

ALAN SCOTT INDUSTRIES LIMITED



12th Annual Report 2005-2006

Alan Scott Industries Limited**BOARD OF DIRECTORS**

MR. SOKETU PARIKH	(CHAIRMAN & MANAGING DIRECTOR)
MS. ASMITA J. PARIKH	(EXECUTIVE DIRECTOR)
MR. K. K. GOVINDAN NAIR	(DIRECTOR)

REGISTERED OFFICE

38, APURVA INDUSTRIAL ESTATE,
MAKWANA ROAD, MAROL NAKA,
ANDHERI (EAST),
MUMBAI – 400 059.

BANKERS

ORIENTAL BANK OF COMMERCE
KARUR VYSYA BANK LTD.

AUDITORS

JAYESH DADIA & ASSOCIATES
CHARTERED ACCOUNTANTS

REGISTRARS AND TRANSFER AGENTS

INTIME SPECTRUM REGISTRY LTD.
C-13, PANNALAL SILK MILLS COMPOUND
'..B.S.MARG, BHANDUP (W),
MUMBAI – 400 078.
TEL : 5555 5454, FAX : 5555 5353

DEMAT FACILITY

AVAILABLE TO CO'S
SHAREHOLDERS
ISIN NO. INE273F01014

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWELFTH ANNUAL GENERAL MEETING OF THE MEMBERS OF **ALAN SCOTT INDUSTRIES LIMITED** WILL BE HELD ON FRIDAY, THE 29TH SEPTEMBER, 2006 AT 11.00 A.M. AT 38, APURVA INDUSTRIAL ESTATE, MAKWANA ROAD, OFF ANDHERI KURLA ROAD, MAROL NAKA, ANDHERI (EAST), MUMBAI - 400 059, TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as on 31st March 2006 and Profit & Loss Account for the year ended on that date and Report of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Sokuu Parikh who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint auditors in place of Jayesh Dadia & Associates, Chartered Accountants, Mumbai as Auditors of the Company, to hold office from the conclusion of this Meeting till the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

Place : Mumbai

BY ORDER OF THE BOARD OF DIRECTORS

Date : 07/09/06

Sd/-
SOKETU PARIKH
(MANAGING DIRECTOR)

Registered Office

38, Apurva Industrial Estate,
Makwana Road, Marol Naka,
Andheri (E), Mumbai - 400 059

NOTES :-

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. Proxies in order to be effective must be deposited at the Registered Office of the Company not less than 48 hrs before the Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain Closed from 28th September, 2006 to 30th September, 2006 (both days inclusive)
3. Members are requested to intimate any change in their address to the Company's Registrars and Shares Transfer Agents, M/s Intime Spectrum Registry Ltd., at the earliest quoting their folio numbers.
4. Members desirous of obtaining any information concerning accounts and operations of the Company, are requested to address their questions in writing to the Board of Directors of the Company, at least 7 days before the date of the Meeting, so that the Information required may be made available at the Meeting.
5. Members should bring their copies of Annual Reports to the Annual General Meeting. Copies will not be distributed at the meeting as measure of economy.
6. The members who have not yet exchanged their Counter Receipts with Share Certificates are hereby requested to hand over/submit the same at the Office of Registrar and Transfer Agents of the Company at the earliest.
7. The Company's shares are already traded in dematerialized form under NSDL. The ISIN No. Allotted by NSDL is INE273F01014. Members are requested to avail these facilities. The Company is in the process to register its scrip's under CDSL.

Alan Scott Industries Limited

8. Members holding more than one Share Certificate in the same/under different ledger folios are requested to apply for the consolidation of such folios and send the relevant Share Certificates to the Registrars, M/s. Intime Spectrum Registry Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai – 400 078.
9. Details of the Directors retiring by rotation and seeking re-appointment (in pursuance of Clause 49 of the Listing Agreement)

Name of Director	Mr.Soketu Parikh
Date of Birth	06.08.1957
Date of Appointment	22.02.1994
Qualification	Commerce Graduate from Bombay University. Post Graduate from State University of New York
List of Other Directorship held	NIL
Chairman/Member of the Committees of the Board of Directors of the Company.	Chairman of Share Transfer Committee Chairman of Audit Committee
Chairman/Member of of the Committee(s) of Board of Directors of other Companies in which she is a Director.	NIL

SHAREHOLDER INFORMATION

The Company's securities are listed at the following Stock Exchange:

The OTC Exchange of India
92, Maker Towers "F",
Cuffe Parade,
Mumbai – 400 005

The Company has paid Annual Listing fees to the above Stock Exchange for the Financial Year 2006-2007.

Place : Mumbai
Date : 07/09/06

BY ORDER OF THE BOARD OF DIRECTORS

Sd/-
SOKETU PARIKH
(MANAGING DIRECTOR)

Registered Office

38, Apurva Industrial Estate,
Makwana Road, Marol Naka,
Andheri (E), Mumbai – 400 059

12th Annual Report 2005-2006**DIRECTOR' REPORT**

The Members,
Alan Scott Industries Ltd,

The Board of Directors have pleasure in presenting the Eleventh Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2006

FINANCIAL RESULTS

	2005-06 Rs. (Lakhs)	2004-05 Rs. (Lakhs)
Gross Turnover (Including other Incomes)	374.90	82.55
Profit /(Loss) before interest, Depreciation and Tax	51.89	(18.67)
Less: Financial Charges	9.51	2.44
Profit /(Loss) before depreciation & Tax	42.38	(21.11)
Less: Depreciation	21.87	6.47
Profit /(Loss) before tax	20.51	(27.58)
Add: Provision for Deferred Tax written back	16.29	(7.78)
Less fringe Benefit Tax	1.03	-
Prior year / Extra Ordinary Expense	1.12	0.70
Profit /(Loss) after tax	34.65	(20.50)
Profit /(Loss) brought forward from Previous Year	(61.04)	(40.54)
Balance carried to Balance Sheet	(26.39)	(61.04)

DIVIDEND

In view of the unabsorbed losses of the earlier years, your Directors express their inability to recommend dividend for the financial year 2005-2006

OPERATIONS

The company has signed consent terms with Delta Galil Industries Limited and has exited from manufacturing activity of socks in the joint venture plant set up with Delta Galil Industries Limited (Israel).

The New India Assurance Company Limited lost the case against Alan Scott Industries Limited under Arbitration mutually agreed upon and appointed by both parties Arbitration award has been issued on 13th June, 2006 for payment of interest and outstanding principal amount. The award has been 3-0 in the favour of Alan Scott Industries Limited. The matter is being pursued with The New India Assurance Company Limited for the payment of the amount due to us.

PUBLIC DEPOSITS

The Company has neither invited npt accepted any deposits in contravention of section 58A of the Companies Act, 1956 and the Rules made there under during the year under review.

OBSERVATION IN THE AUDITORS' REPORT

The observation made by the Auditors in their Report have been duly clarified / explained in their report or in the relevant Notes forming, part of the Annual Accounts, which are self explanatory and do not need any further clarification. Further as regard Auditors observation for internal Audit system the Board is taking appropriate steps to strengthen the same.

PERSONNEL

Our company's human resources have been playing a vital role in achieving organization objectives. The company's growth and progress is the result of hard work and devotion of all the employees. None of the employees of the company was in receipt of remuneration in excess of the limits prescribed u/s 217(2A) of the Companies Act, 1956.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the companies Act, 1956, the Directors affirm that;

- in the preparation of the Annual Accounts of the company, the applicable Accounting standard have been followed ;
- the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2006 and the Profit & Loss Account for the year ended on that date ;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- the Directors have prepared the Annual Accounts on a going concern basis.

DIRECTORS

As require under corporate governance, the brief particulars of Directors retiring by rotation as under :

Mr. Sokuu Parikh was appointed as a Director w.e.f. 22.02.1994.

The Board recommends his appointment.

Alan Scott Industries Limited**PARTICULARS U/S 217 (1) (e) OF THE COMPANIES ACT, 1956.**

As required u/s 217-(1) of the companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rule, 1988 the relevant information is given below:

A CONSERVATION OF ENERGY**Power & Fuel Consumption:**

	2005-06	2004-05
1) ELECTRICITY		
a) Purchase Units	798416	223904
Amount (Rs.)	31,43,594	7,75,359
Rate / Unit (Rs.)	3.93	3.46
b) Own Generated Units		
Total Oil consumed	Nil	Nil
Total Amount (Rs.)	Nil	Nil
Rate / Unit (Rs.)	Nil	Nil
2) STEAM GENERATOR:		
a) Consumed		
Keep	Nil	Nil
Total Oil consumed	Nil	Nil
Rate / kg (Rs)	Nil	Nil
3) PER UNIT OF CONSUMPTION PRODUCTION		
Products (with details) unit Socks		
11.68 lacs Pairs (0.24 lacs pairs P Y)	1.46	1.86
Electricity		

B RESEARCH & DEVELOPMENT

The company has no specific Research and Development Department.

C FOREIGN EXCHANGE EARNING / OUT GO

	2005-06 Rs. (Lakhs)	2004-05 Rs. (Lakhs)
Total Foreign Exchange earned	333.10	35.58
Total foreign exchange outgo	Nil	Nil
For Expenses	Nil	Nil
For Training	Nil	Nil
For Travel	0.67	Nil
For Machinery	Nil	Nil
For Component Spares	Nil	Nil

AUDITORS

The Auditors of the Company, M/s. Jayesh Dadia & Associates, Chartered Accountant, Mumbai, retire at the ensuing Annual General Meeting and being eligible u/s 224 (1B) of the Companies Act, 1956, have expressed their willingness to continue the Auditors of the Company, if appointed. The Directors recommend their appointment as the Auditors of the Company.

CORPORATE GOVERNANCE

Your company is required to comply with the code of corporate governance as mandated by the SEBI, Under Clause 49 of the Listing Agreement with the OTC by 31.03.2003. The Board has already initiated measures to ensure that the code is complied with.

Pursuant to Clause 49 of the Listing Agreement with the OTC Exchange, a Management Discussion and Analysis, Corporate Governance Report and Auditor's Certificate regarding compliance of condition of corporate Governance are made a part of the Annual Report. A note on the Company's efforts to discharge its social responsibility is also included.

ACKNOWLEDGEMENT

The Directors take this opportunity to thank all the employees for their contribution to the Company's performance during the year under review. The Directors place on record their appreciation for assistance and support from various Government Agencies, Bankers and Financial Institution.

The Directors also express their gratitude to the Shareholders of the Company for their continuous support to the management.

BY ORDER OF THE BOARD OF DIRECTORS

Sd/-
SOKETU PARIKH
(CHAIRMAN)

PLACE: MUMBAI
DATE: 07/09/06

12th Annual Report 2005-2006**AUDITOR'S REPORT**

TO,
THE MEMBERS OF
ALAN SCOTT INDUSTRIES LIMITED.

1. We have audited the attached Balance Sheet of ALAN SCOTT INDUSTRIES LIMITED as at 31st March, 2006 and also Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) (Amendment) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) 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;
 - (ii) In our opinion, proper books of accounts as required by the law have been kept by the company as appears from our examination of the books;
 - (iii) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet and the Profit and Loss Account dealt with by this Report comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956.
 - (v) On the basis of representations received from the Directors as on 31st March 2006 and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31st March 2006 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (a) In case of the Balance Sheet, of the state of affairs of the company as at 31st March 2006; and
 - (b) In case of the Profit and Loss account, of the Profit for the year ended on that date.
 - (c) In case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Jayesh Dadia & Associates,
Chartered Accountants.

Jayesh Dadia
Partner
M.No.: 033973

Mumbai, Dated : 7th September, 2006

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 3 of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- (b) As informed to us all the assets have been physically verified by the Management during the year at reasonable intervals and no material discrepancies were noticed on verification;
- (c) During the year, the company has not disposed off a substantial part of the Fixed Assets;
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) In respect of loans, secured or unsecured, granted or taken by the by the company to / from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956:
 - (a) The Company has granted interest free loan, to one company listed in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.7.11 lacs and the balance at the year end was Rs.6.41 lacs.
 - (b) In our opinion and according to the information and explanation given to us, the terms and conditions on which loan have been given are not prima-facie, prejudicial to the interest of the company.