

CLASSIC ELECTRICALS LIMITED
ANNUAL REPORT 1998-99.

DIRECTORS:

Mr. Vinod C. Ambani

Mr. Deepak S. Maheshwari

Mr. Hitesh D. Shah

REGISTERED OFFICE :

Merchant Chamber, 3rd Floor,

41, New Marine Lines

BOMBAY - 400 020.

AUDITORS :

M/s. -N.B. Purohit & Co.

Chartered Accountants.

BOMBAY

BANKERS :

Bank of India.

The Tamilnad Mercantile Bank Ltd.

Syndicate Bank.

CLASSIC ELECTRICALS LIMITED
DIRECTORS' REPORT TO THE MEMBERS

The Directors have pleasure in presenting their Fourteenth Annual Report together with the Audited Statement Accounts for the year ended 31st March, 1999.

<u>Financial Results</u>	<u>(Rs. in lacs)</u>	
	<u>1998-99</u>	<u>1997-98</u>
Sales	159.50	05.98
Interest and other Income	<u>23.25</u>	<u>42.87</u>
	182.75	48.85
	=====	=====
Profit before providing for depreciation	26.09	36.79
Deduct Provision for Depreciation	<u>4.56</u>	<u>5.03</u>
Profit before Tax	21.53	31.76
Deduct Provision for Taxation	<u>08.00</u>	<u>12.25</u>
Profit after Tax	13.53	19.51
Balance of Profit brought forward	<u>121.16</u>	<u>101.65</u>
Balance carried to Balancesheet	134.69	121.16
	=====	=====

Dividend:

In order to conserve the financial resources of the company to meet long term financial needs, the Directors do not recommend any dividend for the financial year ended 31st March, 1999.

Operating Results:

The company has earned profit after providing for Tax Rs. 13.53 lacs against profit of Rs. 19.51 lacs. Your company has already acquired Plant & Machinery for manufacturing of plastic molding powder and it is expected that the Plant will be commissioned shortly. During the year under the report the company has started Trading in electrical goods.

Auditors' Report:

The notes to the accounts referred to by the Auditors in their report are self-explanatory and does not require any further comments.

Directorate:

Mr. Deepak S. Maheshwari retires by rotation and is being eligible offers him selves for reappointment.

Y2K Compliance:

Your company has carried out the necessary tests for Y2K Compatibility of hardware & operating system and also where required, appropriate steps are being taken for up gradation or for implementation of the same. The cost of which is not material. Your company has contingency plan in event of system failure due to Y2K problem. The whole process of Y2K compliance has been completed.

Particulars of Employees:

The Company did not employ anybody drawing remuneration of Rs. 6,00,000/- or more per annum or Rs. 50,000/- or more per month and hence the question of providing information under section 217(2A) of the Companies Act, 1956 does not arise.

Disclosures of particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo:

Particulars regarding conservation of energy, technology absorption as required pursuant to Section 217 (1)(e) of the Companies Act, 1956 as amended are not given since the said section is not applicable to the company.

Foreign exchange earnings: Nil

Foreign exchange out go: Nil

Auditors:

M/s. N.B.Purohit & Co., Chartered Accountants, present Auditors of the Company retire at this Annual General Meeting and are eligible for re-appointment as Auditors of the Company. You are requested to appoint Auditors of the Company and fix their remuneration.


Registered Office:

The registered office of the company has been shifted to Merchant Chamber, 3rd Floor, 41, New Marine Lines, BOMBAY 400 020 with effect from 3rd May, 1999.

Appreciation:

Your Directors take this opportunity to place on record their appreciation for the support that the Company has received from The Bankers, Employees and Shareholders.

on behalf of the Board

— )
)
Deepak M.) Directors

MUMBAI

Dated: 3rd September, 1999.

Nilkanth Purohit

B.COM.(Hons); F.C.A.

N. B. PUROHIT & CO.

CHARTERED ACCOUNTANTS

4, Jahangir Mansion Office Complex,
Cinema Road, Behind Metro,
Mumbai-400 020.

Telefax : (O) 206 15 33 (R) 805 52 10

AUDITORS' REPORT

To the Members of CLASSIC ELECTRICALS LTD.

We have audited the attached Balance Sheet of Classic Electricals Limited as at 31st March, 1999 and Profit and Loss Account for the year ended on that date annexed thereto and report that:

1) As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988, issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in Paragraphs 4 and 5 of the said Order.

2) Further to our comments in the Annexure referred to in Paragraph (1) above, we report that:

a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.

c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.

d) In our opinion, the Profit & Loss A/c. & Balance Sheet comply with accounting standard as referred to in the sub-section 3C of section 211 of the Companies Act, 1956. .

e) In our opinion and to the best of our information and according to the explanations given to us, subject to note 4(ii) regarding quantitative information in respect of Purchase, turnover, opening and closing stocks of goods not having been given for the reasons stated, the Accounts together with the Schedules annexed thereto with Notes made thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :

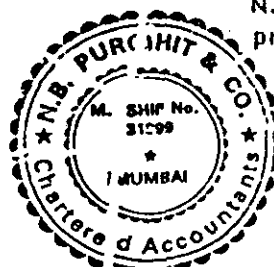
i) in the case of Balance Sheet of the state of affairs of the Company as at 31st March, 1999 and

ii) in the case of the Profit & Loss Account of the Profit for the year ended on that date.

For N.B Purohit & Co.
Chartered Accountants

Nilkanth Purohit
N.B. Purohit
proprietor

Bombay, 3rd September, 1999.



Nilkanth Purohit

B.COM.(Hons); F.C.A.

N. B. PUROHIT & CO.

CHARTERED ACCOUNTANTS

4, Jahangir Mansion Office Complex,
Cinema Road, Behind Metro,
Mumbai-400 020.

Telefax : (O) 206 15 33 (R) 805 52 10

ANNEXURE

ANNEXURE TO THE AUDITORS' REPORT REFERRED TO IN PARAGRAPH (1) OF AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF CLASSIC ELECTRICALS LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 1999.

- 1) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. As explained to us, the physical verification of the fixed assets as at 31st March 1999 was conducted by the Management and there were no material discrepancies found on such verification.
- 2) None of the fixed assets have been revalued during the year.
- 3) The stocks of finished goods of the Company have been physically verified by the Management during the year.
- 4) In our opinion and according to information and explanations given to us, the procedures of physical verification of stocks followed by the Management are reasonable and adequate in relation to the size of the company and the nature of the business.
- 5) The discrepancies noticed on physical verification of stocks as compared to book records were not material.
- 6) In our opinion and on the basis of information & explanations given to us, the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the previous year.
- 7) The Company has not taken any loans from companies, firms or other parties listed in the registers maintained under Sec.301 or Sec.370(1B) of the Companies Act, 1956.
- 8) According to the information and explanations given to us, the company has not granted loans to company or other party listed in the register maintained under Section 301 of the Companies Act, 1956 or to the Company under the same management as defined under section 370(1B) of the companies Act, 1956.

ASB

