



CERTIFIED TRUE COPY

For Girdharilal Sugar &
Allied Industries Ltd.

Com. Secy Secretary

**GIRDHARILAL SUGAR
AND ALLIED INDUSTRIES
LIMITED**

**SIXTEENTH ANNUAL GENERAL MEETING
ON THURSDAY, 29TH SEPTEMBER 2005**

at

**“NARMADA NAGAR” VILLAGE GHATWA
TEHSIL THIKRI, DIST. BARWANI (M.P.)**

AT 10.00 A.M.

BOARD OF DIRECTORS

SHRI RAJESH AGRAWAL	-	CHAIRMAN & MANAGING DIRECTOR
DR.G.P.TULSYAN	-	WHOLE-TIME DIRECTOR
SHRI M.S. BIDASARIA	-	DIRECTOR
DR S.R.SHARMA	-	DIRECTOR
SHRI JAGDISH GARWAL	-	(NOMINEE DIRECTOR, IFCI)
SHRI MURARI PRASAD	-	ADDITIONAL DIRECTOR

COMPANY SECRETARY - SHRI MANOJ GOYAL

LISTING OF SHARES

**MUMBAI STOCK EXCHANGE, MUMBAI
THE NATIONAL STOCK EXCHANGE OF
INDIA, MUMBAI**

AUDITORS

**M/S.M. MEHTA & CO.
CHARTERED ACCCOUNTANTS
INDORE**

REGISTERED OFFICE & WORKS :

**NARMADA NAGAR,
VILLAGE - GHATWA,
TEH.- THIKRI, DISTT.- BARWANI(M.P.)**

CORPORATE OFFICE :

**107, CHETAK CENTRE, 1ST FLOOR,
12/2, R.N.T.MARG,
INDORE - 452001 (M.P.)**

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Shareholders are requested to bring their copy of the Annual Report along with them at the Annual General Meeting, as Copies of the report will not be distributed at the meeting.

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NOTICE

NOTICE is hereby given that the 16th Annual General Meeting of the Members of Girdharilal Sugar And Allied Industries Ltd., will be held on Thursday, the 29th September, 2005 at the Registered Office of the Company at Vill. Ghatwa, Teh. Thikri, Dist. Barwani (M.P.) at 10.00 A.M. to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at March 31, 2005 and the Profit & Loss Account for the year ended on that date together with the Auditors Report and the Directors Report thereon.
2. To appoint a Director in place of Shri M.S. Bidasaria, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint the Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS

4. To consider the reappointment of Dr. G.P.Tulsyan as Wholtime Director of the Company and to fix the remuneration.

To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of sections 198, 269, 309, 310, 311 and other applicable provisions, if any, read with schedule XIII, as amended, of the Companies Act, 1956, and subject to approval of the Shareholders of the Company, approval of the Company be and is hereby accorded on re-appointment of Dr.G.P.Tulsyan as Whole-Time Director of the Company for further period of five years from 01/10/2005 to 30/09/2010 with payment of remuneration on the terms & Conditions set out as below :-

I. SALARY : Salary of Rs. 22,000/- P.M. (Rupees Twenty two Thousand Only) in the grade of Rs. 22,000 - 3000 - 37000.

II. COMMISSION : 1% of net profits in addition to salary & perquisites subject to ceilings laid down in Section 198 and 309 of the Act.

III. PERQUISITES : In addition to the above, he shall be entitled to the following perquisites.

CATEGORY - A**(i) HOUSING :**

The Company will provide furnished Housing Facility to Dr. G.P. Tulsyan, Whole Time Director.

(ii) MEDICAL REIMBURSEMENT :

Expenditure incurred for the self and family subject to a ceiling of one month's salary in a year or 3 month's salary over a period of 3 years.

(iii) LEAVE TRAVEL CONCESSION :

For self and family once a year in accordance with the rules of the company.

(iv) CLUB FEES :

Fees of clubs subject to a maximum of 2 clubs. This will not include admission and life membership fees.

(v) PERSONAL ACCIDENT INSURANCE :

For an amount the premium in respect of which shall not exceed Rs. 4,000/- per annum.

CATEGORY - B

He shall also be eligible to the following perquisites which shall not be included in the computation of the ceiling on remuneration as mentioned above.

- a. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these, either singly or put together are not taxable under the Income Tax Act, 1961,
- b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and
- c. Encashment of leave at the end of the tenure.

CATEGORY - C

Provision of Car with Driver and Telephone at Residence, provided that personal long distance calls on telephone and use of car for private purpose shall be recovered by the Company.

"FURTHER RESOLVED THAT Board of Director of the company be and are hereby authorised to vary and / or modify terms and conditions related to the remuneration, commission, perquisites and yearly increment to be provided to Dr.G.P.Tulsyan, Whole-Time Director of the Company in accordance with and as may be permitted by the Companies Act, 1956 and schedule XIII for the time being in force and / or any amendments and / or modifications, including any guidelines or modifications or notifications as may be made by the Central Government from time to time."

"RESOLVED FURTHER THAT Shri Rajesh Agrawal, Chairman & Managing Director of the Company be and is hereby authorised to take the necessary steps to give effect to above resolution and file the necessary forms/documents to Registrar of Companies, Madhya Pradesh."

None of the Directors except Dr.G.P.Tulsyan may be deemed to be concerned or interested in the resolution.

5. To Consider and if thought fit, to pass with or without modification(s) the following resolution as Ordinary Resolution.

"RESOLVED THAT Shri Murari Prasad who was appointed as an Additional Director w.e.f. January 28, 2005 and who in terms of Section 260 of the Companies Act, 1956 read with Articles 138 of the Company's Articles of Association hold the office only upto the date of this Annual General Meeting be and is hereby appointed as Director of the Company."

"RESOLVED FURTHER THAT Pursuant to Section 314 and other applicable provisions of the Companies Act, 1956, approval of the Company be and is hereby accorded for appointment of Shri Murari Prasad as Director on the Board of Company."

by order of the Board
Girdharilal Sugar And Allied
Industries Limited

DATE : 01.09.2005

PLACE : INDORE

RAJESH AGRAWAL
Chairman & Managing Director

Registered Office :- Narmada Nagar, Village - Ghatwa,
Tehsil - Thikri, Distt. - Barwani(M.P.)

GIRDHARILAL SUGAR AND ALLIED INDUSTRIES LIMITED

NOTES :-

- Members entitled to attend and vote at the Meeting are also entitled to appoint a proxy to attend and vote at the Meeting in their place and the Proxy need not be a Member of the Company.
- The Proxy form should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- Shareholders are requested to intimate change in their addresses, if any, immediately.
- The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 26th September, 2005 to Thursday, the 29th September, 2005 (both days inclusive).
- Any query on the Annual General Meeting should be submitted in writing so as to reach the Registered Office of the Company at least 10 days before the date of Annual General Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

ITEM NO. 4

Dr.G.P.Tulsyan was appointed as Wholetime Director by the Board of Directors of the Company in their meeting held on 19/05/2000 for a period of 5 years from 01/10/2000 to 30/09/2005 and Shareholders in their Annual General Meeting held on 29/09/2000 approved the same. The term of appointment of Dr.G.P.Tulsyan is going to be expired on 30/09/2005. The Board may consider re-appointment of him as Wholetime Director for further period of five years from 01/10/2005 to 30/09/2010 subject to approval of Shareholders in the ensuing Annual General Meeting.

A copy of terms and conditions of appointment of Dr G.P.Tulsyan as approved by the Board of Directors in their meeting held on 29.07.2005 is available for inspection by the Members at the Registered Office of the Company between business hours on any working days and will also be available for inspection at the forthcoming Annual General Meeting. The Directors recommend the resolution for adoption.

None of the Directors except Dr.G.P.Tulsyan may be deemed to be concerned or interested in the resolution.

ITEM NO. 5

Shri Murari Prasad is having wide and varied experience in commercial, engineering and other fields. He was appointed by the Board as an Additional Director of the Company w.e.f. 28/01/05. Pursuant to Articles 138 of Memorandum And Articles of Association and Section 260 of the Companies Act, 1956, Shri Murari Prasad holds office only upto the date of the ensuing Annual General Meeting. The Board feels that his appointment as Director of the Company would be beneficial in the interest of Company and therefore, recommends that Shri Murari Prasad be elected as a Director on the Board of the Company. The Board also seek shareholders' approval for above resolution. None of the Director other than Shri Murari Prasad are concerned or interested in the resolution

by order of the Board
Girdharilal Sugar And Allied
Industries Limited
RAJESH AGRAWAL

DATE: 01.09.2005

PLACE: INDORE

Chairman & Managing Director

Registered Office :- Narmada Nagar, Village - Ghatwa,
Tehsil - Thikri, Distt. - Barwani(M.P.)

DIRECTORS' REPORT

Dear Members,

Your Directors are presenting before you the 16th Annual Report of the Company along with the Audited Accounts for the year ended 31/03/2005.

FINANCIAL HIGHLIGHTS

	2004-2005 (Rs. in lacs)	2003-2004 (Rs. in lacs)
Sales (Gross)	3147	1910
Gross Profit/(Loss) before Interest & depreciation and abnormal expenses	387	180
Interest & Financial Exp.	806	895
Depreciation	204	204
Previous Year Adjustments	2	2
Loss for the year	(625)	(921)
Extraordinary Items	1380	328
Balance Profit / (Loss)	755	(593)
Brought Forward Losses	3266	4144
Deferred Tax Assets up to 31.03.2003	0	1471
Balance carried to Balance Sheet	2511	3266

OPERATIONAL HIGHLIGHTS & FUTURE PROSPECTS

During the year under consideration the company has achieved turnover of Rs.3147 Lacs as against Rs.1910 Lacs in the previous year. The Gross Profit (PBID) for the year is Rs.387 lacs against Rs. 180 lacs during the previous year. The Net Loss for the year after interest and depreciation but before Deferred Tax Assets and extraordinary items is Rs.625 Lacs as compared to Rs.921 Lacs in the previous year. After considering Extraordinary items of Rs.1900 lacs in the current year (previous year Rs. Nil) and provisions for Deferred Tax Liabilities of Rs.520 lacs (previous year Deferred Tax Assets of Rs.328 lacs), the balance surplus work out to Rs.755 lacs during the year, as against balance loss of Rs.593 lacs in the previous year.

During the year, there was abnormal Sugarcane shortage in the Country, mainly in the State of Madhya Pradesh and Maharashtra. As a result, the Company had crushed a lower quantity of 0.93 lac Tons of Sugarcane as against 1.73 lac tons in the previous year, registering a decline of around 46%. The prices of Sugarcane had also gone up to Rs.1120/- per MT as against Rs.945/- per MT in the previous year. Your Directors, however, are glad to inform that the average sale price of Sugar in the current year was better at Rs.16313/-per MT as against Rs.13213/- in the previous year, due to steep decline in the production of Sugar in the country.

Your Directors are pleased to inform that the Company had made almost timely payment to Cane farmers and dues of workers, inspite of constraints of working capital which is managed by higher sale quantity with the help of interim court order.

Your Directors would like to mention that the Monsoon was weak in the year under consideration which resulted in lower Sugarcane production and lower crushing and growth. In the current year also, till now, the Monsoon seems to be weak and unless the situation improves, the Company's operation may be effected in the coming year.

The production of Sugar in the Country was substantially lower in the Sugar season 2004-05 as compared to previous year. Due to shortfall in production, the sale price of Sugar had substantially gone up in the market. The Company expects improved Sales Realization of Sugar in the coming year due to aforesaid factors as well as due to higher local demands

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and also expected demands from neighbouring country .

The huge benefits of Sardar Sarovar Project on River Narmada will be visible in the coming years. It is expected to boost Sugarcane crop in the area, as the Sugarcane farmers will get sufficient water for irrigation through canals, tributaries, ground water etc. Your Directors expect better capacity utilization in future.

DIVIDEND

Due to operational loss during the year, no dividend is declared.

PUBLIC DEPOSIT

During the year the company did not invite any deposit from the public under section 58 A of the Companies Act, 1956. However the Company had obtained Inter Corporate Deposit from a Body Corporate.

FIXED ASSETS

During the year under review the company acquired assets worth Rs. 2.43 lacs as against Rs. 12.08 lacs in the previous year.

REFERENCE TO BIFR

The Company was declared a Sick Unit by BIFR in the earlier year. A Techno Economic Viability Study (TEVS) was conducted by Experts on the advice of BIFR and based on said TEVS, the Company had already submitted a rehabilitation package to IFCI (OA) which is under final appraisal/approval. The company will make necessary entries of crystallized liabilities in its books of accounts once the rehabilitation package is finally approved by BIFR.

DIRECTORS

Shri M.S. Bidasaria, Director of the Company retire by rotation and being eligible, offer himself for reappointment. In view of the valuable contribution made by Shri M.S. Bidasaria, the Board of Directors of your company recommend re-appointment of Shri M.S. Bidasaria, as Director of the company.

Dr. G.P. Tulsyan was earlier appointed Wholtime Director for a term of 5 years which expires on 30/09/2005. Your Board recommends reappointment of Dr. G.P. Tulsyan for a further period of 5 years as per fresh terms and conditions to be approved in the Annual General Meeting.

Your Directors also recommend appointment of Shri Murari Prasad, as Director of the Company. Shri Murari Prasad has been appointed as an Additional Director during the year, and having wide and varied experience in Administration, Commercial and other fields and he has already consented his appointment on the Board of the Company. The Company will be immensely benefited from Shri Murari Prasad's experience.

PARTICULARS OF EMPLOYEES

The statement pursuant to the provision of Section 217 (2A) of the Companies Act, 1956 and Companies (Particulars of Employees) Rules, 1975 is not required since none of the employees has drawn not more than Rs. 24,00,000/- per annum or Rs. 2,00,000/- per month during the relevant year.

AUDITORS

The Statutory Auditors M/s. M. Mehta & Company, Chartered Accountants retire at the conclusion of the 16th General Meeting and being eligible, offer themselves for reappointment. The Directors recommend for approving reappointment of M/s. M. Mehta & Co., Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration.

AUDITORS REPORT

The Notes to the Accounts referred to in the Auditors Report are self explanatory and are properly dealt with in schedule 'S' of the Annual Accounts. Your Directors, however, would like to briefly clarify the Auditors qualifications in Para '8' of the Report as follows :

- 1) In view of One Time Settlement of dues agreed with ICICI Bank Ltd., the Company has rightly written off interest liability of Rs. 2029 lacs payable to the said Institution, out

of which a sum of Rs. 140 lacs has been credited to Capital Reserve Account, being remission of principal amount.

- 2) The Company has not made any adjustment in the Accounts towards interest of Rs. 4480 lacs payable to IFCI in view of Company's request to the said F.I. for withdrawal of OTS revocation.
- 3) In view of BIFR Order dated 17/9/02, the Company has, in the previous years, written back provisions for doubtful advances to the tune of Rs. 336.24 lacs. Accordingly no fresh provision has been made in the matter which has been reported by way of Note.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

- i. That in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure.
- ii. That the selected accounting policies were applied consistently and the directors 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 as at March 31, 2003, and of the Profit after extraordinary items of the company for the year ended on that date.
- iii. That proper and sufficient care has been taken 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.
- iv. That the annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE

The Audit Committee constituted earlier is working satisfactorily. The Committee is quite helpful in strengthening the internal control procedures, MIS and other statutory matters. During the year 2004-05 the Committee met 4 times.

Senior Executives of the Company, representatives from Statutory Auditors and Internal Auditors also attended the Committee Meeting, whenever necessary, to clarify the points being raised by the Committee Members.

The Company is reviewing/finalising other aspects giving strength to the Corporate Governance in consultation with the Auditors and Corporate Consultants.

CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNING/OUTGO

The Company has installed efficient equipment for energy conservation for electrical energy saving as well as fuel saving. The Company has plan to install additional pollution control equipments for preventing Air and Water pollution.

The plant & machinery as well as manufacturing process conforms to the latest technology and trend in the industry. The above measures would lead to all round saving in cost and improved performance of the plant.

The information required under section 217(i)(e) of the Companies Act, 1956 read with Companies (disclosure of particulars in the report of the Board of Directors) Rules, 1988 with respect to these matters is appended hereto and form part of this report.

ACKNOWLEDGEMENT

Your Directors acknowledge with gratitude the support by the Company from Financial Institutions, Banks, Union and State Governments, Farmers and the Employees.

by order of the Board
**Girdharilal Sugar And Allied
 Industries Limited**
RAJESH AGRAWAL
 Chairman & Managing Director

DATE: 01.09.2005

PLACE: INDORE

GIRDHARILAL SUGAR AND ALLIED INDUSTRIES LIMITED**ANNEXURE TO THE DIRECTORS REPORT**

Statement pursuant to Section 217 (2A) of the Companies Act, 1956 and Companies (Particulars of Employees) Rules, 1975 and forming part of this Report.

A) Employed throughout the year and in receipt of remuneration aggregating not less than Rs.24,00,000/- per annum

NONE

B) Employed for part of the year and in receipt of remuneration aggregating not less than Rs.2,00,000/- per month.

NONE

Notes : 1. Gross Remuneration includes Salary, HRA, Employer's contribution to PF & provision for gratuity and cost of perquisites to the Company.

**INFORMATION REQUIRED UNDER THE COMPANIES
(DISCLOSURE OF PARTICULAR IN REPORT OF DIRECTOR) RULES, 1988
ANNEXURE FORM-A**

Form for disclosure of particulars with respect to conservations of energy.

	<u>2004-05</u>	<u>2003-04</u>		<u>2004-05</u>	<u>2003-04</u>
A. POWER & FUEL CONSUMPTION :			4. Fire Wood		
1. Electricity :			Quantity (M.T.)	87.535	45.270
a. Purchased			Total Amount (Rs.)	113649	44368
Unit KWH	139489	138718	Average Rate (Rs.)	1298.00	980.08
Total Amount (Rs.)	886303	967176	5. Other / Internal Generation		
Average Rate / Unit (Rs.)	6.35	6.97	(Please give details)		
b. Own Generation			Steam used for driving prime movers & used in process		
i. Through Diesel Generator			Quantity Bagasse (M.T.)	N.A.	N.A.
Unit KWH	53854	35250	Total Cost (Rs.)	N.A.	N.A.
Unit per Litre of Diesel Oil	2.00	1.89	Rate / Unit (Rs.)	N.A.	N.A.
Cost / Unit (Rs.)	14.39	11.88	B. CONSUMPTION PER UNIT OF PRODUCTION :		
ii. Through Steam			Products (with) details		
Turbine / Generator			SUGAR		
Unit KWH	2453400	4150560	Unit (M.T.)	8705.50	17021
Unit per Kg. of Bagasse	0.22	0.22	Electricity (Kwh.)	16.02	8.15
2. Coal (Specify Quality and where used)			Diesel (litre)	3.09	1.09
Steam Coal used in Boiler			Furnace Oil (Litres)	N.A.	N.A.
Quantity (Tonnes)	N.A.	N.A.	Coal(Specify Quantity) (M.T.)	N.A.	N.A.
Total Cost (Rs.)	N.A.	N.A.	Other (Specify)		
Average Rate (Rs.)	N.A.	N.A.	a. Firewood (M.T.)	0.010	0.003
3. Furnance Oil			b. Bagasse (M.T.)	2.233	2.643
Quantity (K.ltrs.)	N.A.	N.A.			
Total Cost (Rs.)	N.A.	N.A.			
Average Rate (Rs.)	N.A.	N.A.			

Notes :- a. H.S.D. Oil consumed in Diesel Generator 26927(18615) Litres Value Rs.775183/- (Rs.418744/-).

b. Bagasse Consumed 19438.682 (45000.00) M.T.

FORM - B

- 1. CONSERVATION OF ENERGY :** Bagasse generated out of cane crushing activities is being used by company for generation of power through steam turbine unit installed. Power thus generated is being used for captive consumption. Company has set up modern devices for saving energy.
- 2. TECHNOLOGY ABSORPTION RESEARCH AND DEVELOPMENTS :** The company has put up technologically advanced modern sugar plant which will save energy and other input cost. Research and development activities in the area of sugar production as well as sugarcane cultivation is going on continuously. Results there of is satisfactory.
- 3. IMPACT OF MEASURES TAKEN :** The above measures would lead to all round saving in cost and improved performance of the plant.
- 4. FOREIGN EXCHANGE :** i) Earned : Rs. **NIL** ii) Out go : Rs. **NIL**

For And On Behalf Of The Board

Girdharilal Sugar And Allied Industries Limited

RAJESH AGRAWAL

Chairman & Managing Director

DATE : 01 09 2005

PLACE : INDORE

AUDITORS' REPORT

To,

The Members,

Girdharilal Sugar And Allied Industries Limited,

Village GHATWA, Dist. BARWANI (M.P.)

1. We have audited the attached Balance Sheet of **GIRDHARILAL SUGAR AND ALLIED INDUSTRIES LIMITED, VILLAGE GHATWA** as at **31st March, 2005** and the relative Profit & Loss Account and the Cash Flow Statement for the Year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with 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 presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. 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.
4. In our opinion, **Subject to note No. 6 (b) regarding non provision of doubtful advances** proper books of account, as required by law, have been kept by the company, so far as appears from our examination of those books.
5. The Balance Sheet and Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
6. In our opinion the Balance Sheet and the Profit & Loss Account and the Cash Flow Statement dealt by this report are in compliance with the Accounting Standards referred to in Section 211 (3c) of the Companies Act 1956.
7. On the basis of written representation received from all the Directors of the Company and the information and explanation as made available, Directors of the Company do not prima facie have any disqualification as referred to in Clause (g) of Sub-Section (1) of the Section 274 of the Act, 1956.
8. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with and subject to :-
 - i. Note No. 4 (a) for remission of interest liability of Rs. 2029.28 lacs by ICICI on OTS.
 - ii. Note No. 4 (c) regarding non provision of difference interest liabilities of Rs. 4480 Lacs (Previous Year Rs. 3849 Lacs) in respect of Loan from IFCI only.
 - iii. Note No. 6 (b) for non provision of doubtful advance to the tune of Rs. 336.24 lacs (Previous Year Rs. 336.24 lacs.)

We further report that without considering item mentioned at (i) above the effect of which is not there, had the observations made by us in paragraphs (ii) & (iii) above been considered, the Loss for the year including prior year interest/adjustments would have been Rs. 4061.16 lacs (as against the reported figure of Rs. 755.08 Lacs Profit), debit balance of Profit & Loss Account would have been Rs. 7326.80 lacs (as against the reported figure of Rs. 2510.56 lacs), and read together with other notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :-

- a. In the case of the Balance Sheet, of the state of affairs of the company as at 31/03/2005.
 - b. In the case of the Profit & Loss Account, of the Profit (After extraordinary items) of the Company for the year ended on that date.
 - c. In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.
- 9) 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 further report that :-
 - (i) The nature of the company's business/activities during the year was such that clause (xii) (xiii) and (xiv) of the paragraph 4 of the companies (Auditors' Report) order 2003 are not applicable to the company.
 - (ii) (a) The company has maintained proper records showing full particulars, including quantitative details and unit wise situation of fixed assets.
 - (b) Physical verification of fixed assets was carried out during the year in accordance with the company's policy. In our opinion the frequency of verification of all the assets at reasonable intervals having regard to the size of the company and the nature of its assets. No material discrepancies between the book records and the physical verification were noticed.