



# Sintex Industries Limited

MD	<input checked="" type="checkbox"/>		BKC	<input type="checkbox"/>
CS	<input checked="" type="checkbox"/>		DPY	<input type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input type="checkbox"/>
TEA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
ACM	<input checked="" type="checkbox"/>		SHF	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>			<input type="checkbox"/>



## Annual Report 1996-97

**SHAREHOLDING AS ON 31 MARCH, 1997**

Number of Shares held	Number of Shareholders	Total Number of Shares
1 to 50	28498	5,73,503
51 to 100	5621	4,36,940
101 to 500	2542	4,97,716
501 to 1000	218	1,55,057
1001 to 5000	122	2,64,705
5001 to 10000	25	1,75,800
10001 and above	45	23,56,714
<b>Total</b>	<b>37071</b>	<b>44,60,435</b>


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**SINTEX INDUSTRIES LIMITED**  
**KALOL (N.G.)**



**BOARD OF DIRECTORS :**

SHRI JAYKRISHNA HARIVALLABHDAS, *Chairman*  
 SHRI BIPINCHANDRA P. PATEL  
 SHRI PRADIP P. SHAH  
 SHRI BHARAT B. KEWALRAMANI  
 SHRI SHASHIKUMAR D. SHROFF  
 SHRI KIRTIKANT S. NANAVATI  
 SHRI RAMNIKBHAI H. AMBANI  
 SHRI M. G. BAKRE, *(Nominee Director)*  
 SHRI H. C. BHAMBHANI, *(Nominee Director)*  
 SHRI R. P. DONGRE, *(Nominee Director)*  
 SHRI DINESH B. PATEL, *Managing Director*  
 SHRI ARUN P. PATEL, *Managing Director*  
 SHRI RAHUL A. PATEL, *Whole-time Director*  
 SHRI AMIT D. PATEL, *Whole-time Director*  
 SHRI S. B. DANGAYACH, *Whole-time Director*

**MANAGEMENT TEAM :**

SHRI DINESH B. PATEL, *Managing Director*  
 SHRI ARUN P. PATEL, *Managing Director*  
 SHRI RAHUL A. PATEL, *Whole-time Director*  
 SHRI AMIT D. PATEL, *Whole-time Director*  
 SHRI S. B. DANGAYACH, *Whole-time Director*  
 SHRI KIRIT C. SHAH, *Executive President (Textile Division)*  
 SHRI A. VAITHEESWARAN, *Executive President - Tech. (Textile Division)*

**VICE PRESIDENT & COMPANY SECRETARY :**

SHRI L. M. RATHOD

**BANKERS :**

STATE BANK OF INDIA  
 BANK OF BARODA

**AUDITORS :**

C. C. CHOKSHI & CO.  
 Chartered Accountants,  
 AHMEDABAD

**LEGAL ADVISOR :**

SHRI ASHWIN LALBHAI SHAH, *Advocate*  
 AHMEDABAD

**REGISTERED OFFICE :**

NEAR SEVEN GARNALA,  
 KALOL (N.G.) 382 721  
 TEL : (91-2764) 23731 (6 Lines), 52246 & 52793  
 FAX : (91-2764) 52436, 52847  
 E-Mail : bvm@ad1.vsnl.net.in.

**66TH ANNUAL GENERAL MEETING**

DATE : 15TH SEPTEMBER, 1997  
 DAY : MONDAY  
 TIME : 10.30 A.M.  
 PLACE : REGISTERED OFFICE :  
 NEAR SEVEN GARNALA,  
 KALOL (N.G.) 382 721

Notice of the 66th Annual General Meeting of the Company to be held on Monday, the 15th September, 1997 at 10.30 a.m. (S.T.) at the Registered Office of the Company situated at Kalol (N.G.) to transact the business mentioned therein is enclosed herewith.

Shareholders are requested to bring their copy of the Annual Report while attending the Meeting.

## SINTEX INDUSTRIES LIMITED

**Sintex**

## FINANCIAL STATISTICS : TEN YEARS AT A GLANCE

	1987	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97
		(15 Months)								
Fixed Assets (Net)	1870.30	1994.38	2262.96	2514.21	2674.77	3008.58	3519.67	4505.52	5023.26	5917.19
New Project Expenses	1.83	42.76	17.49	25.65	1.52	8.02	337.70	59.19	116.73	73.51
Investments	84.03	176.79	176.84	176.84	271.86	322.33	334.52	375.95	466.69	398.65
Net Current Assets	1353.04	1604.87	2339.46	1698.73	1796.04	2228.77	3109.05	4184.91	4852.40	5384.07
Misc. Exp. (Not Written off)	-----	-----	-----	-----	-----	101.61	79.72	91.51	61.20	30.89
Total Assets (Net)	3309.32	3818.80	4796.75	4415.43	4744.19	5669.31	7380.66	9217.08	10520.28	11804.31
Borrowings	1455.72	1767.56	2553.83	2348.94	2593.13	3299.66	4417.90	5157.23	6149.72	7056.04
Preference Share Capital	5.30	5.30	5.30	5.30	5.30	5.30	-----	-----	-----	-----
Equity Share Capital	277.30	277.30	277.30	277.30	277.30	277.30	357.62	497.62	446.04	446.04
Reserves & Surplus	1571.00	1768.64	1960.32	1783.89	1868.46	2087.05	2605.14	3562.23	3924.52	4302.23
TOTAL CAPITAL EMPLOYED	3309.32	3818.80	4796.75	4415.43	4744.19	5669.31	7380.66	9217.08	10520.28	11804.31
Debt/Equity Ratio	0.8:1	0.9:1	1.1:1	1.1:1	1.2:1	1.4:1	1.5:1	1.3:1	1.4:1	1.5:1
Sales and Other Income	4846.88	8003.80	7967.34	8387.59	9489.53	9014.59	10303.37	12545.15	14739.56	14805.84
Raw Materials	2121.47	3393.31	3144.07	3345.09	3744.71	3814.86	4437.58	5351.70	6665.88	5945.89
Salaries & Wages	517.22	780.51	683.97	613.52	741.78	712.52	787.91	1022.06	1100.69	1197.12
Operations & Other Expenses	1620.21	2834.01	3306.51	3347.64	4051.49	3228.79	3573.91	4432.48	4824.52	5243.34
Interest	232.07	335.34	306.93	370.75	438.66	555.35	716.72	664.81	947.49	1018.62
Gross Profit (Loss)	355.91	660.63	525.86	710.59	512.89	703.07	787.25	1074.10	1200.98	1400.87
Depreciation	97.88	297.15	197.38	236.31	266.08	292.29	357.19	467.62	586.60	680.56
Investment Allowance Reserve	0.81	105.00	75.00	-----	-----	-----	-----	-----	-----	-----
Profit/(Loss) before Tax	257.22	258.48	253.48	** (82.95)	246.81	410.78	430.06	606.48	614.38	720.31
Taxes	25.00	53.00	50.00	-----	42.00	7.00	2.00	110.00	19.00	90.00
Profit/(Loss) after Taxes	232.22	205.48	203.48	(82.95)	204.81	403.78	428.06	496.48	595.38	630.31
Dividends	33.97	69.76	61.35	61.35	69.67	77.99	113.47	148.74	172.26	156.12
Retained Earnings	296.13	432.87	339.51	92.01	401.22	618.08	671.78	815.36	1009.72	1154.75
Earning per Equity Share Rs.	84	74	73	-----	74	***14.56	11.97	10.50	13.35	14.13
Book Value per Equity Share Rs.	667	738	807	743	774	***85	83	82	98	106
Dividends per Equity Share %	12	25	22	22	25	28	32	32	35	35

\*\* After providing for gas expenses of earlier years of Rs. 557.23 lacs.

\*\*\* On subdivided Equity Share of Rs. 10/-



## ANNUAL REPORT 1996-97

### DIRECTORS

During the year under review, Shri Janmejaj Bhagubhai has resigned from the Board of Directors of the Company. Shri Fredoon R. Madan has also resigned from the Board of Directors of the Company w. e. f. 21st April, 1997. The Board placed on record their appreciation of valuable services rendered by them during their tenure.

Shri Pradip P. Shah and Shri Bharat Kewalramani were appointed as Directors of the Company w. e. f. 21st April, 1997 in the casual vacancy caused by the resignation of Shri Janmejaj Bhagubhai and Shri Fredoon R. Madan, pursuant to Section 262 of the Companies Act, 1956 and Articles 145 of Articles of Association of the Company.

Pursuant to Article 134 of the Articles of Association of the Company read with provisions of Section 256 of the Companies Act, 1956 Directors Shri Bipinchandra P. Patel, Shri Rahul A. Patel and Shri Amit D. Patel retire by rotation at the ensuing Annual General Meeting of the Company, but being eligible offer themselves for re-appointment.

### FIXED DEPOSITS

Deposits remaining unclaimed involving 39 deposits in all amount to Rs. 2.85 lacs as on 31st March, 1997. Since the end of the year, thereafter Rs. 0.48 lacs have either been paid or renewed.

### DAIMINES AND CHEMICALS LIMITED (DACL)

DIAMINES AND CHEMICALS LIMITED in which our Company has substantial stake suffered cash losses due to increase in the raw material costs on one hand and reduction in prices of finished goods consequent upon continuous reduction in import duties on the other hand. However, Company has been putting best efforts to turn around the Company.

### INFORMATION REGARDING CONSERVATION OF ENERGY ETC. AND EMPLOYEES

The Company has been continuously working towards saving of energy costs. Information required under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and information as per Section 217(2-A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended from time to time,

form part of this report. However, as per the provisions of Section 219 (1)(b)(iv), the report and accounts are being sent to all shareholders of the Company excluding the information relating to conservation of energy, technology absorption and foreign exchange earning and outgo, and the statement of particulars of employees. Any shareholder interested in obtaining such particulars may inspect the same at the Registered Office of the Company or write to the Secretarial Dept. for a copy.

### INSURANCE

All the insurable interests of the Company including Plant and Machinery, Stocks, Loss of Profits, standing charges and the insurable interest are adequately insured.

On 28th June, 1997 a flood took place due to heavy rain and the whole Unit was submerged in the flood waters, resulting in damage to stock & Stock-in-process, electrical sub-station etc.,. The necessary claim for Rs. 60 lacs approx was lodged with the Insurance Company. Since the properties under reference were fully insured, no financial loss is envisaged.

### AUDITORS

The retiring Auditors, M/s. C. C. CHOKSHI & CO., Chartered Accountants, are eligible for re-appointment and have indicated their willingness to act as such.

### COST ACCOUNTING RECORDS

As required under the order made by the Central Government, the Company is maintaining necessary Cost Accounting records in respect of Cotton Textiles.

### ACKNOWLEDGMENTS

Your Directors place on record their appreciation of the continued co-operation of the workers, members of staff and executives of the Company. Your Directors also place on record their appreciation for the assistance and co-operation extended by the bankers and financial institutions. We are also thankful to the Shareholders for their support and confidence in the Company.

On behalf of the Board

(Jaykrishna Harivallabhdas)  
CHAIRMAN

Place : Kalol (N.G.)  
Dated : 10th July, 1997

**SINTEX INDUSTRIES LIMITED****AUDITOR'S REPORT TO THE SHAREHOLDERS OF SINTEX INDUSTRIES LIMITED**

We have audited the attached Balance Sheet of **Sintex Industries Limited** as at 31st March, 1997 and also the Profit & Loss Account of the Company for the year ended on that date annexed thereto and report that :

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government in terms of Section 227 (4A) of the Companies Act 1956, we give in the annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph '1' above, 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 purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
  - (c) The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account ;
  - (d) Attention is invited to following notes in Schedule 19;
    - (i) Note No. 3 : regarding the demand made by the O.N.G.C. towards interest on the price difference, Supreme Court order thereon, computation of interest liability upto 31-3-1993 by the Company at Rs. 451.73 lacs as per legal advice and the provision of Rs. 271.05 lacs made upto 31-03-1997 (including Rs. 90.35 lacs for the year) against the same.
    - (ii) Note No. 4 : regarding non-provision of Book debts of Rs. 21.49 lacs and Loans & Advances of Rs. 13.56 lacs considered doubtful of recovery.

- (iii) Note No. 5 (i) : regarding non-provision of disputed demands of income tax for Rs. 655.32 lacs.

Subject to foregoing, in our opinion and to the best of our information and according to the explanations given to us, the accounts read with other notes, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :

- (a) in the case of the Balance Sheet, of the state of the affairs of the Company as at 31st March, 1997 and
- (b) in the case of Profit & Loss Account, of the profit for the year ended on that date.

For **C. C. CHOKSHI & CO.**  
*Chartered Accountants*

AHMEDABAD  
DATED : 10th July, 1997.

**H. P. SHAH**  
*PARTNER*

**ANNEXURE TO THE AUDITOR'S REPORT**

(Referred to in paragraph 1 of our report of even date on the accounts for the year ended 31st March, 1997 of Sintex Industries Limited)

1. The Company has maintained proper records showing full particulars including quantitative details and situations of its fixed assets other than records for fixed assets purchased prior to 1960 of the Textile Divisions. The fixed assets have been physically verified by the management during the year. We are informed that no material discrepancies were noticed on such verification.
2. None of the fixed assets has been revalued during the year.
3. The stocks of finished goods stores, spare parts and raw materials have been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
4. The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. The discrepancies noticed on verification between the physical stocks and the book records were not material.





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6. On the basis of our examination of stock records, we are of the opinion that the valuation of stocks is fair and proper 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 other terms and conditions on which loan has been taken from a Company listed in the register maintained under Section 301 of the Companies Act, 1956 are not prima facie, prejudicial to the interest of the Company. As informed to us there is no Company under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956.
8. In our opinion, the rate of interest and other terms and conditions on which loans have been granted to a Company listed in the register maintained under Section 301 are not prima facie, prejudicial to the interest of the Company.
9. The Company has given loans (including deposits) to parties including employees who are repaying the principal amounts and interest regularly except in case of few parties for which reasonable steps have been taken by the Company for recovery of the same and the amounts are being received.
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 of the purchase of stores, raw materials, including components, plant and machinery, equipments and other assets and with regard to the sale of goods.
11. There are no transactions for purchase of goods and materials and sale of goods, materials and services, made by the Company in pursuance of contracts or arrangements entered in the registers maintained under Section 301 and aggregating during the year to Rs. 50,000/- or more in respect of each party.
12. As explained to us, the Company has a regular procedure for the determination of unserviceable or damaged stores, raw materials and finished goods. Adequate provisions have been made in the accounts for the loss arising on the items so determined.
13. In our opinion and according to the information and explanations given to us 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 deposits accepted from the public.
14. In our opinion, reasonable records have been maintained by the Company for the sale and disposal of realisable waste and scrap.
15. The Company has appointed a firm of Chartered Accountants as internal auditors for the year under review. On the basis of the reports made by the internal auditors to the management, the internal audit system is, in our opinion, commensurate with the size and nature of the business of the Company.
16. We have broadly reviewed the books of account maintained by the Company pursuant to the order made by the Central Government for maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for products manufactured by the Company viz. cotton textiles. We are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records.
17. According to the records of the Company, Provident Fund and Employees State Insurance dues have been regularly deposited during the year with the appropriate authorities.
18. According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, wealth-tax, sales-tax, customs duty and excise duty as at 31st March, 1997 were outstanding for a period of more than six months from the date they became payable.
19. According to the information and explanations given to us, no personal expenses of employees or directors 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 3(1)(0) of the Sick industrial Companies (Special Provisions) Act, 1985.

For **C. C. CHOKSHI & CO.**  
Chartered Accountants

AHMEDABAD  
DATED : 10th July, 1997.

**H. P. SHAH**  
PARTNER

## SINTEX INDUSTRIES LIMITED



## BALANCE SHEET AS AT 31ST MARCH, 1997.

SOURCES OF FUNDS	Schedules	Rs. in lacs	
		Rupees	Rupees
			As at 31.03.1996
<b>Shareholders' Funds :</b>			
Share Capital	1	446.04	446.04
Reserves & Surplus	2	<u>4302.23</u>	<u>3924.52</u>
			4748.27
			<u>4370.56</u>
<b>Loan Funds</b>			
Secured Loans	3	5378.43	5581.95
Unsecured Loans	4	<u>1677.61</u>	<u>567.77</u>
			7056.04
			<u>6149.72</u>
<b>TOTAL</b>			<u>11804.31</u>
			<u>10520.28</u>
<b>APPLICATION OF FUNDS :</b>			
<b>Fixed Assets :</b>	5		
Gross Block		10080.04	8551.47
Less : Depreciation		<u>4162.85</u>	<u>3528.21</u>
Net Block		5917.19	5023.26
Capital Work in Progress		<u>73.51</u>	<u>116.73</u>
			5990.70
			<u>5139.99</u>
<b>Investments :</b>	6		398.65
<b>Current Assets, Loans &amp; Advances :</b>			
Inventories	7	2383.03	2729.65
Sundry Debtors	8	4402.30	3711.64
Cash & Bank Balances	9	815.73	582.18
Loans & Advances	10	<u>1693.83</u>	<u>1176.57</u>
		9294.89	8200.04
<b>Less : Current Liabilities &amp; Provisions</b>	11	<u>3910.82</u>	<u>3347.64</u>
Net Current Assets			5384.07
Miscellaneous Expenditure (To the extent not written off or adjusted)	12		30.89
			<u>61.20</u>
<b>TOTAL</b>			<u>11804.31</u>
			<u>10520.28</u>
Significant Accounting Policies	18		
Notes forming part of Accounts and Contingent Liabilities	19		

As per our attached  
report of even date.

**For C. C. CHOKSHI & CO.**  
Chartered Accountants

**H. P. SHAH**  
Partner

Ahmedabad  
Dated : 10th July, 1997

**JAYKRISHNA HARIVALLABHDAS**  
Chairman

**DINESH B. PATEL**  
**ARUN P. PATEL**  
Managing Directors

**RAHUL A. PATEL**  
**AMIT D. PATEL**  
**S. B. DANGAYACH**  
Whole Time Directors

Kalol (N.G.)  
Dated : 10th July, 1997

**PRADIP P. SHAH**  
**BHARAT B. KEWALRAMANI**  
**S. D. SHROFF**  
**RAMNIKBHAI H. AMBANI**  
**M. G. BAKRE**  
**H. C. BHAMBHANI**  
**R. P. DONGRE**  
Directors

**L. M. RATHOD**  
Vice President & Company Secretary

**HEMANT N. SHAH**  
Vice President (Corporate Finance)





## ANNUAL REPORT 1996-97

### PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1997.

INCOME	Schedules	Rupees		Rs. in lacs
				1995-96
Sales (Excluding Excise duty)		14647.09		13861.69
Processing Charges		66.73		77.64
Export Drawback		41.42		55.85
Other Income	13	296.76		261.71
			15052.00	14256.89
Increase /(Decrease) in stock of Finished & Process stocks	14		(246.16)	482.67
Amount withdrawn from Revaluation Reserve			49.50	54.83
			14855.34	14794.39
<b>EXPENDITURE :</b>				
Raw materials consumed	15	5945.89		6665.88
Manufacturing & other expenses	16	6440.46		5925.21
Interest	17	1018.62		947.49
Depreciation		730.06		641.43
			14135.03	14180.01
Profit before tax			720.31	614.38
Provision for Taxation			90.00	19.00
Profit after tax			630.31	595.38
Balance of profit brought forward from previous year			823.13	822.10
			1453.44	1417.48
Short provision for taxation of earlier years			-----	(17.98)
Transferred from Investment Allowance (Utilised) Reserve			27.00	14.00
Profit available for appropriation			1480.44	1413.50
<b>APPROPRIATIONS :</b>				
Debenture Redemption Reserve			103.82	118.11
General Reserve			100.00	300.00
Proposed Dividend (Previous year subject to deduction of tax)			156.12	172.26
Tax on Dividend			15.61	-----
Balance carried to Balance Sheet			1104.89	823.13
		<b>TOTAL</b>	1480.44	1413.50
Significant Accounting Policies	18			
Notes forming part of Accounts and Contingent Liabilities	19			

As per our attached report of even date.

**JAYKRISHNA HARIVALLABHDAS**  
Chairman

**PRADIP P. SHAH**  
**BHARAT B. KEWALRAMANI**  
**S. D. SHROFF**  
**RAMNIKBHAI H. AMBANI**  
**M. G. BAKRE**  
**H. C. BHAMBHANI**  
**R. P. DONGRE**  
Directors

For **C. C. CHOKSHI & CO.**  
Chartered Accountants

**DINESH B. PATEL**  
**ARUN P. PATEL**  
Managing Directors

**H. P. SHAH**  
Partner

**RAHUL A. PATEL**  
**AMIT D. PATEL**  
**S. B. DANGAYACH**  
Whole Time Directors

**L. M. RATHOD**  
Vice President & Company Secretary

Ahmedabad  
Dated : 10th July, 1997

Kalol (N.G.)  
Dated : 10th July, 1997

**HEMANT N. SHAH**  
Vice President (Corporate Finance)

## SINTEX INDUSTRIES LIMITED



## SHARE CAPITAL :

## SCHEDULE 1

			Rs. in lacs As at 31.03.1996
		Rupees	Rupees
<b>Authorised :</b>			
5,00,00,000	Ordinary Shares of Rs. 10/- each (2,50,00,000 Ordinary Shares on 31.03.1996)	5000.00 <u>5000.00</u>	2500.00 <u>2500.00</u>
<b>Issued</b>			
44,63,615	Ordinary Shares of Rs. 10/- each	446.36 <u>446.36</u>	446.36 <u>446.36</u>
<b>Subscribed &amp; Paid Up :</b>			
44,60,435	Ordinary Shares of Rs. 10/- each	446.04 <u>446.04</u>	446.04 <u>446.04</u>
<b>TOTAL</b>		<u>446.04</u>	<u>446.04</u>

## NOTES :

of above Shares :

- i) 25,000 Ordinary Shares were issued pursuant to contract without payment being received in cash.
- ii) 14,91,130 Ordinary Shares were allotted as fully paid Bonus Shares by Capitalising General Reserve, Share Premium and Capital Reserve.
- iii) 8,03,274 Ordinary Shares were allotted on 15-4-1993 as fully paid-up pursuant to conversion of 16.5% Partly Convertible Debentures.
- iv) Pursuant to the order of the Hon'ble High Court of Gujarat, 14,00,000 equity shares allotted to the promoters at the premium of Rs. 50/- per share were reduced to 8,84,211 equity shares by cancelling 5,15,789 equity shares in the year 1995-96 to increase the share premium at Rs. 85/- per share. Consequently, Equity Capital Rs. 51.58 lacs was transferred to Share Premium Account.