

KAPIL COTEX LTD
BALANCE SHEET & STATEMENT OF ACCOUNT
FOR THE YEAR ENDEND 31ST MARCH,2000

KAPIL COTEX LIMITED

NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of the Members of the Company will be held at 354, Kalbadevi Road, Kalyan Bhuvan, Mumbai- 400002 on Friday, September 29, 2000 at 11 a.m. to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2000 and Profit & Loss Account for the year ended on that date and Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Shri Daulal Mohta who retires by rotation and he is eligible for re-appointment.
3. To appoint a Director in place of Shri Rajendra Kumar Mohta who retires by rotation and he is eligible for re-appointment.
4. To appoint Auditors and fix their remuneration.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 26, 2000 to Friday, September 29, 2000 (both days inclusive).
3. Members are requested to bring their copies of the Annual Report at the time of attending the Annual General Meeting.

Mumbai
August 30, 2000

By Order of the Board,

De Jd Mohl

Director.

Kavil

Regd. Off.:

354, Kalbadevi Road,
Kalyan Bhuvan, Mumbai- 400002.

CERTIFIED TRUE COPY

For Kapil Cotex Limited.

De Jd Mohl

Director

KAPIL COTEX LIMITED

DIRECTORS' REPORT TO THE MEMBERS

Regd. Off.: 354, Kalbadevi Road, Kalyan Bhuvan, Mumbai- 400002.

Your Directors present before you the Sixteenth Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2000.

Financial Results:

The financial results of the Company are summarised as under :
Rs. in Lakhs

	Year 1999-00 -----	Year 1998-99 -----
Sales and other Income	34.49 =====	49.92 =====
Profit before Depreciation	2.66	2.69
Less: Depreciation	0.39 -----	0.70 -----
Profit before Tax	2.27	1.99
Less: Provision for tax	0.85 -----	0.70 -----
Profit after tax	1.42	1.29
Add: Balance B/F from last year	5.87 -----	4.58 -----
	7.29	5.87
Income-tax adjustment of earlier year (0.05)	(0.05) -----	-----
Balance transferred to Balance Sheet	7.24 =====	5.87 =====

Information under Section 217 1(e) of the Companies Act, 1956:

Measures are being taken to conserve the electrical energy.

The Company does not use any technology for its existing business

There was no foreign exchange earning or outgo during the year under report.

Contd.. 2

CERTIFIED TRUE COPY

For Kapil Cotex Limited

D. J. Mohl

Director

Y2K Compliant :

The Computerised system (both Hardware and Software) of the Company is already Y2K compliant.

Listing :

The Equity shares of the company are listed on the Mumbai Stock Exchange and the company has paid the Annual Listing Fees to the Exchange for the year 1999-2000.

Directors:

Shri Daulal Mohta and Shri Rjendra Kumar Mohta, Directors of the Company would retire by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment.

Employees:

The Company does not have any employee whose particulars are required to be given pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

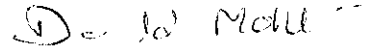
Auditors:

M/s M. S. Vyas & Associates, Chartered Accountants, Auditors of the Company would retire at the forthcoming Annual General Meeting and they are eligible for re-appointment.

For and on behalf of the Board,



Director

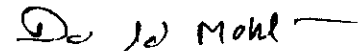


Director

Mumbai,
August 30, 2000.

CERTIFIED TRUE COPY

For Kapil Cotex Limited.



Director

M. S. VYAS & ASSOCIATES

CHARTERED ACCOUNTANTS

M. S. VYAS
B.Com., F.C.A.

D. D. BOHRA
B.Com., F.C.A.

Phone : 265 1408

1/13-B, Rajabhadur Compound,
27, Tamarind Lane, Off. B. S. Marg,
Opp. Allahabad Bank,
MUMBAI - 400 023.

KAPIL COTEX LIMITED, MUMBAI

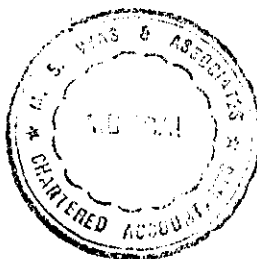
REPORT OF THE AUDITORS TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of KAPIL COTEX LIMITED, MUMBAI, as at 31st March, 2000 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 Company Law Board in terms of Section 227(4A) of the Companies Act, 1956. We enclose in the Annexure a statement in 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.
 - a) We have obtained all the informations and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of accounts 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 Profit & Loss Account dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet complies with the mandatory Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
 - e) In our opinion and to the best of our information and according to the explanations given to us the accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view subject to notes and remarks given on Schedule & Annexures.
 - i) In the case of Balance Sheet of the state of affairs of the company as at 31st March, 2000 and
 - ii) In the case of the Profit & Loss Account of the Profit for the year ended on that date.

Place : Mumbai

Date : 30 AUG 2000



For M.S.VYAS & ASSOCIATES,
Chartered Accountants,

(Signature)
(D.D. BOHRA)
Partner.

CERTIFIED TRUE COPY

M. S. VYAS & ASSOCIATES

CHARTERED ACCOUNTANTS

M. S. VYAS
B.Com., F.C.A.

D. D. BOHRA
B.Com., F.C.A.

Phone : 265 1408

1/13-B, Rajabhadur Compound,
27, Tamarind Lane, Off. B. S. Marg,
Opp. Allahabad Bank,
MUMBAI - 400 023.

KAPIL COTEX LIMITED

ANNEXURE TO THE AUDITORS REPORT

Annexure referred to in Paragraph 1 of the Report of even date the Auditors to the Shareholders of KAPIL COTEX LIMITED, on the Accounts for the year ended on 31st March, 2000.

1. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. All the assets have been physically verified by the management and no serious discrepancies have been noticed on verification.
2. None of the Fixed Assets have been revalued during the year.
3. Physical verification has been conducted by the Management at the end of the year in respect of finished goods and raw materials.
4. The procedure of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
5. The discrepancies noticed on verification between physical stock and book records were not material.
6. On the basis of our examination of records, we are of the opinion that 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. The Company has not taken any loan secured or unsecured loans from companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956 (1 of 1956) and/or from the companies under the same management during the year.
8. The company has given unsecured loans to companies, firms or other parties listed in the registers maintained under section 301 and 370(1-C) of the Companies Act, 1956. Rate of interest and other terms and conditions of such loans are prima facie not prejudicial to the interest of the company.

M. S. VYAS & ASSOCIATES

CHARTERED ACCOUNTANTS

M. S. VYAS
B.Com., F.C.A.

D. D. BOHRA
B.Com., F.C.A.

Phone : 265 1408

1/13-B, Rajabhadur Compound,
27, Tamarind Lane, Off. B. S. Marg,
Opp. Allahabad Bank,
MUMBAI - 400 023.

: 2 :

9. In respect of loans and advances in nature of loans given by the company, the parties have repaid the principal amounts where stipulated and have also been regular in the payment of interest, where applicable.

10. In our opinion and according to information and explanations given to us there are adequate internal control procedure commensurate with the size of the company and the nature of its business for purchases of raw material, goods, equipments, other assets and for the sale of goods.

11. The 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 and aggregating during the year to Rs. 50,000/- or more in respect of each party, have been made at prices which are reasonable having regard to prevailing market prices for such goods, materials and services or the prices at which transactions for similar goods or services have been made with other parties.

12. As informed to us no part of stores and raw materials have been determined as unserviceable or damaged during the year.

13. As informed to us, the company has not taken or accepted any deposit from the Public during the year.

14. As explained to us the company has no by-product and disposable scrap during the year.

15. Since the paid up capital of the company is below Rs. 25 Lakhs and an average annual turnover not exceeding Rs. 2 Crore for a period of 3 consecutive financial years immediately preceeding the financial years concerned therefore no comment is required on the clause relating to Internal Audit System.

CERTIFIED TRUE COPY
For Mspil Cores



M. S. VYAS & ASSOCIATES

CHARTERED ACCOUNTANTS

M. S. VYAS
B.Com., F.C.A.

D. D. BOHRA
B.Com., F.C.A.

Phone : 265 1408

1/13-B, Rajabhadur Compound.
27, Tamarind Lane, Off. B. S. Marg,
Opp. Allahabad Bank,
MUMBAI - 400 023.

: 3 :

16. As informed by the management that the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 (1 of 1956).

17. As informed by the management, the Provident Fund Act and E.S.I.C. Provisions are not applicable to the Company.

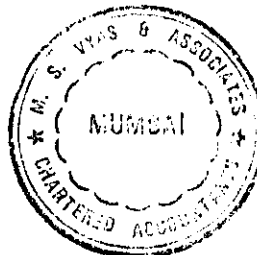
18. No undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Custom Duty and Excise duty were outstanding as at 31st March, 2000 for a period of more than 6 months from the date they became payable.

19. According to the information and explanations given to us no personal expenses have been charged to the revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.

20. The provisions of Clause (o) of Sub.section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985 are not applicable to the company.

Place : Mumbai

Date : 30 AUG 2000



FOR M.S.VYAS & ASSOCIATES,
Chartered Accountants,

[Signature]
(D.D. BOHRA)
Partner.

CERTIFIED TRUE COPY.

[Signature]
For Kapil Colax Limited.

[Signature]
Director

Schedules forming Part of Balance Sheet:SCHEDULE 'A'As at 31.03.2000As at 31.03.99Share Capital:Authorised:2,50,000 Equity share of
Rs.10/-each.

25,00,000.00

25,00,000.00

=====

=====

Issued, Subscribed & Paidup:2,40,000 Equity share of
Rs.10/- each.

24,00,000.00

24,00,000.00

=====

=====

SCHEDULE 'B'Reserve & Surplus:

Surplus in Profit & Loss Account.

7,24,096.37

5,87,492.06

=====

=====

SCHEDULE 'C'Unsecured Loan:

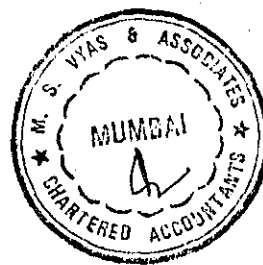
Shri.Daulal Mohta

-

3,00,000.00

=====

=====



For Kapil Cotex Limited.

D. J. Moha

Director

CERTIFIED TRUE COPY

For Kapil Cotex Limited.

D. J. Moha

Director

NOTES FORMING PART OF ACCOUNTS:SCHEDULE 'K'SIGNIFICANT ACCOUNTING POLICIES:

The accounts have been prepared on historical basis and conform to the generally accepted accounting policies.

1. Basis of Accounting:

For recognition of Income & Expenses, the company adopts the accrual basis in the preparation of accounts except the items, the amounts of which cannot be ascertained with reasonable accuracy.

2. Fixed Assets:

- a) Fixed Assets are shown at historical cost less accumulated depreciation.
- b) Depreciation on the assets is provided on the written down value methods at the rates prescribed in the Income Tax Act, 1961 on written down value basis.

The impact of non compliance with rates specified in Schedule XIV of the Companies Act, 1956 on the profit for the current year has not been ascertained.

3. Valuation of Inventories:

<u>Item</u>	<u>Mode of Valuation</u>
Yarn	At Cost
Grey Cloth	At cost
Finished goods	At cost or net realisable value whichever is less.

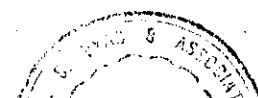
4. Retirement benefits:

No provision has been made for retirement benefits like gratuity, Leave encashments, which is charged to revenue as and when the liability arises. The impact of this non-provision on the current year's profit has not been estimated.

For Kapil Cotex Limited.

D. D. Mohr

Director



5. Research and development expenditure for the year 99-2000 - Nil
 98-99 - Nil

6. Directors have waived their remuneration and sitting fees.

7. Remuneration to Auditors:

(Amount in Rs.)

	<u>Current year</u>	<u>Previous year</u>
Statutory Audit fees	7,875.00	5,500.00
Tax Audit fees	7,875.00	5,500.00

8. Additional Information pursuant to Part II of Schedule VI of Companies Act, 1956.

i) Expenditure in Foreign Currencies - Nil

ii) Opening Stock, Closing Stock, Turnover of finished goods, licenced capacity, installed capacity (As furnished by Management).

Class of goods	<u>1999-2000</u>		<u>98-99</u>	
	Qty. (In Pair)	Value	Qty. (In Pair)	Value
A. Licenced Capacity	N.A.	-	N.A.	-
B. Installed capacity	N.A.	-	N.A.	-
C. Op. Stock (Dhoti)	3459.50	287202.35	4059.50	399473.05
D. Production/Purchase for Resale.	20982.50	-	38983.50	-
E. Turnover (Dhoti)	22071.00	2495531.37	39583.50	1471042.26
F. Closing Stock (Dhoti)	2371.00	228178.60	3459.50	287202.35

iii) Raw Materials consumed.

	<u>Qty.</u>	<u>Value (Rs)</u>
Yarn	6810	1162373.39

9. Previous year figures have been regrouped/re-arranged wherever considered to make them comparable with the Current year's figures.



For Kapil Cotex Limited.
 D. J. Mohi
 Director

CERTIFIED TRUE COPY

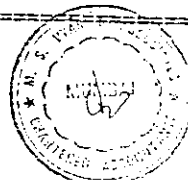
KAPIL COTEX LIMITED

FIXED ASSETS

31.3.2000

SCHEDULE 'D'

Description	Rate of Dep.	GROSS BLOCK			DEPRECIATION		NET BLOCK			
		W.D.V. as on 1.4.99	on Addition during the	Deduction during the	As on 31.3.2000	As on 1.04.1999	For the year Upto 31.3.2000	As on 31.3.2000	As on 31.03.1999	
Motor Car	20%	1,08,939.00	-	-	1,08,939.00	99,580.00	1,872.00	1,01,452.00	7,487.00	9,359.00
Furniture & Fixtures	10%	37,658.52	-	-	37,658.52	20,350.52	1,731.00	22,081.52	15,577.00	17,308.00
Machineries	25%	10,070.00	-	-	10,070.00	8,495.00	394.00	8,889.00	1,181.00	1,575.00
Generators	25%	23,450.00	18,800.00 (10.1.2000)	-	42,250.00	20,320.00	3,132.00	23,452.00	18,798.00	3,130.00
Computer	60%	1,46,400.00	-	-	1,46,400.00	109,098.00	22,381.00	1,31,479.00	14,921.00	37,302.00
Fax Machine	25%	18,750.00	12,800.00 (18.5.99)	-	31,550.00	11,828.00	4,930.00	16,758.00	14,792.00	6,922.00
Weight Machine	25%	11,200.00	-	-	11,200.00	7,656.00	886.00	8,542.00	2,658.00	3,544.00
Mobile Telephone	25%	28,000.00	-	-	28,000.00	14,219.00	3,445.00	17,664.00	10,336.00	13,781.00
Total Rs.		3,84,467.52	31,600.00	-	4,16,067.52	2,91,546.52	38,771.00	3,30,317.52	85,750.00	92,921.00



CERTIFIED TRUE COPY

Kapil Cotex Limited

KAPIL COTEX LTD., MUMBAI
BALANCE SHEET AS AT 31ST MARCH, 2000

	Schedule	As at 31.3.2000	As at 31.3.1000
<u>Sources of Funds:</u>			
<u>Shareholders fund:</u>			
Share Capital	A	24,00,000.00	24,00,000.00
Reserve & Surplus	B	7,24,096.37	31,24,096.37
			5,87,492.06
Unsecured Loan	C	-	3,00,000.00
		31,24,096.37	32,87,492.06
<u>Application of funds:</u>			
Fixed Assets	D		
Gross Block		4,16,067.52	3,84,467.52
Less: Depreciation		3,30,317.52	2,91,546.52
Net Block		85,750.00	92,921.00
Current Assets:			
Loans & Advances	E	51,25,236.85	51,24,253.54
Less: Current Liabilities & Provision	F	20,86,890.48	19,29,682.48
Net Current Assets		30,38,346.37	31,94,571.06
		31,24,096.37	32,87,492.06

AS PER OUR REPORT OF EVEN DATE

FOR M.S.VYAS & ASSOCIATES,
Chartered Accountants,

FOR AND ON BEHALF OF THE BOARD

Kapil

Income:Sales:

Cloth (Dhoti)

24,95,531.37

44,71,042.26

Yarn

1,70,696.00

13,710.00

Other Income:

Interest Received

3,02,007.00

2,94,923.10

Commission Received

2,19,089.00

1,80,703.00

Quantity Rebate

2,30,955.00

-

Miscellaneous Income

30,837.00

31,146.00

Accretion/Decretion of stock

(59,023.75)

(1,12,270.70)

33,90,091.62

48,79,253.66

Expenditure:

Cost of Production

23,19,912.09

38,59,203.26

Office & Administration expenses

6,86,791.85

6,32,960.32

Selling & Distribution expenses

1,17,943.37

1,18,045.30

Depreciation

38,771.00

69,867.00

31,63,418.31

46,80,075.88

Profit before Tax

2,26,673.31

1,99,177.78

Provision for taxation

85,000.00

69,700.00

Profit after tax

1,41,673.31

1,29,477.78

Surplus brought forward

5,87,492.06

4,58,014.28

Profit available for Appropriation

7,29,165.37

5,87,492.06

Appropriation:

Income Tax adjustment of earlier years.

(5,069.00)

-

Balance Carried to Balance Sheet.

7,24,096.37

5,87,492.06

AS PER OUR REPORT OF EVEN DATE

FOR M.S.VIAS & ASSOCIATES,
Chartered Accountants,3-4-79
(D.D. BOHRA)
Partner.

Place : Mumbai

Date : 30 AUG 2000

FOR AND ON BEHALF OF BOARD

CERTIFIED TRUE COPY
For Kapil Cotex Limited.

Directors.

D. D. Mohi

NOTES FORMING PART OF ACCOUNTS:SCHEDULE 'K'SIGNIFICANT ACCOUNTING POLICIES:

The accounts have been prepared on historical basis and conform to the generally accepted accounting policies.

1. Basis of Accounting:

For recognition of Income & Expenses, the company adopts the accrual basis in the preparation of accounts except the items, the amounts of which cannot be ascertained with reasonable accuracy.

2. Fixed Assets:

- a) Fixed Assets are shown at historical cost less accumulated depreciation.
- b) Depreciation on the assets is provided on the written down value methods at the rates prescribed in the Income Tax Act, 1961 on written down value basis.

The impact of non compliance with rates specified in Schedule XIV of the Companies Act, 1956 on the profit for the current year has not been ascertained.

3. Valuation of Inventories:

<u>Item</u>	<u>Mode of Valuation</u>
Yarn	At Cost
Grey Cloth	At cost
Finished goods	At cost or net realisable value whichever is less.

4. Retirement benefits:

No provision has been made for retirement benefits like gratuity, Leave encashments, which is charged to revenue as and when the liability arises. The impact of this non-provision on the current year's profit has not been estimated.

For Kapil Cotex Limited.

De Jd Mohi

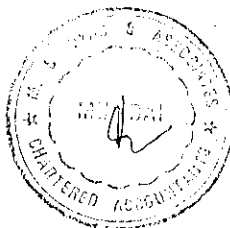
Director

Kapil

CERTIFIED TRUE-COPY

For Kapil Cotex Limited.

De Jd Mohi



5. Research and development expenditure for the year 99-2000 - Nil
98-99 - Nil

6. Directors have waived their remuneration and sitting fees.

7. Remuneration to Auditors:

(Amount in Rs.)

	<u>Current year</u>	<u>Previous year</u>
Statutory Audit fees	7,875.00	5,500.00
Tax Audit fees	7,875.00	5,500.00

8. Additional Information pursuant to Part II of Schedule VI of Companies Act, 1956.

i) Expenditure in Foreign Currencies - Nil

ii) Opening Stock, Closing Stock, Turnover of finished goods, licenced capacity, installed capacity (As furnished by Management).

Class of goods	<u>1999-2000</u>		<u>98-99</u>	
	Qty. (In Pair)	Value	Qty. (In Pair)	Value
A. Licenced Capacity	N.A.	-	N.A.	-
B. Installed capacity	N.A.	-	N.A.	-
C. Op. Stock (Dhoti)	3459.50	287202.35	4059.50	399473.05
D. Production/Purchase for Resale.	20982.50	-	38983.50	-
E. Turnover (Dhoti)	22071.00	2495531.37	39583.50	4471042.26
F. Closing Stock (Dhoti)	2371.00	228178.60	3459.50	287202.35

iii) Raw Materials consumed.

	<u>Qty.</u>	<u>Value (Rs)</u>
Yarn	6810	1162373.39

9. Previous year figures have been regrouped/re-arranged wherever considered to make them comparable with the Current year's figures.



For Kapil Cotex Limited.

D. J. Mohi

K. U. Director

CERTIFIED TRUE COPY

For Kapil Cotex Limited.

D. J. Mohi

Director

Kapil Cotex Limited

10. No contingent Liability has been ascertained.

11. <u>GIF value of Imports:</u>	<u>99-2000</u>	<u>98-99</u>
Raw materials	Nil	Nil
Stores & Spares	Nil	Nil
Capital Goods	Nil	Nil
12. <u>Foreign Currency transactions:</u>		
Expenditure	Nil	Nil
Income/earnings	Nil	Nil

13. Loans & Advances are subject to confirmation.

14. Additional Information pursuant to Part IV of Schedule IV of the Companies Act, 1956.

BALANCE SHEET ABSTRACT & COMPANY'S GENERIC BUSINESS PROFILE.I. Registration Details:

Registration No. : 11-031114
 States Code : 11
 Balance Sheet date : March 31, 2000

II. Capital Raised during the year.

Public Issue : Nil
 Right Issue : Nil
 Bonus Issue : Nil
 Private Placement : Nil

III. Position of Mobilisation and Deployment of Funds:

(Rs. in thousand)

Total Liabilities : 3124 Total Assets : 3124
Sources of Funds:
 Paidup Capital : 2400
 Reserve & Surplus : 724
 Secured Loans : Nil
 Unsecured Loans : Nil

**Kapil Cotex Limited.**

Application of funds:

Net Fixed Assets	: 85
Investments	: Nil
Net Current Assets	: 3038
Misc.Expenditure	: Nil
Accumulated Losses	: Nil

IV. Performance of Company.

Turnover	: 2666
Total	: 3163
Profit before Tax	: 226
Profit after tax	: 141
Earning per share (in Rs.)	: 0.587
Dividend Rate	: Nil

V. Generic name of Three Products/Services of Company.

Item Code No.(ITC Code)

Product Description

Code not available

Code not available.

As per our report of even date attached.

FOR M.S.VYAS & ASSOCIATES,
Chartered Accountants.

FOR AND ON BEHALF OF BOARD

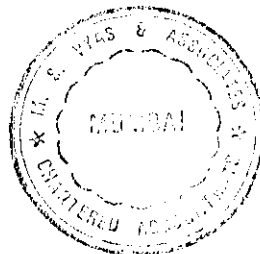
[Signature]
(D.D.BOHRRA)
Partner.

[Signature]
(Director)

(Director)

Place : Mumbai

Date : 30 AUG 2000



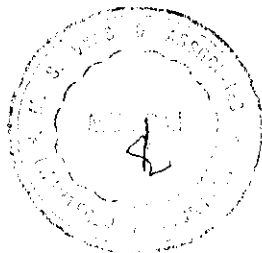
CERTIFIED TRUE COPY
For Kapil Cotex Limited,

[Signature]
Director

KAPIL COTEX LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST M A R C H, 2000

	<u>Year ended</u> <u>31.03.2000</u>	<u>Year ended</u> <u>31.03.1999</u>
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before Tax	2,26,673	1,99,178
Adjustments for:		
Depreciation provided	38,771	69,867
Interest paid	Nil	Nil
Investment Income		
Interest	(3,02,007)	(2,94,923)
	-----	-----
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(36,563)	(25,878)
Adjustments for:		
Inventories	6,76,618	4,69,761
Debtors	3,14,854	(89,915)
Other Current Assets (Excl.Cash & Bank Balance)	Nil	Nil
Loans & Advances.	(9,74,915)	4,66,452
Current Liabilities & Provisions.	2,22,132	(13,70,227)
	-----	-----
CASH GENERATED FROM OPERATION	2,02,126	(5,49,807)
Interest paid	Nil	Nil
Direct Taxes paid (Net)	(96,988)	(65,358)
	-----	-----
CASH FLOW BEFORE EXTRA ORDINARY ITEMS.	1,05,138	(6,15,165)
Extra Ordinary Items:		
Previous period items	(5,069)	Nil
	-----	-----
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	1,00,069	(6,15,165)



For Kapil Cotex Limited
Do to Mohd... ..2
Shah Director
 CERTIFIED TRUE COPY

31.3.2000

Kapil Cotex Limited31.3.200031.3.1999B. CASH FLOW FROM INVESTING ACTIVITIES:

Purchase of Fixed Assets	(31,600)	N11
Sale of Fixed Assets	N11	N11
Fixed Assets Under instllation	N11	N11
Purchase of Investment	N11	N11
Sale of Investment	N11	N11
Interest recd.on Investments	3,02,007	2,94,923
NET CASH RECEIVED FROM INVESTING ACTIVITIES.	(B) 2,70,407	2,94,923
	=====	=====

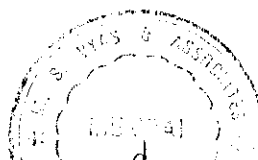
C. CASH FLOW FROM FINANCING ACTIVITIES:

Issue of Share Capital	N11	N11
Proceeds from Long Term Borrowing	N11	N11
Proceeds from Short Term borrowing	N11	3,00,000
Repayment of Long Term borrowing	N11	N11
Repayment of Short term borrowing	(3,00,000)	N11
Grant for R & D Project	N11	N11
NET CASH USED IN FINANCING ACTIVITIES	(C) (3,00,000)	3,00,000
	=====	=====
NET INCREASE IN CASH OR CASH EQUIVALENTS (A) + (B) + (C)	70,476	(20,242)
CASH AND CASH EQUIVALENTS AS AT 1st April,1999 (Opening Balance)	1,34,043	1,54,285
CASH AND CASH EQUIVALENTS AS AT 31st March,2000 (Closing Balance)	2,04,519	1,34,043

FOR AND ON BEHALF OF BOARD

Mumbai

Date : 30 AUG 2000



Dr. J. D. Mohi
K. S. NYS & ASSOCIATES
 Directors.

CERTIFIED TRUE COPY
 For Kapil Cotex Limited