

**KSHITIJ INVESTMENT ADVISORY
COMPANY LIMITED**

FIRST ANNUAL REPORT

2005-2006

Kshitij Investment Advisory Company Limited
Corp Corp. Office: 52/F, Kalpataru Synergy, Opp. Hotel Grand Hyatt, Vakola,
Santacruz (East), Mumbai - 400 055

NOTICE

Notice is hereby given that the First Annual General Meeting of the Members of the Company will be held on Tuesday, 27th day of June, 2006 at 11.30 a.m. at Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai 400 060 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March 2006, the Balance Sheet as on that date together with the Auditors' Report and the Directors' Report thereon.
2. To reappoint Mr Kishore Biyani who is a director liable to retire by rotation and being eligible offers himself for reappointment.
3. To reappoint Mr. Ved Prakash Arya who is a director liable to retire by rotation and being eligible offers himself for reappointment.
4. To reappoint Mr. Ajay Chandra who is a director liable to retire by rotation and being eligible offers himself for reappointment.
5. To appoint auditors in place of the retiring auditors, G.M Kapadia & Company, Chartered Accountants, who being eligible, offer themselves for re-appointment

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

"RESOLVED THAT Mr. Shishir Baijal, whose term of office as an Additional Director of the Company expires at this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Shishir Baijal for the office of the Director be and is hereby appointed as a Director of the Company, who shall not be liable to retire by rotation."

"RESOLVED FURTHER THAT any of the Directors or the Company Secretary be and is hereby authorized to file Form 32 with the Registrar of Companies and do all such acts, deeds and things as may be necessary to give effect to the said resolution."

7. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

"RESOLVED THAT Mr. Puneet Dalmia, whose term of office as an Additional Director of the Company expires at this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Puneet Dalmia, for the office of the Director be and is hereby appointed as a Director of the Company, liable to be retire by rotation."

Regd. Office. Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai 400 060. Tel.: +91-22-5644 2200, Fax : +91-22-56442222

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ANNEXURE TO THE NOTICE

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE
COMPANIES ACT**

As required under Section 173 of the Companies Act, 1956, the following Explanatory Statement sets out the material facts relating to item nos.6, 7, 8 and 9 in the accompanying Notice of the Annual General Meeting of the Company to be held on Tuesday 27th day of June.

ITEM No.6

Mr. Shishir Baijal was appointed by the Board of Directors as an Additional Director and Managing Director of the Company with effect from November 30, 2005. The members at the Extraordinary General Meeting held on December 26, 2005 had approved the terms of his appointment as a Managing Director.

As per Section 260 of the Companies Act, 1956, he holds office of Director up to the date of forthcoming Annual General Meeting. As per Section 257 of the Companies Act, 1956, the Company has received a notice along with deposit proposing the candidature of Mr. Shishir Baijal for the office of the Director of the Company. As per Article 165 of the Company Mr. Shishir Baijal's period of office shall not be liable to be determined by retirement by rotation.

Your directors recommend the resolution for your appointment. Except Mr. Shishir Baijal none of the other directors of the Company is interested or concerned in this resolution.

ITEM No.7

Mr. Puneet Dalmia was appointed by the Board of Directors as an Additional Director of the Company on February 22, 2005. As per Section 260 of the Companies Act, 1956, he holds office up to the date of forthcoming Annual General Meeting.

As per Section 257 of the Companies Act, 1956, the Company has received a notice along with deposit proposing the candidature of Mr. Puneet Dalmia for the office of Director of the Company. The directors propose his appointment as the Director of the Company whose period of office shall be liable to be determined by retirement by rotation.

Your directors recommend the resolution for your appointment. Except Mr. Puneet Dalmia none of the other directors of the Company is interested or concerned in this resolution.

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DIRECTORS' REPORT

To
The Members,
Kshitij Investment Advisory Company Ltd.

Dear Members,

Your Directors present their First Annual Report for the year ended 31st March 2006, together with the Audited Statement of Accounts for the year ended as on that date.

FINANCIAL RESULTS:

The operating results of the company for the year are as follows:

	For the period ended on 31 st March 2006
Net Profit/(Loss) before tax	(9,523,126)
Less : Provision for tax	-
Current Tax	-
Deferred Tax (Net)	33,584
Fringe Benefit Tax	355,280
Net Loss after tax being carried forward.	(9,911,990)

DIVIDENDS:

Your Directors do not recommend the payment of dividends during the year under review

YEAR UNDER REVIEW:

Your Company manages "Kshitij Venture Capital Fund" (KVC), a Rs.350 Cr. domestic fund focused on building quality retail infrastructure projects in Tier II and III Indian cities which are attractive retail markets. Your Company is actively involved in Project Design, Execution, Leasing and formulating the exit strategies.

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