

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

13th
ANNUAL REPORT
1997



MEHTA INTEGRATED FINANCE LIMITED

MEHTA INTEGRATED FINANCE LIMITED

MEHTA INTEGRATED FINANCE LIMITED

12th ANNUAL REPORT 1997

BOARD OF DIRECTORS

SHRI DARSHAN V. MEHTA	<i>Manging Director</i>
SMT INDIRA V. MEHTA	<i>Director</i>
SHRI K.H.CHHAYA	<i>Director</i>

AUDITORS

DINESH K. SHAH & CO.,
Chartered Accountants,
Ahmedabad.

BANKERS

DENA BANK.

REGISTERED OFFICE

003, Law Garden Apartment Scheme-I,
Opp. Law Garden, Ellisbridge,
AHMEDABAD-380 006.

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MEHTA INTEGRATED FINANCE LIMITED

NOTICE

Notice is hereby given that THIRTEENTH ANNUAL GENERAL MEETING of the Members of MEHTA INTEGRATED FINANCE LIMITED, will be held at 003, Law Garden Apartment, Scheme - 1, opp. Law Garden, Ellisbridge, Ahmedabad on Friday 27th February, 1998 at 9.00 A.M. to transact the following business :

ORDINARY BUSINESS

01. To receive, consider and adopt the Account of the Company for the year ended 31st August 1997, the Balance sheet as at that date alongwith the reports of the Directors and Auditors thereon.
02. To appoint a Director in place of Smt. Indira V. Mehta, Who retire by rotation in terms of Article 126 of Association of the Company and being eligible, offers herself for reappointment.
03. To consider the reappointment of Messers Dinesh K. Shah Chartered Accountants, as Auditors of the Company to hold office till the conclusion of next Annual General Meeting and to fix their Remuneration in addition to the reimbursement of out of pocket expenses.

FOR AND ON BEHALF OF THE BOARD

(DARSHAN V. MEHTA)
MANAGING DIRECTOR

Registered Office :
3, Law Garden Apartment,
Scheme-1, Opp. Law Garden,
Ellisbridge, Ahmedabad - 380 006.

Date : 20th December, 1997
Place : Ahmedabad.

NOTES

01. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the Company. Proxies, in order to be effective must be received at the registered office of the Company, not less than forty eight hours before the Meeting.
02. The Register of Member and the Share Transfer Books of the Company will remain closed from 24th February to 27th February 1988.
03. Members / Proxies should bring copies of Annual report and Attendance slip sent here with duly filed in for attending the meeting.
04. Members are requested to notify any change in their address immediately of the Registered Office of the Company.

FOR AND ON BEHALF OF THE BOARD

DATE : 20/12/1997
PLACE : AHMEDABAD

(DARSHAN V. MEHTA)
MANAGING DIRECTOR

MEHTA INTEGRATED FINANCE LIMITED

DIRECTORS' REPORT

To,
The Members,
MEHTA INTEGRATED FINANCE LIMITED
Ahmedabad.

Your Directors have pleasure in presenting Thirteenth Annual Report of the Company along with the Audited Accounts for the year ended on 31st August, 1997.

1. FINANCIAL RESULTS

The Financial Results of the Company for the year ended on 31st August, 1997 as compared to the previous year are summarised below:

	(Rs. in lacs)	
	Year ended 31.08.97	Year ended 31.08.96
Total Income	226.63	440.84
Profit before Depreciation & Taxation	102.85	335.50
Less : Depreciation	94.17	122.90
Provision for Investment fluctuation	Nil	213.00
Profit before Taxation (loss)	8.68	-(.40)
Provisions for Income Tax	Nil	Nil
Net Profit after Taxation	8.68	-(.40)
Transfer to General Reserve	Nil	19.83
Proposed Dividend	Nil	Nil

2. DIVIDENDS

Directors do not recommend any dividend for the year under review to built up the internal strength of the Company.

3. INDUSTRY SCENARIO

During the Year Under review, The Indian Capital Market went through some of the worst days in its history.

The year 1996-97 was extremely challenging for NBFCs for the mobilisation of resources as well as for the deployment of Funds. Due to the collapse of the equity market and inadequate availability of credit form institutions and banks, industrial investments, production slowed down substantial. Acceptable corporate business opportunities declined significantly, leading to a decelerated growth in the financial services industry.

While fund based activities turned unattractive, non fund bases activities like Merchant Banking, Underwriting, there was paucity of assignments because the primary capital market was equally depressing.

The capital markets continue to be in a vicious circle where on account of lower prices prevailing in the secondary market, corporates are unwilling to come out with new issues, as a result of which the primary markets remain dull. And unless there is activity in the primary market, secondary markets cannot rise.

The above-dull conditions in the stock markets affected our Merchant Banking and Underwriting business and income form Investment with low volumes of business throughout the year. The strategy of the management was to minimise overheads and concentrate on core areas of business.

4. BUSINESS OPERATIONS AND FUTURE OUTLOOK

The performance of the company for the Year under review, even after considering tight money conditions and a bear phase in the primary as well as in the secondary market, was quite satisfactory.

The Company's Gross income during the year under review has aggregated to 226.63 Lacs. Your Company has posted an after tax profit of Rs. 8.68 Lacs.

5. PROSPECTS FOR CURRENT YEAR

The present downtrend in interest rates by the Government policies, augurs well for the economy in general and for the financial services industry in particular. In the near term these policies would reduce costs and thereby improve margins. In the medium term these moves should help to revive the capital market as also the overall corporate health and liquidity. As such your Company looks at future with cautious optimism.

The rapid globalisation of the economy points to an urgent need to acquire competitive strengths. In order to operate efficiency in the emerging markets, companies will have to access to low cost funds and to international technologies and distribution networks. Your company will constantly be on the look out for suitable opportunities and means to achieve the desired structure.

6. DIRECTORS

Smt. Indira V Mehta, Director of the Company, retires from office by rotation in accordance with the requirement of the Companies Act, 1956 and being eligible offer herself for reappointment.

7. PARTICULARS OF EMPLOYEES

The Company has no employee of the category specified in Section 217(2A) of the Companies Act, 1956.

8. PARTICULARS OF CONSERVATION OF ENERGY ETC.

The Company has no activities relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo during the year under review.

9. AUDITORS AND THEIR REPORT

Auditors M/s. Dinesh K. Shah & Co., Chartered Accountants, hold office till the conclusion of ensuing Annual General Meeting and having furnished the required certificate u/s. 224(1B) of the companies Act, 1956 are eligible for reappointment. Board recommends the reappointments and request the members to fix their Remuneration.

10. PUBLIC DEPOSITS.

There was no Deposits unclaimed or unpaid by the company after the date on which it has become due for payment or renewal on 31st August, 1997.

11. ACKNOWLEDGEMENT

Your Directors take this opportunity to place on record their appreciation of the valuable contribution and dedication shown by the employees of the company, which have contributed to the successful management of the company affairs.

The Directors also express their gratitude to the support extended by Financial Institutions, Various Bankers, Central Govt. & State Govt. Authorities & the Shareholders of the Company.

FOR AND ON BEHALF OF THE BOARD

Place : Ahmedabad

DARSHAN V. MEHTA

Date : 20-12-1997.

Managing Director

MEHTA INTEGRATED FINANCE LIMITED

AUDITORS' REPORT

To,
The Members
MEHTA INTEGRATED FINANCE LIMITED.
Ahmedabad.

ANNEXURE REFERRED TO IN THE PARAGRAPH 1 OF THE
AUDITORS' REPORT TO THE MEMBERS OF MEHTA
INTEGRATED FINANCE LIMITED ON ACCOUNTS FOR THE
YEAR ENDED 31st AUGUST, 1997.

We have audited the attached Balance Sheet of MEHTA INTEGRATED FINANCE LIMITED as at 31st August, 1997 and Profit and Loss Account of the Company for the year ended on that date, annexed there to and we report that :

1. 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, we Annex here to a statement on the matters specified in paragraphs 4 and 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 it appears from our examination of the books;

(c) The Balance Sheet and Profit and Loss Account dealt with by the Report are in agreement with the said books of account of the Company;

(d) In our opinion, and to the best of our information and according to the explanations given to us, the accounts read with the Notes thereon give 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 August, 1997,

and

(ii) in the case of the Profit and Loss Account, of the profit of the Company for the period ended on that date.

For DINESH K. SHAH & CO.
Chartered Accountant

Place : AHMEDABAD.
Date : 20th December, 1997

DINESH K. SHAH
(Proprietor)

(a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets given on lease have been physically verified by the management in accordance with the regular program which in our opinion is reasonable. All other fixed assets have been physically verified by the management at an reasonable intervals. No material discrepancies were noticed on such verifications.

(b) None of the fixed assets has been revalued during the year.

(c) The procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.

(d) No material discrepancies have been noticed on physical verification of stocks as compared to book records.

(e) The stock valuation is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in earlier years.

(f) The Company has taken unsecured loans from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956, and from the Companies under the same Management as defined under Section 370 (1B) of the Companies Act, 1956. The rate of interest and other terms and conditions of such loans are prima facie not prejudicial to the interest of the Company.

(g) The Company has granted unsecured loans to Companies listed in the register maintained under Section 301 of the Companies Act, 1956. The rate of interest and the other terms and conditions are prima facie not prejudicial to the interest of the Company. We are informed that there are no Companies under the same management as defined under sub section (1B) of Section 370 of the Companies Act, 1956.

(h) Loans and advances in the nature of loans, have been given to employees and other parties who are repaying the principal amount as stipulated and are also regular in payment of interest wherever applicable. In other case where there is delay in repayment of principal and interest as stipulated, the Company has taken reasonable steps for the recovery of the same.

MEHTA INTEGRATED FINANCE LIMITED

- (i) 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 for purchase and sale of plant and machinery equipment and other assets.
- (j) On the basis of information and explanations given to us, in respect of transactions entered into for purchase and sale of goods materials and services rendered, with the parties whose names are entered in the Register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000/- or more. We are of the opinion that the transactions are made at prices which are reasonable having regard to the prevailing market price.
- (k) The Company has accepted fixed deposits from the public and has complied with the directives issued by the Reserve Bank of India and the Rules framed thereunder, wherever applicable.
- (l) In our opinion, the Company has an adequate internal audit system commensurate with its size and nature of its business.
- (m) The maintenance of cost records has not been prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956.
- (n) The Provident Fund Act is not applicable to the Company.
- (o) According to the information and explanations given to us, there are no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty as at 31st August 1997 which are outstanding for a period of more than six months from the date they became payable.
- (p) The Company is not a Sick Industrial Company within the meaning of clause (o) of Section 3(1) of the Sick Industrial Companies (Special Provisions) Act, 1985.
- (q) No personal expenses have been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practice.
- (r) In relation to the services activities of the Company, there exists a reasonable internal control system commensurate with the size of the Company and the nature of its business.
- (s) The provisions of any special statute applicable to Chit Funds, Nidhi or Mutual Benefit Society do not apply to the Company.
- (t) The Company has maintained proper records of transactions and contracts in respect of trading in shares and other securities and timely entries have been made therein. All shares, debentures and other securities have been held by the Company in its own name except to the extent of the exemption granted under Section 49 of the Companies Act, 1956 and save for certain shares which are either lodged for transfer or held with valid transfer forms.
- (u) In our opinion the clauses (iii), (xii), (xiv), (xvi) and (xx) of paragraph 4(A) and clauses (ii) and (iv) of paragraph 4(B) of the aforesaid Order are not applicable.

For DINESH K. SHAH & CO.
Chartered Accountant

Place : AHMEDABAD.
Date : 20th December, 1997

DINESH K. SHAH
(Proprietor)

MEHTA INTEGRATED FINANCE LIMITED

BALANCE SHEET AS AT 31ST AUGUST, 1997

	SCHEDULE		AS AT 31.08.97	(Rs. in Lacs) AS AT 31.08.96
SOURCES				
1. SHAREHOLDERS FUNDS				
a. Share Capital	A	500.00		500.00
b. Reserves & Surplus	B	593.88		585.20
c. Share Application Money		40.00	1133.88	40.00
				1125.20
2. LOAN FUNDS				
a. Secured Loan	C	91.48		87.93
b. Unsecured Loan	D	108.98	200.46	120.82
				208.75
TOTAL			1334.34	1333.95
APPLICATION				
1. FIXED ASSETS	E			
a. Gross Block		471.56		495.06
b. Less : Depreciation		352.47		270.55
c. Net Block			119.09	224.51
2. INVESTMENTS			448.09	466.87
3. CURRENT ASSETS, LOANS & ADVANCES				
a. Current Assets	G	1011.31		727.26
b. Loans & Advances	H	18.46		20.21
Less :		1029.77		747.47
CURRENT LIABILITIES & PROVISIONS				
a. Current Liabilities	I	161.11		10.00
b. Provisions	J	239.55		253.47
		400.66		263.47
NET CURRENT ASSETS			629.11	484.00
4. MISCELLANEOUS EXPENDITURE (To the extent not adjusted)	K		138.05	158.57
TOTAL			1334.34	1333.95

NOTES TO THE ACCOUNTS

ANNEXURE I

AS PER OUR ATTACHED REPORT OF EVEN DATE

For **DINESH K. SHAH & CO.**
Chartered Accountant

DINESH K. SHAH
(Proprietor)

Place : Ahmedabad.
Date : 20th December, 1997

FOR & ON BEHALF OF THE BOARD

D. V. MEHTA Managing Director

K. H. CHHAYA Director

Place : Ahmedabad.
Date : 20th December, 1997

MEHTA INTEGRATED FINANCE LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st AUGUST 1997

PARTICULARS	SCHEDULE	(Rs. In Lacs)	
		AS AT 31.08.97	AS AT 31.08.96
INCOME			
Income from Operations	L	226.63	440.84
Other Income		0.00	0.00
TOTAL [A]		226.63	440.84
EXPENSES			
Administrative Expenses	M	22.52	33.35
Financial Expenses	N	80.74	51.47
Depreciation		94.17	122.90
Miscellaneous Expenditure written off		20.52	20.52
Investment Fluctuation		—	213.00
TOTAL [B]		217.95	441.24
PROFIT BEFORE TAX [A - B]		8.68	- (40)
Provision for Income Tax		0.00	0.00
PROFIT AFTER TAX		8.68	- (40)
Add : Balance of Earlier Years		455.03	455.43
PROFIT AVAILABLE FOR APPROPRIATIONS		463.71	455.03
Less : Trf. to General Reserve		0.00	0.00
Less : Proposed Dividend		0.00	0.00
BALANCE CARRIED TO BALANCE SHEET		463.71	455.03
NOTES TO THE ACCOUNTS	ANNEXURE I		

AS PER OUR ATTACHED REPORT OF EVEN DATE

For **DINESH K. SHAH & CO.**
Chartered Accountant

DINESH K. SHAH
(Proprietor)

Place : Ahmedabad
Date : 20th December, 1997

FOR & ON BEHALF OF THE BOARD:

D. V. MEHTA Managing Director

K. H. CHHAYA Director

Place : Ahmedabad
Date : 20th December, 1997

MEHTA INTEGRATED FINANCE LIMITED

SCHEDULE FORMING PART OF THE ACCOUNTS FOR THE YEAR 31ST AUGUST, 1997

	AS AT 31-08-97	AS AT 31-08-96
SCHEDULE "A" SHARE CAPITAL		
AUTHORISED		
50,00,000 Equity Shares of Rs.10 each	500.00	500.00
ISSUED, SUBSCRIBED & PAID - UP		
50,00,000 (50,00,000) Equity Shares of Rs.10 each fully paid up.	500.00	500.00
TOTAL	500.00	500.00

SCHEDULE "B" RESERVES & SURPLUS		
General Reserve	130.17	130.17
Profit and Loss Account	463.71	455.03
TOTAL	593.88	585.20

SCHEDULE "C" SECURED LOAN		
From Banks	78.38	57.37
From Financial Institutions	13.10	23.90
From Others	0.00	6.66
TOTAL	91.48	87.93

SCHEDULE "D" UNSECURED LOAN		
Lease Deposits	101.31	116.49
Public Deposit	7.67	4.33
TOTAL	108.98	120.82

SCHEDULE - E : FIXED ASSETS

Sr. Particulars No.	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Opening Balance as on 1.9.96	Additions During the year	Deduction During the year	Closing Balance as on 31.8.97	Opening Balance as on 1.9.96	Additions During the year	Deduction During the year	Closing Balance as on 31.8.97	As on 31.8.97	As on 31.8.96
LEASE ASSETS										
1. Plant & Machinery	313.08	0.00	24.23	288.85	134.13	78.16	12.25	200.04	88.81	178.95
2. Vehicles	173.11	0.00	0.00	173.11	134.20	15.05	0.00	149.25	23.86	38.91
OTHER ASSETS	8.87	0.73	0.00	9.60	2.22	0.96	0.00	3.18	6.42	6.65
TOTAL	495.06	0.73	24.23	471.56	270.55	94.17	12.25	352.47	119.09	224.51
PREVIOUS YEAR	493.79	1.27	0.00	495.06	147.65	122.90	0.00	270.55	224.51	346.14

MEHTA INTEGRATED FINANCE LIMITED

	AS AT 31-08-97	AS AT 31-03-96
SCHEDULE "G" CURRENT ASSETS		
Cash & Balance with Schedule Banks	0.57	2.88
Business Debtors (Considered Good) Under six months	85.57	63.27
Hire Stock	96.55	101.54
Share Stock in trade	652.05	465.77
Receivables	173.99	82.52
Other Current Assets	2.58	11.28
TOTAL	<u>1011.31</u>	<u>727.26</u>
SCHEDULE "H" LOANS, ADVANCES & DEPOSITS		
Advance to Suppliers	1.74	2.16
Miscellaneous Advances	12.21	13.54
Deposits	4.51	4.51
TOTAL	<u>18.46</u>	<u>20.21</u>
SCHEDULE "I" CURRENT LIABILITIES		
Trade Creditors	161.11	10.00
TOTAL	<u>161.11</u>	<u>10.00</u>
SCHEDULE "J" PROVISIONS		
Provision for Expenses	26.55	40.47
Provision for Investment Fluctuation	213.00	213.00
TOTAL	<u>239.55</u>	<u>253.47</u>
SCHEDULE "K" MISCELLANEOUS EXPENDITURE (To the extent not adjusted or written off)		
Opening Balance :	158.57	179.09
Add : Addition during the Year	0.00	0.00
	<u>158.57</u>	<u>179.09</u>
Less : Written off during the Year	20.52	20.52
TOTAL	<u>138.05</u>	<u>158.57</u>
SCHEDULE "L" INCOME FROM OPERATIONS		
From Leasing & Hire Purchase Activity	212.45	255.37
From Merchant Banking Activities	12.30	139.84
From Stock Operation Activities	1.60	45.63
From Other Activities	0.28	0.00
TOTAL	<u>226.63</u>	<u>440.84</u>
SCHEDULE "M" ADMINISTRATIVE EXPENSES		
Salary, Allowances and Bonus	4.89	4.05
Rent, Rates & Taxes	0.60	0.12
Repairs and Maintainance	1.18	1.16
Printing and Stationery	2.40	1.65
Telephone & Postage	2.49	2.54
Conveyance & Travelling	1.61	1.78
Registration & Membership Fees	2.00	4.04
Professional & Management Fees	0.45	4.18
Audit Fees	0.25	0.25
Advertisement	0.40	9.14
Miscellaneous expenses	6.23	4.44
TOTAL	<u>22.52</u>	<u>33.35</u>

MEHTA INTEGRATED FINANCE LIMITED

	AS AT 31-08-97	AS AT 31-08-96
SCHEDULE "N" FINANCIAL EXPENSES		
Banks Interest & Charges	7.13	12.88
Financial Institutions Interest	3.79	5.98
Fixed Deposits Interest	0.08	0.39
Other Interest & Sub-Lease Charges	69.74	32.22
TOTAL	<u>80.74</u>	<u>51.47</u>

ANNEXURE I ACCOUNTING POLICIES & NOTES FORMING PART OF ACCOUNTS.

I SIGNIFICANT ACCOUNTING POLICIES :

1. **Basis of Accounting :** The Company prepares its financial statements in accordance with generally accepted accounting principles and with the requirement of the Companies Act, 1956.
2. **Income and Expenditure.**
 - 2.1 Income and expenditure are accounted on accrual basis.
 - 2.2 Lease Rental and Hire Purchase Finance Charges have been recognised on due basis as per the terms of the agreement entered into.
 - 2.3 Merchant Banking Services income is accounted on accrual basis.
 - 2.4 Underwriting income are accounted on completion of the Issue.
 - 2.5 Income from securities operations is accounted after considering the acquisition cost.
3. **Fixed Assets :** All the fixed assets (Including assets given on lease.) have been stated at their original cost inclusive of any expenses incurred for the acquisition and/or installation as reduced by any sale/discard and accumulated depreciation.
4. **Depreciation :** The Company has provided depreciation as under :
 - i) On the fixed assets for own use : On straight line basis at the rate prescribed in Schedule XIV to the Companies Act, 1956.
 - ii) On fixed assets given on lease : Depreciation is charged at rate such that the full value of the said asset is charged to depreciation during the primary period of lease.
5. **Investment :** Investments are stated at their acquisition cost. Investment of the Company have been considered to be of long term nature. As they are long term investments, are valued at cost of acquisition. In respect of quoted investments where the market value is lower than the acquisition cost, no provision for diminution in the value of such investments is made, as it is a temporary phenomenon, no provision is required.
6. **Current Asset :**
 - 6.1 Share Stock is valued at acquisition cost or market price whichever is lower.
 - 6.2 Hire Stock is valued at Agreement value less Amount Received or Receivable.
7. **Amortization of Miscellaneous Expenditure :** Miscellaneous expenditure are amortized over a period of ten year.
8. **Contingent Liabilities :** Contingent liabilities are determined on the basis of available information and are disclosed by way of note to the accounts.

II NOTES TO THE ACCOUNTS :

- (1) The Company has followed the Reserve Bank of India's guidelines applicable to the Non Banking Financial Companies in respect of prudential norms for income recognition, assets classification and capital adequacy.
- (2) Term Loan from Financial Institution aggregating to Rs.13.10 lacs (Rs. 23.90 lacs) are secured by hypothecation of specific lease and hire purchase assets and by assignment of rentals arising therefrom. (Term loan installment due within one year Rs.10.80 lacs (Rs.10.80 lacs))

MEHTA INTEGRATED FINANCE LIMITED

- (3) Secure loans are secured by hypothecation of specific leased / hire purchase assets, the related rentals, book debts and shares.
- (4) On the basis of the information available with the Company, there is no amount due but remaining unpaid as on 31st August, 1997, to any supplier who is a small scale or ancillary industrial undertaking.
- (5) Auditors Remuneration :
- | | 31-8-97 | 31-8-96 |
|----------------|------------|-----------|
| Audit Fees | Rs.15,000 | Rs.15,000 |
| As Tax Auditor | Rs. 5,000. | Rs. 5,000 |
| Other Services | Rs. 5,000 | Rs. 5,000 |
- (6) The Company has not made any provision for Income Tax as the Company does not envisage any liability.
- (7) Information pursuant to Schedule VI of the Companies Act, 1956.
- a. Earnings in Foreign Currency : Rs. Nil (Rs. Nil)
- b. Expenditure in Foreign Currency : Rs. Nil (Rs. Nil)
- (8) Previous periods figures have been regrouped/rearranged wherever necessary.
- (9) Figures in bracket denotes of previous years.

ANNEXURE II BALANCE SHEET ABSTRACT & GENERAL BUSINESS PROFILE

I Registration Details			
Registration No.	7692	State Code	04
Balance Sheet Date : 31.08.97			
II Capital raised during the year (Amount in Rs.'000)			
Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placements	Nil
III Position of Mobilisation & Deployment of Funds(Rs. In Lacs)			
Total Liabilities	Rs. 1334.34	Total Assets	Rs. 1334.34
Sources of Fund :			
Paid up Capital	Rs. 500.00	Reserves & Surplus	Rs. 593.88
Secured Loans	Rs. 91.48	Unsecured Loans	Rs. 108.98
Application of Funds :			
Net Fixed Assets	Rs. 119.09	Investments	Rs. 448.09
Net Current Assets	Rs. 629.11	Misc. Expenditure	Rs. 138.05
Accumulated Losses	Rs. Nil		
IV Performance of Company (Amount in Rs.'000)			
Total Income	Rs. 226.63	Total Expenditure	Rs. 217.95
Profit Before Tax	Rs. 8.68	Profit After Tax	Rs. 8.68
Earning per Share in Rs.	Rs. 0.17	Dividend Rate %	Nil.
V Generic Names of Three Principle Services of the Company (as per monetary terms)			
Item Code No.	: N.A.		
Product Description	: Leasing & Hire purchase Merchant Banking, Corporate Finance, Investment Banking, Equity Research, Portfolio Management.		

AS PER OUR ATTACHED REPORT OF EVEN DATE

For **DINESH K. SHAH & CO.**
Chartered Accountant

DINESH K. SHAH
(Proprietor)

Place : Ahmedabad.
Date : 20th December, 1997

FOR & ON BEHALF OF THE BOARD

D. V. MEHTA Managing Director

K. H. CHHAYA Director

Place : Ahmedabad.
Date : 20th December, 1997

MEHTA INTEGRATED FINANCE LIMITED

CASH FLOW STATEMENT FOR YEAR ENDED 31st AUGUST, 1997.

		(Rs. In Lacs)
	<u>31.08.97</u>	<u>31.08.96</u>
A. CASH FLOW FROM OPERATION ACTIVITIES		
Net Profit before Tax & Extraordinary Items & Interest	89.42	264.07
Adjustment for :		
Depreciation	94.17	122.90
Interest/Dividend Recd.	0.00	0.00
Miscellaneous Expenses Written off	20.52	20.52
Operating Profit before Working Capital Change	<u>204.11</u>	<u>407.49</u>
Adjustment for :		
Trade & Other Receivables	-98.33	669.52
Shares Stock in Trade	-186.28	279.80
Trade Payables	137.19	-755.14
Cash Generated From Operations	<u>56.69</u>	<u>601.67</u>
Interest Paid	-80.74	-51.47
Direct Taxes Paid	0.00	0.00
Cash Flow before Extraordinary Items	<u>-24.05</u>	<u>550.20</u>
Extraordinary Items	0.00	0.00
Net Cash From Operations	<u>-24.05</u>	<u>550.20</u>
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets	-0.73	-1.27
Sale of Fixed Assets	11.98	0.00
Purchase (-) / Sale of Investments	18.78	33.17
Net Cash in Investment Activities	<u>30.03</u>	<u>31.90</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital	0.00	-10.00
Proceeds from Borrowing	-8.29	-515.20
Dividend Paid	0.00	-75.00
Net Cash used in Financing Activities	<u>-8.29</u>	<u>-600.20</u>
NET INCREASE IN CASH & CASH EQUIVALENTS	<u>-2.31</u>	<u>-18.10</u>
Cash & Cash equivalents op. balance.	2.88	20.98
Cash & Cash equivalents cl. balance.	0.57	2.88

FOR & ON BEHALF OF THE BOARD

D. V. MEHTA M. D.

K. H. CHHAYA Director

Place : Ahmedabad
Date : 20th December, 1997

AUDITORS' CERTIFICATE

We have audited the attached cash flow statement of Mehta Integrated Finance Limited, for the year ended on 31st August, 1997, The statement has been prepared by the Company in accordance with the requirements of the listing agreement clause 32 with stock exchange.

For DINESH K. SHAH & CO.
Chartered Accountant

Place : AHMEDABAD.
Date : 20th December, 1997

DINESH K. SHAH
(Proprietor)

MEHTA INTEGRATED FINANCE LIMITED

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANY

1. Name of the subsidiary Company	ZEST INVESTMENT PVT. LTD.
2. The financial year subsidiary company ended on	June 30, 1997
3. Number of shares of the subsidiary company held by Mehta Integrated Finance Ltd. Equity Shares of Rs. 10/- each fully paid up	290
4. Extent of shareholding	100%
5. Net aggregate of loss of the subsidiary company not dealt with in the Mehta Integrated Finance Ltd., account of the subsidiary company's losses after deducting its profit	
a. for the financial year mentioned in 2 above	Rs. (-) 0.47 lacs
b. for the previous financial years of the subsidiary company's losses after deducting its profit	Rs. (-) 9.60 lacs
6. Net aggregate of loss of the subsidiary company dealt with in the Mehta Integrated Finance Ltd., account of the subsidiary company's losses after deducting its profit.	
a. for the financial year mentioned in 2 above	NIL
b. for the previous financial years of the subsidiary since it became the holding company's subsidiary.	NIL
7. Whether there has been any change in the holding company's interest in the subsidiary company between the end of the financial year and the end of the holding company's financial year	No change
8. Details of any material change which have occurred between the end of the financial year of the subsidiary and the end of the holding company's financial year in respect of;	
a. the subsidiary fixed assets	NIL
b. its investments	NIL
c. the moneys lent by it	NIL
d. the moneys borrowed by it for any purpose other than that of meeting current liabilities	NIL

FOR & ON BEHALF OF THE BOARD

D. V. MEHTA M. D.

K. H. CHHAYA Director

Place : Ahmedabad
Date : 20th December, 1997

MEHTA INTEGRATED FINANCE LIMITED

MEHTA INTEGRATED FINANCE LIMITED

003, Law Garden Apartment Scheme-1,
Opp. Law Garden, Ellis Bridge, Ahmedabad-380 006.

FORM OF PROXY

I/We _____ of _____
being a Member/Members of MEHTA INTEGRATED FINANCE LIMITED hereby appoint
_____ of _____
or failing him/her _____ of _____ as
my/our Proxy to vote for me/us on my/our behalf at the 13th Annual General Meeting of the Company to be held at 003 Law
Garden Apartment Scheme I, Opp Law Garden, Ellisbridge, Ahmedabad 380 006, on Friday the 27th February, 1998 at 9.00
a.m. and at any adjournment thereof.

Ledger Folio No. : _____

No. of Shares : _____

Signed this _____ day of _____ 1998

Signature _____

Affix
30 paise
Revenue
Stamp

IMPORTANT

- (1) This form duly completed and signed across the stamp as per specimen signature registered with the Company should be deposited at the Share Department of the Company not less than 48 hours before the time fixed for the commencement of the Meeting.
- (2) Revenue Stamp of 30 p. is to be affixed on this form.
- (3) A Proxy need not be a member.

MEHTA INTEGRATED FINANCE LIMITED

003, Law Garden Apartment Scheme-1,
Opp. Law Garden, Ellis Bridge, Ahmedabad-380 006.

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

NAME	Regd. Folio No.	No. of Shares held
Share Holder _____		
Proxy _____		

I hereby record my presence at the 13th Annual General Meeting of the Company at 003 Law Garden Apartment Scheme I
Opp Law Garden, Ellisbridge, Ahmedabad 380 006, on 27th February, 1998, at 9.00 A.M.

Signature of Shareholder(s)/Proxy

BOOK-POST

If undelivered, please return to :
MEHTA INTEGRATED FINANCE LIMITED
003, Law Garden Apartment Scheme-I,
Opp. Law Garden, Ellisbridge, Ahmedabad-380 006.