TARUN KUMAR TRADE

AND EXPORTS LIMITED

19TH ANNUAL REPORT 2003

CERTIFIED
TRUE COPY

FOR TARUN KUMAR TRADE AND EXPORT LTD.

DIRECTOR

Notice is hereby given that the Nineteenth Annual General Meeting of the Members of **TARUN KUMAR TRADE & EXPORT LTD.** will be held at the registered office of the Company at 422, Tulsiani Chambers, Nariman Point, Mumbai-400 021 at 3.30 P.M. on – Tuesday, the 30th Day of September, 2003 for transacting the following business:

Ordinary Business

1. To consider and adopt the audited Profit & Loss Account for the year ended 31st March, 2003 and the Balance Sheet as on that date together with the Directors and the Auditors Reports thereon.
2. To appoint Director in place of Shri H.G. Joshi who retires by rotation and being eligible for re-appointment.
3. To appoint Auditors and fix their remuneration.

Special Business

4. To consider and if thought fit, to pass with or without modification the following resolution.

   "**RESOLVED THAT** Shri Dhanesh Bhai Ajmera, Additional Director of the Company whose term in office comes to an end at this Annual General Meeting, be and hereby appointed as Director liable to retire by rotation".

BY ORDER OF THE BOARD

H.G. JOSHI
DIRECTOR

Place: Mumbai
Dated: 28-08-2003

Registered Office:
422, Tulsiani Chambers,
Nariman Point,
Mumbai-400 021

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

2. THE PROXY IN ORDER TO BE EFFECTIVE MUST BE LODGED WITH THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

3. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the Special Business is attached.

Explanatory Statement pursuant to Section173 (2) of the Companies Act, 1956.

Special Business

Shri D.B. Ajmera was appointed by the Board of Directors of the Company at its meeting on 01-04-2003 being Additional Director under section 260 of the Companies Act, 1956; he holds office upto the date of ensuing Annual General Meeting. Shri D.B.Ajmera has a vast experience in Steel Business and has been actively involved in Steel Business since last 15 years. The Board is of the view that his continued association with the Company as Director will be immensely useful in furtherance of interest of the Company. The Board recommends his appointment as Director liable to retire by rotation.

None of the Directors are to be deemed as interested in or concerned with the above resolution.

DIRECTORS REPORT

TO THE SHAREHOLDERS

The Directors are pleased to present their Nineteenth Annual Report along the Audited Balance Sheet of the company as at 31st March, 2003 and the Profit and Loss account for the year ended on the same date. The summarised Financial Results for the year vis-a-vis previous year are as follows:

FINANCIAL RESULTS

	(Amount in Rupees)	
	31.03.2003	**31.03.2002**
Total Income	58,982	59,644
Total Expenditure	50,210	53,410
Profit/(Loss) before tax	8,772	9,694
Provision for Tax	3,224	3,460
Profit/(Loss) after Tax Carried to Balance Sheet	5,548	6,234

OPERATIONS

During the year under review total income of the Company has decreased from Rs. 59,644/- to Rs. 58,982/-. The Company has earned a profit of Rs. 8,772/- during the year under review. In view of the requirement of resources the directors regret their inability to recommend any dividend for the year.

AUDITORS REPORT

The report of the auditors of the company are self explanatory and the board offers no further explanation.

COMPLIANCE CERTIFICATE

In terms of Companies (Compliance Certificate) Rules, 2001, the Compliance Certificate from M/s. V.K.M. Associates, Company Secretary is attached with this Report.

DIRECTORS

Shri H.G. Joshi, director of the company retires by rotation at the ensuing annual general meeting and being eligible has offered himself for reappointment. The board recommends that he may be reappointed. Shri M.M. Vyas and Shri Ramesh Jayawal, Directors of the Company have resigned from the Board of Directors on 01-04-2003 on account of their preoccupations. The Board has accepted their resignation and gave thanks to them for offering their valuable services to the Company.

DISCLOSURES

The information and power and fuel consumption, required to be furnished under section 217 (1) (E) of the companies Act, 1956 and the company's (disclosures of particulars in the report of the border directors) rules, 1988 are not required to be annexed. There is no foreign exchange earning/outgo during the year under review.

EMPLOYEES

There are no employees in the Company who are drawing remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956. Hence these particulars are not annexed to the Report.

DIRECTORS RESPONSIBILITY STATEMENT

As required, under Section 217(2AA) of the Companies Act, 1956, the Directors confirm that the applicable accounting standards have been followed in the preparation of annual accounts enclosed herewith and further that the accounting policies followed are consistent and are based on the principle of a Going Concern.

The Directors have taken sufficient care for maintenance of the records and safeguarding the assets of the Company. The procedures, practices and control systems adopted in the day-to-day management are sound enough to prevent the occurrence of frauds and irregularities.

AUDITORS

M/s Chaturvedi & Shah, Chartered Accountants, Mumbai, the Auditors of the Company are due to retire at the ensuing Annual General Meeting. Being eligible, they offer themselves for re-appointment for the current year. The members are requested to appoint the Auditors and fix their remuneration.

ACKNOWLEDGEMENTS

The Directors wish to place on record, their appreciation and gratitude for all the co-operation extended by Government Agencies, Bankers and Financial Institutions.

For and on behalf of the Board of Directors,

H.G. JOSHI
DIRECTOR

Mumbai
28-08-2003

AUDITOR'S REPORT

TO THE MEMBERS OF TARUN KUMAR TRADE & EXPORT LIMITED

We have audited the attached Balance Sheet of **TARUN KUMAR TRADE & EXPORT LIMITED** as at 31st March, 2003 and the Profit and Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with the Auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the 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 Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.

3. In our opinion and as per the information and explanation given to us none of the Directors of the company are disqualified from being appointed as Director under clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

4. In our opinion the Balance Sheet, the Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.

5. Further to our comments in the Annexure referred to in paragraph 2 above, we state that :

   a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 the Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account;

   d) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together 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 so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 2003,

      (ii) in so far as it relates to the Profit and Loss Account, of the Profit of the Company for the year ended on that date, and

      (iii) in so far as it relates to the cash flow statement, of the cash flows of the Company for the year ended on that date

For CHATURVEDI & SHAH
Chartered Accountants

sd/-

(R. KORIA)
Partner

Place : Mumbai
Date : 28-08-2003

ANNEXURE TO AUDITORS' REPORT
(Refer to in Paragraph 2 of our report of even date)

i) The Company does not possess any fixed assets.

ii) In view of the above, the question of revaluation of fixed assets does not arise.

iii) The Company does not possess any inventory.

iv) The Company has taken unsecured loans from some of the parties listed in the register maintained under section 301 of the Companies Act ,1956. The other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company. The Company has not taken any unsecured loan from companies under the same management as defined under sub section 1(B) of Section 370 of the Companies Act,1956.

v) The Company has not granted any loans, secured or unsecured to the Companies under the same management as defined under Section 370(1B) of the Companies Act, 1956, or to the party listed in the register maintained under Section 301 of the Companies Act, 1956.

vi) The Company has not given any loans and advances in the nature of loan to any party.

vii) There is an adequate internal control procedure commensurate with the size of the Company and nature of its business for purchase of and other assets.

viii) The Company has not accepted any deposit from the public therefore, the directives issued by the Reserve Bank of India and provisions of Section 58A of the Companies Act, 1956 and rules framed there under are not applicable.

ix) In our opinion and according to the information and explanations given to us there are no transactions of purchase of goods and materials and of sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000 (Rupees Fifty Thousand only) or more in respect of any party.

x) Since the paid-up capital of the Company, is less than Rs.25 lacs and the average annual turnover has not exceeded Rs.2 Crores, therefore, the internal audit system is not applicable.

xi) As informed by the Management Provident Fund Act and the Employees State Insurance Scheme, are not applicable to the Company.

xii) According to the information and explanations given to us no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty were outstanding as at 31st March, 2003.

xiii) According to the information and explanations given to us no personal expenses have been charged to revenue account.

xiv) The Company is not a Sick Industrial Company within the meaning of Clause (0) of Sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

xv) As the Company has no manufacturing or trading activities during the year, hence other clauses of the order are not applicable.

For CHATURVEDI & SHAH
CHARTERED ACCOUNTANTS

(R. KORIA)
PARTNER

Place : Mumbai
Dated : 28-08-2003

TARUN KUMAR TRADE & EXPORT LIMITED.

Balance Sheet as at 31st March, 2003.

(Amount in Rs.)

31/03/2002	Liabilities	31/03/2003	31/03/2002	Assets	31/03/2003
	Share Capital :			**Current Assets, Loans and Advances :**	
	Authorised:				
2500000	250000 Equity shares of Rs.10/- each	2500000		Cash and Bank Balances:	
			31056	Cash-on-hand	31056
				Balances with Schedule Banks	
			52002	In Current Account with Schedule Banks	49196
	Issued, Subscribed and Paid-up:				
2488000	248800 Equity shares of Rs.10/- each	2488000		**Sundry Debtors:** (unsecured, considered good and subject to confirmation)	
	Reserve & Surplus:		49850	a) For a period less than six months.	56870
129949	Profit & Loss Account	116387	267600	b) Others	317450
	Unsecured Loans:				
19000	From Directors	19000		**Loans & Advances :**	
5887782	From Body Corporate	5924072		(unsecured and subject to confirmation)	
			8128873	Advances recoverable in cash or in kind or for value to be received.	8118873
	Current Liabilities:				
			4157	Advance Income tax	0
21000	Sundry Creditors	21300	37671	Tax deducted at source	1998
25478	Provision for Income-tax	6684			
8571209	TOTAL	8575443	8571209	TOTAL	8575443

Significant accounting policies and notes on Accounts.

As per our report of even date.
For Chaturvedi & Shah,
Chartered Accountants.

On behalf of the Board of Directors.

sd.
S. AJMERA
DIRECTOR

sd.
H.G. JOSHI
DIRECTOR

R. KORIA
Partner.
Place : Mumbai
Dated : 28-08-2003

TARUN KUMAR TRADE & EXPORT LIMITED.

Profit and Loss Account for the year ended 31st March 2003.

(Amount in Rs.)

31/03/2002	Particulars	31/03/2003	31/03/2002	Particulars	31/03/2003
16600	To Professional Charges	15300	9794	By Interest	2112
9350	To Filing Fees	9500		(TDS Rs. NIL previous year Rs. 1998)	
10000	To Listing Fees	10000	49850	By Commission	56870
10500	To Audit Fees	10800			
2300	To Miscellaneous Exp.	4430			
340	To Bank Charges	180			
310	To Conveyance	--			
350	To Postage & Couriers	--			
200	To Legal Charges	--			
3460	To Provision Income-tax	3224			
6234	To Balance carried down	5548			
59644	TOTAL	58982	59644	TOTAL	58982
			123715	By Balance as per last Balance Sheet	129949
0	To Income-tax of earlier year	19110			
			6234	By Balance brought down	5548
129949	To Balance carried to Balance Sheet	116387			
129949	TOTAL	135497	129949	TOTAL	135497

Significant accounting policies & notes to Accounts.

	31-03-2003 (Rs.)	31-03-2002 (Rs.)
Basic & Diluted Earning per Share of Rs. 10 each	0.02	0.02

As per our report of even date.
For Chaturvedi & Shah,
Chartered Accountants.

On behalf of the Board of Directors.

R. KORIA
Partner.
Place : Mumbai
Dated : 28-08-2003

S. AJMERA
DIRECTOR

H.G. JOSHI
DIRECTOR

TARUN KUMAR TRADE & EXPORT LIMITED.
CASH FLOW STATEMENT ANNEXED TO BALANCE SHEET
FOR THE PERIOD APRIL 2002 TO MARCH 2003.

		31.03.2003 Rs.	31.03.2002 Rs.
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit/(Loss) before tax and Extraordinary items	**8772**	**9694**
	ADJUSTED FOR		
	Depreciation	--	--
	Foreign Exchange	--	--
	Investments	--	--
	Interest/Dividend	(2112)	(9794)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE	**6660**	**(100)**
	ADJUSTMENTS FOR		
	Trade and Other Receivables	(46870)	(59850)
	Inventories	--	--
	Trade Payables	300	(15875)
	CASH GENERATED FROM OPERATIONS	**(39910)**	**(75825)**
	Interest Paid	--	--
	Direct taxes paid / Refund	(1298)	--
	Extraordinary Items	--	--
	NET CASH FLOW FROM OPERATING ACTIVITIES	**(41208)**	**(75825)**
B.	**CASH FLOW FROM INVESTING ACTIVITES**		
	Purchase of Fixed Assets	--	--
	Sale of Fixed Assets	--	--
	Purchase of Investments	--	--
	Sale of Investments	--	--
	Interest Received	2112	7796
	Dividend Income	--	--
	CASH FLOW FROM INVESTING ACTIVITIES	**2112**	**7796**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from Issue of Share Capital	--	--
	Proceeds from Long Term Borrowings	36290	--
	Repayment of Long Term Borrowings	--	(300000)
	Repayment of Finance Lease Liability	--	--
	Dividend Paid	--	--
	NET CASH USED IN FINANCING ACTIVITIES	**36290**	**(300000)**
	NET INCREASE IN CASH AND CASH EQUIVALENTS	**(2806)**	**(368029)**
	Cash and Cash Equivalents (Opening Balance)	83058	451087
	Cash and Cash Equivalents (Closing Balance)	80252	83058
	Net Increase / (Decrease)	(2806)	(368029)

Note : Bracket indicates Cash Out Flow.

As per our report of even date.
For Chaturvedi & Shah,
Chartered Accountants.

R. KORIA
Partner.
Place : Mumbai
Dated : 28-08-2003

On behalf of the Board of Directors.

sd.
S. AJMERA
DIRECTOR

sd.
H.G. JOSHI
DIRECTOR

TARUN KUMAR TRADE & EXPORT LIMITED.

LISTS AS ON 31ST MARCH, 2003.

Particulars	31-Mar-03	31-Mar-02
LIST OF SUNDRY DEBTORS		
Lossy Estates & Investments	267600	267600
Commission Receivable	106720	49850
	374320	317450
LIST OF ADVANCES		
Advance against land purchase (Aditya Finance)	1931091	1931091
Shri Ishar Alloys Limited	6187782	6187782
Prepaid Listing Charges	--	10000
	8118873	8128873
LIST OF BANK BALANCES		
Bank of India, Mumbai	7868	7968
Development Credit Bank Ltd.	16328	19034
ICICI Bank Ltd.	25000	25000
	49196	52002
LIST OF UNSECURED LOANS		
Jayaswals Holdings Pvt. Ltd.	5887782	5887782
Steel & Tube Exports Pvt. Ltd.	36290	0
	5924072	5887782
LIST OF SUNDRY CREDITORS		
Chaturvedi & Shah	21300	21000
	21300	21000
LIST OF PROVISIONS OF INCOME TAX		
Asst. Year 1995-96	0	3462
Asst. Year 1996-97	0	7008
Asst. Year 1997-98	0	847
Asst. Year 1998-99	0	1952
Asst. Year 1999-2000	0	1715
Asst. Year 2000-2001	0	7034
Asst. Year 2002-2003	3460	3460
Asst. Year 2003-2004	3224	0
	6684	25478
LIST OF TAX DEDUCTED AT SOURCE		
Asst. Year 1997-98	0	4524
Asst. Year 1998-99	0	9690
Asst. Year 2000-2001	0	9533
Asst. Year 2001-2002	0	11926
Asst. Year 2002-2003	1998	1998
	1998	37671

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS :

1. Basis for Preparation of Financial Statements :
   The financial statements are prepared under historical cost convention, income and expenses are recognised on an accrual basis and are in accordance with the requirements of the Companies Act, 1956 and are consistent with generally accepted accounting principles.

2. The Company has no Deferred Tax Liability.

3. In the opinion of the Board, Current Assets, Loans and Advances are approximately of the value stated, if realised in the ordinary course of business. The provisions for all known liabilities is adequate and neither in excess nor in short of the amount reasonably necessary.

4. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances paid) Rs. 5,68,909/- (previous year Rs. 5,68,909/-).

5. As the company has not carried out any manufacturing or trading activities, there is no information which is required to be given persuant to para (3) and para (4) of schedule VI of the Companies Act,

6. Disclosure of related parties / related party transactions :
   a) A List of related parties with whom transactions have taken place during the year :
      Key Management Personnel :
      Shri H.G. Joshi
      Shri M.M. Vyas

   b) Discolsure of related party transaction :
      Unsecured Loans
      Balance as on 01-04-2002 Rs. 19,000/-
      Taken during the year Rs. 36,290/-
      Balance as on 31-03-2003 Rs. 55,290/-

7. There is no separate reportable segment within the meaning of Accounting Standard 17 issued by Institute of Chartered Accountants of India.

8. Previous year figures have been re-grouped and/or rearranged whereever necessary to make them comparable with those of the current year.

9. Basic and diluted earning per share :

	For the yr. ended 31-03-2003	For the yr. ended 31-03-2002
a) Amount used as the numerators		
Net profit / (loss) available for equity share holders	5548	6234
b) Number of equity shares	248800	248800
c) Basic and diluted earning per share (Rs.)	0.02	0.02

10. **Balance Sheet Abstract and Company's General Business Profile**

I.	**Registration Details**	
	Registration Number	33082
	State Code	11
	Balance Sheet Date	31.03.2003
II.	**Capital raised during the year**	**(Amount in Rs.000s)**
	Public Issue	NIL
	Rights Issue	NIL
	Bonus Issue	NIL
	Private Placement	NIL

Contd..2..

III. Position of Mobilisation and Deployment of Funds

Total Liabilities	8575
Total Assets	8575
Sources of Funds	
Paid up Capital	2488
Reserves and Surplus	116
Secured Loans	--
Unsecured Loans	5943
Application of Funds	
Net Fixed Assets	--
Investments	--
Net Current Assets	8547
Miscellaneous Expenditure	--
Accumulated Losses	--

IV. Performance of the Company

Turnover	59
Total Expenditure	50
Profit Before Tax (+)	9
Profit After Tax (+)	6
Earning per share (in Rupees)	0.02
Dividend Rate %	--

V. Generic Names of three Principal Products / Services of the Company (as per monetary terms)

1. Item Code No. (ITC Code) N/A Innextmenmt
   Product Description

As per our Report of even date.
For Chaturvedi & Shah,
Chartered Accountants.

On Behalf of the
Board of Directors.

S. AJMERA
Director

H.G. JOSHI
Director

(R. Koria)
Partner
Place : Mumbai
Date : 28-08-2003