

**ANNUAL
REPORT
1998-99**

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ENTERPRISE INTERNATIONAL LTD.

ENTERPRISE INTERNATIONAL LTD.

BOARD OF DIRECTORS

Mr. GOPAL DAS SARDA (Chairman)
Mr. BIJOY KUMAR SARDA
Mr. BIMAN CHATTERJEE

Company Secretary :

Mr. JAMUNA PRASAD

AUDITORS :

M/S. K. M. TAPURIAH & CO.
Chartered Accountants

BANKERS :

BANK OF INDIA
STATE BANK OF INDIA

REGISTERED OFFICE :

"SARDA HOUSE"
61, Jatindra Mohan Avenue,
Calcutta - 700 005

CORPORATE OFFICE :

"Amar Sudha Building"
3rd Floor
5A/1A, Lord Sinha Road,
Calcutta - 700 071

ENTERPRISE INTERNATIONAL LTD.**NOTICE TO THE MEMBERS :**

NOTICE is hereby given that the 10th Annual General Meeting of the Company will be held at BIRLA PLANETARIUM HALL, M.P. BIRLA PLANETARIUM, 96, JAWAHARLAL NEHRU ROAD, CALCUTTA - 700 071 on Monday, the 27th day of September, 1999 at 10.00 A.M. to transact the following business :

- 1) To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 1999 and the Report of Directors and the Auditors thereon.
- 2) To appoint a Director in place of Sri Bijoy Kumar Sarda who retires by rotation and being eligible offers himself for re-appointment.
- 3) To appoint Auditors and to fix their remuneration.

Regd. Office :
61, jatindra Mohan Avenue,
Calcutta - 700 005
Dated : 30th June, 1999

By Order of the Board
For **ENTERPRISE INTERNATIONAL LIMITED**
G D SARDA
Chairman

Notes :

- 1) A Member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself/herself and the Proxy need not be a member of the Company. The Proxy in order to be effective must be lodged at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- 2) The Register of Members and Share Transfer Register will remain closed from Monday, the 13th September, 1999 to Monday, the 27th September, 1999 (Both days inclusive) in connection with the Annual General Meeting.
- 3) Members are requested to intimate to the Company queries, if any, regarding these Accounts at least 7 (seven) days before the meeting to enable the Management to keep the information ready at the meeting.
- 4) Members who have not encashed dividend warrants for the Financial year 1995-96, may approach the Company's Registered Office for validating the Warrants or for obtaining duplicate warrants. The unpaid dividend warrants for the Financial year 1995-96 will be transferred to the credit of Central Government on 30.11.1999.
- 5) Members are requested to bring the attendance slips alongwith copies of Annual Report to the Meeting.

ENTERPRISE INTERNATIONAL LTD.**DIRECTOR'S REPORT TO THE MEMBERS :**

Your Directors submit the Tenth Annual Report of your Company together with Audited Balance Sheet as at 31st March, 1999 and the Profit & Loss Account for the year ended 31st March, 1999.

| | Year ended 31.03.99 | (Rupees in Lacs) Year ended 31.03.98 |
|--|------------------------|--|
| 1. FINANCIAL RESULTS | | |
| Net Sales / Income | 181.62 | 142.85 |
| Profit / (Loss) before interest & Depreciation | 4.63 | (5.43) |
| Less : Interest | 2.33 | 0.39 |
| Profit / (Loss) before Depreciation | 2.30 | (5.82) |
| Less : Depreciation | 1.23 | 1.60 |
| Profit / (Loss) before Tax | 1.07 | (7.42) |
| Less : Provision for Taxation | 0.11 | — |
| Profit / (Loss) after Tax | 0.96 | (7.42) |
| Less : Prior period adjustments | 0.69 | — |
| Add : Surplus carried forward | 122.73 | 130.16 |
| Available for Appropriation | <u>123.00</u> | <u>122.73</u> |
| Appropriations : | | |
| General Reserve | — | — |
| Proposed Dividend | — | — |
| (Including Dividend Tax) | | |
| Surplus Carried to Balance Sheet | 123.00 | 122.73 |

2. DIVIDEND :

In the view of Marginal Profit during the year your Directors do not propose any dividend.

3. REVIEW OF OPERATIONS :

Exports remain unviable due to competition for China. Efforts are being made to develop new product for exports.

4. PROSPECTS AND FUTURE OUTLOOK :

While export market is being tried, Fund based activities are being pursued in right earnest. Imports of Raw Silk has been stepped up and encouraging results are expected during current year.

5. DIRECTORS :

Sri Bijoy Kumar Sarda retire from the Board of Directors by rotation in accordance with the provisions of Articles of Association of the Company and being eligible offer himself for re-appointment.

ENTERPRISE INTERNATIONAL LTD.**6. AUDITORS :**

M/s K M Tapuriah & Co., Chartered Accountants, the Auditor of the Company retires at the conclusion of the Annual General Meeting and being eligible offer themselves for re-appointment.

7. PERSONNEL :

The Board wishes to express its deep appreciation to all employees for extending their full co-operation and maintaining co-ordial relations.

The particulars required in terms of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not applicable to the Company.

8. AUDITORS REPORT :

The notes to the Accounts referred to in the Auditor's Report are self explanatory and therefore do not call for any further comment.

9. STATUTORY INFORMATION :

The Company has no activities requiring disclosures relating to conservation of energy etc. The Technology is indigenous based on hand process. During the period under review the earnings in Foreign Currency was Rs. 35.07 Lacs and the expenditure in Foreign Currency was Rs. 71.04 Lacs.

10. SUBSIDIARY COMPANY :

As required under Section 212 of the Companies Act, 1956 the Audited Statements of accounts alongwith the Report of the Board of Directors' and Auditors' Report thereon of ENTERPRISE FINANCE LIMITED for the year ended 31st March, 1999 are annexed.

11. Y2K PREPAREDNESS :

Your Company has taken effective steps to meet Y2K Compliance in respect of all its computerized systems. The hardware and software of the Company are Y2K compliant.

Place : Calcutta

Dated : 30th June, 1999

For and on behalf of the Board

GOPAL DAS SARDA

Chairman

Information required to be furnished under the listing agreement.

a) The names and addresses of the Stock Exchanges where Company's Shares are listed.

1. The Calcutta Stock Exchange Association Ltd.,
7, Lyons Range, Calcutta - 700 001.
2. The Stock Exchange, Mumbai,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001

b) The listing fees for the year 1998-99 has been paid on time to all the above Stock Exchanges.

ENTERPRISE INTERNATIONAL LTD.**AUDITOR'S REPORT****TO THE MEMBERS OF ENTERPRISE INTERNATIONAL LIMITED**

We have audited the attached Balance Sheet of ENTERPRISE INTERNATIONAL LIMITED as at 31st March 1999 and the annexed Profit & Loss Account for the year ended on that date which are in agreement with the books of Accounts.

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 and on the basis of such checks of the books and records of the Company as we considered appropriate and the information and explanations given to us during the course of audit, we report that in our opinion :
 - (i) (a) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified by the management during the year. To the best of our knowledge, no serious discrepancies have been noticed on verification.
 - (ii) The Fixed Assets of the Company have not been revalued during the year.
 - (iii) The Stock of finished goods, stores, spare parts and raw materials of the Company have been physically verified by the management at reasonable interval.
 - (iv) 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 its business.
 - (v) The discrepancies noticed on verification between the physical stocks and book records are not material and have been properly dealt with in the books of accounts.
 - (vi) On the basis of our examination of the valuation of stocks, we are of the opinion that such valuation is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
 - (vii) The Company has not taken any loans secured or unsecured, from Companies and firms as listed in Register maintained under Section 301 of the Companies Act, 1956 or from the Companies under the same management as defined under Section 370 (I-B) of the Companies Act, 1956.
 - (viii) The Company has not granted any loan, secured or unsecured to firms and other parties listed in the Register maintained under Section 301 of the Companies Act, 1956 or to the Companies under the same management as defined under Section 370 (I-B) of the Companies Act, 1956, except interest free loan to its subsidiary. In our opinion, having regard to the involvement with subsidiary Company and considering the explanation given to us in this regard, the terms and conditions of the above are not prima facie, prejudicial to the interest of the Company.
 - (ix) The Parties including employees to whom loans or advances in the nature of loans have been given by the Company, where applicable, are generally repaying the principal amounts as stipulated and are also regular in the payment of interest.
 - (x) There are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of stores, raw materials including components, plant and machinery, equipments and other assets and for the sale of goods.

ENTERPRISE INTERNATIONAL LTD.

- (xi) The Company has a regular procedure for the determination of unserviceable or damaged stores, raw materials, trading goods and finished goods and necessary adjustments for the loss arising on the items so determined have been made in the accounts.
- (xii) The Company has not accepted any Public Deposit.
- (xiii) Reasonable records have been maintained by the Company for the sale and disposal of significant realisable scraps.
- (xiv) The Company has an internal audit system commensurate with the size and nature of its business.
- (xv) Maintenance of cost records under Section 209 (I) (d) of the Companies Act, 1956 is not applicable to the Company.
- (xvi) There are no undisputed amounts payable in respect of income tax, wealth tax, sales tax, excise duty and customs duty as at 31st March 1999 which are outstanding for a period of more than six months from the date they become payable.
- (xvii) During the course of our examination of the books of accounts, we have not come across any personal expenses which have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
- (xviii) The Company is not a sick industrial company within the meaning of clause (O) sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
- (xix) The Company is maintaining proper records in respect of dealing and trading in shares and debentures. Timely entries have been made therein for transactions and contracts entered in to by the Company. The shares and debentures have been held by the Company in its own name.
- (xx) The other provisions of the Manufacturing and other Companies (Auditor's Report) Order, 1988 are not applicable to the Company.

2. Further to the 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. In our opinion proper books of accounts have been kept by the Company as required by law so far as appears from our examination of those books.
- (ii) In our opinion, the Profit & Loss Account and the Balance Sheet Comply with the requirements of Accounting standards reported in sub-section (3C) of Section 211 of the Companies Act, 1956 except as dated above.
- (iii) In our opinion and to the best of our information and according to the explanations given to us the said accounts read in conjunction with schedule, notes on accounts give the information required by the Companies Act, 1956, in the manner so required and the Balance Sheet gives a true and fair view of the state of the Company's affairs as at 31st March 1999 and the Profit & Loss Account gives a true and fair view of the Profit for the year ended on that date.

For **K. M. TAPURIAH & CO**

Chartered Accountants

M. S. TAPURIAH

Proprietor

Place : Calcutta

Date : 30th June, 1999

ENTERPRISE INTERNATIONAL LTD.**BALANCE SHEET AS AT 31ST MARCH, 1999**

(Amount in Rupee)

| I. SOURCES OF FUNDS | Sch. No. | As at 31.03.99 | As at 31.03.98 |
|--|-----------------|-----------------------|-----------------------|
| 1. Shareholder's Funds | | | |
| a) Capital | A | 29942250 | 29942250 |
| b) Reserves & Surplus | B | 35353378 | 35326888 |
| Total : | | <u>65295628</u> | <u>65269138</u> |
| II. APPLICATION OF FUNDS : | | | |
| 1. Fixed Assets | C | | |
| a) Gross Block | | 1397890 | 1362040 |
| b) Less : Depreciation | | <u>895212</u> | <u>772002</u> |
| c) Net Block | | 502678 | 590038 |
| 2. Investments | D | 1713800 | 1779800 |
| 3. Current Assets, Loans & Advances | E | | |
| a) Inventories | | 8345463 | 12589373 |
| b) Sundry Debtors | | 5360704 | - |
| c) Cash & Bank Balances | | 4416290 | 4770465 |
| d) Loans & Advances | | 49742822 | 48314964 |
| | | <u>67865279</u> | <u>65674802</u> |
| Less : Current Liabilities & Provisions | F | | |
| a) Liabilities | | 6415424 | 4007558 |
| b) Provisions | | 11000 | 738460 |
| Net Current Assets | | <u>6426424</u> | <u>4746018</u> |
| | | 61438855 | 60928784 |
| 4. Miscellaneous Expenditure | G | 1640295 | 1970516 |
| (To the extent not written off or adjusted) | | | |
| Total : | | <u>65295628</u> | <u>65269138</u> |

NOTES ON ACCOUNTS

As per our attached report of even date

For **K. M. TAPURIAH & CO.**
Chartered Accountants**(M. S. TAPURIAH)**
Proprietor

Calcutta, the 30th June, 1999.

G.D. SARDA
B. K. SARDA
B. CHATTERJEE
Directors
JAMUNA PRASAD
Secretary

ENTERPRISE INTERNATIONAL LTD.**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1999**

(Amount in Rupee)

| INCOME | Sch. No. | Year ended 31.03.99 | Year ended 31.03.98 |
|--|-----------------|----------------------------|----------------------------|
| Sales | | 13557138 | 12343974 |
| Duty Draw Back | | 147001 | 224634 |
| Other Income | H | 4458294 | 1716117 |
| Stock in trade | | 8345463 | 12589373 |
| | | <u>26507896</u> | <u>26874098</u> |
| EXPENDITURE | | | |
| Opening Stock | | 12589373 | 23427256 |
| Purchase | | 7535502 | — |
| Manufacturing & Other Exp. | I | 3669908 | 946803 |
| Administrative & Spelling Exp. | J | 2240024 | 3029084 |
| Loss on Sale of Motor Car | | — | 4195 |
| Interest | | 233217 | 39009 |
| Depreciation | | 123210 | 160466 |
| Auditors Remuneration | | 10000 | 10000 |
| | | <u>26401234</u> | <u>27616813</u> |
| PROFIT / (LOSS) BEFORE TAX | | 106662 | (742715) |
| Less : Provision for Tax | | 11000 | — |
| | | <u>95662</u> | <u>(742715)</u> |
| PROFIT / (LOSS) AFTER TAX | | | |
| Adjustment relating to earlier year Taxation | | (69172) | — |
| Balance b/f | | 12273138 | 13015853 |
| PROFIT AVAILABLE FOR APPROPRIATION | | <u>12299628</u> | <u>12273138</u> |
| Appropriation : | | | |
| Transfer to General Reserve | | — | — |
| Proposed Dividend | | — | — |
| Corporate Dividend Tax | | — | — |
| Balance Carried Forward | | <u>12299628</u> | <u>12273138</u> |

NOTES ON ACCOUNTS K

As per our attached report of even date

For **K. M. TAPURIAH & CO.**

Chartered Accountants

(M. S. TAPURIAH)

Proprietor

Calcutta, the 30th June, 1999

G.D. SARDA**B. K. SARDA****B. CHATTERJEE**

Directors

JAMUNA PRASAD

Secretary