

# **SYLPH TECHNOLOGIES LIMITED**

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**ANNUAL REPORT 2006**

Sylph Technologies Ltd. \_\_\_\_\_ 1.

## DIRECTORS' REPORT

To,  
The Members,  
**SYLPH TECHNOLOGIES LIMITED**

The Directors have great pleasure in presenting the 14<sup>th</sup> Annual Report along with the Audited Accounts for the financial year ended 30<sup>th</sup> September 2006.

### **FINANCIAL RESULTS**

	For the Year ended 30-09-2006	For the Year ended 30-09-2005
Profit before Depreciation	479804.58	1397105
Depreciation	—	—
Profit before Tax	479804.58	1397105
Provision for Tax	—	—
Profit after Tax	479804.58	1397105

### **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 accumulated losses and need of Capital 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.

### **REDUCTION OF CAPITAL**

As you are aware that the Capital of the Company has been eroded in the past and company could not do business due to non-availability of the capital. The Company could not raise further capital or enter into strategic alliance with other company/businesses due to heavy losses in the Balance Sheet. Therefore the company in its Extra-ordinary General meeting decided to clean the Balance Sheet and reduce the capital. Directors are happy to announce you that procedure for reduction of capital has started at Honourable High Court of Indore.

### **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 2006 and of the Profit and Loss Account for the year ended September 30, 2006.
- (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.

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## **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.

## **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 Kamal Kumar Bhandari 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.

**For & on Behalf of Board of Directors**

**Director**

**DATE : 31-10-2006**

**PLACE : INDORE**

**Director**

**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	1	1	—
2.	K.K. Bhandari	Independent Director	1	1	—
3.	S.L. Jain	Promoters Director	1	1	—

**(ii) Meeting of the Board of Directors: -**

The Board of Directors provides the strategic direction and thrust to the operations of the company. During the period under review, 7 Board Meetings were held on 08<sup>th</sup> October 2005, 31<sup>st</sup> December 2005, 27<sup>th</sup> January 2006, 08<sup>th</sup> March 2006, 22<sup>nd</sup> April 2006, 29<sup>th</sup> July 2006 and 31<sup>st</sup> August 2006. The Thirteenth Annual General Meeting was held on 31<sup>st</sup> December 2005

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 31-12-2005
1.	Rajesh Jain	7	Yes
2.	K.K. Bhandari	7	Yes
3.	S.L. Jain	7	Yes

**(iii) Extra Ordinary General Meeting: -**

The Extra Ordinary General Meeting of the company was held on 22<sup>nd</sup> February 2006 regarding reduction of Capital where it has been decided to reduce the equity Share Capital of the Company from 4710800 equity shares of Rs. 10/- each to 500000 equity shares of Rs. 10/-each. The reduction Process is going on.

**C. DETAILS OF REMUNERATION PAID TO DIRECTORS DURING THE PERIOD ENDED ON 30<sup>th</sup> September 2006.**

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

**Sylph Technologies Ltd. 4.****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 they are placed before the Board. The audit committee has been constituted on 28<sup>th</sup> March 2005 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. 30<sup>th</sup> April 2006, 31<sup>st</sup> July 2006 & 31<sup>st</sup> August 2006 and all the directors were present in all the meetings.

**(ii) 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	Venue	Date	Time
11 <sup>th</sup>	30-09-2003	22, Press Complex, Indore	31-12-2003	11:00 AM
12 <sup>th</sup>	30-09-2004	22, Press Complex, Indore	31-12-2004	11:00 AM
13 <sup>th</sup>	30-09-2005	22, Press Complex, Indore	31-12-2005	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. Kamal Kumar Bhandari retires by rotation at the forthcoming Annual General Meeting.