

KARTIK INVESTMENTS TRUST LIMITED



**26th ANNUAL REPORT
2003-2004**

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NOTICE TO SHAREHOLDERS

Notice is hereby given that the twenty sixth annual general meeting of the shareholders of Kartik Investments Trust Limited will be held at the Registered Office of the Company, 'Parry House', II Floor, No.43, Moore Street, Chennai 600 001 at 4 p.m. on Monday, the 26th July 2004 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March, 2004 and the Balance Sheet as at that date and the Report of the Board of Directors and the Auditors thereon.
2. To appoint a director in the place of Mr. R Surendran, Director who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration. M/s. Shanker Giri and Prabhakar, the retiring auditors are eligible for re-appointment.

SPECIAL BUSINESS:

4. To consider and if deemed fit, to pass, with or without modification(s), the following as an ORDINARY RESOLUTION:

RESOLVED THAT Mr. N Jayaraman be and is hereby appointed as a director of the Company.

5. To consider and if deemed fit, to pass, with or without modification(s), the following as an ORDINARY RESOLUTION:

RESOLVED THAT Mr. Suresh Krishnan be and is hereby appointed as a director of the Company.

On Behalf of the Board

PLACE : Chennai
DATE : 9 June 2004

R SURENDRAN
CHAIRMAN

NOTES

1. A member entitled to attend and vote at the above meeting may appoint one or more proxies to attend and vote instead of him. The proxy need not be a member of the Company. Proxy to be valid shall be deposited with the Company not later than forty eight hours before the time for holding the meeting.
2. The Register of members and share transfer books will remain closed from Wednesday, the 21st July 2004 to Monday, 26th July 2004 (both days inclusive).

3. The Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of item Nos. 4 and 5 is annexed.
4. Members are requested to notify immediately any change in the address to the Registered Office of the Company.

On behalf of the Board

PLACE : Chennai
DATE : 9 June 2004

R SURENDRAN
CHAIRMAN

EXPLANATORY STATEMENT UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956

Item No. 4

Mr. N Jayaraman was appointed as an additional director by the Board of Directors on 8th June 2004 and holds office up to the date of this annual general meeting.

The Company has received a notice along with a deposit of Rs.500/- from a member of the company under Section 257 of the Companies Act, 1956 proposing the appointment of Mr. N Jayaraman as a director of the company.

Interest of Directors

Mr. N Jayaraman is interested in the resolution. None of the other directors is concerned or interested in the resolution.

Item No. 5

Mr. Suresh Krishnan was appointed as an additional director by the Board of Directors on 8th June 2004 and holds office up to the date of this annual general meeting.

The Company has received a notice along with a deposit of Rs.500/- from a member of the company under Section 257 of the Companies Act, 1956 proposing the appointment of Mr. Suresh Krishnan as a director of the company.

Interest of Directors

Mr. Suresh Krishnan is interested in the resolution. None of the other directors is concerned or interested in the resolution.

On behalf of the Board

PLACE : Chennai
DATE : 9 June 2004

R SURENDRAN
CHAIRMAN

DIRECTORS' REPORT

Your directors have pleasure in presenting the twenty sixth annual report together with the audited accounts for the year ended 31st March, 2004.

OPERATIONS

During the year under review, the Gross income of the Company is Rs.187.98 lacs against an income of Rs.223.53 lacs during the last year. The drop in income is on account of losses in certain investments. The operations during the year have resulted in a profit after tax of Rs.15.23 lacs against a profit of Rs.42.81 lacs during the previous year.

DIRECTORS

At the ensuing annual general meeting, Mr. R Surendran, Director retires by rotation and being eligible offers himself for re-appointment.

Mr. N Jayaraman and Mr. Suresh Krishnan were appointed as additional directors by the Board of Directors on 8th June 2004 and hold office up to the ensuing annual general meeting. The company has received notices from members under the provisions of section 257 of the Companies Act, 1956 proposing the appointments of Mr. N Jayaraman and Mr. Suresh Krishnan as directors.

Mr. R Eswaran and Mr. S K Subramanian have resigned from the Board effective 9th June 2004 due to other pre-occupations. The Board places on record its appreciation for the services rendered by Mr. Eswaran and Mr. Subramanian during their tenure.

AUDITORS

M/s. Shanker Giri and Prabhakar, Chartered Accountants, Chennai retire from the office of auditors and are eligible for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT

The Directors Responsibility Statement under Section 217 (2AA) of the Companies Act, 1956 is attached and is forming part of this report.

CERTIFICATE UNDER SECTION 383A OF THE COMPANIES ACT, 1956

Certificate as required under section 383A of the Companies Act, 1956 is attached with this report.

GENERAL

During the year, there was no employee covered by the provisions of section 217(2A) of the Companies Act, 1956. There is no information to be disclosed under the Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 in respect of particulars relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo.

There were no unclaimed/overdue deposits lying with the Company as on 31st March 2004. The shares of your company are listed in The Stock Exchange, Mumbai, situated at Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 001.

On behalf of the Board

PLACE : Chennai
DATE : 9 June 2004

R SURENDRAN
CHAIRMAN



DIRECTORS' RESPONSIBILITY STATEMENT*(Annexure to the directors report)*

The Directors accept the responsibility for the integrity and objectivity of the Profit & Loss Account for the year ended 31st March 2004 and the Balance Sheet as at that date ("financial statements") and confirm that:

- in the preparation of the financial statements the generally accepted accounting principles (GAAP) of India and applicable accounting standards issued by the Institute of Chartered Accountants of India have been followed.
- appropriate accounting policies have been selected and applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit of the company for that period
- 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. To ensure this, the company has established internal control systems, consistent with its size and nature of operations, subject to the inherent limitations that should be recognized in weighing the assurance provided by any such system of internal controls. These systems are reviewed and updated on an ongoing basis.
- the financial statements have been prepared on a going concern basis

On behalf of the Board

PLACE : Chennai
DATE : 9 June 2004

R SURENDRAN
CHAIRMAN

R. Sridharan & Associates
Company Secretaries

'SRIBHAV' Plot No. 33, New No. 4, Third Street,
Bhuvaneswari Nagar, Adambakkam, Chennai - 600088
Phone : 22531912 Fax : 22530608 sribhav@eth.net

18-12913

COMPLIANCE CERTIFICATE

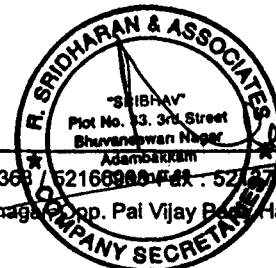
Name of the Company : KARTIK INVESTMENTS TRUST LIMITED
Registration No. of the Company : 18-12913
Authorized Capital : Rs.1,00,00,000/-
Paid-up Capital : Rs. 24,40,000/-

To,
The Members
KARTIK INVESTMENTS TRUST LIMITED
"Parry House"
II Floor, No.43, Moore Street,
Parrys
Chennai - 600 001.

We have examined the registers, records, books and papers of **KARTIK INVESTMENTS TRUST LIMITED** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended **31st March 2004**. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company is a Public Limited Company and has the minimum prescribed paid up capital.
4. The Board of Directors duly met **Five (5)** times on 23rd April 2003, 26th June 2003, 30th July 2003, 17th October 2003 and 20th January 2004 in respect of which meetings proper notices were given and proceedings were properly recorded and signed including circular resolution passed on 31st May 2003 in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 24th July 2003 to 28th July 2003 and necessary compliance of Section 154 of the Act has been made.
6. The **Twenty-fifth Annual General Meeting** for the financial year ended **31st March 2003** was held on **28th July 2003** after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No extra-ordinary general meeting was held during the financial year ended 31st March 2004.
8. The Company has not advanced any loans or given any guarantees or provided any securities to its directors or persons or firms or companies referred under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company was not required to make any entries in the register maintained under Section 301 of the Act.

KARTIK INVESTMENTS TRUST LIMITED



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Bangalore : 658-57, First Floor, Laxmi Venkateswara Arcade, 11th Main, IV Block, Jayanagar 4th Stage, Opp. Pal Vijay Park Hall, Bangalore - 560011
Phone : 080 - 30620640 rsablr@sify.com

18-12913

11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of directors, members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year ended 31st March 2004.
13. The Company:
 - (i) has not effected any allotment of shares during the financial year ended 31st March 2004.
 - (ii) has delivered all the certificates on lodgment thereof for transfer/transmission in accordance with the provisions of the Act
 - (iii) has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year ended 31st March 2004.
 - (iv) was not required to post warrants to any member of the Company as no dividend was declared during the financial year ended 31st March 2004.
 - (v) has no unpaid dividend to be transferred to Investor Education and Protection Fund.
 - (vi) has not issued any shares or debentures and has not accepted any deposits and hence the question of transfer of application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund does not arise.
 - (vii) duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of Mr. R. Surendran as director at the 25th Annual General Meeting held on 28th July 2003 who was earlier appointed as an Additional director has been duly made. There was no appointment of additional director/alternate directors or directors to fill casual vacancy during the year under review.
15. The Company has not appointed any Managing Director / Whole-time Director / Manager during the financial year under review.
16. The Company has not appointed any sole selling agents during the financial year ended 31st March 2004.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and / or such authorities prescribed under the various provisions of the Act during the financial year ended 31st March 2004.
18. The directors have disclosed their interest in other firms/ Companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year ended 31st March 2004.
20. The Company has not bought back any shares during the financial year and hence the question of complying with the buy back provisions does not arise.
21. The Company has no preference share capital and has not issued debentures and hence the question of redemption of preference shares or debentures during the financial year under review does not arise.

KARTIK INVESTMENTS TRUST LIMITED

