

*16th*  
*Annual*  
*Report*  
*2006-2007*

**OSCAR**

**OSCAR GLOBAL LIMITED**



**OSCAR GLOBAL LIMITED****OSCAR****BOARD OF DIRECTORS****MR. SATISH VERMA***Chairman & Managing Director***MR. PAWAN CHADHA***Whole Time Director***MR. SURESH WADHWANI****MR. K. KALANI****COMPANY SECRETARY****MR. DINESH GUPTA****AUDITORS****M/S SUSHIL VIPAN & CO.,**

Chartered Accountants,

107-108, Sagar Plaza,

Distt. Centre, Laxmi Nagar,

Delhi-110092

**COMMON AGENCY FOR SHARE  
TRANSFER & ELECTRONIC  
CONNECTIVITY****INDUSPORTFOLIO PVT. LTD.**

G-65, Bali Nagar,

New Delhi-110015

Tel. No. :25422801

Fax No.: 25449836

**BANKERS****STATE BANK OF BIKANER & JAIPUR**

G-72, Connaught Circus,

New Delhi-110001

**REGISTERED OFFICE**

4866/24, Darya Ganj,

New Delhi-110002

**CORPORATE OFFICE**

C-76, Sector-8,

NOIDA-201 301

**CONTENTS****PAGE**

Notice .....	2
Director's Report .....	3-4
Management Discussion & Analysis Report .....	5
Corporate Governance Report .....	6-9
Auditor's Report .....	10-11
Balance Sheet .....	12
Profit & Loss Account .....	13
Schedules & Notes on Account .....	14-18
Cash Flow Statement .....	19
Balance Sheet Abstract .....	20

**OSCAR GLOBAL LIMITED****OSCAR****NOTICE**

To,  
The Members,

Notice is hereby given that the **16th Annual General Meeting** of the Company will be held at **The Executive Club, Dolly Farms & Resorts Pvt. Ltd., 439, Village Shaoorpur, P.O. Fatehpur, New Delhi** on Saturday, the **29<sup>th</sup> September, 2007**, at 5.00 P.M. to transact the following businesses:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at **31<sup>st</sup> March, 2007**, and Profit & Loss Account of the Company for the year ended **31<sup>st</sup> March, 2007** and the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of **Mr. Pawan Chadha** who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s Sushil Vipan & Co., Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS:**

4. To consider and, if thought fit, to pass the following resolution with or without modification(s) as an Ordinary Resolution:  
"RESOLVED THAT Shri K. Kalani, be and is hereby appointed as a Director of the company, liable to retire by rotaion."

*By Order of the Board*  
**For OSCAR GLOBAL LIMITED**

Place: New Delhi  
Date : 25/08/2007

**(DINESH GUPTA)**  
**COMPANY SECRETARY**

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, is enclosed.
3. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
4. The Register of Members and Share Transfer Book of the Company will remain closed from 28<sup>th</sup> September, 2007 to 29<sup>th</sup> September, 2007 (both days inclusive)
5. The Members are requested to:
  - (a) take the advantage of dematerialisation of shares as Company's scrip has been put under compulsory dematerialisation. Shareholders are requested to get in touch with any Depository Participant for getting the shares dematted.
  - (b) Bring their copy of Annual Report at the Annual General Meeting.
6. Members desirous of any information concerning the accounts and operation of the Company are requested to send their queries to the Company at least one week before the meeting, so as, to enable the management to keep information ready. Replies will be provided only at the meeting.
7. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company between 10.00A.M. to 1.00 P.M. on all working days except Sundays and other holidays upto the date of the Annual General Meeting.

**EXPLANATORY STATEMENT**

(Pursuant to Section 173(2) of the Companies Act, 1956)

Mr. K. Kalani was appointed as an Additional Director of the Company by the board in its meeting dated 25.08.2007 pursuant to section 260 of the Companies Act, 1956. He is holding office upto the date of ensuing Annual General Meeting. He is a qualified Engineer having 24 years of experience in Electronic & Leather Industries. Therefore, it is proposed that he be appointed as a Director of the Company. The Company has received a notice in writing from one of the members of the Company signifying his intention to propose Mr. K. Kalani as a Director of the Company, pursuant to the provisions of section 257 of the Companies Act, 1956 along with security deposit of Rs. 500/-.

Your directors recommend his appointment.

None of the directors except Mr. K. Kalani is concerned or interested in this item.

*By Order of the Board*  
**For OSCAR GLOBAL LIMITED**

Place: New Delhi  
Date : 25/08/2007

**(DINESH GUPTA)**  
**COMPANY SECRETARY**

**OSCAR GLOBAL LIMITED****OSCAR****DIRECTORS' REPORT**

To,  
The Members,  
Oscar Global Limited

Your Directors have pleasure in presenting the **16<sup>th</sup> Annual Report** along with the Audited Statement of Accounts of the company for the financial year ended **31<sup>st</sup> March, 2007**.

**FINANCIAL HIGHLIGHTS**

	<b>Current Year (Rs.in Lac)</b>	<b>Previous Year (Rs. in Lac)</b>
Sales & Income from Operations	612.51	805.52
Operating Profit before Interest, Tax & Depreciation	21.82	24.30
Less : Interest	4.68	4.41
Gross Profits	17.14	19.89
Less : Depreciation	8.03	8.42
Profits before Tax	9.11	11.47
Less:		
Provision for tax	0.81	1.06
Provision for Fringe Benefit Tax	1.87	1.86
Net Profit	6.43	8.55

**DIVIDEND**

In order to strengthen the financial position of the company, your directors are of the opinion that profits be ploughed back into the working of the Company. Therefore, no dividend is proposed.

**PERFORMANCE**

The turnover of the Company has decreased as compared to the previous year due to worldwide recession in the apparel business. Your directors hope for better results in the next financial year. No material change has occurred since the date of the Balance Sheet and the date of this report which has any adverse effect on the working of the Company.

**FUTURE PROSPECTS**

Leather garment industry is presently facing competition from China. Overall international demand for leather apparel is also coming down. Your company has already taken steps to enter into shoe and bag manufacturing. The management is hopeful that the performance of the company should be better in future.

**PUBLIC DEPOSITS**

Your Company has not accepted any deposits with in the meaning of Section 58A of the Companies Act, 1956, and the rules made thereunder.

**AUDITORS' REPORT**

There is no adverse qualification in the Auditor's Report, which needs to be clarified.

**AUDITORS**

M/s. Sushil Vipan & Co., Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. The Company has received letter from them to the effect that their appointment, if made, would be within the limits prescribed U/s 224(1B) of the Companies Act, 1956. Accordingly, M/s. Sushil Vipan & Co., Chartered Accountants, are required to be reappointed as Statutory Auditors of the Company at the ensuing Annual General Meeting. Their appointment has also been recommended by the Audit Committee.

**DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Pawan Chadha will retire at the ensuing Annual General Meeting of the Company and being eligible, offer himself for reappointment.

Your directors recommend his reappointment.

Mr. K. Kalani was appointed as additional director at the Board of Directors meeting held on 25.08.2007. Your directors recommend his appointment as a regular directors of the company.

Mr. Sudhir Jain has resigned from the board of the Company w.e.f. 23.01.2007. Your directors would like to place on record their appreciation for the valuable services rendered by him during his tenure as director.

**DIRECTOR'S RESPONSIBILITY STATEMENT**

The Board of Directors of your Company state:

- i) that in the preparation of the annual accounts, the applicable accounting standards had been followed;

**OSCAR GLOBAL LIMITED****OSCAR**

- ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) that the directors had prepared the annual accounts on a going concern basis.

**AUDIT COMMITTEE**

The audit committee has met and reviewed the financial statements for the financial year ended 31.03.2007 and has not given any adverse observations. It has also recommended the re-appointment of M/s. Sushil Vipani & Co., Chartered Accountants as statutory auditors of the Company.

**CORPORATE GOVERNANCE**

As per clause 49 of the listing agreement with Stock Exchange(s), Management discussion & Analysis Report and Corporate Governance Report are annexed as Annexure I and Annexure II & form part of the Director's Report.

**PARTICULARS OF EMPLOYEES**

There was no employee receiving remuneration during the year in excess of limits prescribed u/s 217 (2A) of the Companies Act, 1956, and the relevant rules made there under.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO**

Information pursuant to Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988, is as follows:

**Conservation of Energy:**

Company continuous to pay significant attention towards the conservation of energy and all necessary measures have been taken to optimize the use of electricity which is being used for manufacturing. However, disclosure in Form-A is not required.

**Research & Development and Technology Absorption**

The Company has been improving the quality of its products as per latest fashions through its skilled technical staff. The Company has not imported any technology from abroad.

**Foreign Exchange earning and Outgo:**

Particulars	Year ended 31.03.07	(Rs. in Lac)	Year ended 31.03.06
Foreign Exchange Earning (C.I.F.Value of exports)	563.72		751.03
Foreign Exchange Outgo	18.60		12.11

**EMPLOYEES RELATIONS**

The industrial relations continued to be cordial and harmonious. Your directors wish to place on record the appreciation for the devoted services rendered by the workers, staff and executives of the Company at all levels who have contributed to the efficient and successful management of the Company.

**LISTING**

Presently the Company's equity shares are listed at the following Stock Exchanges:

The Jaipur Stock Exchange Ltd.  
The Calcutta Stock Exchange Association Ltd.  
The Delhi Stock Exchange Association Ltd and  
Bombay Stock Exchange Ltd. (BSE)

However, de-listing applications have already been made to all above exchanges except BSE and DSE.

Your Company has received a letter from Ahmedabad Stock Exchange Limited vide letter no. ASE/2006/759 Dated 12.07.2006 intimating that the Securities of the Company have been De-listed from the Exchange w.e.f 14.07.2006.

Your Company is regular in paying listing fees.

**ACKNOWLEDGEMENT**

Your directors take this opportunity to offer their sincere thanks to various departments of the Central and State Governments, Financial Institutions, Banks and Investors for their unstinted support, assistance and valuable guidance.

By order of the Board  
For OSCAR GLOBAL LIMITED

Place : New Delhi  
Date :25.08.2007

**SATISH VERMA**  
Chairman & Managing Director

**ANNEXURE – I****MANAGEMENT DISCUSSION & ANALYSIS REPORT****INDUSTRIAL SCENE:**

Leather industry has a large scope to grow in near future. The industry uses primarily indigenous natural resources with little imports. Leather industry employs 2.0 million persons. The annual export value of Leather industry is poised to touch about US dollars 7 billion in the year 2010-2011 from US dollars 2.982 billion in the year 2006-2007. Leather industry is amongst top 8 export earners for India. An estimated 10%-15% of total purchase of leading global brands in footwear, garments, leather goods & accessories in Europe and U.S.A., is outsourced from India.

**Financial Outlook**

Although the company's turnover & profit have fallen during the current financial year due to downtrend in international leather apparel business, the management is hopeful to substantially improve the performance in the current financial year by diversifying into new product lines.

**Segment wise performance:**

As there is no other segment of the Company, no other clarification is required.

**OPPORTUNITIES:**

Your company is primarily engaged in the export of leather garments so far & this sector is facing downtrend. Export of Leather Shoes & Leather Goods are growing rapidly & offer great opportunity & your company is getting into manufacturing of these items.

**THREATS:**

- 1 China has emerged as a major competitor holding nearly 27 percent of the world market followed by Italy with 15%, India has only 4.5 percent of the world market share.
- 2 Due to a variety of reasons including downtrend like in international leather business, export of leather garments are facing serious problem.

**Company Outlook**

Your company is diversifying into new product lines to improve exports & profitability & also reduce dependence of leather apparel business.

**1. FULL SHOE PROJECT**

This is a boom time for export of leather footwear from India. The export of leather footwear from India has registered a growth of 17.71% during the year ended 31.03.2007. The footwear export is expected to grow at an annual rate of 30% during the next few years. Your company is in the process of installing a footwear manufacturing unit at its existing premises with a daily production capacity of 1600 pairs of Full Shoes every day.

In Phase-I, a pilot with a daily production capacity of about 250 pair of full shoes is to be installed first, part of imported machinery for phase-I is already installed & balance is expected to arrive in early October & this will become operational by October end. In phase-II, the balance plant & machinery will be installed by January/February 2008 & which will become operational in April 2008. With this diversification, the company's turnover & profit will grow substantially.

**2. LEATHER PURSES/BAGS & BELTS**

Export of Leather goods from India is also growing & the export of this product line has registered a growth of 6.92% during 2006-07. Your company has already started manufacturing & export of ladies purses/hand bags & the management hopes this will yield results during current financial year & also in future.

**Risks Management**

The Risks Management policies of the Company ensures that all the moveable and immovable assets of the Company are adequately covered. The same are reviewed by the Board from time to time. Besides the Company is prone to usual risks of the business like change in demand, any change in export policy of the Government, International agreements on trade and tariffs etc.

**Internal Control System**

The Company has developed an internal control system and procedures to ensure efficient conduct of business and security of its assets. Management Information system has been developed through which production performance and financial dealings are monitored by management on regular basis.

**Human Resources**

The Company believes that the workers are the backbone of the Company. It is providing an opportunity to all the employees to utilise their full potential and grow in the organization. There was no strike or labour unrest during the last financial year. As on 31.03.2007 the total number of employees were 55.