

**VKC CREDIT AND FOREX SERVICES (P) LTD**  
**Profit and Loss account for the year ended 31.03.2004**

| Schedule  | For the year<br>ended 31.03.2004<br>(Rupees in Lacs) | For the year<br>ended 31.03.2003<br>(Rupees in Lacs) |                 |
|---|--|--|-----------------|
| <b>I) INCOME</b>  |  |  |                 |
| Sales including commission                                  | 9  | 37384.72   | 25105.94        |
| Profit on exchange  |  | 114.07   | 75.91           |
| Miscellaneous Income  | 10   | 24.03  | 8.55            |
| Increase/Decrease in stock                                  | 11   | 31.03  | -25.44          |
| Income from other operations                                |  | <u>17.27</u>   | <u>9.68</u>     |
|   |  | <u>37571.12</u>                                      | <u>25174.64</u> |
| <b>II) EXPENDITURE</b>                                      |  |  |                 |
| Purchases   | 12   | 37084.94   | 24822.93        |
| Administration Expense                                      | 13   | 321.58   | 242.32          |
| Selling and Distribution<br>Expense                         | 14   | <u>86.79</u>   | <u>67.00</u>    |
|   |  | <u>37493.31</u>                                      | <u>25132.25</u> |
| Profit before Interest,<br>Depreciation and Tax             |  | 77.81  | 42.39           |
| Interest and Finance charges                                | 15   | 19.37  | 13.05           |
| Profit before Depreciation<br>and Tax                       |  | 58.44  | 29.34           |
| Depreciation  |  | 22.56  | 8.39            |
| Profit before Tax   |  | 35.88  | 20.95           |
| Provision for Tax - current tax                             |  | 11.96  | 7.60            |
| - deferred tax liability for the year                       |  | 0.91   | 0.22            |
| Profit after Tax  |  | 23.01  | 13.13           |
| Balance brought forward from last year                      |  | 4.19   | 11.06           |
| Less: Provision for deferred tax<br>liability up to 2002-03 |  | -  | -               |
|   |  | <u>27.20</u>   | <u>24.19</u>    |
| <b>Appropriation</b>  |  |  |                 |
| Capitalisation of Profit by way of issue of Bonus Shares    |  | -  | 20.00           |
| Carried forward to Balance Sheet                            |  | <u>27.20</u>   | <u>4.19</u>     |

Place : Chennai  
Date : 01.09.2004

for Gopinath & Sharma  
Chartered Accountants

Sd/-  
**R.Venkatasubramanian**  
Managing Director

Sd/-  
**N.Nageswaran**  
Director

Sd/-  
**Ramesh Sharma**  
Partner

**VKC CREDIT AND FOREX SERVICES (P) LTD**  
**Balance Sheet as on 31.03.2004**

| Schedule                                      | As at<br>31.03.2004<br>(Rupees in Lacs) | As at<br>31.03.2003<br>(Rupees in Lacs) |               |
|---|---|---|---------------|
| <b>I. Sources of Funds</b>                    |   |   |               |
| (1) Shareholders' funds :                     |   |   |               |
| a) Capital                                    | 1                                       | 50.00                                   | 50.00         |
| b) Reserves and surplus                       |   | 27.20                                   | 4.19          |
| (2) Loan funds :                              |   |   |               |
| a) Secured Loans                              | 2                                       | 16.51                                   | 85.59         |
| b) Unsecured Loans                            |   | 64.00                                   | 52.45         |
| (3) Provision for deferred tax<br>liability : |   | 1.13                                    | 0.22          |
| <b>Total</b>                                  |   | <u>158.84</u>                           | <u>192.45</u> |
| <b>II. Application of funds</b>               |   |   |               |
| (1) Fixed Assets                              | 3                                       |   |               |
| a) Gross Block                                |   | 106.40                                  | 62.59         |
| b) Less: Depreciation                         |   | 51.47                                   | 28.91         |
| c) Net Block                                  |   | <u>54.93</u>                            | <u>33.68</u>  |
| (2) Investments                               |   | 9.00                                    | -             |
| (3) Current Assets, Loans and Advances        |   |   |               |
| a) Inventories                                | 4                                       | 129.37                                  | 98.34         |
| b) Sundry Debtors                             | 5                                       | 371.46                                  | 497.27        |
| c) Cash and Bank Balances                     | 6                                       | 329.61                                  | 184.45        |
| d) Loans and Advances                         | 7                                       | 60.90                                   | 43.08         |
| Less: Current Liabilities and<br>Provisions   |   |   |               |
| a) Sundry Creditors                           | 8                                       | 776.24                                  | 652.96        |
| b) Provisions                                 |   | 20.19                                   | 11.41         |
| Net Current Assets                            |   | <u>94.91</u>                            | <u>158.77</u> |
| <b>Total</b>                                  |   | <u>158.84</u>                           | <u>192.45</u> |

Place : Chennai  
Date : 01.09.2004

for Gopinath & Sharma  
Chartered Accountants

Sd/-  
**R.Venkatasubramanian**  
Managing Director

Sd/-  
**N.Nageswaran**  
Director

Sd/-  
**Ramesh Sharma**  
Partner