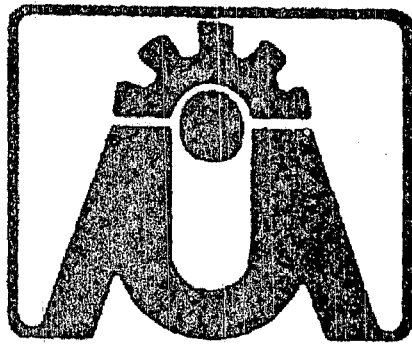


24th

ANNUAL REPORT

2003-2004



MAURIA UDYOG LIMITED

(BSI Certified ISO:9001:2000 Company)

A Government Recognized Export House

CERTIFY TRUE COPY
For MAURIA UDYOG LIMITED

Authorized Signatory

Board of Directors : Shri V. K. SUREKA, MANAGING DIRECTOR
Shri N. K. SUREKA, DIRECTOR
Shri A. K. SUREKA, DIRECTOR
Shri O. P. BHARADWAJ, DIRECTOR
Shri MOHAN LAL, DIRECTOR
Shri B. S. YADAV, DIRECTOR

Auditors : **SALARPURIA & PARTNERS**
CHARTERED ACCOUNTANTS
1008, 10TH LOOR,
43, CHIRANJIV TOWER,
NEHRU PLACE,
NEW DELHI-110 019.

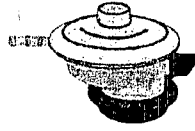
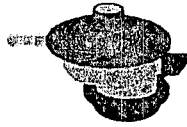
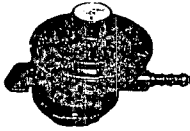
Bankers : **CORPORATION BANK**
EXPORT IMPORT BANK OF INDIA

Registered Office : 12, DR. J. N. BRAHMACHARI STREET
KOLKATTA-700 016.

Administrative : 602, CHIRANJIV TOWER
43, NEHRU PLACE
NEW DELHI. 110 019.

Works : NEAR GOUCHI OCTROI POST
SOHNA ROAD, FARIDABAD
HARYANA -121 004 (HARYANA).

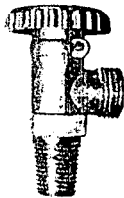
Leading Manufacturing of :



DOMESTIC PRESSURE REGULATORS



LIQUEFIED PETROLEUM GAS CYLINDER



SELF CLOSING VALVE



MAURIA UDYOG LIMITED
(BSI Certified ISO:9001:2000 Company)
A Government Recognized Export House

MAURIA UDYOG LIMITED

NOTICE

Notice is hereby given that the **24th Annual General Meeting** of the Members of **MAURIA UDYOG LIMITED** will be held on Thursday, the 30th September, 2004 at 2.00 P.M. at the Registered Office of the Company at 12, Dr. U.N. Brahmachari Street, Kolkatta-700 017 to transact the following business:-

ORDINARY BUSINESS

- 1) To receive, consider, approve and adopt the Accounts and Balance Sheet for the year ended 31st March 2004 and the Reports of the Directors and Auditors thereon.
- 2) To appoint Director in place of Shri Bhopal Singh Yadav who retires under Article 134 of the Articles Of Association of the Company and being eligible, offers him-self for re-appointment.
- 3) To appoint Director in place of Shri Navneet Kumar Sureka who retires under Article 134 of the Articles Of Association of the Company and being eligible, offers him-self for re-appointment.
- 4) To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modifications, if any, the following Resolutions:-

(i) As an Ordinary Resolution

"Resolved that Shri O.P. Bharadwaj who vacates office as an Additional Director under section 260 of the Companies Act, 1956 at this meeting be and is hereby appointed Director of the Company whose period of office will be liable to determination by retirement of Directors by rotation."

(ii) As an Ordinary Resolution

"Resolved that Shri Mohan Lal who vacates office as an Additional Director under section 260 of the Companies Act, 1956 at this meeting be and is hereby appointed Director of the Company whose period of office will be liable to determination by retirement of Directors by rotation."

12, Dr. U.N. Brahmchari Street,
Kolkatta - 700 017.

Date: 11th August , 2004

By order of the Board of Directors,
MAURIA UDYOG LIMITED

(V. K. SUREKA)
Managing Director

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. The proxy need not be a member of the Company. A proxy form is enclosed herewith.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 27th September, 2004 to 30th September, 2004 (both days inclusive):
3. Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 is attached.

EXPLANATORY STATEMENT

(Pursuant to section 173(2) of the Companies Act, 1956 attached to the Notice dated 11th August, 2004 convening the 24th Annual General Meeting)

Special Business No.(i) - Ordinary Resolution

Shri O.P. Bharadwaj was appointed as an Additional Director of the Company on 1st December, 2003 under section 260 of the Companies Act, 1956 and he holds office till this Annual Meeting but is eligible for re-appointment. The Company has received a notice along with a deposit of Rs.500.00 as required under section 257 of the Companies Act, 1956, from a member notifying his intention proposing candidature of Shri O.P. Bharadwaj for the office of the Director.

A brief resume of Shri O.P. Bharadwaj, as required under clause 49 (vi) (A) of the listing agreement is provided separately in the Corporate Governance Report enclosed to the Directors' Report. The Directors recommend the appointment of Shri O.P. Bharadwaj as Director of the Company. Except Shri O.P. Bharadwaj, no other Director is interested or concerned in the resolution.

Special Business No.(ii) - Ordinary Resolution

Shri Mohan Lal was appointed as an Additional Director of the Company on 1st December, 2003 under section 260 of the Companies Act, 1956 and he holds office till this Annual Meeting but is eligible for re-appointment. The Company has received a notice along with a deposit of Rs.500.00 as required under section 257 of the Companies Act, 1956, from a member notifying his intention proposing candidature of Shri Mohan Lal for the office of the Director.

A brief resume of Shri Mohan Lal, as required under clause 49 (vi) (A) of the listing agreement is provided separately in the Corporate Governance Report enclosed to the Directors' Report. The Directors recommend the appointment of Shri Mohan Lal as Director of the Company. Except Shri Mohan Lal, no other Director is interested or concerned in the resolution.

12, Dr. U.N. Brahmchari Street,
Kolkatta - 700 017.

Date: 11th August , 2004

By order of the Board of Directors,
MAURIA UDYOG LIMITED

(V. K. SUREKA)
Managing Director

REPORT OF DIRECTORS TO THE SHAREHOLDERS OF THE COMPANY

TO THE MEMBERS

Your Director have the pleasure in presenting the 24th Annual Report together with the Audited Statement of Accounts of your Company for the year ended 31st March, 2004.

FINANCIAL RESULTS

The Financial Results for the year ended 31st March, 2004 are as under: -

	2003-2004 (Rs. In Lacs)	2002-2003 (Rs. In Lacs)
Gross: Sales and Other Income	13764.72	5125.63
Gross: Profit before Depreciation	1075.29	203.36
Less: Depreciation	166.41	151.55
Profit before Tax	908.88	51.81
Provision for Tax	70.25	32.00
Provision for Deferred Tax :	--	3.50
Income Tax for earlier years	5.39	--
Profit after Tax	833.24	16.31
Adjustment or Deferred Tax	(5.51)	--
Net Profit for the year	838.75	16.31
Balance Brought Forward from Previous Year	678.70	662.39
Balance Carried Forward to Balance Sheet	1517.45	678.70

DIVIDEND

In order to conserve the financial resources of the Company, the Directors have not recommended payment of dividend to the Shareholders of the Company for the financial year under review.

FIXED DEPOSITS

As the company has not accepted any deposits from public during the financial year under report, there are no fixed deposits outstanding as on 31st March, 2004.

CORPORATE GOVERNANCE

A detailed Report on Corporate Governance is given in "Annexure – A" to this report. The Auditors' Certificate relating to compliance of the conditions of Corporate Governance, as stipulated in clause 49 of the listing agreement with the Calcutta Stock Exchange where the Shares of the Company are listed is also enclosed.

DIRECTORS

In the pursuance of Article 134 of the Articles of Association of the Company, Shri Bhopal Singh Yadav and Shri Navneet Kumar Sureka retire by rotation and being eligible, offer themselves for re-appointment.

After the conclusion of the 23rd Annual General Meeting, Shri O.P. Bharadwaj and Shri Mohan Lal were appointed as Additional Directors, who would act as Additional Directors till the ensuing Annual General Meeting wherein two resolutions for their appointment as Director would be placed for which two notices from two shareholders have been received. Shri Beerender Yadav resigned from the Directorship of the Company and the Board of Directors do place on record their appreciation for the valuable services rendered by him during his tenure.

DIRECTORS RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, it is hereby affirmed that:

- a) In the preparation of annual accounts, all applicable accounting standards have been followed;
- b) The Directors had 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;
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the annual accounts on a going concern basis.

AUDITORS

M/s. Salarpuria & Partners, Chartered Accountants, retire at the conclusion of this Annual General Meeting and being eligible for reappointment, your Directors recommend that they may be re-appointed as Auditors of the Company for the financial Year 2004-2005 on such remuneration as is fixed by the Shareholders.

Auditors' observations are explained in various notes on the Accounts and therefore do not call for any further comments.

FOREIGN EXCHANGE EARNINGS AND OUT GO

	2003-2004 (Rs. In Lacs)	2002-2003 (Rs. In Lacs)
a) C.I.F. Value of Imports		
Materials	1428.16	582.18
Capital Goods	56.33	--
b) Earning in Foreign Exchange F.O.B. Value of Exports	10850.41	3450.47
c) Expenditure in Foreign Currency	2784.57	949.47

CONSERVATION OF ENERGY

As the products manufactured by the Company do not fall in the list of Industries announced by the Government of India, the information required to be furnished in the prescribed form "A" is not required to be given and as such the same is not furnished herewith.

TECHNOLOGY ABSORPTION RESEARCH & DEVELOPMENT

Particulars of Technology Absorption
Research and Development in form "B"

NIL

EMPLOYEES

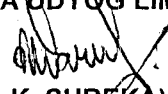
As there have been no employees during the year under review who were paid remuneration of Rs.24,00,000 per annum or more, if employed through out the year or Rs. 2,00,000/- per month and more, If employed for the part of the year, the information as required under Section 217(2A) of the Companies Act, 1956 is thus not called for.

ACKNOWLEDGMENT

Your Directors wish to express their gratitude to the Banks, Employees as well as Customers for the timely help in smooth functioning of your Company. Your Directors also extend their thanks to all the Shareholders of the Company for their trust and confidence in the Board of Directors of the Company.

for and on behalf of the Board,
MAURIA UDYOG LIMITED


(V. K. SUREKA)
Managing Director


(N. K. SUREKA)
Director


(A. K. SUREKA)
Director

12, Dr. U.N. Brahmchari Street,
Kolkatta – 700 017.

Date: 11th August , 2004

REPORT ON CORPORATE GOVERNANCE

1. The Company's Philosophy on Corporate Governance

The Board of Directors and Management believe in adopting and practicing principles of good Corporate Governance with a view to:-

- Safeguard shareholders' interest through sound business decisions, prudent financial management and high standard of business ethics; and
- Achieve transparency, accountability and integrity in the dealings and transactions of the Company.

2. Board of Directors

(i) Composition: -

The Board of Directors comprises of Six Directors as under: -

S.No.	Name of Director	Brief Particulars	Category
-------	------------------	-------------------	----------

Promoter Group

1.	Shri V.K. Sureka	He is a graduate and an Industrialist having 32 years' experience in the Steel Industry. He joined the Board as Promoter Director w.e.f. 31 st December, 1992.	Executive
2.	Shri N.K. Sureka	He is an Industrialist having 11 years' experience in the Steel Industry and joined the Board as Promoter Director w.e.f. 29 th July, 1997.	Executive
3.	Shri Akhil Kumar Sureka	He is in business having 6 years' working experience in Steel Industry and joined the Board as Promoter Director w.e.f. 1 st October, 2001.	Executive

Independent

4.	Shri O. P. Bharadwaj	He is B.Com. (Honours) and having 23 years' working experience in the Pipe Industry. He joined the Board as an Independent Director w.e.f. 1 st December, 2003.	Non-executive
5.	Shri B. S. Yadav	He is in service having 21 years' working experience in Steel Industry and joined the Board as an Independent Director w.e.f. 25 th June, 1992.	Non-executive
6.	Shri Mohan Lal	He is in service having 21 years' working experience in Steel Industry and joined the Board as an Independent Director w.e.f. 1 st December, 2003.	Non-executive



(ii) Board Meetings and attendance: -

Eight Board Meetings were held during the financial year ended on 31st March, 2004 and the gap between two Board Meetings did not exceed four months.

The dates on which Board meetings were held are as follows: -

S.No.	Date of Meeting	Board Strength	Nos. Of Directors Present
01.	28.04.2003	5	2
02.	30.06.2003	5	2
03.	05.07.2003	5	2
04.	31.07.2003	5	2
05.	11.08.2003	5	2
06.	30.10.2003	5	2
07.	01.12.2003	5	2
08.	30.01.2004	6	3

(iii) Attendance of each Director at the Board meetings and last Annual General Meeting (AGM) and the number of Companies and committees where he is Director/Member: -

Name of the Director	Category of Directorship	Number of Board Meetings Attended	Attendance at the last AGM held on 30.09.2003	Number of Directorships in other Public Limited Companies	Number of Committee positions held in other Companies
Shri V.K. Sureka	Executive	8	No	3	-
Shri N.K. Sureka	Executive	8	No	3	-
Shri Akhil Kumar Sureka	Executive	-	Yes	1	-
Shri O.P. Bharadwaj	Non-Executive	1	No	2	2
Shri B. S. Yadav	Non-Executive	-	No	-	-
Shri Mohan Lal	Non-Executive	1	No	1	1
Shri Birender Singh Yadav*	Non-Executive	-	No	-	-

* Ceased to be director w.e.f. 1st December, 2003

3. Audit Committee

The Board constituted an Audit Committee on 01st December, 2003, in accordance with the code of Corporate Governance. This Committee consisted of three non-executive Directors, Shri O.P. Bharadwaj, Shri Mohan Lal and Shri B.S. Yadav with Shri O.P. Bharadwaj as its Chairman.

(i) The terms of reference of the Audit Committee are as per the guide lines set out in clause no. 49 of the listing agreement with the Calcutta Stock Exchange where the shares of the Company are listed.

(ii) The Audit Committee during the financial year ended on 31st March, 2004 had one meeting viz on 30.01.2004.

Attendance of Directors at the Audit Committee Meeting held during the financial year: -

Name of Director	Date of Meeting	Meeting attended
Shri O.P. Bharadwaj	30.01.2004	Yes
Shri Mohan Lal	30.01.2004	Yes
Shri Bhopal Singh Yadav	30.01.2004	No.



4. Remuneration Committee

The Board has not constituted a Remuneration Committee as it is not mandatory. The same will be constituted as and when the need will arise.

5. Remuneration Policy

No remuneration other than sitting fees of Rs. 250/- for such meeting is paid to each of non-executive directors.

As regards payment to executive directors Shri V.K. Sureka as Managing Director and Shri N.K. Sureka as Director (Finance & Works), for the financial year 2003-04 ended on 31st March, 2004 was concerned, the same was made to them @ Rs.24000/- and Rs. 18000/- per month respectively as Minimum Remuneration in accordance with Schedule XIII of the Companies Act, 1956. Details of remuneration paid / payable to the Directors during the financial year 2003-04 ended on 31st March, 2004 are as under: -

(i) Sitting fees paid to Directors for meetings of the Board/ Committee: -

Name of Director	Amount (Rupees)
Shri O.P. Bharadwaj	250.00

(ii) Remuneration paid to Managing Director: -

Shri V.K. Sureka the Salary for twelve months of 2003-04 (April 2003 to March 2004). Rs. 2,88,000/-

(iii) Remuneration paid to Director (Finance & Works): -

Shri N.K. Sureka the Salary for twelve months of 2003-04 (April 2003 to March 2004). Rs. 2,16,000/-

6. Investors'/ Shareholders' Grievance Committee

This Committee was constituted on 01st December, 2003, with a view to redress shareholders' / investors' complaints etc. relating to delay in transfer of shares, demat, non-receipt of annual accounts, delays in balance sheet, split, duplicate, transmission, etc. of the shares issued by the Company. This Committee consists of 2 Non-executive Directors namely Shri Mohan Lal and Shri O.P. Bharadwaj with Shri Mohan Lal as Chairman.

Shri Mohan Lal been nominated as the Compliance Officer.

Number of pending transfers	Nil
Number of Shareholders'	Nil
Complaints received	Nil
Number of Complaints not solved.	Nil

7. General Body Meeting

Details of Location and time of holding of last three AGM's: -

AGM for the Financial Year Ended	Venue	Date	Time
2000-2001 21 st AGM	12, Dr.U.N.Brahmachari Street, Kolkata – 700 016.	15.09.2001	2.00 P.M.
2001-2002 22 nd AGM	12, Dr.U.N.Brahmachari Street, Kolkata – 700 016.	28.09.2002	2.00 P.M.
2002-2003 23 rd AGM	12, Dr.U.N.Brahmachari Street, Kolkata – 700 016.	30.09.2003	2.00 P.M.

8. Brief - Resume of Directors seeking re-appointment

(i) Shri B.S. Yadav: -

Shri B.S. Yadav is having 21 years' experience in the Steel Industry. He was appointed as a director of the Company on 25th June, 1992. He is liable to retire by rotation at the ensuing Annual General Meeting and, being eligible offers him-self for re-appointment.

(ii) Shri N.K. Sureka: -

Shri N.K. Sureka is a Graduate and has to his credit 11 years' experience in the Steel Industry. He was appointed as a director of the Company on 29th July, 1997. He is liable to retire by rotation at the ensuing Annual General Meeting and, being eligible offers him-self for re-appointment.

(iii) Shri O.P. Bharadwaj: -

Shri O.P. Bharadwaj is B.Com. (Honours) and is having 23 years' experience in the Steel Industry. He was appointed as a director of the Company on 1st December, 2003 by the Board of Directors under the provisions of Article No. 121 of the Article of Association of the Company. Being an Additional Director, he holds office up to the date of the Annual General Meeting. The Company has received a notice u/s 257 of the Companies Act, 1956, from a member, proposing his name as a director of the Company.

(iv) Shri Mohan Lal: -

Shri Mohan Lal is having 21 years' experience in the Steel Industry. He was appointed as a director of the Company on 1st December, 2003 by the Board of Directors under the provisions of Article No. 121 of the Article of Association of the Company. Being an Additional Director, he holds office up to the date of the Annual General Meeting. The Company has received a notice u/s 257 of the Companies Act, 1956, from a member, proposing his name as a director of the Company.

9. Disclosure

(a) **Materially Significant related party transactions**

During the period, no transaction of material nature, had been entered into by the Company with the management or their relatives that may have potential conflict with the interests of the Company.

(b) **Details of non-compliance by the company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.**

There was no instance of penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority as well as non-compliance of any matter related to the Capital Markets during the last three years.

10. Means of Communication

The quarterly, half yearly and yearly results are published in English in widely circulating "The Business Standard" and in Bengali in "Kalantar" from Kolkata.

11. General Shareholder information

- AGM : Date, Time & Venue 24th AGM to be held on 30th day, the September, 2004 at 2.00 P.M. at 12, Dr. U. N. Brahmchari Street, Kolkata -700 016.
 - Financial Calander (Tentative)
Results for the quarter ending June 30th, 2004 30th Day of July, 2004
Results for the quarter ending September 30th, 2004 Last week of October, 2004
Results for the quarter ending December 31st, 2004 Last week of January, 2005
Results for the quarter ending March 31st, 2005 Last week of April, 2005
 - Date of Book Closure 27th September, 2004 to 30th September, 2004 (both Days inclusive)
 - Stock Code – Physical Calcutta Stock Exchange
Demat ISIN Number for NSDL and CDSL. Niche Technologies Pvt. Ltd.
INE150D01019
 - High/Low of Market price of the Company's Shares Traded on the Stock Exchange during the financial period ended 31st March, 2004. The Shares have not been traded during the Financial Year 2003-04. The last quoted price was Rs. 3.50 per Share as per transactions on Calcutta Stock Exchange on 3rd March, 2000.
 - Registrar & Transfer Agents M/s Niche Technologies Pvt. Ltd.,
C - 444, Bagree Road,
71, B.R.B. Basu Road,
Kolkatta – 700 016.
Phone No. 2235 7271/ 7270/ 3070
Fax No. 2215 6823
 - Share Transfer System All the transfers received are processed by the Registrar and Share Transfer Agent, Share Transfers are registered and returned within maximum of 30 days from the date of lodgment if documents are complete in all respect. In case the Shares are transferred through demat mode, the procedure is adopted as stated in Depositories Act, 1996.
-

- Share holding pattern as on 31st March, 2004

Category	Nos. of Shares	Percentage
Promoters	31,89,840	71.84
Persons acting in concert	-	-
Mutual Funds & UTI	-	-
Banks, Financial Institution & Insurance Companies	-	-
FII'S	-	-
Private Corporate Bodies	2,15,000	4.85
Indian Public	10,35,160	23.31
NRI's/OCBs	-	-
Total	44,40,000	100.00

- Distribution of shareholding as on 31st March, 2004

NOS. OF SHARES		FOLIOS		AMOUNT	
FROM	TO	Number	% to Total	Rs.	% to Total
(1)	(2)	(3)	(3)	(4)	(5)
00001 -	00500	331	66.87	2,44,050	0.55
00501 -	01000	12	2.43	1,10,000	0.25
01001 -	02000	64	12.93	10,77,000	2.42
02001 -	03000	-	-	-	-
03001 -	04000	-	-	-	-
04001 -	05000	-	-	-	-
05001 -	10000	22	4.44	21,75,000	4.90
10001 to	above	68	13.33	4,07,93,950	91.88
Total		497	100.00	4,44,00,000	100.00

Salarpuria & Partners

CHARTERED ACCOUNTANTS

ANNEXURE TO THE REPORT OF THE DIRECTORS CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

ANNEXURE-A

To the Shareholders of the **Mauria Udyog Limited**

We have examined the compliance of conditions of Corporate Governance by Mauria Udyog Ltd., for the period ended on 31st March, 2004, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement except that the Company did not employ a Company Secretary on whole time employment basis.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that based on the declaration given by the Company, there were no investor grievances remaining unattended/pending for more than 30 days.

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

FOR SALARPURIA & PARTNERS
CHARTERED ACCOUNTANTS


(KAMAL KUMAR GUPTA)
PARTNER

PLACE : NEW DELHI
DATED : 30th June, 2004



SALARPURIA & PARTNERS

CHARTERED ACCOUNTANTS

AUDITOR'S REPORT

1. We have audited the attached Balance Sheet of MAURIA UDYOG LIMITED as at 31st March, 2004 and the related Profit and Loss Account and Cash Flow Statement 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.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by 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 Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (the 'Act') and on the basis of such checks of the Books and records of the company as we considered appropriate and according to the information and explanation given to us, we give in the Annexure a statement on the matters specified in paragraph 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) 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;
 - (ii) 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;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors, as on 31st March, 2004, and taken on record by the Board of Directors, none of the directors 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;



SALARPURIA & PARTNERS

CHARTERED ACCOUNTANTS

- (vi) In our opinion and to the best of our information and according to the explanation given to us, the said financial statements together with the Notes thereon appearing in Schedule – 16 attached to the Balance Sheet give in the prescribed manner the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India;
- (a) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2004,
 - (b) in the case of Profit and Loss Account, of the Profit for the year ended on that date, and
 - (c) in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For SALARPURIA & PARTNERS
CHARTERED ACCOUNTANTS


(KAMAL KUMAR GUPTA)
PARTNER

Place: 1008, Chiranjiv Tower
43, Nehru Place,
New Delhi-110019

Date : 30th June, 2004



SALARPURIA & PARTNERS

CHARTERED ACCOUNTANTS

ANNEXURE TO AUDITOR'S REPORT

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

- i.
 - a. The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. Except item-wise records of Plant & Machinery which was purchased in the Court Auction for a consolidated price for which it is not possible to maintain the record.
 - c. During the year, in our opinion, the Company has not disposed off a substantial part of its fixed assets.
- ii.
 - a. The inventories of the company have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management were found reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. On the basis of our examination of record of inventory, in our opinion, the Company has maintained proper records of inventory and the discrepancies noticed on physical verification between the physical stocks and the book records were not material in relation to the operations of the Company.
- iii.
 - a. The Company has taken unsecured loans from 11 (Eleven) parties covered under the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.1391.74 Lacs and the balance outstanding at the close of the year is Rs.573.33 Lacs.

The Company has not given loan to any party covered under the register maintained under section 301 of the Companies Act, 1956.

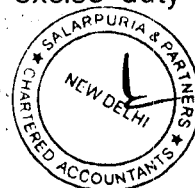
- b. In our opinion the rate of interest, wherever applicable and other terms and conditions of unsecured loans taken by the company are prima facie not prejudicial to the interests of the company.
- c. The Company is regular in repayment of principal amount and interest also.
- d. There is no over due amount of loans taken from or guaranteed to companies, firms or other parties listed in the register maintained U/s.301 of the Companies Act, 1956.



SALARPURIA & PARTNERS

CHARTERED ACCOUNTANTS

- iv. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items are of a special nature for which alternative quotations are not available, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control procedures.
- v. a. According to the information and explanations given to us, the transactions that need 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 explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act and exceeding the value of Rupees Five Lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time. However, in respect of certain transactions including for purchases and sale of goods, prevailing market prices at the relevant time are not available as these transactions are of a special nature.
- vi. The Company has not accepted any deposits from the Public during the year under report.
- vii. In our Opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii. According to the information and explanations given to us, the Central Government of India has not prescribed the maintenance of Cost Records under Clause (d) of Sub-Section (1) of the Section 209 of the Companies Act, 1956.
- ix. a. According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the undisputed statutory dues in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth tax, customs duty, excise duty, cess and others as applicable have been regularly deposited by the Company during the year with the appropriate authorities.
- b. As at 31st March, 2004, according to the records of the Company, the following are the particulars of disputed dues on account of sales tax, income tax, custom duty, wealth tax, excise duty and cess matters that have not been deposited.



SALARPURIA & PARTNERS

CHARTERED ACCOUNTANTS

Name of the statute	Amount (Rs.)	Forum where dispute is pending
Central Excise Duty – 1994-95 (Three Cases)	21,32,745	1. Joint Commissioner of Central Excise Commissionerate Delhi IV Faridabad.
Central Excise Duty – 1996-97 & 1997-98	58,77,560	2. Custom, Excise, Service Tax Appellate Tribunal, Delhi.

- x. The Company has neither accumulated losses as at 31st March, 2004 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi. Based on our audit procedures and on the information and explanations given by management, we are of the opinion that the company has not defaulted in repayment of its dues to any financial institution, bank during the year.
- xii. 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 as specified under clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
- xiv. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities.
- xv. The Company has not given any guarantee for loan taken by other from bank or Financial Institutions during the year.
- xvi. The Company has not taken any term loans during the year.
- xvii. Based on the information and explanations given to us and on an overall examination of the balance sheet of the Company, in our opinion, there are no funds raised on a short term basis which have been used for long term investment, and vice versa.
- xviii. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix. In our opinion and according to the information and explanations given to us, the Company has not issued any secured debentures during the period covered by our report. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.



SALARPURIA & PARTNERS

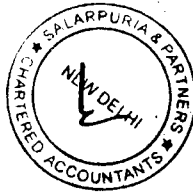
CHARTERED ACCOUNTANTS

- xx. During the period covered by our audit report, the Company has not raised any money by public issue.
- xxi. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For SALARPURIA & PARTNERS
CHARTERED ACCOUNTANTS

1008, Chiranjiv Tower
43, Nehru Place
New Delhi-110019

Date : 30th June, 2004



Kamal Kumar Gupta
(KAMAL KUMAR GUPTA)
PARTNER

BALANCE SHEET AS AT 31ST MARCH, 2004

Schedules		As at 31st Mar.2004 Rs.		As at Mar.2003 Rs.
SOURCES OF FUNDS				
SHARE HOLDERS ' FUNDS:				
	Share Capital	1	44,400,000	44,400,000
	Reserves and Surplus	2	422,655,183	467,055,183
				338,780,409
				383,180,409
LOANS FUNDS:				
	Secured Loans	3	170,043,088	166,555,991
	Unsecured Loans	4	87,559,634	257,602,722
				10,350,000
				176,905,991
			<u>724,657,905</u>	<u>560,086,400</u>
APPLICATION OF FUNDS				
FIXED ASSETS				
	Gross Block	5	354,275,713	343,290,068
	Less: depreciation		75,797,256	59,609,625
	Net Block		278,478,457	283,680,443
	Capital Work in Progress		6,367,852	-
			284,846,309	283,680,443
INVESTMENTS				
		6	59,131,898	18,215,962
CURRENT ASSETS LOANS & ADVANCES				
	Inventories	7	58,125,835	133,140,079
	Sundry Debtors		321,695,556	127,336,094
	Cash & Bank Balances		13,140,025	27,988,909
	Loans & Advances		132,015,856	143,634,928
			524,977,272	432,100,010
	Less:			
CURRENT LIABILITIES & PROVISIONS				
	Current Liabilities	8	120,625,497	152,431,678
	Provisions		23,715,477	21,532,587
			144,340,974	173,964,265
NET CURRENT ASSETS				
			380,636,298	258,135,745
MISCELLANEOUS EXPENDITURE				
(To the extent not written off or adjusted)				
	PREFERENTIAL CAPITAL ISSUE EXPENSES		54,250	65,100
	Less : Written off during the year		10,850	43,400
				10,850
			<u>724,657,905</u>	<u>560,086,400</u>
ACCOUNTING POLICIES AND NOTES ON ACCOUNTS				
		16		

Schedules referred herein above form an integral part of Balance Sheet

As per our report of even date
For SALARPURIA & PARTNERS
CHARTERED ACCOUNTANTS

Kamal Kumar Gupta
(KAMAL KUMAR GUPTA)
PARTNER

V. K. Sureka
(V. K. SUREKA)
MANAGING DIRECTOR

N. K. Sureka
(N. K. SUREKA)
DIRECTOR

A. K. Sureka
(A. K. SUREKA)
DIRECTOR

Place : New Delhi M.No.89190
Date : 30th JUNE, 2004



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2004
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	Schedules	Year Ended 31st Mar.2004 Rs.		Year Ended 31st Mar.2003 Rs.
INCOME				
Sales Services & Export Incentives	9	1,336,149,490		509,227,489
Other Income	10	40,322,496		3,335,627
Increase / (Decrease) in Stocks	11	(44,373,240)		36,698,937
		<u>1,332,098,746</u>		<u>549,262,053</u>
EXPENDITURE				
Raw Materials & Components Consumed	12	560,897,345		308,391,539
Purchases		203,261,509		14,639,381
Manufacturing Expenses	13	132,169,775		55,507,487
Excise Duty		7,827,990		14,454,417
Employees' Remuneration and Benefits	14	6,657,096		7,083,392
Administration & Other Expenses	15	299,906,479		119,917,240
Interest:				
To Banks		9,393,305	7,107,647	
To Others		4,456,441	13,849,746	8,932,707
			<u>1,825,060</u>	
Depreciation	5	16,640,846		15,154,627
		<u>1,241,210,786</u>		<u>544,080,790</u>
PROFIT FOR THE YEAR BEFORE TAX		90,887,960		5,181,263
Provision for Taxation:				
Current Tax		7,025,000	3,200,000	
Deferred Tax		-	350,263	
		<u>7,025,000</u>	<u>3,550,263</u>	
Income Tax for Earlier Year		539,287	-	
		<u>7,564,287</u>	<u>3,550,263</u>	
Adjustment for Deferred Tax		(551,101)	7,013,186	3,550,263
NET PROFIT FOR THE YEAR		83,874,774		1,631,000
Add : Balance Brought Forward from Previous Year		67,869,561		66,238,561
Balance carried to Balance Sheet		<u>151,744,335</u>		<u>67,869,561</u>
Earning per Share - Basic & Diluted (Rs. Per Equity Share refer Note No.15 of Schedule-16)		18.89		0.37

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

16

Schedules referred herein above form an integral part of Profit and Loss Account

As per our report of even date

For **SALARPURIA & PARTNERS**
CHARTERED ACCOUNTANTS

 (KAMAL KUMAR GUPTA)
 PARTNER


PARTNER

Place : New Delhi M.NO.89190

Date : 30th JUNE, 2004



 (V. K. SUREKA)
 MANAGING DIRECTOR


 (N. K. SUREKA)
 DIRECTOR


 (A. K. SUREKA)
 DIRECTOR

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

	Current Year Rs.	Previous Year Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year before Tax	90,887,960	5,181,263
Adjustment for:		
Provision for Gratuity & Leave encashment	(616,009)	(132,417)
Depreciation	16,640,846	15,154,627
Preferential Issue Expenses Written Off	10,850	10,850
Profit on Sale of Investment	(12,511,401)	7,091,413
Loss on Sale of Fixed Assets	547,405	26,281
Interest Paid	13,849,746	8,932,707
Interest Received	(2,477,590)	(1,695,270)
Dividend Received	(23,445,730)	(115,194)
Operating Profit before Working Capital Changes	82,886,077	34,454,260
Adjustments for:		
Debtors	(194,359,462)	134,910,698
Loan & Advances	14,560,980	(95,038,842)
Current Liabilities	(31,806,181)	(27,121,877)
Stocks	75,014,244	(55,484,792)
CASH GENERATED FROM OPERATIONS:	(53,704,342)	(8,280,553)
Interest paid	(13,849,746)	(8,932,707)
Direct Tax paid	(7,156,197)	(3,398,011)
NET CASH FLOW FROM/(USED IN) OPERATING	(74,710,283)	(20,611,271)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sales/(Purchase) of Investments (Net)	(28,404,534)	4,712,866
Interest Received	2,477,590	1,695,270
Purchases of Fixed Assets	(20,201,117)	(4,176,533)
Sales of Fixed Assets	1,847,001	873,000
Dividend Received	23,445,730	115,194
NET CASH FLOW FROM/(USED IN) INVESTING	(20,835,330)	32,119,797
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Proceeds/(Repayment) of Secured Loans	3,487,097	(1,497,541)
Proceeds/(Repayment) of Unsecured Loans	77,209,634	(629,347)
NET CASH FLOW from FINANCING ACTIVITIES	80,696,731	(2,126,888)
INCREASE IN CASH OR CASH EQUIVALENTS (A+B+C)	(14,848,883)	(19,518,362)
Cash/Cash Equivalents as at 1 st April (Opening Balance)	27,988,909	47,507,271
Cash/Cash Equivalents as at 31 st March (Closing Balance)	13,140,025	27,988,909

As per our report of even date

For SALARPURIA & PARTNERS
CHARTERED ACCOUNTANTS

 (KAMAL KUMAR GUPTA)
 PARTNER

PARTNER


Place : New Delhi

M.No.89190

Date : 30th JUNE, 2004



 (V. K. SUREKA)
 MANAGING DIRECTOR


 (N. K. SUREKA)
 DIRECTOR


 (A. K. SUREKA)
 DIRECTOR

Schedule - 1 : SHARE CAPITAL

	As at 31st Mar.2004 Rs.	As at 31st Mar.2003 Rs.
AUTHORISED 5,000,000 (5,000,000) Equity Shares of Rs.10/- each	<u>50,000,000</u>	<u>50,000,000</u>
ISSUED SUBSCRIBED AND PAID UP 4,440,000 (4,440,000) Equity Shares of Rs. 10/- each fully paid up in Cash	<u>44,400,000</u>	<u>44,400,000</u>
	<u>44,400,000</u>	<u>44,400,000</u>

Schedule - 2 : RESERVES AND SURPLUS

REVALUATION RESERVE (On revaluation of Factory Land) Balance Brought Forward	200,225,400	200,225,400
GENERAL RESERVE Balance brought forward	7,685,448	7,685,448
SHARE PREMIUM ACCOUNT Balance brought forward	63,000,000	63,000,000
PROFIT & LOSS ACCOUNT Balance as per Account annexed	151,744,335	67,869,561
	<u>422,655,183</u>	<u>338,780,409</u>

Schedule - 3 : SECURED LOANS

A. WORKING CAPITAL LOANS		
FROM CORPORATION BANK	78,575,279	70,854,171
FROM EXIM BANK	88,471,401	95,701,820
B. AUTO LOAN		
FROM ABN AMRO BANK (AUTO LOAN)	100,056,620	-
FROM ICICI BANK	2,419,788	-
	<u>170,043,088</u>	<u>166,555,991</u>

Schedule - 4 : UNSECURED LOANS

From Bodies Corporate	87,559,634	6,350,000
From a Director		4,000,000
	<u>87,559,634</u>	<u>10,350,000</u>



Three handwritten signatures are present at the bottom of the page, likely representing the authorized signatories of the company or the auditors.

SCHEDULE '5'- FIXED ASSETS

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION WRITTEN OFF				NET BLOCK	
	AS ON 31.03.2003 (Rs.)	ADDITIONS DURING THE YEAR (Rs.)	SALES/DISPOSAL DURING THE YEAR (Rs.)	AS ON 31.03.2004 (Rs.)	UP TO 31.03.2003 (Rs.)	FOR THE YEAR (Rs.)	ADJUSTED ON SALES/ DISPOSAL (Rs.)	UP TO 31.03.2004 (Rs.)	AS ON 31.03.2004 (Rs.)	AS ON 31.03.2003 (Rs.)
LAND	201,255,400	-	-	201,255,400	-	-	-	-	201,255,400	201,255,400
BUILDING	5,870,260	-	-	5,870,260	2,831,852	195,230	-	3,027,082	2,843,178	3,038,408
OWNERSHIP FLATS	10,746,667	-	483,400	10,263,267	719,038	174,410	18,924	874,524	9,388,743	10,027,629
PLANT & MACHINERY	52,363,395	72,860	-	52,436,255	26,179,430	4,802,970	-	30,982,400	21,453,856	26,183,966
ELECTRIC INSTALLATIONS	1,252,531	-	-	1,252,531	569,744	59,971	-	629,715	622,816	682,787
DIES	2,921,222	238,000	-	3,159,222	811,158	303,741	-	1,114,900	2,044,322	2,110,064
MEASURING & TESTING EQUIPMENT	793,995	-	-	793,995	421,784	38,051	-	459,835	334,160	372,211
FURNITURE & FIXTURES	256,298	37,529	-	293,827	173,688	8,953	-	182,641	111,186	82,610
OFFICE EQUIPMENTS	1,272,697	-	-	1,272,697	375,361	65,698	-	441,059	831,638	897,336
COMPUTERS	735,993	520,591	-	1,256,584	327,335	146,762	-	474,097	782,487	408,658
AIR CONDITIONERS & FANS	1,566,445	14,460	-	1,580,905	273,129	77,582	-	350,711	1,230,194	1,293,316
VEHICLES	10,133,164	2,588,835	2,364,220	10,357,779	3,692,587	1,125,918	434,290	4,384,214	5,973,565	6,440,577
LPG TANKERS	54,122,001	-	-	54,122,001	23,234,519	8,797,212	-	32,031,731	22,090,270	30,887,482
TRUCK TRAILLERS	-	10,360,990	-	10,360,990	-	844,347	-	844,347	9,516,643	-
	343,290,068	13,833,265	2,847,620	354,275,713	59,609,625	16,640,846	453,215	75,797,256	278,478,457	283,680,443
	(340,659,002)	(4,176,534)	(1,545,468)	(343,290,068)	(45,101,184)	(15,154,627)	(646,187)	(50,609,625)	(283,680,443)	(295,557,818)

CAPITAL WORK IN PROGRESS
PLANT & MACHINERY

6,367,852

284,846,309 283,680,443

(283,680,443) (295,557,818)

@ Land of the Company have been revalued on 31st March, 2002 by an approved valuer resulting in an increase of gross Block by Rs. 20,02,25,400.



SCHEDULE 6 - INVESTMENTS - LONG TERM (AT COST) NON-TRADE

SNO.	NAME OF THE COMPANY	AS AT 01.04.2003		PURCHASES		SALES		AS AT 31.03.2004		
			AMOUNT		AMOUNT		AMOUNT		AMOUNT	
		NOS.	(Rs.)	NOS.	(Rs.)	NOS.	(Rs.)	NOS.	(Rs.)	
UNQUOTED										
1	BIHARIJI INTERNATIONAL LTD.		20,000	35,000	-	-	-	-	20,000	35,000
2	JST ENGINEERING SERVICES LIMITED		2,880	344,533	-	-	-	-	2,880	344,533
3	BIHARIJI FANCY FIBERES & FABRICS LTD.		240,000	611,850	425,000	1,250,000	-	-	665,000	1,861,850
4	VEEKAY SURGICALS PVT. LTD.		-	-	3,000	300,000	-	-	3,000	300,000
QUOTED										
1	ASSOCIATED CEMENT COMPANY		-	-	21,000	4,495,052	17,500	3,364,535	3,500	910,055
2	ALFA LAVAL		674	142,870	-	-	674	260,119	-	-
3	ALLAHABAD BANK		1,800	18,000	-	-	1,800	31,500	-	-
4	ANKIT PRACHI TRADING & INVESTMENT		100,000	790,000	-	-	-	-	100,000	790,000
5	ASHOK LEYLAND		3,500	369,311	-	-	3,500	393,562	-	-
6	ASIAN ELECTRO		-	-	5,618	469,342	4,118	175,551	1,500	99,169
7	ASSAM COMPANY INDIA		-	-	7,500	222,599	2,500	97,420	5,000	126,152
8	BAUSH & LOMB		5,600	384,226	2,000	103,891	7,600	460,382	-	-
9	BHARAT EARTH MOVERS		17,250	1,387,476	1,500	321,932	18,750	1,811,544	-	-
10	BHARAT IMM.		-	-	8,050	176,648	-	-	8,050	176,648
11	BIHARIJI ISPAT UDYOG LIMITED		-	-	100,800	352,800	-	-	100,800	352,800
12	BIRLA CORPORATION		-	-	9,400	547,943	4,400	259,263	5,000	290,210
13	BLUECHIP INDIA LTD.		27,000	367,500	-	-	27,000	2,247,750	-	-
14	BONGAIGAON REFINERY		-	-	9,000	616,374	5,000	329,515	4,000	290,690
15	CAMPHAR & ALLIED		-	-	6,350	326,303	6,350	250,871	-	0
16	CARRIER AIRCON		-	-	500	46,480	-	-	500	46,480
17	CORPORATION BANK		2,500	197,500	1,500	322,789	4,000	763,628	-	-
18	DIAMOND SHIPPING CO. LTD.		50,000	380,000	-	-	-	-	50,000	380,000
19	D-LINK INDIA		-	-	15,100	2,185,540	12,600	1,737,579	2,500	449,188
20	DSQ SOFTWARE LIMITED		1,000	984,900	1,500	26,275	1,500	17,901	1,000	17,500
21	ELDER PHARMACEUTICALS		-	-	1,000	140,480	-	-	1,000	140,480
22	ELPRO INTERNATIONAL		-	-	3,800	145,743	3,800	71,940	-	-
23	E-MERCK LTD.		2,000	620,990	-	-	2,000	689,541	-	-
24	E-SERVE INTERNATIONAL		1,300	665,604	700	480,802	1,700	1,204,377	300	191,813
25	ESSAR STEEL LTD.		-	-	26,300	476,199	11,300	188,298	15,000	292,533
26	ESSEL PROPACK		-	-	5,832	1,538,701	4,332	1,135,024	1,500	401,451
27	FORTUNE INTERNATIONAL		10,000	466,000	-	-	-	-	10,000	466,000
28	GERMAN EXPRESS SHIPPING PVT. LTD.		-	-	7,000	751,104	5,000	518,720	2,000	249,590
29	GILLETTE INDIA		1,200	375,623	200	73,360	1,400	500,500	-	-
30	GLAXO INDIA		750	277,223	-	-	750	248,505	-	-
31	GLENMARK PHARMA		-	-	2,000	324,940	2,000	286,176	-	-
32	GTC INDUSTRIES		-	-	2,675	72,843	2,675	38,570	-	-
33	GOA CARBON		-	-	4,075	326,653	975	56,496	3,100	239,694
34	GUJRAT THEMIS		-	-	10,500	170,793	2,000	34,780	8,500	138,845
35	HIMACHAL FUTURISTIC COMM.		10,000	275,600	10,000	246,870	20,000	319,537	-	-
36	HINDALCO INDUSTRIES		2,167	630,883	200	225,026	2,367	1,489,870	-	-
37	HIND SYNTEX		-	-	3,000	38,982	3,000	22,197	-	-
38	HINDUSTAN LEAVER		-	-	7,500	1,340,809	3,500	660,832	4,000	685,587
39	HINDUSTAN ZINC LTD.		1,989	74,170	-	-	-	-	1,989	74,170
40	HOECHST MARRION ROUSSEL		2,000	725,510	900	373,181	2,900	1,436,036	-	-
41	HSBC INDIA OPPORTUNITY FUND F		-	-	2,500,000	25,000,000	-	-	2,500,000	25,000,000
42	I.B.P. LTD.		2,000	657,260	200	124,432	2,200	759,700	-	-
43	INDIAN PETROCHEM		15	2,295	4,015	712,117	4,015	713,651	15	2,904
44	INDRAPRASTHA GAS LIMITED		-	-	6,800	743,913	1,800	201,513	5,000	513,114
45	IL & FS MUTUAL FUNDS (UNITS) F		250,000	2,500,000	-	-	-	-	250,000	2,500,000



SCHEDULE 6 - INVESTMENTS - LONG TERM (AT COST) NON-TRADE Contd..

SNO	NAME OF THE COMPANY	AS AT 01.04.2003		PURCHASES		SALES		AS AT 31.03.2004	
		AMOUNT		AMOUNT		AMOUNT		AMOUNT	
		NOS.	(Rs.)	NOS.	(Rs.)	NOS.	(Rs.)	NOS.	(Rs.)
46	INDOGULF FERT.	5,200	637,520	-	-	5,200	186,264	-	-
47	INFOSYS TECHNOLOGY	700	1,771,700	310	1,242,247	310	1,244,653	700	1,771,700
48	ISPAT INDUSTRIES	-	-	120,000	1,838,640	20,000	262,644	100,000	1,588,145
49	JAIPRAKASH INDUSTRIES	-	-	26,400	2,747,437	19,200	1,753,501	7,200	929,157
50	JAYASWAL NECO	-	-	4,000	63,360	4,000	36,407	-	-
51	JCT ELECTRONICS	-	-	10,000	72,030	7,500	53,950	2,500	21,490
52	JINDAL PHOTO	-	-	2,500	198,105	2,500	117,876	-	-
53	JUPITOR BIO SCIENCE	-	-	15,950	1,556,767	10,950	977,871	5,000	572,179
54	KALE CONSULTANTS LTD.	1,000	279,300	2,900	113,364	2,900	120,382	1,000	279,300
55	MARICO INDUSTRIES	-	-	8,641	1,888,929	5,800	1,253,716	2,841	725,753
56	MONSANTO INDUSTRIES LTD.	200	103,473	650	349,012	850	546,536	-	0
57	MULTIPLUS RESOURCES LTD.	150,000	263,000	130,000	620,100	280,000	11,489,550	-	-
58	NAGARJUNA CONSTRUCTION COMPANY	-	-	2,750	438,055	750	118,225	2,000	312,147
59	NATH SEEDS LIMITED	-	-	3,900	54,304	-	-	3,900	54,304
60	NIIT LIMITED	-	-	8,500	1,575,911	8,500	1,404,317	-	-
61	NOVARTIS INDIA	1,000	262,899	6,515	2,203,327	6,515	2,197,108	1,000	382,506
62	OIL & NATURAL GAS CORPORATION LIMITED	-	-	1,400	981,085	1,300	946,463	100	85,240
63	OPTO CIRCUITS	-	-	3,200	242,244	3,200	195,588	-	(0)
64	PADMALAYA TELEFILMS	-	-	6,790	667,955	6,790	558,492	-	-
65	PANACEA BIOTEC	-	-	3,500	192,916	500	26,470	3,000	165,356
66	PARAMOUNT COMMUNICATION	-	-	6,850	63,979	6,850	59,092	-	-
67	S.E.ASIA MARINE EQ	323	61,838	-	-	-	-	323	61,838
68	POLARIS SOFTWARE LAB.	-	-	7,325	1,199,923	7,325	1,151,407	-	-
69	POONAM PHARMA LTD.	41,800	334,400	20,000	246,600	61,800	15,706,832	-	-
70	PRISM CEMENTS	-	-	30,600	274,235	30,600	255,917	-	-
71	PUDUMJEE PULP & PAPER	-	-	3,250	117,620	3,250	76,135	-	-
72	QUALITY SYNTHETIC INDUSTRIES LTD.	-	-	168,550	2,887,262	-	-	168,550	2,887,262
73	RANBEXY LAB.	-	-	800	662,496	800	654,642	-	-
74	SATYAM COMPUTERS LTD.	3,000	440,759	6,000	1,432,122	7,000	1,602,656	2,000	293,839
75	SOUTHERN PETROCHEM	-	-	13,350	155,918	13,350	129,158	-	-
76	SRF POLYMER	550	179,300	-	-	550	12,914	-	-
77	SRI RAM FABRIC LIMITED	-	-	3,500	139,243	3,500	118,952	-	-
78	SRINARAIN RAJ KUMAR MECHANTS LTD.	-	-	28,500	99,750	-	-	28,500	99,750
79	STATE TRAGD. CORPORATION INDIA	-	-	1,050	151,502	1,050	123,505	-	-
80	STATE BANK OF INDIA	-	-	17,500	10,941,446	2,000	869,590	15,500	10,075,963
81	STEEL AUTHORITY OF INDIA LIMITED	-	-	37,650	1,455,781	12,650	562,595	25,000	907,360
82	STEWARTS & LLOYDS	-	-	8,400	407,555	5,600	246,796	2,800	145,819
83	SUNDRAM BOND SAVER- DIVIDEND -ANNUAL	-	-	1,409,251	30,000,000	1,409,251	15,595,902	-	-
84	SUPER SPINING	-	-	2,500	341,621	2,500	238,793	-	-
85	SURAJ STONE CORPORATION	19,000	58,050	-	-	-	-	19,000	58,050
86	THIRU ARRORAN	-	-	10,201	395,600	2,201	71,913	8,000	310,244
87	TV TODAY	-	-	2,850	456,138	2,350	378,415	500	73,040
88	UNION BANK OF INDIA	35,900	574,400	7,500	272,269	43,400	1,265,690	-	-
89	WEL SPUN SYNTHETIC	-	-	1,000	4,560	1,000	5,000	-	-
90	ZICOM ELECTRONIC SEC. SYSTEMS	-	-	3,500	225,515	3,500	208,800	-	-
Total		1,014,298	18,250,962	5,362,548	114,047,832	2,202,298	85,602,100	4,174,548	59,166,898
Less: Provision of Diminution in value		-	(35,000)	-	-	-	-	-	(35,000)
		1,014,298	18,215,962	5,362,548	114,047,832	2,202,298	85,602,100	4,174,548	59,131,898
		(181,800)	(30,020,241)	(643,476)	(30,434,266)	(307,798)	(35,147,132)	(526,678)	(18,215,962)

Note : Market value of Quoted Investments Rs. 64,828,529 (Rs. 19,739,671)



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Schedule - 7 : CURRENT ASSETS, LOANS AND ADVANCES

	As at 31st March, 2004 Rs.		As at 31st March, 2003 Rs.	
CURRENT ASSETS				
INVENTORIES				
(Inventories taken valued and certified by the Management)				
Loose Tools	106,682		117,475	
Stores and Spares	1,339,943		2,681,220	
Raw Materials	41,876,562		71,165,496	
Work-in-Progress	2,492,185		3,112,500	
Finished Goods (including Rs.Nil in transit(Previous year Rs.9178050))	10,897,565		54,183,048	
Scrap	1,412,898	58,125,835	1,880,340	133,140,079
SUNDRY DEBTORS				
(Unsecured considered good)				
Outstanding for more than six months	4,554,344		4,841,920	
Other Debts	317,141,212	321,695,556	122,494,174	127,336,094
CASH AND BANK BALANCES				
Cash in Hand				
As per Books & Certified)	258,928		139,617	
Balances with Scheduled Banks				
In Current Accounts	3,383,688		4,610,278	
In Fixed Deposit Accounts				
(Pledged with Bank as Margin Money against Bank Guarantees / Letters of Credit)	9,492,409		23,234,014	
Balance with Post Office				
In Savings Bank Account				
(Pass Book Lodged with Central Excise Department as Security)	5,000	13,140,025	5,000	27,988,909
LOANS AND ADVANCES				
(Unsecured considered good)				
Loans - To a Corporate Body	12,500,000		-	
Interest Accrued on Loan	368,606	12,868,606	-	
Advances (Recoverable in Cash or in kind or for value to be received)				
For Capital Goods	6,846,223		3,739,670	
To Employees	464,809		104,470	
To Others	62,166,320	69,477,353	57,030,869	
Export Incentives Recoverable	9,577,061		31,918,090	
Excise Duty Accounts	22,932,910		38,338,115	
Income Tax Payments & Tax Deducted at Sources	10,482,889		7,540,980	
Security & Other Deposits	6,677,038	49,669,898	4,962,734	143,634,928
		524,977,272		432,100,010

Schedule - 8 : CURRENT LIABILITIES & PROVISIONS

CURRENT LIABILITIES				
Sundry Creditors				
Dues to Small Scale Industrial Units	861,629			
Dues to Others	116,166,681	117,028,310	151,271,438	
Advances and Deposits		3,392,216	150,981	
Tax Deducted at Source		2,021	1,009,259	
Temporary Bank Over Draft		202,950	120,625,497	152,431,678
PROVISIONS				
For Income Tax		10,225,000	6,875,000	
For Deferred Tax		13,397,231	13,948,332	
For Gratuity		-	610,535	
For Leave Encashment		93,246	23,715,477	21,532,587
		144,340,974		173,964,265



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Schedule - 9 : SALES & SERVICES

	Year Ended 31st March, 2004		Year Ended 31st March, 2003	
	Rs.		Rs.	
SALES				
Manufacturing Goods	904,979,528		428,456,821	
Trading Goods	237,414,140	1,142,393,668	17,555,270	446,012,091
Export Incentives on Sales		164,517,331		46,219,256
SERVICES				
LPG Transportation	28,313,673		13,921,650	
Job Charges (Gross) [Tax Deducted at Source Rs. 22,720 (Previous year Rs. 167,407)]	924,819	29,238,491	3,074,491	16,996,142
		<u>1,336,149,490</u>		<u>509,227,489</u>

Schedule - 10 : OTHER INCOME

Interest (Gross) [Tax deducted at Sources Rs. 487,710 (Previous year Rs. 337,453)]		2,477,590		1,695,270
Interest and Lease Rent (Gross) Tax Deducted at Source Rs. 345,312 (Previous year Rs. 193,151)		1,684,498		902,378
Miscellaneous Income		197,627		154,266
Profit on Sale of Long Term Investments (Net)		12,470,204		-
Profit on Sale of Current Investments (Net)		41,197		-
Dividend Received		23,445,730		115,194
Sundry Balances Written Back (Net)		5,650		19,596
Foreign Exchange Fluctuation (Net)		-		448,923
		<u>40,322,496</u>		<u>3,335,627</u>

Schedule - 11 : INCREASE / (DECREASE) IN STOCKS

STOCKS AT COMMENCEMENT OF THE YEAR				
Finished Goods	54,183,048		18,650,566	
Work in Process	3,112,500		2,187,365	
Scrap	1,880,340	59,175,888	1,639,020	22,476,951
STOCKS AT CLOSE OF THE YEAR				
Finished goods	10,897,565		54,183,048	
Work in Progress	2,492,185		3,112,500	
Scrap	1,412,898	14,802,648	1,880,340	59,175,888
INCREASE / (DECREASE) IN STOCKS		<u>(44,373,240)</u>		<u>36,698,937</u>

Schedule - 12 : RAW MATERIALS AND COMPONENTS CONSUMED

Opening Stocks		71,165,496		53,952,111
Add: Purchases including Processing Charges Rs. 13,195,833 (Rs. 9,038,754)		536,429,102		325,794,424
		607,594,598		379,746,535
Less: Sales	4,820,691		189,500	
Less: Closing Stocks	41,876,562	46,697,253	71,165,496	71,354,996
		<u>560,897,345</u>		<u>308,391,539</u>



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Schedule - 13 : MANUFACTURING EXPENSES

	Year Ended 31st March,2004 Rs.	Year Ended 31st March,2003 Rs.
Stores, Spares, Tools, Oils Lubricants and Packing Material etc. consumed	88,225,543	39,615,910
Outside Job and Labour Charges	35,553,792	8,246,673
Electricity Charges	8,390,440	7,644,904
	<u>132,169,775</u>	<u>55,507,487</u>

Schedule - 14 : EMPLOYEE'S REMUNERATION AND BENEFITS

Salary Wages Bonus & Allowances [including remuneration to Directors Rs.504,000 (Rs.432000)]	3,363,459	4,477,559
Contribution to Provident & Other Allied Funds [including contribution on Director's Remuneration Rs.60,480 (Rs.30960)]	666,959	943,214
Gratuity	178,292	278,466
Staff and Labour Welfare	2,448,385	1,384,153
	<u>6,657,096</u>	<u>7,083,392</u>

Schedule - 15 : ADMINISTRATION AND OTHER EXPENSES

Key Man Insurance Premium	5,833,927	621,118
LPG Tanker Expenses	22,082,514	10,081,240
Rent and Hire Charges	114,000	114,000
Rates and Taxes	1,011,170	1,174,385
Insurance	1,180,537	886,688
Traveling and Conveyance [Including Director's traveling Rs.3,895,402(Rs.1,970,763)]	5,103,619	3,403,388
Vehicles Running and Maintenance Expenses	1,135,868	904,385
Freight and Forwarding (Net)	52,285,613	32,079,634
Commission and Service Charges	162,775,314	43,228,582
Printing and Stationary	495,460	478,525
Advertisement and Publicity	1,241,645	120,421
Postage Telegram and Telephone Expenses	1,236,743	1,206,833
Business Promotion Expenses	243,172	400,218
Charity Donation and Subscription	2,056,356	121,878
Bank Charges	1,718,603	3,532,860
Export Credit Guarantee Commission	5,133,271	2,882,937
Repairs and Maintenance		
Plant and Machinery	5,295,348	1,791,072
Buildings	9,962,626	3,034,783
Others	1,486,430	617,387
	<u>16,744,404</u>	<u>5,443,242</u>
Consultancy and Professional Charges	2,371,427	2,938,177
Sales Tax Paid		427,384
Auditor's Remuneration		
As Audit Fee	67,200	42,000
For Certification	3,000	3,000
	<u>70,200</u>	<u>45,000</u>
Director's Meeting Fees	250	750
Testing & Inspection Charges	2,855,241	1,691,368
Miscellaneous Expenses	602,014	878,367
Loss on Sale of Fixed Assets (Net)	547,405	26,281
Preferential Issue Expenses Written Off	10,850	10,850
Loss on Sale of Long Term Investments (Net)		7,091,413
Foreign Exchange Fluctuation (Net)	1,495,989	
Loss on Sale of D.E.P.B.	11,560,886	127,316
	<u>299,906,479</u>	<u>119,917,240</u>



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SCHEDULE 16- ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1 ACCOUNTING POLICIES:

(a) **Basis of Accounting:**

The accounts of the Company are prepared under the historical cost convention, in accordance with applicable Accounting Standards, for recognition of income and expenditure mercantile systems of accounting is followed except in the case of interest on deposit with Post Office Saving Bank Account which are accounted for on cash basis.

(b) **Fixed Assets:**

Fixed Assets are stated at cost and / or revalued cost less depreciation. Since certain machineries were purchased in Court auction at a consolidated price, any sale out of the said machineries is adjusted in the plant & machinery account at sale value.

(c) **Depreciation:**

Depreciation has been provided on straight line method on assets installed up to 30th June, 1987 at the rates corresponding to rates applicable under the Income Tax Rules in force at the time of acquisition /Installation of respective assets pursuant to circular No. 1/86 dated 21st May, 1986 issued by the Department of Company affairs in accordance with provisions of Section 205(2)(b) of the Companies Act, 1956 and on addition thereafter at the rates, basis and manner as specified in Schedule XIV to the Companies Act, 1956.

(d) **Investments:**

Investments are stated at cost.

(e) **Valuation of Inventories:**

RAW MATERIALS, STORES & SPARES, WORK IN PROCESS, FINISHED GOODS	LOWER OF COST OR NET REALISABLE VALUE
LOOSE TOOLS	AT ESTIMATED VALUE
SCRAP	AT ESTIMATED REALISABLE VALUE

Note: Cost is arrived on weighted average basis.

Foreign Currency Transactions:

Transactions in foreign currency has been translated into Indian Rupees at the exchange rates prevailing at the date of transaction, any variation in receipt or payment has been adjusted in exchange gain/loss account, Assets and Liabilities outstanding as at year end have been converted into the Indian Rupees at year end exchange rates.

(g) **Excise Duty:**

Liability for Excise Duty in respect of finished goods and scrap not cleared from factory premises for sale is accounted for at the time of clearance from the factory premises. The policy has however, no impact on operating results and net current assets of the Company.

(h) **Expenditure During Construction Period**

All expenses including interest incurred up to the date of installation are capitalised together with the other direct costs.

(i) **Retirement Benefits:**

Contributions are made to recognised Provident Fund, Employees State Insurance Scheme, LIC Group Gratuity Schemes and are charged to revenue accounts. Benefit for encashment of leave salary is fully provided for on accrual basis.



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(j) Revenue Recognition:

- a. Sales are inclusive of excise duty and net of discounts/returns. Exports sales include Goods Invoiced against confirmed orders and cleared from Excise and Custom Authorities, also goods exported as third party exporter and exchange fluctuations.
- b. Export incentives receivable in cash are recognized as income on Export being made.
- c. Other items of Revenue and claims are recognized in accordance with the accounting standard (AS 9) accordingly, wherever there are uncertainties in the ascertainment/realization of income these expenditure are recognised at the time of receipt or payment thereof.

(k) Tax on Income:

Tax on Income for the relevant period comprises of current tax and deferred tax. Deferred Tax is recognized, subject to consideration of prudence, on all timing difference between taxable income and accounting income that originate in one period and are capable of being reversed in one or more subsequent periods. The accumulated deferred tax liability is adjusted by applying the tax rates and tax laws applicable at the year end.

(l) Contingent Liabilities:

Disputed liabilities including claims by Taxation Authorities pending in appeals are treated as contingent liabilities and are shown by way of notes.

2 CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:

	Current year Rs.	Previous year
a) Letters of Guarantees issued by Banks	725,000	Rs.8,158,000
b) Letter of Credit issued by Bank to Foreign Suppliers	40,264,925	\$ 6,11,933 & Euro17,30,00,000
c) Claims against the Company not acknowledged as debts	5,074,151	Amount Unascertained
d) Excise Duty Demand Disputed in Appeals	8,010,305	Rs.3,357,237
e) Corporate Guarantee taken from Body Corporate	192,000,000	Rs.192,000,000

3 All investments are long-term investments and have been valued at cost. The market value of quoted investments in certain shares have eroded due to the prevailing depressed market conditions, being temporary in nature, therefore, no provision has been made. In respect of unquoted investments provision has been made in accounts for decrease in estimated realisable value on the basis of available information.

4 As per consistent accounting practice followed by the Company, Excise Duty aggregated approximately to Rs. 19.70 Lacs (Rs. 51.65 Lacs) on finished goods not cleared from factory is neither provided for nor the same as considered for valuation of Closing Stock. This policy has no impact on the profit for the year.

5 Estimated amount of contracts remaining to be executed on Capital accounts Rs.2,72,39,791 (Rs.3,739,670) against which advances made amounting to Rs. 6,846,223 (Rs.3,739,670).



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(j) Revenue Recognition:

- a. Sales are inclusive of excise duty and net of discounts/returns. Exports sales include Goods Invoiced against confirmed orders and cleared from Excise and Custom Authorities, also goods exported as third party exporter and exchange fluctuations.
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5 Estimated amount of contracts remaining to be executed on Capital accounts Rs.2,72,39,791 (Rs.3,739,670) against which advances made amounting to Rs. 6,846,223 (Rs.3,739,670).

- 6 The Company purchased and, building and plant & machinery in Court Auction for Rs.85,21,000 in earlier years out of which Rs.43.00 Lacs was allocated to Land & Building vide Court Order for registration of properties, the Board of Directors allocated Rs.10.00 Lacs to Land and Rs.33.00 Lacs to Building respectively and depreciation charged accordingly. Out of plant & machinery so purchased certain machineries have been sold in earlier years in respect of which sale value has been adjusted in the cost of plant & machinery in the respective years.
- 7 The Company has filed a suit against the Hong-Kong and Shanghai Banking Corporation for realisation of Rs.19,34,730 for expenses incurred in connection with clearing the title of Property which was purchased in Court Auction and other damages/losses suffered by the Company for which no adjustment has been made in the books of accounts.
- 8 a) Cash Credit/Packing Credit (HYP.) Limit from Corporation Bank is secured by way of Hypothecation of Company's Stocks & Book Debts on *Pari-Pasu* Charge with Exim Bank. The loan is also secured by first charge on the entire fixed assets of the company including vehicle and LPG Tankers and Equitable mortgage of immoveable properties on *Pari-Passu* basis with Exim Bank, Exclusive First charge by way of *Equitable Mortgage of Property* at 602 & 1008, Chiranjiv Tower, 43, Nehru Place, New Delhi - 110 019, Property at 3rd Floor, Pramukh Plaza, Andheri (East), Mumbai, *Pari-Passu* charge on moveable and Immoveable Properties of M/s Jotindra Steel & Tubes Limited and Quality Synthetic Industries Limited. Joint & several personal Guarantee of Shri V.K. Sureka, Managing Director and Shri Navneet Sureka, Director. Outstanding Bank Guarantees/Letters of Credit are also secured by charge created in favor of the bank.
- b) Pre-Cum-Post Shipment Foreign Currency Loan from Exim Bank, are secured by way of *Pari-Passu* First Charge by way of Hypothecation/Mortgage of Moveable & Immoveable Fixed assets and Hypothecation of Current Assets of the Company both present & future. Corporate Guarantee of M/s Quality Synthetic Industries Ltd. and Jotindra Steel & Tubes Ltd., first and exclusive charge on Moveable assets and Immoveable properties of Quality Synthetic Industries Ltd. and First *Pari-Passu* charge on Moveable assets and Immoveable properties of Jotindra Steel & Tubes Ltd. The Loan is also secured by of Personal Guarantee of Shri V.K. Sureka, Managing Director and Shri Navneet Sureka, Director.
- c) The Loan from ICICI Bank, is secured by way of Hypothecation of the Vehicle financed by the Bank and Personal Guarantee of Shri V.K. Sureka, Managing Director and Shri Navneet Sureka, Director.
- d) The Loan from ABN AMRO Bank, is secured by way of Hypothecation of the Vehicle financed by the Bank and Personal Guarantee of Shri V.K. Sureka, Managing Director and Shri Navneet Sureka, Director.
- 9 (i) In pursuance of liberal policy of Government to allow parallel marketing of Liquefied Petroleum Gas. Company started LPG division for marketing of Liquefied Petroleum Gas during the year 1993-1994, but due to unfeasibility, the said division as per an agreement made on 12th August, 1994 had already been transferred to another Company M/s BYGGING INDIA LIMITED and all the expenditures, income and liabilities had been transferred to the said Company from the date of inception to the date of agreement.
- (ii) Recovery suit for Rs.32,40,707 filed against M/s. Bygging India Limited by the dealers of the above referred LPG Division is also pending with the Honorable Delhi High Court wherein the Company has also been made a party.
- 10 Dues to Small Scale Industrial Undertakings have been identified on the basis of information available with the company about the status of the creditor.
- The names of Small Scale Industrial Undertakings to whom the Company owes any sum which is outstanding for more than 30 days as at 31st March, 2004 are Durable Project, Sarvodya Engineers, Vira Associates..
- 11 In the opinion of the management, Current Assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated. The balances of Sundry Debtors, Sundry Creditors and Loans and Advances and commission on sales & purchases are however, subject to confirmations and adjustments, if any.

12 RELATED PARTY DISCLOSURE (AS IDENTIFIED BY THE MANAGEMENT), AS REQUIRED BY ACCOUNTING STANDARD

i) LIST OF RELATED PARTY

(a) Where control exists:-

(i) Jotindra Steel & Tubes Limited	(xii) Sri Narayan Steel Industries Pvt. Ltd.
(ii) Quality Synthetic Industries Ltd	(xiii) Sureka Tube Industries Pvt. Ltd.
(iii) J.S.T. Engineering Services Ltd.	(xiv) Vaishnodevi Properties Pvt. Ltd.
(iv) Aakshi Exports (P) Ltd.	(xv) V.K. Flats Pvt. Ltd.
(v) Biharji Ispat Udyog Limited	(xvi) Dwarkadish Construction Pvt. Ltd.
(vi) Saroj Metal Works Private Ltd.	(xvii) Srinarayan Raj Kumar Merchants Ltd.
(vii) Chakra Exports (P) Ltd.	(xviii) Biharji Fancy Fibers & Fabrics Ltd.
(viii) Ram Forgings Pvt. Ltd.	(ixx) Bhama Properties (P) Ltd.
(ix) Radha Estate (P) Ltd.	(xx) P.D. Metal Industries (P) Ltd.
(x) Subhlaxmi Properties (P) Ltd.	(xxi) Udayanchal Leasing Exports (P) Ltd.
(xi) G. William (Fab) Pvt. Ltd.	(xxii) Vee Kay Surgicals Pvt. Ltd.

(b) Key Management Personnel

V.K. Sureka (Managing Director)
N.K. Sureka (Director)
A.K. Sureka (Director)

(c) Relative of key Management personnel

Smt.P.L.Sureka

(with whom transaction have taken place during the year). (Wife of Managing Director)

(d) Other related parties

Sureka Public Charity Trust

ii) TRANSACTION WITH RELATED PARTIES

TYPE OF RELATED PARTY	DESCRIPTION OF THE TRANSACTION	VOLUME OF THE TRANSACTIONS		AMOUNT OUTSTANDING		
		Current Year	Previous Year	RECEIVABLE	PAYABLE	
					Current Year	Previous Year
Where Control Exists	Sales of goods	2,049,123	76,976	-	-	-
	Purchase of Goods	52,199,809	80,393,349	-	-	-
	Interest Paid	1,638,757	1,393,483	-	-	-
	Loan, Advances & Deposits Refund	220,141,129	175,804,008	-	-	-
	Loan, Advances & Deposits Received	336,224,008	278,891,129	-	57,332,879	-
	Rent Received	1,140,000	360,000	-	-	-
	Rent Paid	114,000	-	-	-	-
	Job work Charges Paid	10,018,380	39,049,036	-	-	-
	Purchase of Shares held as Investment	1,550,000	1,537,870	-	-	-
	Sale of Shares	-	655,080	-	-	-
	Corporate Guarantee	192,000,000	192,000,000	-	192,000,000	192,000,000
Commission Paid	1,920,000	1,225,000	-	-	-	
Key Management Personnel	Loan & Advances Refunded	22,275,000	4,766,560	-	-	-
	Loan & Advances Received	18,275,000	8,525,000	-	-	4,025,250
	Remuneration to Directors(Other than Gratuity)	564,480	462,960	-	-	-
	Interest Paid	459,348	269,900	-	-	-
Relative of Key Management	Employees Remuneration	161,280	95,040	-	-	-
	Rent Paid	-	114,000	-	-	-
	Loan Received & Repaid	-	2,700,000	-	-	-
Other Related Parties	Charity & Donations	1,500,000	-	-	-	-

- NOTE: 1 In respect of above parties, there is no provision for doubtful debts as on 31st March, 2004 and no amount has been written off or written back during the year in respect of debts due from them.
- 2 Out of above certain transaction requires approval from members and Central Government, which are yet to be taken.



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13 SEGMENT REPORTING

(Rs. In Lacs)

	Current year	Previous year
1 Segment Revenue (Net Sales / Income from each segment should be disclosed under this head)		
a) Segment – A (LPG Cylinder Unit)	13,121.71	4,957.55
b) Segment – B (Transportation)	239.78	139.21
c) Segment – C (Investments)	125.42	2.59
d) Others	277.80	26.28
Total	13,764.71	5,125.63
Less: Inter Segment Revenue	NIL	NIL
Net Sales / Income from operations	13,764.71	5,125.63
2 Segment Results Profit (+) / Loss (-) before		
a) Segment – A (LPG Cylinder Unit)	594.44	206.67
b) Segment – B (Transportation)	49.72	(23.59)
c) Segment – C (Investments)	125.42	(68.22)
d) Others	277.80	26.28
Total	1,047.38	141.14
Less: i) Interest**	138.50	89.33
ii) Other Un-allocable expenditure net of un-		
Total Income before Tax	908.88	51.81
* Profit / Loss before Tax and after interest in case of segments having operations which are primarily of financial nature.		
** Other than the interest pertaining to the segments having operations, which are primarily of financial nature.		
3 Capital Employed # (Segment Assets – Segment Liabilities)		
a) Segment – A (LPG Cylinder Unit)	3,858.34	3,340.72
b) Segment – B (Transportation)	220.90	308.87
c) Segment – C (Investments)	591.31	182.16
d) Others	NIL	NIL
Total	4,670.55	3,831.75

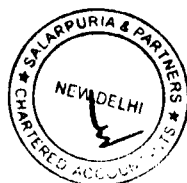
14 The provision for deferred tax Liability / (Assets) has been made for adjustment for timing difference as detailed here under:-

Particulars	Balance as on 01.04.2003	Adjustment for the year	Balance as on 31.03.2004
Depreciation	14,208,917	778,234	13,430,683
Gratuity & Earned Leave	(260,585)	(227,133)	(33,452)
	13,948,332	551,101	13,397,231

15 Earning per share :-

	Current year	Previous year
Net Profit as per Profit & Loss Account (Rs.)	83,874,774	1,631,000
Average No. of Equity Shares during the year	4,440,000	4,440,000
Earning per share in Rupees	18.89	0.37

16 Comparative figures for the previous year have been re-grouped re-cast and re-arranged wherever necessary. Figures in brackets represent previous year figures.



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17 Additional Information:

(i) Licensed & Installed Capacities:

ITEM MANUFACTURED	UNITS	LICENSED CAPACITY	INSTALLED CAPACITY @
LPG CYLINDER	Nos.	Not Applicable	18,00,000 (9,50,000)
LPG VALVES	Nos.	Not Applicable	18,00,000 (18,00,000)
LPG REGULATOR	Nos.	Not Applicable	12,00,000 (12,00,000)

@ as Certified by the Management.

(ii) Quantitative Details:

NAME OF THE PRODUCT MANUFACTURED / TRADED	UNITS	OPENING STOCKS		PRODUCTION	PURCHASES		SALES LESS DISCOUNTS		CLOSING STOCKS	
		QUANTITY	AMOUNT Rs.	QUANTITY	QUANTITY	AMOUNT Rs.	QUANTITY	AMOUNT Rs.	QUANTITY	AMOUNT Rs.
MANUFACTURED:										
LPG CYLINDERS	Nos.	88,251 *	51,880,500	886,151	-	-	965,401	847,278,829	9,001	4,500,500
		(33,802) *	(17,338,050)	(573,633)			(519,184)	(385,683,816)	(88,251) *	(51,880,500)
LPG VALVES	Nos.	1,504	40,608	712,881	-	-	710,911 @	19,074,411	3,474	104,220
		(1828)	(76776)	(354,549)	(-)	(-)	(354,873) @	(14,932,332)	(1,504)	(40,608)
LPG DP REGULATORS	Nos.	38,408	2,112,440	-	-	-	4,100	290,100	34,308	2,401,560
		(13578)	(1,086,240)	(110,581)	(-)	(-)	(85,751)	(8,043,327)	(38,408)	(2,112,440)
HOIST GEARS PINION, HOIST RACK & CHIMMER GEAR RACK	Nos.	-	-	136	-	-	136	347,700	-	-
		(-)	(-)	(484)	(-)	(-)	(484)	(764,604)	(-)	(-)
ITEMS OIL STORAGE TANK WITH ACCESSORIES	See Note below	See Note below	-	-	See Note below	199,136,009	See Note below	232,272,740	-	3,891,285
			(-)	(-)		(-)		(-)	(-)	(-)
LPG STORAGE TANK	Nos.	-	-	-	10	4,125,500	10	5,141,400	-	-
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
LPG CYLINDERS	Nos.	200	149,500	-	-	-	200	19,800	-	-
		(200)	(149,500)	(-)	(-)	(-)	(-)	(-)	(200)	(149,500)
STEEL TUBES (G.I.)	Nos.	-	-	-	-	-	-	-	-	-
		(-)	(-)	(-)	(20,400)	(14,639,381)	(20,400)	(17,555,270)	(-)	(-)
SCRAP								37,978,688		
								(19,032,742)		
			54,183,048 (18,650,566)			203,261,509 (14,639,381)		1,142,393,668 (446,012,091)		10,897,565 (54,183,048)

Note : Quantitative particulars of Items oil storage tank with accessories thereof have not been given as it consists of varrious numerous assorted items.

* Includes NIL (38670 Nos.) LPG Cylinders are in transit.

@ Includes 1,80,000 (4010 Nos.) Valves for Captive consumption.



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iii) RAW MATERIALS AND COMPONENTS CONSUMED:

NAME OF THE ITEMS	UNITS	Current Year		Previous Year	
		QUANTITY	AMOUNT (Rs.)	QUANTITY	AMOUNT (Rs.)
C.R.C./IRON/STAINLESS	M.T.	17,946.140	411,376,216	12,533	210,093,016
JUMBO LPG VALVES	Nos.	1,005,360	110,246,509	595,974	68,129,717
BRASS RODS AND SCRAP	Kgs.	190,258	21,299,157	106,676	8,407,709
ZINC ALLOY INGOTS	Kgs.	-	-	41,079	2,657,971
OTHERS			17,975,464		19,103,126
TOTAL			560,897,345		308,391,539

Note:

It is not practicable on the part of the management to give quantitative information in respect of other component consumed since it consists of numerous items and each such item is less than 10% of total value.

iv) Value of imported/indigenous raw materials and components/stores spares parts tools and

	RAW MATERIALS AND COMPONENTS		SPARES SPARE PARTS TOOLS AND PACKING MATERIALS	
	AMOUNT (Rs.)	Percentage	AMOUNT (Rs.)	Percentage
IMPORTED	110,246,509	19.66	3,790,847	4.30
	(100,877,836)	(32.71)	(NIL)	(NIL)
INDIGENOUS	450,650,836	80.34	84,434,696	95.70
	(207,513,703)	(67.29)	(39,615,910)	(100)
TOTAL	560,897,345	100	88,225,543	100
	(308,391,539)	(100)	(39,615,910)	(100)

		Current Year	Previous Year
v)	C. I. F. Value of Imports		
	Materials	142,816,408	58,217,709
	Capital Goods	5,633,201	-
vi)	Earning in Foreign Currency		
	F.O.B. Value of Exports	1,085,040,669	345,047,174
vii)	Expenditure in Foreign Currency:-		
	Interest to Bank	2,785,803	1,708,968
	Traveling	2,120,730	1,478,889
	Commission	113,104,230	63,735,247
	Freight & Forwarding	159,131,146	25,329,915
	Others	1,315,127	2,693,908
viii)	Remittance on account of Dividend in Foreign Currency	Nil	Nil



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18 BALANCE SHEET ABSTRACT AND THE COMPANY'S GENERAL BUSINESS PROFILE

a) REGISTRATION DETAILS

Registration No. : 33010 State Code : 21
Balance Sheet Date : 31.03.2004

b) CAPITAL RAISED DURING THE YEAR

Public Issue : Nil Right Issue : Nil
Bonus Issue : Nil Private Placement : Nil

c) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS
(RUPEES IN THOUSANDS)

Total Liabilities : 724,658 Total Assets : 724,658

Source of Funds:

Paid-up Capital : 44,400 Reserves & surplus : 422,655
Secured Loans : 170,043 Unsecured Loans : 87,560

Application of Funds:

Net Fixed Assets : 284,846 Investments : 59,132
Net Current Assets : 380,636 Misc. Expenditure : 43
Accumulated Losses : Nil

d) PERFORMANCE OF THE COMPANY

Turnover/Receipts : 1,376,472 Total Expenditure : 1,285,584
Profit before Tax : 90,888 Profit After Tax : 83,875
Earning per Share in : 18.89 Dividend Rate : Nil

e) GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

ITEM CODE (ITC CODE)	PRODUCT DESCRIPTION
731100	LPG CYLINDER
848180	LPG S. C. VALVE
720990	ITEMS FOR OIL STORAGE TANK AND ACCESSORIES THEREOF

Signature to Schedules 1 to 16
As per our report of even date
For SALARPURIA & PARTNERS
CHARTERED ACCOUNTANTS


(KAMAL KUMAR GUPTA)
PARTNER


(V. K. SUREKA)
MANAGING DIRECTOR


(N. K. SUREKA)
DIRECTOR


(A. K. SUREKA)
DIRECTOR

Place : New Delhi
Date : 30th JUNE, 2004



MAURIA UDYOG LIMITED

Registered Office: 12, U. N. BRAHMACHARI STREET
KOLKATTA - 700 017.

Proxy Form

(To be filled in and signed by the Shareholder)

Regd. (if not Dematerialised)	Folio	No.
DP ID No.		
Client (if not Dematerialised)	ID	NO.

I/We, Resident/s of in the
District of in the State of being a Member / Members of M/s. MAURIA
UDYOG LIMITED, hereby appoint of
..... or failing him of
..... as my/our proxy in my/our absence to attend and vote
for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Thursday,
30th September, 2004 at 2.00 P.M. at the Registered Office of the Company at 12, Dr. U.N.
Brahmchari Street, Kolkata - 700 017.

(Please
affix Re. 1/-
Revenue
Stamp.

Signed this day of 2004.

Name:

Address:

Signature

Note : The proxy form duly completed must be lodged at the Registered Office of the Company at 12, U. N. Brahmchari Street, Kolkata - 700 017 not less than 48 hours before the time holding the meeting in case the proxy is to be appointed.

ATTENDANCE SLIP

MAURIA UDYOG LIMITED

Registered Office: 12, U. N. BRAHMACHARI STREET
KOLKATTA - 700 016.

Regd. (if not Dematerialised)	Folio	No.
DP ID No.		
Client ID NO.		

I, hereby record my presence at the 24th Annual General Meeting of the Meeting held on
Thursday, 30th September, 2004 at 12, U. N. Brahmachari Street, Kolkatta-700 017.

Signature of the Shareholder/Proxy

Note: Please fill this attendance slip and hand it over at the entrance of the Meeting Hall.

