

SUMMIT SECURITIES LIMITED

Annual Report
2007-2008



Board of Directors

Mr. R. D. Chandak - Chairman

Mr. S. S. Thakur

Mr. J. M. Kothary

Mr. M. G Ramakrishna

Mr. Vimal Kejriwal

Mr. T. M. Elavia

Mr. Suresh Mathew

Manager

Mr. Sachin Raole

Company Secretary

Ms. Kajal Parekh

Auditors

R.C.Vakharia & Co.

Chartered Accountants

Mumbai - 400 001

Registered Office

CEAT Mahal,
463, Dr. Annie Besant Road,
Worli, Mumbai - 400030

Registrars & Share Transfer Agents

Intime Spectrum Registry Limited
C-13, Pannalal Silk Mills Compound
L. B. S. Marg, Bhandup (W), Mumbai - 400078

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NOTICE

Notice is hereby given that the Sixty Second Annual General Meeting of Summit Securities Limited will be held at the NAB Workshop for the Blind, Dr. Annie Besant Road, Mumbai 400025 on Friday, 26th September 2008 at 10:30 a.m to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Profit and Loss Account for the financial year ended 31st March 2008, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Vimal Kejriwal who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. J. M. Kothary who retires by rotation, and being eligible, offers himself for re-appointment.
4. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
“**RESOLVED THAT** pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. R. C. Vakharia & Co., Chartered Accountants, Mumbai, be and are hereby re-appointed as Auditors of the company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the company on a remuneration to be determined by the Audit Committee of the Board of Directors of the company plus reimbursement of out of pocket expenses incurred by them in connection with the audit.”

Notes:

- a) The details of directors seeking re-appointment at the Annual General Meeting, as required under Clause 49 of the Listing Agreement is annexed hereto.
- b) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE VALID SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING
- c) The Register of Members and Share Transfer Books of the company shall remain closed from 19th September 2008 to 26th September 2008 (both days inclusive).
- d) All documents referred to in the Notice and the Explanatory Statement are open for inspection at the Registered Office of the company on all working days, except Saturdays between 11:00 a.m. and 1:00 p.m. upto the date of the Annual General Meeting.
- e) The equity shares of the company are compulsorily traded in Demat form. Members who hold shares in physical form in the company, desirous of trading in the shares of the company are requested to get their shares dematerialized.
- f) Members/proxies should bring their copy of the Annual Report and also the attendance slip duly filled in for attending the meeting.
- g) Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
- h) Shareholders desiring any information with regard to the Accounts are requested to write to the company at least 7 days in advance so as to enable the company to keep the information ready at the meeting.

Summit Securities Limited

- i) The shareholders of the company holding shares in physical form are requested to surrender their existing physical share certificate(s) to the Registrar & Share Transfer Agents of the company, M/s. Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai - 400 078 to receive the shares of KEC International Limited and Summit Securities Limited (Formerly KEC Infrastructures Limited) in physical form in exchange of the existing share certificate(s).

By Order of the Board

Kajal Parekh

Company Secretary

Place: Mumbai

Dated: 30th June 2008

Registered Office:

CEAT Mahal,

463, Dr. Annie Besant Road,

Worli, Mumbai - 400030.

Details of Directors seeking re-appointment at the Annual General Meeting (In pursuance of Clause 49 of the Listing Agreement)

Name of Director	Mr. Vimal Kejriwal	Mr. J. M. Kothary
Age	47	74
Nature of expertise	He is an all India rank holder in Chartered Accountancy and an expert in finance. He has wide experience in Accounting, Secretarial, finance and legal matters.	He is a graduate in Commerce and Law and holds Post Graduate degree in Masters in Business Administration, USA. He has extensive experience of managing industrial and marketing enterprise.
Qualifications	B.Com, F.C.A., F.C.S.	B.COM., LLB,MBA(WHARTON- USA)
Other Directorships	FGP Limited Hilltop Infrastructure Inc., USA KEC Power India Private Limited	KEC International Limited Hemat Processing Co. Limited Indian Card Clothing Limited RPG Enterprises Limited Malabar Hill Club Limited KEC Holdings Limited Octav Investments Limited
Membership in the Committees of other public companies	FGP Limited - Audit Committee, Shareholder Grievance Committee	KEC International Limited - Investors' Grievance Committee, Remuneration Committee KEC Holdings Limited-Audit Committee Indian Card Clothing Limited-Audit Committee, Investor Grievance Committee Octav Investments Limited-Audit Committee
Shareholding in the company	NIL	NIL

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

Dear Shareholders,

Your Directors have pleasure in presenting the Sixty Second Annual Report for the year ended 31st March 2008.

FINANCIAL RESULTS

	(Rs. in lacs)	
	For the Year ended 31.3.2008	For the Year ended 31.3.2007
Total Income	55.29	2,917.59
Profit before Depreciation, Exceptional items and Tax	18.10	869.43
(-) Depreciation	0.00	0.81
(-) Exceptional item / prior period adjustment	287.87	0.00
Profit/(Loss) before tax	(269.77)	868.62
(-) Tax (includes tax related to earlier years as per MAT)	168.34	97.63
Profit/(Loss) after tax	(438.11)	770.99
Appropriation:		
Opening Balance of Profit & Loss Account	(7,450.98)	(8,221.97)
Balance Profit/(Loss) transferred to Balance Sheet	(7,889.09)	(7,450.98)

STATE OF AFFAIRS

During the financial year 2007-2008, the Income was Rs. 55.29 lacs and Profit before Depreciation, Exceptional items and Tax was Rs. 18.10 lacs. The loss after tax was Rs.269.77 lacs which was on account of prior period adjustment and tax paid as per provisions of Minimum Alternate Tax. The company invested in the equity shares of KEC Holdings Limited offered on rights basis. The assets of the company predominantly comprise of investments in its subsidiary company, KEC Holdings Limited.

DIVIDEND

Your Directors have not recommended payment of dividend to the equity shareholders on account of absence of profits.

CAPITAL

During the year, 65,72,000 equity shares of Rs. 10/- each were issued against 65,72,000 warrants issued in the previous year.

The company has subsequently issued and allotted 51,80,000 equity shares of Rs.10/- each at a premium of Rs.21/- to the promoters and non promoter on preferential basis on receipt of approval from the shareholders on 25th June 2008 by Postal Ballot. Accordingly, the paid-up equity share capital of the company stands increased from Rs. 48,50,78,540/- to Rs. 53,68,78,540/- consisting of 5,36,87,854 equity shares of Rs. 10/- each.

CHANGE OF NAME AND OBJECT CLAUSE OF MEMORANDUM OF ASSOCIATION

The Object Clause of the Memorandum of Association has been changed with effect from 10th March 2008 to include carrying on of activities pertaining to investment and lending, dealing in various instruments and providing consultancy services.

The name of the company was changed from KEC Infrastructures Limited to Summit Securities Limited on receipt of 'Fresh Certificate of Incorporation consequent to change in the name of the company' dated 13th March 2008 from the Ministry of Corporate Affairs.

INDUSTRY OVERVIEW AND FUTURE OUTLOOK

The Indian economy has demonstrated a noteworthy growth and the GDP is expected to grow further. The economic reforms are expected to deregulate the country and stimulate foreign investment thereby driving the advancement of capital markets. The improvements in equity market infrastructure, governance and financial integration has improved liquidity in the markets.

OPPORTUNITIES AND THREATS

The equity market of the country is sizable, fast growing and offers huge potential to tap. The economic performance of the country has further given a thrust to the growth of the capital market. However, Indian stock exchanges have experienced significant fluctuations and volatility in the prices of the listed securities recently. Investments being a risky proposition, the inherent risk of fall in the prices and the valuation of the investments on account of external factors is always present.

RISKS AND CONCERNS

The company's assets are prone to general risks associated with global and domestic economic conditions, change in Government regulations, tax regimes, other statutes, financial risks and capital market fluctuations in respect of investments held by the company.

Summit Securities Limited

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company maintains a system of strict internal control, including suitable monitoring procedures. Significant issues are brought to the attention of the Audit Committee of the Directors. The internal controls existing in the company are considered to be adequate vis-à-vis the business requirements.

HUMAN RESOURCES / INDUSTRIAL RELATIONS

As the company does not carry out any manufacturing activity, no workmen were employed during the year.

LISTING

The equity shares of the company continue to remain listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The listing fees payable to both the stock exchanges for the year 2008-09 have been paid.

DEPOSITORY

The equity shares of the company are compulsorily traded in dematerialized form and the company's equity shares are available for dematerialisation with National Securities Depository Limited and Central Depository Services (India) Limited.

FIXED DEPOSITS

The company has not accepted any deposits from public during the year.

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

No manufacturing activities or activities pertaining to exports have been carried out by the company and there were no foreign exchange earnings or outgo during the year. As such, the Directors have nothing to report in terms of the provisions of Section 217(1)(e) of the Companies Act, 1956, together with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 regarding 'Conservation of energy, Technology Absorption and Foreign Exchange earnings and outgo.'

CORPORATE GOVERNANCE

As required by the Listing Agreement with the stock exchanges, a separate section containing Corporate Governance as approved by the Board of Directors, together with a certificate

from the practising company secretaries confirming compliance with the requirements of Corporate Governance policies by the company is set out in the annexure forming part of this annual report.

SUBSIDIARY

The company has been exempted from attaching the annual report and accounts of its subsidiary company, KEC Holdings Limited. The annual report and accounts of KEC Holdings Limited are kept at the registered office of the company and the shareholders desirous of obtaining a copy of report and accounts of KEC Holdings Limited may request the company in writing.

CONSOLIDATED FINANCIAL STATEMENTS

As required under Clause 32 of the Listing Agreement and AS-21 of The Institute of Chartered Accountants of India, Audited Consolidated Financial Statements as at 31st March 2008 are annexed.

DIRECTORS

Mr. Vimal Kejriwal and Mr. J. M. Kothary retire by rotation and being eligible offer themselves for re-appointment. The brief resume, expertise, details of other Directorship, membership in committees of other companies and shareholding in the company of the aforefaid Directors proposed to be re-appointed are attached along with the Notice to the ensuing Annual General Meeting.

AUDITORS

M/s. R.C. Vakharia & Co., Chartered Accountants, Mumbai were appointed as the auditors of the company to hold office from the date of conclusion of the Sixty First Annual General Meeting till the conclusion of the ensuing Annual General Meeting. It is proposed to re-appoint M/s. R.C. Vakharia & Co, as the auditors of the company to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting and authorize the Audit Committee to fix their remuneration. The company has received letter from them to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of Section 226 of the said Act. The shareholders are requested to appoint M/s. R. C. Vakharia & Co, as auditors of the company and authorize the Audit Committee to fix their remuneration.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors would like to assure the members that the financial statements for the year under review conform in their entirety to the requirements of the Companies Act, 1956.

As stipulated in Section 217(2AA) of the Companies Act, 1956, the Board of Directors of the company hereby state and confirm that:

- (i) in the preparation of the annual accounts for the year ended 31st March 2008, the applicable Accounting Standards have been followed;
- (ii) such accounting policies have been selected and applied consistently and judgements and estimates made 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 loss of the company for the period under review;
- (iii) proper and sufficient care has been taken 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) the annual accounts for the financial year ended 31st March 2008 have been prepared on a going concern basis.

PARTICULARS OF EMPLOYEES

During the financial year, no employee was in receipt of remuneration, which in the aggregate was equal to or more than the sum prescribed under Section 217(2A) of the Companies Act, 1956.

ACKNOWLEDGEMENT

The Board of Directors wishes to place on record its gratitude for the faith reposed in the company and the co-operation extended by government authorities, shareholders and employees of the company.

On behalf of the Board of Directors

Mumbai
30th June 2008

R. D. Chandak
Chairman

Summit Securities Limited

Corporate Governance

The company's Corporate Governance philosophy encompasses not only regulatory and legal requirements, such as the terms of listing agreement with stock exchanges, but also several voluntary practices at a superior level of business ethics, effective supervision and enhancement of shareholders value.

1. BOARD OF DIRECTORS

Composition of the Board

The Board of Directors of the company as on 31st March 2008 consisted of seven members. All the Directors on the Board were 'Non-Executive' of which four were independent and three were non-independent. Mr. R. D. Chandak, Mr. Vimal Kejriwal and Mr. Suresh Mathew were the non-independent Directors.

The Board meets at least once in a quarter to review the quarterly results and other items on the agenda. Additional meetings are held, when necessary. During the year under review, four Board Meetings were held on:

7th May 2007, 27th July 2007, 22nd October 2007 and 23rd January 2008.

Board's Responsibilities

The Board's mandate is to oversee the company's strategic direction, review and monitor corporate performance, ensure regulatory compliance and safeguard the interests of the shareholders.

Information placed before the Board of Directors

The minimum information to be made available, so far applicable, in terms of Clause 49 of Annexure IA to the Listing Agreement is made available to the Board of Directors.

Details of Director(s):

Mr. Vimal Kejriwal and Mr. J. M. Kothary are retiring by rotation at the ensuing Annual General Meeting of the company.

The brief resume, expertise and details of other directorships, membership in committees of directors of other companies and shareholding in the company of the aforesaid Directors proposed to be re-appointed are attached along with the Notice of the ensuing Annual General Meeting.

Constitution of Board of Directors as on 31st March 2008 and related information

Name of Director	Category	No. of Board Meetings attended	Attendance at the AGM held on 2nd August 2007	No. of other Directorships (*)	No. of other Committees @ on which the Director is a	
					Member (#)	Chairman
Mr. R. D. Chandak (Chairman)	Non-Executive Non-Independent	4	Yes	4	1	0
Mr. S. S. Thakur	Non-Executive Independent	4	Yes	9	6	3
Mr. J. M. Kothary	Non-Executive Independent	3	Yes	7	5	2
Mr. M. G. Ramakrishna	Non-Executive Independent	4	Yes	3	3	1
Mr. Vimal Kejriwal	Non-Executive Non-Independent	4	Yes	1	2	0
Mr. T. M. Elavia	Non-Executive Independent	4	Yes	5	7	4
Mr. Suresh Mathew	Non-Executive Non-Independent	2	Yes	8	4	0

Number of Committees on which the Director is a member also includes the number of Committees on which the Director is Chairman.

@ Includes membership in Audit and Investor Grievance Committee.

* excluding directorships in private, foreign companies and companies, which are granted license under Section 25 of the Companies Act, 1956.

All the Directors have made necessary disclosures about the committee positions they occupy in other Companies.

2. CODE OF CONDUCT

The Board has laid down a Code of Conduct in terms of the Listing Agreement with the Stock Exchanges for all Board members and senior management of the company. All Board members and senior management personnel have affirmed compliance with the Code on annual basis. A declaration to this effect signed by the Manager forms part of this Annual Report.

3. COMMITTEES OF THE BOARD

The Committees' functions are within the defined terms of reference. The minutes of committee meetings are circulated and discussed at the Board meetings.

(a) Audit Committee

The Audit Committee comprised solely of Qualified, Independent and Non-Executive Directors. The role, powers, functions and the terms of reference of the Audit Committee specified by the Board are in conformity with the requirements of Clause 49 of the Listing Agreement as well as Section 292A of the Companies Act, 1956. The Committee acts as a link between the Statutory and Internal Auditors and the Board of Directors. The responsibilities of the Audit Committee include overseeing of the financial reporting process to ensure fairness, adequate disclosures and credibility of financial statements, recommendation of appointment and removal of statutory auditors, review of the adequacy of internal control systems and the internal audit function. The Audit Committee reviews all the information that are required to be mandatorily reviewed by it under corporate governance.

Composition

The Audit Committee consists of three Non-Executive Independent Directors i.e. Mr. J. M. Kothary, Mr. T. M. Elavia and Mr. M. G. Ramakrishna. Mr. J. M. Kothary is the Chairman of the Committee. Mr. T. M. Elavia was appointed as the Chairman of a meeting of the Audit Committee in the absence of Mr. J. M. Kothary.

All members of the Committee are financially literate and Mr. M. G. Ramakrishna has accounting or related financial management expertise.

There were four meetings of the Committee during the year and the meetings were held on 7th May 2007, 27th July 2007, 22nd October 2007 and 23rd January 2008.

Composition of members:

Members	No. of Meetings Attended
Mr. J. M. Kothary	3
Mr. T. M. Elavia	4
Mr. M. G. Ramakrishna	4

The Audit Committee invites such of the executives viz., the Manager and representative of the Statutory Auditors, as it considers appropriate to be present at the meetings of the Committee, but on occasions it may also meet without the presence of any executives of the company. Mr. J. M. Kothary, Chairman of the Audit Committee as on the date of previous Annual General Meeting was present at that Annual General Meeting. The Company Secretary acts as the Secretary to the Committee.

(b) Investors Grievance Committee

The Committee consists of the following Directors viz. Mr. T. M. Elavia, Mr. M.G. Ramakrishna and Mr. Vimal Kejriwal. Mr. T. M. Elavia, Non-Executive Independent Director is the Chairman of the Committee.

The Board of Directors in its meeting held on 28th July 2006 passed a resolution authorizing any one of the members of Share Transfer & Investors Grievance Committee (now known as Investors Grievance Committee) or the Company Secretary or an authorized signatory to attend to the matters relating to share transfers/transmissions/issue of duplicate share certificates and other related matters under the overall supervision of the Committee.

The functions and powers of the Committee/other authorised persons include approval and rejection of transfer or transmission of shares, issue of duplicate certificates, review and redressal of shareholders and investors complaints relating to transfer of shares, non-receipt of dividends and non-receipt of Annual Report etc.

M/s. Intime Spectrum Registry Limited looks after the work relating to share transfer etc. The minutes of the Investors' Grievance Committee are periodically placed before the Board of Directors.

The Committee meets once in a month.

Name and Designation of Compliance Officer:

Ms. Kajal Parekh, Company Secretary is the Compliance Officer in terms of Clause 47 of the Listing Agreement.

Investors' service:

No. of Complaints / Correspondence received during the financial year ended 31st March 2008	152
No. of Complaints/correspondence resolved/attended to the satisfaction of shareholders during the financial year ended 31st March 2008	152

Number of pending requests for share transfers & dematerializations as on 31st March 2008

	No. of Requests	No. of Securities
Transfers	19	1979
Dematerialisations	18	1560

The aforesaid pending requests have been processed subsequently.

Remuneration to Directors

Remuneration paid to Non-Executive Directors by way of sitting fees for attending meetings of the Board of Directors and the Committee thereof is given below:

(in Rs.)

Name	Sitting Fees
Mr. R. D. Chandak	20,000
Mr. S. S. Thakur	20,000
Mr. J. M. Kothary	21,000
Mr. M. G. Ramakrishna	28,000
Mr. Vimal Kejriwal	20,000
Mr. T. M. Elavia	28,000
Mr. Suresh Mathew	10,000

Equity Shares held by Non-Executive Directors:

Name of the Director	No. of Shares Held
Mr. R. D. Chandak	1
Mr. T. M. Elavia	360

The company does not have any Stock Option Scheme.

4. SUBSIDIARY COMPANY

KEC Holdings Limited is a subsidiary of the company. In compliance with the Listing Agreement, Mr. J. M. Kothary, Director of the company is also holding Directorship on the Board of KEC Holdings Limited. The financial statements of the subsidiary are reviewed annually by the Audit Committee. A statement of all significant transactions and arrangements entered into by the subsidiary company and the minutes of the Board meetings of the subsidiary company are placed at the Board meeting of the company.

5. GENERAL BODY MEETINGS

Location and time of General Meetings held in last three years

Year	AGM/EGM	Location	Date	Time
2006-07	AGM	Sasmira, Sasmira Marg, Worli, Mumbai	2nd August 2007	11:00 A.M.
2005-06	AGM	Sasmira, Sasmira Marg, Worli, Mumbai	29th September 2006	11:00 A.M.
2004-05	AGM	Y. B. Chavan Auditorium, Nariman Point, Mumbai	31st December 2005	11:00 A.M.
2004-05	EGM	Y. B. Chavan Auditorium, Nariman Point, Mumbai	14th June 2005	After the completion of Court convened meeting of the equity shareholders

Special Resolutions transacted at the last three Annual General Meetings.

29th September 2006

- > Appointment of Mr. Sachin Raole as the Manager of the company for a period of 3 years with effect from 12th January 2006.

31st December 2005

- > Re-appointment of Mr. R. D. Chandak as the Managing Director of the company.

Postal Ballot

None of the items transacted at the last Annual General Meeting held on 2nd August 2007 was required to be passed by Postal Ballot.

During the year 2007-08, the company has obtained the approval of its members by passing the following resolutions as Special Resolutions by Postal Ballot in accordance with the procedure prescribed in terms of Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001 as amended. Mr. R. D. Chandak, Chairman and Ms. Kajal Parekh, Company Secretary conducted the Postal Ballot exercise and Mr. P. N. Parikh of Parikh Parekh & Associates, Practicing Company Secretaries, was appointed Scrutinizer by the Board.

Date of passing Resolution	Subject Matter	Votes Cast	
		In favour %	Against %
10th March 2008	Special Resolution under Section 17 of the Companies Act, 1956 for amending Object Clause of the Memorandum of Association of the company.	99.92	0.08
10th March 2008	Special Resolution under Section 149(2A) of the Companies Act, 1956 for commencement and carrying on all or any of the business as per the proposed amendments to the Object Clause of the Memorandum of Association of the company.	99.93	0.07
10th March 2008	Special Resolution under Section 21 of the Companies Act, 1956 for change in the name of the company from KEC Infrastructures Limited to Summit Securities Limited.	99.82	0.18

None of the resolutions requiring a Postal Ballot is being proposed at the ensuing Annual General Meeting.

No Extra-ordinary General Meeting was held during the year.

6. DISCLOSURES

Related Party Transactions

The company discloses the related party transactions to the Audit Committee in terms of Clause 49 of the Listing Agreement with the Stock Exchanges. Transaction with related parties entered in the ordinary course of business have been disclosed in Note 5 of the Schedule 11 to the Accounts of the company as at 31st March 2008.

Disclosures on materially significant related party transactions that may have potential conflict with the interests of the company at large

There are no materially significant transactions made by the company with its Subsidiaries, Promoters, Directors or Management or their relatives etc. that may have potential conflict with the interest of the company at large.

Risk Management

The company has laid down procedures to inform Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls the risks through means of a properly defined framework.

Proceeds of Issue

The uses / applications of funds raised through preferential issue were disclosed to the Audit Committee on a quarterly basis. The entire proceeds from the preferential issue have been utilized for the purposes for which the preferential issue was raised.

Management

Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange(s) or SEBI or any Statutory Authority, on any matter related to capital markets

No strictures or penalties have been imposed on the company by the Stock Exchange(s), SEBI or any other statutory authority on any matters related to capital markets during the last three years.

Management Discussion and Analysis forms part of this Annual Report.

Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause

Clause 49 of the Listing Agreement mandates to obtain a certificate from either the Auditors or Practicing Company Secretaries regarding compliance of conditions of Corporate Governance as stipulated in the Clause and annex the certificate with the Director's Report, which is sent annually to all the shareholders. The company has obtained a certificate from Practicing Company Secretaries to this effect and the same is given as an annexure.

The Clause further states that the non-mandatory requirements may be implemented at the discretion of the company. However, the disclosures of compliance with mandatory requirements has been made and adoption (and compliance)/ non-adoption of the non-mandatory requirements shall be made on need basis.

CEO/CFO Certificate:

Certificate from Mr. Sachin Raole, Manager in terms of Clause 49 (V) of the Listing Agreement with the Stock Exchanges for the financial year ended 31st March 2008 was placed before the Board of Directors of the company in its meeting held on 30th June 2008.

Summit Securities Limited

7. MEANS OF COMMUNICATION

Quarterly Results

Financial Results	Un-audited / Audited	News Papers
First Quarter - June 2007	Un-audited	Free Press Journal and Navshakti
Second Quarter / Half Year- September 2007	Un-audited	Free Press Journal and Navshakti
Third Quarter - December 2007	Un-audited	Free Press Journal and Navshakti
Fourth Quarter / Full Year-March 2008	Audited	Free Press Journal and Navshakti

The Board of Directors of the company approved and took on record the unaudited financial results within one month of close of the quarter / half year and audited financial results within three months of close of the financial year and had communicated these results to all the Stock Exchanges where the shares of the company are listed and published in news papers as indicated above and also put on Securities and Exchange Board of India's special website www.sebidifar.com.

8. GENERAL SHAREHOLDERS INFORMATION

Registered Office	CEAT Mahal, 463, Dr. Annie Besant Road, Worli, Mumbai 400 030
Date, time and venue of Annual General Meeting	26th September 2008 at 10:30 a.m. at the NAB Workshop for the Blind, Dr. Annie Besant Road, Mumbai 400025
Financial Calendar	1st April to 31st March
First quarter results	Last week of July 2008*
Second quarter results	Last week of October 2008*
Third quarter results	Last week of January 2009*
Results for the year ending March.2009	End of June 2009*
	*tentative
Date of Book closure	19. 9. 2008 to 26. 9. 2008 (both days inclusive)
Dividend payment date	Not applicable

Shares Listing Details

The Shares of the company are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The listing fee as prescribed has been paid to Bombay Stock Exchange Limited and National Stock Exchange of India Limited upto 31st March 2009.

Stock Code & ISIN

Stock Exchange	Stock Code
BSE	504807/SUMMITSEC
NSE	SUMMIT
Demat ISIN No.	
NSDL & CDSL	INE 852A01016

Market Price Data: During April 2007 to March 2008.

Month	Bombay Stock Exchange Limited		National Stock Exchange of India Limited		BSE Sensex
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)	High
April	25.50	20.75	26.50	20.60	14,383.72
May	26.95	22.65	27.25	22.60	14,576.37
June	26.75	22.55	27.40	22.65	14,683.36
July	38.00	23.00	37.50	22.95	15,868.85
August	28.65	23.45	28.80	23.50	15,542.40
September	35.35	21.25	35.20	25.15	17,361.47
October	32.25	23.15	32.25	23.00	20,238.16
November	56.00	28.00	58.70	25.65	20,204.21
December	49.85	38.15	49.80	38.00	20,498.11
January	57.60	29.25	56.50	28.65	21,206.77
February	34.00	25.55	34.20	25.70	18,895.34
March	28.65	16.90	28.85	17.00	17,227.56

Share Transfer System

The company's Registrar & Share Transfer Agents processes the share transfers and transfers are registered and returned within 30 days from the date of lodgment, if

documents are complete in all respects. Intime Spectrum Registry Limited is the company's Registrar & Share Transfer Agents. The delegated authority as mentioned earlier attends to the share transfer formalities and approves the share transfers at least once in a fortnight.

Policy on Insider Trading

The company has adopted a Code of Conduct for prevention of Insider Trading in accordance with the guidelines specified under the SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time. The objective of the Code is to prevent purchase and/or sale of shares of the company by an Insider on the basis of unpublished price sensitive information. Under this Code, Insiders (Directors, Designated Employees and other concerned persons) are prevented to deal in the company's shares beyond specified limits and are required to disclose related information periodically as defined in the Code. The Board has appointed Ms. Kajal Parekh as the Compliance Officer under the Code.

Demat status

4,71,22,718 Equity Shares representing 97.14 % are in dematerialized form as on 31st March 2008.

Distribution of the Shareholding as on 31st March 2008

Range	No. of Share Holders	% of Share Holders	No. of Shares	% of Share Holding
1-500	52,047	90.21	71,02,868	14.64
501-1,000	3,333	5.78	27,70,814	5.71
1,001-2,000	1,287	2.23	19,95,701	4.11
2,001-3,000	411	0.71	10,58,255	2.18
3,001-4,000	142	0.25	5,12,120	1.06
4,001-5,000	151	0.26	7,20,653	1.49
5,001-10,000	181	0.31	13,46,686	2.78
10,001 & above	144	0.25	3,30,00,757	68.03
TOTAL	57,696	100.00	4,85,07,854	100.00

Categories of Shareholders as on 31st March 2008

Category	No. of Shares Held	% of Shareholding
Promoters	2,15,62,607	44.45
Directors & Relatives	361	0.00
Foreign Institutional Investors	8,45,753	1.74
Financial Institutions and Banks	8,043	0.02
Insurance Companies	34,83,897	7.18
Other Companies	51,52,411	10.62
Mutual Funds & UTI	13,81,452	2.85
NRIs & Foreign Companies	3,51,806	0.73
Clearing Members	4,21,489	0.87
General Public	1,53,00,035	31.54
Total	4,85,07,854	100.00

GDR/ADR/Warrants: There are no outstanding GDRs, ADRs and warrants. 65,72,000 equity shares of Rs. 10/- each were issued and allotted on 22nd October 2007 at a premium of Rs. 16.43 against 65,72,000 Warrants allotted on 30th March 2007, on the warrant holders exercising the option to apply/subscribe for one equity share for every one warrant held by them, within 18 months from the date of allotment of warrants and accordingly, the equity capital of the company had increased to 4,85,07,854 equity shares of Rs.10/- each.

Plant Locations: Not applicable

Registrar and Share Transfer Agents:

Intime Spectrum Registry Limited
C-13, Pannalal Silk Mills Compound
LBS Marg, Bhandup (West)
Mumbai 400078.
Tel: 25946970 Fax: 25946969
Email: rnt.helpdesk@intimespectrum.com

Complaints may be addressed to:

The shareholders/investors may address their complaints to the company's Registrar & Share Transfer Agents at the address mentioned hereinabove. Shareholders/investors may also contact the Secretarial Department at the Registered Office of the company for any assistance. Telephone: 022-66670200; Email: investorpoint@kecrpg.com.

Declaration

It is hereby declared that the Board had adopted the Code of Conduct for all Board members and senior management of the company. All Board members and senior management personnel have affirmed compliance with the Code.

For Summit Securities Limited

Mumbai
30th June 2008

Sachin Raole
Manager

PRACTISING COMPANY SECRETARIES' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of
Summit Securities Limited
(Formerly KEC Infrastructures Limited)

We have examined the compliance of conditions of Corporate Governance by Summit Securities Limited (Formerly KEC Infrastructures Limited) for the year ended on March 31, 2008, 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 Company's management. Our examination was limited to a review of the procedures and implementation thereof adopted by the company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion of 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 the corporate governance as stipulated in clause 49 in the abovementioned listing agreement.

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

For **Parikh Parekh & Associates**
Practising Company Secretaries

P. N. Parikh
FCS: 327, CP: 1228

Mumbai
Dated: 30th June 2008

Auditor's Report

TO THE MEMBERS OF SUMMIT SECURITIES LIMITED

(Formerly KEC Infrastructures Limited)

1. We have audited the attached Balance Sheet of **SUMMIT SECURITIES LIMITED** (formerly KEC Infrastructures Limited) as at 31st March, 2008, and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. 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 statements. We believe that our audit provides a reasonable basis for our opinion.
3. We report as follows :
 - (i) As required by the Companies (Auditor's Report) Order, 2003 (as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraph 4 and 5 of the said Order.
 - (ii) Further to our comments in the Annexure referred to in paragraph 3 (i) above, we report that :
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and beliefs were necessary for the purpose of our audit;
 - (b) In our opinion, the Company has kept proper books of accounts as required by law, have been kept by the Company, so far as it appears from our examination of the books;
 - (c) 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;
 - (d) In our opinion, the Balance Sheet and the Profit & Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956.
 - (e) On the basis of our written representation received from the Directors as on 31st March, 2008 and taken on records by the Board of Directors, we report that none of the directors of the company are disqualified as on 31st March, 2008 from being appointed as directors in terms of Clause(g) of the 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 explanation given to us, the said accounts read together with notes on accounts there on give the information required by the Companies Act, 1956 in the manner so required, give a true and fair view in conformity with the accounting principles generally accepted in India.
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008;
 - ii) in the case of Profit and Loss Account, of the loss of the Company for the year ended on that date; and
 - iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For R.C.Vakharia & Co.
Chartered Accountants

ROHIT VAKHARIA

Proprietor

Membership No. 33728

Mumbai
Dated: 30th June 2008

Summit Securities Limited

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITORS' REPORT TO THE MEMBERS OF SUMMIT SECURITIES LIMITED (FORMERLY KEC INFRASTRUCTURES LIMITED) ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2008

- (i) The Company has no fixed assets hence, the matters specified in sub clauses (a), (b), & (c) of clause of paragraph 4 (i) of Companies (Auditor's Report) Order, 2003 of the Order are not applicable to the Company.
- (ii) As the Company does not have inventory, paragraph 4(ii) of the Order is not applicable.
- (iii) In our opinion, the Company has neither taken nor granted any loans, secured or unsecured, from/to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956(the Act). Accordingly, clauses (b) to (d), (f) and (g) of the paragraph 4 (iii) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are generally, adequate internal control systems commensurate with the size of the Company and the nature of its business and for the sale of goods and services. 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 contracts or arrangements which need to be entered in the register maintained under section 301 of the Act. In view of this, clauses v(a) and v(b) of paragraph 4 of the Order are not applicable.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 apply.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

- (viii) As explained to us, the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Act for the Company's products.
- (ix) (a) According to the information and explanations given to us and according to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including tax deduction at source, investor education and protection fund, income tax, tax collected at source, professional tax, sales tax, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts in respect of the statutory dues referred to above, were outstanding as at 31st March, 2008 for a period of more than six months from the date they became payable.
- (c) As explained to us and according to the records of the Company, the following dues as at the year end of income tax/sales tax/ value added tax/ wealth tax /service tax/customs duty /excise duty/cess have not been deposited on account of dispute:

Name of statute (Nature of dues)	Relating to various years comprise in the period	Forum where dispute is pending and the amount involved
		Appellate authorities & Tribunal
		(Rs. in lacs)
Sales Tax (Tax / Penalty / Interest)	1993-2004	244.96
The Central Excise Act (Duty / Penalty / Interest)	1996-2001	2.32
Total		247.28

- (x) In our opinion, the accumulated losses of the Company are not more than fifty percent of the net worth. The Company has incurred cash loss during the financial year covered by our audit.
- (xi) Since the Company has no borrowing, paragraph 4 (xi) of the Order is not applicable.
- (xii) Since the Company has not granted any loans or advances on the basis of the security by way of pledge of shares, debentures and other securities, paragraph 4(xii) of the Order is not applicable.
- (xiii) As the Company is not a chit fund/ nidhi / mutual benefit fund / society, paragraph 4(xiii) of the Order is not applicable.
- (xiv) Though the Company is primarily engaged in investment in securities, the Company is not dealing and trading in the shares, securities, debentures and other investments, paragraph 4(xiv) of the Order is not applicable.
- (xv) Corporate guarantee referred to in note 2(b) of Schedule 11 to the Accounts, which has been approved by the members of the Company, and had been given in terms of the consent given by the consortium banks to the composite scheme of arrangements. On this basis, the terms and conditions on which the Company has given the said guarantee has not been considered as prejudicial to the interest of the Company.
- (xvi) In our opinion, the Company has no term loan hence paragraph 4(xvi) of the Order is not applicable.
- (xvii) 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.
- (xviii) According to the information and explanations given to us, during the year, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) Since the Company has not issued any debentures, paragraph 4(xix) of the Order is not applicable.
- (xx) Since the Company has not raised any money during the year by way of public issue, paragraph 4(xx) of the Order is not applicable.
- (xxi) According to the 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.

For R.C.Vakharia & Co.
Chartered Accountants

ROHIT VAKHARIA

Proprietor

Membership No. 33728

Mumbai

Date: 30th June 2008

Summit Securities Limited

Balance Sheet as at 31st March, 2008

	Schedule	Rs. in lacs	Rs. in lacs	Previous Year	
				Rs. in lacs	Rs. in lacs
I SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Capital	1		4,850.79		4,193.59
Advance against Equity			-		173.69
Reserves and surplus	2		11,004.76		10,364.44
			<u>15,855.55</u>		<u>14,731.72</u>
II APPLICATION OF FUNDS					
INVESTMENTS	3		15,708.75		14,973.75
CURRENT ASSETS, LOANS AND ADVANCES					
Cash and bank balances	4	928.19		121.81	
Loans and advances	5	1,525.05		2,008.33	
		<u>2,453.24</u>		<u>2,130.14</u>	
Less:					
CURRENT LIABILITIES AND PROVISIONS	6				
Liabilities		1,253.76		1,564.00	
Provisions		1,052.68		808.17	
		<u>2,306.44</u>		<u>2,372.17</u>	
NET CURRENT ASSETS			146.80		(242.03)
			<u>15,855.55</u>		<u>14,731.72</u>
Statement of significant accounting policies	10				
Notes to the accounts	11				

Per our report attached
For R.C. VAKHARIA & CO.
 Chartered Accountants

ROHIT VAKHARIA
 Proprietor
 Membership No. 33728

KAJAL PAREKH
 Company Secretary

Mumbai
 Dated : 30th June 2008

Mumbai
 Dated : 30th June 2008

For and on behalf of the Board

R. D. CHANDAK
 Chairman

VIMAL KEJRIWAL
 Director

J. M. KOTHARY
 Director

Summit Securities Limited

Profit and Loss Account for the year ended 31st March, 2008

	Schedule	Rs. in lacs	Previous Year Rs. in lacs
INCOME			
Income from Operations	7	55.26	13.10
Profit on sale of fixed assets		-	2,904.49
Other Income		0.03	-
		<u>55.29</u>	<u>2,917.59</u>
EXPENDITURE			
Other expenses	8	37.19	1,405.31
Interest	9	-	642.85
Depreciation		-	0.81
		<u>37.19</u>	<u>2,048.97</u>
PROFIT/(LOSS) FOR THE YEAR BEFORE PRIOR PERIOD ITEM AND TAXATION:		18.10	868.62
Prior Period Item (Note 6 of Schedule 11)		287.87	-
PROFIT/(LOSS) FOR THE YEAR AFTER PRIOR PERIOD ITEM AND BEFORE TAXATION:		(269.77)	868.62
Provision for taxation			
Current Tax		-	97.63
Related to earlier years (Note 7 of Schedule 11) as per MAT		168.34	-
PROFIT/(LOSS) FOR THE YEAR AFTER TAXATION		(438.11)	770.99
Balance as per last account		(7,450.98)	(8,221.97)
BALANCE CARRIED TO BALANCE SHEET	2 (a)	<u>(7,889.09)</u>	<u>(7,450.98)</u>
		Rs.	Rs.
Earnings per share (Basic/Diluted)		(0.98)	2.05
Nominal value of share (Note 10 of Schedule 11 to the accounts)		10.00	10.00
Statement of significant accounting policies	10		
Notes to the accounts	11		

Per our report attached to the Balance Sheet
For R.C. VAKHARIA & CO.
Chartered Accountants

ROHIT VAKHARIA
Proprietor
Membership No. 33728

KAJAL PAREKH
Company Secretary

Mumbai
Dated : 30th June 2008

Mumbai
Dated : 30th June 2008

For and on behalf of the Board

R. D. CHANDAK
Chairman

VIMAL KEJRIWAL
Director

J. M. KOTHARY
Director

Summit Securities Limited

Schedule forming part of the Balance Sheet

SCHEDULE 1 - SHARE CAPITAL

	Rs. in lacs	Previous Year Rs. in lacs
Authorised:		
Preference Share Capital:		
25,00,000 Preference shares of Rs. 100/- each	2,500.00	2,500.00
Equity Share Capital:		
7,50,00,000 Equity shares of Rs. 10/- each	7,500.00	7,500.00
	<u>10,000.00</u>	<u>10,000.00</u>
Issued :		
Equity Share Capital:		
4,85,09,840 (Previous year 4,19,37,840) Equity shares of Rs.10/- each	4,850.98	4,193.78
	<u>4,850.98</u>	<u>4,193.78</u>
Subscribed and Paid Up:		
Equity Share Capital:		
4,85,07,854 (Previous year 4,19,35,854) Equity shares of Rs.10/- each	4,850.79	4,193.59
	<u>4,850.79</u>	<u>4,193.59</u>

NOTES :

1. Of the above shares:

- (i) 1,20,000 Equity shares are allotted as fully paid up pursuant to a contract without payment being received in cash;
- (ii) 35,52,800 Equity shares are allotted as fully paid shares to the shareholders of the erstwhile Cetex Petrochemicals Ltd. pursuant to the scheme of amalgamation;
- (iii) 17,43,114 Equity shares are allotted as fully paid bonus shares by way of capitalisation out of general reserve;
- (iv) 1,25,45,285 Equity shares are allotted as fully paid bonus shares by way of capitalisation out of securities premium account;
- (v) 35,00,000 Equity shares are allotted on option being exercised by 12% Redeemable Non-convertible Debentureholders (seventh series).
- (vi) 65,72,000 Equity shares are allotted against share warrants.

2. See Note 8 (a) of Schedule 11

Summit Securities Limited

Schedule forming part of the Balance Sheet

SCHEDULE 2 - RESERVES AND SURPLUS		Rs. in lacs	Rs. in lacs	Previous Year Rs. in lacs
Capital Reserves:				
Amount paid on forfeited shares reissued As per last account			0.02	0.02
Amount originally paid on forfeited shares (Rs. 250-previous year Rs. 250)			-	-
Securities Premium Account:				
As at the beginning of the year	9,894.57			9,188.08
Less: Expenses on issue of preferential shares	1.35			-
	9,893.22			9,188.08
Add : Premium received on equity shares issued on preferential basis (Note 8(a) of Schedule 11)	1,079.78			706.49
		10,973.00		9,894.57
General Reserve:				
As at the beginning of the year	7,920.83			7,920.83
Less: Profit and loss account (Schedule 2 (a))	7,889.09			7,450.98
		31.74		469.85
		11,004.76		10,364.44
SCHEDULE 2(a) - PROFIT AND LOSS ACCOUNT		Rs. in lacs		Previous Year Rs. in lacs
Debit Balance in the profit and loss account		7,889.09		7,450.98
Less : Deducted from general reserve (see Schedule 2)		7,889.09		7,450.98
		-		-
SCHEDULE 3 - INVESTMENTS		Rs. in lacs		Previous Year Rs. in lacs
Long Term Trade and Unquoted:				
In subsidiary				
25,75,000 (Previous Year 20,50,000) Fully paid Equity Shares of Rs. 10 each of KEC Holdings Ltd.		15,708.75		11,850.00
- (Previous year 5,25,000, Rs. 8/- paid-up per Equity Share of KEC Holdings Ltd.)		-		3,123.75
		15,708.75		14,973.75
Aggregate book value of unquoted investments		15,708.75		14,973.75
SCHEDULE 4 - CASH AND BANK BALANCES		Rs. in lacs	Rs. in lacs	Previous Year Rs. in lacs
Bank balances with scheduled banks:				
In current accounts				
- Unutilised amount out of Preferential issue proceeds		-		92.58
- Others		9.37		29.23
			9.37	121.81
In fixed deposits (Includes interest accrued Rs. 34.16 lacs net of TDS of Rs.7.04 lacs)			918.82	-
			928.19	121.81
			2007-2008	

Summit Securities Limited

Schedule forming part of the Balance Sheet

SCHEDULE 5 - LOANS AND ADVANCES

	Rs. in lacs	Previous Year Rs. in lacs
Advances recoverable in cash or in kind or for value to be received:		
Unsecured - considered good		
Advances to Subsidiary [including advance against Equity Shares Rs. 328.30 lacs (previous year Rs. 9.25 Lacs)]	333.64	9.25
Others [Including advance paid for purchase of land Rs. 600 Lacs (previous year Rs. 1500 Lacs)]	671.26	1,566.99
Current Tax payments less provisions	520.15	432.09
	<u>1,525.05</u>	<u>2,008.33</u>

SCHEDULE 6 - CURRENT LIABILITIES AND PROVISIONS

	Rs. in lacs	Previous Year Rs. in lacs
A. CURRENT LIABILITIES		
Sundry creditors		
(i) Total outstanding dues of Micro and Small enterprises (Note 11 of Schedule 11)	-	-
(ii) Total outstanding dues of sundry creditors other than (i) above	1,253.76	1,555.67
Investor Education and Protection Fund shall be credited for the following amounts :		
Unclaimed dividend *	-	8.33
	<u>1,253.76</u>	<u>1,564.00</u>
B. PROVISIONS		
Tax provisions less payments	1,052.68	808.17
	<u>1,052.68</u>	<u>808.17</u>
	<u>2,306.44</u>	<u>2,372.17</u>

* Amount transferred on due date

SCHEDULE 7 - INCOME FROM OPERATIONS

	Rs. in lacs	Previous Year Rs. in lacs
Interest on fixed deposits	55.26	13.10
[Tax Deducted at source Rs. 11.47 lacs (previous year Rs. 2.94 lacs)]		
	<u>55.26</u>	<u>13.10</u>

Schedule forming part of the Profit & Loss Account

SCHEDULE 8 - OTHER EXPENSES	Rs. in lacs	<i>Previous Year Rs. in lacs</i>
Power and fuel	-	1.12
Water charges	-	2.31
Rates and taxes	0.20	750.84
Insurance	1.31	0.16
Bank (guarantee, letter of credit and other) charges	0.15	108.46
Repairs - Buildings	-	0.16
Travelling & conveyance	0.02	0.11
Professional fees	14.30	60.32
Printing & Stationery	-	4.85
Postage, Telephone & Courier	16.83	11.61
Directors' sitting fees	1.47	3.46
Advertisement	0.38	0.30
Security & Administrative Charges	-	52.79
Write off of Furniture & fixture	-	2.95
Licence fees	-	100.00
Write off of Receivable for tax deducted at source	-	254.33
Claim of supplier relating to earlier year	-	51.54
Miscellaneous Expenses	2.53	-
	37.19	<u>1,405.31</u>

SCHEDULE 9 - INTEREST	Rs. in lacs	<i>Previous Year Rs. in lacs</i>
On fixed period loans	-	243.71
Others	-	0.98
	-	244.69
Less: Recoveries - interest on deposits with banks, refund of income tax etc.	-	*(398.16)
*(net of reversal of interest on refund of income tax Rs. 398.16 lacs)	-	-
	-	<u>642.85</u>

Summit Securities Limited

Schedule forming part of the Balance Sheet and Profit & Loss Account

SCHEDULE 10 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

- 1 (a) The accounts have been prepared primarily on the historical cost convention.
(b) The Company follows the accrual basis of accounting.
- 2 Revenue Recognition:
 - (a) Revenue from sale of a real estate is recognised when all significant risks and rewards of ownership related to real estate are transferred and it is not unreasonable to expect ultimate collection of the amount of the consideration.
 - (b) Dividend declared by subsidiary company after the date of the balance sheet is recognized as income during the year if it relates to the period which closes on or before the date of the balance sheet.
 - (c) Interest is accounted on time proportion basis.
- 3 Investments:

Long-term investments are stated at cost. Provision is made for diminution, other than temporary, in the value of long-term investments.
- 4 Debts and loans and advances identified as doubtful of recovery are provided for.
- 5 Taxation:

Current tax is determined as the amount of tax payable in respect of estimated taxable income for the period. Deferred tax is recognised, subject to the consideration of prudence, on timing differences resulting from the recognition of items in the financial statements and in estimating current income tax provision.

Deferred tax assets are recognized on unabsorbed depreciation and carry forward of losses only to the extent that there are timing differences, the reversal of which will result in sufficient income or there is virtual certainty that sufficient taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date.

Minimum Alternative Tax (MAT) credit asset are recognized only when and to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period. The carrying amount of MAT credit asset is reviewed at each Balance Sheet date.

SCHEDULE 11 - NOTES FORMING PART OF THE ACCOUNTS

1. Claims against the Company not acknowledged as debt:

Sr. No.	Nature of Claims	Relating to various years comprise in the period	(Rs. in lacs)	Previous Year (Rs. in lacs)
1	Central Excise Act # (Tax/Penalty/Interest)	1996-2001	2.32	2.32
2	Civil Suits#	1974-2003	29.70	29.70
	Total		32.02	32.02

Outflow, including for the matters referred to in Note 2 (i) (a) below, is uncertain as it depends on the decision by respective Court/Authorities.

2. (i) Contingent liabilities not provided for in respect of :
 - a) Taxation :
 - i) In terms of the Composite Scheme of Arrangement approved by H'ble High Court of Judicature at Bombay on 27th September 2005, Company has transferred contingent liabilities, interalia, of income tax of the Company to

Schedule forming part of the Balance Sheet and Profit & Loss Account

KEC International Ltd. In case, the eventual decision in pending appeals (excluding the matters in respect of which the Company / department is in appeal and the Company expects to succeed based on decision in other assessment years) in respect of certain disputed items is unfavourable to the Company, it is estimated that the liability for taxation in respect of pending appeals could be in the region of Rs. 776.66 lacs (previous year Rs.776.66 lacs) which will be reimbursed to the Company by KEC International Ltd.

- ii) For assessment year 2004-05 mainly on account of addition of provision for doubtful debts, provision for diminution in the value of investment etc. to the book profit in computing income under section 115JB of the Income Tax Act, 1961. - Rs Nil (previous year Rs.629.96 lacs)

	<u>Rs. in lacs</u>	<u>Previous Year Rs. in lacs</u>
b) Corporate Guarantee given in favour of the consortium of banks for the credit facilities granted to KEC International Limited	2,11,925.00	2,11,925.00
c) Second and final call money on Rights Issue of Equity shares of KEC Holdings Limited subscribed by the Company.	-	735.00

Future outflow of resources embodying economic benefits in respect of the matters referred to in Note 2(b) above is uncertain.

3. Managerial remuneration:

	<u>Rs. in lacs</u>	<u>Previous Year Rs. in lacs</u>
Directors Fees, other than Managing director Fees*	1.47	3.46
	<u>1.47</u>	<u>3.46</u>

* Excludes Rs.1.31 lacs paid for insurance premium for director & officers insurance liability policy.

4. Payment to statutory auditors:
(Including Service tax, where applicable)

	<u>Rs. In lacs</u>	<u>Previous Year Rs. in lacs</u>
As auditors	0.90	0.90
In other capacity	1.34	1.34

5. Related Party Disclosures

- (a) Name and nature of relationship of the party where Control exists:

Subsidiary Companies

KEC Holdings Limited (KHL)

KEC International Servicos do Brasil Ltda. (wholly owned subsidiary of KHL) - upto previous year.
(see note 5(d) of Schedule 11)

- (b) Parties with whom transactions have taken place :

(i) KEC Holdings Limited : Subsidiary Company

(ii) Key Management Personnel: Mr. Sachin Raole - Manager . Remuneration - Rs. NIL

Summit Securities Limited

Schedule forming part of the Balance Sheet and Profit & Loss Account

(c) Transactions with Related Parties

	Rs. in lacs	Previous Year Rs. in lacs
Subsidiary Company (KHL)		
Advance against Equity shares	328.30	-
Subscription to Rights issue of Equity shares	735.00	3,473.75
Recovery of Advance given	9.25	19.00
Expenses paid on behalf of the subsidiary	-	7.75
Balances outstanding as at the year end in respect of these transactions.	Amount due (to)/from as at 31.03.2008 Rs in lacs	Amount due (to)/from as at 31.03.2007 Rs. in lacs
Subsidiary (KHL)	5.34	9.25

No amount has been written off/provided for or written back during the year in respect of debts due from or to Related Parties.

(d) Excludes the Subsidiary Companies of KHL, viz, Octav Investments Limited & CHI Investments Limited, which were of temporary nature & hence not consolidated.

6. "Prior Period Item" in profit & loss account of Rs. 287.87 lacs is a payment during the year to a bank for advisory services for disposal of land in earlier year.

7. During the year, the Company made a provision for income tax as calculated under section 115JB of the Income Tax Act, 1961 on book profit amounting to Rs. 168.34 lacs as per the Finance Act, 2008 with retrospective effect from the year 2000-01.

8. a) In earlier year, consequent to the special resolution passed by the Company by Postal Ballot to issue, offer and allot upto 65,50,000 Equity Shares of the face value of Rs. 10 each and / or upto 96,25,000 warrants to certain promoters and other bodies corporates on preferential basis under section 81(1A) of the Companies Act, 1956, 43,00,000 Equity shares of the face value of Rs. 10 each at a premium of Rs. 16.43 per share and 65,72,000 warrants were allotted on 30th March, 2007 on preferential basis to a specified promoter and a body corporate. During the year, Company received balance amount of Rs. 23.787 per warrant and allotted 65,72,000 equity shares of Rs. 10 each on 22nd October 2007 at a premium of Rs. 16.43 per share. The premium of a Rs. 1,079.78 lacs has been credited to Securities Premium Account

The aforesaid funds of Rs. 2,873.47 lacs have been raised to augment long term resources and for general corporate purpose and have been utilised for investment in right shares of KEC Holdings Limited of Rs. 2,112.17 lacs (including application money), payment of income tax of Rs. 98.60 lacs and for other corporate purpose of Rs. 662.70 lacs in current and previous year.

b) Subsequent to the year, consequent to the special resolution passed by the Company by Postal Ballot to issue, offer and allot upto 51,80,000 Equity Shares of the face value of Rs. 10 each to certain promoters and other bodies corporates on preferential basis under section 81(1A) of the Companies Act, 1956. 51,80,000 Equity shares of the face value of Rs. 10 each at a premium of Rs. 21 per share were allotted on 27th June, 2008 on preferential basis to the specified promoters and a body corporate.

c) During the year, Company has subscribed to rights issue of 2,62,500 equity share of face value Rs. 10 each at a premium of Rs. 790 per share of KEC Holdings Limited. Company has paid Rs.328.13 lacs as share application money which consists of Rs.1.50/- per share towards share capital & Rs. 123.50/- per share towards premium & advance Rs.0.17 lacs towards allotment money.

Summit Securities Limited

9. The Company is primarily engaged in investment in securities which is considered as one segment. As such, there is no other separate reportable segment as defined by Accounting Standard -17 "Segment Reporting".
10. Basic / Diluted earnings per share has been calculated by dividing the loss for the year after taxation of Rs. 438.11 lacs (profit for the previous year Rs. 770.99 lacs) by 4,48,34,736 (previous year 3,76,59,416) being the weighted average number of equity shares outstanding during the year.
11. There is no supplier covered under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act). This information and that given in Schedule 6-"Current Liabilities and Provisions" has been determined based on the details regarding the status of the supplier obtained by the Company. This has been relied upon by the auditors.
12. The Company has given an undertaking in terms of the consent given by the consortium of banks for KEC International Limited to the scheme of arrangement that the Company will continue/retain its shareholdings in KEC Holdings Limited.
13. During the earlier year, the Company has provided liability related to sales tax matters for the erstwhile Petrochemicals division which are pending at various levels of Rs.739.35 lacs and there is no change in status of the said matters.
14. The Company is in process of registration with RBI under NBFC guidelines after completing necessary formalities.
15. Income Tax Assessment for the A.Y. 2005-06, was done without giving effect of the Scheme of Arrangement by the Assessing Officer. Necessary adjustment to the tax provision will be done after completion of the assessment.
16. Previous year's figures have been regrouped where necessary to conform with those of the current year.

Signatures to Schedules 1 to 11 which form an integral part of the accounts.

For and on behalf of the Board

R. D. CHANDAK
Chairman

VIMAL KEJRIWAL
Director

Mumbai
Dated : 30th June 2008

KAJAL PAREKH
Company Secretary

J. M. KOTHARY
Director

Summit Securities Limited

Balance Sheet Abstract & Company's General Business Profile

As required under Part IV, Schedule VI to the Companies Act, 1956

I Registration Details

Registration No.	4421/CTA	State Code	11
Balance Sheet Date	31.03.08		

II Capital raised during the year (Amount in Rs. Thousand)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private placement	65720

III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)

Total Liabilities (Excluding Current Liabilities and provisions)	1585555	Total Assets (Net of Current Liabilities & Provisions)	1585555
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Source of Funds

Paid up Capital	485079	Reserve & Surplus	1100476
Advance against Equity	-		
Secured Loans	-	Unsecured Loans	-
Deferred Tax Liability	-		

Application of Funds

Net Fixed Assets	-	Investments	1570875
Net Current Assets	14680	Accumulated Losses	-
Deferred Tax Asset	-		

IV Performance of Company (Amount in Rs. Thousand)

Turnover (Including other income)	5529	Total Expenditure Including Exceptional Item	32506
Profit Before Tax after Exceptional Item	(26977)	Profit After Tax	(43811)
Earnings Per Share (in Rs.)	(0.98)	Dividend Rate	0%

V Generic Names of Three Principal/services of the Company

Item Code No. (ITC Code)	-
Product Description	Investments in securities

Summit Securities Limited

Cash Flow Statement for the year ended 31st March, 2008

			<i>Previous Year</i>	
	(Rs.in lacs)	(Rs.in lacs)	(Rs.in lacs)	(Rs.in lacs)
A] CASH FLOW FROM OPERATING ACTIVITIES :				
PROFIT / (LOSS) AFTER PRIOR PERIOD ITEM AND BEFORE TAXATION		(269.77)		868.62
Adjusted for :				
Depreciation	-		0.81	
Profit on sale of fixed assets	-		(2,904.49)	
Furniture & fixture written off	-		2.95	
Write off of Receivable for income tax deducted at source	-		254.33	
Prior period item	287.87		-	
Interest expenses	-	-	244.69	
Interest income (net)	-	287.87	398.16	(2,003.55)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		18.10		(1,134.93)
Changes in:				
Trade and other receivables	571.34		(1,439.90)	
Trade and other payables	(1.67)	569.67	890.73	(549.17)
CASH GENERATED FROM OPERATIONS		587.77		(1,684.10)
Direct Taxes (Paid)/ refund of taxes (net)		(11.88)		144.74
NET CASHFLOW BEFORE EXCEPTIONAL ITEM		575.89		(1,539.36)
Prior period bank charges paid		(287.87)		-
NET CASH FROM OPERATING ACTIVITIES (A)		288.02		(1,539.36)
B] CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets(after adjustment of increase/decrease in advances on capital account).		-		(729.00)
Proceeds from sale of fixed assets (net of expenses)		-		8,462.22
Purchase of Long term investments		(735.00)		(3,123.75)
NET CASH FROM INVESTING ACTIVITIES (B)		(735.00)		4,609.47
C] CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from equity shares (including premium) [Note 8(a) of Schedule 11]		1,563.29		1,136.49
Advance received against equity		-		173.69
Proceeds from long term borrowings		-		1,500.00
Repayment of long term borrowings		-		(3,686.67)
Preferential allotment expenses incurred		(1.35)		-

Summit Securities Limited

Cash Flow Statement for the year ended 31st March, 2008

	(Rs.in lacs)	(Rs.in lacs)	Previous Year (Rs.in lacs)	(Rs.in lacs)
Increase /(Decrease) in balance payable in current account with KEC International Limited (Net)		(290.00)		(1,844.32)
Interest paid		-		(254.88)
Dividend paid (including deposited with Investors Education & Protection fund)		(18.58)		(11.44)
NET CASH USED IN FINANCING ACTIVITIES (C)		1,253.36		(2,987.13)
NET (DECREASE) / INCREASE IN CASH/CASH EQUIVALENTS (A+B+C)		806.38		82.98
CASH AND CASH EQUIVALENTS AS AT THE COMMENCEMENT OF THE YEAR		121.81		38.83
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR		928.19		121.81
NET (DECREASE) / INCREASE IN CASH/CASH EQUIVALENTS		806.38		82.98
NOTES :				
1		As at 31.03.2008 (Rs. In lacs)		As at 31.03.2007 (Rs. In lacs)
CASH / CASH EQUIVALENTS:				
Bank Balances		928.19		121.81
		928.19		121.81

2 Previous year figures have been regrouped to conform with those of the current year.

Per our report attached to the Balance Sheet
For **R.C. VAKHARIA & CO.**
Chartered Accountants

ROHIT VAKHARIA
Proprietor
Membership No. 33728

Mumbai
Dated : 30th June 2008

KAJAL PAREKH
Company Secretary

Mumbai
Dated : 30th June 2008

For and on behalf of the Board

R. D. CHANDAK
Chairman

VIMAL KEJRIWAL
Director

J. M. KOTHARY
Director

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF SUMMIT SECURITIES LIMITED (Formerly KEC Infrastructures Limited)

1. We have audited the attached Consolidated Balance Sheet of SUMMIT SECURITIES LIMITED (the Company) and its subsidiary (the Group) as at 31st March, 2008 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed there to. These consolidated financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements of its subsidiary. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. 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. We have consolidated the financial statements of the subsidiary, KEC Holdings Limited whose financial statements reflects total assets of Rs.16,692.75 lacs as at 31st March, 2008, total revenue of Rs.400.85 lacs and net cash outflows of Rs.738.79 lacs for the year ended on that date.

4. We report that the consolidated financial statements have been prepared by the management of the Company in accordance with the requirements of Accounting Standards (AS-21), consolidated financial Statement issued by the Institute of Chartered Accountants of India.
5. On the basis of information and explanation given to us and on the consideration of the separate audit report on individual audited financial statements of the company and that referred to in the paragraph 3 above on the consolidated financial statements of its subsidiary, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principal generally accepted in India:
 - i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2008;
 - ii) in the case of the Consolidated Profit and Loss Account, of the Loss for the year ended on that date; and
 - iii) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For R.C.Vakharia & Co.
Chartered Accountants

ROHIT VAKHARIA
Proprietor
Membership No. 33728

Mumbai
Date: 30th June 2008

Summit Securities Limited

Consolidated Balance Sheet as at 31st March, 2008

	Schedule	Rs. in lacs	Rs. in lacs	Previous Year	
				Rs. in lacs	Rs. in lacs
I SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Share Capital	1		4,850.79		4,193.59
Advance against Equity			-		173.69
Reserves and surplus	2		11,655.97		10,656.49
MINORITY INTEREST			13.17		6.24
			<u>16,519.93</u>		<u>15,030.01</u>
II APPLICATION OF FUNDS					
INVESTMENTS	3		16,482.44		13,546.91
CURRENT ASSETS, LOANS AND ADVANCES					
Cash and bank balances	4	977.48		912.25	
Loans and advances	5	1,267.35		2,845.23	
		<u>2,244.83</u>		<u>3,757.48</u>	
Less:					
CURRENT LIABILITIES AND PROVISIONS	6				
Liabilities		1,257.10		1,568.65	
Provisions		1,052.68		808.17	
		<u>2,309.78</u>		<u>2,376.82</u>	
NET CURRENT ASSETS			(64.95)		1,380.66
MISCELLANEOUS EXPENDITURE TO THE EXTENT					
NOT WRITTEN OFF OR ADJUSTED	7		102.44		102.44
PROFIT AND LOSS ACCOUNT	2 (a)		-		-
			<u>16,519.93</u>		<u>15,030.01</u>
Basis of Consolidation and significant accounting policies	12				
Notes to the consolidated accounts	13				

Per our report attached
For R.C. VAKHARIA & CO.
Chartered Accountants

ROHIT VAKHARIA
Proprietor
Membership.No. 33728

KAJAL PAREKH
Company Secretary

For and on behalf of the Board

R. D. CHANDAK
Chairman

VIMAL KEJRIWAL
Director

J.M. KOTHARY
Director

Mumbai
Dated : 30th June 2008

Mumbai
Dated : 30th June 2008

Summit Securities Limited

Consolidated Profit and Loss Account for the year ended 31st March, 2008

	Schedule	Rs. in lacs	Previous Year Rs. in lacs
INCOME			
Income from operations	8	456.11	137.87
Profit on sale of fixed assets		-	2,904.49
Other income	9	30.03	20.00
		<u>486.14</u>	<u>3,062.36</u>
EXPENDITURE			
Other expenses	10	66.24	1,444.82
Interest	11	-	638.18
Depreciation		-	0.81
		<u>66.24</u>	<u>2,083.81</u>
PROFIT/ (LOSS) FOR THE YEAR BEFORE EXECPTIONAL ITEM AND TAXATION:		419.90	978.55
Prior Period Item (Note 9 of Schedule 13)		287.87	-
PROFIT/ (LOSS) FOR THE YEAR AFTER PRIOR PERIOD ITEM AND BEFORE TAXATION:		132.03	978.55
Provision for taxation:			
Current Tax		37.00	97.63
Related to earlier years (MAT)		168.34	-
PROFIT/(LOSS) FOR THE YEAR AFTER TAXATION AND BEFORE ADJUSTMENT FOR MINORITY INTEREST		(73.31)	880.92
Minority Share in profit transferred to Minority Interest		6.93	2.76
PROFIT/(LOSS) FOR THE YEAR AFTER TAXATION AND AFTER ADJUSTMENT FOR MINORITY INTEREST		(80.24)	878.16
Balance in the profit and loss account as at the beginning of the year		(7,291.86)	(8,170.02)
Less: Transfer to Special Reserve – RBI Act		(106.28)	-
BALANCE CARRIED TO BALANCE SHEET	2 (a)	(7,478.38)	(7,291.86)
		Rs.	Rs.
Earnings per share (Basic / Diluted)		(0.18)	2.33
Nominal value of share (Note 12 of Schedule 13 to the accounts)		10.00	10.00
Basis of Consolidation and significant accounting policies	12		
Notes to the consolidated accounts	13		

Per our report attached to the Consolidated Balance Sheet
For R.C. VAKHARIA & CO.
Chartered Accountants

ROHIT VAKHARIA
Proprietor
Membership No. 33728

Mumbai
Dated : 30th June 2008

KAJAL PAREKH
Company Secretary

Mumbai
Dated : 30th June 2008

For and on behalf of the Board

R. D. CHANDAK
Chairman

VIMAL KEJRIWAL
Director

J. M. KOTHARY
Director

Summit Securities Limited

Schedule forming part of the Consolidated Balance Sheet

SCHEDULE 1 – SHARE CAPITAL

	Rs. in lacs	Previous Year Rs. in lacs
Authorised:		
Preference Share Capital:		
25,00,000 Preference shares of Rs. 100/- each	2,500.00	2,500.00
Equity Share Capital:		
7,50,00,000 Equity shares of Rs. 10/- each	7,500.00	7,500.00
	<u>10,000.00</u>	<u>10,000.00</u>
Issued :		
Equity Share Capital:		
4,85,09,840 (Previous year 4,19,37,840) Equity shares of Rs.10/- each	4,850.98	4,193.78
	<u>4,850.98</u>	<u>4,193.78</u>
Subscribed and Paid Up:		
Equity Share Capital:		
4,85,07,854 (Previous year 4,19,35,854) Equity shares of Rs.10/- each	4,850.79	4,193.59
See Note 7(a) of Schedule 13	<u>4,850.79</u>	<u>4,193.59</u>

SCHEDULE 2 – RESERVES AND SURPLUS

	Rs. in lacs	Rs. in lacs	Previous Year Rs. in lacs
Capital Reserves:			
Amount paid on forfeited shares reissued		0.02	0.02
Amount originally paid on forfeited shares (Rs.250 previous year–Rs.250)		-	-
Capital Reserve			
As at the beginning of the year	4.95		4.95
Less : Adjusted on winding up of KEC International Servicos do Brazil Ltda.	<u>4.95</u>		-
		0.02	4.97
Securities Premium Account:			
As at the beginning of the year	9,894.57		9,188.08
Less: Expenses on issue of preferential shares	1.35		-
Add : Premium received on equity shares issued on preferential basis (Note 7(a) of Schedule13)	<u>1,079.78</u>		<u>706.49</u>
		10,973.00	9,894.57
Special Reserve – RBI Act			
Balance as per the last Balance Sheet	102.44		102.44
Add: Transfer from Profit and Loss Account	<u>106.28</u>		-
		208.72	102.44
General Reserve:			
As at the beginning of the year	7,946.37		7,946.37
Less: Consolidated profit and loss account (Schedule 2 (a))	<u>7,472.14</u>		<u>7,291.86</u>
		474.23	654.51
		<u>11,655.97</u>	<u>10,656.49</u>

Summit Securities Limited

Schedule forming part of the Consolidated Balance Sheet

SCHEDULE 2(a) – CONSOLIDATED PROFIT AND LOSS ACCOUNT

	Rs. in lacs	Previous Year Rs. in lacs
Debit Balance in the consolidated profit and loss account	7,478.38	7,291.86
Less: Accumulated loss of KEC International Servicos do Brazil Ltda. Adjusted on winding up	6.24	–
Less : Deducted from general reserve (see Schedule 2)	7,472.14	7,291.86
	<u>–</u>	<u>–</u>

SCHEDULE 3 – INVESTMENTS

	Rs. in lacs	Previous Year Rs. in lacs
Long term :		
Non- Trade		
Quoted	14,358.73	12,532.82
Unquoted	2,123.71	1,014.09
	<u>16,482.44</u>	<u>13,546.91</u>
Aggregate market value of quoted investments	25,670.61	23,835.16

SCHEDULE 4 – CASH AND BANK BALANCES

	Rs. in lacs	Previous Year Rs. in lacs
Bank balances with scheduled banks:		
In current accounts		
– Unutilised amount out of Preferential issue proceeds	–	92.58
– Others	58.66	819.67
Fixed Deposit With Bank (Includes interest accrued Rs. 34.16 lacs net of TDS Rs.7.04 lacs)	918.82	–
	<u>977.48</u>	<u>912.25</u>

SCHEDULE 5 – LOANS AND ADVANCES

	Rs. in lacs	Previous Year Rs. in lacs
Advances recoverable in cash or in kind or for value to be received:		
Unsecured [including advance paid for purchase of land Rs. 600 lacs (previous year Rs. 1,500 lacs)]	732.13	2,418.46
Less: Provision for Non-Performing Assets	38.68	28.83
Considered good	693.45	2,389.63
Current Tax payments less provisions	573.90	455.60
	<u>1,267.35</u>	<u>2,845.23</u>

Summit Securities Limited

Schedule forming part of the Consolidated Balance Sheet

SCHEDULE 6 – CURRENT LIABILITIES AND PROVISIONS		Rs. in lacs	<i>Previous Year Rs. in lacs</i>
A. CURRENT LIABILITIES			
Sundry creditors		1,257.10	1,560.32
Investor Education and Protection Fund shall be credited for the following amounts :			
Unclaimed dividend *		–	8.33
		1,257.10	<u>1,568.65</u>
B. PROVISIONS			
Tax provisions less payments		1,052.68	808.17
		1,052.68	808.17
		2,309.78	<u>2,376.82</u>

* Amount transferred on due date.

SCHEDULE 7 – MISCELLANEOUS EXPENDITURE TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED		Rs. in lacs	<i>Previous Year Rs. in lacs</i>
Amalgamation Adjustment Account (Statutory Reserve as per contra)		102.44	102.44
		102.44	<u>102.44</u>

SCHEDULE 8 – INCOME FROM OPERATIONS		Rs. in lacs	<i>Previous Year Rs. in lacs</i>
Interest on fixed deposits		74.80	–
[Tax Deducted at source Rs. 11.47 lacs (previous year Rs. 2.94 lacs)]			
Profit on liquidation of investment of KHL		62.07	–
Dividend income on long term investments of KHL		309.36	135.39
Interest on loans and advances of KHL		9.88	2.48
		456.11	<u>137.87</u>

SCHEDULE 9 – OTHER INCOME		Rs. in lacs	<i>Previous Year Rs. in lacs</i>
Loans and advances written off since recovered of KHL		30.00	20.00
others		0.03	–
		30.03	<u>20.00</u>

Summit Securities Limited

Schedules forming part of the Profit & Loss Account

SCHEDULE 10 – OTHER EXPENSES

	Rs. in lacs	Previous Year Rs. in lacs
Personnel Expenses	-	-
Power and fuel	-	1.12
Water charges	-	2.31
Rates and taxes	0.76	751.13
Insurance	1.31	0.16
Bank (guarantee, letter of credit and other) charges	0.17	108.60
Repairs - Buildings	-	0.16
Travelling & conveyance	0.02	0.11
Professional fees	18.96	62.22
Printing & Stationery	-	4.85
Postage, Telephone & Courier	16.83	11.61
Directors' sitting fees	1.47	3.46
Advertisement	0.38	0.30
Provision for non performing assets of KHL	9.85	28.08
Exchange loss (net)	-	0.10
Security & Administrative Expenses	-	60.98
Amortisation of VRS Expenditure	-	-
Write off of Furniture & fixture	-	2.95
Licence fees	-	100.00
Write off of Receivable for income tax deducted at source	-	254.33
Claim of supplier relating to an earlier year	-	51.54
Miscellaneous expenses (Includes liquidation expenses of Subsidiary Company Rs.5.34 lacs)	12.49	0.81
Loss on sale of Investment	4.00	-
	<u>66.24</u>	<u>1,444.82</u>

SCHEDULE 11 – INTEREST

	Rs. in lacs	Previous Year Rs. in lacs
On fixed period loans	-	243.71
Others	-	10.07
	-	<u>253.78</u>
Less: Recoveries - interest on deposits with banks, refund of income tax etc. (previous year net of reversal of interest on refund of income tax Rs.398.16 lacs)	-	-
(Tax Deducted at source Nil (previous year Rs.2.94 lacs))	-	(384.40)
	-	<u>638.18</u>

Summit Securities Limited

Schedule forming part of the Consolidated Balance Sheet and Profit and Loss Account

SCHEDULE 12 – BASIS OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES

A) BASIS OF CONSOLIDATION

The consolidated financial statements relate to Summit Securities Limited (the Company), and its Subsidiaries (the Group). The Consolidated Financial Statements have been prepared in accordance with Accounting Standard - 21 (AS-21) issued by The Institute of Chartered Accountants of India.

I. Basis of Accounting

i. The accounts have been prepared primarily on the historical cost convention.

ii. a) The following subsidiary have been considered for consolidation:

	Country of Incorporation	% of ownership interest and voting power	
		Current Year	Previous Year
KEC Holdings Limited (KHL)	India	98.10	98.02

b) Also refer paragraph (v) below.

iii. The following subsidiary has not been considered for the Group consolidation :

	Country of Incorporation	% of ownership interest and voting power	
		Current Year	Previous Year
KEC International Servicos do Brazil Ltda. (KISBL)	Brazil	-	98.02

a) KISBL has been wound up during the year, hence not considered for consolidation.

b) Excludes the investment in Octav Investments Ltd. & CHI Investment Ltd. which were temporary in nature and subsequently liquidated/ diluted (Refer Note 4(e) and (f) of Schedule 13).

iv. The following Jointly Controlled entity have not been considered for the Group Consolidation:

	Country of Incorporation	% of ownership interest and voting power	
		Current Year	Previous Year
Arus-KEC-SDN BHD. (ARUS)	Malaysia	-	48.03

ARUS is under liquidation, hence not considered for consolidation. In previous year, it was not considered for consolidation as the carrying amount of investment therein was Rs. one, has been accounted in accordance with Accounting Standard -13 (AS-13) "Accounting for Investments".

v. The financial statements of the Company and KHL for the year ended 31st March, 2008 have been prepared in accordance with the Accounting Standards specified by the Institute of Chartered Accountants of India, except in case of KHL prudential norms/directions prescribed by the Reserve Bank of India for Non-Banking Financial Companies have been followed where Accounting Standards are inconsistent with these directions.

II. Principles of Consolidation

1. The financial statements of the Group have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits or losses are fully eliminated.

Schedule forming part of the Consolidated Balance Sheet and Profit and Loss Account

2. Minority Interest in the net assets of consolidated subsidiary consists of:
 - (i) the amount of equity attributable to minority at the date on which investment in subsidiary is made and
 - (ii) the minorities' share of movements in equity since the date the parent subsidiary relationship comes into existence.

B) SIGNIFICANT ACCOUNTING POLICIES

1. Revenue Recognition:
 - (i) Income from investments in real estate is accounted when the legally enforceable agreement for sale is entered into with the buyer.
 - (ii) Dividend income is accounted as and when right to receive dividend is established.
 - (iii) Interest is accounted on time proportion basis.
 - (iv) In the case of KHL, interest income is recognised in accordance with the prudential norms directions prescribed by the Reserve Bank of India for Non Banking Financial Companies.

2. Investments:

Long term investments are stated at cost. Provision is made for diminution, other than temporary, in the value of long-term investments. Current Investments are carried at lower of cost and fair value determined on an individual investment basis.

3. Foreign Currency Transactions:

Book debts, cash and bank balances, current liabilities, advances and loans, are translated at the exchange rates prevailing at the end of the year and resulting exchange gains or losses are recognised in the profit and loss account for the year.

4. Debts and loans and advances identified as doubtful of recovery are provided for. In the case of KHL, provision for non performing assets is made in accordance with the prudential norms directions prescribed by the Reserve Bank of India for Non Banking Financial Companies.

5. Taxation:

Current tax is determined as the amount of tax payable in respect of estimated taxable income for the period as determined in accordance with the provisions of Income Tax Act,1961. Deferred tax is recognised, subject to the consideration of prudence, on timing differences resulting from the recognition of items in the financial statements and in estimating current income tax provision.

Deferred tax assets are recognized on unabsorbed depreciation and carry forward of losses only to the extent that there are timing differences, the reversal of which will result in sufficient income or there is virtual certainty that sufficient taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date.

Minimum Alternative Tax (MAT) credit asset are recognized only when and to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period. The carrying amount of MAT credit asset is reviewed at each Balance Sheet date.

Summit Securities Limited

Schedule forming part of the Consolidated Balance Sheet and Profit and Loss Account

SCHEDULE 13 – NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS

1. Claims against the Company not acknowledged as debt

Sr. No.	Nature of Claims	Relating to various years comprise in the period	(Rs. In lacs)	Previous Year (Rs. In Lacs)
a.	Central Excise Act # (Tax/Penalty/Interest)	1996-2001	2.32	2.32
b.	Civil Suits#	1974-2003	29.70	29.70
	Total		32.02	32.02

Outflow, including for the matters referred to in Note 2(a) below, is uncertain as it depends on the decision by respective Court/Authorities.

2. Contingent liabilities not provided for in respect of :

a) Taxation :

- i) In terms of the Composite Scheme of Arrangement approved by Hon'ble High Court of Judicature at Bombay on 27th September 2005, Company has transferred contingent liabilities, interalia, of income tax of the Company to KEC International Ltd. In case, the eventual decision in pending appeals (excluding the matters in respect of which the Company / department is in appeal and the Company expects to succeed based on decision in other assessment years) in respect of certain disputed items is unfavorable to the Company, it is estimated that the liability for taxation in respect of pending appeals could be in the region of Rs. 776.66 lacs (*previous year Rs.776.66 lacs*) which will be reimbursed to the Company by KEC International Ltd.
- ii) For assessment year 2004-05 mainly on account of addition of provision for doubtful debts, provision for diminution in the value of investment etc. to the book profit in computing income under section 115JB of the Income Tax Act, 1961 - Rs Nil (*previous year Rs.629.96 lacs*).
- iii) In case of KHL, Rs. 223.39 lacs (*previous year Rs. 53.81 lacs*) in respect of income tax demand for the assessment year 2004-05 and 2005-06 which are pending at CIT (Appeals) Mumbai.

b) Corporate Guarantee given in favour of the consortium of banks of Rs. 2,11,925 lacs (*previous year Rs. 2,11,925 lacs*) for the credit facilities granted to KEC International Limited which has been given in terms of the consent given by the consortium of banks to the scheme of Arrangement sanctioned by Hon'ble High Court of Judicature on 27th September 2005.

c) In the case of KHL

- i) Pledge of certain shares to financial institutions / banks for Debt Restructuring arrangements on behalf of other companies amounting Rs.2,746.22 lacs at book value. (*Previous year Rs. 3,497.50 lacs*) and in respect of corporate guarantee of Rs. Nil (*in previous year given to lenders of RPG Transmission Ltd, now merged with KEC International Limited not exceeding Rs.65 crores and undertaking for non-disposal of shares*).
- ii) Corporate guarantee / non disposal undertaking in favour of ICICI Bank Ltd. For transfer/pledge or lien on the investment of the Company for the working capital facility of Rs. 263 crores granted to KEC International Limited.

3 In the case of KHL

- a) The Company has given non-disposal undertaking to IDBI, which had sanctioned loan to CEAT Limited, that so long any part of the loan disbursed by the IDBI remains outstanding, it shall not, without the prior approval of IDBI, dispose off its investment in the shares of CEAT Ltd.
- b) The Company has given non-disposal undertaking to ICICI Bank Ltd, which had sanctioned loan to CESC Ltd as part its of restructuring package, that so long any part of the loan disbursed by the ICICI remains outstanding, it shall not, without the prior approval of ICICI, dispose off its investment in the shares of CESC Ltd.
- c) The Company has given non-disposal undertaking to ICICI Bank Ltd, Singapore in respect of the Company's holding of 29,93,384 equity shares of Rs. 10/- each in CESC Ltd for availing of financial assistance by them.
- d) The Company has given non-disposal undertaking to ICICI Bank Ltd, Bahrain in respect of the Company's holding in CEAT Ltd for availing of External Commercial Borrowing (ECB) by them.
- e) The Company has given non-disposal undertaking to ICICI Bank Ltd, Hong Kong in respect of the Company's holding in Phillips Carbon Black Ltd for availing of External Commercial Borrowing (ECB) by them.

Schedule forming part of the Consolidated Balance Sheet and Profit and Loss Account

- f) The Company has given non-disposal undertaking to Yes Bank in respect of the Company's holding of 10,00,000 equity shares of Rs.10/- each in Noida Power Company Ltd and not to transfer, assign, dispose of, pledge, charge or create any lien or in any way encumber existing & future investment in that company for certain facilities taken/availed by Noida Power Company Ltd.
- g) The Company has furnished a lock up letter in respect of shareholding of 16,95,728 Equity Share of Rs.10 each of CESC Limited held by the Company to the joint lead Managers of CESC Ltd. for the issue of CESC Ltd. under Qualified Institutional Placement (QIP) in accordance with chapter XIII-A of Securities and Exchange Board of India (Disclosure Investors and Protectors) guidelines, 2000.
- h) The Company (erstwhile Bespoke Finvest Ltd) has been recognised as one of the promoter Company as per SEBI (Substantial Acquisition of Shares and Takeover) Regulation 1997 of CESC Ltd. As per the requirement of Debt restructuring arrangement entered into by these Companies, the Company has pledged 14,08,317 shares of CESC Ltd. amounting to Rs. 2,746.22 lacs (Book value) to IDBI Trusteeship Services Ltd (*previous year aggregating Rs. 3,497.50 lacs*).
No income/fee has been stipulated in return of Pledge of shares and reliability of value of these Investments will depend on the performance and compliance by these companies of the terms and conditions stipulated in the Pledge agreement. The Board of Directors is of the opinion that restructuring will enhance the intrinsic value and will yield appreciation in future.
- i) No provision is considered necessary in respect of pledge of shares to financial institutions/ banks for Debt Restructuring arrangements on behalf of the other companies amounting to Rs. 2,746.22 lacs book value (*previous year Rs. 3,497.50 lacs*) and in respect of corporate guarantee given to the lenders of KEC International Limited of Rs. 263 crores as referred in para 2(c)(ii) above.
4. In case of KHL
- a) The Company has invested Rs. 265 lacs in Redeemable preference shares of KEC International Limited (2,45,000 shares of Rs. 100/- each) which are redeemable on 25th March, 2013 at a premium of Rs. 100/- per share with put and call option from 26th March, 2010.
- b) Investment in CEAT Limited of 62,17,144 equity shares were split into 75% shares of CEAT Limited and 25% shares of CHI Investments Limited as per the Scheme of Arrangement between CEAT Limited & CHI Investments Limited approved by the Hon'ble High Court of Judicature at Bombay on 23rd November, 2007. Accordingly Company received 46,62,858 equity share of Rs. 10 each in CEAT Limited and 15,54,286 shares in CHI Investments Limited during the year.
- c) Investment in RPG Transmission Limited of 3,00,100 equity shares of Rs 10/- were converted into 1,33,377 equity shares of Rs 10/- each of KEC International Limited as per the scheme of arrangement between the KEC International Limited and RPG Transmission Limited approved by the Hon'ble High Court of Judicature at Bombay on 18th January 2008 and at Jabalpur on 24th and 25th January 2008.
- d) During the year, the Company has received 11,968 equity share of Rs. 10/- per share of Octav Investments Limited as per the Scheme of Arrangement between KEC International Limited (KEC), RPG Transmission Limited (RPGT), National Information Technologies Limited (NITEL), MP Power Line Limited (Now Known as Octav Investments Limited) approved by the Hon'ble High Court of Judicature at Bombay on 18th January 2008 and at Jabalpur on 24th January and 25th January 2008.
- e) During the year, the Company invested in 40,000 equity share of Rs. 10/- each of Octav Investments Ltd. on 6th August, 2007 being 80% of total issued capital of Octav Investments Ltd and Octav Investments Ltd became the subsidiary of the Company during the period 6th August, 2007 to 30th January, 2008. These share were cancelled as per the Scheme of Arrangement approved by the Hon'ble High Court of Judicature at Bombay on 18th January 2008 and at Jabalpur on 24th and 25th January 2008. These investments were temporary in nature.
- f) During the year, the Company has acquired 49,930 equity shares of Rs. 10/- each in CHI Investments Limited being 99.86% of the total capital of that Company and CHI Investments Limited became the subsidiary of the Company for the period 11th May, 2007 to 4th June, 2007. The Company has sold 25,000 shares of CHI Investments of Rs.10/- each on 4th June, 2007. These investments were temporary in nature.
- g) In case of KHL, the Company received certain shares against the trade advance of Rs. 821.61 lacs made in the previous year.
- h) In the case of KHL, certain shares and debentures are pending for transfer/ demat in the name of KHL and certain Preference shares are yet to be received by KHL.

Summit Securities Limited

Schedule forming part of the Consolidated Balance Sheet and Profit and Loss Account

- i) In the case of KHL, the investment in Subsidiary and Jointly controlled entities are pending for transfer in the name of KHL and are subject to statutory approval of the concerned authorities of the respective countries.

5. Managerial remuneration:

	<u>Rs. in lacs</u>	<u>Previous Year Rs. in lacs</u>
To directors, other than the Managing Director Fees	<u>1.47</u>	<u>3.46</u>
	<u>1.47</u>	<u>3.46</u>

*Excludes Rs.1.31 lacs paid for insurance premium for director & officers insurance liability policy.

6. Related Party Disclosures

- (a) Parties with whom transactions have taken place :
Key Management Personnel- Mr. Sachin Raole- Manager.
- (b). Key Management Personnel - Remuneration Rs. NIL

Note: No amount has been written off/provided for or written back during the year in respect of debts due from or to related parties.

7. (a) In earlier year, consequent to the special resolution passed by the Company by Postal Ballot to issue, offer and allot upto 65,50,000 Equity Shares of the face value of Rs. 10 each and / or upto 96,25,000 warrants to certain promoters and other bodies corporates on preferential basis under section 81(1A) of the Companies Act, 1956, 43,00,000 Equity shares of the face value of Rs. 10 each at a premium of Rs. 16.43 per share and 65,72,000 warrants were allotted on 30th March, 2007 on preferential basis to specified promoters and body corporates. During the year, Company received balance amount of Rs. 23.787 per warrant and allotted 65,72,000 equity shares of Rs. 10 each on 22nd October 2007 at a premium of Rs. 16.43 per share. The premium has been credited to Securities Premium Account.
- (b) Subsequent to the year, consequent to the special resolution passed by the Company by Postal Ballot to issue, offer and allot upto 51,80,000 Equity Shares of the face value of Rs. 10 each to certain promoters and other bodies corporates on preferential basis under section 81(1A) of the Companies Act, 1956. 51,80,000 Equity shares of the face value of Rs. 10 each at a premium of Rs. 21 per share were allotted on 27th June, 2008 on preferential basis to specified promoters and body corporates.
8. The group's business is investment in securities which is considered as one segment. As such, there is no other separate reportable segment as defined by Accounting Standard -17 "Segment Reporting".
9. "Prior Period Item" in profit & loss account of Rs. 287.87 lacs is a payment during the year to a bank for advisory services for disposal of land in earlier year.
10. The Company has given an undertaking in terms of the consent given by the consortium of banks for KEC International Limited to the scheme of arrangement that the Company will continue/retain its shareholdings in KEC Holdings Limited.
11. During the year, Company made a provision for income tax as calculated under section 115JB of the Income Tax Act, 1961 on book profit amounting to Rs. 168.34 lacs as per the Finance Act, 2008 with retrospective effect from the year 2000-01.
12. Basic/ Diluted earnings per share has been calculated by dividing the loss for the year after taxation and after adjustment of minority interest of Rs.80.24 lacs (*previous year profit Rs. 878.16 lacs*) by 4,48,34,736 (*previous year 3,76,59,416*) being the weighted average number of equity shares outstanding during the year.
13. Previous year's figures have been regrouped where necessary to conform to those of the current year.

Signatures to Schedules 1 to 13 which form an integral part of the accounts.
For and on behalf of the Board

R. D. CHANDAK
Chairman

VIMAL KEJRIWAL
Director

J. M. KOTHARY
Director

Mumbai
Dated : 30th June 2008

KAJAL PAREKH
Company Secretary

Summit Securities Limited

Consolidated Cash Flow Statement For The Year Ended 31st March, 2008

	Rs. in lacs	Rs. in lacs	<i>Previous Year</i>	
			<i>Rs. in lacs</i>	<i>Rs. in lacs</i>
A] CASH FLOW FROM OPERATING ACTIVITIES :				
PROFIT / (LOSS) AFTER PRIOR PERIOD ITEMS AND BEFORE TAXATION		132.03		978.55
Adjusted for :				
Depreciation	-		0.81	
Profit on sale of fixed assets	-		(2,904.49)	
Furniture & fixtures written off	-		2.95	
Write off of Receivable for income tax deducted at source	-		254.33	
Prior period item	287.87		-	
Interest expenses	-		253.78	
Interest income (net)	-	287.87	384.40	(2,008.22)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		419.90		(1,029.67)
Changes in:				
Trade and other receivables	1,697.21		(1,913.09)	
Trade and other payables	(2.73)	1,694.48	883.85	(1,029.24)
CASH GENERATED FROM OPERATIONS		2,114.38		(2,058.91)
Direct Taxes (Paid)/ refund of taxes (net)		(79.13)		136.39
CASH FLOW BEFORE EXCEPTIONAL ITEMS		2,035.25		(1,922.52)
EXCEPTIONAL ITEM : Prior period expenses		(287.87)		-
NET CASH FROM OPERATING ACTIVITIES (A)		1,747.38		(1,922.52)
B] CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets		-		(729.00)
Proceeds from sale of fixed assets (net of expenses)		-		8,462.22
Purchase of investments (Note 1)		(2,935.53)		(1,973.50)
Interest - on Inter corporate loans, bank deposits, income tax, etc.		-		13.74
NET CASH FROM INVESTING ACTIVITIES (B)		(2,935.53)		5,773.46
C] CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from equity shares (including premium) [Note 7(a) of Schedule 14]		1,563.29		1,136.49
Proceeds from warrants		-		173.69
Proceeds from long term borrowings		-		1,500.00
Repayment of long term borrowings		-		(3,686.67)
Preferential allotment expenses incurred		(1.35)		-
Increase in balance in current account with KEC International Limited (Net)		(290.00)		(1,844.32)
Interest paid		-		(254.88)
Dividend paid (including deposited with Investors Education & Protection fund)		(18.56)		(11.44)
NET CASH USED IN FINANCING ACTIVITIES (C)		1,253.38		(2,987.13)

Summit Securities Limited

Consolidated Cash Flow Statement For The Year Ended 31st March, 2008

	Rs. in lacs	Rs. in lacs	Rs. in lacs	Previous Year Rs. in lacs
NET (DECREASE)/ INCREASE IN CASH/CASH EQUIVALENTS (A+B+C)		<u>65.23</u>		<u>863.81</u>
CASH AND CASH EQUIVALENTS AS AT THE COMMENCEMENT OF THE YEAR		912.25		48.44
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR		977.48		912.25
NET (DECREASE)/ INCREASE IN CASH/CASH EQUIVALENTS		<u>65.23</u>		<u>863.81</u>

Notes :

1. Purchase of investments are net off of investment made in Octav Investments Limited and cancelled - refer note 4(e) of Schedule 13.
2. Previous year figures have been regrouped to conform with those of the current year.

Per our report attached to the Consolidated Balance Sheet
For **R.C. VAKHARIA & CO.**
Chartered Accountants

For and on behalf of the Board

R. D. CHANDAK
Chairman

ROHIT VAKHARIA
Proprietor
Membership No. 33728

VIMAL KEJRIWAL
Director

KAJAL PAREKH
Company Secretary

J. M. KOTHARY
Director

Mumbai
Dated : 30th June 2008

Mumbai
Dated : 30th June 2008

Disclosure in respect of KEC Holdings Limited, subsidiary of the Company for the year ended 31st March, 2008

Sr. No.	Details	Rs. in Lacs	Previous Year Rs. in Lacs
(a)	Capital (Including share application money)	590.80	252.00
(b)	Reserves	16,110.63	15,021.33
(c)	Total Asstes	16,701.43	15,273.33
(d)	Total Liabilities	16,701.43	15,273.33
(e)	Investments	16,482.44	13,546.91
(f)	Turnover	430.85	158.51
(g)	Profit before taxation	401.80	112.98
(h)	Provision for taxation	37.00	0.00
(i)	Profit after taxation	364.80	112.98
(j)	Proposed Dividend	0.00	0.00

ATTENDANCE SLIP

SUMMIT SECURITIES LIMITED

Registered Office: CEAT Mahal, 463, Dr. Annie Besant Road, Worli, Mumbai - 400030.

* D.P. Id

Folio No.

Client. Id.

No. of share(s) held

I hereby record my presence at the SIXTY SECOND ANNUAL GENERAL MEETING of the Company at to be held at the NAB the Workshop for the Blind, Dr. Annie Besant Road, Mumbai 400025 on Friday, 26th September 2008 at 10.30 a.m

Please complete the Attendance Slip and hand it over at the entrance of the Meeting Hall. Please also bring your copy of the Annual report.

NAME OF THE SHAREHOLDER (IN BLOCK LETTERS)	<input type="text"/>
SIGNATURE OF THE SHAREHOLDER OR PROXY	<input type="text"/>

Tear here

PROXY FORM

SUMMIT SECURITIES LIMITED

Registered Office: CEAT Mahal, 463, Dr. Annie Besant Road, Worli, Mumbai - 400030.

* D.P. Id

Folio No.

Client. Id.

No. of share(s) held

I/We _____ of _____ being a member/members of Summit Securities Limited, hereby appoint _____ of _____ or failing him _____ of _____ as my/our proxy to vote for me/us and or my/our behalf at the Sixty Second Annual General Meeting of Summit Securities Limited to be held at the NAB the Workshop for the Blind, Dr. Annie Besant Road, Mumbai 400025 on Friday, 26th September 2008 at 10.30 a.m or at any adjournment thereof.

Signed this _____ day of _____, 2008

* Applicable for members holding shares in dematerialized form.

Affix
Re. 1/-
Revenue
Stamp

Signature _____

Note: The Proxy in order to be valid should be duly stamped, completed and signed and must be deposited at the Registered Office of the company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the company.

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463, Dr. Annie Besant Road
Worli, Mumbai - 400 030.