



Artelligence Bio-Innovations Limited
Annual Report
2004

ARTILLENCE BIO-INNVATIONS LIMITED

Regd. Office: Amritdham Suite No. 5 & 6, P.O. Danesh Sekh Lane,
NityanandNagar, Bakultolla, Howrah -711 109.

NOTICE

NOTICE is hereby given that the Twenty Second Annual General Meeting of **M/s ARTILLENCE BIO-INNOVATIONS LIMITED** will be held on Thursday, the 30th day of September, 2004 at its registered office at 10.30 A.M. to transact the following businesses:-

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2004 and Profit & Loss Account for the year ended on that date together with the report of the Directors and Auditors thereon.
2. To appoint the Statutory Auditors to hold office from the conclusion of this ensuing annual general meeting until the conclusion of the next Annual General Meeting.
3. To appoint a director in place of Mr. Dilip N. Shah , who retires by rotation and being eligible offers himself for re-appointment
4. To appoint a director in place of Mr. Anil D. Doshi , who retires by rotation and being eligible offers himself for re-appointment

By order of the Board
Sd/

(Suparna Pal Choudhary)
Director

Place: Kolkata

Date: 30th July 2004

Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company.
2. Proxies in order to be effective shall be lodged at the Registered Office of the Company not less than 48 hours before the date of the meeting.
3. Members are requested to notify the change, if any, in their address quoting their folio numbers.

ARTILLEGENCE BIO-INNVATIONS LIMITED

Regd. Office: Amritdham Suite No. 5 & 6, P.O. Danesh Sheikh Lane,
NityanandNagar, Bakultolla, Howrah -711 109.

Report of the Directors to the members of the Company

To
The Members,

Your Directors have pleasure in presenting the Twenty Second Annual Report on the business and operations of your Company and the Audited Financial Results for the year ended 31st March, 2004

| Financial Results | Y.E. 31.03.2004 | Y.E. 31.03.2003 |
|---|------------------------|------------------------|
| | (Rs. In lakhs) | (Rs. In lakhs) |
| Income from operations | 1003.61 | 447.67 |
| Net Profit/(Loss)(before depreciation) | 0.48 | 0.182 |
| Less: Depreciation | Nil | Nil |
| Profit/(Loss) before tax | 0.48 | 0.182 |
| Less: Taxation | 0.17 | 0.067 |
| Profit /(Loss) after Tax | 0.31 | 0.115 |

Dividend

In view of the inadequacy and meager profits, your Directors do not recommend any dividend for the year under review.

Fixed Deposits

During the year under the review, your Company did not accept or invite any deposit from the public under the provisions of section 58A of the Companies Act, 1956 and the rules made thereunder and therefore the question of compliance or otherwise with such rules, does not arise.

Directors

In accordance with the requirement of the Companies Act, 1956 and pursuant to the Articles of the Association, two of your Directors viz. Mr. Dilip N. Shah and Mr. Anil D. Doshi retire by rotation at the ensuing Annual General meeting and being eligible, offer themselves for re-appointment.

Directors' Responsibility Statement

In accordance with the requirements of Section 217 (2AA) of the Companies Act, 1956, your Directors wish to confirm the following:

- i) that the applicable accounting standards have been followed in the preparation of the annual accounts;

ii) that the Directors 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 for the year under review;

iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv) that the Directors have prepared the annual accounts on a 'going concern' basis

Other Aspects

Provisions relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are not applicable to your Company.

Particulars of Employees

Pursuant to the particulars as required U/s. 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, there was no employee drawing remuneration in excess of the amount prescribed under Section 217(2A) of the Companies Act, 1956 during the year ended 31st March, 2004.

Auditors & Auditors Report

The statutory Auditors of your Company M/s. T.N. Datta & Associates, Chartered Accountants, Kolkata, hold office until the conclusion of the forthcoming Annual General Meeting of the company and being eligible offer themselves for reappointment.

Corporate Governance

The Auditors M/s. T. N. Datta & Associates have certified the Company's compliance of the requirements of Corporate Governance in terms of clause 49 of the Listing Agreement. The said certificate together with the management discussion and analysis report is attached which forms part of this report.

Acknowledgement

Your Directors wish to place on record their deep and sincere appreciation for the support of members of your company and the customers and constituents and staff members of your company at all levels.

By order of the Board

Sd/

(Suparna Pal Choudhary)

Director

Place: Kolkata

Date : 30th July 2004

ARTILLEGENCE BIO-INNOVATIONS LIMITED

CORPORATE GOVERNANCE REPORT

This report on Corporate Governance forms part of the report of the Directors to the members. This report complies with the requirements of Clause 49 of the Listing Agreement entered into with the Stock Exchanges and also provides a window through which one can view the constitution and functioning of the organization in its march to achieve its stated objectives.

Company's Philosophy on Corporate Governance:

The Company's philosophy on Corporate Governance envisages the attainment of the highest level of transparency, accountability and equity in all facets of its operations and in all its interactions with its stakeholders including members, employees, the government and lenders. Your company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value over a sustained period of time. The Company's Corporate Governance policies recognize the Company's commitment to good and efficient Corporate Governance. The Board of Directors - the Company's high policy making body, is committed in its responsibility for all decisions to all constituents, including investors, employees and regulatory authorities. The Company recognizes that the members are ultimately the persons who are catalyst to the economic activities and also the ultimate beneficiaries thereof.

Composition of Board

The Board, currently has, five members (who are suitably qualified, experienced, and competent), and periodically reviews the need for its expansion. As per the current Articles of Association of the Company, the Board can have a maximum up to 12 (Twelve) Directors.

The Board has been constituted in a manner, which will result in appropriate mix of executive and independent directors. This has been done to preserve the independence of the Board and to separate the board functions of policy decisions and governance and the day-to-day management. The board functions either as a full-fledged board or through committee. Policy formulation, setting up of the goals, and evaluation of the performance and control function vest with the board, while the committee oversees operational issues. The current Board has three independent directors and two executive directors.

Eighteen meetings of the Board of Director were held during the year on 30th April, 2003, 10th May, 2003, 29th May, 2003, 5th June, 2003, 19th June, 2003, 8th July, 2003, 30th July, 2003, 12th August, 2003, 19th August, 2003, 2nd September,

2003, 30th October, 2003, 11th November, 2003, 2nd December, 2003, 3rd January, 2004, 10th February, 2004, 26th February 2004, 3rd March 2004, and 28th March 2004.

The name of members of the Board of Directors, their attendance at Eighteen board meetings and the number of their directorship are set out below:

| Name of the Board Member | Board meeting attended during the year | Attendance at Last AGM | Number of other directorship (Indian & foreign) |
|---------------------------------|---|-------------------------------|--|
| Mrs. Maya Devi Asopa | 18 | Present | 2 |
| Mr. Ashim Sarkar | 18 | Present | 2 |
| Mr. Dilip N. Shah | 2 | Absent | 1 |
| Mr. Anil D. Doshi | 2 | Absent | 2 |
| Ms. Suparna Pal Choudhary | 18 | Present | 7 |

Committee of Directors

The board of Directors provides guidance to operating management on policy matters as well as in the monitoring of the action of operating management. This involvement is formalized through the constitution of designated committee of Board. The committees are intended to provide regular exchange of information and ideas between the Board and operating management.

Appointment of Directors, Re-appointment of directors at the forthcoming Annual General Meeting

Ms. Suparna Pal Choudhary was appointed an Additional Director u/s 260 of the Companies Act, 1956 who holds office of such Additional Director upto the date of the ensuing Annual General Meeting. A member has signified his intention proposing the candidature of Ms. Suparna Pal Choudhary for the post of a Director to be appointed on regular basis and liable to retire by rotation u/s 257 of the Companies Act, 1956 after making the necessary and requisite deposit with the company. Therefore Ms. Suparna Pal Choudhary who will cease to be a director in the ensuing Annual General Meeting is eligible for reappointment.

Mr. Joybrata Sen and Mr. Barun Das directors retire from the Board of Directorship.

Mr. Dilip N. Shah & Mr. Anil D. Doshi, the Directors of the Company retire by rotation in the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

Audit Committee

To provide assistance to the Board of Directors of the Company the Audit committee was constituted. It consists of Chairman and two other members. The Chairman of the Audit Committee is independent Non-Executive Director. The Audit Committee provides direction to and oversees the Audit and the Risk Management functions, reviews the financial accounts, interacts with statutory auditors and reviews matters of special interest.

Composition, Name of Members, Chairman and other Details *

1. Mrs. Maya Devi Asopa, Chairman
2. Mr. Ashim Sarkar
3. Mr. Dilip N. Shah
4. Mr. Anil D. Doshi
5. Ms. Suparna Pal Choudhary

Meeting and Attendance during the Year

| Members | Meeting Held During the Tenure of Directors | Meetings Attended |
|---------------------------|--|--------------------------|
| Mrs. Maya Devi Asopa | 4 | 4 |
| Mr. Ashim Sarkar | 4 | 4 |
| Mr. Dilip N. Shah | 4 | 2 |
| Mr. Anil D. Doshi | 4 | - |
| Ms. Suparna Pal Choudhary | 4 | - |