



ELEVENTH ANNUAL REPORT

2004-2005



BOARD OF DIRECTORS :

Sri B. L. Rath

Sri J. K. Malpani

Sri V. K. Mohatta

AUDITORS :

M/s. B P Agarwal & Associates

Chartered Accountants

408, Kamalalaya Centre

156A, Lenin Sarani

Kolkata - 700 013

BANKERS :

Oriental Bank of Commerce Ltd.

UTI Bank Ltd.

ICICI Bank Ltd.

REGISTERED OFFICE :

'Anandlok'

227, A J C Bose Road

4th Floor

Kolkata - 700 020



NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the **Eleventh Annual General Meeting** of the members of the Company will be held on Monday, the 26th September, 2005 at 10.30 a.m. at the Registered Office of the Company at 'Anandlok', 227, A J C Bose Road, Kolkata – 700 020, to transact the following business :

A. ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account for **the year ended 31st March, 2005** and the Balance Sheet as at that date and the reports of the Directors and Auditors **thereon**.
2. To appoint a Director in place of Sri J.K.Malpani, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

By Order of the Board

Place : Kolkata

Date : 29th June 2005

V. K. Mohatta

Director

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NOTES :

- a) **A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/ herself and the proxy need not be a member of the Company. Proxies, in order to be valid must reach the Registered Office of the Company not less than 48 hours before the meeting.**
- b) The Register of Members and Share Transfer Books of the Company will remain closed from 22nd September, 2005 to 26th September, 2005 (both days inclusive).
- c) Members holding shares in DEMAT form are requested to bring their client ID No. and DP ID No. for easier identification of their attendance at the meeting.
- d) Members holding shares in physical form are requested to notify any change in their address to the Company and always quote their Folio Number in all correspondences with the Company.

Shareholders desiring any information as regards the Accounts are requested to write to the Company sufficiently in advance so as to enable the management to keep the information ready.

By Order of the Board

Place : Kolkata

Date : 29th June 2005

V. K. Mohatta

Director



DIRECTORS' REPORT

The Directors of your Company have pleasure in presenting the Eleventh Annual Report together with the Audited Accounts for the year ended 31st March, 2005.

FINANCIAL RESULTS

	(Rs. in lacs)	
	2004-05	2003-04
Profit / (Loss) before Tax	7.90	12.63
Provision for Current Tax	2.76	4.15
Less/ (Add): Provision for Deferred Tax	0.01	(0.09)
Profit/ (Loss) After Tax	5.13	8.57
Balance brought forward	21.56	15.52
Profit available for appropriation	26.69	24.09
Appropriations:		
Transfer to RBI Reserve Fund	1.59	2.53
Surplus carried to Balance Sheet	25.10	21.56

DIVIDEND

Due to non-availability of sufficient surplus, the Board regrets its inability to recommend any dividend for the year under review.

BUSINESS OUTLOOK AND FUTURE PROSPECTS

The Company is trying to make the best utilisation of available resources and expects an improved performance in the coming year.

FIXED DEPOSITS

The Company has not accepted any deposit under Section 58A of the Companies Act, 1956, during the year under report.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

As the Company is engaged in financial services activities and there is no earning and outgo of foreign exchange, the disclosure required u/s 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 is not applicable.

DIRECTORS

Sri J K Malpani, Director, retires by rotation and being eligible offers himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217(2AA) OF THE COMPANIES ACT, 1956

The Directors hereby confirm:

- that in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that the selected accounting policies were applied consistently and the directors 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 as at March 31, 2005 and of the profit or loss of the Company for the year ended on that date;
- that 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;
- that the annual accounts have been prepared on a going concern basis.

AUDITORS

M/s. B P Agarwal & Associates, Chartered Accountants, the Auditors of the Company will retire at the forthcoming Annual General Meeting and are eligible for reappointment. The members are requested to appoint the Auditors and to authorise the Board of Directors to fix their remuneration.

AUDITORS' REPORT

The observations made in the Auditors' Report are self explanatory and do not require further clarification.

PARTICULARS OF EMPLOYEES

The Company had no employee of the category indicated u/s 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended from time to time.

ACKNOWLEDGEMENT

The Management is grateful to Oriental Bank of Commerce, UTI Bank, ICICI Bank, the Government of India, the Government of West Bengal and other Central and State Govt. Departments and Local Authorities for their assistance and kind co-operation.

For and on behalf of the Board

J.K.Malpani
V.K.Mohatta
Directors

Place : Kolkata
Date : 29th June, 2005



REPORT ON CORPORATE GOVERNANCE

In compliance with Clause 49 of the Listing Agreement with Stock Exchanges, the Company submits the report on the matters mentioned in the said clause and on the practices as followed by the Company :

1. Company's Governance Philosophy

Your Company firmly believes in and continues to practice good Corporate Governance. Over the years, your company has complied with the broad principles of Corporate Governance through a strong emphasis on transparency, empowerment, accountability and integrity.

2. Board of Directors

The Board of Directors comprises of 3 Directors.

During the year, 5 Board Meetings were held on 29-06-2004, 30-07-2004, 29-10-2004, 28-01-2005, 28-03-2005.

The composition of the Board of Directors and their attendance at the Meetings during the year and at the last Annual General Meeting as also number of other directorships / memberships of committees are as follows :

Name of the Director	Designation	Category	No. of Board meetings attended	Attendance at last AGM	No. of Directorship held Public	Private	No. of outside Committees Member	Chairman
Mr. Bhawar Lal Rathi	Director	Promoter Non-Executive	5	Yes	1	3	—	—
Mr. J.K. Malpani	Director	Non-Executive	5	Yes	2	—	—	—
Mr. V K Mohatta	Director	Non-Executive	5	Yes	1	3	—	—

3. Directors' Interest in the Company & Remuneration:

Given below are the details of actual payments made during the financial year 2004 – 05 to the directors of the Company:

Name of the Director	Relationship with Other Directors	Salaries & Perquisites	Sitting Fees for Board and Committee Meetings (Rs. In Lacs)
Mr. B.L.Rathi	-	-	0.05
Mr. J.K. Malpani	-	-	0.05
Mr. V.K.Mohatta	-	-	0.05

4. Re- Appointment of Directors:

The brief particulars of the Directors of the Company, retiring by rotation and proposed to be re- appointed at the ensuing Annual general Meeting are as under:

Name of the Director	Age	Date of joining the Board	Qualifications
Mr. J. K. Malpani	43	29.09.2000	B.E. (Industrial & Prod. Engg)

5. Audit Committee:

The Audit Committee comprises of three member directors.

Constitution of Audit Committee as on March 31, 2005 and related information:

Name of Director	Category	No. of meetings attended
Mr. Bhawar Lal Rathi	Non-Executive, Independent	4
Mr. J. K. Malpani	Chairman, Non-Executive, Independent	4
Mr. V K Mohatta	Non-Executive, Independent	4

The broad functions of the Audit Committee are in conformity with the requirements of the Companies Act, 1956 and the Listing Agreement.

6. Remuneration Committee

The Company has set up a Remuneration Committee which comprises of three directors :

Mr. B.L.Rathi
Mr. J.K.Malpani
Mr. V.K.Mohatta, Chairman

The committee is empowered to discuss and submit its recommendation to the Board in respect of the remuneration packages, if any for Director. The Committee did not met during the financial year as the company does not have a director with executive responsibilities.

7. Share Transfer and Shareholders' / Investors' Grievances Committee :

The Share Transfer and Shareholders' / Investors' Grievances Committee comprises of 3 Directors and the Chairman is an independent non-executive director:

Mr. B. L. Rathi, Chairman
Mr. J. K. Malpani
Mr. V. K. Mohatta

The Committee deals with various matters relating to:

- Transfer / transmission of shares
- Issue of duplicate share certificate
- Review of shares dematerialized and all other related matters
- Investors' grievances and redressal mechanism



The Company Secretary is designated as the Compliance Officer. Incidentally, the Company Secretary had resigned. The Company is in the process of selection of a new person to takeover the responsibilities of Company Secretary.

There was no complaint pending for reply as on 31.03.2005. There was no share transfer pending for registration as on the said date.

8. General Body Meetings :

Location and time of the General Body Meetings held during last three years are as follows:

Year	Type	Location	Date	Time
2001-02	AGM	"Anandlok"; 227 AJC Bose Road, Kolkata – 20	25.09.02	10.00 A.M.
2002-03	AGM	"Anandlok"; 227 AJC Bose Road, Kolkata – 20	26.09.03	10.00 A.M.
2003-04	AGM	"Anandlok"; 227 AJC Bose Road, Kolkata – 20	30.07.04	10.00 A.M.

No Special Resolution was put through postal ballot last year. No postal ballot is proposed to be conducted this year.

9. Disclosures :

Related Party transactions

The statutory disclosure requirements relating to related party transactions have been complied with in the Annual Accounts (Schedule 18). There were no material transactions during the year 2004 – 2005, which were prejudicial to the interest of the Company.

Statutory compliance, Penalties and Strictures

The Company complied with the requirements of the Stock Exchanges/SEBI/Statutory Authorities on all matters related to the capital market during the last three years. There were no penalties or strictures imposed on the Company by the Stock Exchanges, the SEBI or any Statutory authority relating to above.

10. Means of Communication :

The quarterly, half-yearly and annual financial results of the Company are forwarded to Calcutta and Mumbai Stock Exchanges and are published in the English Newspaper and Bengali Newspaper.

11. Shareholder Information :

Annual General Meeting:

Date : Monday, 26th September, 2005.

Time : 10.30 a.m.

Venue : "Anandlok" 227 AJC Bose Road, Kolkata – 700 020.

Financial Calendar : April to March

Publication of results for the Financial Year 2005-06

First Quarter results	: Before 31 st July, 2005
Second Quarter and half- yearly results	: Before 31 st October 2005
Third Quarter results	: Before 31 st January 2006
Fourth Quarter results and results for the year ending on 31.03.2006	: During June 2006

Book Closure:

From 22nd September, 2005 to 27th September, 2005 (both days inclusive)

Listing on Stock Exchanges and Stock code:

The Equity shares of the Company are listed on the following Stock Exchanges:

Name of the Stock Exchange	Address	Code No
The Calcutta Stock Exchange Association Ltd.	7 Lyons Range, Kolkata-700001	10032036
The Stock Exchange, Mumbai	P.J.Towers, Dalal Street, Mumbai-400001	531051
ISIN Number for NSDL and CDSL		ISIN-INE153C010015.

Annual Listing fees has been paid to the Stock Exchanges for the financial year 2004-2005.

Market Price Data:

Monthly high and low quotation of shares traded on the The Stock Exchange, Mumbai (BSE) for the year 2004-2005:

(in Rs)			(in Rs)		
Month	High Price	Low Price	Month	High Price	Low Price
April	—	—	October	3.85	3.09
May	3.95	3.95	November	—	—
June	—	—	December	—	—
July	—	—	January	—	—
August	—	—	February	—	—
September	3.85	3.85	March	4.59	2.73