

DIRECTORS REPORT

To,
The Members,
MICROSE INDIA LIMITED

Your directors have pleasure in presenting the Sixteenth Annual Report together with Audited statement of accounts for the period ended 31st March, 2005.

FINANCIAL RESULTS

	YEAR ENDED <u>31/03/2005</u>	NINE MONTH ENDED <u>31/03/2004</u>
Profit Before Taxation	3,92,888	5,60,020
Less: Provision for Taxation	32,000	52,000
Profit After Taxation	<u>3,60,888</u>	<u>5,08,020</u>
Less: Transferred to Statutory Reserve	73,000	1,03,810
Less: Adjustment of Taxation	(51)	--
Add: Deferred Tax Assets(Liabilities) of Current Year	(4,960)	(1,580)
Less: Loss Brought Forward from Previous Year	<u>(14,52,638)</u>	<u>(18,55,268)</u>
Balance carried to Balance Sheet	<u>(11,69,761)</u>	<u>(14,52,638)</u>
Basic / Diluted Earning Per Share	0.12	0.17

DIVIDEND

Your director has not recommended any dividend, because company has not generated sufficient profit for the period ended 31st March, 2005.

ACCEPTANCE OF DEPOSIT (SEC.58-A):

The company has not invited/accepted any deposits from public coming under the purview of section 58-A of companies Act..

Cont. 2

CONSERVATION OF ENERGY ETC.(SEC.2C.217 (e)):

Particulars laid down in section 217 (1)(e) of the companies Act, 1956 pertaining to conservation of energy, technology absorption and foreign earning are not applicable to company, as the company is not a manufacturing concern.

DIRECTORS:

In accordance with the provisions of the companies Act, 1956 and as per the provision of the Articles of Association of the company, Shri Shyam Sunder retires by rotation at the forthcoming Annual General meeting and being eligible, offers himself for reappointment.

PARTICULARS OF EMPLOYEES:

The company has no employee covered under section 217 (2A) of the companies Act, 1956 read with the companies (particulars of employees) Rule 1975 as amended by the companies (Amendment Act, 2000). Hence statement is not annexed thereto.

EARNING/EXPENSES IN FOREIGN EXCHANGES:

Expenditure incurred or income earned by the company in foreign exchange is Nil.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirement under section 217 (2AA) of the companies Act, 1956, with respect to Director's Responsibility Statement, it is hereby confirmed:-

- 1) That in the preparation of the account for the financial period ended 31st March, 2005 the applicable accounting standards have been followed along with proper explanations relating to material departures.
- 2) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial period and of the profit of the company for the period under review.
- 3) 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, 1956 for safeguarding the assets of the companies and for preventing and detecting fraud and other irregularities.
- 4) That the Directors have prepared the accounts for the financial period ended 31st March, 2005 on a going concern basis.

Cont...

SHIFITING OF REGISTERED OFFICE

Directors are please to inform you that, due to operation convenience the company has shifted its registered office to Mumbai during the year.

AUDITORS

Your directors have appointed M/s Ravindra Chaturvedi & Co, Chartered Accountants Mumbai, to fill the casual vacancy of the office of Auditor. Further the directors recommend to reappoint the existing auditor to hold the office until the conclusion of the ensuing Annual General Meeting. The company has received a certificate from them that their appointment will be with in the prescribed limit u/s 224(1B), Members are requested to approve the above.

APPRECIATION:

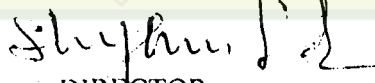
The directors wish to place on record their appreciation of the devoted services of the staff and officers and express their gratitude to the continued support and assistance extended by Bankers, Government Authorities, Clients and Suppliers.

FOR AND ON BEHALF OF THE BOARD

Sd/-
(SHYAM SUNDER)
DIRECTOR

Place : Mumbai
Date : 10/08/2005

// Certified true copy. //
For MICROSE INDIA LIMITED


DIRECTOR

AUDITOR'S REPORT

To,
The Members.

We have audited the attached balance sheet of **M/s MICROSE INDIA LIMITED** as at 31st March 2005, and the profit and loss account for the year ended on that date annexed thereto and the cash flow statement for the year ended on that date. The 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.

1. 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. 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 hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to above, we report that:-
 - a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of accounts as required by the law have been kept by the Company so far as appears from our examinations of the books of the Company;
 - c) The Balance Sheet and Profit & Loss Account dealt with report are in agreement with the books of accounts of company;
 - d) In our opinion, the Balance Sheet and Profit & Loss Account comply with the Mandatory Accounting Standards referred in section 211 (3C) of the Companies Act, 1956.
 - e) On the basis of the written representations received from the directors, and taken on record by the Board of Directors, we report that none of said directors is disqualified as on March 31, 2005 from being appointed as directors 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 accounts read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and present a true and fair view in confirmative with the accounting principles generally accepted in India :-

- i) In the case of the Balance Sheet of the state affairs of the Company as at 31st March, 2005 and
- ii) In the case of the Profit & Loss Account of the profit of the Company for the year ended on that date.
- iii) In the case of cash flow statement, of the cash flow for the year ended on that date.

FOR RAVINDRA CHATURVEDI & CO.
CHARTERED ACCOUNTANTS

Sd/-
RAVINDRA CHATURVEDI
(Partner)

Place: Mumbai
Date : 10.08.2005

Report  junction.com