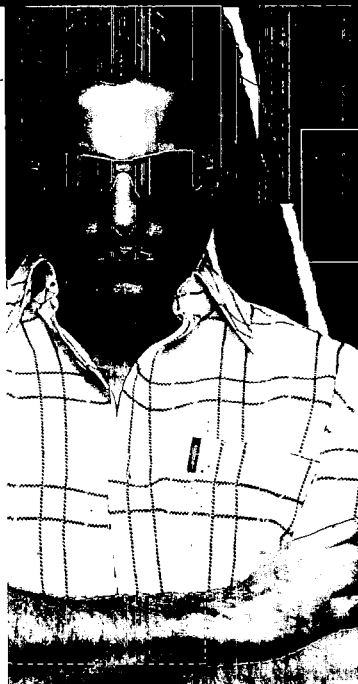


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Acme Clothing Pvt. Ltd.



ANNUAL REPORT 2004

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CORPORATE INFORMATION

BOARD OF DIRECTORS:

Mr. Nikhil, Chaturvedi
Mr. Salil Chaturvedi
Mr. Akhil Chaturvedi
Mr. Deep Gupta
Mr. Nigam Patel
Mr. Rakesh Rawat

AUDITORS:

Singrodia Goyal & Co.
Chartered Accountants
Ashirwad Building, 2nd floor, S.V. road,
Above Bank of Maharashtra
Near Andheri Station
Andheri (E), Mumbai -400069

BANKERS:

Andhra Bank
Corporation Bank

REGISTERED OFFICE:

138-141, Govt. Industrial. Estate,
Charkop, Kandivali (West),
Mumbai-400067

Acme Clothing Pvt. Ltd.

NOTICE

NOTICE is hereby given that Eighth Annual General Meeting of the Company is scheduled to be held on 27.09.2004 at 138-141, Government Industrial Estate, Charkop, Kandivali (W), Mumbai 400067 at 11.00 AM to transact the following business :-

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Profit & Loss Account for the period ended 31st March 2004 and Balance Sheet as at that date together with the Reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Akhil Chaturvedi who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors' M/s Singrodia Goyal & Co., Chartered Accountants, Mumbai to hold the 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. Appointment of Mr. Rakesh Rawat as Director.

To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Rakesh Rawat, who was appointed as Additional Director of the Company w.e.f. 4th September, 2004 under section 260 of the Companies Act 1956 and Article 26 of the Articles of Association of the Company and who holds office upto date of this Annual General Meeting be and is hereby appointed as Director of the Company".

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. The Explanatory statement under section 173(2) of the Companies act 1956 is annexed hereto and forms part of this Notice.

By Order of the Board
For ACME CLOTHING PRIVATE LIMITED

Date : 4th September 2004
Place : Mumbai

sd/-
DIRECTOR

EXPLANEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956 :**ITEM NO. 4**

Mr. Rakesh Rawat was appointed by the Board at its meeting held on 4th September, 2004 as an Additional Director of the Company under Section 260 of the Companies Act 1956 and Article 26 of the Articles of Association of the Company and holds office upto the date of this Annual General Meeting.

Mr. Rakesh Rawat is a Commerce Graduate and has rich Export management experience of over a decade. The Board would benefit from his business qualities and acumen.

As required under section 257 of the Companies Act 1956, the Company has received a notice alongwith deposit from a member proposing the candidature of Mr. Rakesh Rawat as Director of the Company. The board recommends the resolution appearing at Item no. 4 of the accompanying Notice seeking your approval to the appointment of Mr. Rakesh Rawat as Director of the Company.

As it concerns him, Mr. Rakesh Rawat may be deemed to be concerned or interested in this resolution.

By Order of the Board
For ACME CLOTHING PRIVATE LIMITED

Date : 4th September 2004
Place : Mumbai

sd/-
DIRECTOR

Acme Clothing Pvt. Ltd.**DIRECTOR'S REPORT**

To the Members,

Your Directors have great pleasures in presenting you the **Eighth** Annual Report of the company together with the Audited Accounts for the period ended on 31st March, 2004.

FINANCIAL RESULTS

The Operating results of your Company for the period under review are as follows :

	(Rs. in lakhs)	
	Current period (6 Months) 31.03.2004	Previous year (12 Months) 30.09.2003
Profit before Depreciation and Tax	230.81	373.45
Less : Depreciation	57.79	66.54
Profit before Taxation	173.02	306.91
Less : Provision for taxation		
1)Current	21.25	23.50
2) Deferred	(290.79)	87.10
3)Earlier Year	2.26	8.69
Profit after Taxation	440.31	187.62
Add : Balance brought forward from previous year	575.96	645.38
Surplus available for appropriation	1016.27	833.00
Appropriation		
Less : Provision For Dividend	0.00	23.68
Less : Provision For Corporate Dividend tax	0.00	3.03
Surplus available for appropriation	1016.27	806.29
Less : Deferred Tax Liability as on 01.10.2002	0.00	230.33
Balance transferred to Balance Sheet	1016.27	575.96

OPERATIONS & PLANS

This was a special year for your Company as it decided to change its financial year from September ending to March ending, to align with other businesses in the segment of the Company and prepare for the future plans, which will be addressed in this report. This report therefore covers only six months working from 1st October 2003 to 31st March 2004 since our previous financial year has ended on 30th September 2003.

The Provogue brand has again improved its consumer recall and we have extended our reach from the strong base we enjoy in the Western Regions to the South and the North through store openings in Bangalore, Hyderabad, Chennai, Ahmedabad and Delhi.

Clothing sales for the 6 month period from 30th September 2003 to 31st March 2004 was Rs. 27.30 Crores, which represented an increase of about 34% approx over the previous year. We are therefore continuing to outperform the inherent growth in the Indian ready-to-wear garment segment and improve our market share, which we now estimate to be about 1.5% of the organized non-ethnic ready-to wear market.

We are continuing our now renowned creative activities around brand promotion and this has been enhanced by the success of the Provogue Lounge concept, which was launched in Mumbai last year by our associate Company. We will open more hospitality outlets in the future. Consumer communications and maintaining brand recall will remain a key priority of our marketing campaign.

Our overall retail space as of the end of this financial year was around 55,000 square feet an increase of 25% approximately over the previous year.

The financial performance of the company showed significant improvement over the previous year. Excluding an extraordinary tax credit of Rs. 2.9 Crores, the business earned a Profit after tax of 5.46% compared to 4.60% in the previous year.