



**KINETIC**  
TRUST LIMITED

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XIV<sup>th</sup>  
Annual Report  
2005-2006

**KINETIC TRUST LIMITED**

<b>BOARD OF DIRECTORS</b>	
Vinod Bansal	Director
Rajesh Arora	Director
Ashok Juneja	Director
Vinay Aggarwal	Director
<b>BANKERS</b>	
State Bank of Indore	Bank of India
<b>AUDITORS</b>	
Rajesh B Mangla & Associates	LEGAL ADVISORS
102, Guru Chambers, 2501/8, Beadon Pura, Ajmal Khan Road, Karol Bagh New Delhi- 110005	Pramod Verma
<b>REGISTERED OFFICE</b>	
527-R City Tower, IIInd Floor, Model Town, Ludhiana – 141002 TEL: 0161 5000524, 2428238 FAX: 0161 2430029	<b>CORPORATE OFFICE</b>
<b>SHARE TRANSFERS AND OTHER COMMUNICATIONS</b>	
Shares Department Intime Spectrum Registry Limited A-31, IIIrd Floor, Naraina Industrial Area, Phase-I, Near PVR Naraina, New Delhi –110 028 Tel.: 51410592-94 Fax: 51410591 Email: delhi@intimespectrum.com	1406, Vikram Tower, 16, Rajendra Place, New Delhi – 110 008. Tel.: 55402000-4 Fax : 25860460 Email: kintrust@vsnl.com
<b>INVESTORS GRIEVANCES</b>	
<b>MR. DEEPAK JENA</b>	
<b>COMPLIANCE OFFICER,</b>	
Kinetic Trust Limited 1406, Vikram Tower, 16, Rajendra Place, New Delhi – 110 008.	

## NOTICE

Notice is hereby given that Fourteenth Annual General Meeting of the Members of Kinetic Trust Limited will be held as scheduled below:

Day: Saturday  
Date: 29.09.2006  
Time: 12.30 PM  
Place: 527R, City Tower, 2<sup>nd</sup> Floor, Model Town, Ludhiana

To transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2006 and Profit & Loss account for the year ended on that date together with the reports of the Board of Directors and Auditors thereon.
2. To appoint Directors in place of those retiring by rotation.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company.

For and on behalf of the  
Board of directors

Date: 25.08.2006  
Place: New Delhi

Sd/-  
Vinod Bansal  
Director

### NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. Proxies in order to be effective must be received by the company not less than 48 hours before the meeting.
2. All the documents referred to in the accompanying Notice are open for inspection at the Registered Office of the company during Office hours on all working days except Sundays and Holidays between 11.00 a.m. and 1.00 p.m. up to the date of this Annual General Meeting.
3. Members desiring any information on accounts etc. are requested to write to the Company at least 10 days in advance of the Meeting so as to enable the Management to keep the information ready.
4. Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting.
5. The Register of Members & Share Transfer Books will remain closed on 27<sup>th</sup> September 2006 and 28<sup>th</sup> September 2006
6. Shareholders are requested to intimate the Company for change of address, if any, immediately for updating of records.
7. No gifts will be distributed in the Annual General Meeting.

## DIRECTOR'S REPORT

Dear Members,  
Kinetic Trust Limited,  
Ludhiana

Your directors take great pleasure in bringing this FOURTEENTH Annual Report on the business and operations of the company for the financial year 2005-06.

## FINANCIAL RESULTS

The financial highlights of the company in the financial year 2005-06 as compared to previous year are tabled below for your consideration:

Particulars.	Current year	Previous Year
Sales	0.00	0.00
Other Income	11.27	20.38
Profit (Loss)/before dep. / amortization	2.17	6.50
Dep. / amortization etc.	1.45	2.36
Profit/(loss) before tax	0.71	4.15
Dividend	NIL	NIL

## PERFORMANCE OF THE COMPANY

The company concentrated on its main business activity of corporate consultancy and financial services. The company results have improved in a modest way as compared to previous year results. On the basis of its professional strength and expertise in consultancy the company proposes to make all its efforts to sustain the trend of growth at a good pace in the coming years.

## AUDITORS

The Board has received recommendation from a member for appointment of M/S S P Monga & Company, Chartered Accountants as a statutory Auditor of the Company as M/s Rajesh B. Mangla & Associates; the retiring Auditors have informed the company that they do not wish to seek re-appointment. The Board wishes to place on record its appreciation for the efforts and valuable contributions made by M/S Rajesh B. Mangla & Associates.

## DIRECTORS

There was no change in the Directors during the year. In accordance with the provision of the Companies Act, 1956 and Articles of Association of the Company Mr. Vinod Bansal retires at the Fourteenth Annual General Meeting and being eligible offers himself for reappointment.

## DIRECTORS RESPONSIBILITY

As per the requirement of section 217(2AA) of the companies act, your directors confirm as under:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed along with the proper explanations relating to material departures;

2. We have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
3. We have taken proper and sufficient care for the maintenance of adequate Accounting records in accordance with the provision of the companies act, 1956 for safeguarding the assets of the company and for maintaining and detecting fraud and other irregularities;
4. We have prepared the annual accounts on a going concern basis.

#### **REGISTRATION WITH RESERVE BANK OF INDIA AS NBFC**

The company is registered with the Reserve Bank of India as a NBFC within the provisions of the NBFC (Reserve Bank of India) Directions, 1998.

#### **INFORMATION PURSUANT TO THE PROVISIONS OF PARA 10 OF NON-BANKING FINANCIAL COMPANIES (RBI) DIRECTIONS, 1977**

Neither the Company has accepted any Public Deposits during the year nor the Company is holding prior Public Deposits, therefore the information called for is not applicable.

#### **PARTICULARS OF EMPLOYEES**

The particulars required under section 217(2A)(b)(ii) of the Companies Act, 1956 read with the companies (Particulars of the employees) Rules, 1975 as amended are not applicable as none of the employees of the company is in receipt of remuneration more than the prescribed under section 217(2A) of the companies act 1956 as amended and therefore no information in this regard is required.

#### **AUDITORS REPORT**

The notes referred to by the auditors in their report are self explanatory and therefore these do not call for any future comments on the Auditors Report under section 217(3) of the Companies Act, 1956.

#### **CORPORATE GOVERNANCE**

The compliance with requirements of clause 49 of the Listing Agreement with regard to Corporate Governance as per schedule prescribed by the Stock Exchange is being taken care of.

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

The company is a finance company, therefore the information with regard to conservation of energy, technology absorption as required by the Companies (Disclosure of particulars in the board of directors) Rules 1988 relating to conservation of energy and technological absorption do not apply and hence no disclosure is being made in this report.

**FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Particulars	Current Year (Rs.)	Previous Year (Rs.)
(a) Foreign Exchange Inflow	Nil	Nil
(b) Foreign Exchange outflow	Nil	Nil

**OTHER INFORMATION**

All other information pursuant to requirements of Section 217 of the Companies Act, 1956 read with the rules is either Nil or Not Applicable.

**ACKNOWLEDGEMENTS**

Your directors place on record their sincere appreciation of the sustained and decided efforts put in by the employees at all the levels. The company is also grateful to the bankers for their continuing assistance and co-operation.

Your directors sincerely thank the shareholders of the Company for the confidence reposed by them in the Company and for the continued support extended by them to the company.

For and on behalf of the  
Board of directors

Date: 25.08.2006

Place: New Delhi

Sd/-  
Vinod Bansal  
Director

## REPORT ON CORPORATE GOVERNANCE

(Forming part of Director's Report for the year ended 31<sup>st</sup> March 2006)

### Company's Philosophy on code of Governance

The company is committed to good corporate governance. The company respects the rights of its shareholders to information on the performance of the company and it is its endeavor to maximize the long-term value to the shareholders of the company. The Compliance Report is prepared and given below in conformity with the mandatory requirements of the Listing Agreement with the Stock Exchanges.

### Board of Directors

The composition of Board of Directors as on 31<sup>st</sup> March 2006 is as follows:

Category	No. of Directors	%
Promoters/ Executive Directors	2	50%
Non-executive Directors	2	50%

- Five board meetings were held during the year. The dates on which the meetings were held are as follows:  
30<sup>th</sup> April 2005, 16<sup>th</sup> July 2005, 22<sup>nd</sup> August 2005, 29<sup>th</sup> October 2005 and 27<sup>th</sup> January 2006.
- The attendance of directors at Board Meetings and at the last Annual General Meeting and the number of other directorships and committee memberships in public companies (being a director as on the date of Director's Report) is given below:

Name of Director	Category of Directorships	No. of Board Meetings attended	Last AGM attended	No. of other Directorships held in public companies	No. of other committee Memberships
Vinod Bansal	Promoter/ Executive	5	Yes	-	Nil
Rajesh Arora	Promoter/ Executive	5	Yes	-	Nil
Ashok Juneja	Non Executive	5	Yes	3	Nil
Vinay Aggarwal	Non Executive	2	Yes	-	Nil

### Audit Committee

The provisions of section 292A of the Companies (Amendment) Act, 2000 are not applicable to the company.

### Remuneration to Directors

The Directors are not paid any remuneration.

### Shareholders/Investors Grievance Committee

The company attends the shareholders/investors grievances/ correspondence expeditiously. No share transfers were pending as on 31.03.2006.

### General Body Meeting

The last three Annual General Meeting was held at 527R, City Tower, Model Town, Ludhiana and previous was at D-185, Phase-VI, Focal Point, Dhandri Kalan, and Ludhiana.

No special resolutions were put through postal ballot last year.

### Disclosure

The company has not entered into any transaction of material nature with the promoters, the Directors or the management, their subsidiaries or relatives, etc., that may have any potential conflict with the interests of the company.

The company has complied with the requirements of the stock exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years. There were no penalties imposed nor any strictures passed on the company by the stock exchanges, SEBI or any other statutory authority relating to the above.

### Means of communication

The quarterly results are published in the newspapers and are not being sent to each household of shareholders.

The results are usually published in the following newspapers:

1. The Pioneer
2. Veer Arjun

### General Shareholder Information

Date, Time and Venue of the AGM	Saturday, 29 <sup>th</sup> September 2006 at 12.30 p.m. at 527R, City Tower, Model Town, Ludhiana
Financial Calendar	April to March
Adoption of quarterly results for the quarter ending	3 <sup>rd</sup> / 4 <sup>th</sup> week of
30 <sup>th</sup> June 2006	July 2006
30 <sup>th</sup> September 2006	October 2006
31 <sup>st</sup> December 2006	January 2007
31 <sup>st</sup> March 2007	April 2007
Date of Book Disclosure	27 <sup>th</sup> September and 28 <sup>th</sup> September 2006
Dividend Payment date	NA
Listing on stock Exchange	Ludhiana Stock exchange Ass. Ltd., The Stock Exchange Mumbai, The Delhi Stock Exchange Ass. Limited
Address for correspondence	<b>Regd. Off:</b> 527R, City Tower, Second Floor, Model



	<p>Town, Ludhiana</p> <p><b>Corp. Off:</b> 1406, Vikram Tower, Rajendra Place, New Delhi-110008.</p> <p><b>Registrar and transfer agents:</b> M/s Intime Spectrum Registry Limited A-31, 3<sup>rd</sup> Floor, Naraina Industrial Area, Phase-I, New Delhi-110028.</p>								
Share Transfer System	The transfers are being care by the transfer agents M/s Intime Spectrum Registry Limited and in compliance with the Listing Agreement, every six months, a practicing Company Secretary audits the system and a certificate to the effect is issued and filed with the stock exchanges.								
<p>Distribution of shareholding on 31.03.2006</p> <p>Promoters</p> <p>Non-Promoters</p> <p>- Bodies corporate</p> <p>- Individual</p>	<table> <tr> <th>No. of shares</th><th>%</th></tr> <tr> <td>17,53,000</td><td>52.17%</td></tr> <tr> <td>7,19,500</td><td>21.41%</td></tr> <tr> <td>8,87,500</td><td>26.42%</td></tr> </table>	No. of shares	%	17,53,000	52.17%	7,19,500	21.41%	8,87,500	26.42%
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17,53,000	52.17%								
7,19,500	21.41%								
8,87,500	26.42%								
Dematerialization and Liquidity of shares	The company is in the process of getting connectivity with NSDL and CDSL for dematerialization of the shares of the company.								