4,000/-.

6. **Earned Leave :** One month's earned leave on full pay for every 11 months of service.

7. **Re-imbursement of Entertainment and other expenses :** Reimbursement of entertainment and other expenses actually and properly incurred in the course of the legitimate business of the Company.

8. **Re-imbursement of expenses on books, journals and periodicals upto :** Rs.1,000/- per month

**Category B :**

1. **Company's contribution to P.F.:** Company's contribution to P.F. as per the rules of the Company
2. **Company's contribution to pension / superannuation fund :** As per the rules of the Company
3. **Gratuity :** Gratuity payable in accordance with an approval fund which does not exceed half month's salary.

**Category C:**

1. **Telephone facility :** Free telephone facility at Residence.
2. **Car :** Provision of car for use on Company' business.

However, personal long distance calls will be billed to him by the Company.

In the case of absence or inadequacy of profits in future years, the total remuneration payable to the Director shall be as per the limits specified in Part II of Section II of Schedule XIII to the Companies Act, 1956.

By order of the Board

Hyderabad  
2nd September, 1999

**P.S. Narayana**  
Company Secretary &  
Vice President (Finance)

**NOTES :**

1. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business is annexed hereto.
2. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy and the proxy so appointed need not be a member of the Company.
3. The proxies in order to be effective, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
4. Members/Bodies Corporate/Proxies to bring the Entry Pass/Attendance Slip duly filled in for attending the Meeting.
5. The Register of Members and Share Transfer Books will remain closed on September 27 and September 28, 1999 (both days).
6. Members are requested to notify any change in their address immediately to the Company's Share Transfer Agents M/s.Karvy Consultants Ltd., 46, Avenue 4, Road No.1, Banjara Hills, Hyderabad - 500 034.
7. Members are requested to bring their copy of Annual Report to the Meeting, as the Company is unable to provide another copy in view of the increased cost of paper and printing.
8. The shares of the Company are listed on the Stock Exchanges at Hyderabad, Ahmedabad, Bangalore, Delhi, and Mumbai . Pursuant to Clause 43(a) of the Listing Agreement with the Stock Exchanges, it is informed that the listing fees for the year 1999-2000 has been paid to the above Stock Exchanges.

**Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of Special Business set out in the Notice convening the 6th Annual General Meeting**

**Item No.6**

Mr.D.V. Manohar has been appointed as Managing Director of the Company from 25.07.1994 for a period of five years at a basic salary of Rs.15,000/- per month.

Mr.D.V. Manohar is the founder- promoter director of the company and has put in excellent and dedicated services for the growth and development of the Company. In view of his dedicated services and in the interests of the company, it is proposed to re-appoint Mr D V Manohar for another period of five years as per terms and conditions set out in the draft resolution.

Your Directors commend the resolution for your approval.

No Director is interested in the above resolution except Mr.D.V. Manohar, Mr.D.V. Satya Kumar, Mr.D.V. Raja Sekhar and Dr.D.V. Prabhu Kumar.

**Item No.7**

Mr.D.V. Satya Kumar has been appointed as Executive Director of the Company from 01.04.1994 for a period of five years at a basic salary of Rs.15,000/- per month.

Mr.D.V. Satya Kumar is one of the founder promoter directors of the company and has put in excellent and dedicated services for the growth and development of the Company. In view of his dedicated services and in the interests of the company , it is proposed to re-appoint Mr D V Satya Kumar for another period of five years.

Your Directors commend the resolution for your approval.

No Director is interested in the above resolution except Mr.D.V. Satya Kumar, Mr.D.V. Manohar, Mr.D.V. Raja Sekhar and Dr.D.V. Prabhu Kumar.

**Item No.8**

During the year, Mr.B.K. Bakhshi has been appointed as Additional Director on the Board under Section 260 of the Companies Act, 1956 and also as President and Whole Time Director at subsequent meeting of the Board held on September 02,1999.

Mr.B.K. Bakhshi is a Graduate in Chemical Engineering from Oklahoma State University, USA and a postgraduate in Industrial Engineering and Management from Stillwater, Oklahoma, USA. He retired as the Chairman of Indian Oil Corporation - India's largest and most profitable enterprise. He is amongst the most experienced Board level Executives in India today, having had experience in India and abroad - both in the Public and Private Sectors. He began his career with the Multi-National Caltex (1959)

**Shri Shakti LPG Ltd.**

6

and remained in the Oil Industry until his retirement in August 1994 as the CEO of Indian oil. Thereafter, he has worked with a 100% export oriented unit - which has some JVs in the CIS. As Chairman, Indian Oil, he negotiated and signed JVs with Multi-Nationals like MOBIL-NYCO and IBM. He began his international experience as a Consulting Engineer in Philadelphia, was an Advisor to the Iraq National Oil Co-Baghdad (1974-75) and was an Advisor to fertilizer and transport JVs in Belarus/Ukraine (1996). His strengths are marketing / business policy / strategy - JV formations. He has published more than 50 papers in national and international fora. The company is expected to immensely gain from Mr. Bakhshi's rich and vast experience in the Oil field.

Keeping his rich experience in view it is proposed to appoint Mr. Bakhshi for a period of 3 years. Members approval is solicited for his appointment as President and Whole time Director.

No Director is interested in this resolution except Mr. B.K. Bakhshi.

By order of the Board

Hyderabad  
2nd September, 1999

P.S. Narayana  
Company Secretary &  
Vice President (Finance)

Report  junction.com



## DIRECTORS' REPORT

To

The Shareholders  
Shri Shakti LPG Ltd.

### 1. INTRODUCTION

Your Directors have immense pleasure in presenting the Sixth Annual Report to you. Your Company continues to enjoy the leadership status in the Private Sector LPG Industry in India.

### 2. FINANCIAL PERFORMANCE

The Financial Performance of the Company for the year 1998-99 is indicated below:

(Rs. in Lakhs)

Particulars	1998-99	1997-98
Gross Income	8,313.06	7,129.04
Less : Expenditure excluding Interest and Depreciation	6,359.29	5,562.70
Profit before Interest and Depreciation	1,953.77	1,566.34
Interest	540.52	569.12
Profit before Depreciation	1,413.25	997.22
Depreciation	790.24	645.95
Profit before Taxation	623.01	351.27
Provision for Taxation (MAT)	65.00	36.88
Net Profit After Tax	558.01	314.39

Provision has been made for Minimum Alternative Tax (MAT) of Rs.65 Lakhs for the year.

We are very happy to inform you that your Company has made a cash profit of Rs.1413.25 Lakhs (against previous year Rs.997.22 Lakhs). After providing for depreciation for the year amounting to Rs.790.24 Lakhs (against previous year Rs.645.95 Lakhs), the profit for the year amounted to Rs.623.01 Lakhs (previous year Rs.351.27 Lakhs). The cumulative profits carried forward till 31.03.99 amount to Rs.575.16 Lakhs (Previous year Rs.17.15 Lakhs) after providing for MAT.

It may be noted that the above results have been achieved despite severe constraints and against heavy odds. The Government of India, contrary to expectations, further delayed the implementation of its committed policy for dismantling the Administrative Pricing Mechanism (APM) (vide G.O. No. 224, dtd: 24th November, 1997). This unfair price advantage to PSU Oil Companies led to further imbalance in the promised level playing field. Further, the fluctuations in the international LPG prices and also in the rupee parity with the dollar compounded the issues further. The above tough scenario led to a further shake out in the industry resulting in closure of operations / deferment of plans/ sell out by several corporates including MNCs.

In such a turbulent scenario, your company continued its march as the torch-bearer in the private sector LPG industry and succeeded in not only increasing the profitability but also the customer base. Thus, your company's status as the largest private sector LPG company in India stands further strengthened.

### 3. PROJECT IMPLEMENTATION

(Rs. in Lakhs)

Source of Funds	31.03.99	31.03.98
a. Share Capital & Reserves	5,651.23	5,090.55
b. Secured Loans	4,046.57	3,845.13
c. Unsecured Loans & Trade Deposits	1,135.60	1,673.68
<b>TOTAL</b>	<b>10,833.40</b>	<b>10,609.36</b>
Application of Funds		
a. Net Fixed Assets, Capital Work-in-Progress, Expenditure during construction pending Capitalisation	9,730.81	9,014.82
b. Investments	216.50	216.50
c. Net Current Assets	523.10	1,038.91
d. Misc. Expenditure to the extent not written off	362.99	339.13
<b>TOTAL</b>	<b>10,833.40</b>	<b>10,609.36</b>

**Shri Shakti LPG Ltd.**

8

The Company has established integrated infrastructure over the entire supply and marketing chain (port facility, bulk storage, bottling plants, dealers etc.) to effectively service the existing 400,000 customers in 7 States and also meet its growth requirements for the next three years.

**4. MARKETING**

The turnover handled increased from 36,209 MT to 38,413 MT during the year 1998-99. With the addition of 5,086 MT sold by our fully owned subsidiary M/s. Asia LPG Pvt Ltd, the total LPG sold by our company during the year 1998-99 amounts to 43,499 MT.

Further during the year, the Company has crossed 4,00,000th connection mark achieving another first and further adding to the customer base which is the largest in the Indian LPG Private Sector. Thus, your Company further consolidated its position as the undisputed leader in the LPG Private Sector in India in a market consisting of several MNCs as well as large Indian corporates.

During the year, the Company increased its connections in Kerala under its tie up with The Kerala State Co-operative Consumers' Federation Ltd (CONSUMERFED) for release of connections under Takshan Shakti Scheme. In fact, during the year, the total number of connections released by your Company in both Kerala and Andhra Pradesh is more than the number of connections released individually by two large GOCs.

As you are aware, your Company has been pioneering usage of LPG as auto fuel in India, where the menace of urban vehicular pollution is increasing day by day. The usage of LPG as auto fuel is the only solution to contain this great threat facing the Indian society. The two-stroke engines of 3 wheelers and 2 wheelers contribute considerably to this problem in India and the technology to convert the same to run on LPG is not available. Having realised this gap, your Company has developed the technology for the first time in collaboration with Automotive Research Association of India (ARAI) indigenously. The conversion kit developed under this technology has been certified by both the Statutory Certification Authorities viz. Automotive Research Association of India (ARAI) and Vehicular Research & Development Establishment (VRDE). Your Company has already applied along with ARAI for a joint patent for this unique technology. In view of its proven merits of virtually eliminating the pollution, its operational cost being only half that of petrol and payback period

being only about 4 months, it is a boon to the 3 wheeler owners and operators as well as the society.

However, due to the delay in amending the Motor Vehicles Act by the Indian Parliament (due to the present political scenario) despite the Government of India's commitment to promote the usage of LPG as auto fuel, your Company could not introduce the above conversion kits in to the market so far. However, recently the Karnataka High Court in a landmark judgement has directed the Karnataka Government to make it mandatory to convert all the 3 wheelers in Karnataka to run on LPG. With this the decks have been cleared for curbing the urban vehicular pollution menace and for the launch of your Company's unique conversion kits in Karnataka to begin with.

The Government of India is committed to amend the Motor Vehicles Act, either through an ordinance or a Parliamentary amendment in the near future. Further, there is a good export potential in the neighbouring countries with large 3 wheeler population. Accordingly your Company is in the process of tying up suitable marketing arrangements for both domestic and export markets. The market potential is enormous and this market would contribute to substantial increase in the turnover and profitability of your Company in the future.

**5. SUBSIDIARY COMPANY**

Your fully owned Subsidiary Company namely Asia LPG Pvt. Ltd (ALPL) has improved its performance and its financial results have been published separately.

**6. DIVIDEND**

Though the Company earned profits for the year ended 31.03.99, in view of certain restrictions placed by the Financial Institutions and also due to the inadequacy of profits to come up with a reasonable dividend, the Directors regret to inform that they are not in a position to recommend any Dividend for the year ended 31.03.99.

**7. DEPOSITS**

The Company has not invited or accepted deposits within the meaning Section 58(A) of the Companies Act, 1956 during the year. However, from August 1999, the Company has started accepting the Fixed Deposits through private placement and the provisions of the relevant acts have been complied with wherever necessary. The Company had to resort to the deposits to augment its day to day requirements of Working Capital funds for the increasing activities.