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## Board of Directors

Mr. Tarun Oberoi	Managing Director
Mr. Robin Bartholomew	Whole Time Director
Mr. Puneet Nikore	Whole Time Director
Mr. Naveen Anand	Independent Director
Mr. Deepak Manchanda	Independent Director
Mr. Sameer Lakshman Katre	Independent Director

## Company Secretary

Mr. Pankaj Tewari

## Auditor

Anil K. Goyal & Associates  
Chartered Accountants  
206, Siddharth Chambers,  
Hauz Khas, New Delhi - 110016

## Bankers

The Karur Vysya Bank Ltd.  
Citibank N.A.

## Registered Office

M-16, 1st Floor, Commercial Complex,  
Greater Kailash II, New Delhi - 110048  
Tel. : 011-55604593 Fax : 011-55604594

## Corporate Office

199, Udyog Vihar, Phase-I,  
Gurgaon-122016, Haryana (India)  
Phone : 91-124-2439400, Fax : 91-124-5005011  
E-mail : crewbos@vsnl.com, Web : www.crewbos.com



## DIRECTORS' REPORT

To,  
The Members of,  
M/s Crew B.O.S. Products Ltd.

The Directors are pleased to present their Fifteenth Annual Report together with the Audited Accounts for the year ended 31st March, 2004.

### 1. Financial Results

	2003-04 (Rs. in Lacs)	2002-03 (Rs. in Lacs)
Profit before Taxation	428.65	358.25
Provision for Taxation	14.00	33.15
Profit after Taxation	414.65	325.00
Less: Adjustment for prior years	4.97	4.00
Profit after Taxation	409.68	320.99
Deferred Tax liability	3.55	46.58
Add: Tax adjustments for prior years	5.37	-
Add: Balance carried to Balance Sheet	801.36	593.20
<b>Balance available for appropriations</b>	<b>1212.87</b>	<b>867.61</b>
Appropriations		
Proposed dividend	17.49	-
Interim dividend	52.49	14.40
Transfer to general reserve	701.92	5.00
Dividend Tax	6.72	-
Provision for Tax on proposed dividend	2.24	1.84
Balance carried over to Balance Sheet	431.99	801.36

The total income for the year-ended 31.03.04 was Rs. 5525 lacs as compared to Rs. 5256 lacs for the year-ended 31.03.03 thereby registering an increase of 4.85%. Due to the fluctuation in the foreign currency and the strengthening of rupee, the company deliberately decided to concentrate more on the domestic segment. As a result the domestic sales have touched a turnover of Rs.1616 lacs as against Nil in the previous year.

### 2. Segment Wise Turnover

The break up of the Company's turnover into various products is as follows:

(Rs. in Lacs)

Particulars	2004
Bags	1525.10
Belts	946.01
Wallets	535.38
Home Furnishing & Products	2215.78
Footwear	278.85
Others	24.24
<b>Total</b>	<b>5525.36</b>

The Company's business is well spread among its customers in several countries. This helps in mitigating the effect of volatility in any single foreign currency. It is the constant endeavor of the Company to maintain and broad base its customers.

### 3. Dividend

The Directors are pleased to recommend a dividend of 2.5% on the Equity Share capital as the final dividend for the year ended 31.03.2004. This dividend along with the interim dividend of 7.5% amounts to 10% of the paid up capital.

### 4. Issue of bonus shares

The Company has issued 6519216 shares as fully paid bonus shares during the year. These shares were issued out of capitalization of free reserves of the Company.

### 5. IPO of the Company

The Company plans to come out, shortly, with an IPO of 4000724 Equity Shares of Rs. 10 each at a premium of Rs. 25 each aggregating to Rs. 1400.25 Lacs. The Company has already received the necessary statutory approvals for the proposed IPO.

The Company will finalize the issue opening date after taking into consideration the market conditions and the advice of the Lead Manager to the issue, M/s U.T.I. Securities Ltd.

### 6. Wholly Owned Subsidiary in Italy

The Company has established a wholly owned subsidiary in Italy under the name & style of La Tatva S r.l.. The WOS was incorporated on 09.03.04 and is yet to commence commercial operations.

### 7. Manesar project

The Company has been sanctioned a term loan of Rs. 500 Lacs by HSIDC, for its leather-finishing project at Manesar. The building construction is in full swing and is likely to be completed by the July, 2004. The commercial production is expected to commence in September, 2004.

### 8. Future Outlook

The consistent downward swing in the dollar and the general volatility in the foreign exchange have impressed upon the Company the need to explore the domestic market also. The Company plans to commence trading in leather products, textiles and fabrics. It also intends to set up a chain of retail showrooms to sell its products in the domestic market under its own brand name.

### 9. Report on Corporate Governance

#### i) Company's philosophy on corporate governance.

At Crew B.O.S., the Board of Directors are committed to the key elements of corporate governance-transparency, disclosure & independent supervision to ensure that all the functions of the Company are discharged in a professionally sound, competent and transparent manner.



**ii) Board of Directors**

The Board of the Company comprises six Directors, three of whom are non executive-independent Directors. The Composition of the Board is as follows:

- Mr. Tarun Oberoi**, Managing Director  
**Mr. Robin Bartholomew**, Whole Time Director  
**Mr. Puneet Nikore**, Whole Time Director  
**Mr. Naveen Anand**, Non executive-independent Director  
**Mr. Deepak Manchanda**, Non executive-independent Director  
**Mr. Sameer Lakshman Katre**, Non executive-independent Director

**iii) Board Committees**

The Company has already set up an audit committee under clause 49 of the Listing Agreement. Its composition is as follows:

- Mr. Deepak Manchanda**  
**Mr. Naveen Anand**  
**Mr. Sameer Lakshman Katre**

The shareholders' grievance committee & remuneration committee shall also be set up before the listing of the Company, with the Stock Exchanges.

**iv) Dematerialization of securities**

The Company has entered into tri-partite Agreements with NSDL & CDSL and has been allotted the ISIN no. The shareholders have the option to keep the shares either in the physical form or in the electronic mode.

**v) Investor relation officer**

The Company has appointed the Company Secretary as the Investor Relation Officer to look after the shareholder complaints/grievances.

**vi) Directors**

Mr. Pradyot Mukerji resigned from the Board w.e.f. 10.01.2004 due to other pre occupations. The Directors wish to place on record their gratitude for the services rendered by him during his tenure. Mr. Sameer Lakshman Katre was appointed on the Board w.e.f. 13.01.2004 as an Additional Director.

**10. Particulars of Conservation of Energy, Technology absorption and Foreign exchange earning and outgo under section 217(1)(e)**

**i) Conservation of energy**

The Company's operations do not involve high level of energy and power consumption and care is taken to conserve energy.

**ii) Research and Development and technology absorption**

The Company has been experimenting with Italian chemicals and recipes to manufacture finished leather of international quality. The results from the trial runs have been encouraging.

The product is expected to be commercially launched in the ensuing year and the technology would be absorbed, wherever possible.

**iii) Foreign Exchange Earning and outgo**

The Company's net export (FOB turnover) during the year under review is Rs. 389,474,821(Previous year 525,584,277). The total foreign exchange outgo for the year is Rs. 2,027,858 (Previous year 108,487,447)

**11. Auditors' Report**

The Auditors' report to the shareholders does not contain any qualifications. The notes to the Account are self-explanatory.

**12. Auditors**

M/s Anil K. Goyal & Associates, Chartered Accountants, New Delhi, the Auditors of the Company hold office up to the conclusion of the ensuing Annual General Meeting. The Company has received a letter from them to the effect that their appointment, if made would be within the limits prescribed under section 224(1B) of the Companies Act, 1956.

**13. Particulars of Personnel**

Information as per section 217 (2a) of the Company's Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is not given since none of the employees of the Company draw remuneration of Rs. 24,00,000 p.a. in aggregate during the year.

**14. Directors Responsibility statement**

Directors confirm:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation;
- that the Directors have selected prudent accounting policies;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other regularities;
- that the Directors have prepared the Annual accounts on a going concern basis.

**15. Appreciation**

The Directors wish to place on record their appreciation of the support received from the customers, bankers, executives, staff and workers of the Company.

For & On behalf of the Board of Directors

Sd/-  
**(Tarun Oberoi)**  
Managing Director

Sd/-  
**(Robin Bartholomew)**  
Director

Date : 27 May, 2004  
Place : Gurgaon



## AUDITOR'S REPORT TO THE MEMBERS OF M/S CREW B.O.S. PRODUCTS LIMITED

We have audited the attached Balance Sheet of Crew B.O.S. Products Private Limited, as at 31st March, 2004 and also Profit & Loss Account of the Company for the year ended on that date annexed thereto. 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 also includes assessing the accounting principals used as significant estimates made by managements well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion :

1. As required by the Manufacturing & other Companies (Auditors report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraph 4 & 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph 1 above :-
  - (a) 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.
  - (b) 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 the books.
  - (c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by the Report comply with the accounting standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.

(e) In our opinion and to the best of our knowledge and information and according to the explanations given to us, the accounts read alongwith the notes on account give the information required by the Companies Act, 1956. In the manner so required and give a true and fair view :-

- i. In the case of the Balance Sheet, of the state on Company's affairs as at March 31st, 2004.
- ii. In the case of the Profit & Loss Account of the profit of the Company for the year ended on that date.
- iii. In the case of cash flow statements of the cash flows for the year ended on that date.

For **Anil K. Goyal & Associates**  
Chartered Accountants

Sd/-

**(Anil K. Goyal)**  
Proprietor  
FCA71221

Place : New Delhi  
Date : May 27, 2004





**ANNEXURES REFERRED TO IN PARA 1 OF THE AUDITOR'S REPORT TO THE MEMBERS OF CREW B.O.S. PRODUCTS LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED MARCH 31ST, 2004**

1. The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets. The management physically verified the fixed assets at reasonable intervals and no material discrepancies are reported to have been observed on such verification as compared to book records. The company has not disposed off a substantial part of fixed assets during the year and therefore paragraph 4(i)(C) of the Companies (Auditors Report) Order, 2003 (herein after referred to as the order) is not applicable.
2. Physical verification of the inventory has been conducted by the management during the year and in our opinion frequency of verification is reasonable. Procedures for verification of the inventory followed by the management are reasonable and adequate commensurate with the size of the Company and the nature of its business. The Company is maintaining proper records of inventory and no material discrepancies have been noticed on physical verification of stocks as compared to book stocks.
3. The Company has taken advance during the year from its Directors/Shareholders in the nature of interest free unsecured loan amounting to Rs. 50 lacs. The terms and conditions thereof are not prima facie prejudicial to the interest of the Company. The Company has not granted any loans, secured or unsecured, to/from Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 and therefore paragraph 4(ii) of the order is not applicable.
4. In our opinion, and according to the information and explanations given to us, there are adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of stores and spare parts, fixed assets and with regard to sale of goods and there are no major internal control weakness in regards thereto.
5. The transactions that needs to be entered into a register in pursuance of section 301 of the Companies Act have been entered. According to the information and explanation given to us, purchase and sale of goods/services aggregating during the year to Rs. 500,000.00 or more in respect of a party in pursuance of contract or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time for such goods, material or services.
6. In our opinion and according to the information and explanation given to us, as the company has not accepted deposits from the public, paragraph 4(vi) of the order is not applicable.
7. In our opinion, the company has an adequate internal audit system commensurate with the size of the company and nature of its business.
8. We are informed that maintenance of cost records has not been prescribed by Central Government under Section 209(1)(D) of the Companies Act, 1956 in the respect of activities of the Company and therefore paragraph 4(iii) of the order is not applicable.
9. In our opinion, and according to the information and explanation given to us the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees Estate Insurance, Income Tax, Custom duty, Excise duty & cess and other statutory dues, if any, with appropriate authorities. There are no arrears of outstanding statutory dues as at March 31, 2004 for a period of more than six month from the date they become payable. As explained to us, there are no dispute dues of Sales Tax, Income Tax, Custom duty, Wealth Tax, Excise duty & cess that have not been deposited on account of any dispute and therefore paragraph 4(x)(b) of the order is not applicable.
10. The Company does not accumulated losses at the end of the financial year and the Company has not incurred cash losses in the currently financial year as well as in the immediately preceding financial year and therefore paragraph 4 (x) of the order is not applicable.
11. The Company has not defaulted in the repayment of dues to a financial institution or bank.
12. The Company has not granted any loans or advances on the basis of security by way of pledge of the Shares, debentures and other securities and therefore paragraph 4(xii) of the order is not applicable.
13. The provision of any special stature applicable to chit fund and nidhi/mutual benefit fund/society are not applicable to the Company and therefore paragraph 4(xiii) of the order is not applicable.
14. The Company is not trading in shares generally however during the year the Company has entered into small transactions of sales and purchase.
15. According to the information and explanations given to us the Company has given corporate Guarantee and in our opinion, for loan taken by its sister concerns, the terms and conditions whereof are not prejudicial to the interest of the Company.
16. The Company has availed term loans from financial institution and banks. According to the information and explanation given to us in our opinion these term loans were applied for the purpose for which the loans were obtained.
17. Funds raised on the short term basis by the company have not been used for long term investment and vice versa.
18. The Company has not made any preferential allotment of shares during the year and therefore paragraph 4(xviii) of the order is not applicable.
19. The Company has not issued any debentures during the year and therefore paragraph 4(xix) of the order is not applicable.
20. The Company has not raised any money by way of public issue during the year and therefore paragraph 4(xx) of the order is not applicable.
21. Based upon the audit procedures performed and as per explanation given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of Audit.

For **Anil K. Goyal & Associates**  
Chartered Accountants

Sd/-  
**(Anil K. Goyal)**  
Proprietor  
FCA71221  
Place : New Delhi  
Date : May 27, 2004



CREW B.O.S. PRODUCTS LIMITED

**BALANCE SHEET AS AT 31.03.2004**

<b>SOURCES OF FUNDS</b>	<b>Schedule</b>	<b>As at 31.03.2004 (Rs.)</b>	<b>As at 31.03.2003 (Rs.)</b>
<b>SHAREHOLDERS FUNDS</b>			
Share Capital	1	69,992,760	4,800,600
Reserves & Surplus	2	68,638,809	100,576,223
<b>LOAN FUNDS</b>			
Secured Loan	3	140,678,631	148,689,057
Deferred Tax Liability		5,014,154	4,658,829
<b>TOTAL</b>		<b>284,324,354</b>	<b>258,724,710</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	4	166,900,180	110,361,501
Less : Depreciation		36,828,254	25,729,214
Net Block		130,071,926	84,632,287
<b>Investments</b>			
Investments	5	847,500	-
<b>Current Assets, Loan &amp; Advances</b>			
Inventories	6	145,941,842	111,338,125
Sundry Debtors	7	47,776,729	80,867,244
Cash & Bank Balances	8	17,064,797	23,700,915
Loan & Advances	9	27,644,589	31,185,199
		238,427,956	247,091,483
<b>Less : Current Liabilities &amp; Provisions</b>			
Current Liabilities	10	86,451,090	68,058,881
Provisions	11	3,374,015	4,940,180
		89,825,105	72,999,061
<b>NET CURRENT ASSETS</b>			
Miscellaneous Expenditure (to the extent not written off or adjusted)		2,939,287	-
Deferred Revenue Expenditure		1,862,790	-
<b>TOTAL</b>		<b>284,324,354</b>	<b>258,724,710</b>
Significant Accounting Policies and Notes forming part of the Accounts	17		
Cash Flow Statement	18		
as per our report of even date attached.			

For **Anil K. Goyal & Associates**  
Chartered Accountants

Sd/-  
**(Tarun Oberoi)**  
Managing Director

Sd/-  
**(Robin Bartholomew)**  
Director

Sd/-  
**(Anil K. Goyal)**  
Proprietor  
Place : New Delhi  
Date : May 27, 2004

Sd/-  
**(Pankaj Tewari)**  
Company Secretary

Sd/-  
**(Puneet Nikore)**  
Director

**PROFIT AND LOSS ACCOUNT For the year ended March 31, 2004**

	Schedule	Year Ended 31.03.2004 (Rs.)	Year Ended 31.03.2003 (Rs.)
<b>INCOME</b>			
Income from Operations	12	552,535,606	533,550,974
Other Income	13	1,167,517	1,323,215
Increase in Stocks	14	8,654,885	11,997,982
<b>TOTAL</b>		<b>562,358,008</b>	<b>546,872,170</b>
<b>EXPENDITURE</b>			
Material Manufacturing & Others	15	418,583,292	389,207,316
Personnel, Administration & Selling	16	73,613,106	90,191,225
Interest & Finance Charges		16,015,724	22,996,015
Depreciation		11,280,347	8,661,985
<b>TOTAL</b>		<b>519,492,469</b>	<b>511,056,540</b>
Profit Before Taxation		42,865,539	35,815,630
Provision for Taxation		1,400,000	3,315,477
Profit After Taxation		41,465,539	32,500,152
Less : Adjustments of Prior Years		497,024	400,790
Profit After Taxation		40,968,515	32,099,363
Deferred Tax Liability		355,325	4,658,830
Add : Tax Adjustments of Prior Years		537,615	-
Add : Balance Carried to Balance Sheet		80,136,793	59,320,964
<b>Balance Available For Appropriations</b>		<b>121,287,598</b>	<b>86,761,496</b>
<b>APPROPRIATIONS</b>			
Proposed Dividend		1,749,819	-
Intrim Dividend		5,249,457	1,440,180
Transfer to General Reserve		70,192,160	5,000,000
Dividend Tax		672,587	-
Provision for Tax on Proposed Dividend		224,196	184,523
Balance Carried to Balance Sheet		43,199,379	80,136,793
<b>TOTAL</b>		<b>121,287,598</b>	<b>86,761,496</b>
Significant Accounting Policies and Notes forming part of the Accounts	17		
Cash Flow Statement	18		
as per our report of even date attached.			

For **Anil K. Goyal & Associates**  
Chartered Accountants

Sd/-  
**(Anil K. Goyal)**  
Proprietor  
Place : New Delhi  
Date : May 27, 2004

Sd/-  
**(Tarun Oberoi)**  
Managing Director

Sd/-  
**(Pankaj Tewari)**  
Company Secretary

Sd/-  
**(Robin Bartholomew)**  
Director

Sd/-  
**(Puneet Nikore)**  
Director



**SCHEDULES FORMING PART OF THE BALANCE SHEET**

	As at 31.03.2004 (Rs.)	As at 31.03.2003 (Rs.)
<b>SCHEDULE : 1</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED SHARE CAPITAL</b>		
11500000 Equity Shares of Rs. 10/- each (Previous Year 500,000 Equity Share of Rs. 10/- each)	115,000,000	5,000,000
500,000 Preference Share of Rs. 10/- each (Previous Year - Nil)	5,000,000	-
<b>TOTAL</b>	<u>120,000,000</u>	<u>5,000,000</u>
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
6999276 Equity Shares (480060 Equity Shares) of Rs. 10/- each fully paid up. Of the above 6975723 Equity Shares are allotted as fully paid Bonus Shares (456057 Equity Shares)	69,992,760	4,800,600
<b>TOTAL</b>	<u>69,992,760</u>	<u>4,800,600</u>
<b>SCHEDULE : 2</b>		
<b>RESERVES &amp; SURPLUS</b>		
<b>GENERAL RESERVE</b>		
Opening Balance	20,439,430	15,439,430
Add: Transfer from Profit & Loss Account	70,192,160	5,000,000
	<u>90,631,590</u>	<u>20,439,430</u>
Less : Utilised to issue Bonus Shares	65,192,160	-
Amount Transferred to General Reserve	25,439,430	20,439,430
PROFIT & LOSS A/C	43,199,379	80,136,793
<b>TOTAL</b>	<u>68,638,809</u>	<u>100,576,223</u>
<b>SCHEDULE : 3</b>		
<b>SECURED LOANS</b>		
Packing Credit Limit :		
- The Karur Vysya Bank Limited	39,869,636	40,594,746
- Citi Bank N.A.	46,091,059	40,747,982
Foreign Bills Purchased by Bank :		
- The Karur Vysya Bank Limited	14,003,627	31,107,517
- Citi Bank N.A.	10,945,994	18,181,211
Vehicle / Equipment Loans	2,847,946	5,131,029
Building Term Loan from Bank	2,823,545	4,154,610
Term Loan from HSIDC	12,333,000	-
Machinery Term Loan from Bank	11,763,825	8,771,963
<b>TOTAL</b>	<u>140,678,631</u>	<u>148,689,057</u>

(Secured by hypothecation of all the inventories, book debts including receivables and other current assets of the Company and further collaterally secured by a first charge on the fixed assets at Head Office and Factories at Gurgaon and guarantees by Promoter Directors and some of the Shareholders)





**SCHEDULES FORMING PART OF THE BALANCE SHEET**  
**SCHEDULE : 4**  
**FIXED ASSETS SCHEDULE**

NAME OF FIXED ASSETS	RATE OF DEPR.	GROSS BLOCK						DEPRECIATION			NET BLOCK	
		BALANCE AS ON 01.04.03	ADDITION	SALES DURING THE YEAR	BALANCE AS ON 31.03.04	BALANCE AS ON 01.04.03	DURING THE YEAR	ADJUST-MENT	BALANCE AS ON 31.03.04	AMT AS ON 31.03.04	AMT AS ON 31.3.03	
FACTORY LAND	0.00%	10,123,598	14,910,223	-	25,033,821	-	-	-	-	25,033,821	10,123,598	
FACTORY BUILDING	5.00%	28,685,450	-	-	28,685,450	4,114,958	1,228,525	-	5,343,482	23,341,968	24,570,493	
COMPUTER	40.00%	9,479,238	472,292	-	9,951,530	2,904,367	2,658,185	-	5,562,552	4,388,978	6,574,870	
ELECTRICAL FITTINGS	13.91%	5,626,438	118,476	-	5,744,914	2,097,892	500,372	-	2,598,264	3,146,650	3,528,546	
FURNITURE & FIXTURES	18.10%	7,077,939	1,125,191	-	8,203,131	2,368,535	877,151	-	3,245,686	4,957,445	4,709,405	
PLANT & MACHINERIES	13.91%	34,186,985	6,067,981	-	40,254,966	9,150,173	3,975,238	-	13,125,411	27,129,554	25,036,811	
VEHICLES	25.89%	8,028,826	1,749,604	-	9,778,430	3,651,467	1,283,087	-	4,934,554	4,843,876	4,377,359	
OFFICE EQUIPMENTS	13.91%	6,455,405	630,166	264,160	6,821,411	1,441,821	757,790	181,307	2,018,305	4,803,106	5,013,583	
PREOPERATIVE EXPENSES	0.00%	697,622	10,070,043	-	10,767,665	-	-	-	-	10,767,665	697,622	
PENDING FOR ALLOCATION												
CAPITAL ADVANCES &WIP	0.00%	-	21,658,863	-	21,658,863	-	-	-	-	21,658,863	-	
<b>GRAND TOTAL (RS.)</b>		<b>110,361,501</b>	<b>56,802,839</b>	<b>264,160</b>	<b>166,900,180</b>	<b>25,729,214</b>	<b>11,280,347</b>	<b>181,307</b>	<b>36,828,254</b>	<b>130,071,926</b>	<b>84,632,288</b>	
PREVIOUS YEAR		77,394,382	40,517,711	7,550,591	110,361,502	17,067,229	8,661,985	-	25,729,214	84,632,288	60,327,153	

Note : Rs. 402,000.00 demanded by HSIDC as External Development Charges are capitalised upon payment. This amount is payable in six installments. So far one installment of Rs. 67,000.00 has been paid to HSIDC.



## SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31.03.2004 (Rs.)	As at 31.03.2003 (Rs.)
<b>SCHEDULE : 5</b>		
<b>INVESTMENTS</b>		
(a) Unquoted-Long Term (Non-Trade) Investment in subsidiary Company 10000 Shares of one Euro each La Tatva s.r.l., Italy	568,500	-
(b) Quoted - Current (Traded)		
1) Bhushan Steels Limited - 1000 Shares of Rs. 10/- each	<u>105,000</u>	
2) Aarti Drugs Limited - 2000 Shares of Rs. 10/- each	174,000	-
(Market Value of Quoted Investment : Rs. 209000)		
<b>TOTAL</b>	<u><u>847,500</u></u>	<u><u>-</u></u>
<b>SCHEDULE : 6</b>		
<b>INVENTORIES</b>		
(As certified by the Management)		
Raw Material : Imported	9,318,226	15,219,788
: Indigenous	86,042,992	56,625,101
Semi Finished Goods	39,210,494	37,660,953
Finished Goods	675,759	1,800,772
Goods-in-Transit : Raw Material	2,464,014	31,511
: Finished Goods	8,230,357	-
<b>TOTAL</b>	<u><u>145,941,842</u></u>	<u><u>111,338,125</u></u>
<b>SCHEDULE : 7</b>		
<b>SUNDRY DEBTORS</b>		
(Unsecured, Considered Good)		
Debts Outstanding for a period exceeding six months	3,691,958	598,832
Others Debts	44,084,771	80,268,412
<b>TOTAL</b>	<u><u>47,776,729</u></u>	<u><u>80,867,244</u></u>
<b>SCHEDULE : 8</b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash in Hand	352,297	290,287
Bank Balance with Scheduled Banks	2,551,539	8,106,902
In Margin Money accounts	5,856,722	5,532,035
Bank Deposits	3,339,803	7,167,987
Cheques in Hand	4,964,436	2,603,704
<b>TOTAL</b>	<u><u>17,064,797</u></u>	<u><u>23,700,915</u></u>

**SCHEDULES FORMING PART OF THE BALANCE SHEET**

	As at 31.03.2004 (Rs.)	As at 31.03.2003 (Rs.)
<b>SCHEDULE : 9</b>		
<b>LOANS &amp; ADVANCES</b>		
(Unsecured, Considered good)		
Advances recoverable in cash or in kind or for value to be received	4,464,658	11,154,781
Advance to W.O.S., Italy	445,438	-
Advance to Staff	3,367,356	1,307,657
Security Deposit	5,313,366	5,848,883
Advance Income Tax and TDS	3,867,152	5,457,203
Duty Drawback Receivable	1,738,147	2,019,608
Interest Receivable	49,421	1,581
Refundable Sales Tax	1,599,144	734,216
Advances to Suppliers	6,057,191	3,852,905
Prepaid Expenses	742,716	808,366
<b>TOTAL</b>	<b><u>27,644,589</u></b>	<b><u>31,185,199</u></b>
<b>SCHEDULE : 10</b>		
<b>CURRENT LIABILITIES</b>		
Advances from Customers	1,286,835	504,560
Advance from Share Holders	5,000,000	-
Credit Balance in Bank Current Accounts	8,961,067	10,648,046
Sundry Creditors	66,505,142	50,837,390
Other Liabilities	4,698,046	6,068,885
<b>TOTAL</b>	<b><u>86,451,090</u></b>	<b><u>68,058,881</u></b>
<b>SCHEDULE : 11</b>		
<b>PROVISION</b>		
Provision for Income Tax	1,400,000	3,315,477
Provision for Proposed Dividend	1,749,819	1,440,180
Provision for Tax on Proposed Dividend	224,196	184,523
<b>TOTAL</b>	<b><u>3,374,015</u></b>	<b><u>4,940,180</u></b>
<b>SCHEDULE : 12</b>		
<b>INCOME FROM OPERATIONS</b>		
Exports Sales (FOB)	389,474,821	525,584,277
Domestic Sales	161,623,593	-
Duty Drawback / DEPB	1,437,192	7,966,697
<b>TOTAL</b>	<b><u>552,535,606</u></b>	<b><u>533,550,974</u></b>
<b>SCHEDULE : 13</b>		
<b>OTHER INCOME</b>		
Interest	345,794	1,234,806
Miscellaneous Income / Round Off	746,375	88,409
Income on Sale of Shares	75,348	-
<b>TOTAL</b>	<b><u>1,167,517</u></b>	<b><u>1,323,215</u></b>



**SCHEDULES FORMING PART OF THE BALANCE SHEET**

	As at 31.03.2004 (Rs.)	As at 31.03.2003 (Rs.)
<b>SCHEDULE : 14</b>		
INCREASE/DECREASE(-) IN STOCKS		
Closing Stock		
Goods-in-Transit : Finished Goods	8,230,357	-
: Semi Finished Goods	3,605,516	-
Finished Goods	675,759	1,800,772
Semi Finished Goods	35,604,978	37,660,953
	<u>48,116,610</u>	<u>39,461,725</u>
Less : Opening Stock		
Finished Goods	1,800,772	4,592,746
Semi Finished Goods	37,660,953	22,870,997
	<u>39,461,725</u>	<u>27,463,743</u>
<b>TOTAL</b>	<u><u>8,654,885</u></u>	<u><u>11,997,982</u></u>

**SCHEDULE : 15**

MATERIAL, MANUFACTURING & OTHERS		
Raw Material Consumed : Indigenous	133,218,071	209,368,206
: Imported	52,497,924	99,485,590
Consumables Stores : Indigenous	8,678,880	5,020,169
: Imported	7,483,798	9,543,228
Finished Goods Purchased	152,118,652	2,610,034
Electricity, Water & Fuel Charges	4,704,910	5,360,811
Fabrication and Processing	42,764,524	41,483,503
Repair and Maintenance	2,614,118	3,242,922
Freight, Cartages and Clearing	11,267,921	12,034,015
Discount, Rebates and Claims	3,234,494	1,058,837
<b>TOTAL</b>	<u><u>418,583,292</u></u>	<u><u>389,207,316</u></u>

**SCHEDULE : 16**

**PERSONNEL, ADMINISTRATION & SELLING**

Wages, Salary & Bonus	21,101,545	20,648,032
Contribution to Provident Fund	960,607	1,016,454
Contribution to E.S.I. Fund	276,009	310,615
Staff Welfare Expenses	2,516,831	3,184,409
Freight Outward and Packaging	10,980,017	25,783,756
Directors Remuneration	2,050,160	1,469,894
Travelling and Conveyance	6,720,313	11,720,435
Printing and Stationery	1,224,640	1,341,524
Communication	6,011,171	3,648,724
Consultancy & Professional Charges	1,989,636	1,179,183
Books & Periodicals	89,009	133,771
Commission Expense	3,012,880	2,254,717
Sales Promotion	402,540	571,873
Security Expenses	1,320,087	1,803,214
Vehicle Running & Maintenance	1,513,386	1,719,452
Insurance Charges	1,107,164	2,021,599
Payments to Auditors	280,750	182,000
Fees & Subscriptions	781,724	467,943
Testing Expenses	1,172,442	1,782,835
Miscellaneous Expenses	2,108,394	827,203
Rent	7,993,800	8,030,066
Deferred Revenues Expenditure Written Off	-	93,526
<b>TOTAL</b>	<u><u>73,613,106</u></u>	<u><u>90,191,225</u></u>

**SCHEDULES FORMING PART OF THE BALANCE SHEET****SCHEDULE : 17****SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS****I. SIGNIFICANT ACCOUNTING POLICIES****A. Basis of preparation of Financial Statements**

The financial statements have been prepared in accordance with the Accounting Standards specified by the Institute of Chartered Accountants of India.

**B. Accounting Convention, Inflation And Revenue Recognition**

The financial statements have been prepared in accordance with historical cost convention. Both income and expenditure items are recognized on accrual basis except refunds due to / from Company on account of Sales Tax / VAT or other Govt. Levies, incentives and leave encashment. Similarly cost of samples developed and supplied is recognized on accrual basis net of recoveries.

**C. Fixed Assets**

Fixed Assets are stated at actual cost of acquisition inclusive of taxes, duties, freight and other incidental expenses including interest related to acquisition, net of Grants.

**D. Depreciation**

Depreciation on fixed assets is provided on the WDV Method at the rates & in the manner as prescribed in Schedule XIV of the Companies Act, 1956.

**E. Inventories**

- a. Raw materials are valued at weighted average cost.
- b. Semi Finished goods are valued at cost.
- c. Finished Goods are valued at lower of cost and market value.

**F. Foreign Exchange Transactions**

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of transaction. However closing balance in Exchange Earning Foreign Currency (EEFC) account in India is valued at prevailing exchange rate as on last day of the year.

**G. Retirement Benefits**

Gratuity is funded through LIC Group Gratuity Scheme & Leave Encashment payments are accounted for on actual liability basis.

**H. Deferred Taxes**

Deferred Tax assets and liabilities are stated at the Income Tax rate at the close of financial year. Deferred Tax assets are created only to the extent they are expected to material. Deferred Tax Liability as at 31st March, 2004 comprises the following:

	Current Year Rs.	Previous Year Rs.
a. Related to Fixed assets	50,14,154	48,21,748
b. Deferred Tax Assets Disallowance under Income Tax Act	Nil	1,62,919
c. Provision for Deferred Tax (Net)	50,14,154	46,58,829

**I. Borrowing Costs**

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalized. Other borrowing costs are recognized as an expense in the period in which they are incurred.

**J. Investments**

Investments are valued at cost.





## NOTES ON ACCOUNTS

### 1. Contingent liabilities in the respect of:

	Amount (in Rs. Lacs)	
	Current Year	Previous Year
A) Guarantees given by Bankers	22.50	26.61
B) Corporate Guarantee for Sister Concern	215.00	165.00
C) Claims not acknowledge as Debt	Nil	Nil
D) Excise Duty, Sales Tax, Income Tax levied, not acknowledge as debt	Nil	Nil
E) Capital Commitments	235.71	24.96
F) i) Bond Given to Excise authorities for Unit at 199, Phase-I, Udyog Vihar, Gurgaon	112.52	112.52
ii) EOU unit at 172, Phase-I & 417, Phase-III, Udyog Vihar, Gurgaon.	450.00	299.69
G) Letter of credit established by bank	185.88	150.61
H) Claims made by certain workers terminated by the Company are referred in the industrial tribunals. Any liability which may arise out of awards from Tribunal		
I) Sales Tax assessment are completed up to financial year 2001-02. Any Liability for assessment in subsequent years is contingent upon assessment.		

2. In the opinion of the board of directors the current assets, loan and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet and provision for all known liabilities have been made.

3. The various Debit & Credit balances are subject to confirmation.

4. Amount due to suppliers covered under the "Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertaking Act, 1993" has not been ascertained due to information not available with the Company, however the Company has not received any claim for interest from any supplier under the said Act.

5. The Company has set up a Wholly Owned Subsidiary (WOS) under the name and style of "La Tatva S. r. l." in Italy under the automatic route. It was incorporated on 09.03.2004 with the Chamber of Commerce, Italy. The authorized capital of the WOS is 10000 EURO which is subscribed by the Company. Calendar year being the financial year, first accounting year of WOS shall be ending on 31.12.2004, hence no accounts u/s 212 of the

Companies'Act 1956 are appended this year alongwith these accounts. The Company has also incurred expenses amounting to Rs. 445,438/- in connection with the setting up of said WOS which is recoverable after commencement of its operation.

6. a) The Company has two export oriented units situated at 172, Udyog Vihar Phase-I and 417, Udyog Vihar, Phase-III, The Financial accounts prepared show consolidated results of the Company including EOU units.
- b) The Company has a branch office at Chennai for procurement and processing of raw materials. The branch accounts have been incorporated in the final accounts of the Company.
7. The Company has taken group gratuity scheme from LIC and premium is charged to Profit & Loss account upon demand from LIC.
8. Final dividend @ 2.5% is proposed by the Board Directors in addition to Interim Dividend paid during the year, is provided in the books of account pending approval at the General meeting.
9. a) During the year , the Company has started Shoe Division in EOU unit and incurred various expenses amounting to Rs. 18,62,790.00 towards sampling, design & development. This expense is shown as 'Deferred Revenue Expenditure' and the Company shall amortize the same in five years commencing from the year 2004-05.
- b) During the year, the Company, has incurred various exp. on account of increase in Authorized Capital and in relation to the proposed Public Issue of Equity Shares, amounting to Rs. 18,84,006.00 which will be amortized in 5 years starting from year 2004-05.
10. During the year, the Company was converted into a 'Public Limited' Company on 10th November, 2003, and the word 'Private' was deleted from the name of the Company.

### 11. Auditors' remuneration:

	Current Year	Previous Year
Audit Fee	1,20,000	1,20,000
Income Tax Matters	35,750	30,000
Prospectus Audit	82,000	-
Other Matters	27,000	20,000
Service Tax	16,000	12,000
<b>TOTAL</b>	<b>2,80,750</b>	<b>1,82,000</b>



## 12. Directors remuneration

Total remuneration comprising of:

Particulars	2003-2004	2002-2003
Salary	1,128,750	780,000
House Rent	867,000	626,874
Conveyance	7,200	-
Others	382,510	63,020
<b>Total</b>	<b>2,385,460</b>	<b>1,469,894</b>

Computation of Net profit in accordance with section 309(5) and section 198 of the Companies Act, 1956.

Particulars	2003-2004	2002-2003
Profit before taxation as per Profit & Loss A/c	42,865,539	35,815,630
Add:		
(1) Loss on sale of Fixed Assets	-	-
(2) Directors Remuneration	2,385,460	1,469,894
(3) Diminution in value of Investments	-	-
(4) Directors Sitting Fee	2,200	-
<b>Total</b>	<b>45,253,199</b>	<b>37,285,524</b>
Less:		
(1) Profit on sale of Fixed Assets	-	-
(2) Profit on sale of Investments	75,348	-
<b>Total</b>	<b>75,348</b>	<b>-</b>
Profit u/s 198 of the Companies Act, 1956 for Calculation of remuneration payable to Directors	<b>45,177,851</b>	37,285,524
(a) 10.00% of the net Profit	4,517,785	-
(b) Maximum amount Payable as per ceiling specified u/s 309(3) of the Companies Act, 1956	4,517,785	-
Lower of (a) & (b) Above	4,517,785	-

## 13. Foreign Currency Transactions

A. Expenditure	2003-04	2002-03
Foreign Travelling Exp.	2,675,554	3,457,764
Subscription Exp.	8,361	56,082
Pre-operative Exp.	867,511	-
WOS Italy	76,876	-
Packing Material	5,519,823	2,854,684
Raw-Material	38,443,410	90,373,206
Machines Spares	132,526	10,143
Claims/ Rejections	1,647,456	1,058,837
Capital Items	3,324,064	6,388,832
Consumable Stores	7,483,798	-
Others	1,848,479	-
B. Earnings		
Exports Sales (FOB)	389,474,821	525,584,277
Advance from buyer(s) forfeited	15,793	-



**14. Segment Reporting : As per AS17**

(Rs. in Lacs)

Particulars	Bags & Wallet		Belts		Un-allocable		Total	
	2003-04	2002-03	2003-04	2002-03	2003-04	2002-03	2003-04	2002-03
Segment Revenue	2060.48	3153.26	1249.10	1333.82	2215.78	848.43	5525.36	5335.51
Intra segment Revenue								
<b>Total Revenue</b>	2060.48	3153.26	1249.10	1333.82	2215.78	848.43	5525.36	5335.51
Eliminations								
<b>Net Revenue</b>	2060.48	3153.26	1249.10	1333.82	2215.78	848.43	5525.36	5335.51
Profit before Tax and Intt.	321.35	346.86	189.22	166.73	78.25	74.53	588.82	588.12
Interest Expnese	90.94	87.18	56.52	36.88	12.70	105.90	160.16	229.96
Profit Before Tax	230.41	259.68	132.70	129.85	65.55	-31.37	428.66	358.16
Segment Assets	329.44	1003.64	1261.42	722.20	2094.14	1591.40	3685.00	3317.24
Segment Liabilities	187.47	66.24	227.90	241.77	1935.57	1955.46	2350.94	2263.47
Capital Expenditure	18.39	N.A.	51.99	N.A.	497.65	N.A.	568.03	405.18
Dep.on Fixed Assets	41.97	N.A.	55.81	N.A.	15.02	N.A.	112.80	86.62
Assets	20.97	N.A.	370.66	N.A.	909.09	N.A.	1300.72	846.32

**15. Related Party Disclosure : As per AS18**

Amount in Rs.

Name of the Party	Nature of relationship	Nature of transaction	2003-04	2002-03
Ideas India	Associated Enterprises	Sample Development Income	-	735,152
		Sample Development Expenses	129,654	156,414
		Fabrication Exp.	1,539,950	-
		Guarantees Issued	21,500,000	16,500,000
Jodhpur Supply Company	Associated Enterprises	Purchases	-	862,040
		Sample Development Expenses	-	-
Crew Concepts and Technology Pvt. Ltd.	Associated Enterprises	Consultancy charges	397,997	-
		Software Development	-	649,000
		Outstanding Receivable	-	123,765
Crew Trade Post Pvt. Ltd.	Associated Enterprises	-	-	-
Joywin Systems Pvt. Ltd.	Associated Enterprises	Professional Charges	510,000	-
La Tatva S.r.l., Italy	Wholly Owned Subsidiary	Capital Contribution	568,500	-
		Loans & Advances	445,438	-
Mr. Tarun Oberoi	Key Managerial Personnel	Directors remuneration	1,164,810	749,894
Mr. Robin Bartholomew	Key Managerial Personnel	Directors remuneration	828,750	720,000
Mr. Puneet Nikore	Key Managerial Personnel	Directors remuneration	150,000	-



16. Additional information pursuant to paras 3 4C & 4D of Part II of Schedule 6 of the companies Act, 1956

**A. Licensed and installed capacity and production (As Certified by the Management)**

Description	Current Year Licenced Capacity	Previous Year Installed Capacity	Current Year Production (Qty. in No.)	Previous Year Production Qty. in No.)
Bags	N.A.	Not Ascertainable	296,384	525,112
Belts	N.A.	Not Ascertainable	394,045	544,803
Wallets	N.A.	Not Ascertainable	88,798	68,035
Others	N.A.	Not Ascertainable	420,358	133,622

**B. Raw Material Consumed**

Description	Unit	Consumption Current Year		Consumption Previous Year	
		Quantity	Amount	Quantity	Amount
Leather	Sq. Ft.	2,642,928	101,237,307	2,824,233	180,644,007
Fabrics	Mtrs.	720,415	27,457,291	1,061,463	43,381,166
Others			57,021,396	-	84,828,623
<b>Total</b>			<b>185,715,994</b>		<b>308,853,796</b>

**C. Composition of Raw Material Consumed**

	Current Year		Previous Year	
	%	Value (Rs.)	%	Value (Rs.)
Indigenous	71.73	133,218,071	67.79	209,368,206
Imported	28.27	52,497,924	32.21	99,485,590
<b>Total</b>	<b>100.00</b>	<b>185,715,995</b>	<b>100.00</b>	<b>308,853,796</b>



**D. Statement of Sale & Closing Stock of Finished Goods of Manufacturing items**

Items	Unit	Opening Stock				Turn Over				Closing Stock			
		Current Year		Previous Year		Current Year		Previous Year		Current Year		Previous Year	
		Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount
Bags	Nos.	-	-	1,941	1,166,410	296,384	157,681,018	525,112	313,450,654	-	-	-	-
Belts	Nos.	5,203	1,435,030	-	-	399,248	99,027,147	539,600	132,552,647	-	-	5,203	1,435,030
Wallets	Nos.	-	-	-	-	88,798	22,297,687	68,035	18,308,946	-	-	-	-
Others	Nos.	-	-	-	-	313,177	97,967,095	163,622	56,984,106	1,433	649,660	-	-
Footwear	Pair	-	-	-	-	105,748	27,885,255	-	-	-	-	-	-
<b>Total</b>			<b>1,435,030</b>		<b>1,166,410</b>		<b>404,858,202</b>		<b>521,296,352</b>		<b>649,660</b>		<b>1,435,030</b>

**E. Detail of Traded Items**

Items	Opening Stock				Purchases				Turnover				Closing Stock			
	Current Year		Previous Year		Current Year		Previous Year		Current Year		Previous Year		Current Year		Previous Year	
	Qty.	Amounts	Qty.	Amounts	Qty.	Amounts	Qty.	Amounts	Qty.	Amounts	Qty.	Amounts	Qty.	Amounts	Qty.	Amounts
Bags	-	-	2,907	669,048	-	-	125	103,125	-	-	3,032	1,387,030	-	-	-	-
Belts	116	26,100	543	118,586	-	-	1,818	245,400	-	-	2,245	829,749	116	26,100	116	26,100
Wallets & Purses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	220	14,364	-	-	-	-	-	-	220	49,698	-	-	-	-
Leather (Sqft)	5,448	339,642	-	-	-	-	36,279	2,261,509	-	-	30,831	2,021,448	5,448	339,642	5,448	339,642
Fabrics (Meter)	-	-	-	-	1,873,925	152,118,652	-	-	1,873,925	155,162,054	-	-	-	-	-	-
<b>Total</b>	<b>5,564</b>	<b>365,742</b>	<b>3,670</b>	<b>801,998</b>	<b>1,873,925</b>	<b>152,118,652</b>	<b>38,222</b>	<b>2,610,034</b>	<b>1,873,925</b>	<b>155,162,054</b>	<b>36,328</b>	<b>4,287,925</b>	<b>5,564</b>	<b>365,742</b>	<b>5,564</b>	<b>365,742</b>

For **Anil K. Goyal & Associates**  
Chartered Accountants

Sd/-  
**(Anil K Goyal)**  
Proprietor

Sd/-  
**(Tarun Oberoi)**  
Managing Director

Sd/-  
**(Robin Bartholomew)**  
Director

Place : New Delhi  
Date : 27th May, 2004

Sd/-  
**(Pankaj Tewari)**  
Company Secretary

Sd/-  
**(Puneet Nikore)**  
Director



**SCHEDULE : 18****CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2004**

	2003-04 Rs.	2002-03 Rs.
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax & Extra-ordinary Items	42,865,539	35,815,630
<b>Adjustment for</b>		
Depreciation	11,280,347	8,661,985
Interest	16,015,724	22,996,015
	<u>70,161,610</u>	<u>67,473,630</u>
<b>Less:</b>		
Adjustment for dep. on sale of assets	181,307	
Interest Received	345,794	1,234,806
Operative Profit before Working Capital Changes	<u>69,634,509</u>	<u>66,238,824</u>
<b>Adjustment for</b>		
Trade & Other Receivable	33,090,515	24,568,064
Inventory	(34,603,717)	(7,556,314)
Trade Payables	16,826,044	(9,345,698)
Others	3,540,610	(9,146,563)
	<u>18,853,452</u>	<u>(1,480,511)</u>
Cash Generated from Operations	<u>88,487,961</u>	<u>64,758,313</u>
Interest Paid	(16,015,724)	(22,996,015)
Direct Taxes Paid	(1,759,168)	(3,500,000)
Prior period exp.	(497,024)	(400,790)
	<u>(18,271,916)</u>	<u>(26,896,805)</u>
Cash flow before extra-ordinary items	<u>70,216,045</u>	<u>37,861,508</u>
Net Cash from Operating Activies	<u>70,216,045</u>	<u>37,861,508</u>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(56,802,839)	(32,967,119)
Misc. Expenditure	(4,802,077)	93,526
Sale of Fixed Assets	264,160	-
Investments	(847,500)	-
Interest Received	345,794	1,234,806
Net Cash used in Investing Activities	<u>(61,842,462)</u>	<u>(31,638,787)</u>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Un-secured Loans	-	(578,500)
Proceeds from issue of Share Capital		
Dividend Paid / Proposed	(6,999,276)	(1,440,180)
Borrowing from Bank	(8,010,425)	5,860,555
Net Cash Used in Financing Activities	<u>(15,009,701)</u>	<u>3,841,875</u>
Net Increase in Cash & Equivalents	<u>(6,636,118)</u>	10,064,596
Cash & Cash Equivalents as at 01.04.2003 (Opening Balance)	<u>23,700,915</u>	13,637,374
Cash & Cash Equivalents as at 31.03.2004 (Closing Balance)	<u>17,064,797</u>	23,701,970

- The above Cash Flow Statement has been prepared under the Direct Method as set out in the Accounting Standard-3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
- Figures in brackets indicate cash outgo.

This is the Cash Flow Statement referred to in our report of even date attached.  
For **Anil K. Goyal & Associates**  
Chartered Accountants

Sd/-  
**(Tarun Oberoi)**  
Managing Director

Sd/-  
**(Robin Barthlomew)**  
Director

Sd/-  
**(Anil. K Goyal)**  
Proprietor

Sd/-  
**(Pankaj Tewari)**  
Company Secretary

Sd/-  
**(Puneet Nikore)**  
Director



**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I. Registration Details**

Registration No.	34472
State Code	55
Balance Sheet Date	31.03.2004

**II. Capital raised during the year (Amount in Rs. Thousands)**

Public Issue	NIL
Rights Issue	NIL
Bonus Issue	65192
Private Placement	NIL

**III. Position of Mobilisation and Deployment of Funds**

**Source of Funds**

Paid-up Capital	69993
Reserves & Surplus	68639
Secured Loans	140679
Unsecured Loans	0
Deferred Tax Liability	5014

**Application of Funds**

Net Fixed Assets	130072
Investments	848
Net Current Assets	148603
Misc. Expenditure	4802
Accumulated Losses	0

**IV. Performance of Company**

Turnover	562358
Total Expenditure	519492
Profit/(Loss) before tax	42866
Profit/(Loss) after tax	41466
Earning per Share in Rs.	5.91
Dividend rate %	10

**V. Generic Names of Three Principal Products/Services of Company**

Item Code No. (ITC Code)	Product Description
420211	Travel Goods
420330	Belts
420100	Articles of Leather

Sd/-  
(Tarun Oberoi)  
Managing Director

Sd/-  
(Robin Barthlomew)  
Director

Sd/-  
(Puneet Nikore)  
Director

Sd/-  
(Pankaj Tewari)  
Company Secretary