



MACK TRADING COMPANY LIMITED

ANNUAL REPORT



2000 - 2001



MACK TRADING COMPANY LIMITED

ANNUAL REPORT 2000 - 2001

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 28th day of July, 2001 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, 2001 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 Mr. B.P. Sinha who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Pavankumar Sanwaram 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 : 23rd June, 2001.

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 25th July, 2001 to 28th July, 2001 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 28th July, 2001.

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, 2001.

1. FINANCIAL RESULTS :

	Rs.	Previous Year Rs.
Profit for the year after meeting all charges and expenses but before Provision for Taxation	9,05,201	10,41,167
Less : Provision for Taxation	15,000	1,10,000
	8,90,201	9,31,167
Add : Balance of Profit brought forward from previous year	6,94,453	2,58,500
	15,84,654	11,89,667
Add : Excess Provision for taxation for earlier year	2,855	43,686
Available for Appropriation	15,87,509	12,33,353
Proposed Dividend	2,45,000	2,45,000
Tax on Proposed Dividend	24,990	53,900
Transfer to General Reserve	6,50,000	2,40,000
Balance in Profit and Loss Account to be carried forward to next year	6,67,519	6,94,453
	15,87,509	12,33,353

2. DIVIDEND :

The Directors recommend the payment of dividend at Re. 1.00 per Equity Share for the year Ended 31st March, 2001.

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, 2001 are annexed. The statement required to be furnished under Section 212 of the Companies Act, 1956 is also attached.

ANNUAL REPORT 2000 - 2001**5. DEMATERIALIZATION :**

The shares of the Company are subject to compulsory dematerialization for trading purposes by all investors as per Securities and Exchange Board of India's directives. Your Company is pleased to announce that it has entered into a tripartite agreement with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) to enable shareholders to trade and hold shares in electronic form.

SEBI has also directed that all companies, whose shares are being traded compulsorily in dematerialized form by all investors, should provide for transfer and dematerialization of securities simultaneously. The Company is implementing this facility through its Share Transfer Agent M/s. Mondkar Computers Pvt. Ltd., and the facility will be available to the shareholders shortly.

6. DIRECTORS :

Mr. B.P. Sinha and Mr. Pavankumar Sanwarmal retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

7. DIRECTORS' RESPONSIBILITY :

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000 the Directors confirm; that in the preparation of the annual accounts, the applicable accounting standards have been followed. Appropriate accounting policies have been selected and applied consistently, and have 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 March 31, 2001 and of the profit of the Company for the period April 1, 2000 to March 31, 2001. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and the annual accounts have been prepared on a going concern basis.

8. 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.

9. 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.

10. 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 Sanwarmal
Directors

Place : Mumbai

Dated : 23rd June, 2001.

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, 2001 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. Based on representations made by all the Directors of the Company to the Board and the information and explanations as made available to us by the Company, none of the Directors of the Company prima-facie have any disqualifications as referred to in clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
6. 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, 2001,
 - 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 : 23rd June, 2001.

MACK TRADING COMPANY LIMITED**BALANCE SHEET AS AT 31ST MARCH, 2001**

	Schedule	As at 31-03-2001 Rs.	As at 31-03-2000 Rs.
SOURCES OF FUNDS			
(1) SHAREHOLDERS' FUNDS			
Share Capital	1	24,50,000	24,50,000
Reserves and Surplus	2	2,36,57,519	2,30,34,453
TOTAL		<u>2,61,07,519</u>	<u>2,54,84,453</u>
APPLICATION OF FUNDS			
(1) FIXED ASSETS	3		
Gross Block		44,35,094	44,35,094
Less : Depreciation		11,55,400	10,15,979
Net Block		<u>32,79,694</u>	<u>34,19,115</u>
(2) INVESTMENTS	4	41,30,816	41,28,516
(3) CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	5	1,61,424	57,319
Sundry Debtors	6	6,300	-
Cash and Bank Balances	7	1,46,778	4,10,173
Other Current Assets	8	1,93,520	2,49,325
Loans and Advances	9	1,86,02,769	1,77,63,877
		<u>1,91,10,791</u>	<u>1,84,80,694</u>
LESS : CURRENT LIABILITIES AND PROVISIONS	10		
Liabilities		1,28,792	1,34,972
Provisions		2,84,990	4,08,900
		<u>4,13,782</u>	<u>5,43,872</u>
NET CURRENT ASSETS		<u>1,86,97,009</u>	<u>1,79,36,822</u>
TOTAL		<u>2,61,07,519</u>	<u>2,54,84,453</u>

NOTES ON ACCOUNTS

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SCHEDULES 1 TO 14 FORM AN
INTEGRAL PART OF THESE ACCOUNTS

This is the Balance Sheet
Referred to in our report of even date

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

R.V. SHAH
Proprietor
Place : Mumbai
Dated : 23rd June, 2001.

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

ANNUAL REPORT 2000 - 2001**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2001**

	Schedule	Year ended 31-03-2001 Rs.	Year ended 31-03-2000 Rs.
I. INCOME			
Sales		11,40,470	11,02,265
Other Income	11	18,28,796	20,04,619
		<u>29,69,266</u>	<u>31,06,884</u>
II. EXPENDITURE			
Cost of Purchases	12	10,33,682	10,03,694
Administrative & Other Expenses	13	8,90,962	9,19,274
Depreciation		1,39,421	1,42,749
		<u>20,64,065</u>	<u>20,65,717</u>
III. PROFIT FOR THE YEAR		9,05,201	10,41,167
Provision for Taxation		15,000	1,10,000
IV. PROFIT AFTER TAX		8,90,201	9,31,167
Add : Balance as at the beginning of the year		6,94,453	2,58,500
Excess Provision for Taxation in respect of earlier years		2,855	43,686
V. AVAILABLE FOR APPROPRIATION		<u>15,87,509</u>	<u>12,33,353</u>
PROPOSED DIVIDEND		2,45,000	2,45,000
TAX ON PROPOSED DIVIDEND		24,990	53,900
TRANSFER TO GENERAL RESERVE		6,50,000	2,40,000
BALANCE CARRIED TO BALANCE SHEET		<u>6,67,519</u>	<u>6,94,453</u>
		<u>15,87,509</u>	<u>12,33,353</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 Sanwarmal
Rita Pavankumar
Directors

Place : Mumbai
Dated : 23rd June, 2001.

MACK TRADING COMPANY LIMITED**SCHEDULES FORMING PART OF THE BALANCE SHEET**

	As at 31-03-2001 Rs.	As at 31-03-2000 Rs.
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SCHEDULE - 1**SHARE CAPITAL**

AUTHORISED 2,50,000 Equity Shares of Rs. 10/- each	<u>25,00,000</u>	<u>25,00,000</u>
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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>
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SCHEDULE - 2**RESERVES AND SURPLUS**

GENERAL RESERVE		
As per Last Balance Sheet	2,23,40,000	2,21,00,000
Add : Transfer from Profit and Loss Account	6,50,000	2,40,000
	<u>2,29,90,000</u>	<u>2,23,40,000</u>
Balance in Profit and Loss Account	6,67,519	6,94,453
	<u>2,36,57,519</u>	<u>2,30,34,453</u>