

SHIKHAR LEASING & TRADING LIMITED

ANNUAL REPORT 2003-2004
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DIRECTORS:-
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MR. DAMJI L. SHAH
MR. SANJAY A. DESAI
MR. JADAVJI L. SHAH
MR. VIPUL P. CHHEDA

REGISTERED OFFICE

G-9, Basushree, Cross Road 'A',
Marol, M.I.D.C.
Andheri (East),
Mumbai 400 093.

AUDITORS

M/s. N. B. Purohit & Co
Chartered Accountants

BANKERS

Bank of India

SHIKHAR LEASING & TRADING LIMITED

NOTICE:

NOTICE is hereby given that the Nineteenth Annual General Meeting of the members of SHIKHAR LEASING & TRADING LIMITED will be held at the Registered Office of the Company at Plot No. G-9, Cross Road 'A', M.I.D.C., Marol, Andheri (E), Mumbai-400093 on Tuesday the 30th September, 2004 at 3.00 P.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2004 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri. Sanjay A. Desai , who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

FOR AND ON BEHALF OF THE BOARD.

SD/-

(DIRECTORS)

REGISTERED OFFICE

PLOT NO. G-9, CROSS ROAD 'A',
M.I.D.C., MAROL, ANDHERI (E),
MUMBAI-400093
PLACE : MUMBAI.
Dated : 2nd September, 2004

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing proxy should be deposited at the Registered office of the Company not less than 48 hours before commencing of this meeting.
3. The register of members and transfer books of the Company will remain closed from 23rd September, 2004 to 30th September 2004.

DIRECTORS' REPORT'

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The Members,

The Directors have pleasure in presenting their NINETEENTH Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2004.

| | (Rs.in Lacs) Year ended 31-3-2004 ===== | (Rs.in Lacs) Year ended 31-3-2003 ===== |
|---|--|--|
| Profit (Loss) before Interest, Depreciation and Taxation | (3.04) | 6.79 |
| <u>Add/ (Less):-</u> | | |
| Interest | 2.23 | 0.96 |
| Depreciation | 0.59 | 0.62 |
| Provision for taxation | 0.00 | 1.25 |
| Income Tax of Earlier Year | 0.12 | (2.21) |
| Deferred tax Assets(Liabilities) | (0.70) | 0.03 |
| | ----- | ----- |
| Net profit | (5.29) | 6.14 |
| Balance brought forward. | 220.81 | 214.67 |
| | ----- | ----- |
| Balance carried forward | 215.52 | 220.81 |
| | ===== | ===== |

BUSINESS OVER VIEW.:

During the Current Financial Year Company has started manufacturing of branded electrical goods at khergaum, Dist. Valsad. and Sukesh , Valsad.

DIVIDEND:

In order to conserve the financial resources your directors do not recommend any dividend for the year under report.

DIRECTORATE:-

Shri Sanjay A. Desai retires by rotation and being eligible offers himself for re-appointment .

PARTICULARS OF EMPLOYEES:

The company did not employ anybody drawing remuneration of Rs. 24,00,000/- or more per annum or Rs.2,00,000/-or more per month and hence the question of providing information under section 217(2A) Of the companies Act, 1956 does not arise.

COMPLIANCE CERTIFICATE:

A compliance certificate from D. Kothari & Associates, Company Secretaries, that the company has complied with all the provisions of the Companies Act,1956, pursuant to section 383A of the Companies Act,1956 as amended is attached herewith and forms part of this report.

DISCLOSURES OF PARTICULARS WITH RESPECT TO CONSERVATION ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGES EARNINGS AND OUTGO.

Particulars regarding conservation of energy, technology absorption as required pursuant to section 217 (1) (e) of the Companies Act, 1956, as amended are not given since the said section is not applicable to the Company.

Foreign exchange earnings. Nil
Foreign exchange outgo. Nil

PUBLIC DEPOSIT:

The Company has not accepted any deposit from public. Therefore provision of section 58(A) of Companies Act, 1956 are not applicable to the Company.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provision of Sub-Section (2AA) of section 217 of the companies Act, 1956 your directors confirm:

i) That in the preparation of the annual accounts for year ended 31st March, 2004, the applicable accounting standards had been followed along with proper explanation relating to material departures;

ii) That the Directors had 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 31st March, 2004 and of the loss of the Company for that period;

iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;

iv) That the Directors had prepared the annual accounts for the year ended 31st March, 2004 on a going concern basis.

AUDITORS

M/S. N.B. Purohit & Co., Chartered Accountant present Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment. You are requested to consider their re-appointment.

FOR AND ON BEHALF OF THE BOARD

SD/-
DIRECTOR

PLACE: MUMBAI
Dated : 2nd September, 2004

We have audited the attached Balance Sheet of SHIKHAR LEASING & TRADING LIMITED as at 31st March, 2004, the Profit & Loss Account and 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 statement bases on our Audit.

- 1) We conduct our audit in accordance with Auditing Standards generally accepted in India. Those standard require that we plan and perform the audit to obtain the reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test check 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.
- 2) As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate, and according to the information and explanation given to us, we give in the Annexure, hereto a statement on the matters specified in paragraphs 4 & 5 of the said order to the extent applicable to the Company.
- 3) Further to our comments in the Annexure referred to in paragraph 3 above and subject to the notes to the Balance sheet, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
 - (c) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of account.

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- (d) In our Opinion, The Profit & Loss accounts and Balance Sheet comply with the accounting Standards referred to in sub section 3(c) of Section 211 of the Companies Act, 1956.
- (e) On the basis of written representations received from the Directors, and taken on record by Board of Directors, We report that none of the Directors are disqualified as on 31st March, 2004 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- 4) In our opinion and to the best of information and according to explanations given to us, the said accounts read with significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
- (i) In the case of Balance Sheet of the state of affairs of the Company as at 31st March, 2004.
- (ii) In the case of the Profit & Loss Account of the Loss of the Company for the year ended on that date.
- and
- (iii) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For N. B. PUROHIT & CO
CHARTERED ACCOUNTANTS

SD/-

(N.B. PUROHIT)
PROPRIETOR

PLACE : MUMBAI

DATED : September 2, 2004

ANNEXURE TO AUDITORS' REPORT

REFERRED TO IN PARAGRAPH 2 OF OUR REPORT OF EVEN DATE.

1) In respect of its fixed assets:-

- (a) The Company has maintained proper records showing full particulars including quantitative detail and situation of fixed assets on basis of available information.
- (b) As explained to us, the fixed assets have been physical verified by the management during the year, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. There were no material discrepancies noticed on such verifications.
- (c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year and accordingly the going concern status of the company is not affected.

2) In respect of its inventories:

- (a) The Company was not having any inventories during year as it has not carried out any business activities.

3) In respect of loans secured or unsecured, granted or taken by the company to/ from companies, firms or other parties covered in the registered maintained under section 301 of the Companies Act, 1956.

- (a) The Company has taken loans from Seven parties aggregating to Rs.5.37 lacs during the year. The Company has not granted any loans.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest wherever applicable and other terms & Conditions are not prima facie prejudicial to the interest of the Company.
- (c) In respect of loans taken by the company, all loans have been repaid together with interest during the year.

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4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and also for the sale of goods. During the course of audit, we have not observed any major weaknesses in internal controls.
5. In respect of transaction cover under section 301 of the Companies Act, 1956.:
 - (a) In our opinion and according to the information and explanations given to us, the transaction in made pursuance of contracts or arrangements that needed to be entered into in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion and according to the information and explanations given to us there are no transactions in pursuance of contract or arrangement entered in the register maintained under section 301 of the Companies Act, 1956 aggregating during the year to Rs. 5 Lacs (Rupees Five Lacs Only) or more in respect of any party.
6. The Company has not accepted any deposit from the public.
7. In our opinion, the internal audit system is commensurate with its size and nature of its business.
8. The central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.
9. In respect of statutory dues:
 - a) According to the records of the Company, undisputed statutory dues including provident fund, Investor education and protection fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the Information and Explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2004 for a period of more than six months from the date of becoming payable.

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