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TRANSGLOBE FOODS LTD.

ANNUAL REPORT : 1999-2000

TRANSGLOBE FOODS LTD.

Board Of Directors :

Shri Rameshbhai A. Khakhar (Chairman)
Shri Dilipbhai A. Khakhar (Managing Director)
Shri Rasbiharibhai A. Khakhar
Shri Jagdishbhai A. Khakhar
Shri Jayvantkumar N. Udani
Shri Kantibhai G. Bhojani
Shri Surendrasinh S. Jadeja
Shri Rameshbhai Karia
Shri Bhagwanjibhai R. Patel

Registered Office :

Plot No. 205/A,
Rajkot - Gondal Highway,
Veraval (Shapar)
Tal. Kotda Sangani
Dist. Rajkot.

Bankers :

The Citizens Co-op. Bank Ltd.

Auditors :

R. P. Saglani & Co., Rajkot
Chartered Accountants

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TRANSGLOBE FOODS LTD.

ANNUAL REPORT 1999-2000

TRANSGLOBE FOODS LTD.

Regd.Off.: Plot No. 205/A, Rajkot-Gondal Highway, Veraval (Shapar), Tal. Kotda Sangani, Dist. RAJKOT.

NOTICE

NOTICE is hereby given that the FORTEENTH ANNUAL GENERAL Meeting of the Members of TRANSGLOBE FOODS LIMITED will be held at Plot No. 205/A, Veraval (Shapar), Tal. Kotda Sangani, Dist. Rajkot on Thursday, 28th September, 2000 at 11.00 a.m. to transact the following business :

ORDINARY BUSINESS :

- 1) To receive, consider and adopt the Audited Balance Sheet as at March 31, 2000 and the Profit and Loss Account for the Financial year ended on that date and the Reports of the Directors and Auditors thereon.
- 2) To appoint a Director in place of Shri Jagdishbhai A. Khakhar, who retires by rotation and being eligible offers himself for reappointment.
- 3) To appoint a Director in place of Shri Jayvantkumar N. Udani, who retires by rotation and being eligible offers himself for reappointment.
- 4) To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :

- 5) To Consider and if thought fit to pass with or without modification the following resolution as Special Resolution;

"Resolved as Special Resolution as per section 17 and other applicable provisions, if any, of the Companies Act 1956. clause III (A) of the Memorandum of Association of the Company, be and is hereby, altered and extended by inserting following Sub clauses immediatly after sub clause (2),

- 3) To Carry on the business of Agriculture, Horticulture, Floriculture, Sericulture, Aquaculture, Plantation including ayurvedic medicinal an aromatic plants, other herbs, shrubs, trees and all kinds of flowers, as also plantation development production of seeds and commercial and industrial crops as also to develop and apply science of plant animal and microbial biotechnology by utilisting various techniques such as tissue culture, to produce elite disease free plants and to carry out all other possible applications to set up integrated products such as floriculture, or other commarcial projects commancing from selection of or cultivation of elite plants to actual cultivation of crops and marketing products, to deal in bioinsecticides, biofertilisers and to engage in all possible land and crop improvement activities including vermiculture, waste managment environment and ecology, for applications in different areas including biosurfactants, medical and health care, bio-remediation, minerals and metals all possible areas to embrace the entire gamut of biotechnology applications, in the business ventures in all possible commercial areas whether direct or indirect full or partial benefll from biotechnology is derived.
- 4) To own occupy, Purchase, sell, deal in, acquire on lease, hold, hire, license, mortgage, improve, grow, manage, control, develop land of all types and to set up agricultural farms, agricultural house, farm houses, orchards, gardens, forests, fish breeding ponds, poultries, cattle farms and to carry on the business as agruculturists, Farmers, gardeners, cultivators, Planters, Processors, Foresters, Poulterers, Cattle farmers in connection with agricultural farming, forest and related activites."

" Resolved further that the Board of Directors be and are hereby authorised to do or cause to be done all such acts, deeds, matters, things as may be necessary or expedient, usual or proper to implement this resolution.

Place : Rajkot
Date : 28th August, 2000

By order of the Board of Directors.
For, **TRANSGLOBE FOODS LIMITED**

R. A. Khakhar
(Chairman)

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TRANSGLOBE FOODS LTD.

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TRANSGLOBE FOODS LTD.

Regd.Off.: Plot No. 205/A, Rajkot-Gondal Highway, Veraval (Shapar), Tal. Kotda Sangani, Dist. RAJKOT.

Notes :-

- 1) The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 is annexed hereto.
- 2) 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. The deed of proxy shall be received by the Company at least 48 hours before the meeting.
- 3) The Register of members and Share Transfer Books of the Company shall remain closed from Tuesday, 26th September, 2000 to Thursday, 28th September, 2000 (Both days inclusive).
- 4) Members are requested to send their queries, if any, ten days in advance of the meeting, so that the information can be made available at the time of the meeting.

Annexure to Notice

Explanatory Statement :

Pursuant to Section 173 of the Companies Act, 1956.

- 5) Your directors are planning for entering into the fields of Hi-Tech Agriculture with the help of bio-technology.

Your directors plan to add the same in the main object of the company. The necessary steps have been taken for entering in the field of agriculture so as to get benefit of back ward integration and expand the horizon of the company to cater the needs of global market. With the increase in our exports your directors look this decision for larger share in the world of the business and have our presence felt in the international market.

The Food & Drug Administration and the other International Agencies are adapting a food safety Programme known as HACCP (Hazard Analysis Critical Control Points)

Considering the importance of this in maintaining the safety of the Food Processed by the company and also from the Legality Point of view, as HACCP Certification will be mandatory to do the business in Europe as well as the western countries. The company has therefore decided to amend the Memorandum of Association to incorporate the sub clauses 3 & 4 in the main objects. According to Section 17 of the Companies Act 1956, consent of the members by special resolution is required to amend the memorandum and hence the resolution is proposed for their approval. None of the Directors is interested in the resolution.

Copy of the memorandum of Association is available for inspection at the Registered office of the company during business hours.

Place : Rajkot

Date : 28th August, 2000

By order of the Board of Directors
For, **TRANSGLOBE FOODS LIMITED**

R. A. Khakhar
(Chairman)

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TRANSGLOBE FOODS LTD.

DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting the FOURTEENTH Annual Report of your Company with Audited Accounts for the year ended 31st March, 2000.

FINANCIAL RESULTS :

(Rs. in Lacs)

Sales & Gross Income	217.57
Interest	19.22
Cash Profit	8.87
Depreciation	5.86
Net Profit	3.01

OPERATION :

The turnover of the Company during the year was Rs. 217.57 lacs against last year's Rs. 232.64 lacs. The Company has incurred Net Profit of Rs. 3.01 lacs as against last years Profit of Rs. 2.06 lacs. Apart from Marketing our products in local market, the Company has marketed its products through Merchant Exporter in the International market and the Total Sales through Merchant Exporter amounted to Rs. 88.69 lacs which is 42.19 % of the Total Sales as against last years Rs.84.79 lacs. The Company is expecting to increase the volume through Merchant Exporters in the year under review.

FUTURE PLANS :

Your directors are planning for entering into the fields of Hi-Tech Agriculture with the help of bio-technology.

Your directors plan to add the same in the main object of the company. The necessary steps have been taken for entering in the field of agriculture so as to get benefit of beck ward intregation and expand the horizon of the company to cater the needs of global market. With the increase in our export your directors look this decision for larger share in the world of the business and have our presence felt in the international market.

The Food & Drug Administration and the International Agencies are adapting a food safety Programme known as HACCP (Hazard Analysis Critical Control Points)

Considering the importance of this in maintaning the safety of the Food Processed by the company and also from the Legality Point of view , as HACCP Certification will be mandatory to do the business in Europe as well as the wesern countries . The company has therefore decided to go for the HACCP Certification.

DIVIDEND :

Your Directors regret their inability to recommend Dividend in view of inadequacy of Profits and carry forward losses, in year under review.

DIRECTORS :

At the Annual General Meeting Shri Jagdishbhai A. Khakhar and Shri Jayvantkumar N. Udani, Directors, are retiring by rotation and being eligible offers themselves for reappointment. The Board of Directors recommends their reappointment.

AUDITORS :

M/s. R. P. Saglani & Co., Chartered Accountants, the Auditors of the Company will retire on conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for reappointment.

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PARTICULARS OF EMPLOYEE :

Disclosure required under Section 217(2A) of the Companies Act 1956 read with the Companies Particulars of Employees Rules as amended up to date is not applicable since your company has no such employees.

YEAR 2000 (Y2K) COMPLIANCE :

The Hardware and Software of our Company are Y2K complied. We have not experienced any disruption of working in the Year 2000. The Company did not incur any additional cost to address the Year 2000 issue.

CONSERVATION OF ENERGY :

The Company is making efforts to conserve energy and to improve efficiency in the production process. At present no further investments are contemplated for reduction of consumption of energy. A Statement giving particulars regarding conservation of Energy are annexed and form part of this report.

RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION :

No Specific Research & Development activities are being carried on by the company. However the company has Quality control Department to check/improve the Quality of the products manufactured. The manufacturing process and technology does not involve any imported technology.

FOREIGN EXCHANGE EARNINGS AND OUTGO :

There were no foreign exchange inflows (earnings) or outgo during the year. There are no direct exports.

APPRECIATION :

The Directors wish to express their sincere appreciation to all the Employees for their contribution and thanks to our valued clients and Bankers for their continued support.

REPORT ON CONSERVATION OF ENERGY FORMING PART OF THE DIRECTORS' REPORT :

FORM - A

Form for disclosure of particulars with respect to conservation of energy.

(A) Power & Fuel Consumption		Current Year	Previous Year
1. Electricity :-			
(a) Purchased :			
Units		30,170	31,580
Total Amount Rs		2,50,929	2,26,204
Rate per Unit Rs.		8.31	7.16
(b) Own generation		NIL	NIL
2. Furnace Oil :-			
Quantity (ltr.)		17,056	33,800
Total Amount Rs.		2,23,428	3,32,661
Average Rate (Rs. per ltr.)		13.10	9.84
(B) Consumption per unit of production	Standard	Current Year	Previous Year
Foods Products :-			
Electricity (Units)	Kg/Ltr	0.05	0.06
Furnace Oil (ltr)	Kg/Ltr	0.03	0.05

For and on Behalf Board of Directors

Place : Rajkot.
Date : 28th August, 2000.

R. A. KHAKHAR
(Chairman)

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TRANSGLOBE FOODS LTD.

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AUDITORS' REPORT

TO THE SHAREHOLDERS OF **TRANSGLOBE FOODS LIMITED, RAJKOT.**

We have audited the annexed Balance Sheet of **TRANSGLOBE FOODS LIMITED**, as on 31st March, 2000 and the annexed Profit and Loss Account for the year ended on that date and we report that :

- 1.0 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.
- 2.0 In our opinion, proper books of accounts as required by Law have been kept by the Company so far as it appears from our examination of the books.
- 3.0 The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of accounts.
- 4.0 In our opinion, the Profit & Loss Account and the Balance Sheet comply with the Accounting standards referred to in sub-section (3C) of Section - 211 of the Companies Act, 1956.
- 5.0 In our opinion and to the best of our information and according to the explanations given to us, the said accounts, subject to and read together with notes there on as referred to in Schedule 20 give the information as required by the Companies Act, 1956 in the manner so required and give a true and fair view.
 - a) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2000.
 - b) In the case of Profit & Loss Account of the Company of the profit for the year ended on that date.
- 6.0 As required by the Manufacturing and other Companies (Auditors' Report) Order, 1988, issued by the Company Law Board in terms of section 227(4A) of the Companies Act, 1956 & according to the information and explanations given to us and on the basis of such checks, as we considered appropriate. We further report that :
 - i) The Company has maintained proper records showing full particulars of fixed assets. The fixed assets of the Company have been physically verified during the year by the management and we are informed that no material discrepancies were noticed by the management on such verification.
 - ii) None of the fixed assets of the Company have been revalued during the year.
 - iii) The stocks of Finished Goods, Raw Material, Fuel & Scraps of the Company have been physically verified by the Management during the year at reasonable intervals.
 - iv) The procedures followed by the management for physical verification of stocks are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - v) The discrepancies noticed on such verification between the physical stock and books records were not material and have been properly dealt with in the books of accounts. In our opinion, the valuation of stock is fair & reasonable in accordance with the normally accepted accounting Principles and is on the same basis of previous year.
 - vi) The Company has not accepted Unsecured loans from Directors and shareholders, as listed in the Register maintained by the Company under section 301 of the Companies Act, 1956.
 - vii) The Company has granted loans or advances to companies, firms or any other party in nature of loan, as per register maintained under section 301 of Companies Act 1956. We are informed that there are no companies under the same management within the meaning of section 370 of Companies Act 1956.
 - viii) In our opinion and according to the information and explanations given to us, some of the items purchased are of a special nature and comparable alternative quotations are not available, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of stores, raw materials (including components), plant and machinery, equipment and other assets, and for the sale of goods.
 - ix) In our opinion and according to the information & explanations given to us, the sale of goods, materials as entered in the Register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000/- or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices for such goods, materials or services or the prices at which transactions for similar goods, materials or services have been made with other parties.

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- x) As explained to us, the Company has a procedure for determination of unserviceable or damaged Stores, Raw Materials and adequate provision has been made in the accounts for the loss so determined.
 - xi) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from Public under the provisions of section 58A of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975.
 - xii) The Company has maintained reasonable records for the sale and disposal of scrap / Wastage.
 - xiii) The Company is having direct supervision of whole time director and as certified by the management presently transactions of the company is managable. Control is being made by management and internal Audit system is still to be implemented.
 - xiv) We are informed that the Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956.
 - xv) According to the records of the Company, provident fund and employees state insurance dues have been deposited during the year with the appropriate authorities.
 - xvi) As at 31st March, 2000 as informed to us there were no amounts outstanding in respect of undisputed Income-tax, Wealth-tax, Sales Tax and Excise duty which were due for more than six months from the date they became payable.
 - xvii) During the course of examination of books of accounts carried out in accordance with generally accepted auditing practices, we have not come across of any personal expenses other than expenses under contractual obligations and/or generally accepted business practices which have been charged to revenue account.
 - xviii) Provisions of Sick Industrial Company (Special Provision) Act, 1985 are not applicable to the Company.
 - xix) In respect of the Company's trading activity, we are informed that there are no damaged stocks.

Place : RAJKOT.
Date : 28th August, 2000.

For **R. P. Saglani & CO.**
Chartered Accountants

(R. P. Saglani)
Proprietor.

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TRANSGLOBE FOODS LTD.

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BALANCE SHEET

AS AT 31st MARCH 2000

PARTICULARS	SCH. NO.	AS AT 31.3.2000		AS AT 31.3.99
		Amt. Rs.	Amt. Rs.	Amt. Rs.
SOURCE OF FUNDS				
SHARE HOLDER'S FUND				
SHARE CAPITAL	01	2,68,43,500		2,68,43,500
RESERVES & SURPLUS	02	18,15,232		18,79,058
LOAN FUNDS			2,86,58,732	2,87,22,558
SECURED LOANS	03	1,06,08,621		83,68,350
UNSECURED LOANS	04	—		1,30,000
			1,06,08,621	84,98,350
TOTAL			3,92,67,353	3,72,20,908
APPLICATION OF FUNDS				
FIXED ASSETS	05			
GROSS BLOCK		1,71,45,488		1,55,98,549
LESS : DEPRECIATION		52,64,009		46,88,097
		1,18,81,479		1,09,10,452
ADD : CAPITAL WORK IN PROCESS		—		10,10,645
			1,18,81,479	1,19,21,097
INVESTMENTS	06	18,37,500		18,37,500
CURRENT ASSETS, LOANS & ADVANCES				
INVENTORIES	07	32,27,448		37,39,000
SUNDRY DEBTORS	08	1,00,58,725		57,71,531
CASH & BANK BALANCES	09	6,90,333		7,83,141
LOANS & ADVANCES	10	56,37,619		47,70,134
DEPOSITS	11	76,647		75,647
			1,96,90,772	1,51,39,453
LESS : CURRENT LIABILITIES & PROVISIONS	12			
CURRENT LIABILITIES			25,27,146	6,73,328
NET CURRENT ASSETS			1,71,63,626	1,44,66,125
MISCELLANEOUS EXPENSES	13			
(To the extent not written off or adjusted)				
PRELIMINARY EXPENSES		26,67,127		29,63,476
PROFIT & LOSS A/C		57,17,621		60,32,710
			83,84,748	89,96,186
TOTAL			3,92,67,353	3,72,20,908

Notes on Accounts

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As per our report of even date.

For **R.P. Saglani & Co.**

Chartered Accountants

(Rameshbhai A. Khakhar)

(Dilipbhai A. Khakhar)

(R.P. Saglani)

Proprietor.

(Rasbiharibhai A. Khakhar)

(Jayvantkumar N. Udani)

Place : Rajkot.

Date : 28th August, 2000.

DIRECTORS.

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PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 31st MARCH 2000.

PARTICULARS	SCH. NO.	AS AT 31.3.2000.		AS AT 31.3.99
		Amt. Rs.	Amt. Rs.	Amt. Rs.
INCOME				
Sales	14	2,10,16,856		2,27,43,552
Other Income	15	7,40,497		5,20,315
			2,17,57,353	2,32,63,867
EXPENDITURE				
Manufacturing Expenses	16	1,70,19,660		1,83,91,638
Administrative Expenses	17	10,50,088		8,78,742
Selling & Distribution Expenses	18	35,378		91,259
Depreciation		5,85,713		5,91,494
Bank & Other Interest		19,21,692		18,10,789
Amortisation of Preliminary Expenses		2,96,349		3,29,275
			2,09,08,880	2,20,93,197
ADD/LESS:				
Increase/Decrease in finished goods	19		5,47,012	9,64,595
			2,14,55,892	2,30,57,792
PROFIT (LOSS) FOR THE YEAR			3,01,461	2,06,075
LESS : Provision for Taxation.			—	—
			3,01,461	2,06,075
ADD/LESS : Balance b/f from previous year			(60,32,709)	(62,38,785)
ADD/LESS : Profit on sale of Assets			13,627	—
Balance Transferred to Balance-sheet			(57,17,621)	(60,32,710)

Notes on Accounts
As per our report of even date.

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For **R.P. Saglani & Co.**
Chartered Accountants

(Rameshbhai A. Khakhar)

(Dilipbhai A. Khakhar)

(R.P. Saglani)
Proprietor.

(Rasbiharibhai A. Khakhar)

(Jayvantkumar N. Udani)

Place : Rajkot.
Date : 28th August, 2000

DIRECTORS.

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SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

AS AT 31st MARCH 2000

PARTICULARS	AS AT 31.3.2000.		AS AT 31.3.99
	Amt. Rs.	Amt. Rs.	Amt. Rs.
SCHEDULE - 01			
SHARE CAPITAL.			
AUTHORISED			
40,00,000(40,00,000) Equity Shares of Rs. 10/- each		4,00,00,000	4,00,00,000
ISSUED, SUBSCRIBED & PAID UP.			
3450700 (34,50,700) Equity Shares of Rs 10/- each.	3,45,07,000		3,45,07,000
Less : Unpaid allotment money of 15,32,700 shares out of above.	76,63,500		76,63,500
		2,68,43,500	2,68,43,500
SCHEDULE - 02			
RESERVES & SURPLUS.			
REVALUATION RESERVE.			
As per last year	18,79,058		19,42,884
Less: Depreciation	63,826		63,826
		18,15,232	18,79,058
SCHEDULE - 03			
SECURED LOANS			
Term loan against Hypothecation of a Vehicle From a Finance Company	-	-	54,464
Cash Credit facilities against Hypothecation of Stock of Finished goods, Raw materials, Packing materials, etc. and Book debts and personal guarantee by some of Directors from a Bank	1,06,08,621		83,13,886
		1,06,08,621	83,68,350
SCHEDULE - 04			
UNSECURED LOANS			
From Others	-	-	1,30,000
		-	1,30,000



**SCHEDULE - 05
FIXED ASSETS AS ON 31st MARCH 2000.**

Sr. No.	Description of Assets	GROSS BLOCK				Depreciation					Net Block	
		As on 01-04-99	Addition	Deduction	Total	Up To 31-03-99	For the Year	Deduction on Revalu. Dep. Adj.		Total	As on 31-03-2000	As on 31-03-99
01.	Land & Land Development.	9,82,118	--	--	9,82,118	--	--	--	--	--	9,82,118	9,82,118
02.	Factory Buildings.	53,39,001	13,47,970	--	66,86,971	14,90,996	1,62,885	15,437	--	16,69,318	50,17,653	38,46,550
03.	Plant & Machinery.	77,18,818	88,276	--	78,07,094	26,45,069	3,25,950	43,937	--	30,14,956	47,92,138	50,75,204
04.	Electric Installation.	3,69,263	28,210	--	3,97,473	1,80,555	24,677	3,130	--	2,08,362	1,89,111	1,88,708
05.	Lab. Equipments.	90,655	-----	--	90,655	26,425	3,820	486	--	30,731	59,924	64,230
06.	Furnitures.	1,58,024	-----	--	1,58,024	44,134	10,003	--	--	54,137	1,03,887	1,13,890
07.	Other Assets.	3,70,100	29,,220	--	3,99,320	94,361	17,389	836	--	1,12,,586	2,86,734	2,75,739
08.	Vehicles.	5,70,570	2,03,263	1,50,000	6,23,833	2,06,557	40,989	--	73,627	1,73,919	4,49,914	3,64,013
	Total	1,55,98,549	16,96,939	1,50,000	1,71,45,488	46,88,097	5,85,713	63,826	73,627	52,64,009	1,18,81,479	1,09,10,452
	Previous Year 1998-99	1,54,93,111	1,05,438	-----	1,55,98,549	40,32,777	5,91,494	63,826	---	46,88,097	1,09,10,452	1,14,60,334

For **R.P. Saglani & Co.**
Chartered Accountants

(**R.P. Saglani**)
Proprietor.

Place : Rajkot.
Date : 28th August, 2000.

(**Rameshbhai A. Khakhar**)

(**Dilipbhai A. Khakhar**)

(**Rasbiharibhai A. Khakhar**)

(**Jayvantkumar N. Udani**)

DIRECTORS.

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

AS AT 31st MARCH 2000.

PARTICULARS	AS AT 31.3.2000.		AS AT 31.3.99
	Amt. Rs.	Amt. Rs.	Amt. Rs.
SCHEDULE - 06 INVESTMENTS Unquoted (Fully Paid) Trade Equity shares of Rs. 10/- each 45000 of Orbit Builders Pvt. Ltd. 18750 of The Citizens Co-op. Bank 120000 of Unique Beverages Pvt. Ltd.	4,50,000 1,87,500 12,00,000		4,50,000 1,87,500 12,00,000
		18,37,500	18,37,500
SCHEDULE - 07 INVENTORIES (As taken, valued and certified by the management) Raw Materials Packing Materials Finished goods. Stores & Spares	49,556 7,68,533 19,88,859 4,20,500		53,183 8,38,000 25,35,871 3,11,946
		32,27,448	37,39,000
SCHEDULE - 08 SUNDRY DEBTORS (Unsecured considered good) For over six month Other debts.	9,88,729 90,69,996		6,30,699 51,40,632
		1,00,58,725	57,71,531
SCHEDULE - 09 CASH & BANK BALANCES. Balance with Scheduled Banks Cash on hand	21,367 6,68,966		21,487 7,61,654
		6,90,333	7,83,141
SCHEDULE - 10 LOANS & ADVANCES (Loans & Advances recoverable in Cash or kind or for value to be received)			
		56,37,619	47,70,134



SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

AS AT 31st MARCH 2000

PARTICULARS	AS AT 31.3.2000		AS AT 31.3.99
	Amt. Rs.	Amt. Rs.	Amt. Rs.
SCHEDULE - 11			
DEPOSITS			
Approach Road Deposit	1,000		1,000
Central Sales tax	5,000		5,000
Electricity Board	17,040		17,040
Saral Gas Agency	750		750
Telephone	19,100		19,100
Telex & Fax	100		100
Water	240		240
Alok Gas Service	2,417		2,417
Defence Registration Deposit	30,000		30,000
Dipak Gas Agency	1,000		-
		76,647	75,647
SCHEDULE - 12			
CURRENT LIABILITIES & PROVISIONS			
CURRENT LIABILITIES			
Sundry Creditors			
For Goods	21,84,023		2,45,077
For Expenses	72,265		2,19,087
	22,56,288		4,64,164
Statutory liabilities	2,70,859		2,09,164
		25,27,147	6,73,328



SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

AS AT 31st MARCH 2000.

PARTICULARS	AS AT 31.3.2000.		AS AT 31.3.99
	Amt. Rs.	Amt. Rs.	Amt. Rs.
SCHEDULE - 13			
MISCELLANEOUS EXPENDITURE			
(To the extent not written off or Adjusted)			
1 Miscellaneous Expenditure			
As per last year	29,63,476		32,92,751
Less : Amortised during the year	2,96,349		3,29,275
		26,67,127	29,63,476
2 Profit & Loss A/c		57,17,621	60,32,710
TOTAL		83,84,748	89,96,186
SCHEDULE - 14			
SALES		2,10,16,856	2,27,43,552
SCHEDULE - 15			
OTHER INCOME			
Interest	6,64,524		4,81,311
Other Income	75,973		39,004
		7,40,497	5,20,315



SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

AS AT 31st MARCH 2000.

PARTICULARS	AS AT 31.3.2000.		AS AT 31.3.99
	Amt. Rs.	Amt. Rs.	Amt. Rs.
SCHEDULE - 16			
MANUFACTURING EXPENSES			
RAW MATERIALS CONSUMPTION			
Opening Stock	53,183		1,04,565
ADD : Purchases	1,13,97,625		1,30,45,057
	1,14,50,808		1,31,49,622
LESS : Closing Stock	49,556		53,183
		1,14,01,252	1,30,96,439
PACKING MATERIALS CONSUMPTION			
Opening Stock	8,38,000		7,24,437
ADD : Purchases	37,80,426		35,54,221
	46,18,426		42,78,658
LESS : Closing Stock	7,68,533		8,38,000
		38,49,893	34,40,658
POWER & FUEL CONSUMPTION			
Fuel: Opening Stock	—		—
ADD : Purchases	2,23,428		2,24,861
	2,23,428		2,24,861
LESS : Closing Stock	—		—
	2,23,428		2,24,861
Electric Power	2,53,789		2,45,360
		4,77,217	4,70,221
STORE & SPARES CONSUMPTION			
Opening Stock	3,11,946		3,50,859
ADD : Purchases	1,28,555		1,66,252
	4,40,501		5,17,111
LESS : Closing Stock	4,20,500		3,11,946
		20,001	2,05,165
OTHER MANUFACTURING EXPENSES			
Salary & Wages	9,04,173		7,25,314
Freight & Octroi	1,98,855		2,30,187
Repairs & Maintenance	24,694		57,151
Other Manufacturing Expones	11,760		—
Factory Expenses	68,622		67,735
Staff Canteen Expenses	63,193		71,768
Purchase Commission	—		27,000
		12,71,297	11,79,155
		1,70,19,660	1,83,91,638

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

AS AT 31st MARCH 2000.

PARTICULARS	AS AT 31.3.2000.		AS AT 31.3.99
	Amt. Rs.	Amt. Rs.	Amt. Rs.
SCHEDULE - 17			
ADMINISTRATIVE EXPENSES			
Stationery & Printing	98,437		96,021
Postage, Telegram, Telephone	2,68,768		1,89,716
Legal & Professional fees	10,388		22,544
Petrol & Vehicle Expenses	26,619		37,557
Electric Expenses	61,030		70,707
Bank Commission	59,671		25,824
Filing Fees	1,210		2,440
Staff Welfare Expenses	1,07,527		92,481
Conveyance Expenses	5,750		5,661
Travelling Expenses.	35,139		27,312
Rent, Rates & Taxes.	69,722		62,496
Insurance.	1,18,318		1,01,310
Auditor's Remuneration	44,000		40,000
Listing Fees	33,000		32,100
Donation Exp.	13,509		26,391
Sundry balances written off	—		24,182
Software Development Charges	—		22,000
Pollution Control Expense	97,000		—
		10,50,088	8,78,742
SCHEDULE - 18			
SELLING & DISTRIBUTION EXPENSES			
Advertisement	35,378		48,959
Sales Promotion Expenses	—		42,300
		35,378	91,259
SCHEDULE - 19			
INCREASE/ DECREASE IN FINISHED GOODS			
Opening Stock	25,35,871		35,00,466
Closing Stock	19,88,859		25,35,871
		(-) 5,47,012	(-) 9,64,595

Signature to Schedules 1 to 20

For **R.P. Saglani & Co.**
Chartered Accountants

(**Rameshbhai A. Khakhar**)

(**Dilipbhai A. Khakhar**)

(**R.P. Saglani**)
Proprietor.

(**Rasbiharibhai A. Khakhar**)

(**Jayvantkumar N. Udani**)

Place : Rajkot.
Date : 28th August, 2000.

DIRECTORS.

SCHEDULE - 20

Notes to Accounts & Accounting Standards as at 31st March 2000 forming part of Statements of Accounts :

1.0 ACCOUNTING POLICIES :

(i) **Method of Accounting :**

Financial Statement are prepared under historical cost convention in accordance with generally accepted accounting principles. The Company follow the Mercantile system of accounting and recognises income and expenditure on accrual basis.

(ii) **Fixed Assets :**

Capitalised at acquisition cost including directly attributable cost of bringing the assets to working condition. However, fixed assets which are revalued by the company in earlier year are stated at their revalued book values.

(iii) **Investment :**

Investments are stated at cost.

(iv) **Depreciation :**

Depreciation has been provided on Straight line method in accordance with schedule XIV to the Companies Act, 1956. Depreciation on revaluation value of Assets charged to revaluation reserves account on pro-rata basis.

(v) **Inventories :**

Inventories are taken as verified, valued & certified by the management which is done at cost which was hither to at cost or market value whichever is lower. However the net effect on account of above change is Nil for the year under audit

(vi) **Deferred Revenue Expenditure :**

Expenses capitalised towards Public Issue, Product launching , Post issue expense and other Expenses are ammortised at flat rate @ 10 % during the year.

(vii) **Income Recognition :**

Sales are stated net of trade discount, rebates and sales tax.

(viii) **Research and Development :**

Revenue expenditure on research and developement is charged against the profit for the year in which it is incurred. Capital expenditure on research and developement, if any, is shown as an addition to fixed assets.

(ix) Provision for gratuity is not made. Gratuity shall be accounted for as and when due for payment.

2.0 CAPACITY, PRODUCTION, TURNOVER & STOCKS.

A) **Class of goods manufactured :** Fruit Juices, Pickles, Pulps, Jams, Ketchup etc.

B) **Licensed capacity :** -

C) **Installed capacity :** 2400 M.T.

Note : Installed capacity is as certified by the management which is being technical matter. Capacity as shown above is on Single Shift basis per day.

D) **Production :**

Particulars	Unit	Current Year Qty.	Previous Year Qty.
Pulp	Kgs.	4,51,082	4,20,381
Fruit Juices	Ltrs.	3,146	2,714
Sauces	Kgs.	1,727	877
Ketchup	Kgs.	70128	1,26,263
Jams	Kgs.	5,054	7,875
Pickles	Kgs.	96,572	15,389
Pastes	Kgs.	-	125
Vegetables	Kgs.	4,469	16,083
Others	Kgs.	30,123	30,812

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TRANSGLOBE FOODS LTD.

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E) Turnover :

Particulars	Unit	Current Year		Previous Year	
		Qty	Amf. Rs	Qty	Amf. Rs
Pulp	Kgs.	4,43,341	1,68,45,426	4,32,125	1,89,48,020
Fruit Juices	Ltrs.	1,286	39,123	2,592	80,744
Ketchup	Kgs.	52,731	13,44,280	49,291	13,55,587
Jams	Kgs.	4,858	1,99,409	9,364	4,23,012
Others	Kgs.	29,669	6,67,011	26,774	10,47,928
Pastes	Kgs.	-----	-----	125	9,750
Pickles	Kgs.	51,043	15,17,030	7,903	4,64,695
Sauces	Kgs.	2,066	49,987	648	20,786
Vegetables	Kgs.	7,066	3,54,590	8,423	3,93,030
			2,10,16,856		2,27,43,552

Notes:

- i) Pulp wastage 2337 Kgs., Free sample Nil Kgs. and Used in lab 5290 Kgs. As against 475, Nil and 3666 Kgs. respectively in previous year.
- ii) Fruit Juices Wastage Nil, Ltrs. Free sample Nil Ltrs. and Used in lab Nil Ltrs. As against Nil, Nil and Nil Ltrs. respectively in previous year.
- iii) Ketchup Wastage Nil Kgs, Free sample Nil Kgs. and Used in lab 40491 Kgs. As against Nil, Nil and 50390 Kgs. respectively in previous year.
- iv) Jams wastage Nil Kgs., Free sample Nil Kgs. and Used in lab Nil Kgs. As against 6, Nil and Nil Kgs. respectively in previous year.
- v) Other Wastage Nil Kgs., Free sample Nil Kgs. and Used in Production 93 Kgs. As against 3, Nil and 93 Kgs. respectively in previous year.
- vi) Pickles Wastage Nil Kgs., Free sample Nil Kgs., Used in lab 42815 Kgs. As against 8, Nil, and 7443 Kgs. respectively in previous year.
- vii) Sauces Wastage Nil Kgs., Free sample Nil Kgs., Used in lab Nil Kgs. As against 19, Nil, and Nil Kgs. respectively in previous year.
- viii) Vegetables Wastage Nil Kgs, Free sample Nil Kgs. Used in lab Nil Kgs. As against 10, Nil, and Nil Kgs. respectively in previous year.

(F) Opening Stock.

Particulars	Unit	Current Year		Previous Year	
		Qty	Amf. Rs	Qty	Amf. Rs
Pulp	Kgs.	34,226	17,43,339	50,106	32,11,839
Fruit Juice	Ltrs.	290	7,462	168	4,108
Sauces	Kgs.	575	12,315	365	6,017
Ketchup	Kgs.	10,337	2,80,860	2,408	50,887
Jams	Kgs.	63	2,816	1,557	54,289
Pickles	Kgs.	755	38,969	736	32,074
Others	Kgs.	9344	1,27,372	5,402	1,41,252
Vegetables	Kgs.	7650	3,22,738	-	-
			25,35,871		35,00,466

G) Closing Stock.

Particulars	Unit	Current Year		Previous Year	
		Qty	Amt. Rs	Qty	Amt. Rs
Pulp	Kgs.	34,341	13,12,264	34,226	17,43,339
Fruit Juices	Ltrs.	2,150	61,323	290	7,462
Sauces	Kgs.	235	4,704	575	12,315
Ketchup	Kgs.	5,816	1,45,084	10,337	2,80,860
Jams	Kgs.	259	11,208	63	2,816
Pickles	Kgs.	3,469	58,429	755	38,969
Others	Kgs.	9,705	1,68,963	9,344	1,27,372
Pastes	Kgs.	—	—	—	—
Vegetables	Kgs.	5078	2,68,884	7650	3,22,738
			19,88,859		25,35,871

H) Raw Materials Consumed

Particulars	Unit	Current Year		Previous Year	
		Qty	Amt. Rs.	Qty	Amt. Rs.
Fruits	Kgs.	8,65,249	1,05,02,237	8,88,930	1,23,79,289
Ingredients	Kgs.	52,039	8,33,849	44,794	6,51,787
Chemicals	Kgs.	—	65,166	—	63,363
			1,14,01,252		1,30,96,439

Note : i) Fruit wastage Nil Kgs. as Against Nil Kg of previous year.
ii) Ingredients wastage Nil Kgs. as against Nil Kg. of Previous year.

The above figures consist of,

	%	Amt. Rs.	%	Amt. Rs.
i) Imported at landed cost	Nil	Nil	Nil	Nil
ii) Indigenous	100%	1,14,01,252	100%	1,30,96,439
iii) CIF Value of Imports,	Nil	Nil	Nil	Nil
Income in foreign currency,	Nil	Nil	Nil	Nil
Expenditure in foreign currency,	Nil	Nil	Nil	Nil

i) Packing Material Consumed

Particulars	Unit	Current Year		Previous Year	
		Qty	Amt. Rs.	Qty	Amt. Rs.
Pouch, Bottles & Tins	Nos.	5,45,862	34,11,638	4,80,386	29,31,893
Cartoon & Crates	Nos.	28,039	2,52,351	17,622	2,26,836
Labels	Nos.	2,59,989	1,18,892	1,69,748	1,65,201
Others		—	67,012	—	1,16,728
			38,49,893		34,40,658

- 3.0 Provision for Income Tax and MAT are not made as Company does not envisage any Tax liability for Asstt. Year 2000-2001.
- 4.0 Contingent Liability :
Claims against company not acknowledged as debts Rs. 0.46 Lakhs.
- 5.0 Debtors, Creditors, Loans, Advances and Bank balance of a Current A/c. are subject to confirmation and reconciliation.
- 6.0 Cash Credit from a Bank is secured against Stocks, Book debts, receivables, bills acceptance etc. for securing Working Capital. Loans are further secured by personal guarantee of some of the Directors.
- 7.0 Remuneration paid to a Director Rs. 1,08,000 (Previous year Rs. Nil) in included in salary and wages.
- 8.0 Expenditure on employees including directors
- i) Remuneration not less than Rs. 3,00,000/- per Annum during the year and employed through out the year - Nil -
- ii) Remuneration not less than Rs. 25,000/- per month and employed for part of the year - Nil -
- 9.0 Break-up of Auditor's Remuneration

	Current Year Amt. Rs.	Previous Year Amt. Rs.
Audit fees	31,500	30,000
Company Law matters	-	-
Taxation	-	-
Tax Audit fees	10,500	10,000
Other Services	-	-
	42,000	40,000

- 10.0 As per books of Company share Allotment money to be received is Rs. 76,63,500 (15,32,700 shares allotment money of Rs. 5/- each) Which is subject to reconciliation. Notice of forfeiting shares for non-payment of allotment money is so far not sent to defaulting share holders.
- 11.0 As the Company enjoy the basic exemption limit of Rs. 50 lacs for Excise Duty, no Excise Duty is attracted on Finished Goods as the same is below Rs. 50 lacs. Accordingly no provision has been made in the account.
- 12.0 Sundry Creditors includes outstanding dues of small scale industrial undertakings Rs.5.88 Lacs (Previous Year Rs. Nil Lacs). The above information regarding small scale industrial undertakings has been determined to the extent such parties have been identified by the Company, on the basis of information available with them. This has been relied upon by the auditors.
- 13.0 The figures of the previous year have been regrouped/recast where necessary and rounded of to the nearest rupee.
Signature to Schedules 1 to 20

For **R.P. Saglani & Co.**
Chartered Accountants

(**R.P. Saglani**)
Proprietor.

(**Rameshbhai A. Khakhar**)

(**Dilipbhai A. Khakhar**)

Place : Rajkot.
Date : 28th August, 2000.

(**Rasbiharibhai A. Khakhar**)

(**Jayvantkumar N. Udani**)

DIRECTORS.

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TRANSGLOBE FOODS LTD.

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BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details :

Registration No.	:	9149	State Code	:	04
Balance Sheet Date	:	31 03 2000			
		Date Month Year			

II. Capital raised during the year (Amount in Rs. Thousand) :

Public Issue	:	NIL	Right Issue	NIL
Bonus Issue	:	NIL	Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds (Amount Rs. in Thousand) :

Total Liabilities	:	39267	Total Assets	:	39267
-------------------	---	-------	--------------	---	-------

Sources of Funds

Paid up Capital	:	26844	Reserves & Surplus	:	1815
Secured Loans	:	10608	Unsecured Loans	:	---

Application of Funds

Net Fixed Assets	:	11881	Investments	:	1837
Net Current Assets	:	17164	Misc. Expenditure	:	2667
Accumulated Losses	:	5718			

IV. Performance of Company (Amount in Rs. Thousand) :

Turnover	:	21757	Total Expenditure	:	21456
(Total Income)					
Profit before Tax	:	301	Profit after Tax	:	301
Earning per share in Rs.	:	0.09	Dividend Rate	:	NIL

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms) :

Item Code No.	:	081290.02
(ITC Code)		
Product	:	MANGO PULP
Description		
Item Code No.	:	210320.00
(ITC Code)		
Product	:	TOMATO KETCHUP
Description		

For **R.P.Saglani & Co.**
Chartered Accountants

(**R.P. Saglani**)
Proprietor.

(**Rameshbhai A. Khakhar**)

(**Dilipbhai A. Khakhar**)

Place : Rajkot.
Date : 28th August, 2000.

(**Rasbiharibhai A. Khakhar**)

(**Jayvantkumar N. Udani**)

DIRECTORS.

**Farm
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CASH FLOW STATEMENT FOR YEAR ENDED 31st MARCH, 2000.

	Amount in Lacs 31.03.2000.	Amount in Lacs 31.03.1999
A. CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	3.01	2.06
<i>ADJUSTMENTS FOR :</i>		
PROFIT ON SALE OF ASSETS	0.14	----
AMORTISATION OF PRELIMINARY EXP.	2.96	3.29
DEPRECIATION	5.86	5.91
INTEREST/DIVIDEND INCOME	(6.93)	(5.20)
INTEREST/DIVIDEND EXPENSES	19.22	18.11
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	24.26	24.17
<i>ADJUSTMENTS FOR :</i>		
TRADE AND OTHER RECEIVABLES	(51.45)	(1.41)
INVENTORIES	5.11	9.41
TRADE PAYABLES	18.43	(11.58)
CASH GENERATED FROM OPERATIONS	(3.65)	20.59
INTEREST PAID	19.22	18.11
DIRECT TAXES PAID	----	----
CASH FLOW BEFORE EXTRAORDINARY ITEMS	(22.87)	2.48
EXTRAORDINARY ITEMS	----	----
NET CASH FROM OPERATING ACTIVITIES	(22.87)	2.48
B. CASH FLOW FROM INVESTING ACTIVITIES :		
PURCHASE OF FIXED ASSETS	(6.85)	(1.05)
SALE OF FIXED ASSETS	0.76	----
PURCHASE OF INVESTMENTS	----	(1.50)
SALE OF INVESTMENTS	----	----
INTEREST RECEIVED	6.93	5.20
DIVIDEND RECEIVED	-	----
NET CASH USED IN INVESTING ACTIVITIES	0.84	2.65
C. CASH FLOW FROM FINANCING ACTIVITIES		
PROCEEDS FROM ISSUE OF SHARE CAPITAL	----	----
PROCEEDS FROM LONG TERM BORROWINGS	22.95	0.50
REPAYMENT OF LOANS	(1.85)	4.36
DECREASE IN RESERVES	----	----
NET CASH USED IN FINANCING ACTIVITIES	21.10	3.86
NET INCREASE IN CASH AND CASH EQUIVALENTS	(0.93)	1.27
CASH AND CASH EQUIVALENTS AS AT 1-4-99(1-4-98) (OPENING BALANCE)	7.83	6.56
CASH AND CASH EQUIVALENTS AS AT 31-3-2000(31-3-99) (CLOSING BALANCE)	6.90	7.83

For and on behalf of the Board

Place : Rajkot
Date : 28th August, 2000.

(Rameshbhai A. Khakhar) (Dilipbhai A. Khakhar)
(Rasbiharibhai A. Khakhar) (Jayvantkumar N. Udani)
(Directors)

CERTIFICATE

To,
The Board of Directors,
TRANSGLOBE FOODS LIMITED
Rajkot.

We have examined the attach Cash Flow Statement of **TRANSGLOBE FOODS LIMITED** for the year ended 31st March, 2000. The Statement has been prepared by the Company in accordance with the requirement of listing agreement Clause 32 with The Saurashtra Kutch Stock Exchange, Rajkot, Mumbai Stock Exchange, Ahmedabad Stock Exchange and Calcutta Stock Exchange and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of 28th August, 2000 to the Members of the Company.

For **R. P. Saglani & Co.**
Chartered Accountants
(**R. P. Saglani**)
Proprietor

Place : Rajkot
Date : 28th August, 2000.

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