

| GOA HANDICRAFTS, RURAL & SMALL SCALE INDUSTRIES DEVELOPMENT CORPORATION LIMITED | | | | | | | | | |
|--|---|--------------------------------------|----|---|----|--|----|--|----|
| BALANCE SHEET AS AT 31ST MARCH 2005 | | | | | | | | | |
| SCHEDULE | | As at 31.03.2005 | | | | As at 31.03.2004 | | | |
| | | Rs. | P. | Rs. | P. | Rs. | P. | Rs. | P. |
| <u>SOURCES OF FUNDS</u> | | | | | | | | | |
| <u>SHAREHOLDER'S FUNDS</u> | | | | | | | | | |
| Share Capital | A | 3,50,01,300.00 | | | | 3,50,01,300.00 | | | |
| Reserves & Surplus | B | 5,71,18,932.79 | | 9,21,20,232.79 | | 3,27,70,241.78 | | 6,77,71,541.78 | |
| <u>LOAN FUNDS</u> | | | | | | | | | |
| Secured Loans | C | | | 9,21,20,232.79 | | | | 64,27,740.18 | |
| | | | | | | | | 7,41,99,281.96 | |
| <u>APPLICATION OF FUNDS</u> | | | | | | | | | |
| <u>FIXED ASSETS</u> | | | | | | | | | |
| Gross Block | D | 1,33,97,834.25 | | | | 1,33,62,668.25 | | | |
| Less: Depreciation | | 57,21,184.42 | | | | 50,43,048.42 | | | |
| Net Block | | | | 76,76,649.83 | | | | 83,19,619.83 | |
| <u>INVESTMENT</u> | E | | | 5,00,000.00 | | | | 5,00,000.00 | |
| <u>CURRENT ASSETS, LOANS & ADVANCES</u> | | | | | | | | | |
| Inventories | F | 4,50,30,859.00 | | | | 4,17,69,273.00 | | | |
| Sundry Debtors | G | 4,26,70,385.11 | | | | 3,52,99,600.07 | | | |
| Cash & Bank Balances | H | 2,65,53,333.97 | | | | 50,40,214.71 | | | |
| Interest Accrued on Bank & Other Deposits | | 7,21,322.12 | | | | 8,97,629.12 | | | |
| Loans & Advances | I | 2,19,30,336.85 | | | | 2,73,21,360.28 | | | |
| | | 13,69,06,237.05 | | | | 11,03,28,077.18 | | | |
| <u>LESS: CURRENT LIABILITIES AND PROVISIONS</u> | | | | | | | | | |
| Current Liabilities | J | 5,27,62,654.09 | | | | 4,49,48,415.05 | | | |
| Provision | K | 2,00,000.00 | | | | | | | |
| <u>NET CURRENT ASSETS</u> | | 52962654.09 | | 8,39,43,582.96 | | 4,49,48,415.05 | | 6,53,79,662.13 | |
| | | | | 9,21,20,232.79 | | | | 7,41,99,281.96 | |
| FOR "ACCOUNTING POLICIES AND OTHER NOTES FORMING PART OF ACCOUNTS" SEE SCHEDULE QI & QII RESP. ANNEXED | | | | | | | | | |
| AS PER OUR REPORT OF EVEN DATE ATTACHED | | | | | | | | | |
| FOR S. J. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS | | Sd/- (SAILESH S. SHAH) PARTNER | | Sd/- (RAMKRISHNA PARAB) MANAGER (ACCTS) | | Sd/- (SANTOSH A. BORKAR) MANAGING DIRECTOR | | Sd/- (VICTORIA FERNANDES) CHAIRMAN | |
| Place : Panaji, Goa. Dated : 09.08.2005 | | | | | | | | Place . Panaji, Goa. Dated : 09.08.2005 | |

| GOA HANDICRAFTS, RURAL & SMALL SCALE INDUSTRIES DEVELOPMENT CORPORATION LIMITED | | | | | | | | | |
|--|---|---|----|--|----|--|----|--|----|
| PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2005 | | | | | | | | | |
| SCHEDULE | | As at 31.03.2005 | | | | As at 31.03.2004 | | | |
| | | Rs. | P. | Rs. | P. | Rs. | P. | Rs. | P. |
| <u>INCOME</u> | | | | | | | | | |
| Sales | | 26,99,26,628.09 | | | | 16,93,54,454.18 | | | |
| Other Income | L | 32,08,996.18 | | | | 42,49,237.29 | | | |
| Increase/(Decrease) in Stock | M | 29,80,591.00 | | 27,61,16,215.27 | | 2,81,34,116.00 | | 20,17,37,807.47 | |
| <u>EXPENDITURE</u> | | | | | | | | | |
| Purchase of Trading | | 25,40,67,601.09 | | | | 18,47,91,018.05 | | | |
| Manufacturing & Other Expenses | O | 1,43,51,404.90 | | | | 1,58,08,795.36 | | | |
| Interest | P | 9,49,364.00 | | | | 4,57,849.00 | | | |
| Depreciation | D | 6,78,136.00 | | 27,00,46,505.99 | | 6,69,467.00 | | 20,17,27,129.41 | |
| NET Profit before Prior Period Adjustment | | | | 60,69,709.28 | | | | 10,678.06 | |
| Add/(Less) Prior Period Adjustment | N | | | (31,17,220.64) | | | | 4,01,535.45 | |
| | | | | 29,52,488.64 | | | | 4,12,213.51 | |
| Less : Provision for Taxation | | | | 2,00,000.00 | | | | - | |
| NET PROFIT AFTER TAXATION | | | | 27,52,488.64 | | | | 4,12,213.51 | |
| Balance of Profit Carried to Balance Sheet | | | | 27,52,488.64 | | | | 4,12,213.51 | |
| FOR ACCOUNTING POLICIES AND OTHER NOTES FORMING PART OF ACCOUNTS" SEE SCHEDULE QI & QII RESP. ANNEXED | | | | | | | | | |
| AS PER OUR REPORT OF EVEN DATE ATTACHED | | | | | | | | | |
| FOR S. J. SHAH & ASSOCIATES CCEHARTERED ACCOUNTANTS | | Sd/- (RAMKRISHNA PARAB) MANAGER (ACCTS) | | Sd/- (SANTOSH A. BORKAR) MANAGING DIRECTOR | | Sd/- (VICTORIA FERNANDES) CHAIRMAN | | | |
| Place : Panaji, Goa. Dated : 09.08.2005 | | | | | | | | Place : Panaji, Goa. Dated : 09.08.2005 | |

| GOA HANDICRAFTS, RURAL & SMALL SCALE INDUSTRIES DEVELOPMENT CORPORATION LIMITED | | | | | | | | | |
|---|----------------|----|-----------------------|----|---------------------|----|-----------------------|----|--|
| Schedules annexed to and forming part of the Accounts for the year ended 31st March, 2005 | | | | | | | | | |
| As at 31.03.2005 | | | | | As at 31.03.2004 | | | | |
| | Rs. | P. | Rs. | P. | Rs. | P. | Rs. | P. | |
| SCHEDULE A : SHARE CAPITAL | | | | | | | | | |
| Authorised : | | | | | | | | | |
| 4,00,000 Equity Shares of Rs. 100/- each | | | 4,00,00,000.00 | | | | 4,00,00,000.00 | | |
| Issued & Subscribed | | | | | | | | | |
| 3,50,013 (31.3.2003 - 3,50,013) Equity shares of Rs. 100/- each fully paid up. (Of the above, 3,33,013 Equity shares of Rs. 100/- each, fully paid up, are held by the Govt. of Goa and its nominees. 2000 Equity shares of Rs. 100/- each, fully paid up are held by the President of India on behalf of the Administration of Union Territory of Daman & Diu and 15,000 (31.3.2004 - 15,000) Equity shares of Rs. 100/- each, fully paid up, held by the President of India on behalf of Development Commissioner (Handicrafts), New Delhi. | | | - | | | | | | |
| | | | 3,50,01,300.00 | | | | 3,50,01,300.00 | | |
| | | | 3,50,01,300.00 | | | | 3,50,01,300.00 | | |
| SCHEDULE B : RESERVES AND SURPLUS | | | | | | | | | |
| Capital Reserve | | | 1,08,500.00 | | | | 1,08,500.00 | | |
| Government Grant opening balance | 44,18,765.75 | | | | 19,74,385.00 | | | | |
| Additions during the year | 1,10,00,000.00 | | | | 88,16,000.00 | | | | |
| | 1,54,18,765.75 | | | | 1,07,90,385.00 | | | | |
| Less : Utilised for the implementation of | | | | | | | | | |
| Handicrafts Promotion Plan | 94,03,797.63 | | 60,14,968.12 | | 63,71,619.25 | | 44,18,765.75 | | |
| | | | | | | | 2,00,00,000.00 | | |
| Government Grant towards DDSRY | | | 2,00,00,000.00 | | | | | | |
| Government Investment towards development of Handicrafts | | | 2,00,00,000.00 | | | | | | |
| General Reserve | | | 82,42,976.03 | | | | 78,30,762.52 | | |
| Balance of Profit/(Loss) as per Annexed Account | | | 27,52,488.64 | | | | 4,12,213.51 | | |
| | | | 5,71,18,932.79 | | | | 3,27,70,241.78 | | |
| SCHEDULE C : SECURED LOANS | | | | | | | | | |
| Cash Credit from Bank of Maharashtra, Panaji | | | | | | | | | |
| (Secured by hypothecation of Stock and Book Debt) | | | - | | | | 64,27,740.18 | | |
| | | | - | | | | 64,27,740.18 | | |

| GOA HANDICRAFTS, RURAL & SMALL SCALE INDUSTRIES DEVELOPMENT CORPORATION LIMITED | | | | | | | | | | | | |
|--|-----------------------|-------------------|----------------------------|------------------|-------------------|----------------------------|---------------------------|-------------------|------------------------|---------------------------|----------------------------|----------------------------|
| SCHEDULE D : FIXED ASSETS | | | | | | | | | | | | |
| DESCRIPTION OF ASSETS | | | | | | | | | | | | |
| | | Rates | GROSS BLOCK | | | | DEPRECIATION | | | NET BLOCK | | |
| | | S.T. Line % | As at 31.03.2004 Rs. | Additions Rs. | Deductions Rs. | As at 31.03.2005 Rs. | Upto 31.03.2004 Rs. | Deductions Rs. | For the Year Rs. | Upto 31.03.2005 Rs. | As at 31.03.2005 Rs. | As at 31.03.2004 Rs. |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| | Leasehold Land | | 4332477.00 | - | | 4332477.00 | 846164.00 | - | 144416.00 | 990580.00 | 3341897.00 | 3486313.00 |
| | Land Development | | 1012991.04 | - | - | 1012991.04 | 362301.09 | - | 53855.00 | 416156.09 | 596834.95 | 650689.95 |
| | Sheds | 3.34 | 1794703.51 | - | - | 1794703.51 | 394813.40 | - | 59943.00 | 454756.40 | 1339947.11 | 1399890.11 |
| | Godowns | 1.63 | 883174.95 | | - | 883174.95 | 221273.15 | - | 14396.00 | 235669.15 | 647505.80 | 661901.80 |
| | Weighbridge | 4.75 | 1559978.10 | | - | 1559978.10 | 924191.27 | - | 74099.00 | 998290.27 | 561687.93 | 635786.83 |
| | Design Equipments | 4.75 | 35250.89 | | - | 35250.89 | 35249.89 | - | - | 35249.89 | 1.00 | 1.00 |
| | Air Conditioners | 4.75 | 189938.80 | | - | 189938.80 | 106940.92 | - | 9022.00 | 115962.92 | 73975.88 | 82997.88 |
| | Office Equipments | 4.75 | 234570.02 | | | 234570.02 | 69238.59 | - | 10773.00 | 80011.59 | 154558.43 | 165331.43 |
| | Computers | 16.21 | 729573.76 | | - | 729573.76 | 348061.00 | - | 118264.00 | 466325.00 | 263248.76 | 381512.76 |
| | Water Coolers | 4.75 | 28674.30 | | - | 28674.30 | 21215.03 | - | 1362.00 | 22577.03 | 6097.27 | 7459.27 |
| | Van/Jeeps | 9.50 | 1250101.01 | - | - | 1250101.01 | 647845.26 | - | 98225.00 | 746070.26 | 504030.75 | 602255.75 |
| | Cars | 9.50 | 937180.94 | 35166.00 | - | 972346.94 | 697852.61 | - | 89746.00 | 787598.61 | 184748.33 | 239328.33 |
| | Furnitures & Fixtures | 6.33 | 374053.93 | - | - | 374053.93 | 367902.21 | - | 4035.00 | 371937.21 | 2116.72 | 6151.72 |
| | | | 13362668.25 | 35166.00 | - | 13397834.25 | 5043048.42 | - | 678136.00 | 5721184.42 | 7676649.83 | 8319619.83 |
| | Previous Year | | 12506116.92 | 1173047.00 | 316495.67 | 13362668.25 | 4476654.05 | 103073.63 | 669467.00 | 5043048.42 | 8319619.83 | 8029461.87 |
| Note : Lease Deeds with Goa, Daman & Diu Industrial Development Corporation are yet to be executed for plots leased to the Company In respect of plots at Kakoda, Verna & Daman and shed at Bicholim. | | | | | | | | | | | | |

| GOA HANDICRAFTS, RURAL & SMALL SCALE INDUSTRIES DEVELOPMENT CORPORATION LIMITED | | | | | | | | | |
|--|-----|----|-----------------------|----|---------------------|-----------------------|----|-----|----|
| Schedules annexed to and forming part of the Accounts for the year ended 31st March, 2005 | | | | | | | | | |
| As at 31.03.2005 | | | | | As at 31.03.2004 | | | | |
| | Rs. | P. | Rs. | P. | | Rs. | P. | Rs. | P. |
| SCHEDULE E : INVESTMENT | | | | | | | | | |
| 50,000 Equity Shares of Electronics Corporation of Goa Ltd. (A Govt. of Goa Undertaking) of Rs. 10/- each fully paid up (At cost, non tradem unquoted) | | | 5,00,000.00 | | | 5,00,000.00 | | | |
| TOTAL | | | 5,00,000.00 | | | 5,00,000.00 | | | |
| SCHEDULE F : INVENTORIES | | | | | | | | | |
| (As certified by Managing Director) | | | | | | | | | |
| Raw Materials | | | | | | | | | |
| Clay | | | 2,79,422.00 | | | - | | | |
| Fuel | | | 18,344.00 | | | 16,771.00 | | | |
| Finished Goods | | | 4,47,33,093.00 | | | 4,17,52,502.00 | | | |
| TOTAL | | | 4,50,30,859.00 | | | 4,17,69,273.00 | | | |
| SCHEDULE G : SUNDRY DEBTORS | | | | | | | | | |
| Debts Outstanding for a period exceeding six months | | | 1,46,42,806.13 | | | 1,44,33,798.01 | | | |
| Other Debts | | | 2,80,27,578.98 | | | 2,08,65,802.06 | | | |
| TOTAL | | | 4,26,70,385.11 | | | 3,52,99,600.07 | | | |
| Of the above : | | | | | | | | | |
| Secured by Bank Guarantee considered good | | | - | | | 2,00,000.00 | | | |
| Unsecured, considered good | | | 4,26,70,385.11 | | | 3,50,99,600.07 | | | |
| TOTAL | | | 4,26,70,385.11 | | | 3,52,99,600.07 | | | |
| SCHEDULE H : CASH AND BANK BALANCES | | | | | | | | | |
| Cash in Hand | | | 8,235,83 | | | 4,128.23 | | | |
| Stamp Papers in Hand | | | 25,000.00 | | | 25,000.00 | | | |
| Balance in Scheduled Banks: | | | | | | | | | |
| In Current Accounts | | | | | | | | | |
| In Fixed Deposit Accounts | | | 2,65,20,098.14 | | | 35,11,086.48 | | | |
| TOTAL | | | | | | 15,00,000.00 | | | |
| | | | 2,65,53,333.97 | | | 50,40,214.71 | | | |

| GOA HANDICRAFTS, RURAL & SMALL SCALE INDUSTRIES DEVELOPMENT CORPORATION LIMITED | | | | | | | | | |
|--|----------------|----|-----------------------|----|---------------------|----|-----------------------|----|--|
| Schedules annexed to and forming part of the Accounts for the year ended 31st March 2005 | | | | | | | | | |
| As at 31.03.2005 | | | | | As at 31.03.2004 | | | | |
| | Rs. | P. | Rs. | P. | Rs. | P. | Rs. | P. | |
| SCHEDULE I : LOANS AND ADVANCES | | | | | | | | | |
| (Fully Secured considered good - Rs. 1,13,73,896.63 | | | | | | | | | |
| Balance unsecured considered good) | | | | | | | | | |
| Advance recoverable in cash or in kind | | | | | | | | | |
| Or for value to be received (See Note 13 | | | | | | | | | |
| Of Note on Accounts) | | | 2,08,54,310.85 | | | | 2,63,70,853.80 | | |
| Advances to Staff | | | 7,15,979.00 | | | | 6,95,311.48 | | |
| Advance Payment of Income Tax | | | 20,777.00 | | | | 31,745.00 | | |
| Deposits with Government, Public Bodies & Others | | | 3,39,270.00 | | | | 2,23,450.00 | | |
| TOTAL | | | 2,19,30,336.85 | | | | 2,73,21,360.28 | | |
| SCHEDULE J : CURRENT LIABILITIES | | | | | | | | | |
| Advances from Customers | | | 36,64,761.16 | | | | 37,85,494.63 | | |
| Other Liabilities | | | 1,05,84,544.15 | | | | 80,28,386.90 | | |
| Sundry Creditors | | | | | | | - | | |
| SSI Units | 3,82,75,293.02 | | | | 2,16,39,793.06 | | | | |
| Others | 2,38,055.76 | | 3,85,13,348.78 | | 1,12,48,206.41 | | 3,28,87,945.47 | | |
| Amount Payable to Govt. of Goa on account of | | | | | | | | | |
| construction of Handicrafts Complex | | | - | | | | 2,46,588.05 | | |
| TOTAL | | | 5,27,62,654.09 | | | | 4,49,48,415.05 | | |
| SCHEDULE K : PROVISIONS | | | | | | | | | |
| Provision for Taxation u/s 115 JB | | | 2,00,000.00 | | | | - | | |
| | | | 2,00,000.00 | | | | | | |

| GOA HANDICRAFTS, RURAL & SMALL SCALE INDUSTRIES DEVELOPMENT CORPORATION LIMITED | | | | | | | | | |
|---|-----|-------------------------|--------------|-----------------------|----|---------------------|-----------------------|----|---|
| PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2005 | | | | | | | | | |
| SCHEDULE | | | | | | | | | |
| | | | | As at 31.03.2005 | | As at 31.03.2004 | | | |
| | Rs. | P. | | Rs. | P. | | Rs. | P. | |
| SCHEDULE L : OTHER INCOME | | | | | | | | | |
| Interest on Bank Deposits (Gross) | | | | | | | | | |
| Tax Deducted at Source | | NIL (Previous Year Nil) | | 13,231.00 | | | 1,80,321.44 | | |
| Interest on Marketing Advance and Others (Gross) | | | | | | | | | |
| Tax Deducted at Source Rs. NIL | | | | | | | | | |
| (Previous Year Rs. Nil) | | | | 6,45,796.18 | | | 11,24,660.41 | | |
| Service/Handling Charges | | (Gross) | | | | | | | |
| Tax Deducted at Source Rs. 3,700.00 | | | | | | | | | |
| (Previous Year Rs. 6,002.00) | | | | 22,65,214.00 | | | 23,01,535.45 | | |
| Miscellaneous Income | | | | 2,84,755.00 | | | 6,42,719.00 | | |
| | | | TOTAL | 32,08,996.18 | | | 42,49,237.29 | | |
| SCHEDULE M : INCREASE/DECREASE IN STOCK | | | | | | | | | |
| Closing Stock | | | | 4,47,33,093.00 | | | 4,17,52,502.00 | | |
| Less : Opening Stock | | | | 4,17,52,502.00 | | | 1,36,18,386.00 | | |
| | | | TOTAL | 29,80,591.00 | | | 2,81,34,116.00 | | |
| SCHEDULE N : PRIOR PERIOD ADJUSTMENT | | | | | | | | | |
| Quantity discount for SAIL | | | | 74,205.00 | | | | | - |
| Write back of old Credit balance | | | | 2,11,577.77 | | | 2,50,488.86 | | |
| Salaries & Wages | | | | | - | | 7,427.40 | | |
| Reversal of doubtful debt provision | | | | | - | | 1,97,000.00 | | |
| Miscellaneous | | | | 48,783.06 | | | 25,214.00 | | |
| | | | TOTAL | 3, 34, 565.83 | | | 4,80,130.26 | | |
| LESS : EXPENDITURE | | | | | | | | | |
| SAIL Shortages and JPC rebate | | | | 3,67,167.00 | | | | | - |
| Writing back Bank interest | | | | 51,770.00 | | | | | - |
| Provision for ESI Contribution | | | | 26,11,500.00 | | | | | - |
| Telephone Charges | | | | 25,987.00 | | | 5,000.90 | | |
| Writing off Old Debit Balances | | | | 2,67,663.35 | | | 38,194.41 | | |
| Miscellaneous Expenses | | | | 1,27,699.12 | | | 35,399.50 | | |
| | | | | 34, 51, 786.47 | | | 78, 594.81 | | |
| Net Income / (Expenditure) | | | | (31,17,220.64) | | | 4,01,535.45 | | |

| GOA HANDICRAFTS, RURAL & SMALL SCALE INDUSTRIES DEVELOPMENT CORPORATION LIMITED | | | | | | | | | |
|---|-------------|----|-----------------------|----|---------------------|----|-----------------------|----|--|
| Schedules annexed to and forming part of the Accounts for the year ended 31st March, 2005 | | | | | | | | | |
| As at 31.03.2005 | | | | | As at 31.03.2004 | | | | |
| | Rs. | P. | Rs. | P. | Rs. | P. | Rs. | P. | |
| SCHEDULE O : MANUFACTURING & OTHER EXPENSES | | | | | | | | | |
| Raw Material Consumed: | | | | | | | | | |
| Clay | 1,14,760.00 | | | | 1,000.00 | | | | |
| Fuel | 25,908.00 | | 1,40,668.00 | | 19,195.00 | | 20,195.00 | | |
| Consumable Stores | | | 10,610.00 | | | | 8,335.50 | | |
| Salaries, Wages & Bonus | | | 78,02,586.00 | | | | 89,92,146.90 | | |
| Contribution to Provident Fund, Pension & Other Funds | | | 10,37,946.00 | | | | 9,60,344.00 | | |
| Contribution to Gratuity Fund | | | 4,63,534.00 | | | | 10,78,451.00 | | |
| Staff Welfare Expenses | | | 3,23,393.50 | | | | 3,51,166.53 | | |
| Rent | | | 7,14,127.00 | | | | 5,71,489.00 | | |
| Rates & Taxes | | | 1,83,353.00 | | | | 1,41,088.00 | | |
| Insurance | | | 93,204.00 | | | | 51,191.00 | | |
| Repairs & Maintenance - Vehicles | | | 3,26,704.75 | | | | 4,33,951.94 | | |
| Repairs & Maintenance - Others | | | 3,30,219.60 | | | | 5,98,944.90 | | |
| Printing & Stationery | | | 2,72,252.35 | | | | 1,55,230.75 | | |
| Postage, Telegrams & Telephones | | | 3,35,750.46 | | | | 2,98,754.84 | | |
| Advertisement & Publicity | | | 3,17,541.00 | | | | 2,22,800.00 | | |
| Travelling & Conveyance | | | 3,42,032.00 | | | | 1,56,570.10 | | |
| Bank Charges & Commission | | | 1,42,032.90 | | | | 1,41,001.08 | | |
| Directors Sitting Fees | | | 7,600.00 | | | | 11,200.00 | | |
| Audit Fees | | | 27,550.00 | | | | 12,960.00 | | |
| Exhibition Expenses | | | 49,127.52 | | | | - | | |
| Service Tax | | | 43,002.00 | | | | 37,962.00 | | |
| Watch & Ward | | | 3,99,116.00 | | | | 3,39,346.00 | | |
| Miscellaneous Expenses | | | 9,89,054.82 | | | | 12,25,666.82 | | |
| TOTAL | | | 1,43,51,404.90 | | | | 1,58,08,795.36 | | |
| SCHEDULE P : INTEREST | | | | | | | | | |
| On Cash Credit | | | 9,49,364.00 | | | | 4,57,849.00 | | |
| TOTAL | | | 9,49,364.00 | | | | 4,57,849.00 | | |

SCHEDULE : Q - I

ACCOUNTING POLICIES

1. FIXED ASSETS

Fixed Assets are valued at cost less accumulated depreciation.

2. DEPRECIATION

- a) Depreciation is charged under the "Straight Line Method" as per the rates prescribed in Schedule XIV of the companies Act, 1956.
- b) Depreciation on additions/sales is charged on pro-rata basis from the date of the addition or disposal, as the case may be.
- c) The cost of lease in respect of plots has been amortised and charged to Profit & Loss Account over a period of 30 years being the lease period.
- d) Land Development cost in respect of land at Kakoda/Verna Industrial Estate is being charged to Profit and Loss Account over the remaining lease period.

3. INVENTORIES

- a) Inventories of raw material are valued at cost.
- b) Finished goods are valued at lower of cost or market value on FIFO Basis.

4. GRATUITY

The Company has joined the Group Gratuity Scheme of Life Insurance Corporation of India and the payment is made as per the Scheme.

5. METHOD OF ACCOUNTING

- a) The Company follows the Accrual method of Accounting except for interest receivable on overdue accounts which are doubtful or under dispute which are accounted for on cash basis.

6. ENCASHMENT OF LEAVE

- a) In accordance with the Accounting Standard 15 of the Institute of Chartered Accountants of India, liability for leave encashment benefit on retirement has been accounted for based on the assumption that such benefit is payable to all employees at the end of the accounting year.

GOA HANDICRAFTS, RURAL & SMALL SCALE INDUSTRIES DEVELOPMENT CORPORATION LIMITED

SCHEDULE Q - II : NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2005

| | | | | | | |
|----|---|-------------|-------------------|-------------------|-----------------|--------------|
| 1. | Licensed Capacity, Installed Capacity and Actual Production | <u>UNIT</u> | <u>31.03.2005</u> | <u>31.03.2004</u> | | |
| a) | Licensed Capacity | - | Applicable | Not Applicable | | |
| b) | Installed Capacity | - | Not Ascertainable | Not Ascertainable | | |
| c) | Actual Production | | | | | |
| | (i) Clay Articles (Assorted) | Nos. | 1216 | 3585 | | |
| 2. | Raw Materials Consumed (Entirely Indigenous) | | <u>31.03.2005</u> | <u>31.03.2004</u> | | |
| | | <u>UNIT</u> | <u>Quantity</u> | <u>Value</u> | <u>Quantity</u> | <u>Value</u> |
| | Clay | MT | 30,000 | 12,480.00 | 4,000 | 1,000.00 |
| | Fuel | MT | 22,000 | 19,800.00 | 15,000 | 19,195.00 |

3. Quantative Information in regard to goods dealt in by the Company

| Class of Goods | Unit | Opening Stock | | Purchases | | Turnover | | Closing Stock | |
|----------------|------|---------------|--------------------|------------|---------------------|------------|---------------------|---------------|--------------------|
| | | Qty. | Value | Qty. | Value | Qty. | Value | Qty. | Value |
| | | | Rs. P. | | Rs. P. | | Rs. P. | | Rs. P. |
| Clay Articles | Nos. | 3228 | 166443.00 | 1216 | 64278.00 | 506 | 27415.00 | 3938 | 223113.00 |
| | | (1697) | (131355.00) | (-) | (-) | 2054 | (13730.00) | (3228) | (166443.00) |
| Iron & Steel | MT | 1371.207 | 38036904.00 | 5217.165 | 165444656.09 | 5336.726 | 179649679.15 | 1251.646 | 40007089.00 |
| | | (633746) | (11994157.00) | (5125.914) | (126633203.05) | (4388.453) | (111452819.00) | (1371.207) | (38036904.00) |
| Marketing | | - | - | - | 78798550.00 | - | 78798550.00 | - | - |
| | | (-) | (-) | (-) | (48660888.00) | (-) | (48660888.00) | (-) | (-) |
| Handicrafts | | - | 2292299.00 | - | 9760117.00 | - | 10087326.59 | - | 4502891.00 |
| | | (-) | (149287400) | (-) | (6033948.00) | (-) | (6845426.26) | (-) | (2292299.00) |
| Polymer | MT | 24.900 | 1256856.00 | | | 24.900 | 1363657.35 | - | - |
| | | (-) | (-) | (70.000) | (3462979.00) | (45.100) | (2381590.92) | (24.900) | (1256856.00) |
| | | | <u>41752502.00</u> | | <u>254067601.09</u> | | <u>269926628.09</u> | | <u>44733093.00</u> |

- NOTES : 1. The difference in quantity - tally, is on account of damages/wastages/weight difference/Pilferages.
2. Figures in brackets are in respect of Previous Year.

4. Loans & Advance include:

Due by Officers of the Company - Rs.14,400/- (Previous Year - Rs.55,460/-). The maximum balance outstanding at any time during the year was Rs. 32,400/- (Previous Year - Rs. 1,59,000/-).

5. a) There are no imports of raw materials, components, spare parts or capital goods.
b) Earnings in foreign exchange - Rs. NIL (Previous Year - Rs. NIL). Expenditure in foreign exchange Rs. NIL (Previous year - Rs. NIL).

| 6. Managing Director's Remuneration: | 31.03.2005 | | 31.03.2004 | |
|--------------------------------------|-------------|----|-------------|----|
| | Rs. | P. | Rs. | P. |
| Salary | 5,79,566.00 | | 4,29,000.00 | |
| Medical Re-imbursement | 3,600.00 | | 3,194.00 | |

7. Debtors & Creditors are subject to confirmation and reconciliation, if any.
8. **Sundry Debtors** - Other dues considered good include amounts outstanding for more than 3 years estimate at Rs. 66.02 lakhs, which includes Government Departments - Rs. 29.25 lakhs.
9. Estimated amount of contracts remaining to be executed on Capital and not provided for - Rs. Nil (Previous Year - Rs. NIL).
10. The Company has not provided the Electricity Charges for the office and emporium premises for the period from November 1995 to September 2000, since no claim has been received from the Director of Industries & Mines, Govt. of Goa. The Claim will be settled as and when received. No provision has been made since the amount cannot be quantified.
11. The Activities of the Company at Daman have been transferred to Omnibus Industrial Development Corporation. However, division of Assets and Liabilities have not been finalised by the Govt. of Goa.
12. The Company has joined the "Group Gratuity Scheme" of LIC of India, for funding its Gratuity liability and the payment is made as per the scheme.
13. The Govt. of Goa has formulated the "Deen Dayal Swayam Rojgar Yojana Scheme" and appointed the Company as the Implementing Agency. Accordingly, the Company has disbursed an amount of Rs. 74,13,901.63 as Soft Loan for the purchase of kiosks and working capital to the unemployed youth under the Scheme. The Company has also paid an advance of Rs. 7,64,016.00 to the manufacturers of the kiosks. Both these amounts are included under "Loans & Advances" - Advances Recoverable in Cash or Kind or for Value to be received."
14. Govt. of Goa vide Order No. 15/24/2003-IND/268 dated 23.03.04 & Order No. 15/2/2004-IND dated 31.03.2004 has released an amount of Rs. 85.66 lakhs & Rs. 100.00 lakhs respectively as Grant-in-Aid for the implementation of Handicrafts Plan and the amount spent on this Plan amounting to Rs. 63,71,619.25 in the year 2003-04 and Rs. 94,03,797.63 in the Current Year has been shown under Schedule 'B' by reducing from the total Grant received.
15. Govt. of India, Development Commissioner (Handicrafts) vide Order No. C-13011/16/2003-04/CC/(WR) dated 12.02.04 has released an amount of Rs. 2.50 lakh towards the implementation of Ambedkar

Hasta Shilpa Vikas Yojana and the same has been shown under Schedule 'B' and the amount under the Scheme has yet to be on the Scheme.

16. Govt. of Goa vide Order No. 15/12/2001-IND(Part) dated 31/10/2003 has released an amount of Rs. 200.00 lakhs as Grant for implementation of "Deen Dayal Swayam Rojgar Yojana" and Rs. 210.00 lakhs vide Govt. Order No. 15/12/2001-IND-(Part) dated 21.03.05 as investment for the implementation of Development of Handicrafts activity and the same has been shown in schedule 'B'.
17. Employees State Insurance Corporation, Panaji Office vide their Notice / Order u/s 45 (a) of the ESI Act 1948 demanded an amount of Rs. 26,11,500/- as ESI Contribution for the period from 1988 to 2004. This Corporation has preferred an Appeal with the Competent ESI Authority. Also an application for exemption is pending with the Govt. of Goa. Pending the outcome of the above, an amount of Rs. 26,11,500/- has been provided for by debiting prior period expenses Account. However the management is of the opinion that this Corporation is not legally liable for the said liability.
18. Company has noticed a forgery and cheating case by unknown person during the period from 31/12/03 to 09/01/04 in purchases of Tyres and Tubes from M/s. J.K. Industries, Panaji on our supply orders worth Rs. 2.10 lakhs by fabricating false documents. However, in the mean time, liability for the payment to the Party M/s. J.K. Industries has been held up till the final investigation is over. Final investigation report from Police Department is pending. The necessary treatment in accounts will be done at a future date.
19. SSI Units to whom an amount of over Rs. 1.00 lakh is due for more than one month are as under. These are dues in respect of goods supplied to Government Departments.

| | | | | | |
|---|-------|-------|---|-------|-------|
| 1. M/s. Mandovi Cement Pipes | 22.75 | lakhs | 15. M/s. Shree Sai Chemicals | 3.76 | lakhs |
| 2. M/s. Michael & Michael | 22.60 | " | 16. M/s. Prestige Furniture Pvt. Ltd. | 14.41 | " |
| 3. M/s. Mallikarjun Pipes & Cement Products | 53.51 | " | 17. M/s. Hadson Industries Craft | 1.73 | " |
| 4. M/s. Shreenath Pre-Stressed P. Ltd. | 13.64 | " | 18. M/s. Yashoda Industries | 11.85 | " |
| 5. M/s. Cement Brick Industries | 5.28 | " | 19. M/s. Indsafe Marketing Pvt. Ltd. | 2.23 | " |
| 6. M/s. Sanjay Enterprises | 3.24 | " | 20. M/s. Deepak Steel Furnitures | 8.37 | " |
| 7. M/s. Anmol Industries | 4.31 | " | 21. M/s. Tumkur Conductors Pvt. Ltd. | 2.15 | " |
| 8. M/s. Rayani Industries | 11.14 | " | 22. M/s. Malikarjun Group of Industries | 22.05 | " |
| 9. M/s. Ideal Furnitures | 2.23 | " | 23. M/s. Surya Concrete Industries | 14.25 | " |
| 10. M/s. Prestige Industries | 13.61 | " | 24. M/s. Bharat Conductors Ltd. | 59.85 | " |
| 11. M/s. Vanaji Industries | 7.45 | " | 25. M/s. Glow Paints Pvt. Ltd. | 1.02 | " |
| 12. M/s. Gaurav Furnitures | 16.18 | " | 26. M/s. Plastwell Plastics | 1.82 | " |
| 13. M/s. H.K. Metacraft | 2.63 | " | 27. M/s. Roz Bal Industries | 4.20 | " |
| 14. M/s. Asha Steel Industries | 6.98 | " | 28. M/s. Sanglani Industries | 1.59 | " |
| | | | 29. M/s. Sushank Chemical Industry | 5.79 | " |

20. Figures for previous year have been re-arranged and regrouped wherever necessary.

21. Balance Sheet Abstract and Company's General Business Profits:

I. Registration Details

| | | |
|--------------------|---|------------|
| Registration No. | : | 410/G |
| State Code | : | 24 |
| Balance Sheet Date | : | 31.03.2005 |

II. Capital Raised during the Year

| | | |
|---------------|---|-----|
| Public Issue | : | NIL |
| Right Issue | : | NIL |
| Bonus Issue | : | NIL |
| Private Issue | : | NIL |

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

| | | |
|-------------------|---|---------------|
| Total Liabilities | : | 1450.78 Lakhs |
| Total assets | : | 1450.78 Lakhs |

Sources of Funds (Rs. In Lakhs)

| | | |
|--------------------|---|--------------|
| Paid Up Capital | : | 350.01 Lakhs |
| Reserves & Surplus | : | 571.19 Lakhs |
| Secured Loans | : | NIL |
| Unsecured Loans | : | NIL |

Application of Funds

| | | |
|--------------------|---|--------------|
| Net Fixed Assets | : | 76.77 Lakhs |
| Investments | : | 5.00 Lakhs |
| Net Current Assets | : | 839.43 Lakhs |
| Misc. Expenditure | : | — |
| Accumulated Losses | : | — |

IV. Performance of the Company

| | | |
|--------------------------------|---|---------------|
| Turnover | : | 2699.27 Lakhs |
| Total Expenditure | : | 159.78 Lakhs |
| Profit Before Tax | : | 29.52 Lakhs |
| Profit After Tax | : | 27.52 Lakhs |
| Earnings Per Share (In Rupees) | : | 7.86 Lakhs |
| Dividend Rate (%) | : | — |

IV. Generic Names of Three Principal Products/Services of the Company

| | | |
|---------------------|---|------------|
| 1. Item Code No. | : | 2508.40 |
| Product Description | : | Clay Items |

Signatures of Schedules "A" to "Q-II"

As per our Report of
Even date attached

FOR S. J. SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-
(SAILESH S. SHAH)
PARTNER

Sd/-
(RAMKRISHNA A. PARAB)
MANAGER (ACCTS)

Sd/-
(SANTOSH A. BORKAR)
MANAGING DIRECTOR

Sd/-
(VICTORIA FERNANDES)
CHAIRMAN

Place : Panaji, Goa
Date : 09.08.2005