

UNION QUALITY PLASTICS LIMITED



*Sixteenth Annual Report
1999 - 2000*



BOARD OF DIRECTORS

CHAIRMAN :

A. G. KATHAWALA

MANAGING DIRECTOR :

J. A. KATHAWALA

DIRECTORS :

D. J. KATHAWALA

A. JAYARAM

P. K. GOPINATHAN (NOMINEE, DCB LTD.)

AUDITORS :

N. O. MEHTA & CO

SOLICITORS :

M/S. GAGRAT & CO.

BANKERS :

DEVELOPMENT CREDIT BANK LTD.

REGISTERED OFFICE :

379/381, NARSI NATHA STREET,
A. G. H. CHAMBERS, 5TH FLOOR,
MUMBAI-400 009.

FACTORY :

204, G.I.D.C. ESTATE,
UMBERGAON-396 171.
DIST. VALSAD.
GUJARAT STATE.

REGISTRARS & TRANSFER AGENTS :

BIGSHARE SERVICE PVT. LTD.
J/12, ANSA INDUSTRIAL ESTATE,
SAKIVIHAR ROAD,
SAKI NAKA, ANDHERI (EAST),
MUMBAI-400 072.



NOTICE TO MEMBERS

NOTICE is hereby given that the Sixteenth Annual General Meeting of the Members of **UNION QUALITY PLASTICS LIMITED** will be held on the 27th of September, 2000 at 16-30 hours at the Registered Office of the Company at A.G.H. Chambers, 5th Floor, 379/381, Narsi Natha Street, Mumbai-400 009. to transact the following :

ORDINARY BUSINESS :

1. To receive and adopt the Director's Report and Audited Profit and Loss Account for the year ended on 31st March, 2000 and the Balance Sheet as on that date.
2. To appoint a Director in a place of Mr. Juzer A. Kathawala who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mrs. D. J. Kathawala who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors who shall hold Office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

5. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution.

"RESOLVED that pursuant to and subject to the provisions of Section 269, 309 and 198 and other applicable provisions of any of the Companies Act 1956 or any modifications or re-enactment thereof, the re-appointment of Mr. Juzer A. Kathawala as Managing Director for a period of 5 years with effect from 1-4-1999 on the following terms of remuneration be and is hereby approved".

- A) Salary : Rs. 20,000/- per month with suitable increases as may be determined by the board.
- B) Perquisites comprising provision of furnished residential accommodation or house rent allowance together with Gas, Electricity & Water, reimbursement of Medical Expenses incurred and Leave Travel Assistance for Self and Family, Club Fees, Premium and Personal Accident Insurance, Car with Driver, Telephone at Residence, etc. and such other benefits and allowances as may be agreed to between the Company and the said Managing Director. The perquisites will be evaluated as per the Income Tax Rules wherever applicable.
- C) The remuneration comprising Salary, Perquisites and other benefits and allowances of the Managing Director shall be subject to the overall ceilings laid down in Section 198 and 309 of the Companies Act, 1956 or any modification or re-enactment thereof.

- D) In the event of inadequacy or absence of profits under Section 349 and 350 of the said Act, in any financial year, the said Managing Director shall be entitled to minimum remuneration comprising (a) the then existing salary as minimum salary and (b) perquisites, allowances and benefits detailed above not exceeding 125% of the then existing salary and subject to the approval of the Central Government, as may required.
- E) The Managing Director shall also be eligible to the following perquisites which shall not be included in the computation of the ceiling mentioned in Para "D" above in terms of the provision of Schedule XIII of the said Act.
 - a) Contribution to Provident Fund and Superannuation or Annuity Fund to the extent these either single or put together are not taxable under the Income Tax Act, 1961.
 - b) Gratuity payable at the rate of 15 day's salary for each completed year of service and
 - c) Encashment of unavailed leave at the end of the tenure.

"RESOLVED that the Board of Directors of the Company be and is hereby authorised to approve the increase in salary and vary and / or revise the remuneration of the Managing Director within the overall limit approved herein and settle any question of difficulties in connection therewith or incidental thereto".

- 6) To consider and if thought fit to pass or without modification the following resolutions as an ordinary resolution.

"RESOLVED that the Company do apply to the Ahmedabad and Saurashtra Stock Exchanges for delisting of its shares from these exchanges with immediate effect".

"RESOLVED further that the Managing Director, Shri Juzer A. Kathawala be and hereby authorise to take all necessary steps and to do all acts for delisting from Ahmedabad and Saurashtra Stock Exchange".

By Order of the Board of Directors
For **UNION QUALITY PLASTICS LIMITED**

JUZER A. KATHAWALA
Managing Director

Registered Office :

379/381, Narsi Natha Street,
A.G.H. Chambers, 5th Floor,
Mumbai-400 009.

Dated : 23-08-2000



NOTES :

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member. Proxies in the form annexed hereto must be lodged at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
2. An Explanatory Statement relating to the Special Business under Item No. 5 & 6 as required under section 173 (2) of the Companies Act, 1956 is annexed hereto.
3. The Register of Members and Share Transfer Book of the Company will be closed from 25th September 2000 to 27th September 2000 (both days inclusive).
4. The Members who wish to make nomination in whose name all rights of transfer and / or amount payable in respect of the securities shall vest in the event of his / her / their death may avail the facility by filling and registering the Nomination Form in Form 2B with the company. A Copy of the Nomination Form will be provided to the Members on request.
5. Shareholders desiring any information as regards the Account are requested to write to the Company at an early date so as to enable the Management to keep the information ready.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.

Item No. 5

Shri Juzer A. Kathawala was appointed as Managing Director of the Company for a period of 5 years with effect from 1-4-1994 with due approval of Shareholders. The tenure of office of Mr. Juzer A. Kathawala as Managing Director had expired on 31-3-1999.

The Board of Directors at its meeting held on 23rd August, 2000 reappointed Shri Juzer A. Kathawala as Managing Director for a period of 5 years from 1-4-1999 on the existing terms of remuneration as detailed in the resolution proposed at Item No. 5, subject to the approval of the Shareholders in General Meeting pursuant to Section 269, 309, 198 and other applicable provisions if any of the Company's Act, 1956.

The Board recommends the approval of the appointment and terms of remuneration of Mr. Juzer A. Kathawala, Managing Director as proposed in the resolution.

None of the Directors except Mr. Juzer A. Kathawala is deemed to be concerned or interested in the resolution. Mr. Juzer A. Kathawala is the son of Ahmedally G. Kathawala and husband of Mrs. D. J. Kathawala.

The Company Shares are listed in Bombay Stock Exchange, Ahmedabad Stock Exchange and Saurashtra Stock Exchange at the time of initial issue of Shares to the public. The Company Shares are thinly traded in all the Exchanges. In the opinion of the Directors the proposed delisting will not prejudicially effect the interest of the Share Holders since the Shares will continue to be listed in Bombay Stock Exchange. However there will be considerable cost savings to the Company. The Board recommends the approval of the Shareholders as proposed in the resolution.

None of the directors are concerned or interested in the resolution.

By Order of the Board of Directors
For **UNION QUALITY PLASTICS LIMITED**
JUZER A. KATHAWALA
Managing Director

Registered Office :
379/381, Narsi Natha Street,
A.G.H. Chambers, 5th Floor,
Mumbai-400 009.



DIRECTORS REPORT

To the Members of

UNION QUALITY PLASTICS LIMITED

Your Directors present the Sixteenth Annual Report with the Audited Accounts for the year ended 31st March, 2000.

1. FINANCIAL RESULTS :

	Year ended 31-3-2000 (Rupees)	Year ended 31-3-1999 (Rupees)
Profit/(Loss) before Tax	(3,55,32,280)	(6,42,91,094)
Less : Provision for Taxation	<u>Nil</u>	<u>Nil</u>
	(3,55,32,280)	(6,42,91,094)
Add : Profit/(Loss) brought forward	9,30,37,918	2,87,46,824
	<u>(12,85,70,198)</u>	<u>(9,30,37,918)</u>

APROPRIATIONS :

Proposed Dividend (subject to deduction of tax at source)	Nil	Nil
General Reserve adjusted	11,52,981	Nil
Profit/(Loss) balance carried forward	<u>(12,74,17,217)</u>	<u>(9,30,37,918)</u>

2. DIVIDEND :

In view of the losses, the Directors regret their inability to declare any dividend for the year ended 31st March, 2000.

3. OPERATIONS :

Reduction in turnover, high cost of production due to underutilisation of capacity and high cost of borrowings have resulted in a net loss of Rs. 3,55,32,280/-. Export turnover is Rs. 411 Lacs as compared to Rs. 643 Lacs in the previous year.

The Company has been awarded the Best Exporter Award for the year 1998-99, by the Export Promotion Council, for Export of Tarpaulins.

4. STATUS OF REFERENCE TO BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION

On 31st August, 1999 the Company had made an application BIFR to declare it as Sick Company u/s 15 (1) of SIC (SP) Act 1985. The case came up for hearing on 15th March, 2000 wherein the Bench appointed IDBI as an operating agency for making a report regarding the sickness of the Company.

5. DIRECTORS :

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association,

Mr. Juzer A. Kathawala and Mrs. D. J. Kathawala retire by rotation at the forth coming Annual General Meeting of the Company and being eligible, offer themselves for reappointment.

Mr. M. M. Jaikar, resigned from the Board on 22nd January, 2000

Mr. Naresh S. Fadia has ceased to be the Director of the Company in terms of Section 283 of the Companies Act.

The Company places on record its appreciation of services rendered by Mr. M. M. Jaikar and Mr. Naresh S. Fadia during their tenure as Directors.

Mr. A. Jayaram was appointed as Director on the casual vacancy arising out of the resignation of Mr. M. M. Jaikar

6. AUDITORS :

M/s. N.O. Mehta & Co; the Company's Auditors will retire at the conclusion of the ensuing Annual General Meeting. They have given their consent to continue to act as Auditors of the Company for the current year, if re-appointed. Members are requested to re-appoint them and fix their remuneration.

7. FIXED DEPOSITS :

Since your Company has not accepted any deposits from the public no information is required to be furnished in respect of outstanding deposits.

8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

The information required under section 217(1)(e) of the Companies Act, 1956 and read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in the Annexure and form part of this report.

9. PARTICULARS OF EMPLOYEES :

There are no Employees covered U/S 217 (2A) of the Companies Act, 1956 for the period ended 31st March, 2000.

10. ACKNOWLEDGEMENTS :

The Directors are grateful to all the members for the continued patience during the Company's recessionary phase and all employees at various levels for their sincere work and co-operation. They also acknowledge the co-operation and assistance rendered by its bankers and other Government Bodies / Organisations during the year.

For and on behalf of the Board of Directors

J. A. KATHAWALA
Managing Director

Place : Mumbai

Date : 23-08-2000



ANNEXURE TO THE DIRECTOR'S REPORT :

ANNEXURE 'A'

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.

I. CONSERVATION OF ENERGY :

A. Energy conservation measures taken :

The energy saving measures initiated by the Company continued to yield good results. The energy conservation is regularly monitored for utilisation of energy and recommended measures for energy saving are under implementation.

B. Particulars with respect to total energy consumption per unit of production :

I) POWER & FUEL CONSUMPTION

	<u>1999-2000</u>	<u>1998-99</u>
1. Electricity :		
a) Purchased (GEB)		
Units (in Thousand)	1819	2099
Total Cost (Rs. in Lacs)	84.94	83.99
Rate per unit (Rs.)	4.66	4.00

b) Own Generation :

1) Through Diesel Generator

I) Units (in Thousand)	43.50	166.20
Units/KL of Diesel	2.90	3.00
Cost/Unit (Rs. in Lacs)	14.00	12.61

II) CONSUMPTION PER UNIT PER PRODUCTION

Consumption/Ton	1606	1634
-----------------	-------------	------

II. TECHNOLOGY ABSORPTION :

C TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION :

Efforts in brief made towards technology absorption and innovation :

In view of Liquidity crunch the Company was not in a position to introduce latest technology and innovation.

III. FOREIGN EXCHANGE EARNING AND OUTGO :

D Activities, relating to exports, initiatives taken to increase exports, development of new export market for products and services and export plans :

Company is constantly on the lookout for widening its Export base but paucity of funds is the limiting factor.

E Total Foreign Exchanged used and earned

	Rs. in Lacs
Foreign Exchange used	0.00
Foreign Exchange earned	399.93

AUDITORS REPORT

To the Shareholders of M/s. **UNION QUALITY PLASTICS LIMITED.**

Report on the Accounts for the year ended on 31st March, 2000 in the compliance with Section 227 (2) of the Companies Act, 1956.

We have audited the attached Balance Sheet of Union Quality Plastics Ltd. as on 31st March, 2000 and also the annexed Profit and Loss Account of the Company for the year ended on that date, and report that :

I) 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, 4 and 5 of the said order to the extent applicable to a Manufacturing Company, consider appropriate and according to the information and explanation given.

II) Further to our comments in the annexure referred to in paragraph "I" above :-

- 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 accounts, as required by Law, have been kept by the Company so far as appears from our examination of the books :
- 3) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of accounts of the Company subject to the notes annexed to the Balance Sheet.



4) In our opinion and to the best of our information and according to the explanations given to us, the accounts together with the notes thereon give the information required and give a true and fair view, subject to the following :-

1) Regarding non-provision of gratuity liability (unascertained) and other retirement benefits and claims of staff and labour (unascertained).

a) In the case of the Balance Sheet of the state of the Company's affairs as at 31st March, 2000.

b) In the case of the Profit and Loss Account of the Loss for the year ended on that date.

As per our Report of even Date

For **N. O. MEHTA & CO.**
Chartered Accountants

Signed by the hand of Partner
N. O. MEHTA

Place : Mumbai

Date : 23-08-2000

ANNEXURE TO THE AUDITORS REPORT

To the Shareholders of

M/s. UNION QUALITY PLASTICS LIMITED.

Report Annexed to the Auditors Report as referred to in Paragraph "1" of our report of our even date :

As required by the paragraphs 4 & 5 of the Manufacturing and other Companies (Auditors Report) order 1988 issued by the Central Government and to the extent carrying over manufacturing and business activities, and on the basis of such checks of the books and records of the unit as we consider appropriate and the information and explanations given to us during the course of our audit. We further report as under :

1) The Company has maintained proper records showing full particulars including quantitative details and situations of Fixed Assets and the Depreciation on all Assets is written off. We are informed that all the Fixed Assets of the Company have been physically verified by the Management during the period and no material discrepancies between the book records and physical inventory were noticed.

2) As explained to us the Stocks of Finished Goods, Stores, Spare Parts & Raw Materials have been physically verified by the Managements at the reasonable intervals.

3) As per information given to us, the procedure of physical verification of Stocks followed by the Management are in our opinion, reasonable and adequate in relation to the size of the Company and nature of its business.

4) No material discrepancies have been noticed on physical verification of Stocks as compared to books records.

5) On the basis of our examination of Stock records, the valuation of Stock is fare and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.

6) The rate of interest and other terms and conditions of the Loans, Secured or Unsecured taken from the parties listed in the register maintained under Section 301 of the Companies Act, 1956 are, prima facie, not prejudicial to the interest of the Company.

7) The Company has granted Loans, Secured or Unsecured to the Companies, Firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. We have been informed that the Companies covered under Section 370 (1-B) of the Companies Act, 1956 are given interest free loans.

8) The parties to whom Loans or Advances in the nature of Loans, have been given are not repaying the principal amounts as stipulated and are also irregular in payment of interest in most of the cases, where applicable.

9) In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate to size of the Company and the nature of its business for the purchase of Stores, Raw Materials including components, trading goods, construction materials, plants & machineries, Equipments and other assets and for the sale of goods.

10) According to the information and explanation given to us, purchase of goods and materials and sales of goods, materials and services made in pursuance of contracts or arrangement enter in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year Rs. 50,000 or more in value in respect of each party have been made at prices which are reasonable having regard to the



- prevailing market prices for such goods, materials or services or the prices at which transactions for similar goods or services have been made with other parties.
- 11) The Company has a regular procedure for the determination of unserviceable or damaged stores, raw material and finished goods. Adequate provisions have been made in the accounts for the loss arising on the items so determined.
- 12) As explained to us that the Company has not accepted any deposits from the public except unsecured loans during the year and in opinion of the management there is no contravention to the provisions of the Section 58-A of the Companies Act, 1956.
- 13) The Company has maintained reasonable records for the sale and disposal of realisable by products and scraps wherever applicable.
- 14) The Company has an internal Audit system commensurate with its size and nature of its business.
- 15) We are informed that the Central Government has not prescribed maintenance of costs records under Section 209 (1) (d) of the Companies Act, 1956 for the Company.
- 16) The Company is not regular in depositing Provident Fund dues with the appropriate authorities.
- 17) As explained to us and subject to our comments vide notes, undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Custom Duty and Excise Duties etc, were outstanding as at 31st March, 2000 for a period of more than six months from the date they became payable.
- 18) According to the information and explanations given to us and the records of the Company examined by us, no personal expenses have been charged to revenue account other than those payable under contractual obligations or in accordance with the generally accepted business practices.
- 19) The Company is a sick industrial company within the meaning of section 3 (O) of the sick industrial companies (special provisions) Act, 1985.
- 20) As explained to us by the management, the service activities of the Company were insignificant as compared to total volume and as such no separate records were maintained for recording receipts, issues and consumption of Raw Materials and Stores and allocation of man-hours, materials and labour of the relative jobs as the same was not considered necessary and economical by the management.

For **N. O. MEHTA & CO.**
Chartered Accountants
Signed by the hand of Partner

Place : Mumbai
Date : 23-08-2000

N. O. MEHTA

UNION QUALITY PLASTICS LIMITED
Sixteenth Annual Report



BALANCE SHEET AS ON 31ST MARCH, 2000.

PARTICULARS		AS ON 31-3-2000	AS ON 31-3-1999
		Rs.	Rs.
I. SOURCE OF FUNDS :	SCHEDULE		
1. Shareholders Funds :			
a) Equity Share Capital	1	4,81,93,700	4,81,83,700
b) Reserves and Surplus	2	2,93,22,474	3,04,65,455
2. Loan Funds :			
a) Secured Loans	3	12,54,71,210	12,64,08,148
b) Unsecured Loans	4	4,55,36,810	97,76,771
Total Sources of Funds		<u>24,85,24,194</u>	<u>21,48,34,074</u>
II. APPLICATION OF FUNDS :			
1. Fixed Assets :			
Gross Blocks		9,62,98,798	9,60,00,161
Less : Depreciation	5	<u>3,60,88,736</u>	<u>3,00,56,817</u>
NET BLOCK		6,02,10,062	6,59,43,344
2. Investments :	6	1,51,015	1,94,015
3. Current Assets, Loans and Advances :			
a) Inventories	7	2,21,68,722	1,95,60,289
b) Sundry Debtors	8	3,70,60,006	4,40,32,183
c) Cash and Bank Balance	9	76,82,444	65,81,881
d) Other Current Assets, Loans and Advances	10	3,01,69,524	1,86,64,817
		<u>9,70,80,696</u>	<u>8,88,39,170</u>
Less : Current Liabilities and Provision	11	<u>3,68,51,698</u>	<u>3,37,54,705</u>
Net Current Assets :		6,02,28,998	5,50,84,465
Miscellaneous Expenditure :	12	5,16,902	5,74,332
Profit & Loss Account		12,85,70,198	
Less : Transfer from General Reserve		<u>11,52,981</u>	
Total Application of Funds		<u>12,74,17,217</u>	<u>9,30,37,918</u>
		<u>24,85,24,194</u>	<u>21,48,34,074</u>

As per our Report of even Date

For and on behalf of the Board

For **N. O. MEHTA & CO.**
Chartered Accountants
Auditors

Place : Mumbai Signed by the hand of Partner
Date : 23-08-2000 **N. O. MEHTA**

Place : Mumbai **J. A. KATHAWALA**
Date : 23-08-2000 *Mg. Director*

D. J. KATHAWALA
Director

UNION QUALITY PLASTICS LIMITED
Sixteenth Annual Report



PARTICULARS	ANNEXURE	AS ON	AS ON
		31-3-2000	31-3-1999
		Rs.	Rs.
I. INCOME			
SALES	1	9,16,58,502	12,31,26,776
Miscellaneous & Other Income	2	52,33,178	10,89,138
TOTAL		9,68,91,680	12,42,15,914
II. EXPENDITURE :			
Consumption of Material &			
Inventory Adjustments	3	6,77,46,387	10,57,57,186
Manufacturing Expenses	4	2,24,26,408	2,67,07,358
Employees Remuneration & Benefits	5	10,40,809	10,98,976
Administrative & Selling Expenses	6	1,14,54,805	2,55,79,284
Loss on Revaluation of Investments		0	45,900
Interest		2,37,23,634	2,31,98,429
Depreciation		60,31,917	61,19,875
		13,24,23,960	18,85,07,008
Profit of the year		-3,55,32,280	-6,42,91,094
Provision for Taxation		0	0
PROFIT AFTER TAXATION		-3,55,32,280	-6,42,91,094
Add : Profit & Loss a/c b/f		-9,30,37,918	-2,87,46,824
PROFIT AVAILABLE FOR APPROPRIATION		-12,85,70,198	-9,30,37,918
Appropriation			
Less : Proposed dividend - subject to			
deduction of tax at source		0	0
Transfer to general reserve		0	0
PROFIT AND LOSS A/C BALANCE		-12,85,70,198	-9,30,37,918

As per our Report of even Date

For and on behalf of the Board

For **N. O. MEHTA & CO.**
Chartered Accountants
Auditors

Place : Mumbai Signed by the hand of Partner
Date : 23-08-2000 **N. O. MEHTA**

Place : Mumbai **J. A. KATHAWALA**
Date : 23-08-2000 *Mg. Director*

D. J. KATHAWALA
Director

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS ON 31-3-2000.

SCHEDULE NO. 1 : SHARE CAPITAL

	AS ON		AS ON	
	Rs.	31-3-2000	Rs.	31-3-1999
I Authorised Shares Capital				
70,00,000 Equity Share of Rs. 10/- each TOTAL Rs.		<u>7,00,00,000</u>		<u>7,00,00,000</u>
II Issued Subscribed & Paid up Capital				
48,35,000 Equity Shares of Rs. 10/- each	4,83,50,000		4,83,50,000	
Fully paid up				
Less : Calls in Arrears	<u>1,56,300</u>		<u>1,66,300</u>	
		<u>4,81,93,700</u>		<u>4,81,83,700</u>
TOTAL Rs.		<u><u>4,81,93,700</u></u>		<u><u>4,81,83,700</u></u>

SCHEDULE NO. 2 : RESERVE & SURPLUS

1 Cash Subsidy :		10,38,426		10,38,426
2 Investment Allowance reserve :	11,52,981			11,52,981
Less transfer to investment allowance utilised reserves	<u>11,52,981</u>			
3 General Reserve :				
Balance b/f	0		0	
Add : Investment Allowance utilised reserves	11,52,981		0	
Less : Transfer to Profit & Loss Account	<u>11,52,981</u>	0	<u>0</u>	0
4 Equity Share Premium	2,84,40,348		2,84,40,348	
Less : Calls in arrear	<u>1,56,300</u>		<u>1,66,300</u>	
		<u>2,82,84,048</u>		<u>2,82,74,048</u>
TOTAL Rs.		<u><u>2,93,22,474</u></u>		<u><u>3,04,65,455</u></u>

SCHEDULE NO. 3 : SECURED LOAN

1 Development Credit Bank Ltd. (Secured against Foreign Bank Gaurantee)		1,06,65,000		0
2 Development Credit Bank Ltd. (Cash Credit against Hypothecation of Stock)		4,20,69,237		1,94,46,909
3 Development Credit Bank Ltd. (Bills Discounting)		4,79,473		72,94,071
4 Development Credit Bank Ltd. (Term Loan A/c.) (Secured against equitable mortgage of Land & Building		1,40,50,000		1,78,65,000



SCHEDULE NO. 3 : (Contd.)

	AS ON 31-3-2000 Rs.	AS ON 31-3-1999 Rs.
5 Development Credit Bank Ltd. (Bills Discounting under L/C.)	0	730301
6 Development Credit Bank Ltd. (Letter of Credit)	0	1,12,98,000
7 Development Credit Bank Ltd. (Packing Credit)	0	97,73,867
8 Development Credit Bank Ltd. (External Commercial Borrowings)	5,82,07,500	6,00,00,000
TOTAL Rs.	12,54,71,210	12,64,08,148

SCHEDULE NO. 4 : UNSECURED LOANS

1 From Directors, Share Holders	3,97,50,867	24,53,246
2 Others	57,85,943	73,23,525
TOTAL Rs.	4,55,36,810	97,76,771

SCHEDULE NO. 5 : FIXED ASSETS

SR. NO.	NAME OF ASSETS	COST			DEPRECIATION			WRITTEN DOWN VALUE	
		AS ON 01-04-99	ADDITIONS DURING THE YEAR	AS ON 31-03-2000	AS ON 31-03-99	FOR THE YEAR	AS ON 31-03-2000	AS ON 31-03-2000	AS ON 31-03-99
1	LEASE HOLD LAND	25543570	0	25543570	4192288	773128	4965416	20578154	21351282
2	PLANT & MACH.	69502041	298636	69800677	25116064	5170798	30286862	39513815	44385976
3	VEHICLES	869671	0	869671	719853	82619	802472	67199	149818
4	FURNITURE & FIX	84880	0	84880	28612	5373	33985	50895	56268
TOTAL Rs.		96000162	298636	96298798	30056817	6031918	36088735	60210063	65943344
PREVIOUS YEAR		88873060	7127102	96000162	23936942	6119875	30056817	65943344	64936117



	AS ON 31-3-2000 Rs.	AS ON 31-3-1999 Rs.
SCHEDULE NO. 6 : INVESTMENTS		
1 Development Credit Bank Ltd. 1200 Shares of Rs. 10/- each paid unquoted	18,000	18,000
2 Hooseini Co-op. Credit Society Ltd. 85 Shares of Rs. 25/- each fully paid unquoted	2,125	2,125
3 Bombay Mercantile Co-op. Bank Ltd. 142 Shares of Rs. 30/- each fully paid	4,260	4,260
4 Essar Shipping Ltd. Equity Shares 10200 fully paid up (Market value as at 31-3-2000 : Rs. 4.50/-each)	2,05,120	2,48,120
5 Essar Shipping Ltd. N.C.D. 2150 fully paid up	1,07,500	1,07,500
6 Adamji Kaderbhoy Pvt. Ltd. 20 Shares of Rs. 100/- each unquoted Less : Provision for revaluation of Investment	2,710 -1,88,700	2,710 -1,88,700
TOTAL Rs.	<u><u>1,51,015</u></u>	<u><u>1,94,015</u></u>
SCHEDULE NO. 7 : INVENTORIES		
(As valued and certified by the Management at cost or market price whichever is lower)		
1 Raw Materials	37,33,959	13,53,266
2 Work-in-Progress	5,33,880	33,86,268
3 Finished Goods	1,77,60,083	1,45,24,068
4 Consumable Stores	1,40,800	2,96,687
TOTAL Rs.	<u><u>2,21,68,722</u></u>	<u><u>1,95,60,289</u></u>
SCHEDULE NO. 8 : SUNDRY DEBTORS		
(Unsecured considered good)		
Debtors outstanding		
1 Less than Six Months	1,56,85,285	1,94,89,420
2 More than Six Months	2,13,74,721	2,45,42,763
TOTAL Rs.	<u><u>3,70,60,006</u></u>	<u><u>4,40,32,183</u></u>
SCHEDULE NO. 9 : CASH AND BANK BALANCE		
1 Cash on Hand	7,93,934	7,16,492
2 With Scheduled Banks in Current Account	1,61,255	76,340
3 Margin Money against L/C & Guarantees	67,27,255	57,89,049
TOTAL Rs.	<u><u>76,82,444</u></u>	<u><u>65,81,881</u></u>

UNION QUALITY PLASTICS LIMITED
Sixteenth Annual Report



	AS ON 31-3-2000 Rs.	AS ON 31-3-1999 Rs.
SCHEDULE NO. 10 : OTHER CURRENT ASSETS		
LOANS & ADVANCES		
1 Advance against Order	7,19,928	6,87,148
2 Loans and Advances to Staff	59,600	1,57,098
3 Income Tax Refund A.Y. 1996-97	2,20,497	2,20,497
A.Y. 1997-98	2,08,231	2,08,231
A.Y. 1998-99	1,92,161	1,92,161
A.Y. 1999-2000	1,86,383	1,86,383
A.Y. 2000-2001	<u>2,49,905</u>	<u>10,57,177</u>
4 Other Advances and Loan/Deposits	2,69,68,120	1,48,69,663
5 Exports benefits	<u>13,64,699</u>	<u>21,43,636</u>
TOTAL Rs.	<u><u>3,01,69,524</u></u>	<u><u>1,86,64,817</u></u>
SCHEDULE NO. 11 : CURRENT LIABILITIES & PROVISION		
1 Sundry Creditors	2,54,41,689	2,66,75,400
2 Outstanding Expenses	1,11,69,085	66,07,413
3 Advance Received	<u>2,40,924</u>	<u>4,71,892</u>
TOTAL Rs.	<u><u>3,68,51,698</u></u>	<u><u>3,37,54,705</u></u>
SCHEDULE NO. 12 : MISCELLANEOUS EXPENDITURE		
1 Preliminary Expenses	5,74,332	6,38,147
Less/Written off During the year	<u>57,430</u>	<u>63,815</u>
	<u><u>5,16,902</u></u>	<u><u>5,74,332</u></u>

As per our Report of even Date

For and on behalf of the Board

For **N. O. MEHTA & CO.**
Chartered Accountants
Auditors

Place : Mumbai Signed by the hand of Partner
Date : 23-08-2000 **N. O. MEHTA**

Place : Mumbai
Date : 23-08-2000

J. A. KATHAWALA
Mg. Director

D. J. KATHAWALA
Director

ANNEXURES ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS A/C FOR THE YEAR ENDED 31-3-2000

ANNEXURE 1: SALES

		AS ON 31-3-2000 Rs.	AS ON 31-3-1999 Rs.
Local	4,81,82,980		6,23,86,115
Less : Excise Duty	<u>93,19,941</u>		<u>1,29,16,265</u>
	3,88,63,039		4,94,69,850
Add : Modavat Benefit availed	<u>1,16,71,555</u>		<u>1,30,36,995</u>
		5,05,34,594	6,25,06,845
Export	3,46,30,665		5,17,29,294
Add : Duty drawback provided	0		9,00,663
Add : Import Licence Benefit	<u>64,93,243</u>		<u>79,89,974</u>
	TOTAL Rs.	<u>9,16,58,502</u>	<u>12,31,26,776</u>

ANNEXURE 2 : MISCELLANEOUS & OTHER INCOME

Compensation		96,000	96,000
Interest		14,88,642	9,58,500
Dividend		3,600	21,450
Exchange Gain		58,325	13,188
Creditors Written back		30,07,347	0
Bonus payable written back		2,72,367	0
Rent payable written back		96,000	0
Miscellaneous income		1,30,000	0
Octroi Refund		<u>80,897</u>	<u>0</u>
	TOTAL Rs.	<u>52,33,178</u>	<u>10,89,138</u>

ANNEXURE 3 : CONSUMPTION OF MATERIAL & INVENTORY ADJUSTMENTS

Opening Stock			
Raw Materials	13,53,266		20,19,975
Work-in-Progress	33,86,268		44,89,365
Finished Goods	1,45,24,068		3,38,78,369
Consumable Stores	<u>2,96,687</u>		<u>2,66,179</u>
		1,95,60,289	4,06,53,888
Add : Purchases			
Raw Materials	7,03,54,820		8,45,10,058
Finished Goods	<u>0</u>		<u>1,53,529</u>
		7,03,54,820	8,46,63,587
Less : Closing Stock (As valued and Certified by Management)			
Raw Materials	37,33,959		13,53,266
Work-in-Progress	5,33,880		33,86,268
Finished Goods	1,77,60,083		1,45,24,068
Consumables Stores	<u>1,40,800</u>		<u>2,96,687</u>
		<u>2,21,68,722</u>	<u>1,95,60,289</u>
		<u>6,77,46,387</u>	<u>10,57,57,186</u>

ANNEXURE 4 : MANUFACTURING EXPENSES

Wages and Benefits		1,04,15,940	1,07,79,601
Consumption of Stores		16,36,141	24,81,354
Coolie & Cartage		1,41,388	95,713
Freight		2,04,854	3,64,182
Custom Duty		5,38,761	0
Labour Charges		5,88,313	32,96,547
Power & Fuel		86,03,995	90,97,672
Repairs & Maintenance		2,88,515	5,84,714
Water Charges		<u>8,501</u>	<u>7,575</u>
	TOTAL Rs.	<u>2,24,26,408</u>	<u>2,67,07,358</u>

UNION QUALITY PLASTICS LIMITED
Sixteenth Annual Report



ANNEXURES ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS A/C FOR THE YEAR ENDED 31-3-2000

ANNEXURE 5: EMPLOYEES REMUNERATION AND BENEFITS

	AS ON 31-3-2000 Rs.	AS ON 31-3-1999 Rs.
Salaries & Bonus	6,45,177	7,45,957
Staff Welfare Expenses	2,75,632	2,33,019
Directors' Remuneration	1,20,000	1,20,000
TOTAL Rs.	<u>10,40,809</u>	<u>10,98,976</u>

ANNEXURE 6 : ADMINISTRATIVE & SELLING EXPENSES

Freight/Octroi & Clearing	8,05,437	18,18,091
Freight Exports	10,27,504	19,06,715
Advertisement & Publicity	15,520	5,000
Auditors' Remuneration	38,850	38,850
Office Repairs & Maintenance	60,811	0
Bank Charges	15,27,196	16,57,571
Brokerage/Commission & Discount	6,23,117	6,70,624
Donation	0	3,000
Sales Tax Mumbai	0	33,145
Hire Charges	1,11,600	1,68,600
Insurance	4,54,092	3,00,425
Membership & Subscription	12,566	98,480
Listing Fees	22,450	28,000
Office Rent	48,000	1,44,000
Postage/Telegram & Telephone	6,37,705	8,79,998
Preliminary Expenses Written Off	57,430	63,815
Printing & Stationery	1,89,595	2,10,565
Professional Fees	6,89,525	2,73,224
Inspection Charges	97,250	1,74,330
Presentation	0	14,091
Rates & Taxes	71,735	68,117
Legal Fees	1,13,800	0
Sales Promotion Expenses	2,86,855	3,15,241
Security Expenses	4,04,011	2,82,081
Service Charges	1,66,385	1,46,084
Sundry Expenses	10,687	1,090
Travelling & Conveyance Expenses	4,29,154	4,12,273
Vehicle Expense	3,53,743	1,72,829
Export Documentation Expenses	41,726	42,955
Exchange Loss	2,60,882	3,30,165
Sundry Debtors Written Off	28,97,178	1,39,72,937
Retainership Fees	0	22,500
Advance Written Off	0	8,87,389
GEB Receivable Written Off	0	4,37,099
TOTAL Rs.	<u>1,14,54,805</u>	<u>2,55,79,284</u>

As per our Report of even Date

For and on behalf of the Board

For **N. O. MEHTA & CO.**
Chartered Accountants
 Auditors

Place : Mumbai Signed by the hand of Partner
 Date : 23-08-2000 **N. O. MEHTA**

Place : Mumbai **J. A. KATHAWALA** **D. J. KATHAWALA**
 Date : 23-08-2000 *Mg. Director* *Director*

NOTES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AS ON 31-03-2000.

1. Previous years figures are regrouped wherever necessary for comparison.
2. Remuneration has been paid to the Managing Director as per Schedule XIII of Companies Act, 1956 as under :
Managing Directors Remuneration :

	<u>1999-2000</u>	<u>1998-99</u>
Salary	1,05,600	1,05,600
Contribution to Provident Fund	14,400	14,400
Total	<u>1,20,000</u>	<u>1,20,000</u>
3. Auditors Remuneration :

	<u>1999-2000</u>	<u>1998-99</u>
Audit Fees	20,000	20,000
Professional Fees	22,150	22,150
Tax Audit Fees	17,000	17,000
Certification Fes	3,000	3,000
Total	<u>62,150</u>	<u>62,150</u>
4. No provision has been made in accounts for gratuity liability accruing to employee's.
5. The Plant and Machinery and other Fixed Assets are insured.
6. In the opinion of management, the aggregate value on realisation of Current Assets, Loans & Advances in the ordinary course of business would not be less than the amount at which they are stated in the balance sheet.
7. The Company has filed a suit in Bombay High Court against a Debtor, for recovery of an outstanding amount of Rs. 28,93,603/- and to that extent no provision is made for Bad & Doubtful debts. We are given to understand that company has obtained a Decree.
8. The Contingent Liabilities :
 - b) The Company has pending appeals regarding demand for A.Y. 96-97 of Rs. 7,68,285/- and A.Y. 97-98 of Rs. 14,900/- before Commissioner of Income Tax (Appeals).
 - c) Bills discounted with the banks amount to Rs. 4,79,473/- (Previous year Rs. 72,94,071/-).
 - d) Bank Guarantee with Custom Authorities Rs. 1,02,11,602/-.
9. The stock of Finish Goods, Stores, Raw Materials, Tools etc. are valued and certified by the Management at cost or Market Price whichever is lower.
10. Information pursuant to para 4C and 4D of part II of schedule VI to the Companies Act, 1956.

QUANTITATIVE INFORMATION IN RESPECT OF :

	AS ON 31-3-2000		AS ON 31-3-1999	
	<u>Quantity</u> <u>in Tons</u>	<u>Value</u> <u>in Lacs</u>	<u>Quantity</u> <u>in Tons</u>	<u>Value</u> <u>in Lacs</u>
A) RAW MATERIAL CONSUMED				
HDPE/LDPE/LLDPE & OTHER	1330.239	682.88	1786.601	851.77
B) Value of Raw Material Consumed	<u>Rs. in Lacs</u>	<u>%</u>	<u>Rs. in Lacs</u>	<u>%</u>
Imported	0.00	0.00	88.65	10.41
Indigenous	682.88	100.00	763.12	89.59
	<u>682.88</u>	<u>100.00</u>	<u>851.77</u>	<u>100.00</u>
C) Value of Imports on CIF Basis	<u>Rs. in Lacs</u>		<u>Rs. in Lacs</u>	
Raw Material	0.00		88.65	
Capital Goods	0.00		0.00	
D) Expenditure in Foreign Currency	<u>Rs. in Lacs</u>		<u>Rs. in Lacs</u>	
Traveling	0.00		0.00	
Raw Material Purchase	0.00		11.36	
E) Earnings in Foreign Exchange (FOB)				
On account of Export of Goods	399.93		513.02	



QUANTITATIVE INFORMATION IN RESPECT OF : Contd.

	AS ON 31-3-2000		AS ON 31-3-1999	
	Quantity in Tons	Value in Lacs	Quantity in Tons	Value in Lacs
F) Sales				
HDPE Woven Fabrics/Bags/Tarpaulins	1113.550	916.59	1582.611	1231.27
G) Stores, Spares Consumed				
Imported		NIL		NIL
Indigenous		16.36		24.81
H) Capacity				
Licenced		Tons		Tons
Installed		N.A.		N.A.
Production		3300		3300
		1159.528		1386.034
I) Stock of Finish Goods				
Opening Stock	Tons	Rs. in Lacs	Tons	Rs. in Lacs
Closing Stock	193.990	145.24	390.567	338.78
	239.968	177.60	193.990	145.24

11. Balances of all Sundry Debtors, Sundry Creditors & Loans & Advances are subject to confirmation and consequent reconciliation and adjustments, if any.
12. In terms of notification GSR (129E) dtd. 22-02-99 issued by the department of the Company affairs, the Company is required to furnish the details of outstandings to SSI Undertaking under the head "Current Liabilities & Provisions" of amount more than One Lakh and for the period of more than 30 days. The Company has requested to vendors to furnish requisite information alongwith their SSI registration number. However no feed back have been received from vendors till date of signing of Balance Sheet, therefore the Company is unable to furnish the particulars.
13. Company has not provided for interest on unsecured loans of Rs. 1,32,14,413/-.
14. Since June 1999, Company has stopped deducting and depositing profession tax from salary of its administrative staff.
15. Margin on Bill discounting as per books of a/c's is Rs. 10,40,434/-. However as per the Bank records it stands at Rs. Nil. Therefore there is a difference of the entire amount of Rs. 10,40,434/- pending reconciliation.
16. Interest income includes of Rs. 3,58,314/- towards interest earned on Bank Guarantee from Development Credit Bank Ltd. and Union Bank of India, pertaining to past years and not recognised in the relevant years.
17. Loans & Advance includes Rs. 45,00,000/- given by the Company to Niyuprene Plastics Co. Ltd. in the financial year 1996-97 towards advance for construction of factory building on a plot of land belonging to Niyuprene Plastics Co. Ltd. However the construction has remained incomplete as the company has shut operations and there has been no progress on the construction activity since the past two years.
18. Miscellaneous Income includes Rs. 2,72,367/- and Rs. 9,000/- towards Bonus and Rent respectively payable of earlier years and written back in the current year.
19. During the year Debtors amounting to Rs. 28,97,178/- and Creditors amounting to Rs. 30,07,347/- have been written off / back by the ordinary resolution passed at the meeting of the Board of Directors.
20. Custom Duty amounting to Rs. 5,38,761/- is pertaining to Bank Guarantees issued by the Company in favour of Deputy Commissioner of Customs during the financial year 1996-97, invoked by Customs.
21. The unpaid dividend of Rs. 2036/- has not been transferred to an Unpaid Dividend Account as required U/S 205-A of the Companies Act.
22. Miscellaneous Income includes Rs. 1,30,000/- of Earnest Money Deposits no longer repayable.
23. The Company had in the year 1997 pledged with Development Credit Bank Ltd. Share of Public Limited Companies, held and owned by the Directors Mr. A. G. Kathawala, Mr. J. A. Kathawala and Mrs. D. J. Kathawala and their relative Mrs. M. A. Kathawala, having market value at that time around Rs. 10.00 Lacs, to secure the Company's liabilities for payment of long outstanding collection bill dated 17-7-1990 for USD 29,025/- (Rupees 7.42 Lacs).
We are given to understand that though the Shares were lodged for a particular transaction and upto a limit of Rs. 10 Lakhs only, in the year January, 2000 the Bank exercised their right to invoke the pledge, without giving notice to the pledger, and without restricting the sale to the extent of Rs. 10 Lacs only, and accordingly sold the Shares for Rs. 2,84,08,077.02 and credited the proceeds to the companies Cash Credit Account. Since the shares are not the property of the Company and the matter is under litigation by the parties concerned the amount so credited by the Bank is shown under the heading suspense account falling under classified group unsecured loans.
24. On 31st August, 1999, the company had made application to BIFR to declare it as a Sick Company U/S 15 (1) of SIC (SP) Act 1985. The case came up for hearing on 15th March 2000 wherein the Bench appointed IDBI as an operating agency for making a report regarding the sickness of the Company.



SIGNIFICANT ACCOUNTING POLICIES OF THE COMPANY ARE :

A) Accounting Convention:

The Financial Statements are prepared primarily on the Historical cost convention and on accrual basis, in accordance with applicable accounting standards.

B) Valuation of Fixed Assets :

- 1) Fixed Assets are stated at cost, Net of MODVAT, less accumulated depreciation. Cost is inclusive of freight, duties, levies, and any direct attributable cost of bringing the assets in their working condition for intended use. Pre-operative expenses are capitalised.
- 2) Leasehold Land, Building, Plant & Machinery and Electrical installation has been revalued on the basis of their replacement price as on 31st March 1994 as per valuation report submitted by M/s. C. W. JOSHI & ASSOCIATES, valuers appointed for the purpose. Accordingly, these are stated at revalued amount and now revaluation reserve stand at Rs. Nil as at 31-03-98.

C) Depreciation :

Depreciation has been provided on Straight Line method basis in the manner laid down in schedule XIV to the Companies Act, 1956 as per revised rates under Notification No. G.S.R. 756 (E) dated 16th December, 1993.

D) Valuation of Investments :

Investments are valued at cost less diminution in value in case of Quoted Stocks by making a provision.

E) Valuation of Inventories :

Inventories are valued at lower of cost & net realisable value except stock of scrap which is taken at market value. The cost of purchased materials / goods is determined on the basis of first in first out method.

F) Excise Duty :

Excise Duty payable on finish goods is accounted for on clearance of goods from the factory. No provision is made for Excise Duty in respect of Finish Goods lying in the

factory. Modvat in respect of Excise Duty paid on purchases of Raw Materials, Stores and capital goods is accounted for by reducing the purchase cost of the related goods. However in the Annual Report the purchases are shown at gross (inclusive of excise) and modvat credit is credited to sales

G) Custom Duty :

Custom Duty payable on Raw Materials, Stores, Spares and Components is accounted on clearance thereof from the bonded warehouses.

H) Conversion of Transaction in Foreign Currency :

Transaction in Foreign Currency in respect of Sales (Exports) and Purchases (Raw Materials) are accounted on the basis of actual exchange rates transacted. Gain / Losses arising out of fluctuations in the exchange rates are recognised in Profit and Loss in the period in which they arise.

I) Export Benefit :

Export benefit under the DEPB scheme is accounted for on accrual basis subject to utilisation upto the date of signing the Balance Sheet.

Drawback Duty : Drawback is accounted on cash basis since the brand rates has not been fixed by the government.

J) Sales :

Sales includes excise duty and is net of Sales Tax.

K) Taxation :

The provision for tax is based on the assessable profits of the Company computed in accordance with the Income Tax Act, 1961. Since there is Book Loss MAT provision is not required.

L) Revenue Recognition :

All items of income / expenses are accounted for on accrual basis except for the following items which are accounted for on cash basis.

- 1) Encashment of Leave and Gratuity payable to employees.
- 2) Customs / Excise Duty on material in bond.

As per our Report of even Date

For and on behalf of the Board

For **N. O. MEHTA & CO.**
Chartered Accountants
Auditors

Place : Mumbai Signed by the hand of Partner
Date : 23-08-2000 **N. O. MEHTA**

Place : Mumbai **J. A. KATHAWALA** **D. J. KATHAWALA**
Date : 23-08-2000 *Mg. Director* *Director*



CASH FLOW STATEMENT FORMAT AS PER CLAUSE 32 OF THE LISTING AGREEMENT
CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2000.

A. CASH FLOW FROM OPERATION ACTIVITIES :		
Net Profit before tax and extraordinary items		-3,55,32,280
Adjustment for :		
Depreciation		60,31,917
Misc. & other income		- 37,40,936
Interest /Dividend received		- 14,92,242
Operating Profit before working capital changes		-3,47,37,541
Adjustment for :		
Trade & other receivables		69,72,177
Inventories		- 26,08,433
Trade payables		30,96,993
Other Current Assets		-1,15,04,707
Cash Flow before extraordinary items		-3,87,77,511
Extraordinary items/mis. & other income		<u>37,40,936</u>
		-3,50,36,575
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets		- 2,98,636
Purchase of Investments		43,000
Interest/Dividend received		<u>14,92,242</u>
Net Cash used in Investing Activities		12,36,606
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net proceeds from issue of Share Capital		20,000
Proceeds from unsecured loans		3,57,60,040
Proceeds from secured loan		- 9,36,938
Preliminary Expenses		57,430
Net cash used in Financing Activities		3,49,00,532
Net Increase/Decrease in Cash and Cash equivalents		11,00,563
Cash and Cash Equivalents as on 01-04-1999 (Opening Balance)		65,81,881
Cash and Cash Equivalents as on 31-03-2000 (Closing Balance)		76,82,444

As per our Report of even Date

For and on behalf of the Board

For **N. O. MEHTA & CO.**
Chartered Accountants
Auditors

Place : Mumbai Signed by the hand of Partner
Date : 23-08-2000 **N. O. MEHTA**

Place : Mumbai **J. A. KATHAWALA** **D. J. KATHAWALA**
Date : 23-08-2000 *Mg. Director* *Director*

AUDITOR'S CERTIFICATE

We have examined the above Cash Flow Statement of M/s. UNION QUALITY PLASTICS LTD. for the year ended 31st March, 2000. The Statement has been prepared by the Company in accordance with the requirements of clause 32 of the Listing Agreement with Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company for the year ended 31st March, 2000. and as at 31st March, 2000.

For **N. O. MEHTA & CO.**

N. O. MEHTA
PARTNER

Mumbai, August 23rd, 2000.

SCHEDULE - BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. State Code
 Balance Sheet Date
 Date Month Year

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue
 Right Issue
 Bonus
 Private Placement

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities Total Assets
 Source of Funds
 Paid up Capitals Reserve & Surplus
 Secured Loans Unsecured Loans
 Application of Funds
 Net Fixed Assets
 Investments Net Current Assets
 Miscellaneous Expenditure Accumulated Losses

IV. Performance of Company (Amount in Rs. Thousands)

Turnover Total Expenditure
 Profit / Loss before Tax Profit / Loss after Tax
 Earning Per Share in Rs. Dividend Rate %

V. Generic Names of Three Principal Products (As per Monetary Terms)

Item Code No.
 (ITC Code)
 Product
 Description

Item Code No.
 (ITC Code)
 Product
 Description