

MICROSE INDIA LIMITED

22nd ANNUAL REPORT

2009-2010

BOARD OF DIRECTORS

- **SHYAM SUNDER AGRAWAL**
- **SAURABH GARG**
- **V.K.JAIN**
- **G.N.CHATURVEDI**

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BANKERS

- **CANARA BANK**
NARIMAN POINT BRANCH,
MUMBAI

AUDITORS

- **M/S. KAMAL ANIL KAPADIA & CO.**

REGISTERED OFFICE

- **421, MAKER CHAMBER-V,**
NARIMAN POINT,
MUMBAI - 400 021.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty Second Annual General Meeting of MICROSE INDIA LIMITED will be held on Thursday 30th September, 2010 at 421, Maker Chamber V, Nariman Point, Mumbai - 400021 at 03.00 p.m to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2010, Profit and Loss Account for the year ended on that date and the Reports of the Auditors' and the Directors' thereon.
2. To appoint a Director in place of Mr. Shyam Sunder Agrawal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Saurabh Garg who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Kamal Anil Kapadia & Co, Chartered Accountants, as an Auditor of the Company to hold office till the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

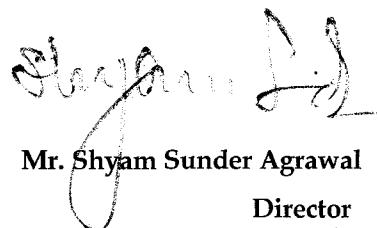
"RESOLVED THAT M/s. Kamal Anil Kapadia & Co., Chartered Accountants Mumbai be and are hereby appointed as an Auditors of the Company to hold the office from the conclusion of the ensuing Annual General Meeting until conclusion of the next Annual General Meeting, on such remuneration as may be determined by the Board in consultation with the Auditors, in addition to reimbursement of service tax and all out of pocket expenses in connection with the audit of the Accounts of the Company for the financial year ending on

31st March 2010 , www.reportjunction.com www.sansco.net which remuneration may be paid on existing terms to be agreed between the Auditors and the Board."

Place : Mumbai

By order of the Board

Date : 6th September, 2010.



Mr. Shyam Sunder Agrawal
Director

Registered Office:

421, Maker Chamber V,
Nariman Point,
Mumbai - 400021.

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and the proxy need not be a member of the Company. Under the Companies Act, 1956, voting is by a show of hands unless a poll is demanded by a member or members present in person, or by proxy, holding at least one-tenth of the total shares entitled to vote on the resolution or by those holding paid-up capital of at least Rs. 50,000. A proxy shall not vote except on a poll. The instrument appointing the proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
2. Members/Proxies should bring duly-filled Attendance Slips sent herewith to attend the meeting.
3. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. The Register of Members and Share Transfer Books of the Company will remain closed from September 23, 2010 to September 30, 2010 (both days inclusive) for the purpose of Annual General Meeting.

6. Members holding shares in physical form and desirous of making/changing nomination in respect of their shareholding in the Company, may send their request in the prescribed form 2B to the Registrar & Transfer Agents of the Company.
7. Corporate Members are requested to send to the Company, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General meeting.
8. Members desirous of obtaining any information on the Accounts and Operations of the Company are requested to write at least one week before the meeting so that the same could be compiled in advance.
9. Members are requested to notify changes, if any, in their registered addresses to the Company's Registrar and Share Transfer Agent.
10. Members are requested to bring their copy of Annual Report to the Meeting.
11. All documents referred to in the notice are open for inspection at the registered office of the Company between 10.30 a.m. and 1.00 p.m. on all working days upto the date of the meeting.
12. Member are requested to address all correspondences to the Registrar and Share transfer Agents, M/s. Big share Services Private Limited E-2/3, ,Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri(E), Mumbai - 400072, Tel No: + 91 22 28470652 ,Fax : + 91 22 28475207, Email : info@bigshareonline.com,
13. As per the provisions of the Companies Act, 1956, facility for making nominations is available for shareholders, in respect of the shares held by them. Nomination forms can be obtained from the Registrar and Transfer agents of the Company.
14. Members seeking any information or clarification on the Annual Report are requested to send in written queries to the Company at least one week before the meeting to enable the Company to compile the information and provide replies at the meeting

Information Regarding Re- Appointment of Directors:

1. Mr. Shyam Sunder Agrawal, 54 Years, has been Director of our Company since February 24, 1994. He is B.com Graduate from University of Agra. He has excellent knowledge of the current Industry since last 27 years. He has actively contributed in the development of the Company.
2. Mr. Saurabh Garg, 27 years, joined our Company on May 03, 2004. He is B.Com Graduate from University of Mumbai and has done M.B.A. from London (UK). He has actively contributed in the development of the Company.

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors are pleased to present the 22nd Annual Report and the Audited accounts for the financial year ended March 31, 2010.

Financial Results:

The Financial Performance of the Company for the year ended March 31, 2010 is summarized below:

	(in Rs)	(in Rs)
Particulars	March 31, 2010	March 31, 2009
Profit After Depreciation but Before Tax and Interest	12,88,851	5,24,120
Less: Interest	6,47,444	1,55,425
Less: Provision for Taxation	53,100	13,700
Provision for FBT	--	430
Profit After Taxation & Interest	5,88,307	3,54,565
Less: Transferred to Statutory Reserve	118,000	71,000
Add/(less): Adjustment of Taxation	41	19,690
Add(Less): Deferred Tax Assets (Liabilities) of Current year	3464	264
Add: Profit (Loss) Brought Forward from Previous Year	27,01,831	23,98,312
Balance carried to Balance Sheet	31,75,643	27,01,831

Dividend

Your Director has not recommended any dividend because Company has not generated sufficient Profit for the period ended 31st March 2010.

Transfer to Reserve

During the year, the amount transferred to the Statutory Reserves is Rs. 1,18,000/- and the amount retained in the Profit and Loss account is Rs. 31,75,643/-.

Investments

During the year under report the company has not made any investment in shares and debentures of companies.

Directors

Pursuant to Section 256(2) of the Companies Act, 1956 and as per the Article 148 of the Article of Association of the Company, and subject to the shareholders approval Mr. Shyam Sunder Agrawal and Mr. Saurabh Garg retire by rotation at the ensuing Annual General Meeting and, being eligible, offer them selves for re-appointment. Your Directors recommend their re-appointment. Brief resume of the Directors proposed to be reappointed, nature and their expertise are included in the notice for the Annual General Meeting.

Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956:

- a) that in the preparation of the Annual Accounts for the year ended March 31, 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- b) that the 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 ended March 31, 2010 and of the profit of the Company for that year.
- c) 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 Company and for preventing and detecting fraud and other irregularities
- d) that the Directors have prepared the Annual Accounts for the year ended March 31, 2010, on a going concern basis.

Corporate Governance

Clause 49 of the Listing Agreement of the Stock Exchange regarding Corporate Governance is not applicable to the Company as its paid up capital is less than Rs.3 Crores. However, the Company is fully complying with the prevailing Corporate Governance code.

Stock Exchange Listing

The shares of the Company are listed at the Stock Exchange, Mumbai. The Annual Listing Fee for the year 2009-2010 has been paid to the Stock Exchange.

Fixed Deposits

In terms of Section 58A of the Companies Act 1956 read with the Companies (Acceptance of Deposit Rules) 1975, the Company has not accepted any fixed deposit during the financial year 2009-10

The Company is not required to undertake the cost audit as required under Section 233 B of the Companies Act, 1956.

Conversation of Energy and Technology Absorption

Since there is no manufacturing activity carried on by the Company, the particulars in respect of Conservation of Energy and Technology Absorption as required under section 217(1E) of the Companies Act 1956 is not furnished.

Foreign Exchange Earning and Outgo

Expenditure incurred or income earned by the Company in Foreign Exchange is NIL.

Particulars of employees

The Company has no employee under the Category specified under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

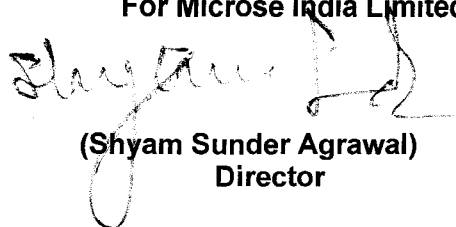
Statutory Auditors

The Auditors of the company M/s. Kamal Anil Kapadia & Co, Chartered Accountant, retires at the ensuing Annual General Meeting and being eligible have offered themselves for reappointment The Company has also received a certificate from them to the effect that their appointment if made, would be within the prescribed under section 224 (1) of the companies Act 1956.

Acknowledgement

Your Directors take this opportunity to express their grateful appreciation for the excellent assistance and co-operation received from Clients, Vendors, Financial Institutions, Bankers, Business Associates and various Governmental, as well as Regulatory Agencies for their valuable support for the Company's growth. Your Directors also wish to place on record their appreciation of the contribution by the employees, who through their hard work, dedication and commitment, have enabled the Company to achieve this phenomenal growth.

**For & on behalf of Board of Directors
For Microse India Limited**



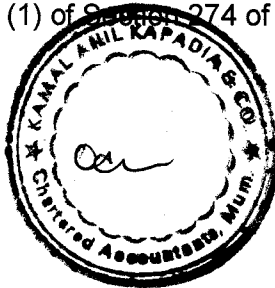
**(Shyam Sunder Agrawal)
Director**

AUDITOR'S REPORT

To,
The Members,

We have audited the attached balance sheet of **M/s MICROSE INDIA LIMITED** as at 31st March 2010, 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 (Auditors' Report) order, 2003 as amended by the companies (Auditors Report) (Amendment) order, 2004 (together the order) issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, and on the basis of such checks of the books and records as we considered appropriate and the information and explanation given to us during the course of audit, we give in the annexure a statement on the matters specified in the paragraphs 4 & 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, 2010 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, 2010 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 KAMAL ANIL KAPADIA & CO.
CHARTERED ACCOUNTANTS**

M. K. Kapadia

**(M.K.KAPADIA)
PROPRIETOR**

Mem.no.110048

Firm Reg.no.118350W



M. No. 110048

Place : Mumbai,
Dated : 06/09/2010

Statement on the Companies (Auditor's report) order 2003

ANNEXURE REFERRED TO IN PARAGRAPH (2) OF OUR AUDITORS REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE PERIOD ENDED 31ST MARCH 2010.

1. In respect of its fixed assets:-

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- b) As explained to us, the Management during the year has physically verified the fixed assets in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c) None of the Fixed Assets have been revalued/sold during the Period.

2. As the Company neither has purchased / sold goods except shares during the year nor there is any opening stock or closing stock except shares hence requirement of reporting on physical verification of stock or maintenance of inventory records, in our opinion does not arise. As far as dealing in shares are concerned proper records are being maintained as reported in clause 14 of this report.

3. In respect of loans covered u/s 301:-

- a) The Company has taken unsecured loan from two Companies listed in the Register maintained under Section 301 of the Companies Act, 1956. Maximum amount outstanding during the year was Rs. 77.15 Lacs, and closing balance at year end was Rs. 74.17 Lacs.
- b) In our opinion, the terms and conditions on which loans have been taken from companies listed in the register maintained under section 301 of the Companies Act, 1956 are not prima facie, prejudicial to the interest of the Company.
- c) There is no overdue amount of loans taken from companies listed in the register maintained under section 301 of the Companies Act 1956.
- d) The Company has not given any secured or unsecured loan to Companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

4. In our opinion and according to the information and explanations given to us, there is no transaction made in pursuance of contacts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956.

5. The Company has not accepted any deposits from the public.

6. In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and also for the sale of services. During the course of our audit, we have not observed any major weaknesses in internal controls.

