

ACME RESOURCES LIMITED

20th
Annual Report
2004 - 2005

ACME RESOURCES LIMITED

20th Annual Report 2004 - 2005

BOARD OF DIRECTORS

PRABHAT KUMAR JAIN, *Managing Director*

SANDEEP DEY

NIRAJ PRAKASH KHETAN

SHYAM SUNDER CHATTERJEE

SECRETARY

AMITAVA DAS

AUDITORS

H. R. AGARWAL & ASSOCIATES

Chartered Accountants

BANKERS

CANARA BANK

THE HONGKONG & SHANGHAI BANKING CORPN. LTD.

REGISTERED OFFICE

1, CROOKED LANE

ROOM NO. 107

KOLKATA - 700 069

NOTICE

NOTICE is hereby given that the 20th Annual General Meeting of the Members of **ACME RESOURCES LIMITED** will be held at the Registered Office at 1, Crooked Lane, R. No. 107, Kolkata - 700 069 on Friday, the 16th September, 2005 at 1.00 P.M. to transact the following business :-

GENERAL BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2005 and Profit & Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Shyam Sunder Chatterjee, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without any modification, the following Resolution as Ordinary Resolution :

"RESOLVED THAT Shri Niraj Prakash Khetan, who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 14th February, 2005 and who holds office in terms of Section 260 of the Companies Act, 1956, upto the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice from a member under Section 257 of the Companies Act, 1956, signifying his intention to propose Shri Niraj Prakash Khetan as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

5. To consider and if thought fit, to pass with or without any modification, the following Resolution as Ordinary Resolution :

"RESOLVED THAT pursuant to Sections 269, 309 & 311 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves of the re-appointment and terms of remuneration of Shri Prabhat Kumar Jain, Managing Director of the Company, on non-retiring basis for further period of five years with effect from 1st March, 2005 as per the terms and conditions set out in the draft agreement submitted to this meeting and for identification signed by a director thereof, which agreement is hereby specially sanctioned with liberty to the Director to alter and vary the terms and conditions of the said re-appointment and/or agreement in such manner as may be agreed to between the Directors and Shri Prabhat Kumar Jain."

Registered Office :

1, Crooked Lane, R. No. 107,
Kolkata - 700 069

Dated : The 29th day of June, 2005

By Order of the Board

AMITAVA DAS

Company Secretary

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE (IN CASE OF A POLL) INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE TIME FIXED FOR THE MEETING.
2. The Register of Beneficial Owners, Register of Members and the share transfer books of the Company will remain closed from 13th September, 2005 to 16th September, 2005 (both days inclusive).
3. Members are requested to notify immediately any change in their addresses to the Registrar and Transfer Agent M/s. Maheshwari Datamatics Pvt. Ltd., 6, Mangoe Lane, 2nd Floor, Kolkata - 700 001.
4. Shareholders seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**ITEM NO. 4**

Shri Niraj Prakash Khetan was appointed as an Additional Director of the Company by the Board of Directors with effect from 14th February, 2005 under Section 260 of the Companies Act, 1956. Shri Niraj Prakash Khetan continues to hold office as a Director until the conclusion of the ensuing Annual General Meeting. However, as required under Section 257 of the Companies Act, 1956, the Company has received a notice from a member signifying his intention to propose Shri Niraj Prakash Khetan as a candidate for the office of Director of the Company and the requisite deposit of Rs. 500/- has also been received by the Company alongwith such notice. It is proposed that Shri Niraj Prakash Khetan will be liable to retire by rotation.

The Board is of the view that Shri Niraj Prakash Khetan's knowledge and experience will be of immense benefit and value to the Company and therefore, recommends his appointment to the shareholders.

None of the Directors, except Shri Niraj Prakash Khetan is, in any way, concerned or interested in the aforesaid resolution.

ITEM NO. 5

Shri Prabhat Kumar Jain was re-appointed as Managing Director of the Company on non-retiring basis by the Board of Directors with effect from 1st March, 2005 in accordance to Section 269, 309 & 311 and other applicable provisions, if any, of the Companies Act, 1956.

The Board is of the view that Shri Prabhat Kumar Jain's knowledge and experience is immensely beneficial and valuable to the Company and therefore, recommends his re-appointment to the shareholders.

The draft agreement between the Company and Shri Prabhat Kumar Jain as Managing Director contain the following terms and conditions :

1. **Period of Agreement** : 5 years with effect from 1st March, 2005.

2. Nature of Powers & Duties :

- i) The Managing Director shall carry out such duties as may be entrusted to them, subject to the supervision and control of the Board of Directors.
- ii) The Managing Director shall be entitled to the management and control of the Board of Directors.
- iii) The Managing Director shall be entitled to invest funds of the Company as he will think fit subject to the ceiling and limitations stipulated by the Board of Directors from time to time.
- iv) The Managing Director may from time to time raise or borrow any sums of money for and on behalf of the Company subject to the limitation stipulated by the Board of Directors of the Company and subject to the provisions of Section 292 of the Companies Act, 1956.
- v) The Managing Director shall have the power of engaging and dismissing of Executive, Assistants, Clerks, Servants and other employees as required for and engaged by the Company.

Remuneration :

1. **Salary :** The Managing Director is entitled to salary of Rs. 10,000/- per month. The annual increments in the salary will be effective from 1st April every year thereafter as the Board or the Committee of Directors may decide.
2. **Perquisites :** In addition to the salary, the Managing Director is also entitled to perquisites and allowances :
 - i) Maintenance charges for the self occupied premises owned by the Managing Director on actual basis but not exceeding 60% of the Salary.
 - ii) Electricity charges for the residential house occupied by the Managing Director.
 - iii) Contribution to PF, Superannuation Fund or Annuity Fund to the extent not taxable under the Income Tax Act, 1961.
 - iv) Gratuity at a rate not exceeding half a month's salary for each completed year of service subject to maximum amount permissible under Payment of Gratuity Act, 1972.
 - v) Leave Travel Concession once in year for self and family.
 - vi) Medical Expenses reimbursement for self and the family subject to 1 month's salary in a year or 3 month's salary over a period of 3 years.
 - vii) Club Fees, other than admission & life membership fees, subject to maximum of 2 clubs.
 - viii) Accident Insurance Policy subject to premium of Rs. 4,000/- per annum.
 - ix) Provision of Car for office use and telephone at residence other than long distance personal calls.
3. The Managing Director in addition to receiving such remuneration shall also be entitled to reimbursed of out of pocket expenses incurred by him in discharging duties on behalf of the company. However Managing Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or Committee.

Registered Office :

1, Crooked Lane, R. No. 107,
Kolkata - 700 069

Dated : The 29th day of June, 2005

By Order of the Board

AMITAVA DAS

Company Secretary

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT IN FORTHCOMING ANNUAL GENERAL MEETING

(In pursuance of Clause 49 of the Listing Agreement)

| | | | |
|--|--|---|---|
| Name of Director | Shri Prabhat Kumar Jain | Shri Shyam Sunder Chatterjee | Shri Niraj Prakash Khetan |
| Date of Birth | 12.06.1975 | 03.01.1969 | 01.03.1978 |
| Date of Appointment | 01.03.2000 | 16.06.2003 | 14.02.2005 |
| Expertise in specific functional areas | Rich experience and knowledge in the field of finance, accounting and various function levels | Rich experience and knowledge in the field of finance, accounting & HR. | Rich experience in the field of finance |
| Qualification | B. Com | B. Com | B. Com |
| List of Companies in which outside Directorship held as on 31st March, 2005 | Blue Chip India Ltd., Globe Soya Products Ltd., Rangbarshi Projects Ltd., Sapience Commodities Ltd. | Twenty First Century (India) Ltd., Amluckie Investment Co. Ltd., Bahubali Properties Ltd., Deepmala Dealers Ltd., Dhansafal Vyapaar Pvt. Ltd., Navitex Marketing Pvt. Ltd., Anu Agro Pvt. Ltd., Radico Trading Ltd., Saltlake Vyapaar Ltd., Sapience Commodities Ltd., Sargam Tradelink Pvt. Ltd., Ellora International Ltd., Thunder Traders Ltd., Bullpower Vyapaar Ltd. | Bhairav Tradelink Ltd., Celeste Merchandise Ltd., Divya Dealers Ltd., Saltlake Vyapar Ltd., Herald Commerce Ltd. |
| Chairman/Member of the Committees of the Board of the Company | NIL | Chairman - Share Transfer Committee | Member - Audit Committee Member - Share Transfer Committee |

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 20th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2005, along with the Auditor's Report thereon.

1. FINANCIAL RESULTS

The Financial results of the Company for the year ended 31st March, 2005 are summarized below :

| | Year ended 31.03.2005 (Rs.) | Year ended 31.03.2004 (Rs.) |
|--|-----------------------------------|-----------------------------------|
| Profit/(Loss) before Taxation | 1,95,18,833.50 | 1,62,68,483.64 |
| Less : Provision for Taxation - Current Tax | 14,95,801.00 | 12,50,639.00 |
| - Deferred Tax | 67,83,714.00 | 58,36,318.00 |
| Profit/(Loss) after Taxation | 1,12,39,318.50 | 91,81,526.64 |
| Less : Transfer to Statutory Reserve Fund | 22,47,864.00 | 18,36,305.00 |
| Add : Balance brought forward from previous year | (1,83,15,998.09) | (2,56,61,219.73) |
| Balance carried to Balance Sheet | (93,24,543.59) | (1,83,15,998.09) |

2. DIVIDEND

In view of brought forward losses, your Directors have decided not to recommend any dividend for the year.

3. OPERATIONS

The performance of the Company during the current year is satisfactory in comparison to previous year. Your Directors are making all efforts to improve the performance of the Company further in coming year.

4. DIRECTORS

Shri Niraj Prakash Khetan was appointed as an Additional Director of the Company with effect from 14th February, 2005 and he vacates office at the conclusion of ensuing Annual General Meeting. The Company has received a notice from a shareholder proposing him as a Director of the Company.

Shri Pankaj Kumar Jain, submitted his resignation and same was accepted by the Board with effect from 15th February, 2005. The Board places on record its appreciation for the services rendered by him during the tenure of his Directorship with the Company.

Shri Shyam Sunder Chatterjee, retires by rotation and being eligible, offers himself for re-appointment.

Shri Prabhat Kumar Jain was re-appointed as Managing Director of the Company for a further period of five years with effect from 1st March, 2005 subject to the approval of members in the General Meeting of the Company.

5. DIRECTOR'S RESPONSIBILITY STATEMENT

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

- i) that in the preparation of the annual accounts for the financial year ended 31st March, 2005, the applicable accounting standards have been followed along with proper explanation relating to material departures ;
- ii) that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review ;
- iii) that the Directors had 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 had prepared the accounts for the financial year ended 31st March, 2005 on a going concern basis.

6. AUDITORS REPORT

The Notes on Accounts as per Schedule - "P" referred into Auditor's Report are self-explanatory and hence do not require any further clarifications.

7. AUDITORS

H. R. Agarwal & Associates, Chartered Accountants, hold the office till the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment. Your Directors recommend their re-appointment.

8. PERSONNEL

As per the requirements of section 217(2A) of the Companies Act, 1956, none of the employees were in receipt of remuneration in aggregate of Rs. 24,00,000/- for the whole year or Rs. 2,00,000/- P.M. for part of the year under review.

9. STATUTORY INFORMATION

The Company being basically in the financial sector, requirement regarding the disclosures of particulars of conservation of energy and technology absorption prescribed by the rules is not applicable.

10. FOREIGN EXCHANGE

The Company has had no foreign exchange outflow or inflow during the year under review.

11. CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, a report on Corporate Governance is given in Annexure - 'A'.

12. EMPLOYER EMPLOYEE RELATIONSHIP

The Company maintained a cordial relationship with its employees which resulted in smooth flow of business operations during the period under review.

13. ACKNOWLEDGEMENTS

Your Directors acknowledge the support and owe a debt of gratitude to the Shareholders, Investors & Bankers. Your Directors are also thankful to its clients for their continued faith and support reposed in us. Last but not the least, your directors' place on record their sense of appreciation of the valuable contribution made by the employees of the Company.

Registered Office :

1, Crooked Lane
Room No. 107,
Kolkata - 700 069

Dated : The 29th day of June, 2005

On behalf of the Board
Prabhat Kumar Jain
Managing Director

Shyam Sunder Chatterjee
Director

ANNEXURE "A"

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's report on Corporate Governance :

1. CORPORATE GOVERNANCE

Effective Corporate Governance has always been an integral part of the Company's business philosophy. The Company lays lot of importance to issues of Corporate Governance in order to bring in transparency and to increase the stakeholders' wealth. It is the firm belief of the Company that good corporate governance should be an internally driven need and not only compliance of the statutory requirements.

2. BOARD OF DIRECTORS**(a) Composition of the Board**

The Composition of the Board of Directors of the Company consists of qualified executive and non executive directors. The Board is based and comprises of persons who have excelled in their respective areas having good standing.

The composition of the Board of Directors during the financial year ending 31.03.2005, was as follows :

| Sr. No. | Name of Director | Executive/ Non-Executive | No. of other | | |
|---------|-------------------------------|--------------------------|----------------|-------------|--------|
| | | | Directorships* | Committee** | |
| | | | | Chairman | Member |
| 1 | Sri Prabhat Kumar Jain - M.D. | Executive | 4 | 2 | 4 |
| 2 | Sri Sandeep Dey | Non-Executive | 7 | 1 | 1 |
| 3 | Sri Pankaj Kumar Jain * | Non-Executive | — | — | — |
| 4 | Sri S. S. Chatterjee | Non-Executive | 10 | 1 | 3 |
| 5 | Sri Niraj Prakash Khetan ** | Non-Executive | 5 | — | — |

* Excluding Directorship held in Private Limited / Foreign Companies and companies incorporated under Section 25 of the Companies Act, 1956.

** Represents Chairmanship / Membership of the Audit Committee, Compensation Committee and Shareholders' / Investors' Grievance Committee of other Companies.

(b) Changes in the composition of the Board of Directors since the last Annual General Meeting :

Sri Niraj Prakash Khetan was appointed as a Director of the Company with effect from 14th February, 2005 while Sri Pankaj Kumar Jain resigned from the Board of Directors on 15th February, 2005.

(c) Details of sitting fees, remuneration etc. paid to Directors :

No remuneration was paid to any director during the year.

(d) Board Meetings held in the Financial Year 2004-2005 and attendance of Directors :

The Board meets at least once in a quarter to consider amongst other business, the quarterly

performance of the Company and financial results. During the year under review, 10 Board meetings were held on 20th April, 2004, 29th June, 2004, 24th July, 2004, 30th Jul, 2004, 15th October, 2004, 30th October, 2004, 28th January, 2005, 1st February, 2005, 14th February, 2005 and 15th February, 2005.

★ Attendance of each director at the Board of Directors meetings and the last Annual General Meeting:

| Director | No. of Meetings | | Attendance at last AGM - Held on 5th September, 2004 |
|-------------------------------|-----------------|----------|--|
| | Held | Attended | |
| Sri Prabhat Kumar Jain - M.D. | 10 | 10 | Yes |
| Sri Sandeep Dey | 10 | 10 | Yes |
| Sri Shyam Sunder Chatterjee | 10 | 10 | Yes |
| Sri Pankaj Kumar Jain* | 9 | 9 | No |
| Sri Niraj Kumar Khetan** | 1 | 1 | N.A. |

3. DIRECTORS INTEREST IN THE COMPANY

No director is related to any other director of the Company.

None of the directors received any loan and advances from the Company during the year.

4. COMMITTEES OF DIRECTORS

In accordance with requirements of the Listing Agreement with the Stock Exchanges on Corporate Governance, following 2 committees were operational during the year.

- (a) Audit Committee
- (b) Share Transfer and Investors Grievance Committee

a. Audit Committee

The present Audit Committee of the Board of Directors fulfils the requirements of Section 292A of the Companies Act, 1956 as well as the Listing Agreement. The Audit Committee of the Company consists of 3 Directors. During the Financial Year 2004-2005, the Audit Committee met 4 times.

The composition of the Audit Committee and the attendance of each director at this meeting was as follows :

| Sr. No. | Members of Audit Committee | No. of meetings attended |
|---------|-----------------------------|--------------------------|
| 1 | Sri Sandeep Dey - Chairman | 4 |
| 2 | Sri Shyam Sunder Chatterjee | 4 |
| 3 | Sri Pankaj Kumar Jain * | 4 |
| 4 | Sri Niraj Kumar Khetan** | N.A. |

*Resigned from the Board and the Audit Committee with effect from 15th February, 2005.

**Appointed with effect from 14th February, 2005.

Audit Committee is responsible for reviewing with the management the annual financial statement before submission to the Board. The main function of Audit Committee is to supervise the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct.

b. Share Transfer and Investors Grievance Committee :

The Company has set up its **Shareholders' / Investors' Grievance Committee** in 2001. The Committee deals with the various matters relating to :

- transfer / transmission of shares / debentures,
- issue of duplicate share certificate,
- review of shares dematerialised and all other related matters,
- monitors expeditious redressal of investors' grievances,
- all other matters related to shares / debentures.

There was no meeting of the Share Transfer and Investors' Grievance Committee in the year under review, since all the Share Transfers were in electronic mode and there was no physical share transfer.

The composition of the Committee as at 31st March, 2005 is as under :-

| S. No. | Members of Transfer and Investors Grievances Committee |
|--------|--|
| 1 | Sri Shyam Sunder Chatterjee - Chairman |
| 2 | Sri Pankaj Kumar Jain* |
| 3 | Sri Sandeep Dey |
| 4 | Sri Niraj Kumar Khetan** |

*Resigned from the Board and the Share Transfer and Investors Grievances Committee with effect from 15th February, 2005.

**Appointed with effect from 14th February, 2005.

As required by the Listing agreement with the Stock Exchanges, Mr. Amitava Das, Company Secretary, has been designated as 'Compliance Officer' to monitor the shares transfer process.

The status of investors' queries/complaints/grievances received during the year is as under :

| No. of investors queries / complaints received during the year ended 31st March, 2005 | Pending at the end of the year | No. of pending share transfers |
|---|--------------------------------|--------------------------------|
| NIL | NIL | NIL |

REMUNERATION COMMITTEE :

The Company has only one Managing Director on the Board, whose appointment and remuneration has been fixed by the Board and in terms of resolution passed by the members. In view of this, no Remuneration Committee was constituted.

5. ANNUAL GENERAL MEETING :

★ Location and time, where last three AGMs held :

| Year | Date | Place | Time |
|------|------------|--|-----------|
| 2004 | 15-09-2004 | Jhajharia Committee Room Merchants Chamber of Commerce, 15B Hemanta Basu Sarani, Kolkata - 700 001 | 1.00 P.M. |
| 2003 | 05-09-2003 | Jhajharia Committee Room Merchants Chamber of Commerce, 15B Hemanta Basu Sarani, Kolkata - 700 001 | 1.00 P.M. |
| 2002 | 23-09-2002 | "KALAKUNJ" 48, Shakespeare Sarani, Kolkata- 700 071 | 1.30 P.M. |

Whether special resolutions were put through postal ballot last year, details of voting pattern:

No special resolutions were put through postal ballot last year, as the situation did not arise.

6. DISCLOSURES**(a) Disclosures on materially significant related party transactions :**

There were no materially significant related party transactions during the year having conflict with the interests of the Company.

(b) Details of Non-Compliance by the Company, penalties and stricture imposed on the Company by the Stock Exchanges, SEBI or any statutory authorities or any matter related to capital markets :

The Company has complied with all requirement of the listing agreement with the stock exchanges as well as regulations and guidelines of SEBI. The Company has received order from SAT in respect of matter against SEBI orders, reducing the penalty to Rs. 10,000/- and the amount has been paid by the Company.

7. MEANS OF COMMUNICATION

The Board of Directors of the Company approves and take on record un-audited financial results in the proforma prescribed by the stock exchange, within one month of the close of the every quarter and announces forthwith the results to all the stock exchanges where the shares of the Company are listed. Shareholders are intimated through print media of quarterly financial results and performance besides significant matters, within time period stipulated from time to time by stock exchanges. The quarterly Un-Audited Financial Results and Audited Financial Results are published in a leading national newspaper and a vernacular language newspaper.

8. GENERAL SHAREHOLDER'S INFORMATION**a. Annual General Meeting :**

| | |
|-------------|--|
| Date & Time | 16th September, 2005 at 1.00 P.M. |
| Venue | 1, Crooked Lane, Room No. 107, Kolkata - 700 069 |

b. The profile of Directors retiring by rotation and eligible for Re-appointment and appointment of Directors :**Re-appointment**

Shri Shyam Sunder Chatterjee, a commerce graduate having vast experience and knowledge in financial and accounting knowledge retires by rotation and being eligible offers himself for re-appointment. Shri Shyam Sunder Chatterjee holds directorship in the following companies :

| Sl. No. | Name of Companies | Sl. No. | Name of Companies |
|---------|-----------------------------------|---------|----------------------------|
| 1. | Twenty First Century (India) Ltd. | 8. | Radico Trading Ltd. |
| 2. | Amluckie Investment Co. Ltd. | 9. | Modern Power Pvt. Ltd. |
| 3. | Bahubali Properties Ltd. | 10. | Sapience Commodities Ltd. |
| 4. | Deepmala Dealers Ltd. | 11. | Sargam Tradelink Pvt. Ltd. |
| 5. | Dhansafal Vyapaar Pvt. Ltd. | 12. | Ellora International Ltd. |
| 6. | Navitex Marketing Pvt. Ltd. | 13. | Thunder Traders Ltd. |
| 7. | Anu Agro Pvt. Ltd. | 14. | Bullpower Vyapaar Ltd. |

Appointment

Shri Niraj Prakash Khetan, a commerce graduate having experience in finance was appointed as an Additional Director with effect from 14th February, 2005. He holds directorship in the following companies :

| Sl. No. | Name of Companies | Sl. No. | Name of Companies |
|---------|--------------------------|---------|-----------------------|
| 1. | Bhairav Tradelink Ltd. | 4. | Saltlake Vyapaar Ltd. |
| 2. | Celeste Merchandise Ltd. | 5. | Herald Commerce Ltd. |
| 3. | Divya Dealers Ltd. | | |

c. Financial Calendar (Tentative)

| | |
|--|---------------------|
| Financial reporting for the quarter ending June 30, 2005 | End of July 2005 |
| Financial reporting for the quarter ending September 30, 2005 | End of October 2005 |
| Financial reporting for the quarter ending December 31, 2005 | End of January 2006 |
| Financial reporting for the quarter year ending March 31, 2006 | End of June 2006 |

| | |
|----------------------------------|---|
| d. Date of Book closure | 13-09-2005 to 16-09-2005 (Both days inclusive) |
| e. Dividend Payment Date | No Dividend has been recommended by the Board |
| f. Listing on Stock Exchanges at | The Calcutta Stock Exchange Association Ltd. 7, Lyons Range, Kolkata - 700 001 |
| | The Delhi Stock Exchange Association Ltd. DSE House, 3/1, Asaf Ali Road, New Delhi-110 002. |
| g. Listing fees paid | Listing Fees outstanding with DSE. |

h. Stock Code :

| Name of the Exchange | Code |
|--|--------------|
| The Calcutta Stock Exchange Association Ltd. | 10029964 |
| The Delhi Stock Exchange Association Ltd. | 19152 |
| ISIN No. | INE636B01011 |

i. Stock Market Data

★ Market Price Data : High/Low during each month in last financial year :

| | Calcutta Stock Exchange (CSE) (in Rs.) | |
|----------------|--|------|
| | High | Low |
| April - 04 | 5.40 | 4.50 |
| May - 04 | 4.45 | 3.50 |
| June - 04 | 3.20 | 2.20 |
| July - 04 | — | — |
| August - 04 | 2.30 | 2.20 |
| September - 04 | — | — |
| October - 04 | — | — |
| November - 04 | — | — |
| December - 04 | — | — |
| January - 05 | — | — |
| February - 05 | — | — |
| March - 05 | — | — |

j. Registrar and Transfer Agents :

| | |
|--------------------------------------|---|
| For Physical and Dematerialised Form | Maheswari Datamatics (P) Limited 6, Mangoe Lane Kolkata - 700 001 |
|--------------------------------------|---|

k. Share Transfer System :

The Company's shares being tradable in compulsory dematerialised form and are transferable through the depository system. Further as per SEBI Circular No. D&CC/FITTC/CIR-15/2002 dated 27th December, 2002, Maheswari Datamatics (P) Limited, 6, Mangoe Lane, Kolkata - 700 001 has been appointed as Registrar for Shares held in physical as well as in Electronic Mode. The Share Transfer Committee of the Company meets as and when required.

l. Investor Services - Complaints received during the year 2004-2005 :

No Investor Complaint was received during the year. There was no outstanding complaints as on 31st March, 2005.

m. Distribution of shareholding as on 31st March, 2005 :

| No. of Equity shares held | No. of shareholders holding shares in | | No. of shares held | | % age of equity capital held in | |
|---------------------------|---------------------------------------|------------|--------------------|----------------|---------------------------------|--------------|
| | Physical Form | Demat Form | Physical Form | Demat Form | Physical Form | Demat Form |
| 1-1,000 | 871 | 49 | 172200 | 30554 | 0.67 | 0.12 |
| 1,001-5,000 | 203 | 115 | 649017 | 367099 | 2.52 | 1.43 |
| 5,001-10,000 | 59 | 46 | 449850 | 391800 | 1.75 | 1.52 |
| 10,001-50,000 | 53 | 42 | 1189583 | 1085845 | 4.62 | 4.22 |
| 50,001-1,00,000 | 9 | 6 | 688000 | 489385 | 2.67 | 1.90 |
| 1,00,001 and above | 31 | 8 | 17728113 | 2502554 | 68.86 | 9.72 |
| Total | 1226 | 266 | 20876763 | 4867237 | 81.09 | 18.91 |

n. Categories of shareholding as on 31st March, 2005 :

| Category | No. of share Holders | % of Share Holders | No. of Shares held | % share holding |
|--------------|----------------------|--------------------|--------------------|-----------------|
| Individuals | 1348 | 90.3535 | 10405634 | 40.4197 |
| Corporates | 139 | 9.3165 | 13725066 | 53.3136 |
| Promoters | 5 | 0.3300 | 1613300 | 6.2667 |
| Total | 1492 | 100 | 25744000 | 100 |

Note : Both in physical & electronic form.

o. Dematerialisation of Shares and Liquidity :

Trading in the securities of the Company is permitted only in dematerialized form as per notification issued by the Securities & Exchange Board of India (SEBI).

p. Details of use of public funds obtained in the last three years :

No funds have been raised from the public in the last 3 years.

q. Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion data likely impact on equity :

N. A.

r. Plant Locations :

N. A.

s. Investors Correspondence :

| | |
|---|---|
| For Investors' correspondence and queries, investors can write to the Company's Registered Office | The Company Secretary Acme Resources Limited 1, Crooked Lane, Room No. 107 Kolkata - 700 069 |
|---|---|

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of
ACME Resources Limited

We have examined the compliance of conditions of Corporate Governance by **ACME Resources Limited** for the year ended on 31st March, 2005, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said clause. 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, we certify that the company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

We state that no investor grievances were pending for a period of one month against the Company as certified by the Registrars & Share Transfer Agents of the Company, based on the records maintained by them.

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

For H. R. AGARWAL & ASSOCIATES
Chartered Accountants

SHYAM SUNDAR AGARWAL
Partner

M. No. FCA 060033

Place : Kolkata

Date : 29/06/2005

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Development - Overview

The NBFC sector in India comprises of a combination of few large companies that have a nation wide presence and a large number of small and medium sized companies catering to the regional, urban and semi-urban needs. In recent years, the NBFC sector is facing stiff competition from the Banks and Financial Institutions. Banks have an advantage of lower cost of funds, taking a big share in retail financing and providing a strong competition to NBFC's.

The fiscal 2004-2005 saw an upturn in the economy. GDP grew by 6% and BSE Sensex crossed the 6500 mark, which was an increase of about more than 50% from the previous year. The positive effect of the market reflected in your Company's performance. Your Company could improve its performance in comparison to earlier years.

Opportunities, Threats, Risks and Concerns

The economy is expected to achieve a 6.5% to 7% GDP growth rate in the current year. The increased thrust on the infrastructure sector, including power (as well as Hydel Power), roads, telecom etc. will continue to provide excellent investment opportunities in the future. Moreover, the growth of the service sector (IT & BPO) presents new opportunities for the financial services industry in India.

Your Company faces stiff competition from Banking companies due to their ability to grant loan at a considerably low rate of interest.

The Company has its own specific risks that are particular to its business and its environment within which it works including fluctuation of interest rates, economic cycle etc. Your Company manages this risk by maintaining prudent and commercial business practices.

Future Outlook

Your Company intends to invest in business related to infrastructure, telecommunication etc. in the coming years since it sees good prospect in it. It would definitely try to establish itself and remain as a strong player in the finance industry. With the Capital market expected to be in a better mood than the previous few years and with our efforts, we can look forward to a prosperous year for the Company.

Internal Control systems and their adequacy

The Company has in place adequate internal control systems and procedures commensurate with the size and nature of its business. These procedures are designed to ensure :

- That all assets and resources are used efficiently and are adequately protected ;
- That all internal policies and statutory guidelines are complied within letter & spirit ;
- The accuracy and timing of financial reports and management information.

Financial operational performance

Please refer Boards' Report on performance review.

Material Development in Human Resources / Industrial Relations / number of people employed

The Company believes that people are the key ingredient to the success of an organization. Looking after people makes good business sense because, if people are motivated, service excellence will follow. The Company recognizes the importance and contribution of its Human resources for its growth and development and is committed to the development of its people.

Cautionary statement

Statement in the Management's Discussion and Analysis describing the Company's projections, estimates, expectations or predictions may be forward looking predictions within the meaning of applicable securities laws and regulations. These forward-looking statements are based on certain assumptions and expectations of future events over which the Company exercises no control. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. Actual results may differ materially from such estimates, projections etc. whether expressed or implied.

AUDITORS' REPORT

To the members of
ACME RESOURCES LIMITED

1. We have audited the attached Balance Sheet of **ACME RESOURCES LIMITED** as at 31.03.2005, the Profit & Loss Account and also the 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 conducted our audit in accordance with the 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 misstatements. 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 (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 hereto a statement on the matters specified in Paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 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 purposes 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 those books ;
 - (c) The Balance Sheet, the 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, the Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred in sub-section (3C) of Section 211 of the Companies Act, 1956 ;
 - (e) In our opinion, on the basis of written representations received from the directors, as on 31st March, 2005, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2005 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 together with the significant Accounting policies and other Notes thereon give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India :-
 - (a) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2005 ;
 - (b) in the case of the Profit & Loss Account, of the profit of the company for the year ended on that date ; and
 - (c) in the case of the Cash Flow Statement, of the cash flows of the company for the year ended on that date.

For H. R. AGARWAL & ASSOCIATES
Chartered Accountants

Shyam Sundar Agarwal
Partner

Membership No. FCA 060033

Place : Kolkata

Date : 29th June, 2005

ANNEXURE TO THE AUDITORS REPORT

(Referred to in Paragraph 3 of our Report of even date)

- (i) The Company is not having any fixed assets, therefore provisions of clause 4 (i) of the Order are not applicable to the company.
- (ii) (a) As explained to us, inventory has been physically verified by the management at regular intervals during the year.
(b) In our opinion according to the information and explanations given to us, the procedures 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 its business.
(c) The Company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification between the physical stocks and the book records.
- (iii) (a) The Company has granted loan to companies other than those covered in 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 on which loans have been granted to companies are not, prima facie, prejudicial to the interest of the company.
(c) The Company has not taken any loan from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) According to the information and explanations given to us, we are of the opinion that there are no transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits under the provisions of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. No order has been passed by the Company Law Board or NCLT or RBI or any Court or any other Tribunal.
- (vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- (viii) Maintenance of cost records has not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including investor education and protection fund, Income Tax, cess and any other statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty, excise duty and cess were in arrears, as at 31.3.2005 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- (x) In our opinion, the accumulated losses of the company are not more than fifty percent of its net worth. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has no dues to financial institution, bank or debenture holders.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) The Company has maintained proper records of transactions & contracts in respect of dealing & trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, debentures, and other Investments have been held by the Company in its own name except to the extent exemption granted u/sec. 49 of the Act.
- (xv) In our opinion and explanations given to us, the company has not given guarantee for loans taken by others from banks or financial institutions.
- (xvi) The Company has not taken any term loans during the year.
- (xvii) According to the information and explanations given to us and on an overall examinations of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- (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 Company Act, 1956.
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the company has not issued any debentures.
- (xx) The Company has not raised any monies by way of public issue during the year.
- (xxi) 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 H. R. AGARWAL & ASSOCIATES
Chartered Accountants

Shyam Sundar Agarwal
Partner

Membership No. FCA 060033

Place : Kolkata

Date : 29th June, 2005

BALANCE SHEET AS AT 31ST MARCH, 2005

| | Schedule | As at 31st March, 2005 | | As at 31st March, 2004 | |
|--|----------|---------------------------|----|---------------------------|----|
| | | Rs. | P. | Rs. | P. |
| SOURCES OF FUNDS | | | | | |
| SHAREHOLDERS FUND | | | | | |
| (a) Share Capital | A | 25,74,40,000.00 | | 25,74,40,000.00 | |
| (b) Reserve & Surplus | B | 5,53,78,838.00 | | 5,31,30,974.00 | |
| TOTAL | | 31,28,18,838.00 | | 31,05,70,974.00 | |
| APPLICATION OF FUNDS | | | | | |
| DEFERRED TAX ASSETS | | 4,53,919.00 | | 72,37,633.00 | |
| CURRENT ASSETS, LOANS AND ADVANCES | | | | | |
| (a) Inventories | C | 5,10,17,797.89 | | 4,78,29,306.40 | |
| (b) Sundry Debtors | D | 12,76,654.00 | | 14,46,654.00 | |
| (c) Cash & Bank Balances | E | 3,19,53,415.61 | | 5,78,725.15 | |
| (d) Other Current Assets | F | 1,03,83,306.08 | | 76,05,002.08 | |
| (e) Loans & Advances | G | 21,23,86,561.83 | | 23,00,61,676.83 | |
| | | 30,70,17,735.41 | | 28,75,21,364.46 | |
| Less : CURRENT LIABILITIES AND PROVISIONS | | | | | |
| (a) Current Liabilities | H | 2,09,132.00 | | 2,31,594.55 | |
| (b) Provisions | I | 37,68,228.00 | | 22,72,427.00 | |
| | | 39,77,360.00 | | 25,04,021.55 | |
| NET CURRENT ASSETS | | 30,30,40,375.41 | | 28,50,17,342.91 | |
| PROFIT & LOSS ACCOUNT (As per annexed Account) | | 93,24,543.59 | | 1,83,15,998.09 | |
| TOTAL | | 31,28,18,838.00 | | 31,05,70,974.00 | |

**Significant Accounting Policies &
Notes on Accounts**

M

As per our Report of even date
For **H. R. AGARWAL & ASSOCIATES**
Chartered Accountants
Shyam Sundar Agarwal
Partner
Membership No. FCA 060033

Prabhat Jain
Managing Director
Amitava Das
Secretary
Sandeep Dey
Director

Place : Kolkata
Dated : 29th June, 2005

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2005

| | Schedule | For the year ended 31st March, 2005 | | For the year ended 31st March, 2004 | |
|--|----------|-------------------------------------|----|-------------------------------------|----|
| | | Rs. | P. | Rs. | P. |
| INCOME | | | | | |
| Sales | | 1,90,57,827.97 | | 1,07,27,772.50 | |
| Other Income | J | 1,42,72,467.00 | | 1,89,03,773.03 | |
| Increase/(Decrease) in Stock | K | 31,88,491.49 | | (27,95,579.37) | |
| | | <u>3,65,18,786.46</u> | | <u>2,68,35,966.16</u> | |
| EXPENDITURE | | | | | |
| Purchases | | 1,65,51,260.20 | | 97,81,238.75 | |
| Administrative & Other Expenses | L | 4,48,692.76 | | 6,96,243.77 | |
| Preliminary Expenses Written off | | — | | 90,000.00 | |
| | | <u>1,69,99,952.96</u> | | <u>1,05,67,482.52</u> | |
| Profit/(Loss) before Taxation | | 1,95,18,833.50 | | 162,68,483.64 | |
| Less : Provision for Taxation - Current Tax | | 14,95,801.00 | | 12,50,639.00 | |
| - Deferred Tax | | 67,83,714.00 | | 58,36,318.00 | |
| Profit/(Loss) after Taxation | | 1,12,39,318.50 | | 91,81,526.64 | |
| Less : Transfer to Statutory Reserve Fund | | 22,47,864.00 | | 18,36,305.00 | |
| | | <u>89,91,454.50</u> | | <u>73,45,221.64</u> | |
| Balance Cr./(Dr.) brought forward | | (1,83,15,998.09) | | (2,56,61,219.73) | |
| Balance Carried to Balance Sheet | | (93,24,543.59) | | (1,83,15,998.09) | |
| Basic Earning per share | | 0.44 | | 0.36 | |
| Diluted Earning per share | | 0.44 | | 0.36 | |
| Face value per share | | 10.00 | | 10.00 | |
| Significant Accounting Policies & Notes on Accounts | M | | | | |

As per our Report of even date

For **H. R. AGARWAL & ASSOCIATES**

Chartered Accountants

Shyam Sundar Agarwal

Partner

Membership No. FCA 060033

Place : Kolkata

Dated : 29th June, 2005

Amitava Das

Secretary

Prabhat Jain
Managing Director

Sandeep Dey

Director

**Schedules 'A' to 'M' ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2005
and Profit & Loss Account for the year ended 31st March, 2005**

| | <u>As at 31st March, 2005</u> | | <u>As at 31st March, 2004</u> | |
|---|-----------------------------------|----|-----------------------------------|----|
| | Rs. | P. | Rs. | P. |
| SCHEDULE - A | | | | |
| SHARE CAPITAL | | | | |
| AUTHORISED | | | | |
| 2,60,00,000 Equity Shares of Rs. 10/- each | <u>26,00,00,000.00</u> | | <u>26,00,00,000.00</u> | |
| ISSUED, SUBSCRIBED & PAID UP | | | | |
| 2,57,44,000 Equity Shares of Rs. 10/- each fully paid up in cash | <u>25,74,40,000.00</u> | | <u>25,74,40,000.00</u> | |
| | <u>25,74,40,000.00</u> | | <u>25,74,40,000.00</u> | |

SCHEDULE - B**RESERVE & SURPLUS**

| | | |
|---|-----------------------|-----------------------|
| Securities Premium | 5,00,00,000.00 | 5,00,00,000.00 |
| Statutory Reserve Fund (U/s 451C of RBI Act, 1934) | 53,78,838.00 | 31,30,974.00 |
| | <u>5,53,78,838.00</u> | <u>5,31,30,974.00</u> |

SCHEDULE - C**INVENTORIES****(As Taken, valued & certified by the management)**

| Name of the Company | As on 31st March, 2005 | | As on 31st March, 2004 | |
|--------------------------------------|------------------------|-----------------|------------------------|-----------------|
| | No. of Shares | Amount (Rs.) | No. of Shares | Amount (Rs.) |
| QUOTED SHARES : | | | | |
| 21st Century (India) Ltd. | 1,88,900 | 20,43,038.32 | 4,43,250 | 29,69,775.00 |
| ATN International Ltd. | 1,08,400 | 3,30,620.00 | 1,08,400 | 2,43,900.00 |
| Avon Mercantile Ltd. | 79,500 | 1,82,850.00 | 79,500 | 1,82,850.00 |
| Blue Chip India Ltd. (F. V. Rs. 2/-) | 8,58,200 | 14,02,500.00 | 8,58,200 | 14,02,500.00 |
| CESC Ltd. | 760 | 37,000.00 | 760 | 37,000.00 |
| Chemox Securities Ltd. | 3,000 | 10,950.00 | 3,000 | 10,950.00 |
| CMS Infotech Ltd. | 20,01,500 | 47,03,525.00 | 20,01,500 | 44,03,300.00 |
| Ellora International Ltd. | 70,000 | 7,00,000.00 | 70,000 | 7,00,000.00 |
| Herald Commerce Ltd. | 4,600 | 17,480.00 | 1,34,600 | 13,46,000.00 |
| Marson's Limited | 2,19,510 | 3,40,635.62 | 1,55,369 | 4,42,801.65 |
| Mather & Platt (I) Ltd. | 1,000 | 6,000.00 | 1,000 | 18,000.00 |

SCHEDULE - C (Continued)

| Name of the Company | As on 31st March, 2005 | | As on 31st March, 2004 | |
|---|------------------------|-----------------------|------------------------|-----------------------|
| | No. of Shares | Amount (Rs.) | No. of Shares | Amount (Rs.) |
| Aastha Broadcasting Network Ltd. (F.V. Re. 1/-) | 1,27,650 | 3,04,660.20 | 2,400 | 27,216.00 |
| Meenakshi Tea Co. Ltd. | 7,400 | 68,450.00 | 7,400 | 74,000.00 |
| Niharika India Ltd. | 100 | 250.00 | 100 | 250.00 |
| Orissa synthetics Ltd. | 1,500 | 8,850.00 | 1,500 | 11,525.00 |
| Oswal Agro Mills Ltd. | 600 | 870.00 | 600 | 870.00 |
| Purvanchal Leasing Ltd. | 6,250 | 12,500.00 | 6,250 | 12,500.00 |
| Sanjeev Woolen Mills Ltd. | — | — | 10,000 | 30,000.00 |
| Silicon Valley Infotech Ltd. (F.V. Re. 1/-) | 48,34,000 | 1,30,14,308.75 | 4,83,400 | 1,30,14,308.75 |
| Sterling Milk Products Ltd. | 93,400 | 2,00,810.00 | 93,400 | 2,00,810.00 |
| Tezapore Tea Co. Ltd. | 500 | 15,000.00 | 500 | 18,000.00 |
| Unisys Software & Hold Ind. Ltd. | 2,40,000 | 2,40,000.00 | 2,40,000 | 2,40,000.00 |
| Universal Media Network Ltd. (F.V. Rs. 2/-) | 4,00,000 | 1,00,000.00 | 4,00,000 | 1,00,000.00 |
| | <u>92,46,770</u> | <u>2,37,40,297.89</u> | <u>51,01,129</u> | <u>2,54,86,556.40</u> |

UNQUOTED SHARES :

| | | | | |
|----------------------------------|--------|--------------|----------|--------------|
| Aditi Sanchar Suvidha Pvt. Ltd | — | — | 20,000 | 10,00,000.00 |
| Accord Tracon Ltd. | 39,000 | 12,90,000.00 | 25,000 | 2,50,000.00 |
| Abe Infocom Pvt. Ltd. | 1,400 | 70,000.00 | — | — |
| Bullpower Vyapar Ltd. | 22,000 | 22,00,000.00 | — | — |
| Bhairav Tradelink Ltd. | 8,000 | 8,00,000.00 | — | — |
| Bicharsil Traders Ltd. | 25,000 | 25,00,000.00 | — | — |
| Capline Dealcom Pvt. Ltd. | — | — | 10,000 | 5,00,000.00 |
| Cascade Dealcom Pvt. Ltd. | 5,000 | 50,000.00 | 5,000 | 50,000.00 |
| Concourse Info. Tech. Intl. Ltd. | 26,000 | 52,000.00 | 26,000 | 52,000.00 |
| Dhansafal Vyapaar Pvt. Ltd. | 2,600 | 26,000.00 | 2,600 | 26,000.00 |
| Goldwin Merchandise Pvt. Ltd. | 20,000 | 10,00,000.00 | — | — |
| Hanurang Projects Pvt. Ltd. | 2,000 | 2,00,000.00 | — | — |
| Indo Invest Vision Pvt. Ltd. | 23,800 | 2,38,000.00 | 23,800 | 2,38,000.00 |
| Jeet Vanijya Ltd. | 23,000 | 23,00,000.00 | — | — |
| JMD Sounds Ltd. | 92,600 | 9,26,000.00 | 2,20,000 | 22,00,000.00 |
| Majestic Bottlers Pvt. Ltd. | — | — | 80,000 | 8,00,000.00 |
| Mangalmoyee Garments Pvt. Ltd. | 2,500 | 2,50,000.00 | — | — |
| Network Power Pvt. Ltd. | 6,400 | 6,40,000.00 | — | — |
| Nihal Fiscal Services Pvt. Ltd. | 1,000 | 50,000.00 | — | — |
| Noble Power Pvt. Ltd. | 18,000 | 18,00,000.00 | — | — |
| Prashant Impex (P) Ltd. | 9,000 | 90,000.00 | 1,89,000 | 18,90,000.00 |
| Radico Trading Ltd. | 3,550 | 35,500.00 | 3,550 | 35,500.00 |
| Sabera Tradelink Pvt. Ltd. | 39,000 | 39,00,000.00 | 39,000 | 39,00,000.00 |
| Sapience Commodities Ltd. | 13,800 | 1,38,000.00 | 13,800 | 1,38,000.00 |
| Sargam Tradelink Ltd. | 13,000 | 13,00,000.00 | — | — |
| Savera Traders Ltd. | 5,000 | 50,000.00 | 5,000 | 50,000.00 |
| Skylark Commerce Pvt. Ltd. | — | — | 20,000 | 10,00,000.00 |

SCHEDULE - C (Continued)

| Name of the Company | As on 31st March, 2005 | | As on 31st March, 2004 | |
|--|------------------------|-----------------------|------------------------|-----------------------|
| | No. of Shares | Amount (Rs.) | No. of Shares | Amount (Rs.) |
| Snapshot Tradelink Pvt. Ltd. | 54,100 | 54,10,000.00 | 54,100 | 54,10,000.00 |
| Subhash Credit Capital Ltd. | — | — | 20,000 | 4,00,000.00 |
| Toplight Tradelink Pvt. Ltd. | 10,000 | 5,00,000.00 | 10,000 | 5,00,000.00 |
| Turnkey Commodities Ltd. | 700 | 70,000.00 | 700 | 70,000.00 |
| Vikas Power Pvt. Ltd. | 10,750 | 10,75,000.00 | — | — |
| Weldrof Tradelink Ltd. | 4,700 | 3,17,000.00 | 1,700 | 17,000.00 |
| Zatco Vyapaar Pvt. Ltd. | — | — | 30,000 | 15,00,000.00 |
| | <u>4,81,900</u> | <u>2,72,77,500.00</u> | <u>7,99,250</u> | <u>2,00,26,500.00</u> |
| MUTUAL FUND | | | | |
| Alliance Basic Industries Fund | — | — | 1,00,000 | 10,00,000.00 |
| Alliance Buy India Fund | — | — | 1,25,000 | 10,16,250.00 |
| Alliance New Millennium Fund | — | — | 50,000 | 3,00,000.00 |
| | <u>—</u> | <u>—</u> | <u>2,75,000</u> | <u>23,16,250.00</u> |
| Aggregate Book Value of Quoted, Unquoted Shares & Mutual Fund | | <u>5,10,17,797.89</u> | | <u>4,78,29,306.40</u> |
| Aggregate Market Value of Quoted Shares & Mutual Fund | | <u>8,39,73,226.40</u> | | <u>5,57,04,680.65</u> |

| | As at | | As at | |
|--|------------------|----|------------------|----|
| | 31st March, 2005 | | 31st March, 2004 | |
| | Rs. | P. | Rs. | P. |

SCHEDULE - D**SUNDRY DEBTORS****Unsecured Considered Good**

| | | |
|----------------------|---------------------|---------------------|
| Exceeding Six Months | 12,76,654.00 | 14,36,404.00 |
| Others | — | 10,250.00 |
| | <u>12,76,654.00</u> | <u>14,46,654.00</u> |

| | As at 31st March, 2005 | | As at 31st March, 2004 | |
|---|---------------------------|----|---------------------------|----|
| | Rs. | P. | Rs. | P. |
| SCHEDULE - E | | | | |
| CASH & BANK BALANCES | | | | |
| 1. Cash Balance in Hand (As Certified by the Management) | 38,373.92 | | 1,35,713.92 | |
| 2. With Scheduled Banks - On Current Account | 3,19,15,041.69 | | 4,43,011.23 | |
| | <u>3,19,53,415.61</u> | | <u>5,78,725.15</u> | |
| SCHEDULE - F | | | | |
| OTHER CURRENT ASSETS | | | | |
| Tax Deducted at Source | 1,03,75,846.08 | | 75,97,542.08 | |
| Advance Income Tax | 7,460.00 | | 7,460.00 | |
| | <u>1,03,83,306.08</u> | | <u>76,05,002.08</u> | |
| SCHEDULE - G | | | | |
| LOANS & ADVANCES | | | | |
| Loans | | | | |
| (Unsecured Considered Good) | | | | |
| To Bodies Corporate | 18,86,30,397.00 | | 20,79,51,421.00 | |
| To Others | 2,27,26,164.83 | | 2,02,30,255.83 | |
| Advances | | | | |
| (Recoverable in Cash or in Kind or for Value to be received) | | | | |
| | 10,30,000.00 | | 18,80,000.00 | |
| | <u>21,23,86,561.83</u> | | <u>23,00,61,676.83</u> | |
| SCHEDULE - H | | | | |
| CURRENT LIABILITIES | | | | |
| Sundry Creditors | — | | 35,000.00 | |
| Excess Cheque overdrawn | — | | 4,794.55 | |
| Other Liabilities | 2,09,132.00 | | 1,91,800.00 | |
| | <u>2,09,132.00</u> | | <u>2,31,594.55</u> | |
| SCHEDULE - I | | | | |
| Provision for Taxation | 37,68,228.00 | | 22,72,427.00 | |
| | <u>37,68,228.00</u> | | <u>22,72,427.00</u> | |

| | As at 31st March, 2005 | | As at 31st March, 2004 | |
|---|---------------------------|----|---------------------------|----|
| | Rs. | P. | Rs. | P. |
| SCHEDULE - J | | | | |
| OTHER INCOMES | | | | |
| Interest Received (TDS Rs. 27,78,304.00, previous year Rs. 37,22,380.67) | 1,38,22,467.00 | | 1,86,50,143.03 | |
| Dividend | 4,50,000.00 | | 2,50,000.00 | |
| Profit on share dealings | — | | 3,630.00 | |
| | <u>1,42,72,467.00</u> | | <u>1,89,03,773.03</u> | |

SCHEDULE - K**INCREASE/(DECREASE) IN STOCK**

| | | |
|----------------------|---------------------|-----------------------|
| Opening Stock | 4,78,29,306.40 | 5,06,24,885.77 |
| Less : Closing Stock | 5,10,17,797.89 | 4,78,29,306.40 |
| | <u>31,88,491.49</u> | <u>(27,95,579.37)</u> |

SCHEDULE - L**ADMINISTRATIVE & OTHER EXPENSES**

| | | |
|-------------------------------|--------------------|--------------------|
| Advertising & Publicity | 4,975.00 | 6,390.00 |
| Auditors Remuneration | 14,833.00 | 14,040.00 |
| Bank Charges | 12,613.24 | 34,667.60 |
| Custodian charges | 1,016.52 | 2,407.17 |
| Computer Software | 12,500.00 | — |
| Filing Fees | 2,500.00 | 21,500.00 |
| Listing Fees | 62,500.00 | 62,500.00 |
| Legal Charges | 15,000.00 | 10,400.00 |
| Miscellaneous Expenses | 10,965.00 | 21,030.00 |
| Postage, Telegram & Telephone | 6,980.00 | 8,015.00 |
| Printing & Stationery | 17,865.00 | 30,790.00 |
| Professional Charges | 7,390.00 | 5,546.00 |
| Previous year adjustment | — | 2,44,838.00 |
| Salaries | 1,78,250.00 | 1,78,250.00 |
| Registrar & Depository Fees | 47,574.00 | 27,000.00 |
| Rates & Taxes | 20,000.00 | — |
| Staff Welfare Expenses | 12,020.00 | 11,640.00 |
| Travelling & Conveyance | 14,500.00 | 17,230.00 |
| Securities Transaction Tax | 7,211.00 | — |
| | <u>4,48,692.76</u> | <u>6,96,243.77</u> |

SCHEDULE - M

**Significant Accounting Policies and Notes on Accounts forming part of accounts
for the year ended 31st March, 2005**

A. SIGNIFICANT ACCOUNTING POLICIES**1. BASIS OF ACCOUNTING :**

- a) **General** : The Financial Statements have been prepared under the Historical Cost convention on the basis of going concern concept in accordance with generally accepted accounting principles and the provisions of Companies Act, 1956 as adopted consistently.
- b) **Revenue Recognition** : Items of income & expenditure are accounted for on accrual basis except dividend income which is accounted for on receipt basis.

2. INVENTORIES :

In case of quoted shares, inventories have been valued at lower of cost (on first-in first-out) basis and market value. Unquoted shares have been valued at cost.

3. RETIREMENT BENEFITS :

Provision for retirement benefits has not been made, there being no employee having served for minimum qualifying period of service for entitlement of the benefits.

4. TAXATION :

Provision for current tax is determined as the amount of tax payable in respect of taxable income for the year in accordance with provision of the Income Tax Act, 1961. The deferred tax for timing difference between the accounting and tax profit for the year is accounted using tax rates and tax laws that have been enacted or substantially enacted at the Balance Sheet date. Deferred tax assets arising from the timing difference are recognised to the extent that there is reasonable certainty that sufficient future taxable income will be available.

B. NOTES ON ACCOUNTS

1. Estimated amounts of contracts remaining to be executed on Capital Account and not provided for Rs. NIL (Rs.NIL)
2. Contingent Liabilities :- NIL
3. **Quantitative details of goods traded :**

| | <u>S H A R E S</u> | | | <u>S H A R E S</u> | | |
|---------------|------------------------|------------------|--|------------------------|------------------|--|
| | As at 31st March, 2005 | | | As at 31st March, 2004 | | |
| | Quantity (Nos.) | Amount Rs. P. | | Quantity (Nos.) | Amount Rs. P. | |
| Opening Stock | 61,75,379 | 4,78,29,306.40 | | 66,83,010 | 5,06,24,885.77 | |
| Purchases | 50,89,508 | 1,65,51,260.20 | | 1,49,675 | 97,81,238.75 | |
| Sales | 15,36,217 | 1,90,57,827.97 | | 6,57,306 | 1,07,27,772.50 | |
| Closing Stock | 97,28,670 | 5,10,17,797.89 | | 61,75,379 | 4,78,29,306.40 | |

| | | |
|--|-------------------|-------------------|
| 4. Earning/Expenditure in Foreign Currency | Rs. NIL | (Rs. NIL) |
| 5. Auditors Remuneration : | <u>31.03.2005</u> | <u>31.03.2004</u> |
| For Audit Fees | 8,816.00 | 8,640.00 |
| For Tax Audit Fees | 2,204.00 | 2,160.00 |
| In Other Capacities | 3,813.00 | 3,240.00 |
| | <u>14,833.00</u> | <u>14,040.00</u> |

6. In view of carried forward loss, there is no taxable income. Provision for taxation amounting to Rs. 14,95,801/- (Previous year Rs. 12,50,639/-) made in these accounts represents Minimum Alternative Tax under the provision of Income Tax Act, 1961.

7. **Deferred Tax :**

The Company has accounted for Deferred Tax in accordance with the Accounting Standard - 22, "Accounting for Taxes on Income" issued by the council of the Institute of Chartered Accountants of India. Accordingly, the break-up of deferred tax Assets and Liabilities into major components at the year end is as below :-

| Particulars | Assets | |
|--------------------------------|----------------|----------------|
| | As at 31.03.05 | As at 31.03.04 |
| Tax credit available | 4,53,919.00 | 72,37,633.00 |
| Total : | 4,53,919.00 | 72,37,633.00 |
| Net Deferred Tax Assets | 4,53,919.00 | 72,37,633.00 |

8. In terms of AS-17 of the ICAI, Segment information has not been given as the entire business activities of Trading in shares and granting of loans considered as one business segment.
9. In terms of AS-18 "Related Party Disclosure's" issued by the ICAI are not given as the Company does not have any transaction with related parties and their relatives during the year.
10. The Company has made no provision for Non-performing assets amounting to Rs. 10,72,708/- as per prudential norms prescribed by Reserve Bank of India.
11. Information pursuant to Part IV of Schdule VI to the Companies Act, 1956 has been given in Annexure - I.
12. Information pursuant to paragraph 9BB of Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1988 has been given in Annexure - II.
13. Figures in brackets represent previous year's figures.
14. Previous Year's figures have been regrouped, rearranged and recasted wherever considered necessary.

As per our Report of even date
For **H. R. AGARWAL & ASSOCIATES**
Chartered Accountants

Place : Kolkata

Dated : 29th June, 2005

Shyam Sundar Agarwal
Partner

Membership No. FCA 060033

Amitava Das
Secretary

Prabhat Jain
Managing Director

Sandeep Dey
Director

ANNEXURE - I

ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV SCHEDULE VI OF
COMPANIES ACT, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No. State Code
Balance Sheet Date

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousand)

Public Issue Right Issue
Bonus Issue Private Placement

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousand)

Total Liabilities Total Assets
Sources of Funds
Paid-up Capital Reserve & Surplus
Secured Loans Unsecured Loans
Deferred Tax Liability
Application of Funds
Net Fixed Assets Investments
Net Current Assets Miscellaneous Expenditure
Accumulated Losses Deferred Tax Assets

IV. PERFORMANCE OF THE COMPANY (Amount in Rs. Thousand)

Turnover Total Expenditure
Profit/(Loss) Before Tax Profit/(Loss) After Tax
Earning Per Share (in Rs.) Dividend Rate (%)

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY
(As Per Monetary Terms)

Item Code No. (ITC Code)

Product Description

As per our Report of even date

For **H. R. AGARWAL & ASSOCIATES**

Chartered Accountants

Shyam Sundar Agarwal

Partner

Membership No. FCA 060033

Prabhat Jain
Managing Director

Amitava Das
Secretary

Sandeep Dey
Director

Place : Kolkata

Dated : 29th June, 2005

CASH FLOW STATEMENT

| <u>DESCRIPTION</u> | <u>Year ended 31st March, 2005 (Rs.)</u> | <u>Year ended 31st March, 2004 (Rs.)</u> |
|---|--|--|
| (A) Cash Flow from Operating Activities | | |
| Net Profit before Tax & Extraordinary Items | 1,95,18,833.50 | 1,62,68,483.64 |
| Adjustments for : | | |
| Preliminary & Public Issue Expenses written off | — | 90,000.00 |
| Operating Profit before Working Capital Changes | 1,95,18,833.50 | 1,63,58,483.64 |
| Changes in :- | | |
| Inventories | (31,88,491.49) | 27,95,579.37 |
| Sundry Debtors | 1,70,000.00 | (8,57,170.00) |
| Other Current Assets | (27,78,304.00) | (37,22,380.00) |
| Loans & Advances | 1,76,75,115.00 | (1,15,28,122.03) |
| Trade & Other Payables | (22,462.55) | (40,09,374.45) |
| Net Cash from Operating Activities (A) | 3,13,74,690.46 | (9,62,983.47) |
| (B) Cash Flow from Investing Activities | | |
| Net Cash Flow from Investing Activities (B) | — | — |
| (C) Cash Flow from Financing Activities | | |
| Net Cash from Financing Activities (C) | — | — |
| Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C) | 3,13,74,690.46 | (9,62,983.47) |
| Cash and Cash Equivalents (Opening Balance) | 5,78,725.15 | 15,41,708.62 |
| Cash and Cash Equivalents (Closing Balance) | 3,19,53,415.61 | 5,78,725.15 |

As per our Report of even date
For **H. R. AGARWAL & ASSOCIATES**
Chartered Accountants

Place : Kolkata
Dated : 29th June, 2005

Shyam Sundar Agarwal
Partner
Membership No. FCA 060033

Amitava Das
Secretary

Prabhat Jain
Managing Director
Sandeep Dey
Director

ANNEXURE - II to the
Balance Sheet as on 31st March, 2005 of a Non-Banking Financial Company
(as required in terms of Paragraph 9BB of Non-Banking Financial Companies Prudential Norms
(Reserve Bank) Directions, 1998)

(Rs. in lakhs)

| Particulars | Amount Outstanding | Amount Overdue |
|---|---------------------------|----------------|
| <u>Liabilities Side :</u> | | |
| 1. Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid : | | |
| (a) Debentures : Secured | NIL | NIL |
| Unsecured (other than falling within the meaning of public deposits) | NIL | NIL |
| (b) Deferred Credits | NIL | NIL |
| (c) Term Loans | NIL | NIL |
| (d) Inter-corporate Loans and Borrowings | NIL | NIL |
| (e) Commercial Paper | NIL | NIL |
| (f) Public Deposits | NIL | NIL |
| (g) Other | NIL | NIL |
| 2. Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) : | | |
| (a) In the form of Unsecured debentures | NIL | NIL |
| (b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security. | NIL | NIL |
| (c) Other public deposits | NIL | NIL |
| | Amount Outstanding | |
| <u>Assets Side :</u> | | |
| 3. Break-up of Loans and Advances including bills receivables [other than those included in (4) below] : | | |
| (a) Secured | | NIL |
| (b) Unsecured | | 2,123.87 |
| 4. Break-up of Leased Assets and stock on hire and hypothecation loans counting towards FL/HP activities : | | |
| (i) Lease assets including lease rentals under sundry debtors : | | |
| (a) Financial Lease | | NIL |
| (b) Operating Lease | | NIL |
| (ii) Stock on hire including hire charges under sundry debtors : | | |
| (a) Assets on hire | | NIL |
| (b) Repossessed Assets | | NIL |

| Particulars | Amount Outstanding |
|---|--------------------|
| (iii) Hypothecation loans counting towards EL/HP activities : | |
| (a) Loans where assets have been repossessed | NIL |
| (b) Loans other than (a) above | NIL |
| 5. Break-up of Investments : | |
| Current Investments : Inventories (Stock in Trade) | |
| 1. Quoted : | |
| (i) Shares : (a) Equity | 237.40 |
| (b) Preference | NIL |
| (ii) Debentures and Bonds | NIL |
| (iii) Units of Mutual Funds | NIL |
| (iv) Government Securities | NIL |
| (v) Others | NIL |
| 2. Un-Quoted : | |
| (i) Shares : (a) Equity | 272.78 |
| (b) Preference | NIL |
| (ii) Debentures and Bonds | NIL |
| (iii) Units of Mutual Funds | NIL |
| (iv) Government Securities | NIL |
| (v) Others | NIL |
| Long Term Investments : | |
| 1. Quoted : | |
| (i) Shares : (a) Equity | NIL |
| (b) Preference | NIL |
| (ii) Debentures and Bonds | NIL |
| (iii) Units of Mutual Funds | NIL |
| (iv) Government Securities | NIL |
| (v) Others | NIL |
| 2. Un-Quoted : | |
| (i) Shares : (a) Equity | NIL |
| (b) Preference | NIL |
| (ii) Debentures and Bonds | NIL |
| (iii) Units of Mutual Funds | NIL |
| (iv) Government Securities | NIL |
| (v) Others | NIL |

6. Borrow group-wise classification of all leased assets, stock-on-hire and loans and advances :

| Category | Amount net of provisions | | |
|---------------------------------|--------------------------|-----------|----------|
| | Secured | Unsecured | Total |
| 1. Related Parties | | | |
| (a) Subsidiaries | NIL | NIL | NIL |
| (b) Companies in the same group | NIL | NIL | NIL |
| (c) Other related parties | NIL | NIL | NIL |
| 2. Other than related parties | NIL | 2,123.87 | 2,123.87 |
| Total | NIL | 2,123.87 | 2,123.87 |

7. Investor group-wise classification of all investments (Current and Long Term) in shares and securities (both quoted and unquoted) :

| Category | Market Value/Break-up or Fair Value or NAV | Book Value (Net of Provisions) |
|---------------------------------|--|--------------------------------|
| 1. Related Parties | | |
| (a) Subsidiaries | NIL | NIL |
| (b) Companies in the same group | NIL | NIL |
| (c) Other related parties | NIL | NIL |
| 2. Other than related parties | 1,112.51 | 510.18 |
| Total | 1,112.51 | 510.18 |

8. Other Information :

| Particulars | Amount |
|---|--------|
| (i) Gross Non-Performing Assets | |
| (a) Related Parties | NIL |
| (b) Other than related parties | 10.73 |
| (ii) Net Non-Performing Assets | |
| (a) Related Parties | NIL |
| (b) Other than related parties | 10.73 |
| (iii) Assets acquired in satisfaction of debt | NIL |

Notes :

- As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.