

KAMALAKSHI FINANCE CORPORATION LIMITED

ANNUAL REPORT

2004-2005

KAMALAKSHI FINANCE CORPORATION LTD.

Redg office : Tanna House, 2nd Floor,
11/A, Nathalal Parekh Marg,
Mumbai - 400 039. (India)
Tel. No. : 202 1482

DIRECTOR'S REPORT 2004-2005

Dear Members,

Your Directors are pleased to present their Report together with Audited Statement of Accounts on working of the Company for the year ended 31st March, 2005.

FINANCIAL RESULTS :

Your company has incurred loss of Rs.35,676/- (Previous Year - Loss Rs. 70,652/-) for the year ended 31st March, 2005.

DIVIDEND :

In view of the current year loss, no dividend is declared.

EMPLOYEES :

The Company has had no employees during the year.

DISCLOSURES OF PARTICULARS :

The requirements of reporting on the Disclosures of particulars as per the Companies (Disclosure of particulars in the Report of the Board of Directors), Rules, 1988, are not applicable to the company.

AUDITORS :

M/s. Ramesh M. Sheth Associates, Chartered Accountants retire at the forthcoming Annual General Meeting and have expressed their willingness to continue as Auditors if re-appointed at the Annual General Meeting. The necessary certificate regarding eligibility under section 224 (1B) of the Companies Act, 1956 has also been received by the Company.

RESPONSIBILITY STATEMENT OF THE BOARD OF DIRECTORS :

In Pursuance of Section 217(2AA) of the Companies Act, 1956, ("the Directors state , as an averment of their responsibility that:

- i) the Company has in the preparation of the annual accounts followed the applicable accounting standards alongwith proper explanations relating to material departures, if any;
- ii) The Directors 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 ended 31st March, 2005.
- iii) The Directors 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; and
- iv) The Directors have prepared the annual accounts on a 'going concern' basis.

ACKNOWLEDGEMENTS :-

Yours Directors express their grateful appreciation for the co-operation received from Bank and share holders of the company during the year under review.

FOR AND ON BEHALF OF THE BOARD
KAMALAKSHI FINANCE CORPORATION LTD.

PLACE : MUMBAI

DATE : 31 AUG 2005

CHAIRMAN

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Kamalakshi Finance Corporation Ltd.

Anshuman Tanna

DIRECTOR

Ramesh M. Sheth & Associates

Chartered Accountants

1/A, Mulji Mistry Bldg., 1st Floor, Tejpal Road, Vile Parle (East), Mumbai - 400 057.
Tel: 26116260 / 26166064 FAX : 26166577 Email: jashsheth@hotmail.com

Auditor's Report

To the Members
Kamlakshi Finance Corporation Limited

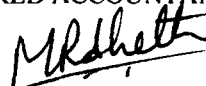
We have audited the attached Balance Sheet of **KAMLAKSHI FINANCE CORPORATION LIMITED** as at 31st March 2005 and Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government of India in terms of Sub-section (4) of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. On the basis of audit conducted by us we report as under :
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - iii) In our opinion, proper books of account, as required by law, have been kept by the company, so far as appears from our examination of those books.
 - iv) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - v) In our opinion, the Balance Sheet and Profit and Loss account dealt by this report comply with the mandatory accounting standards referred in sub-section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable.
 - vi) In our opinion, and based on information and explanations given to us, none of the directors are disqualified as on 31st March, 2005, from being appointed as directors in terms of Clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - vii) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956 in the manner so required and present true and fair view, in conformity with the accounting principles generally accepted in India:
 - (a) In so far it relates to Balance Sheet of the state of affairs of the Company as at 31st March, 2005;
 - (b) In so far as it relates to Profit and Loss Account of the loss of the Company for the year ended on that date.
 - (c) In so far as it relates to Cash flow statement of the Cash Flow of the Company for the year ended on that date.

PLACE : MUMBAI

DATED : 31 AUG 2005

FOR RAMESH M. SHETH & ASSOCIATES
CHARTERED ACCOUNTANTS



M. R. SHETH
(PARTNER)
M. No. 101598

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Kamlakshi Finance Corporation Ltd.



DIRECTOR

Annexure to Auditors' Report

Referred to in Paragraph 2 of our report of even date

1. In respect of its fixed assets:
 - a. The Company does not have any fixed assets and hence para 4(i) of the Order is not applicable.
2. In respect of its inventories:
 - a. The Company does not have any inventories and hence para 4(ii) of the Order is not applicable.
3. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
 - a. The Company has not taken any fresh loans from any parties during the year and has also not granted any loan to any party as stated above during the year.
4. The Company has adequate internal control system commensurate with the size of the Company and nature of its business for purchase of assets and inventories and sale of securities.
5. In respect of transactions covered under Section 301 of the Companies Act, 1956:
 - a. In our opinion and according to the information and explanation given to us the transaction made in pursuance to the contract or arrangement that needed to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - b. In our opinion and according to the information and explanation given to us the company has not made any transactions in pursuance to the contract or arrangement entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding Rs. 5,00,000/- in respect of any party during the year.
6. The Company has not accepted any deposits from the public.
7. There is no internal audit system commensurate with the size and nature of its business.
8. The Central Government has not prescribed to maintain cost records and hence para 4(viii) of the Order is not applicable.
9. In respect of statutory dues:
 - a. According to the records of the Company, the Company is required to deduct statutory dues in the form of Provident Fund only. The Company is regular in depositing its dues. The Company is not required to deduct Investor Education and Protection Fund and Employees' State Insurance Scheme. There are no undisputed dues pending in respect to Income-tax, Sales-tax, Wealth tax, Customs Duty, Excise Duty, Cess and other statutory dues. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2005 for a period of more than six months from the date of becoming payable.
 - b. The Company has no disputed amount payable to Sales tax, , Income tax, Wealth tax or Excise Duty Department.
10. The accumulated losses of the Company are more than fifty per cent of the net worth at the end of the financial year concerned. The Company has incurred cash losses during the financial year covered by our audit. In the immediately preceding financial year the Company had incurred cash losses.
11. The Company has not defaulted in repayment of dues to bank.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted during the year by the Company on the basis of security by way of pledge of shares, debentures and other securities.

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Kamalakshi Finance Corporation Ltd.

Anshuman Tanna


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13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund/ society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
14. The Company has not dealt in trading in shares and securities and hence Para (xiv) is not applicable.
15. The Company has not given any guarantees for loans taken by others from banks or financial institutions and hence para 4(xv) of the Order is not applicable.
16. The Company has not raised any new term loans during the year.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the Company has not utilised any short term funds for long term and vice versa.
18. 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.
19. The Company has not issued any debentures and hence para 4(xix) of the Order is not applicable.
20. The Company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For Ramesh M. Sheth & Associates
Chartered Accountants

Mumbai

Dated: 31 AUG 2005


(M.R. Sheth)
Partner
M. No. 101598



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Kamdhenu Finance Corporation Ltd.



DIRECTOR

KAMALAKSHI FINANCE CORPORATION LTD**BALANCE SHEET AS AT 31ST MARCH, 2005**

	SCH	AS AT 31.03.2005 RUPEES	AS AT 31.03.2004 RUPEES
<u>SOURCES OF FUNDS</u>			
1. SHAREHOLDERS' FUNDS :			
Share Capital	I	500,000	500,000
2. RESERVES & SURPLUS	II	186,757	222,433
TOTAL RS.		686,757	722,433

APPLICATION OF FUNDS

1. INVESTMENTS	III	-	6,029
2. CURRENT ASSETS, LOANS & ADVANCES	IV	691,837	724,904
LESS : CURRENT LIABILITIES & PROVISIONS	V	5,080	8,500
NET CURRENT ASSETS (IV-V)		686,757	716,404
TOTAL RS.		686,757	722,433

NOTES FORMING PART OF ACCOUNTS N - 1

AS PER OUR REPORT OF EVEN DATE

**FOR RAMESH M. SHETH & ASSOCIATES
CHARTERED ACCOUNTANTS****FOR ON AND BEHALF OF THE BOARD**
**MEHUL R. SHETH
PARTNER**
DIRECTOR
DIRECTOR

PLACE : MUMBAI


DATE : 31 AUG 2005

PLACE : MUMBAI

DATE : 31 AUG 2005

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Kamalakshi Finance Corporation Ltd.

 **DIRECTOR**

KAMALAKSHI FINANCE CORPORATION LTD**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2005**

	SCH	YEAR ENDED 31.03.2005 RUPEES	YEAR ENDED 31.03.2004 RUPEES
<u>INCOME :</u>			
<u>BUSINESS INCOME</u>			
		-	-
		-	-
TOTAL RS.		-	-
<u>EXPENDITURE :</u>			
Administrative Expenses	VI	35,676	47,348
		-	-
TOTAL RS.		35,676	47,348
PROFIT / (LOSS) BEFORE TAXATION		(35,676)	(47,348)
PROVISION FOR TAXATION		-	-
PROFIT / (LOSS) AFTER TAXATION		(35,676)	(47,348)
Less: Short Receipt of Excise Duty Refund W/off		-	(23,304)
		(35,676)	(70,652)
BALANCE B/F FROM PREVIOUS YEAR		(967,732)	(897,080)
BALANCE TRANSFER TO GENERAL RESERVE		(1,003,408)	(967,732)

NOTES FORMING PART OF ACCOUNTS N - 1

AS PER OUR REPORT OF EVEN DATE

FOR RAMESH M. SHETH & ASSOCIATES
CHARTERED ACCOUNTANTS
MEHUL R. SHETH
PARTNERPLACE : MUMBAI
DATE : 31 AUG 2005

FOR AND ON BEHALF OF THE BOARD


DIRECTOR

DIRECTOR

PLACE : MUMBAI
DATE : 31 AUG 2005CERTIFIED TRUE COPY
Kamalakshi Finance Corporation Ltd.
DIRECTOR

KAMALAKSHI FINANCE CORPORATION LTD

SCHEDULES I TO V ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2005

	AS AT 31.03.2005 RUPEES	AS AT 31.03.2004 RUPEES
SCHEDULE - I		
SHARE CAPITAL :		
AUTHORISED SHARE CAPITAL :		
250,000 Equity shares of Rs.10 each	2,500,000	2,500,000
	<u>2,500,000</u>	<u>2,500,000</u>
ISSUED, SUBSCRIBED AND PAID UP :		
50,000 Unclassified shares of Rs.10 each	500,000	500,000
TOTAL	<u>500,000</u>	<u>500,000</u>

SCHEDULE - II

RESERVES & SURPLUS

General Reserve

Balance as per Last Balance Sheet

	1,190,165	1,190,165
TOTAL (A)	<u>1,190,165</u>	<u>1,190,165</u>

Profit and Loss Account

Balance as per Last Balance Sheet

Add : Profit for the Year

	(967,732)	(897,080)
	<u>(35,676)</u>	<u>(70,652)</u>
TOTAL (B)	<u>(1,003,408)</u>	<u>(967,732)</u>
TOTAL (A+B)	<u>186,757</u>	<u>222,433</u>

SCHEDULE - III

INVESTMENTS :

Government Securities (At Cost) Unquoted

7 Years N.S.C. (Deposit With Central Excise)

- 1,000

IN DEBENTURES / SHARES (QUOTED - AT COST)

68 Debentures of Nirlon Synt.Fib. & Chem Ltd @ Rs.70/-

- 4,760

24 Shares of Nirlon Ltd @ Rs.11.21

- 269

(Market Value Rs. Previous Year Rs.)

TOTAL - 6,029

SCHEDULE - IV

CURRENT ASSETS, LOANS & ADVANCES :

a) CASH & BANK BALANCES

Cash on hand

1,955 1,955

Balance with Scheduled Banks in Current A/C.

Indian Bank

478,751 10,458

TOTAL(a) 480,706 12,413

b) LOANS AND ADVANCES

Security Deposit

- 500,000

ADVANCES

Tax Deducted at Source

203,655 203,655

I.Tax on Interest (Asst.Yr 1996-97)

136 136

I.Tax on Dividend (Asst.Yr.1996-97)

3,008 3,008

Self Asst.Tax (Asst.Yr.1999-2000)

1,832 1,832

Self Asst.Tax (Asst.Yr.2003-2004)

2,500 2,500

Prepaid Expenses

- 1,360

TOTAL (b) 211,131 712,491

TOTAL(a+b) 691,837 724,904

SCHEDULE - V

CURRENT LIABILITIES AND PROVISIONS :

a) CURRENT LIABILITIES :

i) SUNDRY CREDITORS FOR GOODS :

ii) SUNDRY CREDITORS FOR EXPENSES :

TOTAL(a) 2,830 6,250

b) PROVISIONS :

Provision for I. Tax Asst. Yr - 1999-2000

Total (b) 2,250 2,250

TOTAL(a+b) 5,080 8,500

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Kamalakshi Finance Corporation Ltd.

Anshuman Tarnag

DIRECTOR

KAMALAKSHI FINANCE CORPORATION LTD

SCHEDULES VI ATTACHED TO AND FORMING PART OF THE
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2004

YEAR ENDED	YEAR ENDED
31.03.2005	31.03.2004
RUPEES	RUPEES

SCHEDULE - VI

ADMINISTRATIVE EXPENSES :

Rent Paid	-	30,000
Bank Charges	82	288
Filing Fees	1,500	1,500
Profession Tax	1,360	1,360
Audit Fees	2,700	2,700
Advertisement Expenses	7,505	-
Listing Fees	10,000	10,000
Professional Fees	6,500	1,500
Sundry Balances W/off	6,029	-
TOTAL	35,676	47,348

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Kamalakshi Finance Corporation Ltd.

Anshuman Tanna

DIRECTOR

KAMALAKSHI FINANCE CORPORATION LIMITED

Tanna House, 2nd Floor, 11/A, Nathalal Parekh Marg, Colaba, Mumbai-400 039

NOTES TO ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of Financial Statements

These financial statements have been prepared on accrual basis of accounting, under the historical cost convention and in accordance with the Companies Act, 1956 and the applicable accounting standards issued by the Institute of Chartered Accountants of India.

In preparing and presenting these financial statements the Company has, for the first time, adopted the following Accounting Standards recently issued by the Institute of Chartered Accountants of India.

Accounting Standard 18 – Related Party Disclosures;

Accounting Standard 20 - Earnings Per Share; and

Accounting Standard 22 - Accounting for Taxes on Income

Investments

Long term investments are stated at cost of acquisition unless there is permanent fall in its realization value which is provided for.

Revenue Recognition

Income is recognized on accrual basis.

Dividend Income is recognized when the right to receive dividend is established.

Taxation

Provision for current Income Tax is made in accordance with the Income Tax Act, 1961.

In accordance with Accounting Standard 22 – Accounting for Taxes on Income, issued by the Institute of Chartered Accountants of India, the deferred tax liability for timing difference between book and tax profits occurs when there are actual taxable profits for the year. Deferred tax assets are not recognized unless there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

BASIC EARNING PER SHARE

Basic Earning per share is determined by dividing net income by the weighted average number of shares outstanding during the years.

TRANSACTIONS WITH RELATED PARTIES

In our opinion, and according to information and explanation given to us, the company has certain transactions with its related companies. A portion of the Company's assets, liabilities, revenues, costs, and expenses arose from transactions with the related parties. These parties are related through common shareholding and / or directorships.

(B) OTHER NOTES,

(i) Administrative Expenses include amounts paid / payable to the Auditor

PARTICULARS	2004-2005	2003-2004
AUDIT FEES	2700	2700

Earning per share as required by the Accounting Standard 20

2004-2005

2003-2004

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Kamalakshi Finance Corporation Limited.

Anshuman Tanna

DIRECTOR

a) Weighted Average number of equity Shares of Rs.10/- outstanding during The year	50,000	50,000
b) Net Profit /(loss) available for equity share holders (Rs.)	(35,676)	(70,652)
c) Basic & Diluted Earnings (In Rupees) p.s.	-	-

4) Related Party Disclosures as required by AS-18

a) List of Related Parties

Parties where control exists;

Kamalakshi Finance Corporation Limited

Other Related Parties with whom transactions have taken place during the year

Abhijat Dipak Holdings Private Limited

b) Transaction with related party

For the Year 2004-2005

(i) Sales, Services & Other Income Associates	NIL
(ii) Purchases	NIL
(iii) Outstanding Balances	
Outstanding Payable	NIL
Associates / Other Parties	NIL

5) Figures of the previous year have been regrouped / rearranged / reclassified Wherever necessary.

FOR RAMESH M.SHETH & ASSOCIATES
CHARTERED ACCOUNTANTS

(M.R. Sheth)
PARTNER
MUMBAI
DATE: 31 AUG 2005

FOR AND ON BEHALF OF THE BOARD

Ramesh M. Sheth
DIRECTOR
Arshuman Tanna
DIRECTOR

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Kamalakshi Finance Corporation Limited.

Arshuman Tanna
DIRECTOR

CASH FLOW FROM OPERATING ACTIVITIES	31.03.2005	31.03.2004
NET PROFIT / (LOSS) BEFORE TAX	(35,676)	(47,348)
OPERATING PROFIT / (LOSS) BEFORE WORKING CAPITAL CHANGES (INCREASE) / DECREASE IN OTHER CURRENT ASSETS	(35,676)	(47,348)
INCREASE / (DECREASE) IN CURRENT LIABILITIES	501,360	97,164
	(3,420)	(20,163)
	462,264	29,653
CASH FLOW FROM INVESTING ACTIVITIES		-
CASH FLOW FROM FINANCING ACTIVITIES		-
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENT	462,264	29,653
CASH & CASH EQUIVALENT AT THE BEGINNING OF THE YEAR	12,413	6,064
CASH & CASH EQUIVALENT AT THE END OF THE YEAR	480,706	12,413

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Kam... Ltd.

Anshuman Tanna

DIRECTOR