

# ***Kshitij Investments Limited***

## **24th Annual Report**

**2002 - 2003**

◆ **REGISTERED OFFICE** ◆

42, Manek Abad,  
5, Setalwad Lane,  
Off Nepean Sea Road,  
Mumbai - 400 036

◆ **BOARD OF DIRECTORS** ◆

Kshitij Rajkumar - from 30/04/02  
Pankaj Rawal  
A. N. Rao  
S. K. Lilha from 15/05/2002

◆ **AUDITORS** ◆

M/s. M. P. Shah & Company  
Chartered accountants,  
Kolkata

◆ **BANKERS** ◆

State Bank of Mysore  
Union Bank of India

**NOTICE**

**NOTICE** is hereby given that the 24th Annual General Meeting of the Members of **KSHITIJ INVESTMENTS LIMITED** will be held on Tuesday, the 30th day of September, 2003 at 11.30 a.m. at the Registered office at 42, Manek Abad, 5, Setalwad Lane, Off Nepean Sea Road, Mumbai - 400 036 to transact the following business :-

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Directors' Report and Auditors Report and Audited Balance Sheet as at 31st March, 2003 and Profit and Loss Account for the year ended on that date.
2. To appoint a Director in place of Mr. A.N. Rao, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from conclusion of this meeting the conclusion of the next Annual General Meeting and to fix their remuneration.

**By order of the Board of directors**

**PLACE : MUMBAI  
DATED : 30/06/2003**

**(SHARAT KUMAR LILHA)  
CHAIRMAN**

**REGD. OFFICE :  
42, MANEK ABAD,  
5, SETALWAD LANE,  
OFF NAPEAN SEA ROAD,  
MUMBAI - 400 036.**

**NOTES :**

1. A member entitle to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member.
2. The instrument appointing proxy should however be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
3. The register of members and share transfer book of the Company will remain closed from tuesday, 16th september, 2003 to tuesday, 30th september, 2003 (both days inclusive).

**DIRECTORS' REPORT**

To,

The Members,

Yours Directors have pleasure in presenting their 24th Annual Report together with the Audited Accounts for the year ended 31st March, 2003

**FINANCIAL RESULTS :**

	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
	<b>RS.</b>	<b>RS.</b>
1. TOTAL INCOME	60,89,16,416.79	68,76,87,693.39
	=====	=====
2. (a) OPERATING PROFIT / LOSS BEFORE INTEREST, DEPRECIATION & TAXES	3,91,084.56	16,13,044.08
(b) (-) INTEREST	2,03,073.10	7,75,612.00
	-----	-----
(c) PROFIT / (LOSS) BEFORE DEPRECIATION & TAXES	1,88,011.46	8,37,432.08
(d) (-) DEPRECIATION	1,08,736.15	83,656.90
	-----	-----
(e) NET PROFIT FOR THE YEAR	79,275.31	7,53,775.18
(f) (-) INCOME TAX RELATING TO YEAR 2001-2002.	32,133.00	-----
(-) PROVISION FOR INCOME TAX	16,500.00	-----
	-----	-----
	30,642.31	7,53,775.18
(g) (+) BALANCE BROUGHT FOWARD	19,72,007.97	12,18,232.79
	-----	-----
(h) BALANCE CARRIED TO B/SHEET	20,02,650.28	19,72,007.97
	=====	=====

**WORKING RESULTS :**

Sales during the year under review of CTB Bars and Wire Rods & Coils amounted to Rs.62,34,10,682.35 as against Rs. 67,22,66,445.29 in the previous year, registering a decrease by 7.84% over the previous year. Due to reduction in sales and increased cost of materials the profitability of the Company was affected and the Net Profit amounted to Rs. 30,642.31 as against Rs.7,53,775.18 in the previous year.

**DIVIDEND :**

In order to conserve the resources of the Company for working capital requirements your Directors have decided not recommend any dividend for the year under review.

**DEPOSITS :**

Their are no unclaimed deposits outstanding as on 31st March, 2003. The Company has not taken any loan from the public.

**DIRECTORS' RESPONSIBILITY STATEMENT :**

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed :

- (i) that in the preparation of the accounts for the financial year ended 31st March, 2003, the applicable accounting standards have been followed along with proper explanation relating to material departures :
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were 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 profit of the Company for the year under review:
- (iii) that 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 :
- (iv) that the Directors have prepared the accounts for the financial period ended 31st March, 2003 on a going concern basis.

**SECRETARIAL COMPLIANCE CERTIFICATE :**

Secretarial Compliance Certificate of M/s. R.N.Shah & Associates, Company Secretaries is Annexed here with.

**DIRECTORS :**

Mr. A.N. Rao, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

**AUDITORS :**

M/s. M.P.SHAH & Co., Chartered Accountants, present Auditors of the Company, retire at the 24th Annual General Meeting but being eligible offer themselves for re-appointment.

**PARTICULARS OF EMPLOYEES :**

None of the employees has drawn remuneration as required under provisions of Section 217 (2A) of the Companies Act, 1956.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO :**

The Company has no activity relating to conservation of energy and technology absorption. There was neither foreign exchange earnings nor foreign exchange outgo during the year under review .

By order of the Board of Directors

PLACE : MUMBAI  
DATED : 30/06/2003

(SHARAT KUMAR LILHA)  
CHAIRMAN

**COMPLIANCE CERTIFICATE**

To,  
The Members  
**KSHITIJ INVESTMENTS LIMITED**

We have examined the registers, records, books and papers of **KSHITIJ INVESTMENTS LIMITED** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2003. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its Officers and agents, we certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company being a Public Limited Company has the minimum prescribed paid-up capital.
4. The Board of Directors duly met 13 (Thirteen) times on 30th April, 2002 ; 15th May, 2002; 23rd May, 2002; 14th June, 2002; 28th August, 2002; 11th October, 2002; 15th November, 2002; 27th December, 2002; 24th January 2003; 8th February, 2003; 24th February, 2003; 26th February, 2003 and 21st March, 2003; in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members, and/or Debenture holders from 20th September, 2002 to 30th September, 2002 (both days inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on 31st March, 2002 was held on 30th September, 2002 after giving due notice to the members of the Company and resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary meeting was held during the financial year.
8. The company has advanced a loan of Rs. 59,400/- to its directors and/or persons or firms or companies referred in the section 295 of the Act.
9. The Company has duly complied with the provisions of section 297 of the Act in respect of contracts specified in that section.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. The Company has obtained necessary approvals from the Board of Directors, Members and previous approval of the Central Government pursuant to section 314 of the Act wherever applicable.
12. The Company has not issued any duplicate share certificates during the year.
13. The Company has :
  - (i) no allotment/transfer/transmission of securities during the financial year.
  - (ii) not deposited any amount in a separate Bank Account as no dividend was declared during the financial year;
  - (iii) not posted warrants to any members of the company as no dividend was declared during the financial year ;

- (iv) no amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years, so no amount has been transferred to Investor Education and Protection Fund;
  - (v) duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of directors, additional directors, alternate directors and directors to fill casual vacancies have been duly made.
  15. The appointment of Managing Director/Whole-time Director /Manager has made in compliance with the provisions of section 269 read with Schedule XIII of the Act.
  16. The Company has not appointed sole-selling agents during the financial year.
  17. The Company was not required to obtain approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as prescribed under the various provisions of the Act.
  18. The directors have disclosed their interest in other firms/companies to the Board Directors pursuant to the provisions of the Act and the rules made thereunder.
  19. The Company has not issued shares/debentures/other securities during the financial year.
  20. The Company has not bought back any shares during the financial year ending.
  21. There was no redemption of preference shares/debentures during the financial year.
  22. There were no transactions necessitating the Company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
  23. The Company has not invited any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
  24. The Company has not made any borrowing during the financial year ended 31st March, 2003.
  25. The Company has made loans or advances or given guarantees or provided securities to other bodies corporate and consequently entries have been made in the Register kept for the purpose.
  26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's Registered office from one state to another during the year under scrutiny.
  27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the year under scrutiny.
  28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the year under scrutiny.
  29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year under scrutiny.
  30. The Company has not altered its articles of association during the financial year.
  31. There was no prosecution initiated against or show cause notices received by the Company, during the financial year, for offences under the Act.
  32. The Company has not received any money as security from its employees during the year under certification.
  33. The Company has not deducted any contribution towards provident fund during the financial year.

For R. N. SHAH & ASSOCIATES  
Company Secretaries

PLACE : MUMBAI  
DATED : 30TH JUNE, 2003

(Rajnikant N. Shah)  
Proprietor  
C.P.No. 700

**ANNEXURE 'A'**

**REGISTERS AS MAINTAINED BY THE COMPANY : KSHITIJ INVESTMENTS LIMITED**

1. Board Minutes Book u/s. 193.
2. Members Minutes Book u/s. 193.
3. Attendance Register.
4. Applications for and Allotment of Shares u/s. 72
5. Register of Members and Index of Members u/s. 150.
6. Register of Share Transfers u/s. 108.
7. Register of Directors, Managing Directors u/s. 303.
8. Register of Directors, Shareholding u/s. 307.
9. Register of Contracts u/s. 301.
10. Register of Companies and Firms in which Directors interest u/s. 301 (3).

**ANNEXURE 'B'**

**Forms and Returns as filed by KSHITIJ INVESTMENTS LIMITED with the Registrar of Companies, Regional Director, Central Government or other authorities for the financial year ended 31st March, 2003 :**

1. Annual Return filed u/s. 159 dated 30-09-2002
2. Balance Sheet as at 31-03-2002 u/s. 220.
3. Compliance Certificate filed u/s. 383A dated 28-08-2002
4. Form No. 32 filed u/s. 303 (2) dated 30-04-2002.
5. Form No. 29 filed u/s. 264 (2) dated 30-04-2002.
6. Form No. 32 filed u/s. 303 (2) dated 15-05-2002.
7. Form No. 29 filed u/s. 264 (2) dated 15-05-2002.
8. Form No. 25 C filed u/s. 269 (2) dated 15-05-2002.
9. Form No. 25 C filed u/s. 269 (2) dated 30-09-2002.

For R. N. SHAH & ASSOCIATES  
Company Secretaries

(Rajnikant N. Shah)  
Proprietor  
C.P.No. 700

**PLACE : MUMBAI**  
**DATED : 30th June, 2003.**

**AUDITOR'S REPORT**

**TO THE MEMBERS OF  
KSHITIJ INVESTMENTS LIMITED**

1. We have audited the attached balance Sheet of KSHITIJ INVESTMENTS LIMITED, as at 31st march, 2003 and Profit & Loss Account of the Company 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 these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standard generally accepted in India. Those Standard require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Manufacturing and other Companies (Auditor's Report) order, 1988 issued by the Company Law Board in terms of section 227(4A) of the Companies Act 1956, and on the basis of such checks of books and records of the company as we considered necessary during the course of our audit, we enclose in the annexure a statement on the matters specified in the said order.
4. Further to our comments in the annexure referred to above, we report that :
  - (i) We have obtained all the informations and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit ;
  - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (iii) The Balance Sheet and Profit & Loss Account dealt with in the report are in agreement with the books of accounts ;
  - (iv) In our opinion, the Balance Sheet and Profit & Loss account comply with the Accounting Standard referred to in section 211 (3C) of the Companies Act, 1956 ;
  - (v) On the basis of written representation recived from the Directors of the Company as on 31st March, 2003 and taken on record by the Board of Directors, none of the director is disqualified from being appointed as director of the Company under clause (q) of sub-section (1) of section 274 of the Company act, 1956 ;
  - (vi) In our opinion, and the best of our informations and according to explanations given to us, the said accounts read together with the notes thereon, subject to note no.2.4 regarding confirmation of balance with the firm, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformnity with the accounting principle generally accepted in India :
    - a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2003,
    - And
    - b) In the case of Profit & Loss Account, of the PROFIT of the company for the year ended on that date.

**For M.P.SHAH & CO.**  
Chartered Accountants

**Place : Kolkata,**  
**Date : 30th June, 2003.**

**(M.P.SHAH)**  
**Partner**

**ANNEXURE**

**RE : KSHITIJ INVESTMENTS LIMITED**

(Referred to in paragraph 1 of our report of even date)

1. The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets. These fixed assets have been physically verified by the Management at reasonable intervals and no material discrepancy was noticed on such verification.
2. None of the fixed assets have been revalued during the year.
3. The stock of finished goods, raw materials, stores and spare parts have been physically verified at reasonable intervals during the year by the Management.
4. The procedures of physical verification of stock followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
5. The discrepancies noticed on verification between the physical stock and the book records were not material.
6. In our opinion, the valuation of stock is fair and proper, in accordance with the normally accepted accounting principles and there is no change in the method of valuation of stocks as compared to previous year.
7. The company has not taken any loan, secured or unsecured from Companies, firm or other parties listed in the register maintained under section 301 & 370 (1-B) of the Companies Act, 1956.
8. The Company has granted advances to the companies, firms and other parties listed in the register maintained under section 301 of the Companies Act, 1956. In our opinion the terms and condition of which advance are granted seems not to be prejudicial to the interest of the company.
9. The Company has paid advances in the nature of interest free loans to its employees. The repayment of principal is in accordance with the stipulated terms.
10. In our opinion, according to informations and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for purchase of stores, raw-materials, including components, Plant & Machinery, Equipments and other assets.
11. In our opinion and according to the informations and explanations given to us the price paid for purchase / sale of goods, materials and services in excess of Rs. 50000/- in value of each type from firms or companies or other parties in respect of which directors are interested are entered in the register maintained under section 301 are reasonable as compared to the prices as available with the company of similar items.
12. As explained to us, unserviceable or damaged raw materials and finished goods are being regularly determined by the Company and necessary provision for the loss thereon have been made in the accounts.
13. The Company has not accepted any deposits from the public which attracts the provision of section 58-A of the companies Act, 1956 and the Companies (Acceptance of deposits) Rules, 1975.
14. In our opinion, reasonable records have been maintained by the company for sale and disposal of scrap. The company does not generate any by products.
15. The Company has adequate system of internal audit which commensurate with size and nature of business of the company.
16. We have informed that the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, for any of the products of the Company.
17. According to explanation given to us, Employees Provident Fund Act and Employees State Insurance Act are not applicable to the Company.
18. According to the books and records and explanations given to us, there were no undisputed amount payable in respect of Income-Tax, Sales-Tax, Wealth-Tax, Customs Duty, Excise Duty outstanding on the last day of the financial year for a period of more than six months from the date they become payable.
19. According to the information and explanations given to us, no personal expenses of employees or Director have been charged to the revenue account other than those payable under contractual obligations or generally accepted business practice.
20. As explained to us, in the case of trading activities, there were no damaged goods at the end of the year .
21. The Company is not a sick industrial company within the meaning of section 3 of the Sick Industrial Companies (Special Provision) Act, 1985.

**For M.P.SHAH & CO.**  
**Chartered Accountants**

**Place : Kolkata,**  
**Date : 30th June, 2003.**

**(M.P.SHAH)**  
**Partner**

**BALANCE SHEET AS AT 31st MARCH, 2003.**

<b><u>SOURCES OF FUNDS :</u></b>	<b><u>SCHEDULES</u></b>	<b><u>CURRENT YEAR</u></b> AMOUNT (In Rs.)	<b><u>PREVIOUS YEAR</u></b> AMOUNT (In Rs.)
SHARE CAPITAL	1	6,294,000.00	6,294,000.00
RESEVE & SURPLUS	2	2,215,150.28	2,184,507.97
UNSECURED LOAN	3	1,269,000.00	1,269,000.00
<b>TOTAL =</b>		<b>9,778,150.28</b>	<b>9,747,507.97</b>
<b><u>APPLICATION OF FUNDS :</u></b>			
FIXED ASSETS :	4		
GROSS BLOCK		2,518,120.51	2,308,159.36
LESS : ACCUMULATED DEPRECIATION		724,022.51	615,286.36
NET BLOCK		<b>1,794,098.00</b>	<b>1,692,873.00</b>
INVESTMENTS	5	6,456,119.43	6,100,928.43
<b><u>CURRENT ASSETS , LOANS &amp; ADVANCES :</u></b>			
INVENTORIES	6	13,512,554.54	36,389,049.11
SUNDRY DEBTORS	7	16,507,030.68	22,789,327.73
CASH & BANK BALANCES	8	12,799,117.65	6,621,454.41
LOANS & ADVANCES	9	2,946,839.19	2,617,812.19
		<b>45,765,542.06</b>	<b>68,417,643.44</b>
<b><u>LESS : CURRENT LIABILITIES &amp; PROVISION :</u></b>			
CURRENT LIABILITIES	10	44,262,939.81	66,514,304.23
NET CURRENT ASSETS		<b>1,482,602.25</b>	<b>1,903,339.21</b>
<b><u>MISCELLANEOUS EXPENDITURES</u></b> (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)			
PRELIMINARY EXPENSES		50,367.33	55,963.70
LESS : WRITTEN OFF DURING THE YEAR		5,036.73	5,596.37
		<b>45,330.60</b>	<b>50,367.33</b>
<b>TOTAL =</b>		<b>9778150.28</b>	<b>9,747,507.97</b>
NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES :	16		

SCHEDULE 1 TO 10 AND 16 REFERRED TO ABOVE FORM INTEGRAL PART OF THE BALANCE SHEET.

AS PER OUR ATTACHED REPORT OF EVEN DATE.

FOR M.P.SHAH & CO.  
CHARTERED ACCOUNTANTS

ON BEHALF OF THE BOARD OF DIRECTORS  
For KSHITIJ INVESTMENTS LIMITED

(M.P.SHAH)  
PARTNER

DIRECTOR  
S. K. Uliha

DIRECTOR  
Kshitij Rajkumar

DIRECTOR  
A.N. Rao

PLACE : KOLKATA  
DATE : 30th JUNE 2003

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 st MARCH, 2003**

<b>INCOME :-</b>	<b>SCHEDULES NO.</b>	<b>CURRENT YEAR AMOUNT (In Rs.)</b>	<b>PREVIOUS YEAR AMOUNT (In Rs.)</b>
SALES		623,410,682.35	672,266,445.29
INCREASE /(DECREASE) IN STOCKS	11	(14,506,653.23)	13,982,592.77
SHARE OF PROFIT FROM (M/S. KHEMCHAND RAJKUMAR)		.....	745,934.34
OTHER INCOME	12	12,387.67	692,720.99
<b>TOTAL=</b>		<b>608,916,416.79</b>	<b>687,687,993.39</b>
<b>EXPENDITURE :-</b>			
PURCHASES (FINISHED GOODS)	13	333,332,355.34	239,754,398.89
RAW MATERIALS CONSUMED	14	190,631,167.06	357,174,815.05
PROCESSING CHARGES		26,903,070.00	50,795,978.00
OTHER EXPENSES	15	57,845,612.93	39,109,319.37
AUDIT FEES		16,200.00	15,750.00
DEPRECIATION		108,736.15	83,656.90
<b>TOTAL =</b>		<b>608,837,141.48</b>	<b>686,933,918.21</b>
<b>PROFIT / (LOSS) FOR THE YEAR</b>		<b>79,275.31</b>	<b>753,775.18</b>
<b>LESS : INCOME TAX RELATING TO ACCOUNTING YEAR 2001-2002</b>		32,133.00	.....
<b>LESS : PROVISION FOR INCOME TAX</b>		16,500.00	.....
<b>PROFIT AFTER TAX</b>		<b>30,642.31</b>	
<b>ADD : PROFIT/ (LOSS) BROUGHT FORWARD</b>		1,972,007.97	1,218,232.79
<b>PROFIT / (LOSS) CARRIED FORWARD TO BALANCE SHEET</b>		<b>2,002,650.28</b>	<b>1,972,007.97</b>
<b>NOTE ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES</b>	16		

SCHEDULE 11 TO 16 REFERRED TO ABOVE FORM INTEGRAL PART OF THE ACCOUNT.

AS PER OUR ATTACHED REPORT OF EVEN DATE.

FOR M.P.SHAH & CO.  
CHARTERED ACCOUNTANTSON BEHALF OF THE BOARD OF DIRECTORS  
For KSHITIJ INVESTMENTS LIMITED(M.P.SHAH)  
PARTNERDIRECTOR  
S. K. LilhaDIRECTOR  
Kshitij RajkumarDIRECTOR  
A.N. RaoPLACE : KOLKATA  
DATE : 30th JUNE 2003

**SCHEDULES FORMING PART OF THE BALANCE SHEET**

	<b><u>CURRENT YEAR</u></b> <b><u>AMOUNT (In Rs.)</u></b>	<b><u>PREVIOUS YEAR</u></b> <b><u>AMOUNT (In RS.)</u></b>
<b><u>SCHEDULE-1</u></b>		
<b><u>AUTHORISED CAPITAL</u></b>		
750000 Equity Shares of Rs. 10/- Each.	<u>7,500,000.00</u>	<u>75,00,000.00</u>
<b><u>ISSUED, SUBSCRIBED &amp; PAID UP</u></b>		
629400 Equity Shares of Rs. 10/- Each.	<u>6,294,000.00</u>	<u>62,94,000.00</u>
FULLY PAID UP	<u>6,294,000.00</u>	<u>62,94,000.00</u>
<b><u>SCHEDULE-2</u></b>		
<b><u>RESERVE &amp; SURPLUS</u></b>		
CAPITAL RESERVE	212,500.00	2,12,500.00
PROFIT & LOSS AS PER ANNEXED ACCOUNT	2,002,650.28	1,972,007.97
	<u>2,215,150.28</u>	<u>2,184,507.97</u>
<b><u>SCHEDULE-3</u></b>		
<b><u>UNSECURED LOAN</u></b>		
SECURITY DEPOSIT	<u>1,269,000.00</u>	<u>1,269,000.00</u>
	<u>1,269,000.00</u>	<u>1,269,000.00</u>

## FIXED ASSETS

## SCHEDULE - 4

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	AS ON 1/4/02	ADDITION/ (DEDUCTION)	AS ON 31/3/03	UPTO 1/4/02	FOR THE YEAR	UPTO 31/3/03	AS ON 31/3/03	AS ON 31/3/02
PLANT & MACHINERY	34,810.50	27,771.15	62,581.65	835.50	2,491.15	3,326.65	59,255.00	33,975.00
SHED & BUILDING	1,310,631.46	NIL	1,310,631.46	487,015.46	21,363.00	508,378.46	802,253.00	823,618.00
FURNITURE & FIXTURE	869,905.00	NIL	869,905.00	115,019.00	55,065.00	170,084.00	699,821.00	754,886.00
OFFICE EQUIPMENT	7,595.00	26,140.00	33,735.00	322.00	399.00	721.00	33,014.00	7,273.00
COMPUTER & PRINTER	59,467.40	156,050.00	215,517.40	9,648.40	28,195.00	37,843.40	177,674.00	49,819.00
MOBILE PHONE	25,750.00	NIL	25,750.00	2,446.00	1,223.00	3,669.00	22,081.00	23,304.00
TOTAL	2,308,159.36	209,961.15	2,518,120.51	615,286.36	108,736.15	724,022.51	1,794,098.00	1,692,873.00
PREVIOUS YEAR	2,235,825.46	72,333.90	2,308,159.36	531,629.46	83,656.90	615,286.36	1,692,873.00	1,704,196.00

	CURRENT YEAR AMOUNT (In Rs.)	PREVIOUS YEAR AMOUNT (In Rs.)
<b>SCHEDULE - 5</b>		
<b>INVESTMENTS WITH</b>		
M/S KHEMCHAND RAJKUMAR	6,431,999.43	6,076,803.43
KR STEELUNION LIMITED	24,120.00	24,120.00
	<u>6,456,119.43</u>	<u>6,100,923.43</u>
<b>SCHEDULE - 6</b>		
<b>INVENTORIES :</b>		
FINISHED GOODS	13,512,554.54	28,019,207.77
RAW MATERIALS	.....	8,369,841.34
	<u>13,512,554.54</u>	<u>36,389,049.11</u>
<b>SCHEDULE - 7</b>		
<b>SUNDRY DEBTORS :</b>		
(UNSECURED, CONSIDERED GOOD BY THE MANAGEMENT)		
OUTSTANDING MORE THAN SIX MONTHS	NIL	NIL
OUTSTANDING BELOW SIX MONTHS	16,507,030.68	22,789,327.73
	<u>16,507,030.68</u>	<u>22,789,327.73</u>
<b>SCHEDULE - 8</b>		
<b>CASH &amp; BANK BALANCES :</b>		
CASH IN HAND	2,411,425.04	537,361.97
(As certified by Management)		
CASH AT BANK WITH SCHEDULE	10,387,692.61	6,084,092.44
BANK IN CURRENT ACCOUNTS	<u>12,799,117.65</u>	<u>6,621,454.41</u>
<b>SCHEDULE - 9</b>		
<b>LOANS &amp; ADVANCES</b>		
ADVANCE TO STAFF	418,673.34	385,188.15
OTHER ADVANCES	2,528,165.85	2,232,624.04
	<u>2,946,839.19</u>	<u>2,617,812.19</u>
<b>SCHEDULE - 10</b>		
<b>CURRENT LIABILITIES :</b>		
SUNDRY CREDITORS	41,113,680.33	61,384,222.30
SECURITY DEPOSITS	1,487,013.49	1,425,000.00
OTHER LIABILITIES	1,682,245.99	3,705,081.93
	<u>44,282,939.81</u>	<u>66,514,304.23</u>
<b>SCHEDULE - 11</b>		
<b>INCREASE / (DECREASE) OF FINISHED GOODS STOCKS</b>		
OPENING STOCK	28,019,207.77	14,036,615.00
Less : CLOSING STOCKS	13,512,554.54	28,019,207.77
	<u>14,506,653.23</u>	<u>13,982,592.77</u>
<b>SCHEDULE - 12</b>		
<b>OTHER INCOME</b>		
MISCELLANEOUS RECEIPTS	12,387.67	687,150.00
INTEREST RECEIVED	.....	5,570.99
	<u>12,387.67</u>	<u>692,720.99</u>
<b>SCHEDULE - 13</b>		
<b>FINISHED GOODS :</b>		
PURCHASE	331,590,205.65	238,674,843.39
TRANSPORT CHARGES	1,742,149.69	1,079,555.50
	<u>333,332,355.34</u>	<u>239,754,398.89</u>
<b>SCHEDULE - 14</b>		
<b>RAW MATERIALS CONSUMED :</b>		
OPENING STOCK	8,369,841.34	25,517,975.39
ADD : PURCHASE	181,831,548.12	337,006,119.00
FREIGHT & OTHER CHARGES	317,880.00	147,210.00
TRANSPORT CHARGES	1,342,137.60	2,873,352.00
LESS : CLOSING STOCK	NIL	8,369,841.34
LESS ;SOLD	1,230,240.00	.....
	<u>190,631,167.06</u>	<u>357,174,815.05</u>

<b>SCHEDULE - 15</b>	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
<b>OTHER EXPENSES</b>	<b>AMOUNT (In Rs.)</b>	<b>AMOUNT (In Rs.)</b>
<b>EMPLOYEES RESMUNERATION</b>		
ESTABLISHMENT	457,542.88	389,043.00
HOUSE RENT ALLOWANCE	20,500.00	21,700.00
BONUS	32,877.00	51,170.62
LEAVE SALARY	.....	15,233.46
(A)	<u>510,919.88</u>	<u>477,147.08</u>
<b>STAFF WELFARE EXPENSES</b>		
STAFF WELFARE EXPENSES	16,366.25	5,750.00
LEAVE TRAVEL CONCESSION	23,300.00	52,859.00
MEDICAL EXPENSES REMBURSEMENT A/C	25,300.00	61,119.00
(B)	<u>64,966.25</u>	<u>119,728.00</u>
<b>SUB TOTAL (A+B)</b>	<u>575,886.13</u>	<u>596,875.08</u>
<b>REPAIR &amp; MAINTENANCE</b>		
R & M OF ELECTRIC EQUIPMENTS	2,503.00	792.00
R & M OF WEIGH BRIDGE	.....	1,635.00
R & M OF GODOWN	2,050.00	86,400.00
R & M OF FURNITURE & FIXTURE	9,525.00	1,449.50
R & M OF OFFICE EQUIPMENTS	2,086.00	436.00
R & M OF COMPUTER	2,258.08	341.92
R & M OF SHED & BUILDING	807.00	NIL
R & M OF OTHERS	7622.40	NIL
<b>SUB TOTAL =</b>	<u>26,851.48</u>	<u>91,084.42</u>
<b>ADMINISTRATIVE &amp; OPERATIONAL EXPENSES</b>		
PRINTING & STATIONERY	111,020.85	32,009.25
CAR HIRE CHARGES	105,361.00	84,007.00
CONVEYANCE	346,375.78	190,523.80
TELEPHONE CHARGES	43,863.25	59,414.56
CELL PHONE CHARGES	11,282.00	28,869.24
DIRECTORS TRAVELLING EXPENSES	200,700.00	3,934.50
GENERAL EXPENSES	123,287.65	44,035.50
LEGAL EXPENSES	5,009.00	5,250.00
SECURITY SERVICE CHARGES	253,304.00	209,435.00
MISCELLANOUS EXPENSES	20,610.00	10,345.18
POSTAGE & TELEGRAM	39,827.94	20,516.90
RETAINERSHIP FEES	480,547.00	535,113.00
STIPEND	203,989.00	263,252.00
SERVICE CHARGES	128,147.00	65,698.00
SUNDRY BALANCE WRITTEN OFF	45.17	120.24
TRAVELLING EXPENSES	545,070.31	588,311.27
WEIGHMENT CHARGES	4,970.00	5,170.00
LOADING & UNLOADING CHARGES	156,158.15	84,518.25
BOOKS & PERIODICALS	731.00	NIL
AUDIT EXPENSES'	750.00	12,800.00
CLUB FEES	2,450.00	800.00
ELECTRIC CHARGES	2,372.00	81,067.00
EX-GRATIA	24,655.00	7,310.00
LEGAL CHARGES & PROFESSIONAL FEES	996,515.00	160,800.00
LABOUR CHARGES	13,911.00	7,587.00
PUJA EX-GRATIA	17,131.00	3,200.00
TESTING FEES	31,500.00	9,644.00
SALES TAX EXPENSES A/C	.....	18,977.00
ANNUAL LISTING FEES	40,000.00	10,000.00
PRELIMINARY EXPENSES WRITTEN OFF	5,036.73	5,596.37
COMPUTER CONSUMABLE	270.00	.....
CONSULTANCY CHARGES	10,000.00	.....
CONSUMABLE STORES	13,985.12	.....
MEMBERSHIP FEES	2,375.00	.....
OIL & LUBRICANT	3,285.20	.....
PACKING	12,435.00	.....
STOCK TAKING EXPENSES	44,817.00	.....
SUBSCRIPTION	1,050.00	.....
FILING FEES	25,100.00	.....
<b>SUB TOTAL =</b>	<u>4,007,697.15</u>	<u>2,548,305.06</u>

	<b>CURRENT YEAR AMOUNT (In Rs.)</b>	<b>PREVIOUS YEAR AMOUNT (In Rs.)</b>
<b><u>RENT, RATES, TAXES &amp; LICENSE FEES</u></b>		
RENT A/C GODOWN	146,440.00	134,680.00
RATES & TAXES	9,355.00	5,083.00
RENT A/C	2,091,000.00	1,801,200.00
RENT A/C OFFICE	.....	3,000.00
<b>SUB TOTAL =</b>	<b><u>2,246,795.00</u></b>	<b><u>1,943,963.00</u></b>
<b><u>SELLING &amp; DISTRIBUTION EXPENSES</u></b>		
SALES TAX	5,844,211.56	3,185,199.70
BROKERAGE & COMMISSION	7,026,344.19	7,124,337.66
ADVERTISEMENT	38,856.25	87,918.75
SALES PROMOTION	3,423,408.23	2,382,257.62
<b>SUB TOTAL =</b>	<b><u>16,432,820.23</u></b>	<b><u>12,779,713.73</u></b>
TRANSPORT CHARGES	14,448,263.83	17,285,242.30
HANDLING & HIRE CHARGES	18,914,770.80	1,982,159.70
INSURANCE PREMIUM	302,110.00	442,712.00
BANK COMMISSION & OTHER CHARGES	683,075.21	682,776.58
DONATION	6,270.00	20,905.50
INTEREST	203,073.10	775,612.00
<b>GROSS TOTAL =</b>	<b><u>57,845,612.93</u></b>	<b><u>39,109,319.37</u></b>

**SCHEDULE - 16 :- ACCOUNTING POLICIES AND NOTES ON ACCOUNTS :-**

**1. Significant Accounting Policies :**

**1.1 System Of Accounting :**

The financial statements have been prepared on the historical cost convention and in accordance with the mandatory accounting standards.

**1.2 Revenue Recognition :**

Sales are recognized on the basis of despatches to the customers. Sales includes Excise Duty and Sales Tax.

**1.3 Fixed Assets :**

Fixed assets have been stated at cost less depreciation. Cost comprises the purchase price and other attributable expenses. Depreciation is provided on straight line method in accordance with the rates prescribed under Schedule XIV of the Companies Act 1956, on pro-rata basis.

**1.4 Investments :**

Investments includes advances to M/S Khemchand Rajkumar.

**1.5 Inventories :**

Raw material is valued at cost. Finished goods are valued at cost or net realizable value whichever is lower.

**1.6 Miscellaneous Expenditure**

Preliminary expenses are being written off @ 10% from the year of commercial production.

**1.7 Retirement Benefits :**

Employees provident Fund Act and Employees State Insurance Act are not applicable to the company. No provision has made for leave encashment and Gratuity payable on retirement.

**2. Notes On Accounts**

2.1 All the current assets, loans and advances have a value, on realization at least equal to the amount, at which they are stated in the accounts.

2.2 All the known liabilities have been provided for and there are no contingent liabilities except that are stated in the accounts.

2.3 Depreciation on fixed assets has been provided during the year on basis at the rate prescribed under schedule XIV of the Companies Act 1956.

2.4 Due to/from small scale industries more than Rs. 1 lac Nil.

2.5 Balance with sundry debtors, creditors are subject to confirmation from the respective parties and consequential reconciliation / adjustments arising there from, if any.

2.6 In absence of virtual certainty of sufficient future taxable income, net deferred tax assets has not been recognized by way of prudence in accordance with Accounting Standard (AS) 22 "Accountants for taxes on Income " issued by the Institute of Chartered Accountants of India.

**2.7 Segmental Reporting (Primary)**

	Local Sales	Outside Sales	Total
Segment Revenue	51,23,13,945	11,10,96737	62,34,10,682
Segment Results before interest & tax	2,32,034	50,314	2,82,348
Less : Interest	-----	-----	2,03,073
Less : Tax	-----	-----	48,633
Profit After Tax			30,642

Note : The Company has disclosed geographical segment of primary Segment.  
Company is engaged in selling of Iron & Steel Products only. So no business segment having different risk & return is identifiable.

**2.8 Related Party Disclosure :**

Sl.NO.	Name of the Related Party	Nature of relationship With Company	Nature of Transaction	Volume of Transaction during the Year	Balance at the end of the year
1.	A.N.Rao	Director	Remuneration	69,543.00	Nil
2.	A.N.RAO	Director	Advance given	59,400.00	45,600.30(Dr)
3.	S.K.Lilha	Director	Remuneration	1,05,484.00	Nil
4.	S.K.Lilha	Director	Advance given	Nil	Nil

Note : Related Party relationship is identified by the Company and relied upon by the auditor.

**2.9 EARNING PER SHARE**

<b>PARTICULARS</b>		<b>31.03.2003</b>	<b>31.03.2002</b>
Profit /(loss) Attributable to the share holders			
After exceptional items	A	30,642	7,53,775
Before exceptional items	B	-----	-----
Basic/Weighted average no. of equity shares.			
Outstanding during the year	C	6,29,400	6,29,400
Nominal value of equity share		10	10
Basic/Diluted earning per share			
After exceptional items	A/C	0.05	1.20
Before exceptional items	B/C	-----	-----

2.10 Previous years figures have been regrouped and/or rearranged wherever considered necessary.

Schedule 1 to 16 form an integral part of Accounts.

As per our annexed Report of even date.

For M.P.SHAH & CO.

For KSHITIJ INVESTMENTS LIMITED

(M.P.SHAH)  
Partner

DIRECTOR  
S. K. Lilha

DIRECTOR  
Kshitij Rajkumar

DIRECTOR  
A.N. Rao

Place : Kolkata  
Date : 30th June 2003

**Additional Information pursuant to the provisions of paragraph 3, 4C & 4D of part II  
Schedule VI to the Companies Act 1956.**

- A. i) Number of employees employed throughout the year and were in receipt of remuneration of Rs. 1200000/- or more : Nil (Previous year Nil)  
 ii) Number of employees employed for a part of the year and were in receipt of Rs. 10000/- per month or more; Nil (Previous year Nil)
- B. Particulars of stock, purchases, sales and productions.  
 i) Class of goods; CTD Bars of various sizes, wire Rods and Coils.  
 ii) Unit Measurements; Metric Tons

Sl. No.	Particulars	Current Year		Previous Year	
		Qty (Mt.)	Value (Rs.)	Qty (Mt.)	Value (Rs.)
<b><u>Finished Goods</u></b>					
1.	Opening Stock	1729.594	28019207.77	1020.735	14036615.00
2.	Production (Produced by others)	14003.835	275571675.78	26575.015	446494639.17
3.	Purchases	21515.164	333332355.34	16078.653	239754398.89
4.	Sales	36524.353	623410684.35	41944.809	672266445.29
5	Closing stock	724.240	13512554.54	1729.594	28019207.77
<b><u>Raw Materials</u></b>					
1.	Opening stock	718.318	8369841.34	2159.612	25517975.39
2.	Purchases	14841.500	182261325.72	28086.500	340026681.00
3.	Consumptom (Consumed by others)	15559.818	190631167.06	29527.794	357174815.05
4.	Closing stock	Nil	Nil	718.318	8369841.34

		<u>CURRENT YEAR</u>	<u>PREVIOUS YEAR</u>
C.	Expenditure in Foreign Exchange	Nil	Nil
D.	Earning in Foreign Exchange	Nil	Nil
E.	C.I.F. value of Imports	Nil	Nil
F.	F.O.B. value of Exports	Nil	Nil
G.	Payment to Auditor		
	For Audit fees	10,800/-	10,500/-
	For Tax Audit fees	5,400/-	5,250/-
		<b>16,200/-</b>	<b>15,750/-</b>
H.	Payment to Directors	1,75,027/-	74,400/-

**Balance Sheet abstract and Company's General / Business Profile as required under Part IV of Schedule VI to the Companies Act., 1956**

1.	<b><u>Registration Details :</u></b>			
	Registration No.	21315	State Code	11
	Balance Sheet Date	31st March, 2003		
2.	<b><u>Capital Raised During the Year</u></b>			
	Public Issue	Nil	Right Issue	Nil
	Bonus Issue	Nil	Private placement	Nil
3.	<b><u>Mobilization and Development of Funds</u></b> (Rs. in thousand)			
	Total Liabilities	9778	Total Assets	9778
	Sources of Funds :			
	Paid up Capital	6294	Reserve Surplus	2215
	Secured Loan	Nil	Unsecured Loan	1269
	Application of Funds :			
	Net Fixed Assets	1794	Investments	6456
	Net Current Assets	1483	Misc. Expenditure	45
	Accumulated Losses	Nil		
4.	<b><u>Performance of the Company</u></b> (Rs. in thousand)			
	Total Turn over	608916	Total Expenditure	608868
	Profit Before Tax	48	Profit After Tax	31
	Earning per Share (Rs.)	0.05	Dividend Rate (%)	Nil
5.	<b><u>Generic Names of principle products :</u></b>			
	<b><u>Name</u></b>	<b><u>ITC Code</u></b>		
	Wire, Rod & Coils	HC 7213.90		
	CTD Bar	HC 7214.20		

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2003**

	2002-2003 (in Rs.)	2001-2002 (in Rs.)
<b>A. CASH FLOW FROM OPERATIONAL ACTIVITIES :</b>		
Net Profit For The Year	30642	753775
Add : Adjustment for :		
Depreciation	108736	83657
Interest Paid	203073	775612
Preliminary Expenses W/off	<u>5037</u>	<u>5586</u>
Operating Profit before working capital	<u>316846</u>	<u>864865</u>
	<u>347488</u>	<u>1618640</u>
Changes -		
Adjustment for :		
Inventories	22876485	3165541
Trade Payables	<u>(22231364)</u>	<u>(81299541)</u>
Loans & Advances	<u>(329027)</u>	<u>3357463</u>
Receivables	<u>6282297</u>	<u>66664140</u>
	<u>6598401</u>	<u>(8112397)</u>
Net Cash generated from operation	<u>6945889</u>	<u>(6493757)</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(209961)	(72334)
Increase in Investments	<u>(355191)</u>	<u>(745934)</u>
Net Cash used in financing activities	(565152)	(818268)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Interest Paid	<u>(203073)</u>	<u>(775612)</u>
Net cash used in financing activities	<u>(203073)</u>	<u>(775612)</u>
Net increase in cash & cash equipments (A+B+C)	6177664	(8087637)
Add : Opening Cash & Cash equipments	6621454	14709091
Closing Cash & Cash Equivalent as on 31st March, 2003.	12799118	6621454

For and on behalf of the Board  
KSHITIJ INVESTMENTS LIMITED

Place : Kolkata.	DIRECTOR	DIRECTOR	DIRECTOR
Date : 30th June 2003	S. K. Lilha	Kshitij Rajkumar	A.N. Rao

**AUDITORS' CERTIFICATE**

We have verified the above cash flow statement for the year ended 31st March, 2003 of Kshitij Investments Limited. The Statement is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of 30th June, 2003 to the members of the company and has been prepared in accordance with the requirements of clause 32 of the company's Listing agreement with Stock Exchanges.

FOR M.P.SHAH & CO.  
CHARTERED ACCOUNTANTS

Place : Kolkata

Date : 3th June, 2003

(M.P.SHAH)  
PARTNER

**ATTENDANCE SLIP  
KSHITIJ INVESTMENTS LIMITED**

42, Manek Abad, 5, Setalwad Lane, Off. Nepean Sea Road, Mumbai 400 036.

Please complete the attendance slip and hand it over at the entrance of the meeting hall. Joint Shareholders may obtain additional attendance slip on request.

Name & Address of the Shareholder (In Block Letter) \_\_\_\_\_

No. of Share Held \_\_\_\_\_ Registered Folio No. \_\_\_\_\_

I hereby record my presence at the 24th Annual General Meeting of the company held on 30th Sept, 2003 at 11.30 am at 42, Manek Abad, 5, Setalwad Lane, Off. Nepean Sea Road, Mumbai 400 036.

**PROXY**

**KSHITIJ INVESTMENTS LIMITED**

42, Manek Abad, 5, Setalwad Lane, Off. Nepean Sea Road, Mumbai 400 036.

Folio No. \_\_\_\_\_

I/We \_\_\_\_\_

being a members of Kshitij Investment Limited hereby appoint \_\_\_\_\_

as my / our proxy to vote for me/us on our behalf at the 24th Annual General Meeting of the Company to be held on 30th Sep 2003 at 11.30 am.

Signed \_\_\_\_\_ day of \_\_\_\_\_ 2002 the said

**Affix 30 paise  
Revenue  
Stamp**

**NOTE :**

The proxy must be deposited at the Registered Office of the Company at 42, Manek Abad, 5, Setalwad Lane, Off. Nepean Sea Road, Mumbai 400 036 not less than 48 hours before the time for holding the meeting. The Proxy need not be a member of the Company.

**BOOK-POST**

***If undelivered please return to :***

***Kshitij Investments Limited***

42, Manek Abad,  
5, Setalwad Lane,  
Off Nepean Sea Road,  
Mumbai - 400 036.

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