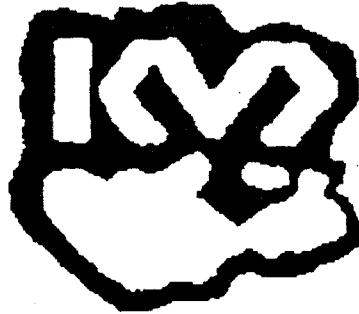




# **KACHCHH MINERALS LIMITED**



**24<sup>TH</sup> ANNUAL REPORT  
2004-2005**



**BOARD OF DIRECTORS**

MR. P.G. DAWDA (Chairman & wholetime)  
MR. VINAY H. DAWDA (Non-executive)  
MR. VIJAY P. DAWDA (Non-executive)  
MR. KISHOR G. DAWDA (wholetime)  
MR. D. S. MADHAWANI (Non-executive)  
MR. BHARAT M. SHUKLA (Non-executive)  
MR. CHETAN M. TANNA (Non-executive)

**AUDITORS**

M. G. SIMARIA & CO.  
Chartered Accountants

**LEGAL ADVISORS**

MR. B. B. PAREKH, Advocate

**REGISTERED OFFICE**

22, Mansur Building, 1st Floor,  
98, Princess street,  
Mumbai - 400 002.  
MAHARASHTRA.  
Tele No. : 022 - 22010028

**BANKERS**

Development Credit Bank Ltd.  
Bank of Baroda.  
Bhuj Co-op. Bank Ltd.  
Kutch Merchantile Co-op. Bank Ltd.

**CORPORATE OFFICE / WORKS**

Survey 66, Village Manfara  
Taluka Bhachau,  
(Kutch) Pin - 370 140.

**REGISTRARS & TRANSFER AGENTS**

BIGSHARE SERVICES PRIVATE LIMITED  
E-2/3, Ansa Industrial Estate,  
Sakivihar Road, Saki Naka,  
Andheri (E), Mumbai - 400 072.  
Tele No : 2852 3474, 2856 0652 / 53  
Fax : 2852 5207.



## **KACHCHH MINERALS LTD.**

### **NOTICE TO MEMBERS**

NOTICE is hereby given that TWENTY FOURTH ANNUAL GENERAL MEETING of the members of KACHCHH MINERALS LIMITED will be held on Friday, 30<sup>th</sup> September, 2005. at 11.00 A.M at 22, Mansur Building, 98, Princess Street, Mumbai - 400 002 to transact the following business :

#### **AS ORDINARY BUSINESS:**

- 1) To receive, consider and adopt the Directors Report and Audited Balance sheet and profit and loss Account of the Company for the year ended 31<sup>st</sup> March 2005 together with the Auditors Report thereon.
- 2) To appoint a Director in place of Shri Kishore G. Dawda who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To appoint a Director in place of Shri Chetan M. Tanna who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint Auditors and to fix their remuneration.

#### **AS SPECIAL BUSINESS :-**

- 5) To consider, and, if thought fit, to pass with or without modification(s), the following resolution :

"RESOLVED THAT, in accordance with the provision of Section 198 and 269 and all other applicable provision, if any, of the Companies Act, 1956. read with schedule XIII thereto (including any Statutory modification or re-enactment thereof) for the time being in force, the consent of the company be and is hereby accorded for increased payment of remuneration for the period of 3 years with effect from 01.10.2005 to Mr. Prataprai G. Dawda, an existing full time director of the company on such remuneration, terms and conditions, as set out in explanatory statement appended to the notice convening this Annual General Meeting."

"RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any year or during the tenure of appointment, the above remuneration will be deemed to be the minimum remuneration."

"RESOLVED FURTHER THAT the board be and hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."



- 6) "RESOLVED THAT in accordance with the provision of section 198 and 269 and all other applicable provision, if any, of the Companies Act, 1956. read with schedule XIII thereto (including any Statutory Modification or re-enactment thereof) for the time being inforce, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Kishore G. Davda as executive director of the company for the period of 3 years with effect from 01/10/2005 on such remuneration and terms and conditions as set out in the explanatory statement appended to the notice convening this Annual General Meeting."

"RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any year or during the tenure of appointment, the above remuneration will be deemed to be the minimum remuneration."

"RESOLVED FURTHER THAT the Board be and hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**NOTES :**

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY TO BE EFFECTIVE, SHOULD LODGE THE PROXY FORM AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- (b) The Register of Members and the Share Transfer Book of the Company will remain closed from Monday, 26th September, 2005 to Friday, 30<sup>th</sup> September, 2005.
- (c) Members are requested to kindly notify the Company of any change in their addresses so as to enable the Company to address future communication to their correct addresses.
- (d) The relative explanatory statement pursuant to section 173 of the Companies Act, 1956 as set out in item no. 5 and item no. 6 is annexed hereto.

**Item no. 5 :-**

Mr. Prataprai G. Dawda, an existing full time director is continued to be paid increased remuneration of Rs. 50,000/- per month (Rs. Fifty Thousand) with effect from 01.10.2005 for a period of three years.

Apart from this, it has been agreed to provide him a car with driver to be used for the company's business, telephone at residence, mobile phone, medical expenses and insurance premium. He is also to be provided residential accommodation either at Gandhidam or at Bhachau. His increased remuneration requires to be approved by the members and accordingly, this resolution has been placed before you for your approval.



Mr. Kishore G. Dawda is interested in the resolution other than the concerned whole-time executive director who is the brother of Mr. Prataprai G. Dawda.

**Item no. 6 :-**

Mr. Kishore G. Dawda has been re-appointed as executive director with effect from 1/10/2005 at remuneration of Rs. 25,000/- per month (Rs. Twenty Five Thousand).

Apart from this, it has been agreed to provide him a car with driver to be used for the company's business, telephone at residence, mobile phone, medical expenses and insurance premium. This being the immediate Annual General Meeting of the Company after his appointment as executive director his appointment requires to be approved by the members and accordingly, this resolution has been placed before you for your approval."

Mr. Prataprai G. Dawda is interested in the resolution other than the concerned executive director who is the brother of Mr. Kishore G. Dawda.

By Order of the Board  
For **KACHCHH MINERALS LTD.**

Sd/-

**PRATAP G. DAWDA**  
CHAIRMAN & EXE. DIRECTOR

**Registered Office:**

22, Mansur Building, 1<sup>st</sup> Floor,  
98, Princess Street, Mumbai - 400 002.

Place : Mumbai

Dated: 30<sup>th</sup> August, 2005.



## KACHCHH MINERALS LTD.

### DIRECTORS REPORT

To,

The Members,

Your Directors present herewith the Twenty Fourth Annual Report together with the audited accounts of the Company for the year ended 31<sup>st</sup> March 2005.

1. <u>FINANCIAL RESULT</u>	(Rs. In lacs) <u>Current year</u>	(Rs. In Lacs) <u>Previous year</u>
Sales	96.65	40.98
Other income	<u>8.07</u>	<u>12.17</u>
Gross Income	104.72	53.15
Less: Expenses	87.01	49.64
Interest	2.56	5.57
Depreciation	<u>14.18</u>	<u>9.18</u>
Net. Income ( - )	<u>0.97</u>	(-) <u>11.24</u>

The Director regret their inability to recommend any dividend due to the inadequacy of profit and brought forward losses.

The Board is hopeful of expanding the company's operation this year & expect your co-operation in the days to come. The Board is doing its best to make your company start full mining activities & show progress in very near future. During the year the Company has incurred capital expenditure towards Development of Plant and Machinery, Building and other fixed assets of Rs. 11,69,300/- The Board is contemplating to take effective steps to save it from slipping in to a sick industrial unit.

On account of effective steps to control expenses & keep the losses to its minimum level, the year under consideration, has closed with a sales turnover of Rs.96,64,818/- and net profit of Rs. 96,583/-after providing for interest & depreciation

Your Directors have pleasure to inform you that the Company with use of existing plant has increased the mining activities during the year.

**2. FIXED DEPOSITS :-**

The company has not accepted any deposits within the purview of section 58 A of the Companies Act, 1956 during the year under review.

**3. CONSERVATION OF ENERGY :-**

Since the company has slow down its production activities the particulars pursuant to requirement under section 217 (i) (e) of the Companies Act, 1956 with reference to conservation of energy, technology absorption, adoption and innovation are not material. However, with the help of certain agencies the plant have been operative and successfully run. The electricity expense incurred at Rs. 10,230/- during the year which is very negligible does not required any disclosure as such. Due to power problem, company has run the plant mainly through their generator set.

**4. PARTICULARS OF EMPLOYEES AND INFORMATION :**

There was no employee employed during the year under review, hence the provision as prescribed u/s. 217 (2A) of the Companies Act, 1956 as such, the particulars of employee within the meaning of section 217 (2) (e) of the Companies Act, 1956 read with Companies (particulars of employee) Rules, 1975, as amended by the Companies (Amended ) Act, 1988 is not applicable.

**5. AUDITORS :**

M/s. M.G. Simaria & Co., Chartered Accountants, Mumbai, retires at the conclusion of the Annual General Meeting. They have given their consent to act as Auditors of the Company, if re-appointed. You are requested to consider their appointment as Auditor of the Company and authorize directors to fix their remuneration for the current year.

**6. DIRECTORS :**

Mr. Kishore G. Dawda, Director retires by rotation at the conclusion of the Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. Chetan M. Tanna, Director retires by rotation at the conclusion of the Annual General Meeting and being eligible, offers himself for re-appointment.

**7. AUDIT REPORT :**

The auditors have observed & put remarks for non-provision of gratuity, leave salary, etc. as per AS - 15. Provision for gratuity is not made in view of appointment of major new staff after earthquake and the provision are made as and when the same is paid. The company is making every effort to recover the Loans & Advances of Rs. 10 Lacs that has been found as doubtful by the Auditors.



As per Auditor's comment in point no. 7 of the notes to Accounts regarding appointments of Qualified Company Secretary on whole time basis to comply with the requirements of Section 383 A of Companies Act, 1956, your directors have taken steps for complying aforesaid requirement. However, in absence of availability of suitable & affordable candidates, the said requirements cannot be complied. However, the Company is in the process of receiving the Compliance Certificate from Company Secretary.

**8 FOREIGN EXCHANGE :**

Foreign Exchange inflow and outflow during the year was NIL

**9. DIRECTOR'S RESPONSIBILITY STATEMENT :**

Pursuant to the requirements of section 217 (2AA) of the Companies Act, 1956, the directors confirm that:

- I. In preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- II. We have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;
- III. We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- IV. We have prepared the annual accounts on a going concern basis as explained in note no.1 of Schedule 'O' notes forming part of Accounts.

**10. COMMITTEE UNDER CORPORATE GOVERNANCE :-**

The following committees have been formed under the observation of Corporate Governance to facilitate members clarity, transparency and better management of the Company.

- 1. Audit Committee.**
- 2. Remuneration Committee.**
- 3. Shareholders / Investor's Grievance Committee.**

**11. LISTING OF SHARES :**

The equity capital of the company continued to be listed on the Mumbai Stock Exchange and the necessary listing fees has been paid up to the year 2005 - 2006. As per directives issued by the Securities and Exchange Board of India, the equity shares of the Company are to be traded in the Demat form. The company continues to maintain necessary arrangement with NSDL and CDSL for required connectivity.

**12. DEMATERIALISATION OF SHARES :**

As you are aware that company has made arrangement with Bigshare services Pvt. Ltd., E-23, Ansa Indl. Estate, Saki-Vihar Road, Sakinaka, Andheri (East), Mumbai- 400 072 (Tel: 2852 3474 / 2856 0652 / 2856 0653, Fax: 2852 52 07, E-mail: [bigshare@bom7.vsnl.net.in](mailto:bigshare@bom7.vsnl.net.in)) to act as Depository Transfer Agent with National Securities Depository Limited (NSDL) & Central Depository Services India Limited (CDSL).

**13. ACKNOWLEDGEMENT :**

The Management wishes to place on record its appreciation for the services rendered by employees, contractors, bankers, and the management of the Indian Bureau of Mines and all concerned and convey their thanks to them.

By Order of the Board  
For **KACHCHH MINERALS LTD.**

**Sd/-**

**PRATAPRAI G. DAWDA**  
CHAIRMAN & EXE. DIRECTOR

Date : 30<sup>th</sup> August 2005

Place : Mumbai.



## **KACHCHH MINERALS LIMITED**

### **MANAGEMENT DISCUSSION AND ANALYSIS.**

#### **(1) Industry Structure and Development :-**

Your Company is located in the State of Gujarat and engaged in minerals Industry by catering to minerals processing segment through extraction of various types of silica sand and china clay, mineral raw material etc. These minerals are sometime sold as raw materials or sold after processing the same as per customer demands.

Minerals are expected to become a core sector in the nation's economy in terms of generation of employment and revenues, industrial growth, conservation of energy and natural resources and mainly as export oriented unit generating foreign exchange and indispensable materials in all important sector of the economy. The Company products are already accepted in the market.

#### **(2) Opportunities and Threats :-**

With many developments in Indian economy as triggered by globalization as one world market are under cut-throat competitions, the prime opportunity lies in meeting customer's raised expectation in terms of high quality, prompt response, timely delivery, proper services and performance and the same opportunities were regularly grabbed by your company since its inception.

Your company strives to maintain pace with the fast development in the Indian economy, tremendous competition and latest in technology and know-how.

The threats which the minerals industry foresees are slow down of Indian economy, myths and misconceptions about minerals and its impact on environment and competition from the global market. However, India has enough mineral resources with good quality accepted in International market, which may fetch sizable foreign exchange in time ahead.

Your company is increasing its activity gradually in global market and expecting growth during next few years.

#### **(3) Business Outlook :-**

The overall business outlook for china clay is very encouraging because of the increasing demand.

There is an ever increasing demand for china clay, silica sand and mineral materials from various end user for multipurpose and the producers of china clay and silica sand can grab the local as well as global market effectively with high profitability. However, the factor of consistency in quality and other services are the pre - requisites and your company has adhered to these standard.



Your company will always aim towards striving for supplying world-class quality products at reasonable prices and to stick to its core business.

**(4) Risks and Concerns :-**

The major risks that prevail in the industry are competitions from global players, fluctuation of price and technological obsolescence due to long gestation period.

Your company is taking due care for the prevailing risks in the industry by adopting new technology and latest know how through its regular research and developments.

**(5) Internal Control System and their adequacy :-**

The system of Internal Control as aided by Internal Audit and Internal Checks is well rooted in your company. The Internal Audit Department consisting of efficient staff conducts their audit regularly and generates their reports for managements review.

Besides an Audit Committee which has already been formed by your company pursuant to the provisions of sections 292A of the Companies Act 1956, and later on reformed subject to the requirements of clause 49A of the listing agreement is in addition to internal audit keeping checks on the overall working of the Internal Control System in the company

**(6) Financial Performance with respect to Operation Performance :-**

The Company is reviving through reconstruction of Building, site, plant and machinery etc. which requires some gestation period and is gearing up in days ahead. The Company will see Growth in future because of continuous efforts put by your Company to achieve the pace of development.

The summarized Profit and Loss A/c. is given below:-

	<b><u>Rs. In lacs</u></b>
Sales & Operating Income	96.65
Other Income	<u>8.07</u>
Total Income	104.72
Less : Other Expenses	<u>(89.57)</u>
Profit before depreciation	15.15
Less : Depreciation	<u>14.18</u>
<b>Net Profit / (Loss)</b>	<b><u>0.97</u></b>

The company has built up new plant in place of old plant destroyed in earthquake on 26-1-2001. The company has also received full amount of subsidy for rebuilding of plant and machinery.



**(7) Material Developments in Human Resources / Industrial Relations front including number of people employed :-**

There are no material developments in Human Resources under review. The Overall Industrial Relations during the year under review were peaceful. In your Company contribution and Co-operation from all level of employees / workers were excellent during the year and the same has been appreciated and supported well by the management through its continuous and systematic training programs in view of start of plant and machinery in the financial year 2003 -04.

**(8) Cautionary Statements :-**

Estimate and expectation made in the report may differ from actual performance due to various economic condition, government policies and other related factors.

By Order of the Board  
For **KACHCHH MINERALS LTD.**

**Sd/-**

**PRATAPRAI G. DAWDA**  
CHAIRMAN & EXE. DIRECTOR



## **KACHCHH MINERALS LIMITED**

### **REPORT OF CORPORATE GOVERNANCE**

***(Pursuant to clause no. 49 of the listing agreement)***

The Report of Corporate Governance is given below :-

**(1) Company's philosophy on Code of Governance :-**

Your Company's philosophy on the Code of Governance envisages the enhancement of the long term economic value of the company, its shareholders and all its stakeholders by adopting better corporate practices with highest levels of transparency, accountability and equity in all phases of its operations.

**(2) Board of Directors :-**

The Board of your company consists of seven (7) directors. Your company has an optimum combination of Executive and Non-Executive directors with not less than fifty percent of the Board of Directors comprising of Non-Executive and independent directors. Such Non- Executive directors are independent directors. None of the directors is director in any other Public Limited Company. All the members of the Board are eminent persons with expertise and extensive experience in different field and have made outstanding contribution to the Company. During the financial year 2004 - 2005 meeting of the Board were held at least once in each quarter inter- alia to review the quarterly performance and to take on record the financial results. During the year the Board of Director of the Company have held 4 (four) meetings. A detailed agenda was sent to each director in advance of each meeting. The details of Board Meetings attended by each director is as under:-

**The detailed composition of the Board and other related information is given below :-**

Sr. No.	Name of Director	Categories of Directorship	No. of Board Meeting attended	Last AGM attended	No. of other Directorship in Public Ltd. Co.
1.	P. G. Dawda	Chairman & Executives	4	YES	NIL
2.	Vijay P. Dawda	Non-Executive & independent	2	—	NIL
3.	Vinay H. Dawda	Non-Executive & independent	2	—	NIL
4.	Kishore G. Dawda	Executive	4	YES	NIL
5.	D. S. Madhwani	Non-Executive & independent	4	YES	NIL
6.	Bharat Shukla	Non-Executive & independent	4	YES	NIL
7.	Chetan Tanna	Non-Executive & independent	4	YES	NIL



(3) **Details of Directors seeking appointment / re-appointment at the ensuing AGM :-**

Shri. Kishore G. Dawda, Executive director and Shri. Chetan M. Tanna, Non-executive & independent director retire by rotation and are seeking re-appointment. Shri. Kishor G. Dawda and Shri. Chetan M. Tanna is Businessman having vast experience in the field of industries, Business and finance mainly.

(4) **Audit Committee :-**

During the year under review the following directors were members of audit committee :-

<u>Name</u>	<u>Category</u>	<u>Status in the Committee</u>	<u>Out of 4 meeting held of the meeting attended by each</u>
Shri D. S. Madhwani	Non-Executive & Independent	Chairman	4
Shri. Bharat Shukla	Non-Executive & Independent	Member	4
Shri. Chetan Tanna	Non-Executive & Independent	Member	4

The term of reference and powers of the Audit Committee are as per clause 49 of the Listing Agreement and also as per new section 292 A of the Companies Act, 1956. The function of the Audit Committee are as per Company Law and Listing Agreement with the Stock Exchange. These includes review of accounting and financial policies and procedures, review of financial reporting system, internal control procedures and risk management policies, adequacy of provision and disclosure by the Company.

The Four Meeting of the Audit Committee were held on 30<sup>th</sup> July, 2004, 28<sup>th</sup> August, 2004, 28<sup>th</sup> October, 2004 and 29<sup>th</sup> January, 2005.

The Committee Meetings were also attended by the chairman. The Statutory Auditors have also attended three Audit Committee meeting. The minutes of the Audit Committee meeting were circulated to the Board, discussed and taken note of.

(5) **Shareholders / Investor's Grievance Committee :-**

During the year under review, the following directors were the members of the Shareholder's / Investor's Grievance Committee

- 1) Shri. Prataprai G. Dawda --- Chairman and Executive Director
- 2) Shri. Chetan Tanna --- Independent and Non-Executive Director
- 3) Shri. D. S. Madhwani --- Independent and Non-Executive Director

During the financial year 2004 -2005, Meetings of the shareholder's / Investor's Grievance Committee were held on once in every month from the period 1-4-2004 to 31-3-2005. Mr. Prataprai G. Dawda have been authorised to approve transfer and dematerialisation of shares.

No Investor's Grievance was received during the year.



**(6) General Body Meeting :-**

The Particulars of the last three Annual General Meeting of the Company held as under :-

Date of AGM	Financial Year	Venue / Location of all meeting	Time of Meeting
30.9.2002	2001-2002	Amarson Sabhagruh, Mahajanwadi, 70/80, Dr. Ambedkar Road, Chinch Pokli, Mumbai -400 012.	11 A.M.
30.9.2003	2002-2003	Amarson Sabhagruh, Mahajanwadi, 70/80, Dr. Ambedkar Road, Chinch Pokli, Mumbai -400 012.	11 A.M.
30.9.2004	2003-2004	Registered Office : 22, Mansur Building, 1 <sup>st</sup> Floor, 98, Princess street, Mumbai - 400 002	11 A. M.

No special resolution was put through Postal Ballot last year, nor proposed in the ensuing of AGM. However, in the last AGM held on 30<sup>th</sup> September, 2004, the special resolution for re-appointment of two directors retiring by rotation was moved and passed unanimously in the same meeting.

**(7) Remuneration Committee :-**

The Board formed the Remuneration Committee and the following directors were the members of the committee :-

- 1) Mr. Chetan Tanna --- Chairman, Non-Executive & Independent director
- 2) Mr. Bharat Shukla --- Member, Non-Executive & Independent director
- 3) Mr. D. S. Madhavani --- Member, Non-Executive & Independent director

The remuneration of Rs. 4,80,000/- was debited to profit and loss A/c for following two directors in terms of their appointment in AGM.:-

Name of Director	Salary	Perquisite	Sitting fees	Total
Mr. Prataprai G. Dawda - Chairman & Executive Director	3,00,000	Nil	Nil	3,00,000
Mr. Kishore G. Dawda - Executive Director	1,80,000	Nil	Nil	1,80,000
<b>Total Rs.</b>	<b>4,80,000</b>	<b>Nil</b>	<b>Nil</b>	<b>4,80,000</b>

During the year one meeting of the committee was held on 20<sup>th</sup> April, 2004 for the approval of remuneration package payable to Mr. Prataprai G. Dawda and Mr. Kishore G. Dawda.

Non- Executive directors are not paid any remuneration or sitting fees. The minutes of the Remuneration Committee was circulated to the Board, discussed and taken note for.

**(8) Disclosure :-**

There are related party transaction i.e. transaction of the company with its directors or management or relatives, not conflicting with company's interest, the details of which have been shown in schedule and Notes forming part of the accounts for the year ended 31.03.2005.

**(9) Means of Communication :-**

The company sends its financial records yearly to its shareholders. The presentation of the report was made to analyse the same during the year under review.



**(10) The Management Discussion & Analysis Report (MDA) :-**

The Management Discussion and Analysis (MDA) report has been given separately.

**(11) General Shareholder's Information & AGM / Listing, Registrar and Transfer Agents Distribution, Dematerialisation, Shareholding Pattern, Distinction of Shareholding, Plant Register Office location etc. are as under :-**

**(i) Annual General Meeting :-**

(a) 24<sup>th</sup> Annual General Meeting will be held on 30.09.2005 time at 11 A.M., Venue at Registered Office, 22, Mansur Building, 1<sup>st</sup> floor, 98, Princess Street, Mumbai - 400 002.

(b) Book closure will be as under : -

From 26<sup>th</sup> September, 2005 to 30<sup>th</sup> September, 2005. (Both the days inclusive)

**(ii) Listing on Stock Exchange :-**

a) Bombay Stock Exchange (BSE).

b) Annual listing fees have been paid to Bombay Stock Exchanges for the year 2005 - 2006.

c) Demat IS / N numbers is NSDL & CDSL for equity shares.

d) Shares are listed in BSE.

**(iii) Stock Data :-**

The company's listing was under suspension up to December 2004. The company is relisted in BSE stock exchange in January 2005 for which high low prices are tabulated herewith as under:-

Year 2004-2005 Month	BSE		
	High (Rs.)	Low (Rs.)	Volumes (Nos.)
January, 2005	11.00	3.66	9,100.00
February, 2005	7.21	4.75	10,400.00
March, 2005	6.70	2.65	137,500.00

**(iv) Registrar and Transfer Agent :-**

**Bigshare Services Private Limited.**

E-2/3, Ansa Industrial Estate, Sakivihar Road,  
Saki Naka, Andheri (E), Mumbai - 400 072.

Tele No. 2852 3474, 2856 0652/53, 2690 1335, Fax - 2852 5207.

**(v) Share Transfer System :-**

The company has continued the appointment of M/s. Bigshare Private Limited as Registrar and Transfer Agents for accepting, transferring and delivering the transferred Share Certificates. All the transfer received in order, are processed within a period of 30 days from the date of receipts.

**(vi) Dematerialisation of Shares :-**

The number of shares dematerialised during the year were 6,54,850 equity shares.



**(vii) Distribution of Shareholding on 31.03.2005 :-**

Sr. No.	Category	No. of shares	% of paid up capital
1	Resident Indian	37,20,200	70.18
2	Directors	1,34,000	2.53
3	Relative/Friend of Directors	2,81,600	5.31
4	Body Corporate	64,500	1.22
5	NRI/ NRI company	10,94,800	20.65
6	Clearing Member	5,800	0.11
	<b>TOTAL</b>	<b>53,00,900</b>	<b>100.000</b>

**(viii) Shareholding Distinction :-**

Range of shares	Number	% of Shareholders	Total Holding in Rupees	Percentage Number of holding of shares
01 to 5000	1319	52.07	50,40,000	9.51
5000 to 10000	824	32.53	73,71,000	13.90
10001 to 20000	203	8.01	34,51,000	6.51
20001 to 30000	70	2.77	17,36,000	3.27
30001 to 40000	13	0.51	4,36,000	0.82
40001 to 50000	23	0.91	10,95,000	2.07
50001 to 100000	29	1.15	24,74,000	4.67
100001 & above	52	2.05	3,14,06,000	59.25
<b>TOTAL</b>	<b>2,533</b>	<b>100.00</b>	<b>5,30,09,000</b>	<b>100.00</b>

**(ix) Plant Location :-**

Survey 66, Village Manfara, Taluka - Bhachau, Kutch, Pin - 370 140.

**(x) Investor Correspondence for transfer, Complaints & Information etc. :-**  
**Bigshare Services Private Limited.**

E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka,  
 Andheri (E), Mumbai - 400 072.  
 Tele No: 2852 3474, 2856 0652/53, 2690 1335, Fax - 2852 5207.

**(xi) Registered Office :-**

The Registered Office of the Company continued to remain as it is as per last year as under :-

**Kachchh Minerals Ltd.**  
 22, Mansur Building, 1<sup>st</sup> floor,  
 98, Princess street, Mumbai - 400 092.



**M/S. M. G. SIMARIA & CO.**  
CHARTERED ACCOUNTANTS

ROOM NO. 18, S. M. BUILDING,  
HINDUJA COLLEGE COMPOUND,  
315 - C, R. R. ROY MARG,  
CHARNI ROAD, MUMBAI - 400 004.  
PHONE : 23 86 88 56.

## **AUDITOR'S CERTIFICATE**

To,

The Member of Kachchh Minerals Limited.

We have examined the compliance of the condition of Corporate Governance by Kachchh Minerals Limited for the year ended 31<sup>st</sup> March, 2005 as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchange in India.

The Compliance of condition of Corporate Governance is the responsibility of management. Our examination has been in the manner described in the guidance note on certification of Corporate Governance issued by the Institute of Chartered Accountants of India and has been limited to the procedures and implementation thereof adopted by the company for ensuring the compliance with the condition of Corporate governance. It is neither an audit nor an expression of the opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanation given to us and the representation made by the management, we certify that company has complied with the condition of corporate governance as stipulated in clause 49 of Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per records maintained by the Shareholders / Investors Grievance Committee no investors grievance were received by the company during the financial year 2004-05.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For **M. G. SIMARIA & CO.**  
Chartered Accountants

Sd/-

**(Manilal G. Simaria)**  
Proprietor

Place: - Mumbai

Date: - 30<sup>th</sup> August, 2005.



**M/S. M. G. SIMARIA & CO.**  
CHARTERED ACCOUNTANTS

ROOM NO. 18, S. M. BUILDING,  
HINDUJA COLLEGE COMPOUND,  
315 - C, R. R. ROY MARG,  
CHARNI ROAD, MUMBAI - 400 004.  
PHONE : 23 86 88 56.

## **AUDITORS REPORT**

To,  
THE MEMBERS  
**M/S. KACHCHH MINERALS LTD.**

We have audited attached Balance Sheet of **M/S. KACHCHH MINERALS LTD.** as at 31<sup>st</sup> March, 2005 and also profit & 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.

We have 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 mis-statement. 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required the companies (Auditors Report) Order 2003 issued by the Central Government in terms of Section 227 (4 A) of the Companies act, 1956, we annexed hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the annexure referred to above, we report that
  - a) We have obtained all the information and explanations, which to the best of our knowledge & belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of accounts as required by Law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of accounts.
  - d) In our opinion and subject to our observations, comments and notes on the accounts, the profit & loss account and the balance sheet so prepared comply with the accounting standard referred to in sub- section (3 c) of section 211 of companies act, 1956, subject to note no. 10 (C) regarding non -provision of gratuity and leave salary of employees which is not ascertained and note No. 10 (A) regarding non-provision of doubtful loans and advances of Rs. 10 lacs due to which loss has been understated by Rs. 10 Lacs and is mentioned in note nos 10 (A), 10 (C) appearing in schedules / notes to accounts.



- e) In our opinion and based on information and explanations given to us and on the basis of written representation received from the Directors as on 31.03.2005 and taken on record by the Board of directors of the Company, none of the directors are disqualified as on 31.03.2005 from being appointed as directors in terms of clause (g) of sub-section (1) of Section 274 of the companies act, 1956.
- f) Attention is invited to the following in SCHEDULE "O" notes on Accounts.

**NOTE NO. 7**

*Regarding Company having no whole time Company Secretary.*

**NOTE NO. 10**

*Regarding non-provision of doubtful loans & advances of Rs. 10 Lacs.*

**NOTE NO. 11**

*Regarding non-ascertainment as well as non-provision of retirement benefits such as gratuity and leave encashment as required by accounting standard (AS 15) issued by the Institute of Chartered Accountants of India.*

Subject to forgoing, in our opinion, and to the best of our information and according to explanations given to us, accounting policies and other notes thereon, the said accounts, read with significant accounting policies and other notes thereon, 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:

- (i) In the case of the Balance Sheet, of the state of affairs of the Company as on 31<sup>st</sup> March, 2005 and
- (ii) In the case of the profit and loss account of the profit or loss of the Company for the year ended on that date.

**For M. G. SIMARIA & CO.**  
**CHARTERED ACCOUNTANTS**

**Sd/-**

**M.G. SIMARIA**  
(Proprietor)  
Membership No. 31547

PLACE: Mumbai

DATE: 30<sup>th</sup> August, 2005.





- (f) In our opinion, the rate of interest and other terms and conditions on which loan has been taken from the party listed in the Register maintained under section 301 of the Act are not prima facie prejudicial to the interest of the Company.
- (g) In our opinion, payment of principal amount and interest are also regular as loan alongwith due interest have been repaid during the year.
- (iv) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchase of inventories stores, spare parts, components, fixed assets including plant & machinery, equipment and other assets and with regards to sale of goods. The company has not rendered any services. There is no continuing failure to correct major weakness in internal control of the Company.
- (v) (a) According to the information and explanations given to us, transactions that need to be entered into the register maintained under Section 301 of the Act has been entered.
- (b) In our opinion and according to explanation given to us, there are no transactions exceeding Rs. 5 lacs during this financial year in respect of any party.
- (vi) In our opinion and according to information and explanation given to us, the Company has not accepted any deposit from public u/s. 58 A & 58 AA of the Companies Act, 1956.
- (vii) The Company has an internal audit system commensurate with the size of the Company and nature of its business.
- (viii) According to information and explanations given to us by the management, the Central Govt. has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956, for the products of the Company.
- (ix) (a) According to the information and explanation given to us, no undisputed amount shown as payable in respect of items specified in clause ix (a) Income Tax, Wealth Tax, Gujarat Sales Tax, Custom Duty, Royalty, Excise Duty, Cess as were outstanding as on 31<sup>st</sup> March, 2005 for a period more than 6 months from the date they become payable.
- (b) In case of Income Tax, Wealth Tax, Sales Tax, Excise/Custom Duty, Royalty, Cess, there is no disputes.
- (x) The accumulated losses at the end of financial year 2004-2005 are more than 50% of Company's net worth. The Company has not incurred cash losses during the period covered by the report whereas it has incurred cash losses in the financial year immediately preceding such financial year.
- (xi) According to explanation & information given to us by the management, the company has not defaulted in the payment of loan to banks & financial institutions.



- (xii) According to information & explanation given to us, the Company has not granted any loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore the provision of clause (xiii) paragraph (4) of the order are not applicable
- (xiv) The Company is not dealing in or trading in shares, Securities, debentures and other investment. Therefore the provision of clause (xiv) of the Paragraph 4 of the order are not applicable.
- (xv) According to information & explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company has not obtained any new term loans from the banks and financial institutions during the year. The term loan outstanding at the beginning of the year was applied for the purpose for which they were raised.
- (xvii) According to the cash flow statement and other records examined by us and the information & explanations given to us, on an overall basis, funds raised on short term basis have not prima facie, been used during the year for long term investments .
- (xviii) According to the information & explanation given to us, during the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) According to the information & explanation given to us, the Company had not issued any secured debentures during the year
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.

**FOR M.G. SIMARIA & CO.**  
**CHARTERED ACCOUNTANTS**

**Sd/-**

**(M.G. SIMARIA)**

Proprietor

Membership No. 31547

Place : Mumbai

Date : 30<sup>th</sup> August, 2005.



## KACHCHH MINERALS LTD.

### BALANCE SHEET AS ON 31.03.2005.

<u>PREVIOUS YEAR RS.</u>	<u>DESCRIPTION</u>	<u>SCHEDULES</u>	<u>CURRENT YEAR RS.</u>
	<b><u>SOURCES OF FUND</u></b>		
	<b>1 <u>SHARE HOLDER'S FUND</u></b>		
52,098,000	SHARE CAPITAL	A	52,098,000
5,480,360	RESERVE AND SURPLUS	B	4,744,033
<u>57,578,360</u>			
	<b>2 <u>LOAN FUNDS</u></b>		
2,161,976	SECURED LOAN	C	559,294
1,632,978	UNSECURED LOAN	D	<u>1,735,000</u>
<u>3,794,954</u>			2,294,294
<b><u>61,373,314</u></b>		<b>TOTAL RS.</b>	<b><u>59,136,327</u></b>
	<b><u>APPLICATION OF FUNDS</u></b>		
12,764,878	1 FIXED ASSETS	E	13,934,178
1,643,879	LESS : DEPRECIATION		3,061,558
<u>11,120,999</u>	NET BLOCK		10,872,620
20,000	2 INVESTMENT	F	NIL
6,457,171	3 CURRENT ASSETS, LOANS & ADVANCES	G	3,865,129
3,955,521	LESS : CURRENT LIABILITIES & PROVISION	H	3,235,504
<u>2,501,650</u>	NET CURRENT ASSETS		629,625
NIL	4 MISCELLANEOUS EXPENDITURE	I	NIL
NIL	A PRELIMINARY EXPENSES. (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)		NIL
47,730,665	B PROFIT & LOSS ACCOUNT DEBIT BALANCE		47,634,082
<u>61,373,314</u>	( AS PER ANNEXED ACCOUNTS)	<b>TOTAL RS.</b>	<b><u>59,136,327</u></b>
	NOTES ON ACCOUNTS AND DISCLOUSER OF SIGNIFICANT ACCOUNTING POLICIES	O	-

THE SCHEDULE " A " TO " N " AND " O " REFERRED TO ABOVE FORM AN INTEGRAL PART OF THE BALANCE SHEET

FOR AND ON BEHALF OF BOARD OF DIRECTORS  
FOR M/S. KACHCHH MINERALS LIMITED.

AS PER OUR REPORT OF EVEN DATE ATTACHED  
FOR M. G. SIMARIA & CO.  
CHARTERED ACCOUNTANTS

Sd/-  
( P. G. DAWDA )  
DIRECTOR

Sd/-  
( D.S. MADHWANI )  
DIRECTOR

Sd/-  
M.G. SIMARIA  
(Proprietor)  
Membership No. 31547

PLACE: Mumbai  
DATE: 30<sup>th</sup> August, 2005.



## KACHCHH MINERALS LTD.

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2005.

<u>PREVIOUS YEAR RS.</u>	<u>DESCRIPTION</u>	<u>SCHEDULE</u>	<u>CURRENT YEAR RS.</u>
	<b>A <u>INCOME</u></b>		
	SALES ( NET )		
4,097,672	LOCAL SALES		9,664,818
1,217,252	OTHER INCOME \ RECEIPTS.	J	807,532
<u>5,314,924</u>			<u>10,472,350</u>
	<b>B <u>EXPENSES</u></b>		
4,325,630	1 MANUFACTURING & OTHER DIRECT EXPENSES	K	5,237,485
(1,173,970)	2 INCREASE / DECREASE IN STOCK.	L	2,120,490
1,364,869	3 ADMINISTRATION, SELLING & DISTRIBUTION EXPM		862,873
330,000	4 DIRECTOR'S REMUNERATION.		480,000
624,172	5 INTEREST & FINANCIAL EXPENSES	N	256,151
	6 BAD DEBTS WRITTEN OFF.		
30,209	SUNDRY DEBTORS.		1,089
20,625	OTHER ADVANCES WRITTEN OFF.		NIL
917,833	7 DEPRECIATION.		<u>1,417,679</u>
<u>6,439,368</u>			<u>10,375,767</u>
(1,124,444)	8 NET PROFIT \ (LOSS) FOR THE YEAR. ( A - B )		96,583
(46,606,221)	9 ADD : PROFIT \ (LOSS) BROUGHT FORWARD.		(47,730,665)
NIL	LESS : PRIOR PERIOD ADJUSTMENT ( NET )		NIL
<u>(47,730,665)</u>	10 BALANCE CARRIED TO BALANCE SHEET.		<u>(47,634,082)</u>

NOTES ON ACCOUNTS AND DISCLOSURE OF  
SIGNIFICANT ACCOUNTING POLICIES

O

FOR AND ON BEHALF OF BOARD OF DIRECTORS  
FOR M/S. KACHCHH MINERALS LIMITED.

AS PER OUR REPORT OF EVEN DATE ATTACHED  
FOR M. G. SIMARIA & CO.  
CHARTERED ACCOUNTANTS

Sd/-

Sd/-

Sd/-

( P. G. DAWDA )  
DIRECTOR

( D.S. MADHWANI )  
DIRECTOR

M.G. SIMARIA  
(Proprietor)  
Membership No. 31547

PLACE:- Mumbai  
DATE: 30<sup>th</sup> August, 2005.



## KACHCHH MINERALS LTD.

### SCHEDULE ATTACHED TO BALANCE SHEET AS ON 31.03.2005.

#### SCHEDULE " A "

<u>PREVIOUS YEAR RS.</u>	<u>DESCRIPTION</u>	<u>CURRENT YEAR RS.</u>
	<b><u>SHARE HOLDER'S FUND</u></b>	
	<b><u>SHARE CAPITAL</u></b>	
	<b><u>AUTHORISED SHARES CAPITAL</u></b>	
100,000,000	AUTHORISED CAPITAL 1,00,00,000 EQUITY SHARES OF RS. 10/= EACH	100,000,000
	<b><u>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</u></b>	
53,009,000	53,00,900 EQUITY SHARES OF RS. 10/- EACH FULLY PAID UP	53,009,000
911,000	LESS : CALLS IN ARREARS FROM SHARE HOLDERS	911,000
<u>52,098,000</u>		<u>52,098,000</u>

NOTE :- ISSUED, SUBSCRIBED AND PAID UP  
CAPITAL INCLUDE 9,24,000 EQUITY  
SHARES OF RS. 10/= EACH ISSUED  
AS BONUS SHARES OUT OF  
REVALUATION RESERVES CREATED  
ON 27.05.1994 IN THE RATIO OF 1 : 2.

#### SCHEDULE " B "

	<b><u>RESERVE &amp; SURPLUS</u></b>	
	<b><u>CAPITAL RESERVE</u></b>	
	1 STATE SUBSIDY	
2,489,500	OPENING BALANCE	5,480,360
3,600,000	ADD : SUBSIDY SANCTIONED	NIL
<u>6,089,500</u>		<u>5,480,360</u>
89,500	LESS : WRITTEN BACK TO P & L A/C	NIL
519,640	LESS : RECOGNISED AS DEFERRED INCOME	736,327
<u>5,480,360</u>		<u>4,744,033</u>



## KACHCHH MINERALS LTD.

### SCHEDULE ATTACHED TO BALANCE SHEET AS ON 31.03.2005.

#### SCHEDULE " C "

<u>PREVIOUS YEAR RS.</u>	<u>DESCRIPTION</u>	<u>CURRENT YEAR RS.</u>
	<b><u>SECURED LOANS</u></b>	
	A	
	1 CASH CREDIT FACILITIES FROM DEVELOPMENT CREDIT BANK LTD (SECURED AGAINST STOCKS BOOK DEBTS & COLLATERALLY SECURED BY SIMPLE DEPOSIT OF TITLE DEEDS OF FREEHOLD LAND AND PERSONALLY GUARANTEED BY THE DIRECTORS.)	
	CASH CREDIT	528,345
	LESS:-REVERSAL OF BANK INTEREST	51,864
548,529	ADD: INTEREST ACCURED AND DUE	<u>56,424</u>
		532,905
	2 LOAN FROM KUTCH MERCANTILE CO.OP. BANK LTD. (SECURED AGAINST OUTSTANDING SUBSIDY RECEIVABLE FROM GOVERNMENT AS A VICTIM OF EARTHQUAKE IN KUTUCH GUJRAT STATE. )	
	LOAN AMOUNT	1,613,447
	ADD: INTEREST ACCURED AND DUE	127,942
1,613,447	LESS : REPAID	<u>1,715,000</u>
<u>2,161,976</u>		<u>26,389</u>
		<u>559,294</u>

#### SCHEDULE " D "

	<b><u>UNSECURED LOAN</u></b>	
1,429,666	LOANS FROM MEMBERS.	1,735,000
203,312	ADD: INTEREST ACCURED & DUE	NIL
<u>1,632,978</u>		<u>1,735,000</u>

# KACHCHH MINERALS LTD.

## SCHEDULES TO THE BALANCESHEET AS AT 31 ST MARCH 2005.

### SCHEDULE - " E "

SR. NO	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS AT 01.04.2004	ADDITION RS.	DELETION RS.	AS AT 31.03.2005. RS.	AS AT 01.04.2004 RS.	FOR THE YEAR RS.	AS AT 31.03.2005 RS.	WRITTEN OFF ON ASSETS SOLD FOR CURR. YR	AS AT 31.03.2005. RS.	AS AT 31.03.2004. RS.
1	LAND & LAND DEVELOPMENT (FREE HOLD)	339,581	NIL	NIL	339,581	NIL	NIL	NIL	NIL	339,581	339,581
2	BUILDING	2,797,078	20,800	NIL	2,817,878	90,118	135,538	225,656	NIL	2,592,222	2,706,960
3	PLANT & MACHINERY	8,501,003	1,112,352	NIL	9,613,355	727,294	1,197,384	1,924,678	NIL	7,688,677	7,773,709
4	VEHICLES	897,904	34,848	NIL	932,752	624,203	77,287	701,490	NIL	231,262	273,701
5	FURNITURE	1,220	1,300	NIL	2,520	221	374	595	NIL	1,925	999
6	OFFICE EQUIPMENT	228,092	NIL	NIL	228,092	202,043	7,096	209,139	NIL	18,953	26,049
	<b>TOTAL</b>	<b>12,764,878</b>	<b>1,169,300</b>	<b>NIL</b>	<b>13,934,178</b>	<b>1,643,879</b>	<b>1,417,679</b>	<b>3,061,558</b>	<b>NIL</b>	<b>10,872,620</b>	<b>11,120,999</b>
	<b>PREVIOUS YEAR</b>	<b>10,724,087</b>	<b>11,231,731</b>	<b>9,190,940</b>	<b>12,764,878</b>	<b>726,046</b>	<b>917,833</b>	<b>1,643,879</b>	<b>NIL</b>	<b>11,120,999</b>	<b>9,998,041</b>





## KACHCHH MINERALS LTD.

### SCHEDULE ATTACHED TO BALANCE SHEET AS ON 31.03.2005.

#### SCHEDULE " F "

##### INVESTMENT

<u>PREVIOUS</u> <u>YEAR RS.</u>	<u>DESCRIPTION</u>	<u>CURRENT</u> <u>YEAR RS.</u>
	<u>OTHER INVESTMENT</u>	
	200 EQUITY SHARE OF KUTCH MERCANTILE CO.OP. BANK LTD. OF RS. 100/= EACH FULLY PAID UP.	NIL
20,000		NIL
<u>20,000</u>		<u>NIL</u>

#### SCHEDULE " G "

##### CURRENT ASSETS, LOANS AND ADVANCES.

<u>PREVIOUS</u> <u>YEAR RS.</u>	<u>DESCRIPTION</u>	<u>CURRENT</u> <u>YEAR RS.</u>
	<b>A</b> <u>CURRENT ASSETS</u>	
	<b>1</b> <u>STOCK</u> (CERTIFIED AS TO QUANTITY AND VALUE BY MANAGEMENT)	
852,313	RAW MATERIALS	NIL
28,000	STORES & TOOLS	14,000
1,820,836	FINISHED GOODS.	552,659
NIL	DIESEL	12,090
<u>2,701,149</u>		<u>578,749</u>
	<b>2</b> <u>SUNDRY DEBTORS</u>	
	<u>DEBTS OUTSTANDING FOR MORE THAN 6 MONTHS</u>	
NIL	CONSIDERED GOOD.	421,878
NIL	CONSIDERED DOUBTFUL.	NIL
NIL		421,878
36,952	OTHERS CONSIDERED GOOD.	588,187
<u>36,952</u>		<u>1,010,065</u>
	<b>3</b> <u>CASH &amp; BANK BALANCE</u>	
57,217	CASH ON HAND.	29,261



BALANCE WITH SCHEDULED BANKS IN		
<b>A CURRENT ACCOUNT</b>		
3,315	BANK OF BARODA	2,567
NIL	BHUJ MERCANTILE CO-OP. BANK LTD.	2,047
	KUTCH MERCANTILE CO-OP. BANK LTD.	10,583
NIL	<b>B FIXED DEPOSIT ACCOUNT.</b>	NIL
<u>60,532</u>		<u>44,458</u>
<u>2,798,633</u>	TOTAL (A)	<u>1,633,272</u>
<b>B LOANS AND ADVANCES ( UNSECURED )</b>		
	ADVANCES RECOVERABLE IN CASH OR IN KIND	
22,690	FOR VALUE TO BE RECEIVED.	31,476
<b>LOANS AND ADVANCES</b>		
796,500	a CONSIDERED GOOD.	867,847
1,000,000	b CONSIDERED DOUBTFUL.	1,000,000
<b>OTHER CURRENT ASSETS.</b>		
228,330	DEPOSITS.	226,330
11,018	ADVANCE GIVEN TO SUNDRY CREDITORS	106,204
1,600,000	SUBSIDY SANCTION BUT RECEIVABLE	NIL
	FROM GUJRAT GOVERNMENT	
<u>3,658,538</u>	TOTAL (B)	<u>2,231,857</u>
<u>6,457,171</u>	TOTAL (A + B)	<u>3,865,129</u>

**SCHEDULE " H "**

**CURRENT LIABILITIES AND PROVISION**

<b>PREVIOUS YEAR RS.</b>	<b>DESCRIPTION</b>	<b>CURRENT YEAR RS.</b>
	<b>SUNDRY CREDITORS</b>	
259,803	FOR GOODS.	128,921
326,390	FOR CAPITAL GOODS.	1,035,340
1,932,786	FOR EXPENSES.	1,536,339
252,322	STATUTORY LIABILITIES.	534,904
1,000,000	<b>ADVANCE RECEIVED FROM DEBTOR</b>	NIL
	<b>BANK OVERDRAFT</b>	
142,917	KUTCH MERCANTILE CO.OP. BANK LTD.	NIL
41,303	BHUJ MERCANTILE CO-OP. BANK LTD.	NIL
<u>3,955,521</u>		<u>3,235,504</u>



## KACHCHH MINERALS LTD.

### SCHEDULE " I "

<u>PREVIOUS YEAR RS.</u>	<u>DESCRIPTION</u>	<u>CURRENT YEAR RS.</u>
	<b><u>MISCELLANEOUS EXPENSES</u></b>	
	( TO THE EXTENT NOT WRITTEN OFF )	
NIL	PRELIMINARY EXPENSES	NIL
NIL	LESS : WRITTEN OFF DURING THE YEAR.	NIL
<u>NIL</u>		<u>NIL</u>

### SCHEDULE " J "

<u>PREVIOUS YEAR RS.</u>	<u>DESCRIPTION</u>	<u>CURRENT YEAR RS.</u>
	<b><u>OTHER INCOME</u></b>	
122,000	WRITE BACK OF CENTRAL & STATE SUBSIDY OF EARLIER YEARS	NIL
68,742	INCOME TAX REFUND	NIL
36,109	INTEREST. ON INCOME TAX REFUND	NIL
249,185	SCRAP SALES.	NIL
221,576	REVERSAL OF BANK INTEREST & OTHER CHARGES	51,864
519,640	SUBSIDY RECOGNISED AS DEFERRED INCOME.	736,327
NIL	DISCOUNT	4,536
NIL	BAD DEBT RECOVERY	14,805
<u>1,217,252</u>		<u>807,532</u>

### SCHEDULE " K "

#### MANUFACTURING & OTHER EXPENSES.

<u>PREVIOUS YEAR RS.</u>	<u>DESCRIPTION</u>	<u>CURRENT YEAR RS.</u>
1,463,419	MINING MATERIAL AND INCIDENTAL EXPENSES.	1,331,537
130,307	STORES & TOOLS CONSUMED	162,328
NIL	PACKING MATERIAL	43,500
582,821	ROYALTY.	832,855
386,362	SALARY, WAGES AND ALLOWANCES.	250,482
334,982	POWER AND FUEL.	595,714
765,121	GRINDING\PROCESSING\CONTRACT LABOUR CHARGES.	1,200,833
645,551	TRANSPORT CHARGES.	789,949
17,067	REPAIRS AND MAINTENANCE.	30,287
<u>4,325,630</u>		<u>5,237,485</u>



## KACHCHH MINERALS LTD.

### SCHEDULE " L "

<u>PREVIOUS YEAR RS.</u>	<u>DESCRIPTION</u>	<u>CURRENT YEAR RS.</u>
	<b>INCREASE AND DECREASE IN STOCK.</b>	
	OPENING STOCK	
1,499,179	RAW MATERIALS & FINISHED GOODS	2,673,149
<u>1,499,179</u>		<u>2,673,149</u>
	LESS : CLOSING STOCK OF	
2,673,149	RAW MATERIALS & FINISHED GOODS	552,659
<u>(1,173,970)</u>		<u>2,120,490</u>

### SCHEDULE " M "

<u>PREVIOUS YEAR RS.</u>	<u>DESCRIPTION</u>	<u>CURRENT YEAR RS.</u>
	<b>ADMINISTRATIVE , SELLING AND DISTRIBUTION EXPENSES</b>	
457	1 FREIGHT OUTWARD	1,080
202,907	2 VEHICLE EXPENSES.	154,369
90,000	3 RENT, RATES & TAXES.	108,000
178,617	4 SALES COMMISSION & PROMOTION.	NIL
21,458	5 TRAVELLING EXPENSES.	15,194
10,500	6 AUDIT FEES.	10,500
107,017	7 POSTAGE & TELEPHONE.	116,913
33,900	8 PROFESSION FEES.	33,071
84,375	9 INSURANCE.	29,874
12,021	10 CAR HIRE & CONVEYANCE.	41,603
38,627	11 PRINTING & STATIONERY.	46,490
78,649	12 MISCELLANEOUS EXPENSES.	148,280
96,000	13 SALARY & WAGES.	96,000
300,000	14 COMPENSATION EXP	NIL
109,681	15 STAFF WELFARE.	61,500
660	16 SALES TAX	NIL
<u>1,364,869</u>		<u>862,873</u>



## KACHCHH MINERALS LTD.

### SCHEDULE " N "

<u>PREVIOUS YEAR RS.</u>	<u>DESCRIPTION</u>	<u>CURRENT YEAR RS.</u>
	<b><u>INTEREST &amp; FINANCIAL CHARGES</u></b>	
348,962	BANK INTEREST	184,516
4,775	INTEREST ON CAR LOAN.	NIL
203,312	INTEREST ON LOAN.	65,763
67,123	BANK COMMISSION & CHARGES.	5,872
<u>624,172</u>		<u>256,151</u>



## KACHCHH MINERALS LTD.

### NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2005.

#### SCHEDULE "O"

1. The financial statements have been prepared on assumption that the company is a going concern. The financial statement for the year suggest and indicate that during the year 2004-05 the company has also incurred capital expenditure to plant & machinery and building and also has sales turnover.
2. **SIGNIFICANT ACCOUNTING POLICIES SUBJECT TO AND READ WITH NOTES NO. 1 ABOVE**
  - 2.1 **GENERAL :**
    - A The accounts are prepared under the historical cost convention, in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956 as adopted earlier and consistently by the Company and in all material aspects with Accounting Standards issued by the Institute of Chartered Accountants of India on accrual basis except in the following case where accounting is done on cash basis. :
 

Expenses related :- Retirement benefit, gratuity paid are accounted on payment basis.
    - B Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principle.
  - 2.2 **FIXED ASSETS :**

Fixed Assets and additions thereto are disclosed at cost inclusive of freight, duties, taxes and all incidental expenses related thereto and borrowing cost upto its use.
  - 2:3 **DEPRECIATION :**
    - A Depreciation on assets is provided on written down value method applying the rates specified in Schedule XIV to the Companies Act, 1956.
    - B Depreciation on additions to fixed assets is provided on pro-rata basis from the date of assets put to use.
    - C Depreciation on deletion / sale / dispose of assets have been calculated on pro-rata basis up to the date of deletion / sale / disposal.
  - 2:4 **INVENTORIES :**

Inventories at the year end are valued as under :

    - a) Raw material at cost.
    - b) Finished goods at cost or market value whichever is less.
    - c) Stores and tools at cost.



**2:5 RETIREMENT BENEFIT :**

Retirement benefit, gratuity payment are accounted on payment basis.

**2:6 REVENUE RECOGNITION :**

**SALES :**

Revenue from sales of goods is recognized upon passage of title to the customer, which generally coincides with their delivery.

**2:7 BORROWING COST. :**

- i) Borrowing cost that are attributable to the acquisition of qualifying assets are capitalized as a part of the cost of such fixed assets up to the date when such assets are ready for its intended use.
- ii) All other borrowing cost not attributed to any assets are charged to revenue.

**2:8 SEGMENT REPORTING :**

The Company is operating in one segment mining materials. Hence, no segmentwise disclosure as per AS -17 is provided.

**2:9 DEFERRED TAX :**

As per AS-22 issued by ICAI, the Company has not credited any Deferred Tax assets as availability of future taxable profit to realize deferred tax assets cannot be estimated with virtual certainty. Since Deferred Tax Assets exceeds Deferred Tax Liabilities , no provision has been made for Deferred Tax Liabilities.

**2:10 Impairment of Assets :**

An Asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2:11 Investments are shown at cost.

**2:12 EARNING PER SHARE :**

	<b>As on <u>31.03.2005</u></b>	<b>As on <u>31.03.2004</u></b>
a) Net Profit /Loss during the period	96,583	(11,24,444)
b) Equivalent No. of Equity Shares of Rs. 10/- each	52,09,800	52,09,800
c) Basic / Diluted Earnings (Loss) Per shares (a / b)	0.02	(0.22)

**2:13 SUBSIDY & WAIVER OF BANK INTEREST :**

- (a) The previous year interest of Rs. 51,864/- on working capital loan reversed by the bank during this year have been credited to the current year's Profit & Loss Account as the same was debited to the previous year's Profit & Loss Account under the head of Interest & financial charges.
- (b) The Government of Gujarat has sanctioned Rs. 60 lacs as subsidy out of which Rs. 44 lacs is received up to 31.03.2004 and balance subsidy of Rs.16 lacs is received in financial year 2004-2005. As per AS-12 total subsidy



amount of Rs. 60 lacs is taken as deferred income in proportion of depreciation over the estimated useful life of assets i.e. 15 years for plant and machinery and 30 years for building. This subsidy is granted on fulfillment of certain usual conditions imposed by the Government.

3:	<u>CONTINGENT LIABILITIES :</u>	<u>31.03.2005</u>	<u>31.03.2004</u>
	Claim against the Company not acknowledged as debts nor provided for : Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	NIL	NIL
4:	<u>RELATED PARTY DISCLOSURE (AS IDENTIFIED BY THE MANAGEMENT):</u>		
i)	Related Party relationship		
	a) Where control exists : Alankar Ceramics Private Ltd. (Son & Wife of Director P.G. Dawda are Directors in the Company )		
	b) Director / Key Management Personnel: <b>MR. P. G. DAWDA</b> <b>MR. KISHORE G. DAWDA</b> <b>MR. D.S. MADHWANI.</b>	<b>DIRECTOR</b> <b>DIRECTOR</b> <b>DIRECTOR</b>	
ii)	Transaction with related parties : <u>WHERE CONTROL EXISTS :</u> Loans and Advances recoverable in cash or in kind includes amounts due from a body corporate in which a director and his relatives are interested Maximum balance due	NIL NIL	NIL NIL
iii)	Sales, purchase and payment or processing Charges to and from a body corporate in which a Director and his relatives are interested as under :		
	Sales	1,29,345	24,233
	Purchases	NIL	NIL
	Processing charges	NIL	NIL
iv)	<u>DIRECTOR / KEY MANAGEMENT PERSONNEL :</u> Remuneration to Prataprai G. Dawda 3,00,000 Remuneration to Kishore G. Dawda <u>1,80,000</u> 4,80,000 (also Refer Note No. 12 below ) Rent & use of office infrastructure facilities to proprietary concern of Mr. D. S. Madhwani. (Director)	1,08,000	1,50,000
v)	LOAN FROM JASUMATI KISHORE DAWDA MAXIMUM BALANCE DUE Interest payable on loan	1,63,315 1,63,315 NIL	1,50,000 1,64,795 14,795

( The above Loan alongwith Interest has been repaid during the financial year 2004-2005)

5: The balance of debtors, creditors, deposit and loans and advances are subject to confirmation from parties.



<b>6:</b>	<b><u>PAYMENT TO AUDITORS</u></b>	<b><u>31.03.2005</u></b>	<b><u>31.03.2004</u></b>
	Audit fees	10,500	10,500
	Taxation matters	8,500	8,500
	<b>TOTAL</b>	<b>19,000</b>	<b>19,000</b>

7: The Company has no whole time Company Secretary within the meaning of section 383 A of the Companies Act, 1956.

8: No provision for taxation has been made in view of carry forward losses.

9: In the opinion of the Board of Directors the current assets, loans and advances except Rs. 10 lacs as stated in note No. 10 (A) have a value on realization in the ordinary course of business at least equal to the amount at which items are stated in the Balance sheet.

<b>10:</b>	<b>No. No Provisions have been made in the accounts for</b>	<b><u>31.03.2005</u></b>	<b><u>31.03.2004</u></b>
	A Doubtful Loans & Advances	10,00,000	10,00,000
	B Doubtful Sundry Debtors	NIL	NIL
	C Gratuity, leave salary & terminal dues of employees consequent upon closure of unit, if any	Amount not Ascertained	Amount not Ascertained

11: The Company has neither provided nor ascertained the amount of retirement benefits such as Gratuity and Leave Encashment etc., as required by Accounting Standard (AS -15) issued by the Institute of Chartered Accountants of India.

12: Payment of remuneration to whole time directors includes Rs. 3,00,000/- to Mr. Prataprai G. Dawda and Rs. 1,80,000/- to Mr. Kishore G. Dawda.

13: ADDITIONAL INFORMATION PURSUANT TO THE PARAGRAPHS 3, 4C AND 4 D OF PART II TO SCHEDULE VI TO THE COMPANIES ACT, 1956.

**1. LICENSED AND INSTALLED CAPACITY :**  
**(AS CERTIFIED BY THE MANAGEMENT)**

	<b><u>31.03.2005.</u></b>		<b><u>31.03.2004.</u></b>	
	<b><u>LICENSED</u></b>	<b><u>INSTALLED</u></b>	<b><u>LICENSED</u></b>	<b><u>INSTALLED</u></b>
CHINA CLAY	N.A.	15,000 TONS	N.A.	15,000 TONS
SILICA SAND	N.A.	NIL	N.A.	NIL

**2. OPENING AND CLOSING STOCK OF FINISHED GOODS / RAW MATERIAL**  
**(AS CERTIFIED BY MANAGEMENT IN QUANTITY & VALUE)**

	<b><u>31.03.2005.</u></b>				<b><u>31.03.2004.</u></b>			
	<b><u>OPENING</u></b>		<b><u>CLOSING</u></b>		<b><u>OPENING</u></b>		<b><u>CLOSING</u></b>	
	<b><u>QTY.</u></b>	<b><u>VALUE</u></b>	<b><u>QTY.</u></b>	<b><u>VALUE</u></b>	<b><u>QTY.</u></b>	<b><u>VALUE</u></b>	<b><u>QTY.</u></b>	<b><u>VALUE</u></b>
	<b><u>/MT</u></b>	<b><u>RS.</u></b>	<b><u>/MT</u></b>	<b><u>RS.</u></b>	<b><u>/MT</u></b>	<b><u>RS.</u></b>	<b><u>/MT</u></b>	<b><u>RS.</u></b>
CHINA CLAY (GRINDED)	57.790	1,84,697	0.065	29	91.54	2,92,561	57.790	1,84,697
CHINA CLAY (NON-GRINDED)	2350	9,42,350	880.05	3,88,051	438.77	12,06,618	2350	9,42,350
SILICA SAND	192.44	5,29,210	3000	1,64,579	NIL	NIL	192.44	5,29,210
ROM	3000	1,64,579	NIL	NIL	NIL	NIL	3000	1,64,579
	13677.75	8,52,313	NIL	NIL	NIL	NIL	13677.75	8,52,313



**3. OPENING & CLOSING STOCK OF STORES & TOOLS**

	<u>31.03.2005.</u>		<u>31.03.2004.</u>	
	<u>OPENING</u>	<u>CLOSING</u>	<u>OPENING</u>	<u>CLOSING</u>
	<u>VALUE</u>	<u>VALUE</u>	<u>VALUE</u>	<u>VALUE</u>
	28,000	14,000	65,000	28,000

**4. ACTUAL PRODUCTION**

	<u>31.03.2005.</u>	<u>31.03.2004.</u>
	<u>QTY / MT.</u>	<u>QTY / MT.</u>
A <u>CHINA CLAY</u>		
Manufacturing(Grinded/Non-Grinded)	5,458.685	2629.275
B <u>WASTE MATERIAL</u>		
(Out of written off channel waste )	1476.425	949.265
C <u>KAOLIN</u>	1,530.84	26930.000
D <u>SILICA SAND</u>	NIL	3000.000
E <u>ROM</u>	15,262.43	13677.75
F <u>MINING MATERIAL</u>	NIL	264.005

**5. SALES (NET) (AS CERTIFIED BY MANAGEMENT AS TO QUANTITY AND VALUE ):**

	<u>31.03.2005.</u>		<u>31.03.2004.</u>	
	<u>QTY / MT.</u>	<u>AMTRS.</u>	<u>QTY / MT.</u>	<u>AMTRS.</u>
A <u>CHINA CLAY (TRADING)</u>	NIL	NIL	NIL	NIL
B <u>CHINA CLAY (NON-TRADING)</u>	7,178.800	50,86,422	559.355	5,98,214
C <u>WASTE MATERIAL</u>	1,476.425	1,18,878	949.265	1,06,482
D <u>SILICA SAND</u>	NIL	NIL	NIL	NIL
E <u>ROM</u>	28,940.18	42,54,206	NIL	NIL
F <u>MINING MATERIAL</u>	NIL	NIL	264.005	26,726
G <u>KAOLIN</u>	1,530.84	2,05,312	26,930	33,66,250
<b>TOTAL</b>	<b>39,126.245</b>	<b>96,64,818</b>	<b>28,702.625</b>	<b>40,97,672</b>

6. CONSUMPTION OF STORES / TOOLS / SPARES Rs 1,62,328 1,30,703  
PACKING MATERIAL ALL INDIGENIOUS

7. EARNING IN FOREIGN CURRENCY (FOB) NIL NIL

8. EXPENDITURE IN FOREIGN CURRENCY NIL NIL

9. REMUNERATION PAID TO WHOLE TIME EXECUTIVE DIRECTORS Rs.4,80,000 3,30,000

10. VALUE OF IMPORTED RAW -MATERIAL AND SPARES NIL NIL

11. C.I.F. VALUE OF IMPORTED MATERIAL NIL NIL

12. Information pursuant to part IV of the Companies Act, 1956 viz. Balance sheet abstract and general business profile and cash flow statement pursuant to clause 32 of listing agreement are annexed hereto.

13. The Company does not possess information as to which of its suppliers are Industrial Undertaking & SSI.



14. Figure of the previous year have been re-grouped / rearranged / reclassified wherever necessary.

**NOTES ON ACCOUNTS - SCHEDULE "O"**

THE SCHEDULES REFERRED TO ABOVE AND THE NOTES IN SCHEDULE 'O' FORMS AN INTEGRAL PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT.

FOR AND ON BEHALF OF BOARD OF DIRECTORS  
FOR **M/S. KACHCHH MINERALS LIMITED.**

AS PER OUR REPORT OF EVEN DATE ATTACHED  
FOR **M. G. SIMARIA & CO.**  
CHARTERED ACCOUNTANTS

**Sd/-**  
**( P. G. DAWDA )**  
DIRECTOR

**Sd/-**  
**( D.S. MADHWANI )**  
DIRECTOR

**Sd/-**  
**M.G. SIMARIA**  
(Proprietor)  
Membership No. 31547

PLACE: Mumbai  
DATE: 30<sup>th</sup> August, 2005.



## KACHCHH MINERALS LTD.

### BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE.

I	REGISTRATION DETAILS		
	REGISTRATION NOS.	24282	STATE CODE
	BALANCE SHEET DATE 31.03.2005		
II	CAPITAL RAISED DURING THE YEAR ( AMOUNT IN RS. THOUSANDS )		
	PUBLIC ISSUE	NIL	RIGHT ISSUE
	BONUS ISSUE	NIL	PRIVATE PLACEMENT
III	POSITION OF MOBILISATION & DEPLOYMENT OF FUND		
	( AMOUNT IN RS. THOUSANDS )		
	TOTAL LIABILITIES	59,136	TOTAL ASSETS
	SOURCES OF FUNDS		59,136
			APPLICATION OF FUNDS
			NET FIXED ASSETS
	PAID UP CAPITAL	52,098	10,873
	RESERVE & SURPLUS	4,744	INVESTMENT
	SECURED LOAN	559	NIL
	UNSECURED LOAN	1,735	NET CURRENT ASSETS
			630
			MISC. EXPENDITURE
			47,634
			( DEBIT OF P/L A/C.)
IV	PERFORMANCE OF COMPANY ( AMOUNT RS. IN THOUSANDS )		
	TURNOVER INCLUDING	10,472	TOTAL EXPENDITURE
	OTHER INCOME		10,376
	PROFIT BEFORE TAX	97	PROFIT AFTER TAX
	EARNING PER SHARE	0.02	DIVIDEND RATE %
			NIL
V	GENERIC NAMES OF THREE PRINCIPAL		
	PRODUCTS OF COMPANY ( AS PER MONETARYTERMS )		
	ITEMS CODE NO.	N. A.	
	PRODUCT DESCRIPTION	CHINA CLAY, SILICA SAND AND MINERAL	
	MATERIAL.		
VI	REPRESENTS CALL IN ARREARS RECEIVED DURING THE YEAR.		

FOR AND ON BEHALF OF BOARD OF DIRECTORS  
FOR M/S. KACHCHH MINERALS LIMITED.

AS PER OUR REPORT OF EVEN DATE ATTACHED  
FOR M. G. SIMARIA & CO.  
CHARTERED ACCOUNTANTS

Sd/-  
( P. G. DAWDA )  
DIRECTOR

Sd/-  
( D.S. MADHWANI )  
DIRECTOR

Sd/-  
M.G. SIMARIA  
(Proprietor)  
Membership No. 31547

PLACE: Mumbai  
DATE: 30<sup>th</sup> August, 2005.



**KACHCHH MINERALS LTD.**  
**CASH FLOW STATEMENT FOR**  
**THE YEAR ENDED AS ON 31.03.2005.**

**PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT.**

<u>SR. NO.</u>	<u>PARTICULARS</u>	<u>2004 - 2005.</u>	<u>2003 - 2004</u>
			(Rs. IN LACS)
<b>A</b>	<b><u>CASH FLOW FROM OPERATING ACTIVITIES :</u></b>		
	NET PROFIT BEFORE TAX	0.97	(11.24)
	EXTRAORDINARY ITEMS ( INCOME )		
	SUBSIDY OFFERED AS INCOME (7.36)		
	SCRAP SALE NIL		
	INTEREST SUBSIDY RECEIVABLE NIL (7.36)	<u>(7.36)</u>	<u>(8.91)</u>
	NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	(6.40)	(20.15)
	ADJUSTMENT FOR DEPRECIATION.	14.18	9.18
	ADJUSTMENT FOR INTEREST.	2.56	5.57
	OTHER INCOME / WRITE BACKS.	<u>(0.67)</u>	<u>(2.22)</u>
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	9.67	(7.62)
	ADJUSTMENT FOR		
	TRADE AND OTHER RECEIVABLES		
	( EXCLUDING W/OFFS )	4.54	(3.38)
	BANK OVERDRAFT	(1.84)	1.83
	INVENTORIES	21.20	(11.37)
	TRADE PAYABLES (EXCLUDING WRITE BACKS)	<u>(5.36)</u>	<u>14.58</u>
	CASH GENERATED FROM OPERATIONS	28.21	(5.96)
	INTEREST PAID	(2.56)	(5.52)
	INCREASE / DECREASE IN BANK		
	BORROWINGS FROM W. C.	(0.16)	(8.84)
	INFLOW (OUTFLOW) BEFORE EXTRA ORDINARY ITEMS		
	EXTRA ORDINARY ITEM		
	SCRAP SALE / OTHER INCOME	0.15	2.49
	CASH OUTFLOW FROM OPERATING ACTIVITIES		
	AFTER EXTRA ORDINARY ITEMS (A)	<u>25.65</u>	<u>(17.83)</u>
<b>B</b>	<b><u>CASH FLOW FROM INVESTING ACTIVITIES :</u></b>		
	PURCHASE OF FIXED ASSETS / CAPITAL WIP	(11.69)	(20.41)
	SALE OF FIXED ASSETS	NIL	NIL
	PURCHASE OF INVESTMENT	NIL	NIL
	SALE OF INVESTMENT	0.20	NIL
	CASH OUTFLOW FROM INVESTING ACTIVITIES (B)	<u>(11.49)</u>	<u>(20.41)</u>



**C CASH FLOW FROM FINANCING ACTIVITIES :**

SUBSIDY RECEIVED / RECEIVABLE	NIL	36.00
REVERSAL OF INTEREST & OTHER CHARGES OF BANK	0.52	2.22
INCREASE IN TERM LOAN WITH O/S INTEREST	(15.87)	3.00
INCREASE / DECREASE IN OTHERS BORROWINGS	1.02	(3.85)
NET CASH USED IN FINANCING ACTIVITIES	(C) <u>(14.33)</u>	<u>37.37</u>
NET INCREASE ( DECREASE ) IN CASH AND CASH EQUIVALENTS ( A + B + C )	(0.17)	(0.87)
CASH AND CASH EQUIVALENT AS AT THE OPENING ( OPENING BALANCE )	0.61	1.48
CASH AND CASH EQUIVALENT AS AT THE CLOSING ( CLOSING BALANCE )	<u>0.44</u>	<u>0.61</u>

PLACE : MUMBAI.

DATE : 30th August 2005

**BY ORDER OF THE BOARD OF  
DIRECTORS**

Sd/-

**PRATAPRAI G. DAWDA.  
CHAIRMAN**

**AUDITORS CERTIFICATE**

WE HAVE VERIFIED THE ABOVE CASH FLOW STATEMENT OF KACHCHH MINERALS LIMITED DERIVED FROM THE AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2005 AND FOUND THE SAME TO BE DRAWN IN ACCORDANCE THEREWITH.

**FOR M/S. M. G. SIMARIA & CO.  
CHARTERED ACCOUNTANTS**

Sd/-

**(M. G. SIMARIA)  
PROPRIETOR**

PLACE : MUMBAI

DATE : 30th August 2005



**KACHCHH MINERALS LTD.**

**REGISTERED OFFICE**  
 22, Mansur Building, 1<sup>st</sup> Floor,  
 98, Princess Street, Mumbai - 400 002.

L.F. No.
No. of Shares held

**ATTENDANCE CARD**

I / We hereby record my / our presence at the 24th Annual General Meeting of the Company at 22, Mansur Building, 98, Princess Street, Mumbai - 400 002. at 11.00 A.M. on Friday, 30<sup>th</sup> September 2005.

NAME OF THE SHARE HOLDER (IN BLOCK LETTERS) \_\_\_\_\_

SIGNATURE OF THE SHAREHOLDER / PROXY\* \_\_\_\_\_

NOTE : \*Strike out whichever is not applicable.

1. You are requested to sign and hand this over 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 not less than 48 hours before the time for holding the meeting.

**KACHCHH MINERALS LTD.**

**REGISTERED OFFICE**  
 22, Mansur Building, 1<sup>st</sup> Floor,  
 98, Princess Street, Mumbai - 400 002.

L.F. No.
No. of Shares held

**FORM OF PROXY**

I / We \_\_\_\_\_ of \_\_\_\_\_  
 being a member / members of the above mentioned Company hereby appoint \_\_\_\_\_  
 of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_  
 as my / our proxy to vote for me / us on my / our behalf at the Twenty-Fourth Annual  
 General Meeting of the Company to be held on Friday, 30<sup>th</sup> September 2005 and at any  
 adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2005.

Affix 1 Rupee Revenue Stamp
--------------------------------------

NOTES: Signature \_\_\_\_\_

1. The Proxy form duly completed, Stamped and signed deposited at the Registered Office of the Companies, not less than 48 hours before the time for holding the meeting, proxy need not be member of Company.
2. This form must be used in favour / against of the resolution, unless otherwise directed, the proxy will vote as he / she thinks fit.  
 \* Strike out whichever is not applicable.



**Book Post**

**Registered Office:**

**KACHCHH MINERALS LTD.**

22, Mansur Building, 1<sup>st</sup> Floor,  
98, Princess Street,  
Mumbai - 400 002.