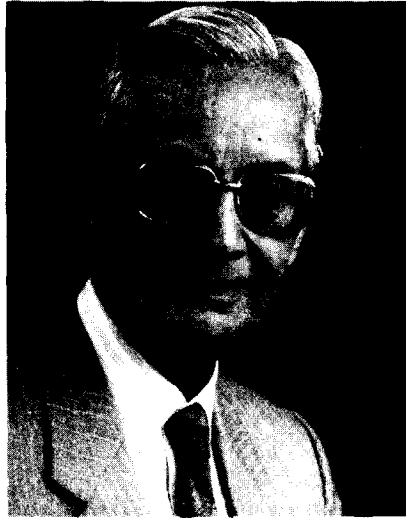


Report Generator



KESORAM
INDUSTRIES
LIMITED

ANNUAL REPORT & ACCOUNTS 2004-2005



Our Chairman Syt. B. K. Birla



B K BIRLA GROUP OF COMPANIES

The Group Logo — As represented by the 21st Century Atlas

Atlas, the Titan — Collective Strength

Atlas, bearer of the heavens is synonymous with vast, all encompassing strength and is used to symbolise the Group's own collective strength. It reflects the combined qualities of astute and dynamic management while emphasising the Group's tenacity, consistency, reliability and overall leadership.

The Sun — Enlightenment and Growth

The Sun, as a source of infinite energy and inspiration, is used here in conjunction with the Atlas head to represent the vitality and powerful presence of the Group — both in its industrial prowess and its financial, technological and intellectual skills.

The Earth Segments — Diversified Activities

Each of the latitudes around the Titan represent various sections — industrial, agricultural, financial and other activities of the Group. As with the infinite variety of the world, so is the strength of the Group, made up of its diverse activities.

The Globe — Global Vision

The Group's global presence and vision is reflected in the entirety of the Earth's sphere.

The Base — Solid Foundations

The strength of the entire edifice depends upon the strength of the foundation embedded in the bedrock, represented here by the Group Name.

The Symmetry — The Resilience, Versatility and Stability

Seen in its entirety, each of the elements — Atlas, the Sun, the Earth divisions, the Globe and the Base, together sum up a well conceptualised and balanced conglomerate.

Strong Foundation

Sustained Growth

Proven Leadership

86th ANNUAL REPORT & ACCOUNTS 2004-05

Shareholders seeking information on accounts published herein are requested to send their queries to the Company at least TEN days before the date of the Meeting.



Members are requested to bring at the meeting with them the printed copy of Annual Report & Accounts being sent to them along with the Notice to avoid inconvenience.



Kesoram Industries Limited

Directors

Syt. B. K. Birla
Chairman

Shri K. G. Maheshwari

Shri Pramod Khaitan

Shri B. P. Bajoria

Shri P. K. Choksey

Smt. Neeta Mukerji
(Nominee of ICICI Bank Ltd.)

Shri D. N. Mishra
(Nominee of LIC)

Shri Amitabha Ghosh
(Nominee of UTI)

Shri P. K. Mallik

Smt. Manjushree Khaitan

Shri S. K. Parik
(Also Company Secretary)

Senior Executives

Shri K. C. Jain
(Manager of the Company)

Shri J. D. Palod

Shri D. Tandon

Shri O. P. Poddar

Shri P. K. Goyenka

Auditors

Messrs Price Waterhouse

Bankers

State Bank of India
Allahabad Bank
BNP Paribas
Canara Bank
Central Bank of India
Citibank N.A.
HDFC Bank Ltd.
ICICI Bank Ltd.
IndusInd Bank Limited
Oriental Bank of Commerce
State Bank of Hyderabad
The Hongkong & Shanghai
Banking Corporation Ltd.
UCO Bank

Registered Office

Birla Building, 8th Floor
9/1, R. N. Mukherjee Road
Kolkata - 700 001

Share Transfer Agent

MCS Ltd.
77/2A, Hazra Road
Kolkata - 700 029

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NOTICE

TO THE MEMBERS

NOTICE is hereby given that the eighty-sixth Annual General meeting of KESORAM INDUSTRIES LIMITED will be held on Thursday, the 30th June, 2005 at 10.30 a.m. at "Kala-Kunj", 48, Shakespeare Sarani, Kolkata - 700 017, to transact the following business :

GENERAL BUSINESS

1. To consider and adopt the Reports of the Auditors and the Directors and the Audited Accounts of the Company for the year ended 31st March, 2005.
2. To declare Dividend on Ordinary Shares for the year ended 31st March, 2005.
3. To appoint Directors in place of Shri B. K. Birla, Shri P. K. Mallik and Smt. Manjushree Khaitan who retire by rotation and being eligible, offer themselves for re-election.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modification(s), the following Resolutions as SPECIAL RESOLUTIONS :

5. "RESOLVED THAT pursuant to the provisions of revised clause 49(1)(B) of the Listing Agreement with the Stock Exchanges read with applicable provisions of the Companies Act, 1956 or any amendment thereof (Act) and Article 106 of the Articles of Association, the consent be and is hereby accorded to the payment of such sitting fees, to the Directors of the Company *[excluding the Managing Director(s) and Whole time Director(s)]* for attending any meeting of the Board of Directors or any Committee thereof, as may be determined from time to time by the Board but not exceeding such sum as may from time to time be prescribed by or under the Companies Act, 1956 and the Rules prescribed there under or any amendment(s) thereof."
6. "RESOLVED THAT pursuant to the provisions of Section 309 and other applicable provisions of the Companies Act, 1956 and Article 106 of the Articles of Association of the Company and subject to approval by the Central Government, if required, the Company be and is hereby authorized to pay a commission to its Directors at the rate of 1% of the net profits of the Company to be divided amongst them equally but not exceeding Rs. 15 lacs (Rupees fifteen lacs) in every financial year computed in the manner referred to in Section 198(1) of the said Act, for a period of five years with effect from 1st April, 2005."

By Order of the Board

Regd. Office :
9/1, R. N. Mukherjee Road
Kolkata - 700 001
Dated, the 28th day of April, 2005

S. K. PARIK
Director & Secretary

Notes :

1. A member entitled to attend and vote at the above Meeting is entitled to appoint one or more proxies to attend and vote instead of himself/herself and the proxy need not be a Member. The Company must receive proxy form(s) not less than 48 hours before the Meeting.
2. Register of members shall remain closed from 15.6.2005 to 30.6.2005 (both days inclusive).
3. The relevant Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business is annexed hereto.
4. The Dividend, as recommended by the Board, if declared at the ensuing Annual General Meeting, will be paid, subject to the provisions of Section 206A of the Act, on or after 11th July, 2005 to those members or their mandatees whose names stand registered on the Company's Register of Members :
 - (a) as Beneficial Owners as at the end of business on 14.6.2005 as per the lists to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the Shares held in Electronic Form, and

- (b) as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the **Share Transfer Agent** on or before 14.6.2005. The instruments of Share Transfers, complete in all respects, should reach the **Share Department of the Company** at 9/1, R. N. Mukherjee Road, Kolkata - 700 001 or the **Share Transfer Agent** of the Company i.e. **MCS Ltd., 77/2A, Hazra Road, Kolkata - 700 029** well before the Book Closure Date as stated above.
5. In order to avoid the risk of loss/interception of dividend warrants in postal transit and/or fraudulent encashment of dividend warrants, Shareholders are advised to avail of **ECS** facility, whereby the dividend will be directly credited electronically to their respective Bank Accounts. This will ensure speedier credit of dividend. You may use the enclosed '**ECS Mandate Form**' and forward necessary details to the **Share Department of the Company/Share Transfer Agent or Depository Participant**, as the case may be, to avail benefit of this service.
6. (a) **Members are requested to notify the change in address**, if any, to the **Share Department of the Company/Share Transfer Agent**, the name of the Bank(s) with account number(s) for inscribing it on the face of dividend warrant(s) to avoid the fraudulent encashment of the same. **Members holding Shares in Electronic form should send the above information to the respective Depository Participants only.**
- (b) In case the mailing address mentioned on this Annual Report is either without Pin Code or with incorrect Pin Code, members are requested to kindly inform the **Share Department of the Company/Share Transfer Agent** or the respective **Depository Participant(s)** as the case may be, their Pin Code immediately for speedy and proper delivery.
7. Members, who are holding Shares in identical order of names in more than one Folio in physical form, are requested to apply to the **Share Department of the Company/Share Transfer Agent** along with the relevant Share Certificates for consolidation of such Folios in one Folio.
8. As per provisions of the Act, facility for making nominations is now available to Individuals, holding shares in the Company. The Nomination **Form-2B** prescribed by the Government can be obtained for the purpose from the **Share Department of the Company/Share Transfer Agent**.
9. The last dates of claim of the following dividends are as under :

<i>Dividends for the year</i>	<i>Date of declaration of Dividend</i>	<i>Last date for claiming unpaid Funds</i>
1997-1998	06.07.1998	17.08.2005
1998-1999	22.07.1999	05.09.2006
1999-2000	24.03.2000 (Interim)	09.07.2007
2000-2001	22.06.2001	26.07.2008
2001-2002	23.07.2002	21.08.2009
2002-2003	26.06.2003	25.07.2010
2003-2004	30.06.2004	29.07.2011

10. Pursuant to the provisions of Section 205A read together with 205C of the Act, as amended, dividends and interests etc. for the financial year ended 31st March, 1998 and thereafter, which remain unpaid or unclaimed for a period of 7 years will be transferred to the '**Investor Education and Protection Fund**' constituted by the Central Government.

Members, who have not encashed the *interest warrant(s)* issued after 1st April, 1998 and/or the *dividend warrant(s)* for the financial year ended 31st March, 1998 or any subsequent financial years so far, are requested to make their claim to the **Share Department/Share Transfer Agent** of the Company.

Further, it may be noted that under the amended Companies Act, once the unclaimed interest/dividend amount is transferred to the Fund as aforesaid, no claim shall lie in respect of such amount.

11. (a) **Members desirous of getting any information about the accounts and operations of the Company are requested to address their query/ies well in advance to the Director & Secretary of the Company so that the same are received at least ten days before the date of the Meeting to enable the Management to keep the information readily available at the Meeting.**
- (b) **Further, members are requested to bring at the meeting the printed 'Annual Report & Accounts' with them, being sent to them along with the Notice to avoid inconvenience.**
- (c) **Members, who hold shares in Electronic Form are requested to bring their Depository ID Number and Client ID Number to facilitate easier identification for attendance at the Annual General Meeting.**
12. As per requirement of Clause 49 VI (A) of the Listing Agreement with Stock Exchanges, the particulars of Directors retiring by rotation and eligible for reappointment are given in the Corporate Governance Section of the Annual Report.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 5

Under the provisions of Section 309(2) of the Companies Act, 1956 and Article 106 of the Articles of Association of the Company, a director may receive remuneration by way of a fee for each meeting of the Board, or a Committee thereof, attended by him.

The amended provisions of Clause 49(I)(B) of the Listing Agreement with the Stock Exchanges, as notified by SEBI vide Circular Nos. SEBI/CFD/DIL/CGII/2004/12/10 October 29, 2004 and SEBI/CFD/DIL/CG/1/2005/29/3 dated March 29, 2005 and compulsorily coming into effect on & from 31st December, 2005, now requires that all fees/compensation paid to the non-executive Directors, shall be fixed by the Board of Directors and shall require previous approval of the shareholders in the General Meeting. Accordingly, approval of the shareholders is sought for payment of such increased fees to the Directors for attending any Board meeting or any Committee thereof, as may be fixed by the Board in future within such limits as may from time to time be prescribed under the Companies Act, 1956 and Rules framed there under or any amendment(s) thereof.

The Board of Directors recommends the passing of the resolution mentioned under item No. 5 of the Special business as 'Special Resolution'.

All the Directors, except Shri S. K. Parik, are interested to the extent of increase in sitting fees since it relates to payment of fees to them for attending Board/Committee meetings.

Item No. 6

The period for payment of the Commission to the Directors as per previous resolution of the shareholders has expired on 31.03.2005. The Board is recommending for approval of the payment of the commission to the Directors for further five years from 01.04.2005, to be calculated at the rate of 1% of the net profits of the Company in accordance with the relevant provisions of the Companies Act, 1956, subject to a maximum limit of Rs. 15 lacs (Rupees fifteen lacs) per annum.

The Board of Directors recommends the passing of the resolution mentioned under item No. 6 of the Special business as 'Special Resolution'.

All the Directors, except Shri S. K. Parik, are interested in the aforesaid resolution being recipients of the commission.

Regd. Office :
9/1, R. N. Mukherjee Road
Kolkata - 700 001
Dated, the 28th day of April, 2005

By Order of the Board

S. K. PARIK
Director & Secretary

REPORT OF THE DIRECTORS**FOR THE YEAR ENDED 31ST MARCH, 2005**

Dear Members,

Your Directors have pleasure in presenting the eighty-sixth Annual Report and the Audited Statements of Accounts of the Company for the year ended 31st March, 2005.

	<i>(Rupees in Crores)</i>	
	31st March, 2005	31st March, 2004
FINANCIAL RESULTS		
Turnover (excluding Inter-Section Transfers)	1,709.02	1,564.76
Other Income	72.22	78.36
Total Income	1,781.24	1,643.12
Gross Profit before significant Non-recurring Items (net)	116.59	110.74
-Add : Significant Non-recurring Items (net)	(19.59)	25.85
Gross Profit after significant Non-recurring Items (net)	97.00	136.59
Less : Depreciation (Net of transfer from Revaluation Reserve)	53.49	53.59
Provision for Tax	10.00	20.00
	63.49	73.59
Net Profit	33.51	63.00
Debenture Redemption Reserve written back	1.13	1.87
Excess Provision for previous year's proposed dividend written back	—	0.04
Amount available for appropriation which the Directors have appropriated as under :	34.64	64.91
(i) Share Buy-back Reserve	—	0.18
(ii) General Reserve	3.50	6.30
(iii) Proposed Dividend	11.44	11.44
(iv) Tax on the proposed dividend	1.60	1.46
(v) Balance carried forward to next year	18.10	45.53
	34.64	64.91

DEFERRED TAX

Pursuant to the order dated 5th February, 2002 of the Hon'ble Calcutta High Court, Deferred Tax Liability (net), as per the Accounting Standard on 'Accounting for Taxes on Income' (AS-22) prescribed by The Institute of Chartered Accountants of India, is being adjusted against Securities Premium Account. Accordingly, the decrease in Deferred Tax Liability (net) of Rs. 6.62 crores for the year 2004-05 has been credited to Securities Premium Account.

FIXED DEPOSITS

In spite of repeated reminders, Unclaimed Deposits of Rs. 26,000 due to five parties, which were transferred on merger of Birla Century Finance Ltd. with the Company, still await completion of the formalities/claim for settlement thereof.

TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND

In terms of sections 205A and 205C of the Companies Act, 1956 read together with General Circular No. 22/2002 dated 23rd September, 2002 issued by the Department of Company Affairs, the Company deposited Rs. 16.49 lacs being the various unclaimed amounts of the Company as well as that of earlier merged companies during the year under review in the 'Investor Education and Protection Fund' established by the Central Government.

DIVIDEND

The Board of Directors, at their meeting held today, has recommended dividend on Ordinary Shares as under :

	31st March, 2005 Rs.	31st March, 2004 Rs.
On 4,57,43,318 Ordinary Shares as on 31.3.2005 of Rs. 10 each @ Rs. 2.50 per Share (Previous year Rs. 2.50 per Share)	11,43,58,295	11,43,58,295

GENERAL REVIEW

The entire enhanced input cost of the products could not be passed on to the consumers on account of stiff competition. However, continued effective cost control measures, cash management and reduction in interest burden etc. have achieved to the current results, which are satisfactory in the circumstances.

- Due to unsatisfactory VFY/transparent paper market, the Rayon Section has resulted in depressing bottom line but overall operating efficiencies of the Section have improved during the year.
- Due to cheaper substitute products, the margins were lower as such the Spun Pipes Section is continuing in unfavourable market environment.
- With the increased highest ever production and dispatches coupled with improving market environment, the performance of Cement Sections has improved.
- Despite sharp increase in prices of natural rubber and other petroleum based raw materials and inability to pass on the increased cost to the market, the Tyre Section has been able to hold the market share.
- Due to unfavourable market conditions, the realizations have been unremunerative causing under capacity utilization of all products of Hindusthan Heavy Chemicals Section. However, commissioning of captive power plant has resulted in reduced power cost and better bottom line.

RAYON & TRANSPARENT PAPER SECTIONS

The Viscose Filament Yarn (VFY) business has been affected by adverse conditions. It witnessed continued pricing pressure due to industry-wide over supply and cheaper imports, besides rise in input costs & reduction in excise and customs duties of substitute materials. However, the production of VFY was maintained at almost last year's level (7,265 tons against 7,251 tons) and export increased from 618 tons to 1,145 tons but the realizations were affected throughout the year because of poor domestic demand. The export realization was also under strain due to fall in international rates and fluctuating foreign exchange rates. However, the increase in exports helped in arresting the rising level of inventories and maintaining the production.

The Transparent Paper (TP) business continues with unfavourable market environment resulting into poor realization rate mainly because of competition with cheaper imports & substitutes. Coupled with increased input costs, the profitability of this department suffered badly.

Chemical business bridged some revenue shortfall with higher volume and better realization.

The overall operating profits of the Section turned to negative due to lower VFY & TP realizations and increased input costs e.g. rising Wood Pulp, Sulphur & Coal prices. However, overall improved operating efficiencies and better contribution from Chemicals have restricted the fall in results.

The Section has been awarded a 'Certificate of Merit' by the Ministry of Power, Government of India for its outstanding achievements in Energy Conservation. The Section has the unique & proud distinction of having received the award every year since 1995 except for 2003.

Relations with employees have been cordial during the year. The 2001 agreement with the Trade Unions has expired and negotiation for a new agreement will take place shortly.

SPUN PIPES SECTION

During the financial year under review the realization was lower as compared to last year due to cheaper substitute products. The increased price of key raw material viz. Pig Iron & Hard Coke during the current year and less orders from Government parties due to expiry of rate contract in November, 2004 resulted in lower realization. The production decreased by 18.05% compared to last year. We have been able to produce 33,333 MT as compared to 40,676 MT last year. This was mainly due to production of smaller dia pipe where realizations are higher as compared to bigger dia pipes.

Total dispatches reduced by 16.38%. The total dispatches for the year under review were 34,001 MT as compared to 40,661 MT last year.

Stock has decreased substantially by 29.00% and almost all slow moving items have been cleared.

CEMENT SECTIONS**Kesoram Cement**

Production figures of this Section are as under :

Production	2004-05 (MT)	2003-04 (MT)
Clinker	8,95,790	7,74,900
Cement	9,84,574	8,24,362

This Section has achieved the highest ever production of both Cement and Clinker since its inception. There has been increase in Clinker production by 15.60% and Cement production of 19.43% over previous year.

Cement prices continue to be under pressure in South India due to excess of Supply over Demand. It is hoped that market shall further improve due to good demand for infrastructure and housing sector activities.

Blended Cement launched by this Section under the brand name "BIRLA SHAKTI" has become very popular due to aggressive advertisement campaign during the year and its production has increased from 36% last year to 48% in the year under review, despite severe competition. All out efforts are being made to increase blended cement production further in the ensuing year, since Fly Ash is available nearby.

Power consumption per tonne of cement has come down to 90 Units from 92 Units last year, due to implementation of energy conservation measures and also increase in the quantity of blended cement production.

Captive Thermal Power Plant of this Section has helped to maintain the power cost within economical level. Total power generation achieved during this year is 100.62 million Units, which is the highest ever achieved since commissioning of the Plant in 1997.

The suit challenging the validity of imposition of Electricity Duty on captive power generation @ 25 paise per Unit from 17.7.2003 by Government of Andhra Pradesh is pending in Hon'ble High Court of Andhra Pradesh.

Due to continuous failure of monsoon during last two years, the water position has become precarious and it has become difficult to meet the requirement to run our Cement Plant/Captive Thermal Power Plant. All out efforts are made to procure water from outside sources, to maintain uninterrupted production.

The Industrial relations were excellent.

Limestone Mines of this Section bagged MISRILALL JAIN ENVIRONMENTAL AWARD by Federation of Indian Mineral Industry (FIMI), New Delhi for the year 2003-04.

Limestone Mines of this Section also bagged 1st prize for Environment, Pollution Control & Health Management, consecutively for three years, from the Director General of Mines Safety during Mines Safety week celebrations. So also during Mines Environment & Mineral Conservation celebrations these Limestone Mines won second prize for Waste Dump Management and Afforestation from Indian Bureau of Mines.

Vasavadatta Cement

The production figures of this Section are as under :

Production	2004-05 (MT)	2003-04 (MT)
Clinker	20,14,145	18,80,316
Cement	21,29,802	20,41,264

This Section has also achieved highest ever production of both Cement and Clinker since its inception. There has been increase in Clinker production by 7.12% and Cement production by 4.33% over previous year, with average power consumption of 69.84 KWH per ton of Cement as against 74 KWH per ton in previous year.

The production of "BIRLA SHAKTI" i.e. blended cement has increased to 42.26% of total production from 27.90% in previous year. The 15.7 MW Captive Power Plant continued to play a key role in controlling the cost of Cement production. The total generation achieved during the above period is 120.12 million KWH against 115.76 million KWH in previous year, which is more by 3.77%.

In addition to existing 15.7 MW Thermal Power Plant another 9 MW Thermal Power Plant is in final stage of completion and is expected to be commissioned in May 2005.

With positive outlook of the Cement Sector, the Company is planning for cement capacity expansion by 1.65 million Tons p.a., all necessary Government Clearances have been obtained except Environment Clearance, which is expected to be cleared shortly. However, environment clearance for expansion of production of Limestone for a rated capacity of 4.50 million Tons p.a. in respect

of Limestone mines has been received from Ministry of Environment and Forest as per letter No. J-11015/98/2004-IA.II (M) dated 28th March, 2005.

Main Plant Equipments orders have been finalized, Civil, Mechanical & Electrical Consultants have been appointed and Civil work is expected to start in April/May 2005 immediately after receipt of Environment Clearance. Orders for the balance equipments are being finalized. The project is expected to be commissioned in last quarter of 2006.

Vasavadatta Cement, Sedam, has been certified as an "Excellent Energy Efficient Unit" and has been awarded "National Award for Excellence in Energy Management 2004" instituted by Confederation of Indian Industry (CII) Sohrabji Godrej Green Business Centre.

The Limestone Mines of this Section bagged several prizes during Celebration of Mines Safety, Mines Environment & Mineral Conservation week in (Bellary-Gulbarga Zone).

Relations with employees have been cordial and conducive to growth.

BIRLA TYRES SECTION

The gross turnover of the Section this year is Rs. 749.06 crores as compared to Rs. 737.12 crores during 2003-04. Inspite of stiff competition, we still have been able to hold on to our market share. The export sales for the year under review amounted to Rs. 135.89 crores as against Rs. 131.43 crores in the previous year.

Consistency in quality maintained by the Section has been recognised in domestic as well as international markets. Our Steel Radial Passenger and LCV Tyres have been well received in the market.

Inspite of sharp increase in prices of Natural Rubber and other petroleum based Raw Materials and inability of the Industry to pass on the increase to the market, the Section has been able to achieve satisfactory result due to various cost cutting measures and improving efficiencies across its operations.

Relations with employees have been cordial and conducive to growth.

HINDUSTHAN HEAVY CHEMICALS SECTION

The production figures of the Section are as under :

Production	2004-05	2003-04
Caustic Soda Lye	10,560 MT	9,871 MT
Sulphuric Acid	18,183 MT	16,441 MT
Ferric Alum	2,117 MT	2,517 MT
Hydrogen Gas (Purified)	4,33,352 M ³	5,23,958 M ³

Increased production of Caustic Soda Lye and Sulphuric Acid is mainly due to better operation of Captive Generating Set during the current year compared to the previous year. The demand of Caustic Soda Lye and allied products improved from November, 2004 onwards with increase in selling price of Caustic Soda Lye from third quarter of the year 2004-05. The price of Sulphuric Acid has also improved marginally from last quarter of the current year. Demand for Hydrogen Gas continues to be lower due to lower off take by Vanaspati Sector.

In order to ensure health and safety of workmen, mock drills, health check-ups are carried out at intervals along with monitoring of toxic emissions on a routine basis. To counter on-site and off-site emergency situations, observations of Safety week, Safety exhibitions and slogans are organized for employees and outsiders.

EXCISE DUTY

During the year under review a sum of Rs. 287.06 crores (Rs. 268.98 crores in 2003-04) was paid on account of Excise Duty on various products manufactured by your Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors to the best of their knowledge and belief confirm that :

- (i) in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed by the Company;
- (ii) appropriate Accounting Policies, as mentioned in Schedule 17, have been selected and applied consistently and such judgements and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2005 and of the profit of the Company for the financial year ended on that date;