

## **DIRECTORS REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the 25<sup>th</sup> Annual Report along with Audited Accounts of the Company for the year ended August 31, 2010.

### **1. FINANCIAL RESULTS**

<b>Particulars</b>	<b>31.8.2010</b>	<b>31.8.2009</b>
i. Income from Operations	2361630	8431045
ii. Gross Profit/ (Loss)	(6442761)	873687
iii. Financial Charges	115468	72687
iv. Depreciation	(1136648)	(762987)
v. Net Profit/(Loss)	(7579409)	110700

### **2. OPERATIONS**

During the period under review the total income was Rs 2361630 /- After providing for expenditure Rs.8804391/- & depreciation Rs 1136648/- the Company has incurred net loss of Rs.7579409/-.

### **3. FUTURE PROSPECTS**

During the year the company has further developed its market and has acquired more business from clients based in Australia, Singapore, Dubai and has also added more clients in UK also. The company hopes to do reasonably well in the coming 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) During the year Mr. Pradeep Chopra was appointed as Additional Director of the company.
- (b) During the year Mr. Aditya Vikram Chibba and Sunaina Chibba had resigned from directorship of the company vide their letter dated 21.12.2010. The board also placed on record their appreciation of useful guidance received from them for the service rendered to the company.
- (c) Mr. Naresh K. Chibba , Dr. Vishwanath and Mr. Pradeep Chopra directors 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 as 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 2009-2010. However as per resolution passed at 19<sup>th</sup> AGM held on 25th February 2005 , delisting from UP stock exchange and Delhi Stock exchange is in under process and Share from Bombay Stock Exchange is suspended due to Demat process and the revocation of suspension is in due process.

**9. AUDITORS**

M/s Hari Bhushan & Associates, Chartered Accountants, Auditors of the Company hold office until conclusion of the forthcoming annual General Meeting and are willing to be reappointed.

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

**13. SECRETRIAL 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 : 15th January 2011