

# ***Kshitij Investments Limited***

## **25<sup>th</sup> Annual Report**

**2003 - 2004**

**❖ REGISTERED OFFICE ❖**

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

**❖ BOARD OF DIRECTORS ❖**

Kshitij Rajkumar  
Pankaj Raval  
A. N. Rao.  
S. K. Lilha

**❖ AUDITORS ❖**

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

**❖ BANKERS ❖**

State Bank of Mysore  
Union Bank of India

## ***Kshitij Investments Limited***

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### **KSHITIJ INVESTMENTS LIMITED**

Regd. Office : 509, Loha Bhavan, P. D'mello Road, Mumbai - 400 009.

#### **NOTICE**

**NOTICE** is hereby given that the 25th Annual General Meeting of the Members of **KSHITIJ INVESTMENTS LIMITED** will be held on Thursday, the 30th day of September, 2004 at 11.30 a.m. at the Registered office at 509, Loha Bhavan, P. D'Mello Road, Mumbai - 400 009 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, 2004 and Profit and Loss Account for the year ended on that date.
2. To appoint a Director in place of Mr. Kshitij Rajkumar, who retires by rotation and being eligible, offers himself for the reappointment.
3. To appoint Auditors to hold office from conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board of Directors

PLACE : MUMBAI  
DATED: 30/08/2004

(PANKAJ RAWAL)  
CHAIRMAN

#### **REGD. OFFICE:**

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

#### **NOTES :-**

- 1) A MEMBER ENTITLED 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 THURSDAY, 16TH SEPTEMBER, 2004 TO THURSDAY, 30TH SEPTEMBER, 2004 (BOTH DAYS INCLUSIVE).

**DIRECTORS' REPORT**

To,  
The Members,

Your Directors have pleasure in presenting their 25th Annual Report together with the Audited Accounts for the year ended 31st March, 2004.

**FINANCIAL RESULTS :**

	CURRENT YEAR RS.	PREVIOUS YEAR RS.
1. TOTAL INCOME	44,07,34,841.54 =====	60,89,16,416.79 =====
2. (a) OPERATING PROFIT/LOSS BEFORE INTEREST, DEPRECIATION & TAXES	2,75,381.79	3,91,084.56
(b) (-) INTEREST	54,200.98 -----	2,03,073.10 -----
(c) PROFIT/(LOSS) BEFORE DEPRECIATION & TAXES	2,21,180.81	1,88,011.46
(d) (-) DEPRECIATION	1,66,788.00 -----	1,08,736.15 -----
(e) NET PROFIT FOR THE YEAR	54,392.81	79,275.31
(f) (-) INCOME TAX RELATING TO YEAR 2001-2002.	---	32,133.00
(-) PROVISION FOR INCOME TAX	---	16,500.00 -----
	54,392.81,	30,642.31
(g) (+) BALANCE BROUGHT FORWARD	20,02,650.28	19,72,007.97
(h) (-) PRIOR PERIOD ADJUSTMENT	1,19,338.00 -----	--- -----
(i) BALANCE CARRIED TO B/SHEET	19,37,705.09 =====	20,02,650.28 =====

**WORKING RESULTS :**

Sales during the year under review of CTB Bars and Wire Rods & Coils amounted to Rs.45,38,95,791.47 as against Rs.62,34,10,682.35 in the previous year, registering a decrease by 27.19% 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.54,392.81 as against Rs.30,642.31 in the previous year.

**DIVIDEND :**

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

**DEPOSITS :**

Their are no unclaimed deposits outstanding as on 31st March, 2004. The Company has not taken any loan from the public.

## ***Kshitij Investments Limited***

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### **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, 2004, 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 judgments 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, 2004 on a 'going concern' basis.

### **SECRETARIAL COMPLIANCE CERTIFICATE :**

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

### **DIRECTORS :**

Mr. Kshitij Rajkumar, 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 25th 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.

For and on behalf of the Board of Directors

PLACE : MUMBAI  
DATED: 30/08/2004

(PANKAJ RAWAL)  
CHAIRMAN

**\* COMPLIANCE CERTIFICATE \***

To,  
The Members  
KSHITIJ INVESTMENTS LIMITED

We have examined the registers, records, books and papers of KSHITIJ INVESTMENTS LIMITED (a 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, 2004. In our opinion and to the best of our information and according to examinations carried out by us and explanations furnished to us by the Company, its Officers and agents, We certify that in respect of 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 15 (Fifteen) times on 10th April, 2003; 14th April, 2003; 2nd May, 2003; 9th May, 2003; 19th May, 2003; 25th June, 2003; 30th June, 2003; 28th July, 2003; 31st July, 2003; 31st October, 2003; 20th November, 2003; 21st November, 2003; 31st January, 2004; 5th February, 2004 and 25th March, 2004 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 16th September, 2003 to 30th September, 2003 (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, 2003 was held on 30th September, 2003 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra-Ordinary General Meeting was held during the financial year.
8. The Company has advanced a loan of Rs111,300.30 to its directors 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 financial year.
13. The Company has :
  - (i) delivered all the certificates on allotment of securities and on lodgement thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act;
  - (ii) not deposited any, amount in 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. There was, no appointment of directors, additional directors, alternate directors and directors to fill casual vacancy during the financial year.

## ***Kshitij Investments Limited***

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15. The appointment of Managing Director / Whole-time Director/Manager has been 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 of 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.
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 loan falling within the purview of Section 58A during the financial year.
24. The Company has not made any borrowings during the financial year ended 31st March, 2004.
25. The Company has not made any loans or advances, or given guarantees or provided securities to other bodies corporate and consequently no 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 offenses 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 deposited both employees and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

For R. N. Shah & Associates  
Company Secretaries

PLACE : MUMBAI  
DATED : 30TH AUGUST, 2004

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

**ANNEXURE 'A'**

**REGISTERS AS MAINTAINED BY 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 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).

For R. N. Shah & Associates  
Company Secretaries

PLACE : MUMBAI  
DATED : 30TH AUGUST, 2004

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

**ANNEXURE 'B'**

Forms and Returns as filed by KSHITIJ INVESTMENTS LIMITED with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended 31st March, 2004:

1. Annual Return dated 30-09-2003 filed u/s. 159 on 12-11-2003
2. Balance Sheet as at 31-03-2003 filed u/s. 220 on 29-10-2003.
3. Compliance Certificate for the year ended 31-03-2003 filed u/s.383A on 29-10-2003.

For R. N. Shah & Associates  
Company Secretaries

PLACE : MUMBAI  
DATED : 30TH AUGUST, 2004

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



**AUDITOR'S REPORT**

**TO THE MEMBERS OF  
KSHITIJ INVESTMENTS LIMITED**

We have audited the annexed Balance Sheet of KSHITIJ INVESTMENTS LIMITED as at 31 st March 2004 and also the annexed Profit & Loss Account of the company for the year ended on that date annexed thereto. These financial statements are responsibility of the Company management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 (a) examining, on a test basis, evidence to support the financial statement amounts and disclosures in the financial statements (b) assessing the accounting principles used in the preparation of financial statements (c) assessing significant estimates made by the management in the preparation of the financial statements and (d) evaluating overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 & 5 of the said Order.

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 and belief, were necessary for the purpose of our audit;
- b) 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 the books;
- c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the Directors, as on 31st March 2004, and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March 2004 from being appointed as a Director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with accounting policies and notes appearing in the schedule 16, give the information required by the Companies Act, 1956 in the manner so required and give a true & 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 at 31st March 2004;
  - ii) in the case of the Profit & Loss Account, of the Loss of the Company for the Year ended on that date.; and
  - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

**PLACE : Kolkata.,  
DATED : 30th August, 2004.**

**(M. P. SHAH)  
Partner  
M. No. 2443**

ANNEXURE

(Referred to in paragraph 3 of our report of even date)

RE : KSHITIJ INVESTMENTS LIMITED

- i) (a) The company has maintained proper record showing full particulars, including quantitative details and situation of fixed assets,  
(b) As explained to us, the fixed assets of the company have been physically verified by the management at reasonable interval and no material discrepancies were noticed on such verification.  
(c) In our opinion and according to the information and explanation given to us, there is no substantial disposal of Fixed Assets during the year.
- ii) (a) The inventory has been physically verified during the year by the management. In our opinion frequency of the verification is reasonable.  
(b) The procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of the business.  
(c) The company is maintaining proper records of the inventory. The discrepancies noticed on verification between physical records and book records were not material.
- (iii)\* (a) The Company has not granted or taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Act and, accordingly, paragraph 4(iii)(b), (c) and (d) of the Order are not applicable
- iv) In our opinion there is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of goods, investments and fixed assets and for the sale of goods. Further on the basis of our examination of the books and records of the Company, and according to the information and explanation given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control procedures.
- (v) According to information and explanations given to us, no transaction of purchase or sale of goods in pursuance of contract or arrangement entered into register maintained under section 301 of the Act has been made.
- (vi) The Company has not accepted any deposit from the Public during the year within the meaning of the provisions of section 58A & section 58AA of the Act and rules framed there under.
- (vii) According to information given to us, the Company has an Internal Audit System commensurate with the size and nature of its business.
- (viii) Maintenance of cost records has not been prescribed by the Central Government to the Company under clause (d) of sub-section (1) of section 209 of the Act.
- (ix) (a) According to the records of the Company, the Company is regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Custom Duty, Excise Duty, Cess and any other statutory dues as applicable to it  
(b) According to the information and explanations given to us, no undisputed amount payable in respect of Sales - tax/income-tax/Custom Duty/Wealth-tax/Excise Duty/Cess were outstanding as at 31.03.2004 for a period of more than 6 months from the date they become payable.  
(c) According to information and explanations given to us, there is no disputed statutory dues.
- (x) There is no accumulated losses in the company. The company has not incurred any cash losses during the financial year covered under our audit and also in the immediately preceding financial year.
- (xi)- According to records of the Company and according to the information and explanations given to us, the company has not taken any loan from the financial institution, banks and debenture holders during the year.
- (xii) According to records of the Company and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/societies are not applicable to the Company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the companies (Auditor's report) order, 2003 are not applicable to the company.
- (xv) The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company has not obtained any term loans during the year.
- (xvii) The Company has not raised any funds on short-term basis or on long-term-basis during the year.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor we have been informed of such case by the management.

For M.P. SHAH & Co.  
Chartered Accountants

Place: Kolkata  
Dated: 30th August, 2004..

(M.P.SHAH)  
Partner, M.No. 2433

# Kshitij Investments Limited

## BALANCE SHEET AS AT 31ST MARCH, 2004

	<u>SCHEDULES</u>	<u>CURRENT YEAR</u> AMOUNT (in Rs.)	<u>PREVIOUS YEAR</u> AMOUNT (in Rs.)
<b><u>SOURCES OF FUNDS :</u></b>			
<b><u>SHAREHOLDERS FUNDS:</u></b>			
Share Capital	1	6,294,000.00	6,294,000.00
Reserve & Surplus	2	2,150,205.09	2,215,150.28
<b><u>LOAN FUNDS</u></b>			
Secured Loan			
Unsecured Loan		1,269,000.00	1,269,000.00
<b>TOTAL</b>		<b>9,713,205.09</b>	<b>9,778,150.28</b>
<b><u>APPLICATION OF FUNDS:</u></b>			
<b><u>FIXED ASSETS :</u></b>			
Gross Block	4	3,088,868.51	2,518,120.51
Less: Accumulated Depreciation		890,810.51	724,022.51
<b>NET BLOCK</b>		<b>2,198,058.00</b>	<b>1,794,098.00</b>
<b><u>INVESTMENTS</u></b>	5	-	6,456,119.43
<b><u>CURRENT ASSETS, LOANS &amp; ADVANCES:</u></b>			
Inventories	6	-	13,512,554.54
Sundry Debtors	7	17,826,798.99	16,507,030.68
Cash & Bank Balances	8	9,824,532.01	12,799,117.65
Loan & Advances	9	3,465,712.84	2,946,839.19
		<b>31,117,043.84</b>	<b>45,765,542.06</b>
<b><u>LESS : CURRENT LIABILITIES &amp; PROVISION</u></b>			
Current Liabilities	10	23,642,694.29	44,282,939.81
<b>NET CURRENT ASSETS</b>		<b>7,474,349.55</b>	<b>1,482,602.25</b>
<b><u>MISCELLANEOUS EXPENDITURES</u></b>			
(To The Extent Not Written Off Or Adjusted)			
Preliminary Expenses		45,330.60	50,367.33
LESS: Written Off During The Year		4,533.06	5,036.73
		<b>40,797.54</b>	<b>45,330.60</b>
<b>TOTAL</b>		<b>9,713,205.09</b>	<b>9,778,150.28</b>

## ACCOUNTING POLICIES AND NOTES ON ACCOUNTS 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

sd/-  
(M.P. SHAH)  
PARTNER

PLACE : KOLKATA  
Date : 30th August, 2004.

ON BEHALF OF THE BOARD OF DIRECTORS  
For KSHITIJ INVESTMENTS LIMITED

sd/-                      sd/-                      sd/-  
DIRECTOR              DIRECTOR              DIRECTOR  
S.K. Lilha              Kshitij Rajkumar      A. N. Rao

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2004**

	<u>SCHEDULES</u>	<u>CURRENT YEAR</u> AMOUNT (in Rs.)	<u>PREVIOUS YEAR</u> AMOUNT (in Rs.)
<b><u>INCOME :-</u></b>			
<b>SALES</b>		453,895,791.47	623,410,682.35
Increase / (Decrease) In Stocks	11	(13,512,554.54)	(14506653.23)
Other Income	12	348,634.11	12,387.67
Sundry Balance Written Back		2,970.50	-
<b>TOTAL</b>		<b>440,734,841.54</b>	<b>608,916,416.79</b>
<b><u>EXPENDITURE :-</u></b>			
<b>PURCHASES</b>	13	385,368,921.11	333,332,355.34
Raw Materials Consumed	14	-	190,631,167.06
Processing Charges		-	26,903,070.00
Other Expenses	15	55,128,539.62	57,845,612.93
Audit Fees		16,200.00	16,200.00
Depreciation		166,788.00	108,736.15
<b>TOTAL</b>		<b>440,680,448.73</b>	<b>608,837,141.48</b>
<b>PROFIT/ (LOSS) FOR THE YEAR</b>		54,392.81	79,275.31
LESS : Income Tax Relating To Accounting Year 2002-2003		-	32,133.00
LESS : Provision For Income Tax		-	16,500.00
<b>PROFIT AFTER TAX</b>		54,392.81	30,642.31
LESS: Prior Period Adjustment		(119,338.00)	-
Profit/(Lose) After Prior Period Adjustment		(64,945.19)	30,642.31
ADD: PROFIT / (LOSS) BROUGHT FORWARD		2,002,650.28	1,972,007.97
<b>PROFIT / (LOSS) CARRIED FORWARD TO BALANCE SHEET</b>		<b>1,937,705.08</b>	<b>2,002,650.28</b>

**ACCOUNTING POLICIES AND NOTES ON ACCOUNTS 16**

SCHEDULE 11 TO 16 REFERRED TO ABOVE FORM INTEGRAL PART OF THE PROFIT & LOSS ACCOUNT.  
AS PER OUR ATTACHED REPORT OF EVEN DATE.

For M. P. SHAH & CO.  
CHARTERED ACCOUNTANTS

sd/-  
(M.P. SHAH)  
PARTNER

PLACE : KOLKATA  
Date : 30th August, 2004.

ON BEHALF OF THE BOARD OF DIRECTORS  
For KSHITIJ INVESTMENTS LIMITED

sd/-                      sd/-                      sd/-  
DIRECTOR              DIRECTOR              DIRECTOR  
S.K. Lilha              Kshitij Rajkumar      A. N. Rao

# ***Kshitij Investments Limited***

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## **SCHEDULES FORMING PART OF THE BALANCE SHEET**

	<b><u>CURRENT YEAR</u></b> <b>AMOUNT (in Rs.)</b>	<b><u>PREVIOUS YEAR</u></b> <b>AMOUNT (in Rs.)</b>
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### **SCHEDULE-1**

#### **AUTHORISED CAPITAL**

750000( Previous Year 750000 Equity Shares)	<b><u>7,500,000.00</u></b>	<b><u>7,500,000.00</u></b>
Equity Shares of Rs. 10/- each		

#### **ISSUED, SUBSCRIBED & PAID UP**

629400( Previous Year 629400 Equity Shares)		
Equity Shares of Rs. 10/- each		
FULLY PAID UP	<b><u>6,294,000.00</u></b>	<b><u>6,294,000.00</u></b>
	<b><u>6,294,000.00</u></b>	<b><u>6,294,000.00</u></b>

### **SCHEDULE-2**

#### **RESERVE & SURPLUS**

Capital Reserve	<b><u>212,500.00</u></b>	<b><u>212,500.00</u></b>
Profit & Loss Account	<b><u>1,937,705.09</u></b>	<b><u>2,002,650.28</u></b>
	<b><u>2,150,205.09</u></b>	<b><u>2,215 150.28</u></b>

### **SCHEDULE-3**

#### **UNSECURED LOAN**

Security Deposit	<b><u>1,269,000.00</u></b>	<b><u>1,269,000.00</u></b>
	<b><u>1,269,000.00</u></b>	<b><u>1,269,000.00</u></b>

**SCHEDULE-4**

**FIXED ASSETS**

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	AS ON 01.04.2003.	ADDITION/ (DEDUCTION)	AS ON 31.03.2004	UP TO 01.04.2003	FOR THE YEAR	UP TO 31.03.2004	AS ON 31.03.2004	AS ON 31.03.2003
PLANT & MACHINERY	62,581.65	23,765.00	86,346.65	3,326.65	3,874.00	7,200.65	79,146.00	59,255.00
SHED & BUILDING	1,310,631.46	-	1,310,631.46	508,378.46	21,363.00	529,741.46	780,890.00	802,253.00
FURNITURE & FIXTURE	869,905.00	10,158.00	880,063.00	170,084.00	55,990.00	226,074.00	653,989.00	699,821.00
OFFICE EQUIPMENT	33,735.00	15,200.00	48,935.00	721.00	2,030.00	2,751.00	46,184.00	33,014.00
COMPUTER & PRINTER	215,517.40	521,625.00	737,142.40	37,843.40	82,308.00	120,151.40	616,991.00	177,674.00
MOBILE PHONE	25,750.00	-	25,750.00	3,669.00	1,223.00	4,892.00	20,858.00	22,081.00
<b>TOTAL =</b>	<b>2,518,120.51</b>	<b>570,748.00</b>	<b>3,088,868.51</b>	<b>724,022.51</b>	<b>166,788.00</b>	<b>890,810.51</b>	<b>2,198,058.00</b>	<b>1,794,098.00</b>
PREVIOUS YEAR	2,308,159.36	209,961.15	2,518,120.51	615,286.38	108,736.15	724,022.51	1,794,098.00	1,692,873.00

# Kshitij Investments Limited

	CURRENT YEAR AMOUNT (in Rs.)	PREVIOUS YEAR AMOUNT (in Rs.)
<b><u>SCHEDULE - 5</u></b>		
<b><u>INVESTMENTS WITH</u></b>		
M/S. Khemchand Rajkumar	----	6,431,999.43
KR Steelunion Limited	----	24,120.00
	----	<b>6,456,119.43</b>
<b><u>SCHEDULE - 6</u></b>		
<b><u>INVENTORIES</u></b>		
Finished Goods	----	13,512,554.54
Raw Materials	----	-
	----	<b>13,512,554.54</b>
<b><u>SCHEDULE-7</u></b>		
<b><u>SUNDRY DEBTORS</u></b>		
(UNSECURED, CONSIDERED GOOD BY THE MANAGEMENT)		
Outstanding More Than Six Months	-	-
Outstanding Below Six Months	17,826,798.99	16,507,030.68
	<b>17,826,798.99</b>	<b>16,507,030.68</b>
<b><u>SCHEDULE-8</u></b>		
<b><u>CASH &amp; BANK BALANCES</u></b>		
Cash In Hand	34,891.33	2,411,425.04
(As Certified By Management)		
Cash At Bank In Current Accounts	9,789,640.68	10,387,692.61
	<b>9,824,532.01</b>	<b>12,799,117.65</b>
<b><u>SCHEDULE-9</u></b>		
<b><u>LOANS &amp; ADVANCES</u></b>		
Advance To Staff	477,068.49	418,673.34
Other Advances	2,988,644.35	2,528,165.85
	<b>3,465,712.84</b>	<b>2,946,839.19</b>
<b><u>SCHEDULE-10</u></b>		
<b><u>CURRENT LIABILITIES</u></b>		
Sundry Creditors	11,736,952.36	41,113,680.33
Security Deposits	1,991,423.00	1,487,013.49
Other Liabilities	9,914,318.93	1,682,245.99
	<b>23,642,694.29</b>	<b>44,282,939.81</b>
<b><u>SCHEDULE-11</u></b>		
<b><u>INCREASE / (DECREASE) OF FINISHED GOODS STOCKS</u></b>		
Opening Stock	13,512,554.54	28,019,207.77
LESS: Closing Stock	-	13,512,554.54
	<b>(13,512,554.54)</b>	<b>(14,606,653.23)</b>
<b><u>SCHEDULE-12</u></b>		
<b><u>OTHER INCOME</u></b>		
Miscellaneous Receipts	-	12,387.67
Delivery & Freight Charges	11,994.00	-
Interest Received	4,562.00	-
Profit On Sale Of Investment	332,078.11	-
	<b>348,634.11</b>	<b>12,387.67</b>
<b><u>SCHEDULE-13</u></b>		
<b><u>FINISHED GOODS</u></b>		
Purchase	384,090,954.50	331,590,205.65
Transport Charges	1,277,966.61	1,742,149.69
	<b>385,368,921.11</b>	<b>333,332,355.34</b>
<b><u>SCHEDULE -14</u></b>		
<b><u>RAW MATERIALS CONSUMED</u></b>		
Opening Stock .	-	8,369,841.34
ADD:Purchase	-	181,831,548.12
Freight & Other Charges	-	317,880.00
Transport Charges	-	1,342,137.60
LESS: CLOSING STOCK	-	-
LESS: SOLD	-	1,230,240.00
	-	<b>190,631,167.06</b>

	<b>CURRENT YEAR</b> <b>AMOUNT (in Rs.)</b>	<b>PREVIOUS YEAR</b> <b>AMOUNT (in Rs.)</b>
<b><u>SCHEDULE-15</u></b>		
<b><u>OTHER EXPENSES</u></b>		
<b><u>EMPLOYEES REMUNERATION</u></b>		
ESTABLISHMENT	281,414.50	457,542.88
HOUSE RENT ALLOWANCE	11,000.00	20,500.00
BONUS	34,686.00	32,877.00
GRATUITY	57,000.00	-
DIRECTOR'S REMUNERATION	154,077.00	-
LEAVE SALARY	27,032.00	-
	<b>[A]</b>	
	<b>565,209.50</b>	<b>510,919.88</b>
<b><u>STAFF WELFARE EXPENSES</u></b>		
STAFF WELFARE EXPENSES	16,329.00	16,366.25
LEAVE TRAVEL CONCESSION	43,117.00	23,300.00
MEDICAL EXPENSES REIMBURSEMENT A/C	43,117.00	25,300.00
	<b>[B]</b>	
	<b>102,563.00</b>	<b>64,966.25</b>
<b>SUB TOTAL [ A + B ]</b>	<b>667,772.50</b>	<b>575,886.13</b>
<b><u>REPAIR &amp; MAINTENANCE</u></b>		
R & M OF AIR CONDITIONER	69,500.00	-
R & M OF ELECTRIC EQUIPMENTS.	17,875.00	2,503.00
R & M OF PLANT & MACHINERY	6,316.00	-
R & M OF WEIGH BRIDGE	1,600.00	-
R & M OF WEIGHING MACHINE	2,563.00	-
R & M OF GODOWN	940.00	2,050.00
R & M OF FURNITURE & FIXTURE	100.00	9,525.00
R & M OF OFFICE EQUIPMENTS	-	2,086.00
R & M OF COMPUTER	1,680.00	2,258.08
R & M OF SHED & BUILDING	109,424.00	807.00
R & M OF OTHERS	754.00	7,622.40
	<b>SUB TOTAL =</b>	
	<b>210,752.00</b>	<b>26,851.48</b>
<b><u>RENT, RATES, TAXES &amp; LICENSE FEES</u></b>		
RENT A/C GODOWN	217,835.00	146,440.00
RATES & TAXES	5,645.00	9,355.00
RENT A/C	1,243,772.00	2,091,000.00
	<b>SUB TOTAL =</b>	
	<b>1,467,252.00</b>	<b>2,246,795.00</b>
<b><u>SELLING &amp; DISTRIBUTION EXPENSES</u></b>		
SALES TAX	3,543,482.95	5,944,211.56
BROKERAGE & COMMISSION	4,950,068.64	7,026,344.19
ADVERTISEMENT	53,076.00	38,856.25
SALES PROMOTION	2,606,129.76	3,423,408.23
	<b>SUB TOTAL =</b>	
	<b>11,152,757.35</b>	<b>16,432,820.23</b>



# Kshitij Investments Limited

	CURRENT YEAR AMOUNT (in Rs.)	PREVIOUS YEAR AMOUNT (in Rs.)
<b><u>ADMINISTRATIVE &amp; OPERATIONAL EXPENSES</u></b>		
ANNUAL LISTING FEES	20,000.00	40,000.00
AUDIT EXPENSES	-	750.00
BOOKS & PERIODICALS	865.00	731.00
CAR HIRE CHARGES	113,527.00	105,361.00
CELL PHONE CHARGES	151,583.00	11,262.00
CLUB FEES	1,800.00	2,450.00
COMPUTER CONSUMABLE	147,860.00	270.00
COMPUTER SPARE	68,560.00	-
CONSULTANCY CHARGES	19,320.00	10,000.00
CONSUMABLE STORES	-	13,985.12
CONVEYANCE	273,085.90	346,375.78
DIRECTORS TRAVELLING EXPENSES	26,186.00	200,700.00
ELECTRIC CHARGES	10,483.00	2,372.00
ENTRY TAX	31,478.83	-
EX-GRATIA	41,358.00	24,655.00
FILING FEES	14,204.00	25,100.00
GENERAL EXPENSES	111,488.15	123,287.65
HIRE CHARGES	36,000.00	-
LABOUR CHARGES	851,595.00	13,911.00
LEGAL CHARGES & PROFESSIONAL FEES	-	996,515.00
LEGAL EXPENSES	990.00	5,009.00
LOADING & UNLOADING CHARGES	76,718.00	156,158.15
LOSS ON SALE OF INVESTMENT	32,084.47	-
MEMBERSHIP FEES	-	2,375.00
MISCELLANEOUS EXPENSES	9,005.00	20,610.00
OIL & LUBRICANT	-	3,265.20
PACKING	-	12,435.00
POSTAGE & TELEGRAM	29,709.83	39,827.94
PRELIMINARY EXPENSES WRITTEN OFF	4,533.06	5,036.73
PRINTINGS & STATIONERY	76,780.95	111,020.85
PROFESSIONAL FEES	889,108.00	-
PUJA EX-GRATIA	-	17,131.00
RETAINERSHIP FEES	287,800.00	460,547.00
SALES TAX EXPENSES A/C	10,600.00	-
SECURITY SERVICE CHARGES	253,331.00	253,304.00
SERVICE CHARGES	30,786.00	128,147.00
STIPEND	147,380.00	203,989.00
STOCK TAKING EXPENSES	-	44,817.00
STORAGE CHARGES	200,000.00	-
SUBSCRIPTION	-	1,050.00
SUNDRY BALANCE WRITTEN OFF	7,923,999.61	45.17
TELEPHONE CHARGES	83,754.00	43,663.25
TESTING FEES	29,730.00	31,500.00
TRAVELLING EXPENSES	139,466.75	545,070.31
WEIGHTMENT CHARGES	2,805.00	4,970.00
<b>SUB TOTAL =</b>	<b><u>12,147,975.55</u></b>	<b><u>4,007,697.15</u></b>
TRANSPORT CHARGES	11,090,246.05	14,446,263.83
HANDLING CHARGES	17,765,286.74	18,914,770.80
INSURANCE PREMIUM	47,028.00	302,110.00
BANK COMMISSION & OTHER CHARGES	515,993.45	683,075.21
DONATION	9,275.00	6,270.00
INTEREST	54,200.98	203,073.10
<b>SUB TOTAL =</b>	<b><u>29,482,030.22</u></b>	<b><u>34,555,562.94</u></b>
<b>GRAND TOTAL OF SCHEDULE 15</b>	<b><u>55,128,539.62</u></b>	<b><u>57,845,612.93</u></b>

**SCHEDULE -16 :**

**ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:**

**1. Significant Accounting Policies :**

**1.1. Method of Accounting :**

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

**1.2. Revenue Recognition :**

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

**1.3. Fixed Assets:**

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

**1.4. Inventories:**

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

**1.5. Miscellaneous Expenditure:**

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

**1.6. Retirement Benefit:**

Employees Provident Fund Act and Employees State Insurance Act are not applicable to the company. No provision has been 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 during the year.
- 2.3. Depreciation on fixed assets have been provided during the year on straight line method 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 / adjustments arising there from, if any.
- 2.6. In absence of virtual certainty of sufficient taxable income, net deferred tax assets has not been recognized by way of prudence in accordance with Accounting Standard (AS) 22 "Accounting for taxes on income" issued by the institute of Chartered Accountants of India.

**2.7, Segmental Reporting (Primary)**

	Sales (Within the State of West Bengal)	Sales (Outside the State of West Bengal)	Total
Segment Revenue	428645019	25250772	453895791
Segment Results Before interest & Tax	(10146)	(598)	(10744)
Less : Interest	—	—	54201
Less: Tax	—	—	—
Profit/(Loss) After Tax	—	—	(64945)

Notes : The company has disclosed geographical segment of primary Segment. The 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	72464.00	NIL
2	A. N. Rao	Director	Advance Given	101500.00	111300.30 (Dr.)
3	S. K. Lilha	Director	Remuneration	81613.00	NIL

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

**2.9. EARNING PER SHARE**

PARTICULARS	31.03.2004	31.03.2003
Profit/(Loss) Attributable to the Share holders	(64945)	30642
Weighted average no. of Equity Shares outstanding during the year	629400	629400
Nominal value of Equity Share	10	10
Basic/Diluted earning per Share	(0.10)	0.05

2.10. Previous year 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

sd/-

sd/-

sd/-

sd/-

M.P. SHAH)  
PARTNER

DIRECTOR  
S.K. Lilha

DIRECTOR  
Kshitij Rajkumar

DIRECTOR  
A. N. Rao

PLACE : KOLKATA

Date : 30th August, 2004.

## ***Kshitij Investments Limited***

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

**1. Registration Details :**

Registration No.	21315	State Code	11
Balance Sheet Date	31st March, 2004		

**2. Capital Raised During the Year**

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

**3. Position of Mobilization and Deployment of Funds**

(Rs. in thousand)

Total Liabilities	9713	Total Assets	9713
Sources of Funds:			
Paid up Capital	6294	Reserve Surplus	2150
Secured Loan	NIL	Unsecured Loan	1269
Application of Funds:			
Net Fixed Assets	2198	Investments	NIL
Net Current Assets	7474	Misc. Expenditure	41
Accumulated Losses	NIL		

**4. Performance of the Company:**

(Rs. in thousand)

Total Turn Over	440735	Total Expenditure	440800
Profit/(Loss) Before Tax	(65)	Profit/(Loss) After Tax	(65)
Earning Per Share (Rs.)	(0.10)	Dividend Rate (%)	NIL

**5. Generic Names of Principle Products :**

<u>Name</u>	<u>ITC Code</u>
Wire, Rod & Coils	HC 7213.90
CTD Bar	HC 7214.20

# Kshitij Investments Limited

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2004

	2003-2004 (in Rs.)	2002-2003 (in Rs.)
<b>A. CASH FLOW FROM OPERATIONAL ACTIVITIES</b>		
Net Profit for the Year	(64945)	30642
Add : Adjustment for:		
Sundry Balance W/ Off	7924000	-
Depreciation	166788	108736
Interest Paid	54201	203073
Preliminary Expenses W/off	4533	5037
Loss on Sale of Investment	<u>32085</u>	<u>-</u>
	8181607	316846
	8116662	347488
Less: Profit on Sale of Investment	332078	-
Sundry Balance Written Back	2971	-
Interest Received	<u>4562</u>	<u>-</u>
	339611	-
	7777051	347488
Operating Profit before working capital Changes -		
Adjustment for:		
Inventories	13512555	22876495
Current Liabilities	(20,637,275)	
Trade Payable	-	(22231364)
Loans & Advances	(518,874)	(329027)
Receivable	<u>(9,243,768)</u>	<u>6282297</u>
	(16,887,362)	6598401
Net Cash used in operation	<u>(911 0311)</u>	<u>6945889</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(570,748)	(209961)
Interest Received	4562	-
Sale of Investments	<u>6756112</u>	<u>(355191)</u>
Net cash from investing activities	<u>6189926</u>	<u>(565152)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest Paid	<u>(54,201)</u>	<u>(203073)</u>
Net cash used in financing activities	<u>(54,201)</u>	<u>(203073)</u>
Net increase in cash & cash equivalents (A+B+C)	(2974586)	6177664
Add: Opening Cash & Cash equivalents	<u>12799118</u>	<u>6621454</u>
Closing Cash & Cash equivalents as on 31 st March, 2004	<u>9824532</u>	<u>12799118</u>

For and on behalf of the Board  
KSHITIJ INVESTMENTS LIMITED

Place: MUMBAI  
Date: 30th August, 2004.

Sd/-	Sd/-	Sd/-
DIRECTOR	DIRECTOR	DIRECTOR
S. K. Lilha	Kshitij Rajkumar	A. N. Rao

### AUDITORS' CERTIFICATE

We have verified the above cash flow statement for the year ended 31 st March , 2004 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, 2004 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: 30th August. 2004.

Sd/-  
(M. P. SHAH)  
Partner



**ATTENDANCE SLIP**  
**KSHITIJ INVESTMENTS LIMITED**  
509, Loha Bhavan, P. D'mello Road, Mumbai - 400 009.

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 25th Annual General Meeting of the company held on 30th Sept. 2004 at 11.30 am at 509, Loha Bhavan, P. D'mello Road, Mumbai – 400 009.

.....

**PROXY**  
**KSHITIJ INVESTMENTS LIMITED**  
509, Loha Bhavan, P. D'mello Road, Mumbai - 400 009.

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 25th Annual General Meeting of the Company to be held on 30th Sep 2004 at 11.30 am.

Signed \_\_\_\_\_ day of \_\_\_\_\_ 2004 the said

<b>Affix 30 paise Revenue Stamp</b>
---

**NOTE:**

The proxy must be deposited at the Registered Office of the Company at 509, Loha Bhavan, P. D'mello Road, Mumbai – 400 009 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***

509, Loha Bhavan,

P. D'mello Road,

Mumbai - 400 009.

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