

"SOURCE THAT NEVER ENDS"

6TH


ANNUAL REPORT
(YEAR ENDING 31st MARCH, 1998)

MD	<input checked="" type="checkbox"/>		BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		A/C	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>		SHH	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>

CERTIFIED TO BE TRUE COPY

R. Patel
DIRECTOR

SUN SOURCE (INDIA) LTD.



SUN SOURCE
(INDIA) LIMITED

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

SUN SOURCE (INDIA) LIMITED

BOARD OF DIRECTORS

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

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

AUDITORS

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

BANKERS

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

REGD. OFFICE & FACTORY

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

SUN SOURCE (INDIA) LIMITED

NOTICE

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

ORDINARY BUSINESS

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

SPECIAL BUSINESS :-

3. TO APPOINT AUDITORS

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

REGD. OFFICE & FACTORY

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

ON BEHALF OF THE BOARD

PLACE : AHMEDABAD

DATE : 27.08.1998

(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 24th September, 1998 to 28th September, 1998 (Both days inclusive)
3. Members are requested to advise the Company immediately of any change in their address.
4. As a measure of economy, members are requested to bring their copies of the Annual Report at the venue of the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF COMPANES ACT, 1956.

ITEM NO.4

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

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

ON BEHALF OF THE BOARD

PLACE : AHMEDABAD

DATE : 27.08.1998

(R.J.PATEL)
CHAIRMAN

SUN SOURCE (INDIA) LIMITED

DIRECTORS' REPORT

To,
Members of the Company
COMPANY PERFORMANCE :

FINANCIAL RESULTS

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

The key performance parameters are as follows :

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

BADMER SOLAR PV PROJECT

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

DIVIDEND

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

DIRECTORS

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

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

AUDITORS OBSERVATION

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

DEPOSIT

The Company has not accepted any deposits from the public.

PARTICULARS OF EMPLOYEE

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

AUDITORS

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

ACKNOWLEDGEMENT

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

ON BEHALF OF THE BOARD

PLACE : AHMEDABAD

(R.J. PATEL)

DATE : 27.08.1998

CHAIRMAN

SUN SOURCE (INDIA) LIMITED

AUDITORS' REPORT

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

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

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of the books.
3. The Balance Sheet and Profit & Loss Account, dealt with by the report, are in agreement with the Books of Accounts.
4. In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read with and subject to Note No.1 regarding non-confirmation of balance, Note No.19 regarding Advances and other notes thereon gives, the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - (i) In the case of the Balance Sheet of the State of affairs of the Company as at **31ST MARCH 1998** and
 - (ii) In the case of the Profit & Loss Account of the **PROFIT** for the year ended on that date.

As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board, in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and the information and explanation given to us in the normal course of the audit we further report that :

- (i) As informed to us, the Company has maintained a fixed assets register showing full particulars including quantitative details and situation of fixed assets. As the acquisition and construction of fixed assets is in progress, we are informed that the entries will be made on completion of construction, erection and acquisition. These fixed assets have been physically verified by the management at the end of the year. However no record for such physical verification was available for our verification. No material discrepancies were noticed on such verification.
- (ii) None of the fixed assets have been re-valued during the year.
- (iii) Inventories of raw materials, stores and spare parts have been physically verified by the Management at the end of the year. In our opinion, the frequency of such verification is reasonable.
- (iv) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the company and nature of its business.
- (v) The discrepancies noticed on verification between physical inventories and book records were not material in relation to the operations of the company and the same have been properly dealt with in the books of accounts.
- (vi) In our opinion, the valuation of the above mentioned inventories is fair and proper in accordance with the normally accepted accounting principles.
- (vii) The Company has not taken any loan, secured or unsecured from the Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 and/or from the Companies under the same management as defined under section 370(1-B) of the Companies Act, 1956.
- (viii) The Company has not granted any loans to Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. and/or to the Companies under the same management as defined under subsection 1(B) of Section 370 of the Companies Act, 1956(1 of 1956).
- (ix) In respect of loans and advances in the nature of loans given by the Company, the terms and conditions of repayment of principal amount and interest are not specified. Provision of interest on loans is not made. Confirmations of loans are not available. In view of this we are unable to express our opinion in this regard.
- (x) We are informed that the company is in the process of setting up an adequate Internal Control Procedures commensurate with the size of the Company and the nature of its business with regard to purchase of stores, raw materials including components, plant & machinery, equipment and other assets and with regard to the sale of goods.
- (xi) In our opinion and according to the information and explanation given to us, there were no transactions of purchase of goods and materials and sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 aggregating during the current accounting year to Rs.50,000/- or more in respect of each party.
- (xii) The Company has not accepted any deposit from public.
- (xiii) The Company has not yet set up formal Internal Audit System commensurate with size and nature of business.
- (xiv) As informed to us, the Provident Fund and E.S.I. Scheme are not applicable to the Company.
- (xv) As informed to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Custom Duty and Excise duty which have remained outstanding as at last day of the financial year under report for a period of more than six months from the date they became payable.
- (xvi) On the basis of (i) the examination of the books of accounts of the company (ii) the vouchers examined by us on test check basis and (iii) the explanation given to us against our inquiries and to the best of our knowledge and belief, we have not come across any expenses charged to revenue account except for those which were either incurred under service contract obligation or in accordance with normally accepted business practices which in our opinion and judgement and to the best of our knowledge and belief could be regarded as personal expenses.
- (xvii) We have been informed by the Company that there is no by product. Scrap is not generated by the manufacturing process of the Company.
- (xix) The Company is not a Sick Industrial Company within the meaning of clause(O) of sub-section (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

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

FOR M. R. PANDHI & ASSOCIATES
CHARTERED ACCOUNTANTS

(M.R.PANDHI)
PARTNER

SUN SOURCE (INDIA) LIMITED

BALANCE SHEET AS AT 31ST MARCH 1998

PARTICULARS	SCHEDULE	1997-98 AMOUNT [Rs.]	1996-97 AMOUNT [Rs.]
SOURCES OF FUND			
SHAREHOLDERS' FUND			
Share Capital	A	114,555,822	114,507,550
Reserves & Surplus	B	35,127,061	34,821,097
LOANS FUND			
Secured Loans	C	-----	12,107
Unsecured Loans	D	135,000	135,000
TOTAL RS :		<u>149,817,883</u>	<u>149,475,754</u>
APPLICATIONS OF FUND			
FIXED ASSETS			
Gross Block	E	32,460,581	32,746,613
Less : Depreciation		884,341	726,668
NET BLOCK		<u>31,576,240</u>	<u>32,019,945</u>
PRE-OPERATIVE PROJECT EXPENDITURE			
PENDING ALLOCATION			
Opening Balance		23,238,534	19,323,794
Addition during the year		1,417,670	3,914,740
		<u>24,656,204</u>	<u>23,238,534</u>
INVESTMENTS (UNQUOTED)	F	939,900	939,900
CURRENT ASSETS, LOANS & ADVANCES			
[A] CURRENT ASSETS			
Stock in Trade	N	18,393,592	18,393,592
Interest accrued	G	----	72,600
Cash & Bank Balances	H	11,016,096	11,694,886
Sundry Debtors	I	1,891,800	1,976,800
		<u>31,301,488</u>	<u>32,137,878</u>
[B] LOANS & ADVANCES			
(Recoverable in cash or kind or for value to be received)	J	54,799,400	54,759,515
		<u>54,799,400</u>	<u>54,759,515</u>
TOTAL RS [A+B] :		<u>86,100,888</u>	<u>86,897,393</u>
Less :			
CURRENT LIABILITIES & PROVISIONS			
[a] Current Liabilities	K	3,985,473	4,121,623
[b] Provisions		459,222	487,741
		<u>4,444,695</u>	<u>4,609,364</u>
NET CURRENT ASSETS		<u>81,656,193</u>	<u>82,288,029</u>
MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted)	L	10,989,346	10,989,346
TOTAL RS.		<u>149,817,883</u>	<u>149,475,754</u>
NOTES TO THE ACCOUNTS			
	R		

AS PER OUR REPORT OF EVEN DATE

FOR M.R.PANDHI & ASSOCIATES
CHARTERED ACCOUNTANTS

(M.R.PANDHI)
PARTNER

(R.J.PATEL)
DIRECTOR

ON BEHALF OF THE BOARD

(A.K.GAJJAR)
DIRECTOR

(N.R.PATEL)
DIRECTOR

PLACE : AHMEDABAD
DATE : 27.08.1998

PLACE : AHMEDABAD
DATE : 27.08.1998

SUN SOURCE (INDIA) LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 1998

PARTICULARS	SCHEDULE	1997-98 AMOUNT [Rs.]	1996-97 AMOUNT [Rs.]
INCOME			
Sales & Other Income	M	1,194,417	3,762,697
TOTAL RS :		<u>1,194,417</u>	<u>3,762,697</u>
EXPENDITURE			
Raw Material Consumed	N	-----	1,686,269
Payment to & Provision for Employees	O	107,840	183,148
Administrative & General Expenses	P	258,026	925,638
Financial Expenses	Q	21,398	32,019
Loss on Sale of Fixed Assets	E	198,858	9,606
Depreciation	E	46,212	260,623
TOTAL RS :		<u>632,334</u>	<u>3,097,303</u>
Profit before Taxation		562,083	665,394
Less : Provision for Taxation		260,000	250,000
Short Provision for Taxation of earlier years		21,348	1,162
Profit after Taxation		280,735	414,232
Balance carried to Balance Sheet		280,735	414,232
TOTAL RS :		<u>1,194,417</u>	<u>3,762,697</u>
NOTES TO THE ACCOUNTS	R		

AS PER OUR REPORT OF EVEN DATE
FOR M.R.PANDHI & ASSOCIATES
 CHARTERED ACCOUNTANTS

ON BEHALF OF THE BOARD

(M.R.PANDHI)
 PARTNER

(R.J.PATEL)
 DIRECTOR

(A.K.GAJJAR)
 DIRECTOR

(NISHA PATEL)
 DIRECTOR

PLACE : AHMEDABAD
 DATE : 27.08.1998

PLACE : AHMEDABAD
 DATE : 27.08.1998

SUN SOURCE (INDIA) LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 1998

Particulars	1997-98 AMOUNT (Rs.)	1996-97 AMOUNT (Rs.)									
SCHEDULE - A : SHARE CAPITAL											
AUTHORISED SHARE CAPITAL											
15000000 Equity Shares of Rs. 10/- each	150,000,000	150,000,000									
ISSUED SHARE CAPITAL											
14400000 Equity Shares of Rs. 10/- each	144,000,000	144,000,000									
SUBSCRIBED SHARE CAPITAL											
14391461 Equity Shares of Rs. 10/- each	143,914,610	143,914,610									
PAID-UP SHARE CAPITAL											
14391461 Equity Shares of Rs. 10/- each fully paid-up.	143,914,610	143,914,610									
Less :											
Calls in Arrears	29,358,788	29,407,060									
TOTAL RS :	<u>114,555,822</u>	<u>114,507,550</u>									
SCHEDULE - B : RESERVES & SURPLUS											
1. Share Premium											
	47,957,305	47,957,305									
Less :											
Calls in Arrears	14,565,645	14,590,873									
TOTAL RS [1] :	<u>33,391,661</u>	<u>33,366,432</u>									
2. GENERAL RESERVE											
Opening Balance	105,887	105,887									
TOTAL RS [2] :	<u>105,887</u>	<u>105,887</u>									
3. PROFIT & LOSS ACCOUNT											
Opening Balance	1,348,779	934,547									
Add : Profit for the year	280,735	414,232									
TOTAL RS [3] :	<u>1,629,514</u>	<u>1,348,779</u>									
TOTAL RS [1+2+3] :	<u>35,127,061</u>	<u>34,821,098</u>									
SCHEDULE - C : SECURED LOANS											
ANAGRAM FINANCE LIMITED											
(Secured against hypothecation of Motor Car)	-----	12,107									
TOTAL RS :	-----	12,107									
SCHEDULE - D											
UNSECURED LOANS											
Inter-Corporate Deposits	135,000	135,000									
TOTAL RS :	<u>135,000</u>	<u>135,000</u>									
SCHEDULE - E											
FIXED ASSETS	GROSS BLOCK	DEPRECIATION	NET BLOCK								
SR. NO.	PARTICULARS	%	AS ON 01.04.98 The Year	ADDITION During	AS ON 31.03.98	AS ON 01.04.97 The Year	Provided During	Adjustment	AS ON 31.03.98	AS ON 31.03.98	AS ON 31.03.97
1	Land & Land Development Charges	--	4,928,543.00		4,928,543.00					4,928,543.00	4,928,543.00
2	Lease Hold Land	--	899,250.00		899,250.00	9,083.00			9,083.00	890,167.00	899,250.00
3	Building under Construction	--	21,217,581.11		21,217,581.11					21,217,581.11	21,217,581.11
4	Office Premises	1.63	437,500.00		437,500.00	18,404.00	7,131.00		25,535.00	411,965.00	419,096.00
5	Plant & Machinery under erection		1,865,621.00		1,865,621.00					1,865,621.00	1,865,621.00
6	Office Equipment	4.75	51,300.00		51,300.00	8,970.00	7,486.00		16,456.00	34,844.00	42,330.00
7	Solar Systems	4.75	1,038,825.00		1,038,825.00	149,412.00			149,412.00	889,413.00	889,413.00
8	Motor Car	9.50	1,673,425.00	(286,031.00)	1,387,394.00	462,458.00	131,802.00	(27,173.00)	567,087.00	820,307.00	1,210,967.00
10	Furniture & Fixtures	6.33	634,567.28		634,567.28	78,341.00	38,427.00		116,768.00	517,799.28	556,226.28
TOTAL RS :			32,746,612.39	(286,031.00)	32,460,581.39	726,668.00	184,846.00	(27,173.00)	884,341.00	31,576,240.39	32,029,027.39
Depreciation is not provided as the same are not used.											
Note : Out of total depreciation provided Rs. 1,84,846/-, Rs. 46,212/- has been charged to Profit & Loss Account and Rs. 1,38,634/- has been Capitalised and transferred to P & P Expenses.											
SCHEDULE - F : INVESTMENTS (UNQUOTED)											
9392 Equity Shares of Rs. 100/- each of Sun Source Wind Parks Dev. Ltd.		939,200	939,200								
70 Equity Shares of Rs. 10/- each of Sun Source Energy Estate Ltd.		700	700								
TOTAL RS :		<u>939,900</u>	<u>939,900</u>								

SUN SOURCE (INDIA) LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 1998

Particulars	1997-98 AMOUNT (Rs.)	1996-97 AMOUNT (Rs.)
SCHEDULE - G : INTEREST ACCRUED		
Interest accrued but not due/received	-----	72,600
TOTAL RS :	<u>-----</u>	<u>72,600</u>
SCHEDULE - H : CASH & BANK BALANCES		
Cash on hand	1,025,291	1,376,934
BALANCES WITH SCHEDULES BANKS		
[1] (A) In FDR Accounts (Pledged with Bank against guarantee given)	7,500,000	7,500,000
(B) In FDR Accounts	2,200,000	
[2] In Current Accounts	290,805	2,817,952
TOTAL RS :	<u>11,016,096</u>	<u>11,694,886</u>
SCHEDULE - I : SUNDRY DEBTORS		
(Unsecured, considered good)		
Outstanding for more than six months	1,891,800	240,000
Others	-----	1,736,800
TOTAL RS :	<u>1,891,800</u>	<u>1,976,800</u>
SCHEDULE - J : LOANS & ADVANCES		
(Recoverable in cash on kind or for value to be received)		
[A] Advances for Capital Goods & Construction	17,193,419	17,048,579
[B] Advances for Land Acquisition	222,193	222,193
[C] Loans	32,119,025	32,132,025
[D] Staff Advances	17,366	17,366
[E] Advances for Expenses	87,600	80,000
[F] Deposits	2,530,000	2,637,000
[G] Other Advances/Receivables	365,199	357,754
[H] Advances to Subsidiaries Co's [for share capital pending allotment]	2,264,598	2,264,598
TOTAL RS :	<u>54,799,400</u>	<u>54,759,515</u>
SCHEDULE - K : CURRENT LIABILITIES & PROVISIONS		
[A] CURRENT LIABILITIES		
Sundry Creditors (For Goods & Expenses)	1,782,114	1,790,212
Other Current Liabilities	2,192,359	2,320,411
Advances Against Order	11,000	11,000
TOTAL RS [A] :	<u>3,985,473</u>	<u>4,121,623</u>
[B] PROVISIONS		
Provision for Taxation	260,000	250,000
Provision for Expenses	199,222	237,741
TOTAL RS [B]:	<u>459,222</u>	<u>487,741</u>
TOTAL RS [A+B] :	<u>4,444,695</u>	<u>4,609,364</u>
SCHEDULE - L : MISCELLANEOUS EXPENDITURE		
To the extent not W/Off or adjusted)		
[A] PRELIMINARY EXPENSES		
Opening Balance	1,042,505	1,022,390
Addition during the year	-----	20,115
TOTAL RS [A] :	<u>1,042,505</u>	<u>1,042,505</u>
[B] PUBLIC ISSUE/RIGHT ISSUE EXPENSES		
Opening Balance	9,946,841	9,592,341
Addition during the year	-----	354,500
TOTAL RS [B] :	<u>9,946,841</u>	<u>9,946,841</u>
TOTAL RS [A+B] :	<u>10,989,346</u>	<u>10,989,346</u>

SUN SOURCE (INDIA) LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 1998

Particulars	1997-98 AMOUNT (Rs.)	1996-97 AMOUNT (Rs.)
SCHEDULE - M : INCOME		
Sales	-----	1,736,800
Interest	1,191,747	1,902,301
Land Compensation received	-----	119,000
Interest on I.T.Refund	-----	4,500
Kasar - Vatav (Net)	2,466	95
Miscellaneous Income	204	-----
TOTAL RS :	<u>1,194,417</u>	<u>3,762,697</u>
SCHEDULE - N : RAW MATERIALS		
Opening Stock	18,393,592	6,989,996
Add. : Purchases	-----	13,089,865
	18,393,592	20,079,861
Less : Closing Stock	18,393,592	18,393,592
Raw Material Consumed	-----	1,686,269
SCHEDULE - O		
PAYMENT TO & PROVISION FOR EMPLOYEES		
Salary	81,519	116,670
Vehicle Allowance & Conveyance	4,576	7,663
Wages	2,210	14,660
Site Allowance	-----	9,879
Leave Encashment	-----	195
Staff Welfare Expenses	4,074	10,702
City Compensatory Allowance	3303	5,037
House Rent Allowance	9,958	15,542
Leave Travel Assistance Expenses	2,200	2,800
TOTAL RS :	<u>107,840</u>	<u>183,148</u>

SUN SOURCE (INDIA) LIMITED

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 1998

Particulars	1997-98 AMOUNT (Rs.)	1996-97 AMOUNT (Rs.)
SCHEDULE - P		
ADMINISTRATIVE & GENERAL EXPENSES		
Travelling Expenses	67,852	147,561
Printing & Stationery Expenses	19,297	90,202
Telephone, Telex & Fax Expenses	22,171	134,756
Postage Expenses	8,961	18,229
Advertisement Expenses	6,501	18,899
Auditors' Remuneration	4,750	7501
Entertainment Expenses	3,679	3,359
Books & Periodicals Expenses	-----	1,105
Office Expenses	1,144	7,151
Filing Fees	360	600
Insurance Charges	3,867	30,706
Repairs & Maintenance	-----	11,670
Electricity Charges	145	54,238
Vehicle Expenses	6,959	16,524
Petrol Expenses	9,130	23,203
Sundry Expenses	-----	306
Conveyance Expenses	420	5,671
Meeting Expenses	2,378	5,426
Office Facilities Rent	24,500	79,300
Professional Tax	1,305	370
Rates & Taxes	2,214	11,878
Subscription Fees	2,655	7,995
Legal Fees	-----	1,386
Professional Fees	12,675	18,556
Stamp Expenses	-----	235
Annual Listing Fees	-----	62,750
Refreshment Expenses	2,150	3,019
Inauguration Expenses	-----	7,971
Site Expenses	437	7,255
Computer Media Charges	1,554	4,426
Sitting Fees	750	7,500
Security Services Charges	4,253	3,308
Transportation Charges	-----	525
Visa Fees	2,425	2,900
Retainership Fees	7,088	6,750
Penalty	-----	7,500
Tender fee	-----	15,000
Sales Promotion	-----	2,886
Consultation fees	10,406	55,775
Transfer Service Charge	28,000	44,000
TOTAL RS :	<u>258,026</u>	<u>925,638</u>
SCHEDULE - Q		
FINANCIAL EXPENSES		
Bank Interest	5,154	4,303
Bank Commission & Other Charges	15,525	16,154
Interest to Others	672	272
Financial Charges	47	11,290
TOTAL RS :	<u>21,398</u>	<u>32,019</u>

SUN SOURCE (INDIA) LIMITED

SCHEDULE - R

NOTES FORMING PART OF THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 1998

1. Debit and Credit balance of accounts under the heading of current assets, Loans and advances, bank accounts relating to share application refund account are subject to confirmation and reconciliation.
2. The figures in paisa have been rounded off to the nearest rupee.
3. Previous year's figures have been regrouped & re-arranged to make them comparable with current year's classification.
4. Fixed Deposit of Rs.75 lacs with Vijya Bank has been pledged with them as security for guarantee given by the bank.
5. Pre-operative Expenses are being carried forward to be allocated to suitable heads on completion of the Project.
6. **EXPENDITURE INCURRED ON EMPLOYEES BY THE COMPANY**
 - (i) If employed throughout the financial year and were in receipt of remuneration for the year which in aggregate was not less than Rs.3,00,000/- Rs.NIL.
 - (ii) If employed for a part of the financial year and were in receipt of remuneration for any part of that year at the rate which in aggregate was not less than Rs.25,000 - per month Rs.NIL.

7. PAYMENT TO AUDITORS	1997-98	1996-97	
(i) For Audit Fees	19,000	19,000	
TOTAL RS :	19,000	19,000	

8. Quantitative informations required to be given under para 2 & 3 of part II of schedule VI to the Companies Act, 1956 to the extent relevant:

[A] SALES

	PRODUCT	YEAR	UNIT	QTY.	VALUE
(1)	Fabricated Structure	1997-98	MT.	NIL	NIL
		1996-97	MT.	124	17,36,800

[B] PURCHASE

	PRODUCT	YEAR	UNIT	QTY.	VALUE
(1)	Steel & Hardware items	1997-98	MT.	NIL	NIL
		1996-97	MT.	163	29,88,455
(2)	Wind Turbine	1997-98	SET	NIL	NIL
		1996-97	SET	2	1,01,01,370

[C] OPENING STOCK

	PRODUCT	YEAR	UNIT	QTY.	VALUE
(1)	Steel & Hardware items	1997-98	MT.	431	82,92,182
		1996-97	MT.	392	69,89,996

[D] CLOSING STOCK

	PRODUCT	YEAR	UNIT	QTY.	VALUE
(1)	Steel & Hardware items	1997-98	MT.	431	82,92,182
		1996-97	MT.	431	82,92,182
(2)	Wind Turbine	1997-98	SET	2	1,01,01,370
		1996-97	SET	2	1,01,01,370

9. Earnings in Foreign Exchange : Rs. — NIL
10. Remittance in Foreign Exchange on account of Travelling Rs.97,244/- (2525 U.S.Dollars). Previous Year on account of Books & periodicals Rs.4,158/- (120 U.S Dollars).
11. CIF value of Imports of Raw Materials & Components, Capital Goods etc. : Rs. — NIL. [Previous Year Rs. 76,35,788/- (215295 U. S. Dollars)].
12. The Company has paid Rs.98,000/- as office facilities rent and Rs.1,12,000/- as transfer service charges to a Private Company in which one of the director is a Managing Director.
13. The Company has given advances for Land Acquisition for which necessary formal documents are yet to be executed.
14. As the Company has not commenced manufacturing activities, Preliminary & Public/Right Issue expenses have not been written off during the year.
15. The Company has invested in subsidiary companies Rs.9,39,200/- in Equity Shares of Sun Source Wind Park Developers Limited, and Rs.700/- in Equity Shares of Sun Source Energy Estate Limited.
16. Sundry Debtors includes Rs.16.52 lacs due from subsidiary Company.
17. Contingent liabilities not provided for in respect of :
 - (i) Estimated amount of contracts Rs.15.03 Lacs remaining to be executed on Capital Account, (Previous year Rs.15.03 lacs). net of advances.
 - (ii) Guarantee amounting to Rs.75 lacs has been issued by the Company's bankers in lieu of development security payable by the Company.
18. The Company has provided "Development Security" of Rs.1 crore consisting of Rs.25 lacs in form of deposit and Rs.75 lacs in form of bank guarantee in favour of Rajasthan State Electricity Board (R.S.E.B.). This security will be refunded to the Company after successful completion of the Solar Project within the timeframe as mentioned in the Power Purchase Agreement. As per Power purchase Agreement, the Company was to complete 0.25 MW Solar Project by 31.12.1997. The same is not completed by the Company.
19. Advances recoverable in cash or in kind includes Rs.175.03 lakhs payment made to suppliers/services providers as an advance, which is intended to be adjusted against the value of assets/services to be supplied/provided. The management is in touch with the suppliers. Realisation of these sums would depend upon factors like arrangement for balance payment, progress of project etc. In respect of these, the extent of doubtfulness is not ascertainable.

20. SIGNIFICANT ACCOUNTING POLICIES

[A] BASIS OF ACCOUNTING

The accounts of the Company are prepared under the historical cost convention and in accordance with applicable accounting standards except otherwise stated, Mercantile System of Accounting is followed.

[B] FIXED ASSETS & DEPRECIATION

- (i) Fixed Assets are capitalised at cost including all direct costs and expenses incurred in connection with acquisition of fixed assets appropriated thereto.
- (ii) Depreciation is provided on Straight Line Method basis on all fixed assets at the rates prescribed under Schedule XIV of the Companies Act, 1956 on pro-rata basis with references to the actual date of purchase/use.

[C] Investments are stated at cost. Dividends are accounted for as and when received.

[D] TREATMENT OF EXPENDITURE DURING CONSTRUCTION PERIOD

Expenditure during construction period are included under Pre-operative Expenses and the same are allocated to respective Fixed Assets on commencement of commercial production. Indirect expenses have been allocated between Pre-operative Expenses and revenue expenses on a Pre-determined ratio.

[E] INVENTORY

The raw material is valued at cost price.

AS PER OUR REPORT OF EVEN DATE
FOR M. R. PANDHI & ASSOCIATES
CHARTERED ACCOUNTANTS

ON BEHALF OF THE BOARD

(M.R.PANDHI)
PARTNER

(R.J.PATEL) (A.K.GAJJAR) (N.R.PATEL)
DIRECTOR DIRECTOR DIRECTOR

PLACE : AHMEDABAD

PLACE : AHMEDABAD

DATE : 27.08.1998

DATE : 27.08.1998

SUN SOURCE (INDIA) LIMITED

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

SUN SOURCE WIND PARK DEVELOPERS LIMITED

1. Financial year of the Subsidiary ended on	:	31.03.1998	
2. Holding Company's interest:			
(i) Number of shares held by Sun Source (India) Limited. in subsidiary company	:	9392 equity shares of Rs.100/- each	
(b)Extent of holding	:	100%	
[C] The net aggregate of Profit/(Losses) of the subsidiary company so far it concerns the members of Sun Source (India) Limited.	:	NIL	
(a) not dealt with in the accounts of Sun Source (India) Limited for the year ended 31st March 1998	:	NIL	
(i) for the subsidiary's financial year ended as in (A) above	:	NIL	
(ii) year of the subsidiary since it became the holding company's subsidiary		for the previous financial	: NIL
(b) dealt with the accounts of Sun Source (India) Limited for the year ended 31st March 1998 amounted to -	:	NIL	
(i) for the subsidiary's financial years ended as in (A) above	:	NIL	
(ii) years of the subsidiary since it became the holding company's subsidiary		for the previous financial	: NIL

ON BEHALF OF THE BOARD

(R.J.PATEL) (A.K.GAJJAR) (NISHA PATEL)
DIRECTOR DIRECTOR DIRECTOR

PLACE : AHMEDABAD
DATE : 27.08.1998

SUN SOURCE (INDIA) LIMITED

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

SUN SOURCE ENERGY ESTATE LIMITED

1. Financial year of the Subsidiary ended on	:	31.03.1998
2. Holding Company's interest	:	
(i) Number of shares held by Sun Source (India) Limited in subsidiary company	:	70 equity shares of Rs.10/- each
(b) Extent of holding	:	14.89%
[C] The net aggregate of Profit/(Losses) of the subsidiary company so far it concerns the members of Sun Source (India) Limited.	:	NIL
(a) not dealt with in the accounts of Sun Source (India) Limited for the year ended 31st March 1998	:	NIL
(i) for the subsidiary's financial year ended as in (A) above	:	NIL
(ii) for the previous financial year of the subsidiary since it became the holding company's subsidiary	:	NIL
(b) dealt with the accounts of Sun Source (India) Limited for the year ended 31st March 1998 amounted to -	:	NIL
(i) for the subsidiary's financial years ended as in (A) above	:	NIL
(ii) for the previous financial years of the subsidiary since it became the holding company's subsidiary	:	NIL

ON BEHALF OF THE BOARD

(R.J.PATEL)
DIRECTOR

(A.K.GAJJAR)
DIRECTOR

(NISHA PATEL)
DIRECTOR

PLACE : AHMEDABAD
DATE : 27.08.1998

SUN SOURCE (INDIA) LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(I) Registration Details :

Registration No. 17458

State Code : 04

Balance Sheet Date : 31.03.1998

(II) Capital raised during the year

[Amt.in Rs.Thousand]

Public Issue.....	NIL
Right Issue.....	NIL
Bonus Issue	NIL
Private Placement.....	NIL

(III) Position of Mobilisation & Deployment of Funds

Total Liabilities.....	149818
Total Assets.....	149818

Sources of Fund :

Paid-up Capital.....	114556
Reserves & Surplus.....	35127
Secured Loans.....	NIL
Unsecured Loans.....	135

Applications of Fund :

Net Fixed Assets.....	31576
Investments.....	940
Pre-operative Exps.....	24656

Pending Allocation

Net Current Assets.....	81656
Misc. Expenditure.....	10990
Accumulated Losses.....	NIL

(IV) Performance of Company

Turnover/Income.....	1194
Total Expenditure.....	632
Profit/(Loss) Before Tax.....	562
Profit/(Loss) after tax.....	281
Earning per Share in Rs.0.02 Dividend Rate %	NIL

(V) Generic Names of Three Principal products/services of the Company (as per monetary terms).

(i) Item Code No.....	8412
-----------------------	------

Product Description :

1. Concentrating Solar Collectors(Photovoltaic)
2. Silicon Solar Cells & Modules.
3. Goods & parts for the manufacture of wind operated of manufacture Electricity Generators.
4. Concentrating Solar Collectors (Thermal)

SUN SOURCE (INDIA) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 1998

(RS. IN LACS)

	1997-98	1996-97
[A] CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit after tax	2.81	4.14
<u>ADD. : ADJUSTMENTS FOR :</u>		
(1) Provision for Income Tax	2.60	2.50
(2) Short revision for Income Tax	0.21	0.01
(3) Depreciation	0.46	2.61
(4) Loss on Sale of Vehicle	1.99	0.10
(5) Interest Expenses	0.07	0.05
(6) Interest Income	<u>(11.92)</u>	<u>(19.02)</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(3.78)	(9.61)
<u>ADJUSTMENTS :</u>		
(1) Inventories	-----	(114.03)
(2) Trade Receivables	-----	(17.37)
(3) Interest Accrued	0.73	1.33
(4) Loans & Advances	0.45	(5.79)
(5) Current Liabilities	<u>(4.24)</u>	<u>(2.56)</u>
CASH OUT FLOW FROM OPERATIONS	<u>(6.84)</u>	<u>(148.03)</u>
[B] CASH FLOW FROM INVESTING ACTIVITIES		
(1) Interest Received	11.92	19.02
(2) Interest Expenses	(0.06)	(0.05)
(3) Investments in Shares	-----	(0.01)
(4) Investments in Fixed Assets	-----	(28.72)
(5) Proceeds from Sale of Fixed Assets	0.60	0.09
(6) Increase in Pre-Operative Expenses	(13.03)	(39.05)
(7) Increase in MISC. Expenditure	-----	(3.75)
CASH OUT FLOW FROM INVESTING ACTIVITIES	<u>(0.57)</u>	<u>(52.47)</u>
[C] CASH FLOW FROM FINANCING ACTIVITIES		
(1) Repayment of Loans	(0.12)	(2.96)
(2) Proceeds from Unsecured Loans	-----	0.30
(3) Proceeds from Calls in Arrears	0.74	20.94
CASH FLOW FROM FINANCING ACTIVITIES	<u>0.62</u>	<u>18.28</u>
CASH & EQUIVALENT AT THE BEGINNING	116.95	299.17
CASH & CASH EQUIVALENT AT THE END	(110.16)	(116.95)

ON BEHALF OF THE BOARD

(R.J.PATEL)
DIRECTOR

(A.K.GAJJAR)
DIRECTOR

(NISHA PATEL)
DIRECTOR

PLACE : AHMEDABAD
DATE : 27.08.1998

AUDITORS' REPORT ON CASH FLOW STATEMENT

We have checked the annexed Cash flow statement of SUN SOURCE (INDIA) LIMITED for the year ended 31ST MARCH 1998 from the books and records maintained by the Company and found the same to be drawn in accordance therewith and also with the requirements of Clause 32 of the listing agreements with Stock Exchange.

FOR M. R. PANDHI & ASSOCIATES
CHARTERED ACCOUNTANTS

PLACE : AHMEDABAD

DATE : 27.08.1998

(M.R.PANDHI)

PARTNER

L. F. No. _____

No. of Shares _____

SUN SOURCE (INDIA) LIMITED

PROXY

SUN SOURCE (INDIA) LIMITED

REGISTERED OFFICE :

1, SONAL INDUSTRIAL ESTATE, KHODA, SANAND - VIRAMGAM HIGHWAY, DIST. : AHMEDBAD - 382170.

I/We _____ of _____ in the District of _____ being a Member/
Members of the above named Company hereby appoint _____ of _____ in the District
of _____ or failing him _____ of _____ in the District of as my/our proxy to
vote on my/our behalf at the 6th Annual General Meeting of the Company to be held on 28th September 1998 at 10.00
A.M. and at any adjournment thereof.

Signed this _____ day of _____ 1998.

Affix
Rs. 1/-
Revenue
Stamp

(Signature of the Shareholder

across the stamp)

Note :- This proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time
fixed for holding the meeting.

SUN SOURCE (INDIA) LIMITED

REGISTERED OFFICE :

1, SONAL INDUSTRIAL ESTATE, KHODA, SANAND - VIRAMGAM HIGHWAY, DIST. : AHMEDBAD - 382170.

ATTENDANCE SLIP

I Mr./Mrs./Miss _____

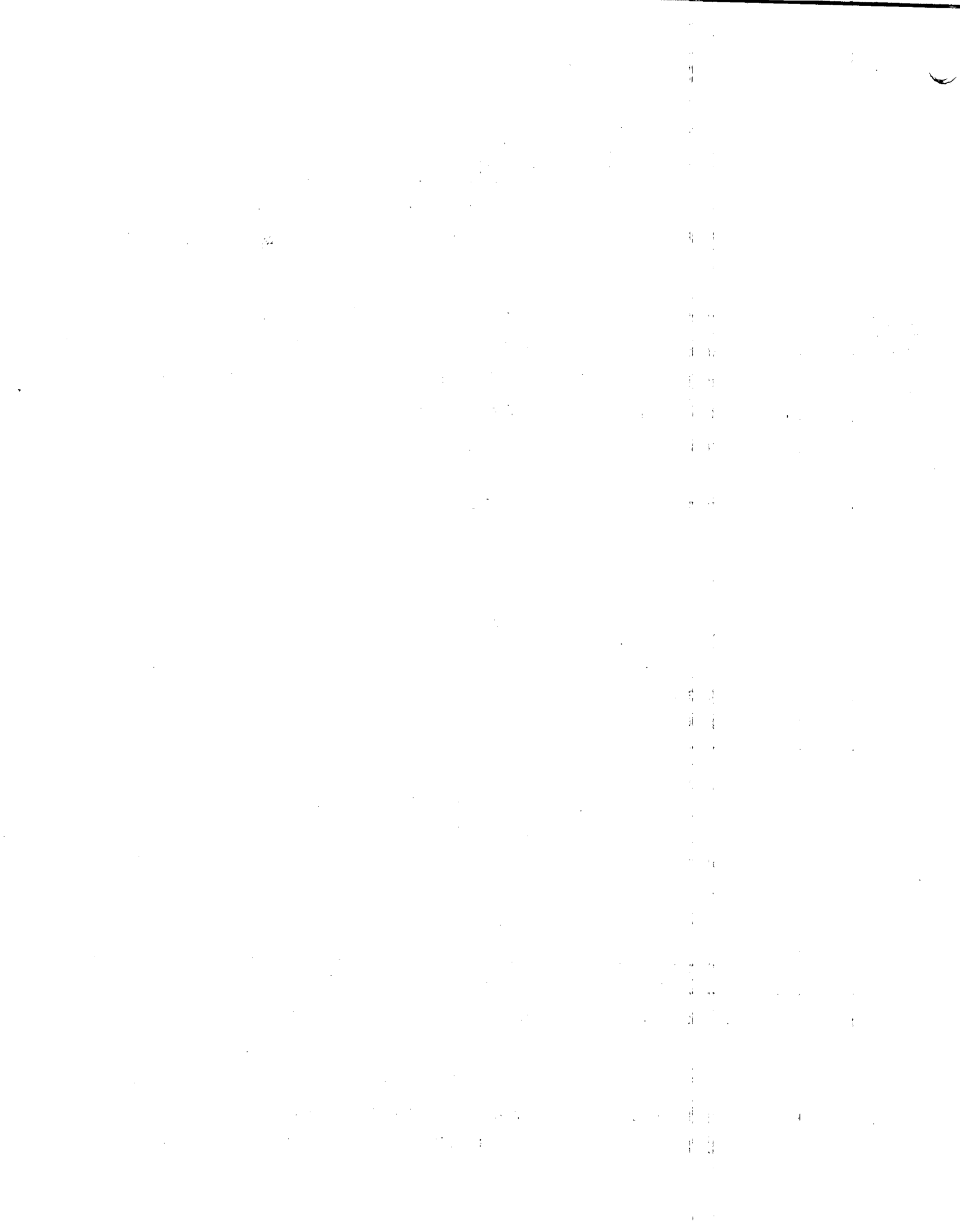
L. F. No. _____ hereby record my presence at the 6th Annual General Meeting of the Company at the

REGISTERED OFFICE : 1, SONAL INDUSTRIAL ESTATE, KHODA, SANAND - VIRAMGAM HIGHWAY, DIST. : AHMEDBAD - 382170.

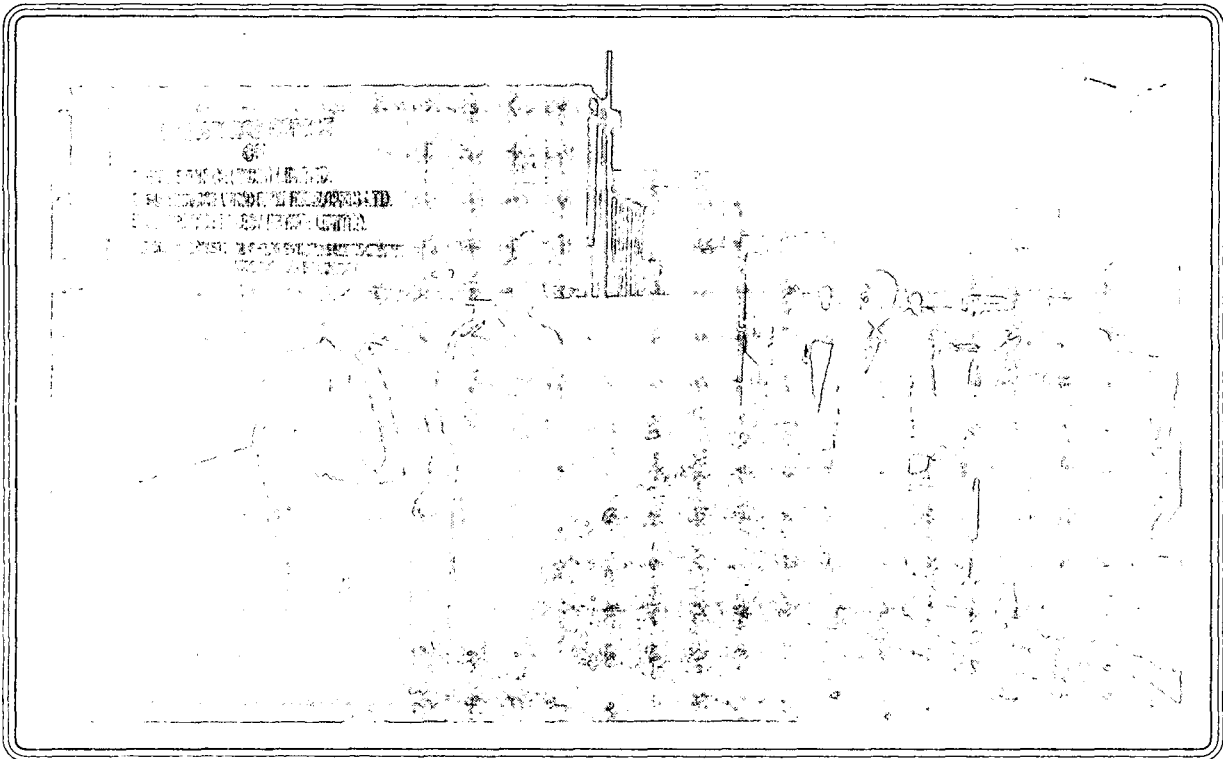
Signature of the
Shareholder or Proxy

Note :- 1) Please fill this attendance slip and hand it over at the entrance of the meeting hall.

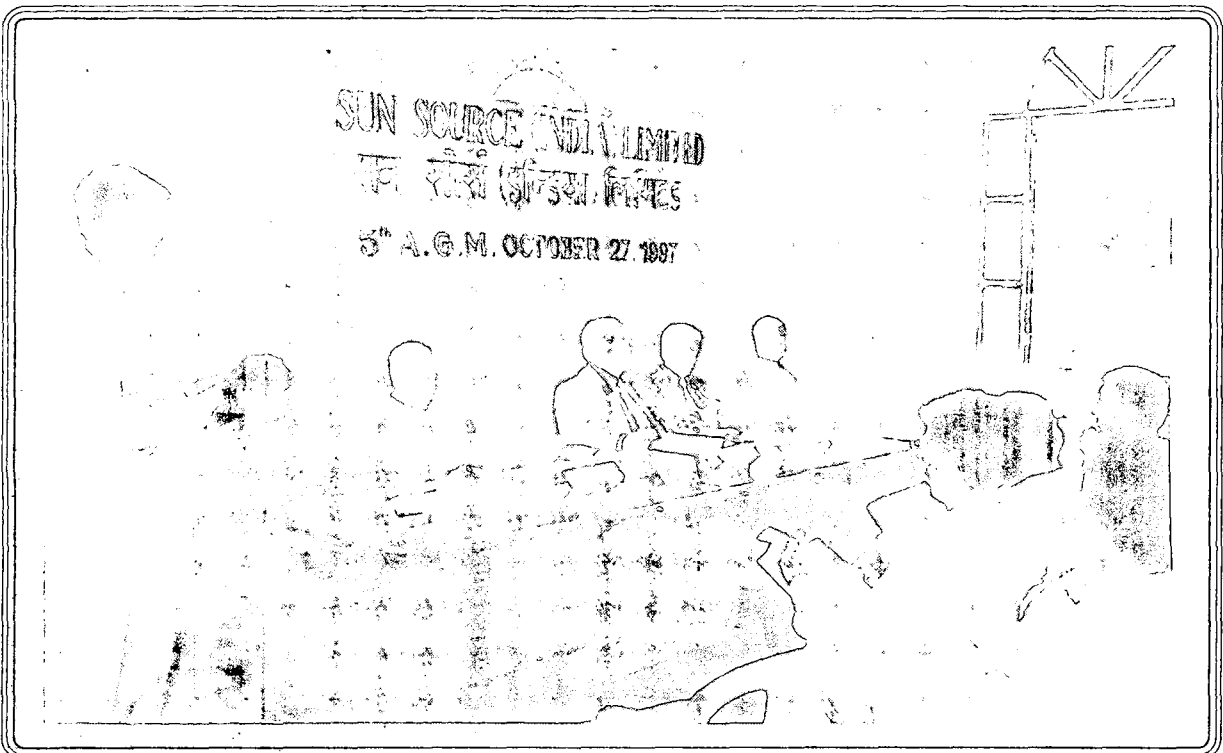
2) SHAREHOLDERS ARE REQUESTED TO BRING THEIR COPIES OF THE ANNUAL REPORT WITH THEM.



SUN SOURCE (INDIA) LIMITED



(1) Shri R.J. Patel, Chairman, Shri Sanat Thakker, Valued Shareholder, Mr. Madhu Sudden Dadhich Project Director, Rajasthan and Ms. Nisha Patel Director, are seen at the Main Entrance of the Factory Premises. A view of the Administrative Building seen at the back.



(2) Board of Directors on Dias at the IVth Annual General Meeting. On the Dias (Left to Right) :
1. Ms. Nisha Patel - Director 2. Mr. Ashok Gajjar - Vice Chairman 3. Mr. Rajni Patel - Chairman
4. Mr. Pravin Parekh - Legal Advisor 5. Mr. M. S. Dadhich - Project Director

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To,