

Date of AGM 10/07/2004



ANNUAL REPORT 2003-04

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MICROSEC INDIA LIMITED

PARTNERS IN GROWTH

7, CAMAC STREET, 2ND FLOOR

AZIMGANJ HOUSE

KOLKATA - 700 017

Auditors

VIDYA & CO.

Chartered Accountants

MICROSEC INDIA LTD.

Parbhay Parbatta
Director/Authorised Signatory

MICROSEC INDIA LIMITED

PARTNERS IN GROWTH

DIRECTORS' REPORT**DEAR SHAREHOLDERS**

Your Directors are pleased to present the Ninth Annual Report together with the audited accounts of the Company for the period ended 31st March 2004

FINANCIAL RESULTS

	Period ended 31.03.2004	Period ended 31.03.2003
	Rs.	Rs.
Total Income	12654028	4584940
Profit before Depreciation and Tax	6721592	1499063
Depreciation	1390129	447335
Profit before Tax	5331463	1051728
Provision for Tax	403356	82824
Provision for Deferred Tax	2555893	261032
Profit after Tax	2372214	805682
Balance brought forward from previous year	2044514	1336642
Balance Carried to Balance Sheet	4416728	2044514

OVERVIEW

During the year under review, your company recorded a growth of 22% in the operating profit from Rs.14,99,063/- to Rs.67,21,592/-. The net profit for the year was Rs 23,72,214/- compared to Rs.8,05,682/- previous year.

DIVIDEND

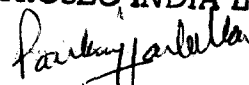
Your Company requires resources for expansion plans and therefore your directors do not recommend dividend.

DIRECTORS

Mr. Jishnu Saha and Mr Sanjay Kumar Kedia resigned from the Board with effect from 3rd November 2003. Your directors place on records their appreciation of the valuable support and contribution by Mr. Jishnu Saha and Mr. Sanjay Kumar Kedia.

Sri Sandip Agarwal, Director of company, retire from the Board by rotation and being eligible, offer himself for reappointment



MICROSEC INDIA LTD.

 Director's Authorized Signatory

DEPOSITS

Your Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 and the rules made thereunder.

AUDITORS

The Auditors M/s. Vidya & Co. Chartered Accountants Chartered Accountants retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

SHARE CAPITAL

During the year, the Company allotted 275000 Equity Shares of Rs.10/- at a premium of Rs.100/-.

EMPLOYEES

The Board of Directors wishes to express its sincere appreciation to all the employees for their valuable service and support during the year.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION ETC.

In accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 and the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 the required information relating to the "Conservation of Energy, Technology, Absorption" do not apply to the Company. There is no foreign exchange earnings and outgo during the Period.

PERSONNEL

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 (as amended) is not required as none of the employees of the Company was in receipt of aggregate remuneration as prescribed in the said section.

RESPONSIBILITY STATEMENT

As per Section 217(2AA) of the Companies Act, 1956 inserted by Companies (Amendment) Act, 2000 the responsibility statement of the Board of Directors is as follows:

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- (ii) that your 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 at the end of the financial year and of the profit or loss of the company for that period;



- (iii) that your directors 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;
- (iv) that your directors have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENTS

The Directors wish to place on record their appreciation for the wholehearted and sincere cooperation, the Company received from all concerned.

Place: Kolkata

Date: 15/06/2004

By Order & on behalf of the Board

B. [Signature]

DIRECTOR



[Signature]

VIDYA & CO
Chartered Accountants

39,Chakraberia Road(South)
Kolkata – 700 025

**AUDITOR'S REPORT
To The Members,
MICROSEC INDIA LIMITED**

- 1) We have audited the attached balance sheet of MICROSEC INDIA LTD as at 31st March 2004, and also the profit and loss account 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
- 2) We conducted our audit in accordance with the accounting 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.
- 3) As required by the Companies (Auditor's 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" a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4) Further to our comments in the Annexure referred to above, we report that:
 - i. 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;
 - ii. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - iii. The balance sheet and profit and loss account dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the balance sheet and profit and loss account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;



MICROSEC INDIA LTD.
Director Authorised Signatory