

**51<sup>st</sup>**  
**ANNUAL REPORT**  
**2004 - 2005**



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**THE YAMUNA SYNDICATE LIMITED**

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## **THE YAMUNA SYNDICATE LIMITED**

Regd. Office : YAMUNA NAGAR - 135 001 (HARYANA)

### **BOARD OF DIRECTORS :**

1. **Mr. Ranjit Puri**  
CHAIRMAN
2. **Mr. K.K. Vij**  
DIRECTOR
3. **Mr. Manmohan Singh**  
DIRECTOR
4. **Mr. Vinod K. Nagpal**  
DIRECTOR
5. **Mr. Romesh Malhan**  
DIRECTOR
6. **Mr. D.D. Sharma**  
DIRECTOR
7. **Mr. Aditya Puri**  
DIRECTOR

### **COMPANY SECRETARY :**

**Mr. Ashish Kumar**

### **AUDITORS :**

**M/s. K.C. Malhotra & Co.**  
**Chartered Accountants**  
**New Delhi.**

### **BANKERS :**

1. **Punjab National Bank**
2. **State Bank of Patiala**

**DIRECTORS' REPORT**

To Members :

The Directors hereby present their 51<sup>st</sup> Annual Report together with the audited accounts for the year ended 31<sup>st</sup> March, 2005 :-

**1. FINANCIAL RESULTS :**

The Financial results are as under:

**(Amount in Rs.)**

Net Profit for the year		1,68,48,010
Less : Provision for taxation :		
- Current Tax	36,00,000	
- Deferred Tax	<u>30,060</u>	<u>36,30,060</u>
Net Profit after Tax		1,32,17,950
Less :		
- Proposed Dividend @ 25%	52,91,200	
- Dividend Tax	7,03,697*	
- Transfer to General Reserve	<u>13,21,000</u>	<u>73,15,897</u>
Balance carried forward to Profit & Loss A/c.		<u>59,02,053</u>

\*Includes Rs. 12,203/- being education cess on tax on dividend distributed for the preceding year.

**2. DIVIDEND :**

The Directors are pleased to recommend a dividend @ 25%.

**3. OPERATIONS :**

The sales & profit before tax of your Company during the year have been higher at Rs. 5,048 lacs and Rs. 168.48 lacs respectively as compared to Rs. 4,381 lacs & Rs. 130.31 lacs respectively during the previous year.

In tractor business, we have been able to improve our market share. We have also been allocated additional territory of Distt. Bulandshahr (U.P.).

Other businesses, on the whole, have done well during the year.

**4. DIRECTORS :**

Mr. K.K. Vij and Mr. Romesh Malhan, Directors of the Company will retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

**5. AUDITORS :**

M/s. K.C. Malhotra & Company, Chartered Accountants, New Delhi, Auditors of the Company, will retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment.

**6. PARTICULARS OF DISCLOSURES UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956:**

The particulars relating to conservation of energy and technology absorption are not applicable since the Company is mainly engaged in trading activity.

There is no foreign exchange earnings and outgo.

**7. PARTICULARS OF EMPLOYEES :**

The Company has not paid any remuneration attracting the provision of Companies (Particulars of Employees) Rules, 1975 read with Section 217 (2A) of the Companies Act, 1956 and hence no information is required to be appended in this regard.

**8. FIXED DEPOSITS :**

As on 31.03.2005, 5 (Five) Fixed Deposit Receipts amounting to Rs. 1,01,000/- matured and remained unclaimed during the year under report.

**9. DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956 :**

The Directors state :

- i) that in the preparation of the annual accounts for the year ended March 31, 2005, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- ii) that 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 and of the profit or loss of the Company for that period ;
- 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 annual accounts on a going concern basis.

**10. ACKNOWLEDGEMENTS :**

The Directors place on record their appreciation for the hard work and services rendered by the staff and workmen during the year under report.

By Order of the Board

sd/-  
(RANJIT PURI)  
CHAIRMAN

Dated : 30.06.2005  
Place : NOIDA (U.P)

**REPORT OF THE AUDITORS TO THE MEMBERS**

We have audited the attached Balance Sheet of The Yamuna Syndicate Limited, Yamuna Nagar as at 31st March, 2005 and also the Profit and Loss Account for the year ended on that date annexed thereto in which are incorporated the accounts of the branches not visited by us but checked by us, and the cash flow statement for the year ended on that date, which have been signed under reference to this report. 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.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and 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.

As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) order, 2004 (together the 'order') issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956 of India (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 explanations given to us, we report a statement on the matters specified in paragraphs '4' and '5' of the order.

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.  
b) The Management has certified that it has conducted a physical verification of the fixed assets at reasonable intervals, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies have been noticed on such verification.  
c) In our opinion, the company has not disposed off substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. a) The inventory excluding stores in transit have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.  
b) The procedures of physical verification of Inventory 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 has maintained proper records of Inventory. The discrepancies noticed on physical verification of inventory as compared to the book records, which in our opinion, were not material and have been properly dealt within the books of account.
3. a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clauses (iii) (b) to (iii) (d) of paragraph 4 of the order are not applicable to the company for the current year.  
b) (i) The company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the companies Act, 1956 except taken from two parties aggregating to Rs. 75,07,000/- in the nature of Fixed Deposits.  
(ii) In our opinion and according to the information and explanations given to us, the rate of interest, terms and conditions of such loans, i.e., Fixed Deposits are not prima facie, prejudicial to the interest of the Company.

- (iii) The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
- (iv) There is no overdue amount of loans taken from parties listed in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there is 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 and services. Further, on the basis of our examination of the books of account and according to the information and explanations given to us, we have not come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control system.
5. 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 Companies Act, 1956 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 prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A, 58AA or 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 National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal on the company in respect of the aforesaid deposits.
7. In our opinion, the Company has an Internal Audit System commensurate with its size and nature of its business.
8. Maintenance of cost records has not been prescribed to the Company by the Central Government under Section 209 (1) (d) of the Companies Act, 1956.
9. a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues applicable to it have been generally regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2005 for a period of more than six months from the date they became payable.
- b) Accordingly to the records of the Company, there are no dues of Sales Tax, Wealth Tax, Income Tax, Service Tax, Custom Duty, Excise Duty, Cess which have not been deposited on account of any dispute.
10. The Company has no accumulated losses as at 31<sup>st</sup> March, 2005 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to a financial Institution, bank, or debenture holders during the year.
12. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.



14. The company is not a dealer or trader in shares, securities, debentures and other investments.
15. The Company has not given any guarantee for loans taken by others from bank or financial Institutions during the year.
16. The Company has not obtained any term loans that were not applied for the purpose for which these were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
18. Based on our examination of record and the information provided to us by management we report that the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures.
20. The Company has not raised any money by way of public issue during the year.
21. Based on the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

Further to our comments referred to above, we report that 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. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from examination of those books. The Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account. In our opinion, the Balance Sheet and the Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956. 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. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Companies Act, 1956 and give 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 and Loss Account, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For K.C. MALHOTRA & CO.**  
Chartered Accountants

Place: New Delhi  
Dated: 30.06.2004

sd/-  
Partner  
Membership No. 13624

## Balance Sheet as at 31st March, 2005

Schedule Reference	Figures in Rupees		
		31.03.2005	31.03.2004
<b>Sources of Funds :</b>			
Shareholders Funds :			
Share Capital	(A) 2,11,64,800	2,11,64,800	
Reserves and Surplus	(B) <u>6,69,84,601</u>	<u>5,97,61,548</u>	8,09,26,348
Loan Funds	(C)	<u>4,89,63,249</u>	<u>4,69,80,579</u>
		<u>13,71,12,650</u>	<u>12,79,06,927</u>
<b>Application of Funds :</b>			
Fixed Assets	(D)	28,97,250	34,31,950
Investments (at cost)	(E)	4,20,38,799	4,20,38,799
Current Assets, Loans and Advances :			
Current Assets :			
Interest Accrued			16,858
Stores and Stocks	(F)	4,36,99,197	4,02,28,805
Sundry Debtors	(G)	4,53,31,202	5,45,03,134
Cash and Bank Balances	(H)	61,30,157	39,54,967
Loans and Advances	(I)	<u>1,84,61,223</u>	<u>1,26,67,637</u>
		<u>11,36,21,779</u>	<u>11,13,71,401</u>
Less: Current Liabilities and Provisions	(J)	<u>2,13,42,468</u>	<u>2,88,62,573</u>
Net Current Assets		9,22,79,311	8,25,08,828
Deferred tax :			
Deferred tax Asset		12,990	18,355
Less : Deferred tax Liability		<u>1,15,700</u>	<u>91,005</u>
		<u>(1,02,710)</u>	<u>(72,650)</u>
		<u>13,71,12,650</u>	<u>12,79,06,927</u>

Statement on Significant Accounting Policies and Notes to the Accounts (K)

sd/-  
**Ashish Kumar**  
Company Secretary

sd/-  
**H.R. Vij**  
General Manager  
(Finance)

sd/-  
**Mahesh Gupta**  
Chief Executive

sd/-  
**K.K. Vij**  
Director

sd/-  
**Aditya Puri**  
Director

In terms of our report of even date  
**For K.C.Malhotra & Co.**  
Chartered Accountants

New Delhi  
Dated : 30.06.2005

sd/-  
**Ramesh Malhotra**  
Partner  
Membership No. 13624



**Profit and Loss Account for the year ended 31st March, 2005**

	Schedule Reference	Figures in Rupees		
		31.03.2005		31.03.2004
<b>Income :</b>				
Sales		50,47,63,577	43,80,94,690	
Other Income	(I)	1,00,79,044	81,37,310	
Closing Stock		<u>4,36,66,112</u>	<u>4,01,11,297</u>	48,63,43,297
<b>Expenditure :</b>				
Opening Stock		4,01,11,297	3,88,83,535	
Purchases		46,61,80,224	40,39,37,403	
Employees' Remuneration	(II)	1,38,33,549	1,29,18,847	
Other Expenses	(III)	2,08,10,325	1,67,05,906	
Depreciation		<u>7,25,328</u>	<u>8,66,365</u>	<u>47,33,12,056</u>
Profit before Taxation		54,16,60,723	1,68,48,010	1,30,31,241
Provision for Taxation:				
Current tax		36,00,000	36,70,000	
Deferred tax		<u>30,060</u>	<u>40,280</u>	<u>37,10,280</u>
Profit after Taxation		1,32,17,950		93,20,961
Balance of Profit from Previous Year		<u>2,62,76,022</u>		<u>2,32,60,283</u>
Profit available for Appropriation		3,94,93,972		3,25,81,244
Dividend - Proposed Final		52,91,200	47,62,080	
Dividend Tax		7,03,697	6,10,142	
General Reserve		<u>13,21,000</u>	<u>9,33,000</u>	<u>63,05,222</u>
Balance being Surplus Carried to Balance Sheet		<u>3,21,78,075</u>		<u>2,62,76,022</u>
Earnings Per Share (Rs.) - Basic & Diluted (face value Rs.100/- each) - Refer Note 8 - Schedule 'K'		62.45		44.04

\* Includes Rs. 12,203/- being education cess on tax on dividend distributed for the preceding year.

Statement on Significant Accounting Policies and Notes to the Accounts (K)

sd/-  
**Ashish Kumar**  
Company Secretary

sd/-  
**H.R. Vij**  
General Manager  
(Finance)

sd/-  
**Mahesh Gupta**  
Chief Executive

sd/-  
**K.K. Vij**  
Director

sd/-  
**Aditya Puri**  
Director

In terms of our report of even date  
**For K.C.Malhotra & Co.**  
Chartered Accountants

New Delhi  
Dated : 30.06.2005

sd/-  
**Ramesh Malhotra**  
Partner  
Membership No. 13624



Figures in Rupees

## Schedule 'A' - Share Capital :

31.03.2005

31.03.2004

**Authorised :**

3,00,000	Equity Shares of Rs.100/- each	<u>3,00,00,000</u>	<u>3,00,00,000</u>
		<u>3,00,00,000</u>	<u>3,00,00,000</u>

**Issued :**

2,13,856	Equity Shares of Rs.100/- each	<u>2,13,85,600</u>	<u>2,13,85,600</u>
		<u>2,13,85,600</u>	<u>2,13,85,600</u>

**Subscribed :**

2,11,648	Equity Shares of Rs.100/- each Fully Paid Up	<u>2,11,64,800</u>	<u>2,11,64,800</u>
		<u>2,11,64,800</u>	<u>2,11,64,800</u>

**Note :**

The above Shares include shares allotted without payment received in cash as under :-

- Bonus Shares by capitalisation of Reserves (Bonus Shares of the value of Rs. 2,09,100/- are yet to be allotted)	1,99,88,400/-
- Under Scheme of Arrangement with Punjab Textile Mills Ltd. (Shares of the value of Rs.11,700/- to be allotted as and when claim is made with the Company)	8,61,300/-

**Schedule 'B' - Reserves and Surplus :**

	31.03.2004	Additions	Deductions	31.03.2005
Capital				
Capital Reserve :	2,02,400	-	-	2,02,400
* Capital Redemption (a)	89,700	-	-	88,700
Revenue :				
* General Reserve (b)	3,31,94,426	13,21,000(c)	-	3,45,15,426
Profit and Loss Account Balance	<u>2,62,76,022</u>	<u>3,21,78,075</u>	<u>2,62,76,022(d)</u>	<u>3,21,78,075</u>
	<u>5,97,61,548</u>	<u>3,34,99,075</u>	<u>2,62,76,022</u>	<u>6,69,84,601</u>
Previous Year Total	5,58,13,309	2,72,09,022	2,32,60,783	5,97,61,548

\* Includes (a) Rs. 11,300/- and (b) Rs. 12,486/- on account of consideration to be met under Scheme of Arrangement with Punjab Textile Mills Ltd.

(c) transfer from Profit and Loss Account.

(d) transfer to Profit and Loss Account.

**Schedule 'C' - Loan Funds :**

31.03.2005

31.03.2004

**Secured :**

From Banks:		
Cash Credit Accounts	1,73,00,249	2,20,87,579
(Secured by Hypothecation of Stocks on Pari-Passu basis with Punjab National Bank and State Bank of Patiala and by a charge on Book Debts of the Company with State Bank of Patiala)		

**Unsecured :**

* Fixed Deposits	<u>3,16,63,000</u>	<u>2,48,93,000</u>
	<u>4,89,63,249</u>	<u>4,69,80,579</u>
* Includes from Directors	75,00,000	27,50,000

## Schedule 'D'

## FIXED ASSETS

Figures in Rupees

Particulars	COST				DEPRECIATION				WRITTEN DOWN VALUE	
	As per last Balance Sheet	Additions during the year	Deductions during the year	As at 31st March, 2005	As per last Balance Sheet	Additions during the year	Deductions during the year	As at 31st March, 2005	31.03.2005	31.03.2004
Land	1,63,573	-	19,897	1,43,676	-	-	-	-	1,43,676	1,63,573
Building on Freehold and Leasehold Land	23,75,506	-	-	23,75,506	14,74,345	48,231	-	15,22,576	8,52,930	9,01,161
Plant and Machinery	12,59,331	33,050	15,907	12,76,474	11,04,740	49,292	15,889	11,38,143	1,38,331	1,54,591
Furniture, Fixtures and Equipments	39,99,739	1,26,293	87,622	40,38,410	34,12,729	1,99,037	79,648	35,32,118	5,06,292	5,87,010
Vehicles	26,66,293	59,308	6,528	27,19,073	10,40,678	4,28,768	6,394	14,63,052	12,56,021	16,25,615
<b>TOTAL</b>	<b>1,04,64,442</b>	<b>2,18,651</b>	<b>1,29,954</b>	<b>1,05,53,139</b>	<b>70,32,492</b>	<b>7,25,328</b>	<b>1,01,931</b>	<b>76,55,889</b>	<b>28,97,250</b>	<b>34,31,950</b>
Previous Year	1,23,55,340	11,92,557	30,83,455	1,04,64,442	67,59,326	8,66,365	5,93,199	70,32,492	34,31,950	

Figures in Rupees

<b>Schedule 'E' - Investments at Cost :</b>	<b>31.03.2005</b>	<b>31.03.2004</b>
(Long term, unless otherwise stated)		
(Other than Trade)		

28,39,640 fully paid Equity Shares of Rs. 10/- each including 21,67,500 bonus shares of Rs. 10/- each of The Saraswati Industrial Syndicate Limited (quoted)	4,20,36,049 ✓	4,20,36,049
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Government Securities (unquoted):

7 Years National Savings Certificates (face value Rs.2,000/-; previous year Rs.2,000/-)*	2,000 ✓	2,000
12 Years National Defence Certificates (face value Rs.750/-; previous year Rs.750/-)*	750	750
	<u>4,20,38,799</u>	<u>4,20,38,799</u>

\* Pledged with District Food and Supplies Controllers.

Aggregate book value of investments :

Unquoted	2,750	2,750
Quoted (Market value Rs. 6,81,51,360/-; previous year Rs. 5,67,92,800/-)	4,20,36,049 ✓	4,20,36,049
	<u>4,20,38,799</u>	<u>4,20,38,799</u>

**Schedule 'F' - Stores and Stocks :**

As per inventories, valued and certified by the Management :

Stock-in-hand (at lower of cost or market value)	4,36,66,112 ✓	4,01,11,297
*Stores at cost	33,085 ✓	1,17,508
	<u>4,36,99,197</u> ✓	<u>4,02,28,805</u>
*Including in Transit	5,095	92,563

**Schedule 'G' - Sundry Debtors (Unsecured) :**

Considered good :

Debts outstanding for more than six months	25,22,876 ✓		18,08,937	
Other debts	4,28,08,326 ✓	4,53,31,202	5,26,94,197	5,45,03,134
		<u>4,53,31,202</u>		<u>5,45,03,134</u>

**Schedule 'H' - Cash and Bank Balances :**

Cash in hand	10,08,600 ✓	9,92,439
Imprest with staff	7,90,364 ✓	5,37,942
With Post Office in Saving Accounts (Pass books pledged with District Food and Supplies Controllers)	2,000 ✓	2,000
With Scheduled Banks in :		
Current Accounts	37,83,193	19,14,086
Fixed Deposits (Employees' Security Deposits)	5,46,000	5,08,500
	<u>61,30,157</u>	<u>39,54,967</u>

**Figures in Rupees**
**Schedule 'I' - Loans and Advances :**
**31.03.2005**                      **31.03.2004**

(Unsecured considered good unless otherwise specified)

*Advances recoverable in cash or in kind or for value to be received	1,16,70,575 ✓	88,89,415
Pre-paid expenses	2,51,719 ✓	2,32,878
Bills for Collection	40,50,331 ✓	11,67,627
Security Deposits	21,45,823 ✓	20,37,898
Other Loans (Secured)	3,42,775 ✓	3,39,819
	<u>1,84,61,223</u>	<u>1,26,67,637</u>

**Schedule 'J' - Current Liabilities and Provisions :**

Current Liabilities :

Sundry Creditors	34,29,039 ✓	1,16,70,385
Other Liabilities (including employees security Rs. 5,46,000/-; previous year Rs. 5,08,500/-)	1,13,85,377 ✓	1,13,09,169
Income tax provisions less advance tax	18,261 ✓	17,096
Unclaimed dividend	3,09,837 ✓	2,74,644
	<u>1,51,42,514*</u>	<u>2,32,71,294*</u>

Provisions for :

Pension	1,27,304 ✓	1,41,475
Leave Salary	7,81,450 ✓	6,87,724
Proposed Dividend	52,91,200 ✓	47,62,080
	<u>2,13,42,468</u>	<u>2,88,62,573</u>

\* There is no amount due and outstanding to be credited to Investor Education and Protection Fund.

**Schedule 'I' - Other Income :**

Repair receipts (Gross-tax deducted at source Rs. 5,608/-; previous year Rs. 7,900/-)	7,29,006 ✓	8,22,220
Scrap and waste sale	95,523 ✓	96,069
Commission earned (Gross-tax deducted at source Rs. 45,100/-; previous year Rs. 34,971/-)	9,06,675 ✓	8,15,198
Miscellaneous receipts	8,99,941 ✓	29,74,540
Profit on sale of fixed assets	1,38,472 ✓	88,102
Dividend on non-trade investments - Long term	70,99,100 ✓	28,39,640
Interest on Fixed Deposits and others (Gross-tax deducted at source Rs. 52,631/- ; previous year Rs. 27,129/-)	2,10,327 ✓	2,35,631
Realisation/Write Back for Bad Debts Written Off	-	2,65,910
	<u>1,00,79,044</u>	<u>81,37,310</u>

**Figures in Rupees**
**Schedule 'II' - Employees' Remuneration :**

	31.03.2005	31.03.2004
* Salaries, Wages and Bonus	1,23,52,454	1,15,93,164
Contribution to LIC's Group-Gratuity-cum-Life Assurance Fund	1,60,000	1,50,000
Contribution to LIC's Group Superannuation Fund	85,940	82,837
Contribution to Provident Fund, E.S.I., and Administration charges	9,67,157	9,07,006
Staff Welfare expenses	<u>2,67,997</u>	<u>1,85,840</u>
	<u>1,38,33,549</u>	<u>1,29,18,847</u>
* includes provision for leave salary	93,726	1,53,603

**Schedule 'III' - Other Expenses :**

Stores consumed and charges	11,842	14,084
Transport and octroi	11,03,197	10,32,186
Demonstration expenses	27,956	55,832
Maintenance, Installation and service charges	6,80,684	6,19,577
Rent	16,43,638	13,23,413
Rates and taxes	1,93,065	1,56,143
Insurance	5,03,938	5,02,049
Electric Maintenance and charges	4,37,138	3,67,355
Repairs to :		
a) Machinery	73,279	40,348
b) Building	3,46,730	1,99,146
Commission and Brokerage	2,48,350	4,04,297
Rebate & Discount	36,85,140	14,69,174
General Expenses (a)	67,45,050	57,04,829
Incentive to customers	31,222	25,460
Directors' fee	42,000	52,000
Directors' travelling expenses	6,180	10,130
Directors' Remuneration	36,562	39,000
Interest paid (b)	49,94,354	46,48,348
Bad Debts	-	42,535
	<u>2,08,10,325</u>	<u>1,67,05,906</u>

**(a) Includes Auditor's Remuneration :**

Audit fee	65,000	65,000
Re-imburement of expenses	3,980	3,550
In other capacity :		
Tax audit fee	7,500	7,500
Company Law Matters	35,950	35,200
Other services	4,900	5,150
Re-imburement of expenses	1,870	1,920

(b) Includes interest on fixed deposits Rs. 33,08,720/- (Previous year Rs. 29,67,514/-).

**Schedule 'K'****I. Significant Accounting Policies:**

## i) Accounting Convention:

The accounts have been prepared in accordance with the relevant presentation of the Companies Act, 1956 under the historical cost convention, and in accordance with applicable accounting standards issued by the Institute of Chartered Accountants of India.

## ii) Fixed Assets and Depreciation:

Fixed Assets are stated at cost less depreciation.

Depreciation on all Fixed Assets has been provided for the year on the written down value method at the rates specified in Schedule XIV to the Companies Act, 1956.

## iii) Investments:

Investments are long-term investments and valued at its acquisition cost.

Interest income is accounted for on accrual basis. Dividends are accounted for when the right to receive the payment is established.

## iv) Inventories:

Inventories are valued "at cost", and "at cost or market value, whichever is lower" depending upon the nature of various inventories.

## v) Revenue recognition:

Sales are recognised upon delivery of goods. Profit/Loss on sale of Fixed Assets is recognised in the year of sale. Claims and incentives, etc. are accounted for as and when the amounts recoverable can be reasonably determined as being acceptable to the concerned authorities/parties.

## vi) Proposed Dividend:

Dividend proposed by the Board of Directors is provided for in the books of account pending approval at the Annual General Meeting.

## vii) Retirement Benefits:

a) The Company makes regular contributions to the Provident Fund, Gratuity Fund and Superannuation Fund, which are charged against revenue. For Gratuity Scheme, refer note '2'. The Company has an arrangement with Life Insurance Corporation of India to administer its Superannuation Scheme also the premium paid is debited to the Profit and Loss Account. Provident Fund and Family Pension Fund Contributions are statutorily deposited with the Government.

b) Leave Salaries: Provision is made for value of unutilised leave due to employees on the basis of Actuarial valuation.

c) Pension: Provision is made for pension liability in respect of employees covered under the Company's Pension Scheme.

## viii) Taxes on Income:

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years.

## Other Accounting Policies:

These are consistent with generally accepted accounting principles.

**II. Notes to the Accounts:**
**1. Contingent Liabilities:**

- a) Sales tax matter under Appeal Rs. 3,15,418/- (Previous year Rs. 6,81,372/- including Income tax matter under appeal Rs. 3,65,954/-).
- b) i) Surety given in favour of Customs Authorities Rs. 482.82 lacs (Previous year Rs.556.86 lacs) on behalf of company: The Saraswati Industrial Syndicate Limited.
- ii) Surety given in favour of Sales Tax Authorities, Haryana Rs. One Lac on behalf of company: Isgec Exports Limited.

2. The Company operates a Gratuity Fund Trust, which in turn has taken Group-Gratuity-cum-Life Assurance Policy with the Life Insurance Corporation of India for all the employees. In respect of gratuity, the liability is estimated annually and premium is deposited with LIC based on their demand notice. The funding with LIC is updated based on actuarial valuation done by LIC periodically.

3. i) Other Liabilities include balance in Director's Current Account Rs. Nil (Previous year Rs. 4,017/-) and Directors' remuneration payable Rs. 36,562/- (Previous year Rs. 45,025/-).
- ii) a) Sundry Creditors shown in Schedule 'J' includes Rs. 3,07,799/- (Previous year Rs.2,94,303/-) due to Small Scale Industrial Undertakings.
- b) The names of Small Scale Industrial Undertakings to whom the Company owes dues outstanding for more than thirty days are as under:

<u>Name of Party</u>	(Amount in Rs.)	
	<b>31.03.2005</b>	<b>31.03.2004</b>
Bharat Development Industries	1,28,484	33,955
R.S.K. Industries	47,203	60,908
Grip Tight Devices	-	12,040
Green Land Agro Industries	26,665	-
<b>Total</b>	<b>2,02,352</b>	<b>1,06,903</b>

c) Above information has been compiled in respect of parties to the extent to which they could be identified as Small Scale Industrial Undertakings on the basis of information available with the Company.

4. Previous year's figures have been re-cast/re-grouped wherever necessary to make it comparable with those of the current year's figures.

5. The net Deferred tax liability of Rs. 1,20,710/- (Previous year Rs. 72,650/-) as at 31st March, 2005 in respect of:

	<b>31.03.2005</b>	<b>31.03.2004</b>
<u>Deferred tax consisting of :</u>		
Expenses allowable in tax on cash basis	12,990	18,355
<u>Deferred tax Liability consisting of :</u>		
Book-tax timing difference on account of depreciation	1,15,700	91,005

6. Segment information for the year ended 31st March, 2005:

(i) Information about Primary Business Segments:

Revenue	31.03.2005			31.03.2004		
	External	Inter Segment	Total	External	Inter Segment	Total
	Vehicles	35,60,55,643	-	35,60,55,643	30,75,06,142	-
Petrol Pump	10,53,81,430	-	10,53,81,430	10,52,28,245	-	10,52,28,245
Other Businesses	4,58,98,723	-	4,58,98,723	3,01,26,906	-	3,01,26,906
Unallocated	1,97,398	-	1,97,398	2,95,435	-	2,95,435
<b>Total Revenue</b>	<b>50,75,33,194</b>	<b>-</b>	<b>50,75,33,194</b>	<b>44,31,56,728</b>	<b>-</b>	<b>44,31,56,728</b>



**Result :**
**Segment Result:**

	(Amount in Rs.)	
	31.03.2005	31.03.2004
Vehicles	1,47,61,530	1,48,61,374
Petrol Pump	18,93,740	19,14,315
Other Businesses	28,90,080	16,38,840
Unallocated	-	-
Segment Result	1,95,45,350	1,84,14,529
Unallocated expenditure net of unallocated income	(50,12,413)	(38,10,211)
Interest expenses	(49,94,354)	(46,48,348)
Interest income	2,10,327	2,35,631
Dividend income	70,99,100	28,39,640
Profit before taxation	1,68,48,010	1,30,31,241
Provision for taxation:		
Current Tax	(36,00,000)	(36,70,000)
Deferred Tax	(30,060)	(40,280)
Profit after taxation	1,32,17,950	93,20,961

**Other information:**

		(Amount in Rs.)				
	Year	Vehicles	Petrol Pump	Other Businesses	Unallocated	Total
Segment Assets	2004-05	9,63,31,735	21,65,042	1,03,50,005	4,97,24,036	15,85,70,818
	2003-04	9,32,31,372	18,22,323	1,06,85,533	5,23,21,278	15,80,60,506
Segment Liabilities	2004-05	5,30,17,439	2,31,892	50,65,665	61,23,727	6,44,38,723
	2003-04	5,79,75,126	5,51,842	72,59,318	1,13,47,872	7,71,34,158
Capital Expenditure	2004-05	82,464	60,700	6,489	68,998	2,18,651
	2003-04	10,42,899	550	23,321	1,25,787	11,92,557
Depreciation	2004-05	4,40,850	9,413	1,11,136	1,63,929	7,25,328
	2003-04	4,99,504	630	1,07,753	2,58,478	8,66,365
Non-cash expenses other than Depreciation	2004-05	-	-	-	-	-
	2003-05	-	-	-	-	-

## ii) Information about Secondary Business Segments:

	(Amount in Rs.)					
	2004-05	2003-04	2004-05	2003-04	2004-05	2003-04
	Revenue by geographical market		Carrying amount of Segment Assets		Additions to Fixed Assets	
India	50,75,33,194	44,31,56,728	15,85,70,818	15,80,60,506	2,18,651	11,92,557
Outside India	-	-	-	-	-	-
Total	50,75,33,194	44,31,56,728	15,85,70,818	15,80,60,506	2,18,651	11,92,557

(iii) (a) The Company has considered business segment as the primary segment for disclosure. The products included in each of the reported domestic business segments are as follows:

1. Vehicles - comprising of Tractors, Motor cycles and Bajaj Tempo vehicles and their Spare Parts, Accessories, Lubricants, Agricultural Implements, Tyres & Tubes and Batteries.
2. Petrol Pump - comprising of Motor Spirit/HSD and Lubricants.
3. Others - primarily comprising of Fertilizers, Pesticides, Seeds, Electrical goods, etc.

Segments have been identified by the management and reported taking into account, the nature of products and services, the differing risks and returns, the organisation structure and the internal financing reporting systems.

(b) Segment revenue in each of the above domestic business segments primarily includes sales, repair receipts and commission earned, etc.

Segment Revenue comprises of:

	(Amount in Rs.)	
	31.03.2005	31.03.2004
Sales	50,47,63,577	43,80,94,690
Other Income excluding Interest (net) and Dividend Income	27,69,617	50,62,038
Total	<u>50,75,33,194</u>	<u>44,31,56,728</u>

(c) The segment revenue in the geographical segments considered for disclosure are as follows:

Revenue within India includes sales to customers located within India and earnings in India.

(d) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

7. Related Party Disclosures:

Related party disclosures, as required by AS-18 "Related Party Disclosures", are given below:

A) Relationship:

(i) Shareholders in the Company:

Mr. Ranjit Puri, Chairman and Mr. Aditya Puri, Director and their relatives hold 52.19% (Previous year 50.99%) Equity Shares in the Company.  
(Transactions have taken place during the year).

(ii) Other related parties:

a) The Saraswati Industrial Syndicate Limited in which the Company holds 38.53% Equity Shares.

b) Entities over which Mr. Ranjit Puri, Chairman and Mr. Aditya Puri, Director can exercise significant influence:

- i) ISGEC Covema Limited. #
- ii) ISGEC Exports Limited. #
- iii) Saraswati Sugar Mills Limited. #

# Subsidiaries of The Saraswati Industrial Syndicate Limited.

(iii) Directors and their relatives:

<u>Directors</u>	<u>Relatives</u>	<u>Relation</u>
Mr. Ranjit Puri, Chairman	Mrs. Nina Puri	Wife
Mr. Aditya Puri	Mrs. Tanu Priya Puri	Wife
Mr. Manmohan Singh	-	-
* Lt. Gen. (Retd.) L.N. Budhraj	Mr. Ramit Budhraj	Son
	Mrs. Raj Budhraj	Wife
Mr. Vinod K. Nagpal	Mrs. Kaushalya Nagpal	Mother
	Mr. Pardeep Nagpal	Brother
Mr. K.K. Vij	Mrs. Ravi Kanta Vij	Wife
Mr. Romesh Malhan	Mrs. Satya Malhan	Mother
	Mr. Arvind Malhan	Son
Mr. D. D. Sharma	Mrs. Sujata Varadarajan	Daughter
	-	-

\* Expired on 23.07.2004.

B) The following transactions were carried out with the related party in the ordinary course of business:

(i) Details relating to party referred to in item (A) (ii) (a) above:

	(Amount in Rs.)	
	31.03.2005	31.03.2004
a. Commission earned	-	2,00,659
b. Sale of finished goods and service charges	22,18,728	54,67,728
c. Interest Receipt	-	8,946
d. Dividend income	70,99,100	28,39,640
e. Payment of Staff deputed	6,83,485	5,43,490
f. Payment of guest house charges, telephone, electricity, bank charges and professional fee	49,671	1,03,317
g. Lease rent & House tax for land & building	98,265	1,85,080
* h. Outstanding payable/(receivable) by the Company (Net)	(18,192)	(1,62,853)
i. Surety given in favour of Customs Authorities by the Company	4,82,82,000	5,56,86,400
j. Dividend Receivable	-	28,39,640



(ii) Details relating to party referred to in item (A) (ii) (b-iii) above:

(Amount in Rs.)  
31.03.2005 31.03.2004

a. Surety given in favour of Sales Tax authorities by the Company

1,00,000 -

(iii) Details relating to party referred to in item (A) (ii) (b-iii) above:

a. Commission earned	6,16,321	2,63,600
b. Sales of finished goods and service charges	3,57,65,008	38,59,228
c. Interest Receipt	16,500	9,000
d. Payment of electricity bill	2,085	-
* e. Outstanding payable/ (receivable) by the Company (Net)	(16,44,751)	(38,98,305)

\*Transactions with the above parties are accounted in the respective current accounts.

(iv) Details relating to persons related to the item (A) (iii) above:

a. Remuneration/Board Meeting Fees	78,562	91,000
b. Interest expenses on deposits taken	6,96,756	3,48,508
c. Outstanding fixed deposits payable	75,07,000	32,50,000

8. Earnings per share:

Profit for the year after taxation (Rs.)	1,32,17,950	93,20,961
Weighted average number of equity shares outstanding (Nos.)	2,11,648	2,11,648
Basic and diluted earnings per share in rupees (face value - Rs.100/- per share)	62.45	44.04

9. Directors' Remuneration:

Directors' fee	42,000	52,000
Directors' Commission	36,562	39,000
Total	<u>78,562</u>	<u>91,000</u>

Computation of Net Profit as per Section 198 read with Section 309(5) and Section 349 of the Companies Act, 1956:

Profit for the year before tax	1,68,48,010	1,30,31,241
Less : Profit on Sale of Fixed assets as per accounts	1,38,472	88,102
: Realisation/Write back for Bad Debts Written Off	-	-
	<u>1,67,09,538</u>	<u>1,26,77,229</u>
Add : Profit on Sale of Fixed assets as per Section 349	1,38,472	88,102
: Provision for leave salary	93,726	1,53,603
	<u>1,69,41,736</u>	<u>1,29,18,934</u>
Add : Directors' Remuneration	78,562	91,000
	<u>1,70,20,298</u>	<u>1,30,09,934</u>
Commission at 1% of the above Net Profit	1,70,203	1,30,099
Restricted to a maximum of:	36,562	39,000

## 10. Particulars in respect of stock, purchases and sales :

	Unit	Opening Stock		Purchases		Sales		Closing stock	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)	Quantity	Value (Rs.)	Quantity	Value (Rs.)
<b>Tractors</b>	Nos.	69	1,91,28,296	752	23,40,53,430	742	25,98,19,502	79	2,30,95,435
		(70)	(1,86,89,916)	(613)	(17,94,08,405)	(614)	(20,31,03,033)	(69)	(1,91,28,296)
<b>Motorcycles</b>	Nos.	7	2,49,421	-	418	7	1,98,304	-	-
		(39)	(13,09,511)	(24)	(6,56,528)	(56)	(16,74,287)	(7)	(2,49,421)
<b>Fertilizers</b>	Qtls.	206.6	93,381	3530	21,32,358	3624.8	22,85,599	111.8	54,804
		(183)	(1,12,841)	(3486)	(18,88,322)	(3462.4)	(20,43,153)	(206.6)	(93,381)
<b>Pesticides</b>	(a) -	-	1,56,414	-	96,54,250	-	1,00,09,514	-	5,06,387
		(-)	(3,00,408)	(-)	(87,29,378)	(-)	(94,61,306)	(-)	(1,56,414)
<b>Seeds</b>	Qtls.	-	-	3286.33	31,35,581	3286.21	33,74,942	0.12	2,721
		(-)	(-)	(2683.71)	(27,21,255)	(2683.71)	(29,47,818)	(-)	(-)
<b>Motor Spirit/HSD</b>	Ltrs.	40043.9	7,86,833	4504000.0	10,26,52,745	4501670.0	10,47,56,163	42373.9	10,81,599
		(44313.9)	(9,23,570)	(5393725.9)	(10,19,07,586)	(5397995.9)	(10,44,11,776)	(40043.9)	(7,86,833)
<b>Lubricants</b>	(a) -	-	80,97,632	-	8,94,25,069	-	9,37,99,925	-	85,14,370
		(-)	(39,88,279)	(-)	(8,53,17,558)	(-)	(8,59,48,353)	(-)	(80,97,632)
<b>Spare parts, Accessories and Agricultural Implements</b>	(a) -	-	71,68,005	-	88,57,938	-	1,15,96,249	-	65,05,019
		(-)	(86,24,230)	(-)	(85,07,306)	(-)	(1,15,74,598)	(-)	(71,68,005)
<b>Electrical Goods</b>	(a) -	-	26,58,797	-	92,44,296	-	1,07,56,435	-	24,17,521
		(-)	(22,66,746)	(-)	(80,43,183)	(-)	(84,22,985)	(-)	(26,58,797)
<b>Tyres &amp; Tubes</b>	Nos.	7	37,227	-2	5,041	3	39,490	2	12,425
		(9)	(78,794)	(-)	(-15,140)	(2)	(3,738)	(7)	(37,227)
<b>Batteries</b>	Nos.	495	9,96,515	4460	70,19,098	4411	78,88,168	544	10,55,831
		(322)	(5,88,788)	(3422)	(58,06,284)	(3249)	(61,06,767)	(495)	(9,96,515)
<b>Bajaj Tempo Vehicles</b>	Nos.	4	7,38,776	-	-	2	2,39,286	2	4,20,000
		(14)	(20,00,452)	(4)	(9,66,738)	(14)	(23,96,876)	(4)	(7,38,776)
<b>TOTAL</b>			4,01,11,297		46,61,80,224		50,47,63,577		4,36,66,112
			(3,88,83,535)*		(40,39,37,403)		(43,80,94,690)		(4,01,11,297)

(a) : Quantity not easily ascertainable.

Note : Figures in brackets pertain to previous year.

\* : Excludes Value Added Tax amounting to Rs. 11,31,607/-.

**11. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I. REGISTRATION DETAILS**

Registration No.	01837	State Code	05
Balance Sheet Date	31.03.2005		

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

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

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

Total Liabilities	15,85,70,818	Total Assets	15,85,70,818
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**SOURCES OF FUNDS:**

Paid-up Capital	2,11,64,800	Reserves and Surplus	6,69,84,601
Secured Loans	1,73,00,249	Unsecured Loans	3,16,63,000

**APPLICATION OF FUNDS:**

Net Fixed Assets	28,97,250	Investments	4,20,38,799
*Net Current Assets	9,21,76,601	Misc. Expenditure	NIL
Accumulated Losses	NIL		

\*Including net Deferred tax asset

**IV. PERFORMANCE OF COMPANY (Amount in Rs.)**

Turnover	51,48,42,621	Total Expenditure	49,79,94,611
Profit Before Tax	1,68,48,010	Profit After Tax	1,32,17,950
Earning per share in Rs.	62.45	Dividend Rate (%)	25.00

**V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (As per monetary terms)**

<u>Item Code No.</u> <u>(ITC Code)</u>	<u>Product Description</u>
870130.09	TRACTORS
871120.03	MOTOR CYCLES
271000.21	H.S.D.

Signatures to Schedules 'A' to 'J' of Balance Sheet and 'I' to 'III' of Profit and Loss Account and Schedule 'K' of Statement on Significant Accounting Policies and Notes to the Accounts.

sd/-  
**Ashish Kumar**  
Company Secretary

sd/-  
**H.R. Vij**  
General Manager  
(Finance)

sd/-  
**Mahesh Gupta**  
Chief Executive

sd/-  
**K.K. Vij**  
Director

sd/-  
**Aditya Puri**  
Director

In terms of our report of even date  
**For K.C.Malhotra & Co.**  
Chartered Accountants

New Delhi  
Dated : 30.06.2005

sd/-  
**Ramesh Malhotra**  
Partner  
Membership No. 13624

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2005**
**Figures in Rupees**

	31.03.2005	31.03.2004
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit Before Tax	1,68,48,010	1,30,31,241
Adjustments for :		
Depreciation	7,25,328	8,66,365
Investment Income-Dividend received	(70,99,100)	-
(Profit)/Loss on sale of Fixed Assets - Net	(1,38,472)	(88,102)
Interest Income	(2,10,327)	(2,35,631)
Interest Expenses	49,94,354	46,48,348
Provision for Leave Salary & Pension	79,555	1,76,552
Operating Profit Before Working Capital Changes	1,51,99,348	1,83,98,773
Adjustments for :		
(Increase)/Decrease in Inventories	(34,70,392)	(1,89,649)
(Increase)/Decrease in Debtors	91,71,932	(1,93,98,272)
(Increase)/Decrease in Loans & Advances	(57,93,586)	(43,15,433)
Increase/(Decrease) in Creditors	(82,58,693)	93,94,854
Cash Generated From Operations	68,48,609	38,90,273
Interest Paid	(49,94,354)	(46,48,348)
Direct Taxes Paid/Refund received	(35,98,835)	(33,73,535)
Net Cash Flow From Operating Activities	(17,44,580)	(41,31,610)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(2,18,651)	(11,92,557)
Sale of Fixed Assets	1,66,495	25,78,358
Interest Received	2,27,185	2,22,217
Dividend Received	70,99,100	-
Net Cash used in Investing Activities	72,74,129	16,08,018
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Borrowings - From Banks	(47,87,330)	43,40,463
- Others	67,70,000	10,09,000
Dividend Paid	(53,37,029)	(30,60,529)
Others - Capital Redemption (Pref. Shares)	-	(500)
Net Cash Used in Financing Activities	(33,54,359)	22,88,434
NET INCREASE/(DECREASE)IN CASH & CASH EQUIVALENTS	21,75,190	(2,35,158)



Figures in Rupees

	31.03.2004	31.03.2003
Cash and Cash equivalents as at 1st April, 2004 (Opening Balance)	<u>39,54,967</u>	<u>41,90,125</u>
Cash and Cash equivalents as at 31st March, 2005 (Closing Balance)	<u>61,30,157</u>	<u>39,54,967</u>

Notes :

- 1) Cash and Cash equivalents include :  
  
Cash and Bank Balances 61,30,157      39,54,967
- 2) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard -3 on Cash Flow Statements Issued by the Institute of Chartered Accountants of India.
- 3) Previous year's figures have been regrouped wherever necessary to conform to the current year classification.

sd/-  
**Ashish Kumar**  
Company Secretary

sd/-  
**H.R. Vij**  
General Manager  
(Finance)

sd/-  
**Mahesh Gupta**  
Chief Executive

sd/-  
**K.K. Vij**  
Director

sd/-  
**Aditya Puri**  
Director

In terms of our report of even date  
**For K.C.Malhotra & Co.**  
Chartered Accountants

New Delhi  
Dated : 30.06.2005

sd/-  
**Ramesh Malhotra**  
Partner  
Membership No. 13624

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