

FICS CONSULTANCY SERVICES LIMITED

25TH ANNUAL REPORT

FOR THE YEAR

2004-2005

FICS CONSULTANCY SERVICES LIMITED

522, Tulsiani Chambers,
Nariman Point, Mumbai 400 021.
Tel.: 3951 4895 / 96 Fax : 2284 1557

**NOTICE**

NOTICE IS HEREBY GIVEN THAT THE TWENTY FIFTH ANNUAL GENERAL MEETING OF THE MEMBERS OF FICS CONSULTANCY SERVICES LIMITED WILL BE HELD ON TUESDAY, AUGUST 9, 2005 AT 2.00 P.M. AT THE REGISTERED OFFICE OF THE COMPANY AT 141, MAKER CHAMBERS III, NARIMAN POINT, MUMBAI 400 021 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended March 31, 2005, the Balance Sheet as at that date and the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Ms. Glenys Crasta, who retires by rotation and, being eligible, offers herself for reappointment.
3. To appoint M/s. Arun Arora & Co. as the Auditors of the Company and authorise the Board to fix their remuneration.

By Order of the Board


Glenys Crasta
Director

Date: June 29, 2005

Registered Office:
141, Maker Chambers III
Nariman Point
Mumbai 400 021

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. The proxies, in order to be valid must be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer books of the Company will remain closed from August 3, 2005 to August 9, 2005 (both days inclusive).

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**DIRECTORS' REPORT**

**TO THE MEMBERS,
FICS CONSULTANCY SERVICES LIMITED**

Your Directors have pleasure in presenting their Twenty Fifth Annual Report of the Company together with the Audited Accounts for the year ended March 31, 2005.

FINANCIAL RESULTS:

| Particulars | For the year ended | |
|-----------------------------------------------|-------------------------|-------------------------|
| | March 31, 2005 (Rs.) | March 31, 2004 (Rs.) |
| Gross Income | 26,97,018 | 77,31,446 |
| Profit/(Loss) before tax | 22,29,065 | 74,62,133 |
| Provision for tax | 2,67,944 | 7,65,000 |
| Profit/(Loss) after tax | 19,61,121 | 66,97,133 |
| Add : Tax adjustment | 3,044 | 0 |
| Add : Balance brought fwd. from previous year | 1,31,18,674 | 64,21,541 |
| Balance in Profit & Loss Account c/f | 1,50,82,839 | 1,31,18,674 |

DIVIDEND:

In order to conserve the resources of your Company, the Directors decided not to recommend any dividend for the year under review.

PERFORMANCE HIGHLIGHTS:

Your Company earned a Gross Income of Rs. 26,97,018/- as against Rs. 77,31,446/- in the previous year which included a dividend income of Rs.3,06,297 /- in the current year as against Rs. 17,73,612/- in the previous year. After accounting for the expenses of Rs. 4,67,952/- as compared to Rs. 2,69,313/- in the previous year, the profit before tax stood at Rs.22,29,065 /-as against Rs. 74,62,133/- reported in the previous year. The net profit works out to Rs.19,61,121/- after providing for a tax of Rs. 2,67,944/- as against the net profit of Rs. 66,97,133/- earned in the previous year.

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**FIXED DEPOSITS:**

The Company has neither accepted nor renewed any deposits from the shareholders/public during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors of your Company confirms that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- they have selected such accounting policies and applied them consistently and made judgements 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 and of the profit or loss of the Company for that period;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis.

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956, Ms. Glenys Crasta, a director of the Company, retires by rotation at the forthcoming Annual General Meeting and being eligible, offer herself for reappointment. Accordingly, an ordinary resolution re appointing her as a director of the Company forms part of the Notice convening the ensuing Annual General Meeting.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND EXPENDITURE:

The particulars as required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 on Conservation of Energy and Technology Absorption are not applicable to your Company. Your Company has neither earned nor spent any amount in foreign exchange during the year under review.

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AUDITORS:

The retiring Auditors, namely, M/s. Arun Arora & Co., Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting and are seeking their reappointment. Members are requested to consider their appointment at such remuneration to be fixed by the Board.

PARTICULARS OF EMPLOYEES

The information required under section 217(2A) of the Companies Act, 1956 and the rules made thereunder is not furnished as your Company did not have any employee during the year under review.

ACKNOWLEDGEMENT:

Your Directors would like to place on record their gratitude to the shareholders for the confidence reposed in the Company and look forward to their continued support.

On Behalf of the Board of Directors

 *N. J. Mehta*
Nalin I Mehta
Director

Date : June 29, 2005

Registered Office :

141, Maker Chambers III
Nariman Point
Mumbai 400 021

Arun Arora

B. COM (HONS), F.C.A. GRAD C.W.A.

ARUN ARORA & CO.**CHARTERED ACCOUNTANTS****AUDITORS' REPORT**

To the Members
 FICS Consultancy Services Ltd.
Mumbai

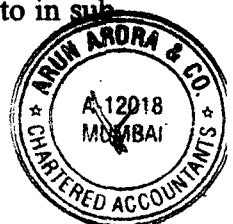
We have audited the attached Balance Sheet of **FICS Consultancy Services Limited**, as at **31st March 2005** and also the Profit & Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test 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.

As required by the Companies (Auditors' Report) Order 2003 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 a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, 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 it appears from our examination of those books.
- (c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- (d) In our opinion and to the best of our information and according to explanation given to us, the Balance Sheet, 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.



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Arun Arora

B. COM (HONS), F.C.A. GRAD C.W.A.

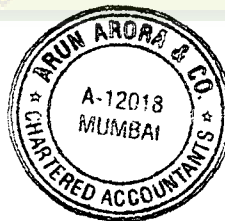
ARUN ARORA & CO.

CHARTERED ACCOUNTANTS

- (e) On the basis of written representations received from the directors, as on 31st March 2005, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2005 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- (f) In our opinion and to the best of our information and according to the 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 the Balance Sheet, of the state of the affairs of the Company as at 31st March 2005;
- (ii) in the case of the Profit & Loss Account, of the profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Arun Arora & Co.
Chartered Accountants


Arun Arora
(Proprietor)



Place: Mumbai
Date :

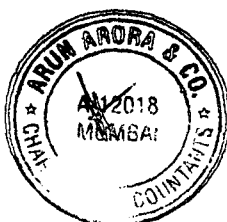
Arun Arora

B. COM (HONS), F.C.A. GRAD C.W.A.

ARUN ARORA & CO.**CHARTERED ACCOUNTANTS****Annexure****FICS Consultancy Services Limited**

Referred to in paragraph 3 of our report of even date,

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the fixed assets have been physically verified by the management during the year. In our opinion, the programme of verification carried out is reasonable, having regard to the size of the company and the nature of its assets and, on the basis of the explanations given to us, no discrepancies have been noted on verification.
- (c) In our opinion and according to the information and explanations given to us, the company has not made any substantial disposals of fixed assets during the year.
- (ii) (a) The nature of the business/activities of the company during the year is such that clause (ii) is not applicable to the company.
- (iii) (a) There are no loans granted to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- (b) According to the information and explanations given to us, the company has not taken any loans from companies listed in the register maintained under Section 301 of the Companies Act, 1956.
- (iv) 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 the nature of its business with regard to purchases of fixed assets. During the course of our audit, no major weakness has been noticed in the internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 has been entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.



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