

THACKER AND COMPANY LIMITED



127TH

ANNUAL REPORT

2004-2005

BOARD OF DIRECTORS

Arun Kumar Jatia

Vandana Jatia

Shivhari M. Halan

Surendra Kumar Bansal

Ashok Raj Birla

BANKER

The United Western Bank Ltd.
The Global Trust Bank Ltd.
Bank of Nova Scotia

AUDITORS

M/S. Ajmera Ajmera & Associates
Chartered Accountants

REGISTERED OFFICE

Bhogilal Hargovindas Building,
Mezzanine Floor,
18/20, K. Dubash Marg,
Mumbai 400 023.

THACKER AND COMPANY LIMITED**NOTICE**

NOTICE is hereby given that the One Hundred and Twenty-Seventh Annual General Meeting of the members of **THACKER AND COMPANY LIMITED** will be held at the Registered Office of the Company, at Bhogilal Hargovindas Building, 18/20, Kaikhushroo Dubash Marg, Mumbai 400 023 on Friday the 30th day of September, 2005 at 10.00 A.M. (ST) to transact the following business:-

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2005, the Profit & Loss Account for the year ended on that date, and the Cash Flow statement together with the Reports of the Directors' and Auditors'.
2. To appoint a Director in place of Mr. A. K. Jatia who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. A. R. Birla who retires by rotation and, being eligible, offers himself for re-appointment.
4. 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.

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution.

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 1956 and subject to such approval(s), sanction(s) as may be necessary and subject to such modification(s) as may be required and which Mrs. Vandana Jatia may accept, Mrs. Vandana Jatia be and is hereby appointed as Whole Time Director of the company for a period of five years with effect from 1st April, 2005 AND THAT consent be and is hereby accorded to the following remuneration, payments, benefits and amenities and the terms of appointment of the said Mrs. Vandana Jatia with power to the Board of Directors to alter and vary from time to time at its discretion the remuneration and other terms so however that they do not exceed the permissible limits laid down under the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof for the time being in force, namely:

- a. The managing Director shall, subject to the supervision and control of the Board of Directors be in overall charge of the Company's activities and shall perform such other duties and services and exercise such other powers as shall, from time to time, be entrusted to her by the Board of Directors.
- b. Remuneration at the rate of Rs. 25,000/- per month including Dearness allowance.
- c. Payment of commission of an amount computed at one percent of the net profits of the Company as determined in accordance with the Companies Act, 1956, so however that such remuneration and commission together with the value of perquisites does not exceed the limits prescribed under that Act.
- d. Rent free furnished residential accommodation, the Company paying or reimbursing all rents, rates, taxes and other expenses for the upkeep and maintenance of her residential accommodation or an allowance in lieu thereof.
- e. Expenses on electricity, gas, water and furnishing, of the residential accommodation.
- f. Actual medical expenses including hospitalisation, nursing home charges, surgical charges, insurance premium and traveling expenses incurred for herself and family.
- g. Leave Travel Assistance to cover air or first class air conditioned railway fare for herself, her husband and dependent children once in a year.

- h. Membership including entrance and other fees for clubs.
- i. Personal Accident insurance premium.
- j. Participation in the Provident Fund and Pension/superannuation Schemes.
- k. Gratuity as per the company's Rules applicable to its Executive Staff Members.
- l. i) Annual leave with full pay and other benefits for a period of one month with benefit of encashment of unutilized leave.

ii) Sick and Casual leave as per Company's Rules applicable to its Executive Staff Members.
- m. Maintenance of telephone at the entire cost of the Company at her place of residence.
- n. Exclusive free use of motor car for the business of the Company as well as for her personal use with full maintenance charges in respect thereof, such as Chauffeur's salary, garage rent, fuel, repairs, insurance, taxes, overhauling charges, etc. at the entire cost of the Company.

PROVIDED THAT in the event of absence or inadequacy of profits in any year the said remuneration as stated in clause (b) above together with the payments, benefits and amenities shall nevertheless be paid or allowed as minimum remuneration for such year.

NOTES:

- (a) A Member entitled to attend and vote at the meeting is entitled to appoint proxy to attend and vote instead of himself and such proxy need not be a Member of the Company.

Proxies, in order to be effective, must be received by the Company not less than 48 hours before the meeting.
- (b) The Register of Members and Share Transfer Books of the Company will remain closed from the Tuesday, 13th September, 2005 to Friday the 30th September, 2005 (both days inclusive).
- (c) Members are requested to intimate immediately to the Company change of address, if any, by quoting their Folio Number.

By Order of the Board of Directors

Arun Kumar Jatia
Director

Place : Mumbai
Dated : 29th July, 2005

Registered Office:

Bhogilal Hargovindas Bldg.,
Mezzanine Floor,
18/20, K. Dubash Marg,
Mumbai 400 023.

ANNEXURE TO THE NOTICE

Explanatory Statement under Section 173 of the Companies Act, 1956.

The following Explanatory Statement sets out all material facts relating to item Nos. 5 of the Special Business mentioned in the accompanying Notice dated 29th July, 2005 convening the 127th Annual General Meeting.

RESOLUTION NO. 5.

Mrs. Vandana Jatia is a Bachelor of Commerce and associated with a industrialist family. The Board of Directors are of the opinion that it would be in the interest of the Company to appoint her as its Managing Director on terms and conditions as mentioned in the proposed resolution in the accompanying notice and commend the resolution for your approval.

Mrs. Vandana Jatia and Mr. A. K. Jatia, relative of Mrs. Vandana Jatia, may be deemed to be interested in the resolution.

By Order of the Board of Directors
Arun Kumar Jatia
Director

Place : Mumbai
Dated : 29th July, 2005

Registered Office:

Bhogilal Hargovindas Bldg.,
Mezzanine Floor,
18/20, K. Dubash Marg,
Mumbai 400 023.

DIRECTORS' REPORT

To

The Members,

The Directors have pleasure in submitting their One Hundred and Twenty-Seventh Annual Report together with the audited accounts for the year ended 31st March 2005.

Financial Results	Year Ended 31.03.2005 Rupees	Year Ended 31.03.2004 Rupees
Gross Profit before interest, depreciation & taxes	61,79,931	72,40,371
Less: Interest of	14,13,094	4,63,610
Depreciation of	1,22,613	1,44,704
Profit before Tax	46,44,224	66,32,057
Less : Provision for Taxation	11,70,000	18,00,000
Deferred Tax	(52,977)	(2,980)
Income-Tax for earlier years	2,98,347	9,80,050
Profit after taxation	32,28,854	38,54,987
Add: Profit brought forward from earlier years	36,54,170	27,99,183
Profit available for appropriation	68,83,024	66,54,170
Directors recommendation for Appropriation		
Transfer to General Reserve	Nil	30,00,000
Surplus Carried to Balance Sheet	68,83,024	36,54,170
	68,83,024	66,54,170

During the year under review the working of the Company has been satisfactory.

Dividend

In order to strengthen the financial resources of the Company, your Directors do not recommend any dividend on equity shares for the year ended 31st March 2005.

Operations:

During the year Company showed a profit of Rs. 46.44 lacs as against Rs. 66.32 lacs in the previous year. The higher interest burden and administrative expenses during the year under review resulted in lower profit. The directors are hopeful for improvement in the profits in the current year.

Directors:

Mr. A. K. Jatia and Mr. A. R. Birla, Directors of the Company, retire by rotation, and being eligible, offers themselves for re-appointment.

Auditors

Members are requested to appoint Auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General meeting and fix their remuneration.

Auditor's Report

The Notes to the Accounts as referred to by the Auditors in their Report are self-explanatory.

Audit Committee of Directors

The Audit Committee comprises of Mr. A. K. Jatia (Chairman), Mr. S. K. Bansal and Mrs. Vandana Jatia all of whom are Non-Executive independent Directors.

The Committee has powers similar to those stated in the listing agreements and shall exercise most of the functions stated thereunder.

Fixed Deposits

The Company has not accepted any "Deposit" from the public during the year under review.

Directors' Responsibility Statement

The Directors confirm that;

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed and there have not been any material departure;
- ii) the Directors have 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 31st March, 2005 and of the profit of the Company for that period;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956, for safeguarding the assets of the Company, and for preventing and detecting fraud and other irregularities; and
- iv) the Directors have prepared the annual accounts on a going concern basis.

Statement of Particulars of Employees

During the year under review no employees has drawn remuneration in excess of limits prescribed under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.

Listing

The Equity Shares of the Company are listed on the Stock Exchange, Mumbai, and the necessary listing fees for the year 2005-06 has already been paid to the Stock Exchange.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The Company being basically an investment and trading company the provisions of Section 217(1)(e) read with the provisions of Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 do not apply to the Company.

There is no foreign technology involved.

There has been neither any earnings nor outflow of foreign exchange during the year under review.

For and on behalf of the Board of Directors

Arun Kumar Jatia
Director

Vandana Jatia
Director

Place : Mumbai
Dated : 29th July, 2005

Registered Office:

Bhogilal Hargovindas Bldg
Mezzanine Floor,
18/20, K. Dubash Marg,
Mumbai - 400 023.

AUDITOR'S REPORT

REPORT TO THE MEMBERS OF THACKER AND COMPANY LIMITED.

We have audited the attached Balance Sheet of, THACKER AND COMPANY LIMITED as at 31st March, 2005 and also the Profit and Loss Account for the year ended on that date annexed thereto and cash flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, as amended by Companies (Auditor's Report)(Amendment) Order, 2004, and on the basis of such checks of the books and records of the company, as we considered appropriate, we enclosed in the annexure a statement on the matters specified in the said order to the extent applicable.

Further to our comments in the Annexure referred to above, we report that:

- i) We have obtained all the informations and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
- iv) In our opinion, the Profit & Loss Account and Balance Sheet comply with the Accounting Standards referred in sub-section 3(c) of section 211 of the Companies Act, 1956.
- v) On the basis of written representations received from the directors, as on 31st March, 2005 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2005 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to notes appearing in schedule '12' read together with significant Accounting Policies and other notes appearing elsewhere, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2005;
 - b) In the case of the Profit and Loss Account, of the 'Profit' for the year ended on that date; and
 - c) In the case of cash flow statement, of the cash flows for the year ended on that date.

**For AJMERA AJMERA AND ASSOCIATES
CHARTERED ACCOUNTANTS**

**(K.N AJMERA)
PARTNER**

Membership No. 10805

PLACE: MUMBAI

DATED: 29th July, 2005

ANNEXURE TO THE AUDITOR'S REPORT

Annexure Referred to in paragraph 3 of the Auditors' Report to the members of THACKER AND COMPANY LIMITED, on the accounts for the year ended 31st March, 2005.

- 1) (a) The Company is maintaining proper records to show full particulars including quantitative details and situation of fixed assets.
- (b) As per information and explanations given to us, physical verification of fixed assets has been carried out in terms of the phased programme of verification of its fixed assets adopted by the company and no material discrepancies were noticed on such verification. In our opinion the frequency of verification is reasonable having regard to the size of the Company and nature of its business.
- (c) During the year, the Company has not disposed off any substantial / major part of fixed assets.
- 2) (a) The management has conducted physical verification of inventory at reasonable intervals.
- (b) In our opinion, the procedure followed by the management for such physical verification are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) The Company is maintaining proper records of Inventory. No discrepancies were noticed on verification between physical Inventory and the books records.
- 3) (a) The Company has granted loans to two parties covered in the register maintained under section 301 of the Companies Act 1956 and maximum amount involved during the year was Rs.8854111/- and year end balance of loan granted to such parties was Rs.7029111/-
- (b) In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms and conditions are not prima facie prejudicial to the interest of the company.
- (c) The company is regular in receipt of principal amount and interest wherever stipulated.
- (d) There is no overdue more than Rs.100000/- from such parties.
- (e) The Company has taken loans from two parties covered in the register maintained u/s 301 of the Companies Act 1956 and maximum amount involved during the year was Rs.13847000/- and the year end balance of loan taken from such parties was Rs.1,3467000/-
- (f) The rate of interest and other terms and conditions of loans taken by the company from such parties are prima-facie are not prejudicial to the interest of the company.
- (g) The Company is regular in payment of principal amount and interest wherever stipulated.
- 4) 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 for purchases of inventory and fixed assets and for the sale of goods. During the course of our audit we have not observed any continuing failure to correct major weakness in the internal Control system.
- 5) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that all transactions that need to be entered in to the register in pursuance of Section 301 of the Act have been so entered.
- (b) Based on the information and explanations given to us it is our opinion that those transactions have been made at reasonable prices having regard to the prevailing market prices at the relevant time.
- 6) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Section 58A and 58AA or any other relevant provisions of the Companies Act 1956 and the rules framed thereunder. Hence clause (vi) of the order is not applicable.