

ALAN SCOTT INDUSTRIES LIMITED

10th Annual Report
2003-2004

NOTES

BOARD OF DIRECTORS

MR. SUKETU J. PARIKH (CHAIRMAN & MANAGING DIRECTOR)
MRS. PRAGNA S. PARIKH (DIRECTOR)
MS. ASMITA J. PARIKH (EXECUTIVE DIRECTOR)

REGISTERED OFFICE

38, APURVA INDUSTRIAL ESTATE,
MAKWANA ROAD, MAROL NAKA,
ANDHERI (EAST),
MUMBAI – 400 059.

BANKERS

GLOBAL TRUST BANK LIMITED
DEVELOPMENT CREDIT BANK LIMITED

AUDITORS

JAYESH DADIA & ASSOCIATES
CHARTERED ACCOUNTANTS

REGISTRARS AND TRANSFER AGENTS

INTIME SPECTRUM REGISTRY LTD.
C-13, PANNALAL SILK MILLS COMPOUND
L.B.S.MARG, BHANDUP (W),
MUMBAI – 400 078.
TEL : 5555 5454, FAX : 5555 5353

DEMAT FACILITY

AVAILABLE TO CO'S
SHAREHOLDERS
ISIN NO. INE273F01014

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE TENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF **ALAN SCOTT INDUSTRIES LIMITED** WILL BE HELD ON THURSDAY, THE 30TH SEPTEMBER, 2004 AT 10.00 A.M. AT 38, APURVA INDUSTRIAL ESTATE, MAKWANA ROAD, OFF ANDHERI KURLA ROAD, MAROL NAKA, ANDHERI (EAST), MUMBAI – 400 059, TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as on 31st March, 2004 and Profit & Loss Account for the year ended on that date and Report of the Auditors and Directors thereon.
2. To appoint a Director in place of Ms. Pragna S. Parikh who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint auditors in place of Jayesh Dadia & Associates, Chartered Accountants, Mumbai, as Auditors of the Company, to hold office from the conclusion of this Meeting till the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

SPECIAL BUSINESS :

4. To consider and, if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution :-
“RESOLVED that Ms. Asmita J. Parikh who was appointed as an Executive Director of the Company with effect from 25/05/2004, who retired by rotation and who holds office upto the date of this Annual General Meeting be and is hereby appointed as Director of the company, liable to retire by rotation.”

Place : Mumbai
Date : 01/09/2004

BY ORDER OF THE BOARD OF DIRECTORS

Sd/-
PRAGNA S. PARIKH
(DIRECTOR)

Registered Office

38, Apurva Industrial Estate,
Makwana Road, Marol Naka,
Andheri (E), Mumbai 400 059

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 of the Company. Proxies in order to be effective must be deposited at the Registered Office of the Company not less than 48 hours before the Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain Closed from 28th September, 2004 to 30th September, 2004 (both days inclusive)
3. Members are requested to intimate any change in their address to the Company's Registrars and Shares Transfer Agents, M/s Intime Spectrum Registry Ltd., at the earliest quoting their folio numbers.
4. Members desirous of obtaining any information concerning accounts and operations of the Company, are requested to address their questions in writing to the Board of Directors of the Company, at least 7 days before the date of the Meeting, so that the Information required may be made available at the Meeting.
5. Members should bring their copies of Annual Reports to the Annual General Meeting. Copies will be distributed at the meeting as measure of economy.
6. The members who have not yet exchanged their Counter Receipts with Share Certificates are hereby requested to hand over/submit the same at the Office of Registrar and Transfer Agents of the Company at the earliest.
7. The Company's shares are already traded in dematerialized form under NSDL. The ISIN No. allotted by NSDL is INE273F01014. Members are requested to avail these facilities. The Company has also initiated steps to register its scrip's under CDSL.

Place : Mumbai
Date : 01/09/2004

BY ORDER OF THE BOARD OF DIRECTORS

Sd/-
PRAGNA S. PARIKH
(DIRECTOR)

Registered Office

38, Apurva Industrial Estate,
Makwana Road, Marol Naka
Andheri (E), Mumbai – 400 059.

DIRECTOR'S REPORT

The Members,
Alan Scott Industries Limited,

The Board of Directors have the pleasure in presenting the Tenth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2004.

FINANCIAL RESULTS

	(RS.IN LACS) 2003-2002	(RS.IN LACS) 2002-2003
Gross Turnover	83.94	398.24
(Including other Income)		
Profit/(Loss) before interest and Depreciation and Tax	12.16	44.16
Less: Financial Charges	5.93	5.03
Profit/(Loss) before depreciation & Tax	6.23	39.13
Less: Depreciation	2.99	9.19
Profit/(Loss) before tax	3.24	29.94
Less: Provision for Income Tax	-	-
Prior year Extra Ordinary Income	-	-
Profit/(Loss) after tax	3.24	29.94
Profit/(Loss) brought forward from Previous Year	(117.68)	(147.62)
Balance carried to Balance Sheet	(114.43)	(117.68)

DIVIDEND

In view of the unabsorbed loss of the earlier year, your Directors express their inability to recommend dividend for the financial year 2003-04.

OPERATIONS

The Company has made efforts to survive in the Market in spite of the complete destruction of its production facilities.

The New India Assurance co. has not yet paid the claim amount. They have delayed over 21 months in spite of regular reminders and calls to them.

However on receipt of the same the company will reinstate its production facilities.

PUBLIC DEPOSITS

The Company has neither invited nor accepted any deposits in contravention of Section 58A of the Companies Act, 1956 and the Rules made there under during the year under review.

OBSERVATION IN THE AUDITORS' REPORT

The observations made by the Auditors in their Report have been duly clarified / explained in their report or in the relevant Notes forming part of the Annual Accounts, which are self explanatory and do not need any further clarification. Further as regards Auditors observation for internal Audit system the Board is taking appropriate steps to strengthen the same.

PERSONNEL

Our Company's human resources have been playing a vital role in achieving organizational objectives. The Company's growth and progress is the result of hard work and devotion of all the employees. None of the employees of the Company was in receipt of remuneration in excess of the limits prescribed u/s 217(2A) of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors affirm that;

- (i) in the preparation of the Annual Accounts of the Company, the applicable Accounting Standard have been followed ;
- (ii) the Directors have selected such accounting policies and applied them consistently and 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 31/03/2004 and the Profit & Loss Account for the year ended on that date ;
- (iii) 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 irregularities ;
- (iv) the Directors have prepared the Annual Accounts on a going concern basis.

DIRECTORS

Ms. Reshma Koorji retire by rotation and on her place Ms. Asmita J. parikh has been appointed as a Executive Director.

As required under Corporate Governance, the brief particulars of Directors retiring by rotation is as under:

Ms. Asmita J. Parikh was appointed as a Director w.e.f. 25.05.2004.

The Board recommends her appointment.

PARTICULARS U/S 217 (1) (e) OF THE COMPANIES ACT, 1956.

As required u/s 217-(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 the relevant information is given below:

A CONSERVATION OF ENERGY

Power & Fuel Consumption:	Current Year	Last Year
1] ELECTRICITY		
a] Purchase Units	12,075	2,39,774
Amount	75,557	10,78,985
Rate / Unit	6.25	4.50
b] Own Generated Units		
Total Oil Consumed	Nil	Nil
Total Amount	Nil	Nil
Rate / Unit	Nil	Nil
2] STEAM GENERATOR:		
a]. Consumed		
Keep	Nil	Nil
Total Oil consumed	Nil	Nil
Rate / kg/(Rs)	Nil	Nil

3] CONSUMPTION PER UNIT OF PRODUCTION

Products (with details) unit Socks 1.04 lacs

Pairs (4.20 lacs pairs Previous Year)

Electricity	0.17	0.93
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B RESEARCH & DEVELOPMENT

The Company has no specific Research and Development Department.

C FOREIGN EXCHANGE EARNING / OUT GO

Current Year Last Year

Total Foreign Exchange earned	Nil	Rs.16,11,899
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Total foreign exchange outgo

For Expenses	Nil	Nil
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For Training	Nil	Nil
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For Travel	Nil	Nil
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For Machinery	Nil	Nil
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For Component Spares	Nil	Rs.215,595
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AUDITORS

The Auditors of the Company, M/s.Jayesh Dadia & Associates, Chartered Accountants, Mumbai, retire at the ensuing Annual General Meeting and being eligible u/s 224 (1B) of the Companies Act,1956,have expressed their willingness to act as the Auditors of the Company, if appointed. The Directors recommend their appointment as the Auditors of the Company.

CORPORATE GOVERNANCE

Your company is required to comply with the code of corporate governance as mandated by the SEBI, Under Clause 49 of the Listing Agreement with the OTC by 31.03.2003. The Board has already initiated measures to ensure that the code is complied with.

Pursuant to Clause 49 of the Listing Agreements with the OTC Exchange, a Management Discussion and Analysis. Corporate Governance Report and Auditor's Certificate regarding compliance of conditions of Corporate Governance are made a part of the Annual Report. A note on the Company's efforts to discharge its social responsibility is also included.

ACKNOWLEDGEMENT

The Directors take this opportunity to thank all the employees for their contribution to the Company's performance during the year under review. The Directors place on record their appreciation for assistance and support from various Government Agencies, Bankers and Financial Institutions.

The Directors also express their gratitude to the Shareholders of the Company for their continuous support to the Management.

BY ORDER OF THE BOARD OF DIRECTORS

sd/-
SUKETU J.PARIKH
(CHAIRMAN)

PLACE: MUMBAI

DATE:01/09/2004

AUDITOR'S REPORT

TO,
THE MEMBERS OF
ALAN SCOTT INDUSTRIES LIMITED.

1. We have audited the attached Balance Sheet of **ALAN SCOTT INDUSTRIES LIMITED** as at 31st March, 2004 and also Profit and Loss Account 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.

2. 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 misstatement. 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.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:

- (i) 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;
- (ii) In our opinion, proper books of accounts as required by the law have been kept by the company so far as appears from our examination of those books;
- (iii) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet and the Profit and Loss Account dealt with by this Report comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956.
- (v) On the basis of representations received from the Directors as on 31st March 2004 and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31st March 2004 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 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 case of the Balance Sheet, of the state of affairs of the company as at 31st March 2004; and
- (b) In case of the Profit and Loss account, of the profit for the year ended on that date,
- (c) In case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **Jayesh Dadia & Associates,**
Chartered Accountants.

Jayesh Dadia
Partner
M.No.: 33973

Mumbai, Dated : 1st September, 2004

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 3 of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- (b) As informed to us all the assets have been physically verified by the Management during the year at reasonable intervals and no material discrepancies were noticed on verification;
- (c) During the year, the company has not disposed off a substantial part of the Fixed Assets;
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) In respect of loans, secured or unsecured, granted or taken by the by the company to / from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956:

Alan Scott Industries Limited

- (a) The Company has granted interest free loan, to one company listed in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.7.58 lacs and the balance at the year end was Rs.7.58 lacs. The Company has taken interest free loans from two parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.13.11 lacs and the balance at the year end was Rs.12.04 lacs.
- (b) In our opinion and according to the information and explanation given to us, the terms and conditions on which loan have been given and taken are not prima-facie, prejudicial to the interest of the company.
- (c) In our opinion the Company is regular in repaying the principal amounts as stipulated.
- (d) As the loans given and taken by the company are repayable on demand the question of overdue amounts does not arise
- (iv) 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 with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (v) In our opinion, and according to the information and explanation given to us the company has not entered into any transactions for the purchase and sale of goods and services, with companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs.500,000/- or more in respect for each party.
- (vi) The company has not accepted any deposits from the Public and consequently, the directives issued by the Reserve Bank of India, the provisions of section 58A and 58AA of the Companies Act, 1956 and the Rules framed there under are not applicable. As regards unsecured loans from Shareholders, the company has complied with the provisions of section 58A of the Companies Act, 1956 and the rules made there under.
- (vii) In our opinion, the Internal Audit system is not commensurate with the size of the Company's operations and the nature of its Business and needs to be strengthened.
- (viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 in respect of the services carried out by the Company.
- (ix) (a) According to the records of the company and information and explanation given to us undisputed statutory dues including provident fund, Income tax, Wealth Tax, Sales Tax, Custom Duty, ESIC and other material statutory dues applicable to it have not generally been regularly deposited with the appropriate authorities though the delays in deposit have not been serious.
- (b) According to the information and explanation given to us, there are no dues outstanding on account of dispute.
- (x) The company has accumulated losses at the end of the financial year, which is not more than 50% of its net worth, after taking into consideration the amount Deferred Tax Asset. The company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and any other securities.
- (xiii) The provisions of any special statute applicable to a chit fund, nidhi, mutual benefit or a society are not applicable to the Company.
- (xiv) According to the information and explanation given to us, the company has not done any dealing in shares, securities, debentures and other investments.
- (xv) According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from bank or any financial institutions.
- (xvi) The company has not obtained any term loans during the year.
- (xvii) According to the Cash Flow Statement and the records examined by us and according to the information and explanation given to us, on overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investment and vice versa.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) The company has not issued any debentures during the year.
- (xx) The company has not raised any money by way of public issues during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit;

For Jayesh Dadia & Associates,
Chartered Accountants.

Jayesh Dadia
Partner
M.No.: 33973

Mumbai, Dated : 1st September, 2004

BALANCE SHEET AS AT 31ST MARCH, 2004

	SCHEDULE	As at 31st	
		Rs.	Rs.
		As at 31st	As at 31st
		March 2004	March 2003
		Rs.	Rs.
SOURCES OF FUNDS			
SHAREHOLDER'S FUNDS			
Share Capital	"A"	32,637,000	32,637,000
LOAN FUNDS			
Secured Loans	"B"	1,726,832	1,377,448
Unsecured Loans	"C"	3,108,382	4,267,115
TOTAL		37,472,214	38,281,563
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	"D"	6,756,602	6,188,001
Less: Depreciation		1,678,613	1,379,399
Net Block		5,077,989	4,808,602
Deferred Tax Asset		7,389,313	
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	"E"	552,284	321,214
Dundry Debtors	"F"	1,775,739	2,101,092
Cash and Bank Balances	"G"	7,527,361	505,372
Loans, Advances & Deposits	"H"	15,429,997	24,770,346
		25,285,381	27,698,024
Less: CURRENT LIABILITIES AND PROVISIONS	"I"		
Current Liabilities		4,340,846	6,087,966
Provisions			250,000
		4,340,846	6,337,966
Net Current Assets		20,944,535	21,360,058
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	"J"	6,322	345,244
PROFIT AND LOSS A/C. DEBIT BALANCE		11,814,205	11,767,659
Less: Deferred Tax Asset		7,760,151	
		4,054,054	
TOTAL		37,472,213	38,281,563

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS "S"

As per our report of even date attached

For Jayesh Dadia & Associates
Chartered Accountants

Jayesh Dadia
Partner

Mumbai, Dated : 1st September 2004

For and on behalf of the Board of
Alan Scott Industries Limited

Suketu Parikh
Director

Pragna Parikh
Director

Alan Scott Industries Limited

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2004

	SCHEDULES	Year ended March'2004 Rs.	Year ended March'2003 Rs.
<u>INCOME</u>			
Sales	"K"	5,582,154	15,436,967
Other Income	"L"	2,779,854	24,387,133
Increase In Finished Goods	"M"	32,347	-
TOTAL		8,394,355	39,824,100
<u>EXPENDITURE</u>			
Decrease In Finished Goods	"M"	-	647,377
Cost of Materials consumed	"N"	3,696,928	5,637,502
Trade Purchases		-	567,142
Manufacturing Expenses	"O"	22,300	1,305,879
Employees Remuneration and Benefits	"P"	737,619	2,442,009
Administrative, Selling and General Expenses	"Q"	2,720,177	4,176,340
Interest and Financial Charges	"R"	593,825	503,130
Depreciation		299,214	919,086
Goods destroyed in Fire		-	5,074,228
Loss on Fixed Assets destroyed in Fire		-	15,556,828
TOTAL		8,070,062	36,829,521
NET PROFIT/(LOSS) FOR THE YEAR		324,292	2,994,579
Prior Period Expenditure		-	-
		324,292	2,994,579
Less: Deferred Tax Asset (Net)		370,838	
Balance brought forward from the previous year		(11,767,659)	(14,762,238)
BALANCE CARRIED TO BALANCE SHEET		(11,814,205)	(11,767,659)
Weighted Average number of equity shares outstanding during the year.		3,263,700	3,263,700
Basic and diluted earnings (loss) per share (in Rs.)		0.10	0.92
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS			
	"S"		

As per our report of even date attached

For Jayesh Dadia & Associates
Chartered Accountants

Jayesh Dadia
Partner

Mumbai, Dated : 1st September 2004

For and on behalf of the Board of
Alan Scott Industries Limited

Suketu Parikh
Director

Pragna Parikh
Director

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2004

	As at 31st March, 2004 Rs.	As at 31st March, 2003 Rs.
<u>SCHEDULE "A"</u>		
<u>SHARE CAPITAL</u>		
AUTHORISED		
50,00,000 Equity Shares of Rs.10 each	50,000,000	50,000,000
ISSUED, SUBSCRIBED AND PAID UP		
32,63,700 Equity Shares of Rs.10 each, fully paid up.	32,637,000	32,637,000
TOTAL	32,637,000	32,637,000
<u>SCHEDULE "B"</u>		
<u>SECURED LOANS</u>		
Temporary Loan from Global Trust Bank Ltd J.V.P.D. Branch, Mumbai (Against lien of fixed deposit of Directors)	1,726,832	1,377,448
TOTAL	1,726,832	1,377,448
<u>SCHEDULE "C"</u>		
<u>UNSECURED LOANS</u>		
From		
A Director	1,204,815	638,544
A Body Corporate	600,000	1,050,000
Shareholders	1,303,567	1,503,567
Temporary O/d from (Global Trust Bank Ltd J.V.P.D. Branch, Mumbai)	-	1,075,004
TOTAL	3,108,382	4,267,115

SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31st MARCH, 2004

SCHEDULE "D"

FIXED ASSETS:

DESCRIPTION OF ASSETS	GROSS BLOCK (At Cost)				DEPRECIATION				NET BLOCK	
	As At 1st April' 2003	Additions	Deductions	As At 31st March'2004	As at 1st April' 2003	During the Year	Adjustments	As at 31st March'2004	As at 31st March'2004	As at 31st March'2003
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
GOODWILL & BRAND	1,350,000	-	-	1,350,000	-	-	-	-	1,350,000	1,350,000
PLANT & MACHINERY	3,294,463	-	-	3,294,463	1,150,762	156,487	-	1,307,249	1,987,214	2,143,701
ELECTRICAL INST.	342,089	132,991	-	475,080	1,145	19,264	-	20,409	454,671	340,944
FURNITURE & FIXTURE	337,498	350,622	-	688,120	2,169	31,557	-	33,726	654,394	335,329
OFFICE EQUIPMENTS	9,520	1,600	-	11,120	107	514	-	621	10,499	9,413
COMPUTERS	29,900	83,388	-	113,288	1,169	13,062	-	14,231	99,057	28,731
MOTOR CAR	824,531	-	-	824,531	224,047	78,330	-	302,377	522,154	600,484
TOTAL	6,188,001	568,601	-	6,756,602	1,379,399	299,214	-	1,678,613	5,077,989	4,808,602
PREVIOUS YEAR	27,417,420	1,284,445	22,513,864	6,188,001	7,417,348	919,086	6,957,035	1,379,399	4,808,602	20,000,072

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2004

	As at 31st March,2004 Rs.	As at 31st March,2003 Rs.
SCHEDULE "E"		
INVENTORIES		
(As taken, valued & certified by the Managing Director)		
Raw Materials (At lower of Cost or Net Realisable value)	137,776	99,683
Packing Materials (At lower of Cost or Net Realisable value)	185,016	24,386
Stores & Spares (At Cost)	-	-
Finished Goods (At lower of Cost or Net Realisable value)	229,492	197,145
TOTAL	552,284	321,214
SCHEDULE "F"		
SUNDRY DEBTORS		
(Unsecured, Considered good for which the company holds no other security except debtors personal security and Subject to confirmation)		
Debts outstanding for a period exceeding six months	964,748	1,309,935
Other Debts	810,991	791,157
TOTAL	1,775,739	2,101,092
SCHEDULE "G"		
CASH AND BANK BALANCES		
Cash on hand	321,942	283,426
Balances with Scheduled Bank:		
In Current Accounts	87,567	216,946
In Deposit Account	7,117,853	5,000
TOTAL	7,527,362	505,372
SCHEDULE "H"		
LOANS, ADVANCES & DEPOSITS		
(Unsecured, Considered good for which the company holds no other security other than the personal security and subject to confirmation)		
Loans to a Body Corporate	758,606	723,606
Staff Loans	-	270,000
Advance Payment of Taxes	29,383	-
Advances for Expenses	-	109,400
Deposits	142,008	167,340
Insurance claim receivable	14,500,000	23,500,000
Advances recoverable in cash or in kind or for value to be recovered	-	-
TOTAL	15,429,997	24,770,346

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2004

	As at 31st March,2004 Rs.	As at 31st March,2003 Rs.
<u>SCHEDULE "I"</u>		
<u>CURRENT LIABILITIES AND PROVISIONS</u>		
<u>CURRENT LIABILITIES</u>		
Sundry Creditors	4,340,846	6,087,966
<u>PROVISIONS</u>		
Gratuity	-	250,000
TOTAL	4,340,846	6,337,966
<u>SCHEDULE "J"</u>		
<u>MISCELLANEOUS EXPENDITURE</u>		
(to the extent not written off or adjusted)		
Share Issue Expenses	318	317,568
Preliminary and Pre-operative Expenses	6,004	27,676
TOTAL	6,322	345,244
<u>SCHEDULE "K"</u>		
<u>SALES</u>		
Manufacturing Sale	1,342,029	13,825,068
Trading Sale	4,240,125	
Export	-	1,611,899
TOTAL	5,582,154	15,436,967
<u>SCHEDULE "L"</u>		
<u>OTHER INCOME</u>		
Rent	-	62,500
Insurance Claims	-	23,500,000
Warehousing Charges	-	-
Duty Drawback	-	239,574
Interest on F. D. (TDS Rs.29393)	143,328	-
Sundry Balances Written Back	-	532,341
Miscellaneous Income	2,626,421	-
Sales Tax Refund	10,105	52,718
TOTAL	2,779,854	24,387,133

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2004

	As at 31st March, 2004 Rs.	As at 31st March, 2003 Rs.
SCHEDULE "M"		
INCREASE / (DECREASE) IN FINISHED GOODS		
Opening Stock of Finished Goods	197,145	2,881,097
Less: Closing Stock of Finished Goods	229,492	197,145
Finished Goods destroyed in Fire	-	2,036,575
TOTAL	32,347	(647,377)
SCHEDULE "N"		
COST OF MATERIALS CONSUMED		
Raw Materials		
Opening Stock	99,683	1,066,266
Add: Purchases	1,502,361	5,656,421
	1,602,044	6,722,687
Less : Closing Stock	137,776	99,683
Raw Materials destroyed In Fire	-	2,008,823
	1,464,268	4,614,181
Trading Stock		
Purchases	1,953,635	
Packing Material		
Opening Stock	24,386	170,033
Add : Purchases	439,654	1,536,246
	464,040	1,706,279
Less: Closing Stock	185,016	24,386
Packing Materials destroyed In Fire	-	658,572
	279,024	1,023,321
TOTAL	3,696,928	5,637,502

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2004

	As at 31st March,2004 Rs.	As at 31st March,2003 Rs.
<u>SCHEDULE "O"</u>		
<u>MANUFACTURING EXPENSES</u>		
Factory Expenses	-	66,942
Stores and Spares consumed (After Spares destroyed in fire Rs.370,258/-)	10,444	32,416
Job Work Charges	11,856	127,536
Power Consumption	-	1,078,985
TOTAL	22,300	1,305,879

SCHEDULE "P"

EMPLOYEES REMUNERATION AND BENEFITS

Salaries, Wages and Allowances	296,836	1,742,101
Director's Remuneration	380,758	180,000
Company's contribution to Provident and other funds	50,722	327,865
Gratuity	-	73,478
Staff Welfare Expenses	9,303	118,565
TOTAL	737,619	2,442,009

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2004

	As at 31st March, 2004 Rs.	As at 31st March, 2003 Rs.
SCHEDULE "Q"		
<u>ADMINISTRATIVE, SELLING AND GENERAL EXPENSES</u>		
Rent, Rates & Taxes	20,441	183,022
Insurance	13,385	31,960
Printing & Stationery	66,206	141,753
Travelling Expenses	296,147	383,068
Communication Expenses	229,061	445,005
Office Expenses	202,090	82,680
Repairs & Maintenance (Machinery)	14,304	51,533
Repairs & Maintenance (Others)	44,462	586,832
Vehicle Running Expenses	177,599	229,879
Legal & Professional Fees	153,255	180,475
Auditor's Remuneration	16,200	42,800
Freight & Forwarding Expenses	202,954	334,751
Advertisement and Sales Promotion	395,510	339,511
Commission, Discount and Brokerage	310,419	200,468
Sales Tax	539	-
Preliminary and Pre-operative Expenses W/off	21,672	21,672
Miscellaneous Expenses	238,683	603,681
Share Issue Expenses W/Off	317,250	317,250
TOTAL	2,720,177	4,176,340

SCHEDULE "R"

INTEREST AND FINANCIAL CHARGES

Interest		
On Fixed Loans	349,796	285,042
Others	209,746	65,236
Discounting Charges	-	91,200
Bank Charges	34,283	61,652
TOTAL	593,825	503,130

SCHEDULE 'S'

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2004.

A) SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF ACCOUNTING :

The Financial statements are prepared on the historical cost convention on the going concern basis and in accordance with generally accepted accounting principles.

b) FIXED ASSETS :

Fixed Assets are stated at cost less accumulated depreciation. Cost includes the acquisition cost and any cost attributable to bringing the assets to working condition for its intended use.

c) DEPRECIATION :

Depreciation on fixed Assets is provided at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 on straight-line method. Cost of goodwill & brand is not amortised.

d) INVENTORIES :

i) Raw material & Packing Materials are valued at Cost or Net Realisable Value whichever is lower.

ii) Stores & Spares are valued at Cost.

iii) Finished Goods are valued at Cost or Net Realisable value whichever is lower.

iv) Trading Goods are valued at Cost or Net Realisable value whichever is lower.

Cost of Inventories are determined on FIFO Basis.

e) RETIREMENT BENEFITS :

Liability in respect of gratuity has not been provided.

Leave Encashment benefit or retirement is accounted for as and when paid.

f) SHARE ISSUE / PRELIMINARY / PRE-OPERATIVE EXPENSES :

Share Issue, Preliminary and Pre-operative expenses are amortised equally over a period of 10 years.

g) SALES

Sales are net of returns, discount and exclusive of sales tax.

B) NOTES ON ACCOUNTS

	2003-2004	2002-2003
1) Contingent Liabilities		
i) Counter guarantees in respect	Rs.5000/-	Rs.5,000/-
Of bank Guarantees issued		

2) Balance of Debtors, Creditors, Unsecured Loan and Loans and Advances are subject to confirmation and Reconciliation.

3) In the opinion of the Board, the Current Assets, Loans and Advances are valued at the amount which can be realised in the ordinary course of business.

- 4) Total Outstanding dues to small scale Industrial undertakings as on 31st March, 2004 is Rs.12,12,723/-. Name of the small scale industrial undertakings to whom the company owes a sum outstanding for more than 30 days are as under ;

SR. NO.	NAME OF PARTY	AMOUNT (Rs.)
1.	Chetna Print Pack	87,441/-
2.	Dolly Packers	15,000/-
3.	Eagle Enterprises	6,248/-
4.	Flexo Yarns Pvt. Ltd.	63,498/-
5.	Noble Printing Press	20,499/-
6.	Oceanic Nets Pvt. Ltd.	2,06,167/-
7.	Triace	1,64,975/-
8.	Unifly Rubber Yarn Ltd.	4,25,729/-
Total		9,89,557/-

- 5) Sales Tax is paid on the basis of returns filed. Liability if any is provided as and when the assessments are completed.
- 6) Temporary Secured Loan:
The temporary loan from Global Trust Bank Ltd., J.V.P.D. Branch, Mumbai is secured by personal guarantees of the Managing Director of the Company.
- 7) Details of Research & Development Costs:
Expenditure on Research and Development activities as certified by the Management is Rs. Nil. (Including Capital Expenditure Rs. Nil)
- 8) No Provision of income tax has been made in the accounts, as there is no tax liability for the year due to carried forward of the past accumulated losses.
- 9) The Company has obtained temporary overdraft from Global Trust Bank Ltd., J.V.P.D. Branch, Mumbai for which no securities are pledged or offered to Bank.
- 10) The company has received part payment of Rs:90 lacs against its Mumbai's factory Fire Insurance Claim of Rs.235 lacs pending final settlement. Necessary adjustments, if any, will be made in accounts at the time of final settlement.
- 11) The company has retrenched all its' staff as on the Balance Sheet date. The company has settled all dues payable to staff including payment of gratuity. Excess provisions for gratuity liability after adjustment of actual gratuity paid is written back in the accounts. The company does not have any liability payable towards leave encashment.

Alan Scott Industries Limited

- 12) In Accordance with the Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has accounted for deferred taxes during the period. Following are the major components of deferred tax (assets) / Liabilities:

	As at 31st March, 2003	As at 31st March, 2004	Debit/ (Credit) for the year
a) Deferred Tax Liabilities			
(i) Related to Fixed Assets	1,87,735	5,58,573	(3,70,838)
TOTAL – A	1,87,735	5,58,573	(3,70,838)
b) Deferred Tax Assets			
(i) Unabsorbed depreciation loss	98,80,852	98,80,852	—
(ii) Unabsorbed business loss	1,22,73,532	1,22,73,532	—
TOTAL – B	2,21,54,384	2,21,54,384	—
c) Provision for deferred tax (net)	77,60,151	73,89,313	(370,838)

13. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPH 3,4C AND 4D OF SCHEDULE VI TO THE COMPANIES ACT,1956.

- a) Details of opening Stock, Production, Sales and Closing Stock of Manufacturing Goods.

	UNIT	2003-2004	2002-2003
Installed Capacity	No. of Pairs	3,000,000	3,000,000
Production:			
Socks	No. of Pairs	23,400	419,770
Knitted Fabric	kgs	-	42

DESCRIPTION	UNIT	OPENING STOCK		SALES		CLOSING STOCK	
		QTY	VALUE Rs.	QTY	VALUE Rs.	QTY	VALUE Rs.
Socks	No of Pairs	6,000	101,100	15,700	1,342,029	13,700	229,492
		(170,985)	(2,881,097)	(584,755)	(14,966,235)	(6,000)	(101,100)
Knitted Fabric	Kgs	-	-	-	-	-	-
		-	-	(42)	(16,790)	-	-
TOTAL			101,100		1,342,029		229,492
			(2,881,097)		(14,983,025)		(101,100)

b) Details of Opening Stock, Purchase, Sales and Closing Stock of Traded Goods (Pending)

DESCRIPTION	UNIT	OPENING STOCK		PURCHASES		SALES		CLOSING STOCK	
		QTY	VALUE	QTY	VALUE	QTY	VALUE	QTY	VALUE
			Rs.		Rs.		Rs.		Rs.
Yarn	Kgs	-	-	(1,045)	(149,900)	(1,045)	(149,900)	-	-
Socks	No of Pairs	5,700	96,045	82,906	1,953,635	88,606	4,240,125	-	-
		-	-	(21,478)	(417,242)	(15,778)	(304,042)	(5,700)	(96,045)
TOTAL			96,045		1,953,635		4,240,125		-
			-		(567,142)		(453,942)		(96,045)

c) Raw Material and Packaging Materials Consumed in Production :

Item	Unit	2003-04		2002-03	
		Qty	Value	Qty	Value
Yarn	Kgs	27,292	1,428,438	27,292	4,085,110
Elastic	Kgs	-	35,830	1,960	529,071
Cartons & Labels	-	-	279,024	-	1,023,371
TOTAL			1,743,292		6,130,746

NOTE : Figures in Brackets are in respect of Previous Year

All Raw Material consumed are from indigeneous sources

	2003-2004	2002-2003
	Rs.	Rs.
d) C.I.F. Value of Imports		
Stores and Spares	NIL	215,595
e) Earnings in foreign exchange		
F.O.B. Value of Exports	NIL	1,611,899
f) Expenditure in foreign Currency	NIL	NIL
g) Managing Directors Remuneration	380,758	180,000
h) Auditors Remuneration		
Audit fees	10,000	25,000
Tax Audit Fees	5,000	10,000
Others	-	5,000
Service Tax	1,200	2,800
	16,200	42,800

14. RELATED PARTY DISCLOSURE

A Relationships :

Key Managerial Persons and their relatives

1. Suketu J.Parikh
2. Pragna Parikh
3. Asmita Parikh

Enterprises in which relatives of directors are interested

1. Parilon Knitting Ind.P.Ltd.
2. Concord Capital Pvt.Ltd.

B Transactions carried out with related parties referred above

Remuneration Rs.	380,758
Interest Rs.	9,000
Loan	35,000

15. **Segment Reporting**

As the Company's business Activity falls within a single primary business segment viz "Socks" the disclosure requirement of Accounting Standard 17" Segment Reporting" issued nu the Institute of Chartered Accountants of India, is not applicable.

16. No provision for deferred tax has been made in the account since the company estimates that the accumulalated deferred tax assets will offset the deferred tax liability
17. Previous years figures have been regrouped /reclassified wherever necessary to make them comparable with current year's figures.

As per our report of even date attached

For Jayesh Dadia & Associates

Chartered Accountants

Jayesh Dadia

Partner

Mumbai, Dated : 1st September, 2004

For and on behalf of the Board of

Alan Scott Industries Limited

Suketu Parikh

Director

Pragna Parikh

Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH'2004

	2003-2004 Amount Rs.	2002-2003 Amount Rs.
A. Cash Flow From Operating Activities		
Net Profit Before Tax and Extraordinary item :-	324,292	2,994,579
Adjustment for:		
Depreciation	299,214	919,086
Goods destroyed in fire	-	5,074,228
Fixed Assets destroyed in fire	-	15,556,828
Other Income	(2,779,854)	(24,387,133)
Misc.Expenditure W/off	338,922	338,922
Interest	593,825	503,132
	(1,547,893)	(1,994,937)
	(1,223,601)	999,642
Operating Profit before Working Capital Charges		
Adjustment for:		
(Increase) / Decrease in Trade Receivables	325,353	2,040,201
(Increase) / Decrease in Loan and Advances	9,340,349	(23,254,175)
(Increase) / Decrease in Inventories	(231,070)	3,983,261
Increase / (Decrease) in Trade Payables	(1,747,120)	(3,357,783)
Increase / (Decrease) in Provisions	(250,000)	46,348
	7,437,512	(20,542,148)
Cash generated from Operations	6,213,911	(19,542,506)
Cash Flow before Extraordinary items	6,213,911	(19,542,506)
Prior Year Expenses	-	-
Extra Ordinary items	-	(5,074,228)
	-	(5,074,228)
Net Cash Flow from operating activity	6,213,911	(24,616,734)

Alan Scott Industries Limited

B. Cash Flow From Investing Activities

Purchase of fixed assets	(568,601)	(1,284,445)
Sale of fixed assets	-	-
Sale of Investments	-	-
Income from other activities	2,779,854	24,387,133
	2,211,253	23,102,688
Net Cash used in investing activities	2,211,253	23,102,688

C. Cash Flow From Financing Activities

Increase in		
Increase / (Decrease) in Long term borrowing	349,384	(11,660,536)
Increase / (Decrease) in Unsecured Loans	(1,158,733)	3,130,539
Interest paid	(593,825)	(354,582)
	(1,403,174)	(8,884,579)
Net cash flow from financing activities	(1,403,174)	(8,884,579)
Net Increase/ (Decrease) in cash and other equivalents (A+B+C)	7,021,990	(10,398,625)
Cash and cash equivalents		
Opening Balance	505,372	215,231
Cash and cash equivalents		
Closing Balance	7,527,362	505,372
Increase / (Decrease) in Cash equivalents	7,021,990	290,141

Note: Previous year's figures have been regrouped/rearranged to confirm to the current year's presentation, wherever necessary.

On behalf of the Board

MUMBAI,
DATED : 1st September, 2004

(SUKETU PARIKH)
MANAGING DIRECTOR

(PRAGNA PARIKH)
DIRECTOR

AUDITORS CERTIFICATE

We have examined the above cash flow statement of **M/S ALAN SCOTT INDUSTRIES LIMITED** for the year ended 31st March, 2004. The statement has been prepared by the company in accordance with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of even date.

For Jayesh Dadia & Associates
Chartered Accountants

Jayesh Dadia
Partner

MUMBAI,
DATED : 1st September, 2004

Statement Pursuant to Part IV of Schedule VI to the Companies Act, 1956

Balance sheet abstract and company's General Business profile

1 Registration Details

Registration No. State Code
 Balance Sheet Date
 Date Month Year

2 Capital raised during the year (Amount in Rs Thousands) :

Public Issue	<input type="text" value="-"/>	Right Issue	<input type="text" value="-"/>
Bonus Shares	<input type="text" value="-"/>	Private Placement	<input type="text" value="-"/>

3 Position of Mobilization and Deployment of Funds (Amount in Rs. Thousands) :

Total Liabilities	<input type="text" value="37,472"/>	Total Assets	<input type="text" value="37,472"/>
-------------------	-------------------------------------	--------------	-------------------------------------

Sources of Funds

Paid up Capital	<input type="text" value="32,637"/>	Reserves & Surplus	<input type="text" value="NIL"/>
Secured Loans	<input type="text" value="1,727"/>	Unsecured Loans	<input type="text" value="3,108"/>

Application of Funds

Net Fixed Assets	<input type="text" value="5,078"/>	Investments	<input type="text" value="NIL"/>
Net Current Assets	<input type="text" value="21,360"/>	Misc. Expenditure	<input type="text" value="6"/>
Accumulated Losses	<input type="text" value="4,054"/>		

4 Performance of Company (Amount in Rs in Thousands)

Turnover (Gross Revenue)	<input type="text" value="8,394"/>	Total Expenditure	<input type="text" value="8,070"/>
Profit/Loss before tax	<input type="text" value="324"/>	Profit/Loss before tax	<input type="text" value="324"/>
Earning per share in Rs	<input type="text" value="0.10"/>	Dividend	<input type="text" value="NIL"/>

5 Generic Names of Three Principle Products/service of company (as per Monetary Terms):

Item Code No. (ITC Code) Product Description

On behalf of the Board

PLACE : MUMBAI
 Dated : 1st September, 2004

(SUKETU PARIKH)
 MANAGING DIRECTOR

(PRAGNA PARIKH)
 DIRECTOR

ALAN SCOTT INDUSTRIES LIMITED

38, Apurva Industrial Estate, Makwana Road, Off Andheri Kurla Road, Marol Naka, Andheri (East), Mumbai-400 059

L.F.No.
Client ID No. DP ID No.
No. of Shares held

ATTENDANCE SLIP

I/We hereby record my/our presence at the Tenth Annual General Meeting of the Company to be held at 38, Apurva Industrial Estate, Makwana Road, Off Andheri Kurla Road, Marol Naka, Andheri (East), Mumbai-400 059, on Thursday, the 30th September, 2004 at 10.00 A.M.

NAME OF THE SHAREHOLDER (IN BLOCK LETTERS)	
SIGNATURE OF THE SHAREHOLDER	
NAME OF THE PROXY (IN BLOCK LETTERS)	
SIGNATURE OF THE PROXY	

NOTES :

1. You are requested to sign and hand over this slip at the entrance.
2. If you intend to appoint a proxy to attend the meeting instead of yourself, the proxy form must be deposited at the Registered Office of the Company at 38, Apurva Industrial Estate, Makwana Road, Off Andheri Kurla Road, Marol Naka, Andheri (East), Mumbai-400 059 not less than 48 hours before the time for holding the meeting.
3. If you are attending the meeting in person or by proxy, your copy of the Annual Report may please be brought by you/your proxy for reference at the meeting.

ALAN SCOTT INDUSTRIES LIMITED

38, Apurva Industrial Estate, Makwana Road, Off Andheri Kurla Road, Marol Naka, Andheri (East), Mumbai-400 059

L.F.No.
Client ID No. DP ID No.
No. of Shares held

FORM OF PROXY

I/we of in the district of

being a member/member's of the above named company hereby appoint

of in the district of or failing him

of in the district of as my/our proxy to vote for me/us on my/our behalf at the Tenth Annual General Meeting of the Company to be held on Thursday, the 30th September, 2004 and at any adjournment thereof.

Signed this day of 2004.

Affix 1 Rupee revenue Stamp

NOTE :

The proxy form must be deposited at the Registered Office of the Company at 38, Apurva Industrial Estate, Makwana Road, Off Andheri Kurla Road, Marol Naka, Andheri (East), Mumbai-400 059 not less than 48 hours before the time for holding the Meeting.

BOOK-POST

To.

If undelivered, please return to :

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Off Andheri Kurla Road, Marol Naka,
Andheri (East), Mumbai-400 059

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