



# KINETIC TRUST LIMITED

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XVIII<sup>th</sup>  
Annual Report  
2009 - 2010

**BOARD OF DIRECTORS**

Vinod Bansal  
Rajesh Arora  
Ashok Juneja  
Vinay Aggarwal

Director  
Director  
Director  
Director

**BANKERS**

State Bank of Indore

Bank of India

**AUDITORS**

M/s S.P. Monga & Co.  
101, Guru Chambers,  
2501/8, Beadon Pura,  
Ajmal Khan Road, Karol Bagh  
New Delhi- 110005

**LEGAL ADVISORS**

Pramod Verma

**REGISTERED OFFICE**

527-R City Tower,  
IIInd Floor,  
Model Town,  
Ludhiana – 141002  
TEL: 0161 5000524, 2428238  
FAX: 0161 2430029

**CORPORATE OFFICE**

1406, Vikram Tower,  
16, Rajendra Place,  
New Delhi – 110 008.  
Tel.: 011 66402000-4  
Fax : 25860460  
Email: [kintrust@gmail.com](mailto:kintrust@gmail.com)

**SHARE TRANSFERS AND OTHER COMMUNICATIONS**

Shares Department  
M/s Link Intime Spectrum Registry  
Limited  
A-40, IIInd Floor,  
Naraina Industrial Area, Phase-II,  
New Delhi –110 028  
Tel.: +91 9818022307  
Email: [bharatb@linkintime.co.in](mailto:bharatb@linkintime.co.in)

**INVESTOR'S GRIEVANCES**

Mr. Ranjan Kumar  
Compliance Officer,  
Kinetic Trust Limited  
1406, Vikram Tower,  
16, Rajendra Place,  
New Delhi – 110 008.

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## FORWARD-LOOKING STATEMENT

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, our actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forwardlooking statements, whether as a result of new information, future events or otherwise.

## VALUES & BELIEFS

The Spirit of our company comprises “**The Five Lights**”, each light representing one value of the Company.

### INTEGRITY

We value professional and personal integrity above all else. We achieve our goals by being honest and straight forward with all our stakeholders. We earn trust with every action, every minute of every day.

### PASSION

We play to win. We have a healthy desire to stretch, to achieve personal goals and accelerate business growth. We strive constantly to improve and be energetic in everything that we do.

### QUALITY

We take ownership of our work. We unfailingly meet high standards of quality in both what we do and the way we do it. We take pride in excellence.

### RESPECT

We respect the dignity of every individual. We are open and transparent with each other. We inspire and enable people to achieve high standards and challenging goals. We provide everyone equal opportunities to progress and grow.

### RESPONSIBILITY

We are responsible corporate citizens. We believe we can help make a difference to our environment and change lives for the better. We will do this in a manner that befits our size and also reflects our humility.

**NOTICE**

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

Day : Thursday  
Date : 29.07.2010  
Time : 12:30 p.m.  
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, 2010 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**

**Sd/-**

Date: 29.06.2010  
Place: New Delhi

**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 12:30 p.m. and 1:30 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 from 21<sup>st</sup> July 2010 to 23<sup>rd</sup> July 2010.
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 EIGHTEENTH Annual Report on the business and operations of the company for the Financial Year 2009-10.

## FINANCIAL RESULTS

The financial highlights of the company in the financial year 2009-10 as compared to the previous year are tabled below for your consideration:

PARTICULARS	Amount in ` Lacs	
	CURRENT YEAR	PREVIOUS YEAR
Sales	0.00	0.00
Other Income	24.05	18.33
Profit (Loss)/before Depreciation / Amortization	6.53	4.85
Dep. / amortization etc.	0.74	1.35
Profit/(loss) before tax	5.79	3.49
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 Auditors M/s S.P. Monga & Company, Chartered Accountants retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if reappointed. Your directors recommend their appointment.

## 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. Rajesh Arora retires at the Eighteenth Annual General Meeting and being eligible offers himself for reappointment.

## DIRECTOR'S RESPONSIBILITY

The directors' responsibility statement as required under section 217(2AA) of the Companies Act, 1956, reporting the compliance with the accounting standards, is attached and forms a part of the directors' report.

## 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.

**MANAGEMENT DISCUSSION AND ANALYSIS**

The management discussion and analysis report is attached and forms part of this report.

**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 ( ` )	Previous Year ( ` )
(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: 29.06.2010  
Place: New Delhi

Sd/-  
**Vinod Bansal**  
Director



**DIRECTOR'S RESPONSIBILITY STATEMENT**

The directors accept the responsibility for the integrity and objectivity of the Profit & Loss Account for the year ended 31 March, 2010 and the Balance Sheet as at that date ("Financial Statements") and confirm that:

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.

**For and on behalf of the Board of Directors**

Date: 29.06.2010  
Place: New Delhi

Sd/-  
**Vinod Bansal**  
Director

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The year 2009-10 reflected a comeback for the global economy in general and the Indian economy in particular. Global economies rebounded, ending uncertainty and turbulence. The Indian markets were no different. Catalyzed by a strong fiscal and monetary stimulus package by the Government of India that created ample in-system liquidity, the economy reported a vigorous revival in the second half of the financial year under review.

### OVERVIEW

Uncertainty continues to cloud the shape and pace of global economic recovery. Just as the US seemed to be emerging from its worst recession since the Great Depression, Europe finds itself in the midst of a major crisis. Private spending in advanced economies continues to be constrained and inflation remains generally subdued, making it likely, that fiscal and monetary stimuli in these economies will continue for an extended period. Emerging market economies, just like India, on the other hand, seem to be significantly ahead on the recovery path, but some of the sectors of the Indian Economy are also facing inflationary pressures.

### INDIAN ECONOMY

The monetary policy response in India, in the wake of the global economic crisis, was aimed at instilling confidence in market participants, mitigating the adverse impact of the global financial crisis on the economy and ensuring an early return to the path of recovery. However, in view of the rising food inflation and the risk of broader inflationary expectations, the Reserve Bank began the process of exit from the expansionary monetary policy, beginning October 2009. SLR and CRR were hiked by 100 basis points each, between October 2009 and April 2010, while repo and reverse repo rates were raised by 50 basis points each during the same period. In India, the economic recovery, which began around the second quarter of 2009-10, has since shown sustained improvement. Industrial recovery has become more broad-based and is expected to continue in the wake of rising domestic and external demand. Reversing a nearly yearlong decline, exports and imports have both grown since October/ November 2009. Flow of credit from both bank and non-bank sources has picked up and overall business sentiment has turned distinctively positive. India's GDP growth in 2009-10 has been estimated at 7.4%, driven by 9.3% growth in the industrial sector and 8.5% in the services sector. The abundance of liquidity in the system ensured that interest rates remained reasonable for most part. The developments on the inflation front are, however, far from encouraging. The wholesale price index (WPI) inflation climbed steeply from 1.5 per cent in October 2009 to 9.9 per cent by March 2010. What was initially a problem driven by food prices has now become more generalized. This is reflected in non-food manufactured products inflation rising from (-) 0.4 per cent in November 2009 to 4.7 per cent in March 2010. The Reserve Bank in its Annual policy statement 2010-11, has warned that the current episode of inflation, which was triggered by supply side factors, could develop into a wider inflationary process, with demand side pressures becoming clearly discernible. The fiscal deficit as of February 2010 had been estimated at 6.5% of GDP on a rolling basis, slightly below the full year's estimate of 6.7%. In the Budget for 2010-11, the fiscal deficit for FY 2011 has been estimated at 5.5% of GDP, a reduction of 1.2% from last year's estimate. However, the windfall mobilisation through the recent 3G auction is expected to further reduce the deficit. The outlook for the Indian economy remains broadly positive, with GDP projected to grow at 8.5% in 2010-11, subject to the assumption of a normal monsoon and continued robustness in the growth of the manufacturing and service sectors. On the downside, global commodity and energy prices remain volatile and could adversely impact growth. RBI in its Annual Policy has stated that the monetary policy stance for 2010-11 is intended to:

- Anchor inflation expectations, while being prepared to respond appropriately, swiftly and effectively to further build-up of inflationary pressures.
- Actively manage liquidity to ensure that the growth in demand for credit by both the private and public sectors is satisfied in a non-disruptive way.
- Maintain an interest rate regime consistent with price, output and financial stability.

The policy stance is clearly aimed at promoting growth and ensuring that there is sufficient liquidity at reasonable rates of interest. The major challenge, however, will be to achieve these while keeping inflation within check.