

## **DIRECTORS REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the 19th Annual Report along with Audited Accounts of the Company for the year ended August 31,2004.

### **1. FINANCIAL RESULTS**

<b>Particulars</b>	<b>31.8.2004</b>	<b>31.8.2003</b>
i. Income from Operations	2061620	3782289
ii. Gross Profit/ (Loss)	(1170814)	(2063422)
iii. Financial Charges	67175	55221
iv. Depreciation	675191	710621
v. Net Profit/(Loss)	(1913180)	(2829264)

### **2. OPERATIONS**

During the period under review the total income was Rs2061620/- which includes, Rs. 120000/- branch office sales & Rs.1941620/- income generated from other sources.

After providing for expenditure Rs.3299609/- & depreciation Rs.675191/- the Company has incurred net Loss of Rs. 1913180/-.

### **3. FUTURE PROSPECTS**

The company has during the year continued its further development and marketing on its various products and the company hopes to do reasonably well in the year .

### **4. FIXED DEPOSITS**

The Company has not accepted any deposit under section 58 A of the Companies Act. 1956.

### **5. INDUSTRIAL RELATIONS**

The employee-employer relations remained cordial throughout the year.

### **6. DIRECTORS**

(a) In accordance with the article of association of the Company at the forthcoming Annual General Meeting of the company Ms. Suniana Chibba retires by rotation and being eligible offers herself for reappointment.

(b) All the Director of the company are member of the Audit committee of the Board of the company

### **7. RESPONSIBILITY STATEMENT**

As required under section 217(2AA) of the companies Act 1956, your Directors confirm that in the preparation of the Annual accounts :-

- i) the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii) such accounting policies have been selected and applied consistently and reasonable and prudent judgements and estimates made , so as to give a true and fair view of the state of affairs of the company at the end of Financial Year and the Profit/Loss of the Company for that period.
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities.
- iv) The annual accounts have been prepared on a going concern basis.

### **8. LISTING**

The shares of the company are listed at Kanpur, New Delhi and Mumbai Stock Exchange . The Company has paid Listing fee to the stock exchanges till 2003-04

**9. AUDITORS**

M/s. Kansal & Associates, Chartered Accountants, Auditors of the Company hold office until conclusion of the forthcoming annual General Meeting and are recommended for re-appointment.

**10. AUDITORS REPORT**

The observation made by the auditors in their report are explained in the respective notes to be accounts which are self-explanatory and do not call for further explanation.

**11. PERSONNEL**

Your Directors also place on record their appreciation of the all round co-operation & contributions made by the employees at all levels. The statement of Employees u/s 217 (2A) of the Companies Act, 1956 is not annexed since none of the employees falls in this category.

**12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information as per section 217(1)(e) read with companies ( disclosure of particular in the Report of Board of Directors ) Rules ,1988 in not being given since the company has suspended its manufacturing activities.

Particulars relating to Technology absorption is nil. Information relating to foreign exchange earnings or outgo during the year under review is provided in additional information.

**13. SECRETARIAL COMPLIANCE CERTIFICATE**

A copy of the compliance certificate obtained from a company secretary in practice , as required under section 383 A of the Companies Act 1956, is attached with this report.

**14. ACKNOWLEDGEMENTS**

Your directors also thank & acknowledge the co-operation, assistance and support extended by the Central Government, the State Government, the financial institutions, the Company's Bankers, the Shareholders and Staff of the Company.

**For and on behalf of Board of Director**

**Sd/  
Dr. Vishwanath  
Director**

**Sd/  
Naresh K Chibba  
Managing Director**

**Place: Noida**

Date : 30th December 2004