

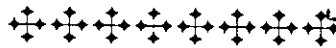


MACK TRADING COMPANY LIMITED

ANNUAL REPORT



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MACK TRADING COMPANY LIMITED

ANNUAL REPORT 1999 - 2000

BOARD OF DIRECTORS

B.P. Sinha
S.S. Bandiwadekar
Pavankumar Sanwarmal
Rita Pavankumar

BANKERS

Andhra Bank
Vijaya Bank
Citi Bank

AUDITORS

Messrs. R.V. Shah & Co.,
Chartered Accountants

REGISTERED OFFICE

3-D, Sindhu House, 4th Floor,
Nanabhai Lane,
Flora Fountain, Fort,
Mumbai - 400 001.

MACK TRADING COMPANY LIMITED

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING of MACK TRADING COMPANY LIMITED will be held at 3-D, Sindhu House, 4th Floor, Nanabhai Lane, Flora Fountain, Fort, Mumbai - 400 001 on Saturday the 22nd day of July, 2000 at 2.30 P.M. to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2000 and the Profit and Loss Account of the Company for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Smt. Rita Pavankumar who retires by rotation, and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Mr. S. S. Bandiwadekar who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board

B.P. Sinha
Director

Registered Office :

3-D, Sindhu House, 4th Floor,
Nanabhai Lane,
Flora Fountain, Fort,
Mumbai - 400 001.

Dated : 17th June, 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 OF THE COMPANY.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 19th July, 2000 to 22nd July, 2000 both days inclusive.
3. Members are requested to notify immediately any change in the address to the Registered Office of the Company.
4. The Dividend when declared, will be payable to those members entitled to dividend and whose names appear on the Register of Members on the 22nd July, 2000.

MACK TRADING COMPANY LIMITED**DIRECTORS' REPORT**

To
The Members,

Your Directors have pleasure in submitting the Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2000.

1. FINANCIAL RESULTS :

	Rs.	Previous Year Rs.
Profit for the year after meeting all charges and expenses but before Provision for Taxation	10,41,167	2,37,847
Less : Provision for Taxation	1,10,000	90,000
	<u>9,31,167</u>	<u>1,47,847</u>
Add : Balance of Profit brought forward from previous year	2,58,500	7,13,383
	<u>11,89,667</u>	<u>8,61,230</u>
Add : Excess Provision for taxation for earlier year	43,686	2,270
Available for Appropriation	<u>12,33,353</u>	<u>8,63,500</u>
Proposed Dividend	2,45,000	-
Tax on Proposed Dividend	53,900	-
Transfer to General Reserve	2,40,000	6,05,000
Balance in Profit and Loss Account to be carried forward to next year	6,94,453	2,58,500
	<u>12,33,353</u>	<u>8,63,500</u>

2. DIVIDEND :

The Directors recommend the payment of dividend at Re. 1-00 per Equity Share for the year Ended 31st March, 2000.

3. ACTIVITIES OF THE COMPANY :

The Company continues its trading activities in Rayon and Synthetic Wastes. Details of Company's trading activities are given in Schedule 14.

4. SUBSIDIARY COMPANY :

The copy of the audited accounts and Directors' Report for the Company's wholly owned subsidiary, Keen Investment And Leasing Limited for the year ended 31st March, 2000 are annexed. The statement required to be furnished under Section 212 of the Companies Act, 1956 is also attached.

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5. DIRECTORS :

Smt. Rita Pavankumar and Mr. S. S. Bandiwadekar retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

6. PARTICULARS OF EMPLOYEES :

The information required under Section 217(2A) of the Companies Act, 1956, there were no such employees as would be covered by the said Section.

7. AUDITORS :

Messrs. R.V. Shah & Co., Chartered Accountants, hold the office as Auditors till the conclusion of ensuing Annual General Meeting. In accordance with the provisions of Section 224 of the Companies Act, 1956, Certificate has been obtained from them to the effect that their re-appointment, if made, will be in accordance with the limits specified in Sub-section 1-B of Section 224 of the Companies Act, 1956. The Members are requested to appoint Auditors for the current year and to fix their remuneration.

The Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 are not applicable to the Company.

For and on behalf of the Board

B.P. Sinha
Pavankumar Sanwamal
Directors

Place: Mumbai

Dated : 17th June, 2000.

MACK TRADING COMPANY LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of MACK TRADING COMPANY LIMITED as at 31st March, 2000 and also the annexed Profit and Loss Account for the year ended on that date and report that :

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 account, as required by law have been kept by the Company so far as it appears from our examination of those books.
3. The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account.
4. In our opinion, the Profit and Loss Account and the Balance Sheet comply with the Accounting standards referred to in sub-section 3 (C) of Section 211 of the Companies Act, 1956.
5. In our opinion and to the best of our information and according to the explanations 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 :
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2000,
 - and
 - b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date.

As required by the Manufacturing and Other Companies (Auditor's Report) Order 1988, and in terms of the information and explanations given to us and on the basis of such checks as we considered appropriate, we further report that :

1. The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets. A physical verification of these assets is conducted in a phased manner by the Management which in our opinion is reasonable taking into account the nature of the assets and size of the business of the Company. No discrepancies have been noticed on such physical verification.
2. None of the fixed assets have been revalued during the year.
3. The stocks of trading goods have been physically verified by the Management at reasonable periods.
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 between the physical stocks and book balances were not material and have been properly dealt with in the books of account.

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6. The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the Register maintained under Section 301 and/or from the companies under the same management as defined under Sub-section 1-B of Section 370 of the Companies Act, 1956.
7. The Company has granted loans to its subsidiary. The terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
8. In respect of interest free temporary loans given to its employees same are repaid during the year regularly.
9. In our opinion and according to the information and explanations given to us, the purchase of machinery, equipments and other assets is under the direct control and supervision of the Board of Directors.
10. The Company has not accepted any deposits from the public.
11. The Company has an internal audit system which, in our opinion, is commensurate with the size and the nature of its business.
12. There are no undisputed amounts payable in respect of Income tax, wealth tax, sales tax, customs duty and excise duty.
13. No personal expenses have been charged to revenue account.
14. In respect of the Company's trading activities, damaged goods have been determined and necessary adjustments for the loss have been made in the accounts, as applicable.
15. The other provisions of the Manufacturing and other Companies (Auditor's Report) Order, 1988, are not applicable during the period covered by the aforesaid accounts.

For R.V. SHAH & CO.,
Chartered Accountants

R.V. SHAH
Proprietor

Place : Mumbai
Dated : 17th June, 2000.

MACK TRADING COMPANY LIMITED**BALANCE SHEET AS AT 31ST MARCH, 2000**

	Schedule	As at 31-03-2000 Rs.	As at 31-03-1999 Rs.
SOURCES OF FUNDS			
(1) SHAREHOLDERS' FUNDS			
Share Capital	1	24,50,000	24,50,000
Reserves and Surplus	2	2,30,34,453	2,23,58,500
TOTAL		2,54,84,453	2,48,08,500
APPLICATION OF FUNDS			
(1) FIXED ASSETS			
Gross Block	3	44,35,094	47,72,307
Less : Depreciation		10,15,979	12,49,827
Net Block		34,19,115	35,22,480
(2) INVESTMENTS	4	41,28,516	1,10,06,908
(3) CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	5	57,319	-
Sundry Debtors	6	-	22,653
Cash and Bank Balances	7	4,10,173	39,51,634
Other Current Assets	8	2,49,325	2,50,000
Loans and Advances	9	1,77,63,877	62,83,913
		1,84,80,694	1,05,08,200
LESS : CURRENT LIABILITIES AND PROVISIONS			
Liabilities	10	1,34,972	1,39,088
Provisions		4,08,900	90,000
		5,43,872	2,29,088
NET CURRENT ASSETS		1,79,36,822	1,02,79,112
TOTAL		2,54,84,453	2,48,08,500

NOTES ON ACCOUNTS 14

SCHEDULES 1 TO 14 FORM AN
INTEGRAL PART OF THESE ACCOUNTSThis is the Balance Sheet
Referred to in our report of even dateFor R.V. SHAH & CO.,
Chartered AccountantsR.V. SHAH
Proprietor
Place : Mumbai
Dated : 17th June, 2000.B.P. Sinha
S.S. Bandiwadkar
Pavankumar Sanwormal
Rita Pavankumar
Directors

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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2000

	Schedule	Year ended 31-03-2000 Rs.	Year ended 31-03-1999 Rs.
I. INCOME			
Sales		11,02,265	30,51,425
Other Income	11	20,04,619	13,68,280
		<u>31,06,884</u>	<u>44,19,705</u>
II. EXPENDITURE			
Cost of Purchases	12	10,03,694	29,20,837
Administrative & Other Expenses	13	9,19,274	10,58,259
Depreciation		1,42,749	2,02,762
		<u>20,65,717</u>	<u>41,81,858</u>
III. PROFIT FOR THE YEAR			
Profit for the year		10,41,167	2,37,847
Provision for Taxation		1,10,000	90,000
IV. PROFIT AFTER TAX			
Profit after tax		9,31,167	1,47,847
Add : Balance as at the beginning of the year		2,58,500	7,13,383
Excess Provision for Taxation in respect of earlier years		43,686	2,270
V. AVAILABLE FOR APPROPRIATION			
		<u>12,33,353</u>	<u>8,63,500</u>
PROPOSED DIVIDEND		2,45,000	-
TAX ON PROPOSED DIVIDEND		53,900	-
TRANSFER TO GENERAL RESERVE		2,40,000	6,05,000
BALANCE CARRIED TO BALANCE SHEET		6,94,453	2,58,500
		<u>12,33,353</u>	<u>8,63,500</u>

NOTES ON ACCOUNTS

14

SCHEDULES 1 TO 14 FORM AN
INTEGRAL PART OF THESE ACCOUNTS

This is the Profit & Loss Account
Referred to in our report of even date

For R.V. SHAH & CO.,
Chartered Accountants

R.V. SHAH
Proprietor

B.P. Sinha
S.S. Bandiwadekar
Pavankumar Sanwormal
Rita Pavankumar
Directors

Place : Mumbai
Dated : 17th June, 2000.

MACK TRADING COMPANY LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31-03-2000 Rs.	As at 31-03-1999 Rs.
SCHEDULE - 1		
SHARE CAPITAL		
AUTHORISED		
2,50,000 Equity Shares of Rs. 10/- each	<u>25,00,000</u>	<u>25,00,000</u>
ISSUED, SUBSCRIBED AND PAID UP		
2,45,000 Equity Shares of Rs. 10/- each fully paid-up	<u>24,50,000</u>	<u>24,50,000</u>
SCHEDULE - 2		
RESERVES AND SURPLUS		
GENERAL RESERVE		
As per Last Balance Sheet	2,21,00,000	2,14,95,000
Add : Transfer from Profit and Loss Account	2,40,000	6,05,000
	<u>2,23,40,000</u>	<u>2,21,00,000</u>
Balance in Profit and Loss Account	<u>6,94,453</u>	<u>2,58,500</u>
	<u>2,30,34,453</u>	<u>2,23,58,500</u>