



15th
ANNUAL REPORT
1999 - 2000

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[Signature]
Director/Authorised Signatory.

CHAMPAGNE INDAGE LIMITED

| | | |
|-------------------------|--|---------------|
| BOARD OF DIRECTORS : | MR. S. G. CHOUGULE | Chairman |
| | MR. J. B. D'SOUZA | Vice Chairman |
| | MR. M. A. PANDIT | |
| | MR. G. G. DESAI | |
| | CHHATRAPATI SHRI SHAHU MAHARAJ | |
| | MR. ANTIONE MERLAUT | |
| | MR. ERIC WENTE | |
| | MR. AKIS MICHALI ZAMBARTAS | |
| | MR. MICHAEL WILLKOMM | |
| | MR. LE SAUX THIERRY | |
| MANAGING DIRECTOR : | MR. A. B. SHAH | |
| COMPANY SECRETARY : | MR. M. D. SOOD | |
| AUDITORS : | M/S. SORAB S. ENGINEER & CO. CHARTERED ACCOUNTANTS ISMAIL BUILDING, 381, DR. D. N. ROAD, FORT, MUMBAI - 400 001. | |
| BANKERS : | CENTRAL BANK OF INDIA CANARA BANK BANK OF MAHARASHTRA RATNAKAR BANK LTD. OMAN INTERNATIONAL BANK S.A.O.G. | |
| SOLICITORS : | LITTLE & CO. CENTRAL BANK BUILDING, MUMBAI - 400 023. | |
| REGISTERED OFFICE : | INDAGE HOUSE 82, DR. ANNIE BESANT ROAD, WORLI, MUMBAI - 400 018. | |
| ADMINISTRATIVE OFFICE : | 33-B, KRISHNAMAI, SIR POCHKHANWALA ROAD, WORLI, MUMBAI - 400 025. | |
| EMAIL : | wines@indagegroup.com | |

NOTICE :

NOTICE IS HEREBY GIVEN THAT THE FIFTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF CHAMPAGNE INDAGE LIMITED WILL BE HELD ON FRIDAY, 29TH SEPTEMBER, 2000, AT 'THE AMAR GIAN GROVER AUDITORIUM', OF LALA LAJPATRAI COLLEGE OF COMMERCE & ECONOMICS, LALA LAJPATRAI MARG, HAJI-ALI, MAHALAXMI, MUMBAI - 400 034, AT 11.00 A.M. TO TRANSACT THE FOLLOWING BUSINESS :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2000 and the Profit & Loss Account for the period ended on that date, together with the Directors and Auditors Reports thereon.
2. To appoint a Director in place of Mr. G. G. Desai, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. M. A. Pandit, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Chhatrapati Shri Shahu Maharaj, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors including Branch Auditors and to fix their remuneration.

SPECIAL BUSINESS :

To consider, and, if thought fit, to pass, with or without modification(s), the following resolutions

6. As an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification or re-enactment thereof for the time being in force, consent of the Company be and is hereby accorded to the appointment of Mr. Arun B. Shah (Mr. Shah) as a Managing Director for a period of 3 years from 1st April, 2000 till 31st March, 2003 (both days inclusive) on the terms & conditions including remuneration as set out in the Agreement entered into by the Company with Mr. Shah, with absolute liberty to the Board of Directors to further alter, amend and vary the terms & conditions of the said appointment and/or agreement including the terms of remuneration so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956, including any statutory modification or re-enactment thereof, for the time being in force as may be agreed to between the Board of Directors and Mr. Shah.

"RESOLVED FURTHER THAT where in any financial year, the Company has no profits or its profits are inadequate, the Company may pay to Mr. Shah, remuneration by way of salary, perquisites and other allowances not exceeding the limits under Section II of Part II of Schedule XIII of the Companies Act, 1956, for the time being in force.

"RESOLVED FURTHER THAT in the event of any statutory amendment or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorised to vary, alter or increase the remuneration, including salary, commission, perquisites, allowances etc. payable to Mr. Shah within such prescribed limit or ceiling and the aforesaid agreement between the Company and Mr. Shah, be suitably amended to give full and final effect to such modification, relaxation or variation without any further reference to the Company in a General Meeting.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all such actions as may be necessary to give full and final effect to the decision taken herein."

7. As a Special Resolution :

"RESOLVED THAT pursuant to the provisions of Section 163 and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as 'the Act') the Company hereby accord its approval to the Register of Members, the Index of Members and the Register and Index of Debentureholders, copies of all its Annual Returns prepared under Section 159 of the Act, together with the copies and certificates and documents required to be annexed thereto under Section 161 of the Act, be kept at the Administrative Office of the Company, at 33-B 'Krishnamai, Sir Pochkhanwala Road, Worli, Mumbai - 400 025, with immediate effect".

REGISTERED OFFICE :

Indage House, 82, A. B. Road,
Worli, Mumbai 400 018.

BY ORDER OF THE BOARD
For Champagne Indage Limited

PLACE : Mumbai

DATE : 29th August, 2000

A. B. SHAH
Managing Director

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL, INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM TO BE VALID MUST BE DEPOSITED WITH THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Members / Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting. The Register of Members shall remain closed from Thursday 21st September, 2000 to Friday 29th September, 2000 (both days inclusive). for holding Annual General Meeting.
3. Members desiring any information on accounts are requested to write to the Company atleast one week before the Meeting, so as to enable the Management to keep the information ready, replies will be provided only at the Meeting.
4. Members are requested to notify immediately to the Company, the change if any in their Registered Address.
5. As a measure of economy, no copy of Annual Report will be distributed at the Annual General Meeting. Members are therefore requested to bring their copy of Annual Report to the Meeting.
6. The Company is in the process of exchanging old certificates pursuant to the change in the name of the Company. Those shareholders that have not exchanged their certificates are hereby requested to surrender the certificates to the Company to get new certificates.
7. Explanatory statement pursuant to the provisions of section 173 of the Companies Act, 1956 is annexed.

REGISTERED OFFICE :

Indage House, 82, A. B. Road,
Worli, Mumbai 400 018.

BY ORDER OF THE BOARD
For Champagne Indage Limited

PLACE : Mumbai

DATE : 29th August, 2000

A. B. SHAH
Managing Director

ANNEXURE TO THE NOTICE :

Explanatory statement Pursuant to section 173(2) of the Companies Act, 1956.

Item No. 6

Mr. Arun Shah was appointed as Managing Director at the meeting of the Board of Directors of the Company held on 10th March, 2000, for a period of three years from 1st April, 2000 till 31st March, 2003 (both days inclusive), subject to approval of the Company in General Meeting. The material terms and conditions of the agreement entered into by the Company with Mr. Arun B. Shah, inter alia as follows :

1. **SALARY** : Rs. 50,000/- per month including dearness and all other allowances.
2. **PERQUISITES** : Mr. Arun B. Shah, shall be entitled to perquisites and allowances which shall be restricted to an amount equal to the annual salary and the same shall be as hereinafter provided :
 - 2.1. **Housing** : The Company shall provide unfurnished accommodation to Mr. Arun B. Shah. If no accommodation is provided, House Rent Allowance @ 30% of his salary or as per Companies Rule as applicable to other employees whichever is more shall be payable to Mr. Shah and he is also eligible for reimbursement of expenses / allowance for utilisation of gas, electricity, water and the same will be valued as per Income Tax Rule 1962.
 - 2.2. **Medical Reimbursement** : Reimbursement of expenses incurred for self and family subject to a ceiling of one month's salary in a year.
 - 2.3. **Leave Travel Concession** : Leave Travel Concession for self and family, once in a year incurred in accordance with the Rules of the Company.
Explanation : family means the spouse, the dependent children and dependent Parents of the Managing Director.
 - 2.4. **Club Fees** : Fees of clubs subject to a maximum of two clubs. No admission and No life membership fees will be paid.
 - 2.5. **Personal Accident Insurance** : Personal Accident Insurance of an amount, the annual premium of which does not exceed Rs. 5000/-.
 - 2.6. **Gratuity** : Gratuity as per the rules of the Company, Gratuity payable at a rate not exceeding half a month's salary for each completed year of service shall not be included in computation of the ceiling on perquisites.
 - 2.7. **Earned Leave** : Leave shall be encashed as per the rules of the Company. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on remuneration.
 - 2.8. **Car** : For use on Company's business and telephone at resident will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the company.
3. In the event of loss or inadequacy of profits in any financial year, the remuneration as specified above shall be restricted to Rs. 1,25,000/- per month or Rs. 15,00,000/- per annum.

4. FOLLOWING ARE THE OTHER TERMS OF APPOINTMENT :

The Managing Director shall :

- 4.1 Exercise such powers and authorities and carry out such duties and responsibilities from time to time as may be entrusted to him by the Board.
- 4.2 Promote the welfare and interest of the Company to the best of his ability and confirm and comply with the practices and requirements of the company and also all such orders and directions as may be given by the Board from time to time.

The appointment of Mr. Shah as Managing Director and his remuneration are subject to the approval of the members. Your Board recommends passing of this resolution.

None of the Directors except Mr. Arun B. Shah is interested or concerned in this resolution.

This may be treated as an abstract under section 302(1) of the Companies Act, 1956.

ITEM NO. 7 :

In terms of the provisions of Section 163(1) of the Companies Act, 1956, the Company is required to keep the Register of Members, the Index of Members, the Register and Index of Debentureholders, copies of all Annual Returns prepared under Section 159 together with copies of all certificates and documents required to be annexed thereto in terms of Section 161 at its Registered Office. In view of the shifting of the Administrative Office of the company to 33-B, Krishnamai, Sir Pochkhanwala Road, Worli, Mumbai - 400 025, it is proposed to keep the above documents at the Administrative office of the Company.

This Resolution is proposed to obtain your approval in terms of Section 163(1) of the Companies Act, 1956.

Your Board Recommends passing of this resolution.

None of the Directors of the Company is concerned or interested in this resolution

REGISTERED OFFICE :

Indage House, 82, A. B. Road,
Worli, Mumbai 400 018.

BY ORDER OF THE BOARD
For Champagne Indage Limited

PLACE : Mumbai

DATE : 29th August, 2000

A. B. SHAH
Managing Director

DIRECTORS' REPORT

To
The Members,

Your Directors take pleasure in presenting the Fifteenth Annual Report of the Company for the year ended 31st March, 2000.

FINANCIAL RESULTS

| | 31/03/2000 (Rs. in Lacs) | 31/12/1998 (Rs. in Lacs) |
|---|-----------------------------|-----------------------------|
| Sales & other Income | 2667.69 | 1514.48 |
| Profit before Interest and Depreciation | 212.60 | 114.93 |
| Interest and Finance Charges | 22.52 | 34.71 |
| Depreciation | 43.63 | 34.24 |
| Profit for the year | 146.45 | 45.98 |
| Provision of Taxation | (-)10.00 | - |
| Prior Period and Extra Ordinary Adjustment(Net) | (-)1.48 | (-)7.91 |
| Profit carried to the Balance Sheet | 134.97 | 38.07 |

1. OPERATIONS :

The year under consideration witnessed significant growth in sales and production. The Company is now established brand leader and its products command significant market share in the relevant segment. The Company has drawn up extensive expansion programme for the coming years. During the year Grande Cuvee De Millennium, Chantilli, Omar Khyyam, Marquise De Pompadour, the Company's products in premium segment earned a bronze medal at the International Wine Spirit competition.

2. SUBSIDIARY COMPANY :

Consequent to the issue of shares by Indage Hotels Limited in accordance with the Scheme of Arrangement approved by the High Court of Mumbai, your Company has become holding Company of the said Indage Hotels Limited.

The relevant particulars of Indage Hotels Limited under Section 212 of the Companies Act, 1956 are appended herewith this report.

3. DIVIDEND :

No Dividend has been recommended by the Directors to retain the funds for future growth.

4. SHARE CAPITAL :

During the year the paid-up Equity Share Capital of the Company was increased to Rs. 6,39,48,210 pursuant to issue of 24,50,000 equity shares of the Company under Private Placement approved by the members at the Extra-Ordinary General Meeting held on 3rd February, 2000. The shares were issued at a premium ranging from Rs. 60/- to Rs. 70/- per share.

5. FIXED DEPOSIT :

During the year Company has not invited / renewed deposits from the public / shareholders in accordance with Section 58A of the Companies Act, 1956.

6. DIRECTORS :

Mr. G. G. Desai, Mr. M. A. Pandit and Chhatrapati Shri Shahu Maharaj retire from the Board of Directors of the Company by rotation and are eligible for re-appointment.

Mr. A. B. Shah, Director of the Company has taken over as Managing Director with effect from April, 1st 2000.

7. PARTICULARS OF EMPLOYEES :

The particulars, as required under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975 are set out in the annexure included in this report.

8. AUDITORS :

The Auditors, M/s. Sorab S. Engineer & Co., Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting and are recommended for reappointment. Certificate from the Auditors has been received to the effect that their appointment if made would be within the prescribed limits under section 224(1B) of the Companies Act, 1956.

9. ADDITIONAL INFORMATION :

As required by the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988, the relevant information and details are mentioned below :

(A) CONSERVATION OF ENERGY :

The Company has conducted energy audit to determine energy conservation steps. The process of implementation has begun.

(B) RESEARCH AND DEVELOPMENT :

During the period under review, the company has not incurred any expenditure on Research and Development.

(C) TECHNOLOGY ABSORPTION, ADOPTION & INNOVATION :

During the period, your Company, in order to achieve better economies and reduction in wastage, continued to improvise on the use of indigenous raw materials and packing materials without compromising in any way the quality of products.

(D) FOREIGN EXCHANGE EARNINGS & OUTGO :

| | 31-03-2000 (Rs.) | 31-12-1998 (Rs.) |
|--------------|------------------|------------------|
| (i) Earnings | 64.46 | 134.11 |
| (ii) Outgo | 128.79 | 127.69 |

10. AUDITORS REPORT:

Observations made by the Auditors in their Report, have been appropriately dealt with in the notes forming part of the accounts for the year, which are self-explanatory and hence do not require any further explanation.

11. EMPLOYEES STOCK OPTION PLAN (ESOP) :

The Members / Shareholders of the company at their meeting held on 3rd February, 2000 have approved Employees Stock Option Scheme / Employees Stock Purchase Scheme. The option will be granted on the basis of the recommendations of the compensation committee of the Board. Total No. of options granted to the employee(s) / director(s) will not exceed 7,46,000 Equity Shares of the Company.

However, out of total options granted to any employee(s) / director(s), one third of the same will vest in the employee / director on 1/4/2001, another 1/3 on 1/4/2002 and balance on 1/4/2003.

12. ACKNOWLEDGMENTS AND APPRECIATION :

The Board would like to place on record its appreciation towards the Members of your Company for their continued support and confidence reposed in the Management of the Company. The Directors also express their gratitudes to the Bankers for their continued support. The achievements of your Company would not be possible without the dedicated support and hard work of the employees.

For and on behalf of the Board of Directors

PLACE : Mumbai
DATE : 29th August, 2000.

S. G. CHOUGULE
Chairman

ANNEXURE TO THE DIRECTORS' REPORT

Statement Pursuant to Section 217 (2A) of the Companies Act, 1956 and Companies (Particulars of Employees) Rules, 1975, (forming part of the Directors' Report)

| Name | Age | Designation/ Nature of Duties | Gross Remuneration Rs. | Qualification | Experience (Years) | Date of Commencement of Employment | Last Employment held |
|---|-----|-------------------------------------|------------------------------|------------------------------|-----------------------|--|--|
| (A) EMPLOYED FOR WHOLE OF THE PERIOD AND WERE IN RECEIPT OF REMUNERATION AT THE RATE OF NOT LESS THAN RS. 50,000/- P.M | | | | | | | |
| PRADHAN D. S. | 51 | VICE PRESIDENT | 6,31,202 | B.E. (Mech) | 25 | 15-09-79 | M/s Larsen & Toubro Ltd. Engineer |
| AHUJA H. R. | 49 | VICE PRESIDENT | 6,33,002 | M.Sc., DFM, C.A.IIB., MFM | 26 | 01-12-95 | Champagne India Limited General Manager (Finance) |
| (B) EMPLOYED FOR PART OF THE PERIOD AND WERE IN RECEIPT OF REMUNERATION AT THE RATE OF NOT LESS THAN RS. 50,000/- P.M. | | | | | | | |
| H. S. UBEROI | 60 | PRESIDENT | 6,35,000 | | 30 | 01-04-99 | Air India Commercial Director |

Notes :

- The terms & conditions of employment are as per company's Rules/Contract.
- Remuneration as above includes Salary, Bonus, Taxable Allowances/Perquisites, Medical Reimbursement, Leave Encasement, Travel concession and Company's contribution to Provident Fund and Superannuation Fund.
- None of the employees mentioned above is a relative of any director of the Company.
- No Employee holds by himself or alongwith his spouse and dependent children 2% or more of Equity Shares of the Company.
- All appointment are non-contractual.

AUDITORS' REPORT

TO,

THE MEMBERS OF CHAMPAGNE INDAGE LIMITED

We have audited the attached Balance Sheet of Champagne Indage Limited as on March 31st, 2000 and also the Profit and Loss Account for the 15 months 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 enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comment in the Annexure referred to in paragraph 1 above, we state that:
 - a) 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.
 - 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 such books. The accounts of Delhi Branch have been audited by another firm of Chartered Accountants. Their report has been considered by us while preparing this report.
 - c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of accounts of the Company.
 - d) In our opinion, the Profit & Loss Account, Balance Sheet comply with the mandatory accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.
 - e) The company has not received shares worth Rs. 24,48,320 as a part of scheme of arrangement as disclosed in schedule 6B.

Subject to what is stated above, in our opinion and according to the information and explanation given to us, the said accounts read with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:

- i) In 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 and Loss Account, of the Profit of the Company for the 15 months ended on that date.

For **SORAB S. ENGINEER & CO.**

Chartered Accountants

M. P. Antia

Partner

PLACE : Mumbai

DATED : 29th August, 2000

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF REPORT OF EVEN DATE OF THE AUDITORS TO THE MEMBERS OF CHAMPAGNE INDAGE LIMITED ON ACCOUNTS FOR THE YEAR ENDING 31st MARCH, 2000.

1. The Company has maintained proper records, showing full particulars including quantitative details and situation of fixed assets, except furniture and fixtures. Physical verification of major fixed assets was carried out during the year.
2. None of the fixed assets have been revalued during the year.
3. The stock of finished goods, spare parts and raw materials have been physically verified during the year by the Management.
4. 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.
5. The discrepancies noticed on verification between the physical stocks and the book records were not material.
6. On the basis of our examination of stock records, we are of the opinion that 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 preceding year.
7. In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies, firms or other parties listed in the registers maintained under section 301 and from the companies under the same management are not, prima facie, prejudicial to the interest of company.
8. In our opinion the terms and conditions on which loans have been granted to companies, firms and other parties listed in the register maintained under Section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the Company.
9. Except as provided in the notes No. 2.8 of 16th Schedule the company has not granted any advances in nature of loans to any party. The company is taking reasonable steps for the recovery of the same.
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures, commensurate with the size of the Company and the nature of its business with regard to purchase of stores, raw materials including components, plant and machinery, equipment and other assets and with regard to the sale of goods.
11. According to the information and explanation given to us the transactions of purchase of goods, materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered into the register maintained under section 301 and aggregating during the year to Rs. 50,000 or more in respect of each party, have been made at prices having regard to prevailing market prices for such goods, materials or services or the prices at which transactions of similar goods or services have been made with other parties.
12. As explained to us, Company has a procedure for determination of unserviceable or damaged stores and raw materials, where necessary, provision for loss has been made in the accounts.
13. The Company has not filed the return of Fixed Deposits with the Registrar of Companies in due time as required under Section 58A of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975.
14. In our opinion, reasonable records have been maintained by the Company for the sale and disposal of realisable scrap.
15. The Company has an internal audit system commensurate with the size of the Company and nature of its business.
16. We are informed that the maintenance of cost records has not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956, for any of the Company's activities.
17. According to the records of the Company, Provident Fund and Employees State Insurance dues have been regularly deposited during the year with the appropriate authorities.
18. According to the information and explanations given to us, no undisputed amounts payable in respect of Income-Tax, Sales Tax, Customs-Duty and Excise Duty, were outstanding as on 31st March, 2000 for a period of more than six months from the date they became payable. The provisions of Wealth-Tax are not applicable to the Company.
19. According to the information and explanations given to us, no personal expenses of employees or of directors have been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practice.
20. The Company is not Sick Industrial Company within the meaning of clause (O) of sub section 1 of section 3 of the Sick Industrial Companies (Special Provision) Act, 1985.
21. In respect of service activities :
 - (a) The Company has a reasonable system of recording receipts, issue and consumption of materials and stores and allocation of materials consumed to the relative jobs, commensurate with its size and nature of business.
 - (b) There is a reasonable system of authorisation at proper levels and adequate system of internal controls commensurate with the size of the Company and nature of business for purchase of stores and allocation of stores and labour to jobs.

For **SORAB S. ENGINEER & CO.**
Chartered Accountants

PLACE : Mumbai
DATED : 29th August, 2000

M. P. Antia
Partner

BALANCE SHEET AS AT 31ST MARCH 2000

| PARTICULARS | SCHEDULES | AS AT 31.03.2000 Rs. | AS AT 31.12.1998 Rs. |
|--|-----------|----------------------------|----------------------------|
| SOURCES OF FUNDS : | | | |
| (1) Shareholders' Funds : | | | |
| (a) Share Capital | 1 | 6,63,48,210 | 3,94,48,210 |
| (b) Reserves & Surplus | 2 | 21,48,46,561 | 4,54,60,264 |
| | | 28,11,94,771 | 8,49,08,474 |
| (2) Loan Funds : | | | |
| (a) Secured Loans | 3 | 1,33,98,500 | 66,24,506 |
| (b) Unsecured Loans | 4 | 2,85,12,989 | 5,33,37,989 |
| | | 4,19,11,489 | 5,99,62,495 |
| TOTAL | | 32,31,06,260 | 14,48,70,969 |
| APPLICATION OF FUNDS : | | | |
| (1) Fixed Assets : | 5 | | |
| Gross Block | | 9,19,16,829 | 7,79,06,604 |
| Less : Depreciation | | 1,90,09,108 | 1,46,46,341 |
| Net Block | | 7,29,07,721 | 6,32,60,263 |
| (1A) Agricultural Assets | | 7,39,05,409 | 52,66,257 |
| (2) Investments | 6A | 74,02,888 | 16,100 |
| (2A) Investments Suspense | 6B | 24,48,320 | 73,38,200 |
| | | 98,51,208 | 73,54,300 |
| 3) Current Assets, Loans & Advances : | 7 | | |
| (a) Inventories | | 18,68,30,950 | 13,99,09,285 |
| (b) Sundry Debtors | | 4,53,88,138 | 4,16,56,892 |
| (c) Cash & Bank Balances | | 13,54,86,526 | 1,15,79,701 |
| (d) Loans & Advances | | 2,00,10,347 | 1,21,23,536 |
| | | 38,77,15,961 | 20,52,69,414 |
| (4) Less : Current Liabilities and Provisions | 8 | 22,37,74,039 | 13,62,79,265 |
| Net Current Assets : | | 16,39,41,922 | 6,89,90,149 |
| (5) Miscellaneous Expenditure To The Extent Not Written Off or Adjusted : Deferred Revenue Expenditure | | 25,00,000 | -- |
| TOTAL | | 32,31,06,260 | 14,48,70,969 |

AS PER OUR REPORT OF EVEN DATE ATTACHED

For **SORAB S. ENGINEER & CO.**

Chartered Accountants

For and on behalf of the Board

M. P. Antia
Partner

S. G. CHOUGULE Chairman

A. B. SHAH Managing Director

M. D. SOOD Company Secretary

PLACE : Mumbai

DATED : 29th August, 2000