

SYLPH TECHNOLOGIES LIMITED



ANNUAL REPORT 2005

DIRECTORS' REPORT

To,
The Members,
SYLPH TECHNOLOGIES LIMITED

The Directors have great pleasure in presenting the 13th Annual Report along with the Audited Accounts for the financial year ended 30th September 2005.

FINANCIAL RESULTS

	For the period ended 30-09-2005	For the period ended 30-09-2004
Profit before Depreciation	1397105	198851
Depreciation	—	—
Profit before Tax	1397105	198851
Provision for Tax	—	—
Profit after Tax	1397105	198851

BUSINESS

The Company has started Share Trading Business and has started earning profit. The Company expect a good business in coming years.

DIVIDEND

The Directors of the Company are not recommending any dividend looking to the losses in the Company.

FIXED DEPOSITS

The Company has not accepted any Fixed Deposit during the year. The Company do not have any Fixed Deposit with it since inception.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000, the Directors confirm that

- (i) In the preparation of the annual accounts, the applicable accounting standard have been followed.
- (ii) Appropriate accounting policies have been selected and applied consistently and have made judgements 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 September 2005 and of the Profit and Loss Account for the year ended September 30, 2005.
- (iii) 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) The annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE

The Company has been proactive in following the principles and practices of good governance. The company has taken adequate steps to ensure that the conditions of Corporate Governance as stipulated in Clause 49 of the Listing/Agreements of the Stock Exchange are complied with

Sylph Technologies Ltd. _____ 2.**ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE**

Particulars with regard to conservation of energy etc, as required under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable as the Company is not a manufacturing Company.

The foreign exchange earning and expenditure of the company is NIL.

PERSONNEL

As required by the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees), Rules 1975 as amended, there are no employees covered by the said Rules.

DIRECTORS

Shri S.L. Jain Director of the Company retire by rotation and being eligible offer himself for re-election

AUDITORS

M/s Surendra Singh Mehta & Company, Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. The Company has received a certificate from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1-B) of the Companies Act, 1956. The notes on Accounts referred to in the Auditors Report are self explanatory and therefore do not call for any further comments.

ACKNOWLEDGEMENT

The Directors place on record their sincere appreciation for the encouragement, co-operation and support received by the Company from the local authorities, banks, customers, suppliers and business their sincere appreciation of the valuable services rendered by the employees of the Company at all levels.

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For & on Behalf of Board of Directors

Director

DATE : 30-10-2005

PLACE : INDORE

REPORT ON CORPORATE GOVERNANCE

A. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE: -

The company strongly believes that good Corporate Governance is a pre-requisite for enhancing shareholders long term value. The Board considers itself as the trustee of its Shareholders. During the period under review, the Board continued its pursuit by adopting and monitoring of corporate strategies, prudent business plans, major risks and ensuring that the company pursues policies and procedures to satisfy its social, legal and ethical responsibilities.

B. BOARD OF DIRECTORS

(i) Composition and category of Directors

S. No.	Name of Director	Category	Directorship	NUMBER OF OTHER	
				Committee Membership	Committee Chairmanship
1.	Rajesh Jain	Professional/Director	3	1	—
2.	K.K. Bhandari	Independent Director	1	1	—
3.	S.L. Jain	Promoters Director	5	1	—

(ii) Meeting of the Board of Directors: -

The Board of Directors provide the strategic direction and thrust to the operations of the company. During the period under review, 7 Board Meetings were held on 31st July 2004, 30th October 2004, 31st December 2004, 31st January 2005, 30th April 2005, 31st May 2005 & 30th July 2005. The Twelfth Annual General Meeting was held on 31st December 2004.

Attendance of each Director at Board Meeting and Annual General Meeting (AGM) was as follows -

S.No.	Name of Directors	No. of Board Meetings attended	Attendance at AGM held on 31-12-2004
1.	Rajesh Jain	7	Yes
2.	K.K. Bhandari	7	Yes
3.	S.L. Jain	7	Yes

C. DETAILS OF REMUNERATION PAID TO DIRECTORS DURING THE PERIOD ENDED ON 30th September 2005.

The Directors are not paid any sitting fees or any remuneration for attending meeting of the Board of Directors and Committees thereof.

D. COMMITTEES OF THE BOARD: -

(i) Audit Committee

The following Directors are members of the Audit Committee: -

1. K.K. Bhandari
2. Rajesh Jain

All the member of the Committee are independent Directors. The Statutory Auditors and Internal Auditors attend the meetings of the Committee.

The role, powers and functions of the audit Committee are as stated in clause no. 49 of the Listing Agreement and section 292A of the Companies Act, 1956. The Committee reviews the financial statements before

Sylph Technologies Ltd.

4.

they are placed before the Board. The audit committee has been constituted on 28th March 2004 in compliance to clause no. 49 of the Listing Agreement. The Committee reviews the financial statements before they are placed before the Board. During the period under review three meetings of the committee were held i.e. 30th April 2005, 30th July 2005 & 31st October 2005 and all the directors were present in all the four meetings.

(i) **Share Holders / Investors Grievance Committee**

The following Directors are members of the Shareholders Committee.

S.No. Name of the Directors

1	Rajesh Jain
2	K.K. Bhandari

Mr. R. Verma is the Compliance Officer of the company.

M/s Ankit Consultancy Private Limited is a Share Transfer Agent of the company.

The Company's shares are in D-Mat form. The company has signed up with CDSL. The application for registration with NSDL is pending. The INE Number is INE706F01013.

E. GENERAL BODY MEETING: -

Particulars of the last Three Annual General Meeting (AGM) of the company have been held at the following places in the last three years: -

AGM	For the year	Vanue	Date	Time
10 th	30-09-2002	22, Press Complex, Indore	31-12-2002	11:00 AM
11 th	30-09-2003	22, Press Complex, Indore	31-12-2003	11:00 AM
12 th	30-09-2004	22, Press Complex, Indore	31-12-2004	11:00 AM

No Special Resolution requiring postal ballot was placed before the Last Annual General Meeting. No Special Resolution requiring postal ballot is being proposed at the ensuing Annual General Meeting

F. DISCLOSURES REGARDING RE-APPOINTMENT OF DIRECTORS: -

Pursuant to the provision of Section 255 and 256 of the Companies Act, 1956. Mr. Rajesh Jain retire by rotation at the forthcoming Annual General Meeting.

G. DISCLOSURES: -

- (i) There are no transactions of material nature with Directors/Promoters or any related entity, which will have any potential conflict with the interests of the company at large.
- (ii) There is no non-compliance by the company or any penalties, structures imposed by the Stock Exchange, SEBI, or any other statutory authorities on any matter related to capital markets, during the last three years/period.

H. MEANS OF COMMUNICATIONS: -

Financial Results

The quarterly unaudited financial results and annual audited financial results are normally published in Malav Anchal & Free Press.