



Systematix Securities Limited

19th Annual Report
2004-05

BOARD OF DIRECTORS

Shri S.K.Samdani	(Managing Director)
Shri J.C.Rathi	(Director)
Shri Rakesh Sethiya	(Director)
Shri Bhagwati Prasad Sharma	(Director)

BANKERS

The Bank of Rajasthan Limited.
State Bank of Bikaner & Jaipur
State Bank of India

AUDITORS

S.N. Gadiya & Co.,
Chartered Accountants
241, Apollo Towers
2, M.G. Road, Indore

REGISTERED OFFICE

237, Kamalaya Center,
156-A Lenin Sarani,
Kolkata - W.B.

SHARE TRANSFER AGENT

Ankit Consultancy Private Ltd.
2nd floor, Alankar Point,
A.B.Road, Indore - 452001 M.P.
PH 0731-3042298

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 19th Annual General Meeting of the members of **SYSTEMATIX SECURITIES LIMITED** will be held on Friday, the 30th September, 2005 At 2.00 P.M. at the Registered Office of the Company to transact the following business :

ORDINARY BUSINESSES :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2005 and the profit & Loss Account for the year ended on same date and the Reports of Board of Directors & Auditors thereon.
2. To appoint director in place of Shri Jagdish Rath, who retires by rotation and being eligible offer himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting to the conclusion of next Annual General Meeting and to authorize the Board to fix their remuneration. The retiring auditors M/s S.N. Gadiya & Co., Chartered Accountants have informed the Company that they do not wish to seek re-election as Auditors of the Company in ensuing Annual General Meeting. The Company has received a special notice from a member proposing the appointment of M/s Sethiya Khandelwal & Co. Chartered Accountants as Auditors of the Company.

To consider and if, thought fit, to pass with or without modification(s) the following resolution as ordinary resolution :

"RESOLVED THAT M/s Sethiya Khandelwal & Co., Chartered Accountants be and they are hereby appointed as statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of next Annual General meeting and the Board be and are hereby authorized to fix their remuneration."

4. To consider and if, thought fit, to pass with or without modification(s) the following resolution as ordinary resolution:

"RESOLVED THAT the Company be and is hereby authorized to pay sitting fees to the Directors of the Company other than the Managing Director(s), whole Time Director(s) for attending meeting(s) of the Board of Directors (the Board) or Committee thereof, as may be determined by the Board from time to time within the limits prescribed under the Companies Act, 1956, or any statutory modification or re-enactment thereof and/or under any rules or regulations framed there under or by the Central Government or any other appropriate authority."

5. To consider and if, thought fit, to pass with or without modification(s) the following resolution as special resolution:

"RESOLVED THAT pursuant to provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 (hereinafter referred to as the "Delisting Guidelines") and subject to the provisions of the Companies Act, 1956 [including any statutory modification(s) or re-enactments thereof for the time being in force], the securities Contracts (Regulation) Act, 1956 and the Rules framed thereunder, Listing Agreement and all other applicable rules, regulations and guidelines and subject to the approval(s), consent (s) permission(s) or sanction(s) of the Securities and Exchange Board of India, Stock Exchanges where the shares of the Company are listed and other appropriate authorities, institutions or regulators as may be prescribed or imposed by any authority while granting such approval(s) permission (s) and sanction(s), which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which terms shall be deemed to include any committee thereof constituted by the Board) the consent of the Company be and is hereby accorded to the Board to delist the equity shares of the Company from the Madhya Pradesh Stock Exchange, Indore and Kolkata Stock Exchange Association, Kolkata."

By Order of the Board
For Systematix Securities Limited

Place : Indore
Dated : 24/08/2005

S.K.Samdani
(Managing Director)

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such a proxy need not be a member of the company. The proxies in order to valid must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
2. Register of the members and share transfer books of the company will remain closed from Tuesday, the 27th September, 2005 to Friday, 30th September, 2005 (both days inclusive) in terms of section 154 of the Companies Act, 1956.
3. The Explanatory Statement pursuant to section 173 (2) of the Companies Act, 1956 in respect of the special business set out in the Notice is annexed hereto.
4. Members are requested to send their queries, if any at least 10 days in advance so that the information can be made available at the meeting and to bring their copies of the Annual Report at the time of attending the Annual General Meeting.
5. All Documents referred to in the accompanying notice and explanatory statement, are open for inspection at the Registered Office of the Company on all working days, between 11.00 a.m. and 1.00 p.m. up to the date of meeting.
6. Pursuant to clause 49 of listing Agreement with the Stock Exchanges, following information is furnished about the Directors proposed to be re-appointed.

Mr. Jagdish Rathi 43 year old, is a qualified Chartered Accountant and is currently the non-executive Director of the Company. He has over 18 years of experience in finance and Taxation matter. Presently he is not Director in any other Company.

By Order of the Board
For Systematix Securities Limited

Place : Indore
Dated : 24/08/2005

S.K.Samdani
(Managing Director)

EXPLANATORY STATEMENT

pursuant to section 173(2) of the Companies Act, 1956

Items No. 4

According to sub-clause 1(B) of revised clause 49 of the listing Agreement entered into with the stock exchanges whose compliance has been extended up to 31st December, 2005 by SEBI, fees/compensation paid to Non-executive Director including independent director shall be fixed by the Board of Directors and require previous approval of the shareholders of the Company. In view of the amendment made in clause 49, the shareholders are requested to pass the resolution at Item No. 4 of the notice for approving payment of such sitting fees to the Directors as may be determined by the Board within the limits prescribed from time to time.

The Board recommends the resolution for your approval. Mr. Jagdish Rathi, Mr. Bhagwati Prasad Sharma, Mr. Rakesh Sethiya Directors of the Company are concerned or interested in passing of the resolution since it relates to payment of sitting fees to them for attending meetings of the Board and/or committee thereof.

Item No. 5

The Company's equity shares are listed at Stock Exchange at Mumbai, Indore and Kolkata. The equity shares are traded on Mumbai Stock Exchange whereas practically there are no transaction on the remaining stock exchanges. Computerization of the Stock Exchanges have offered opportunities to the shareholders to have better accessibility to the exchanges where shares are actively traded. It is, therefore, proposed to delist the Company's equity shares from Kolkata and Madhya Pradesh Stock Exchanges to save cost and compliance requirement.

The Board recommends the adoption of the resolution proposed under this item.

None of the Directors of the Company is concerned or interested in the proposed Resolution.

By Order of the Board
For Systematix Securities Limited

Place : Indore
Dated : 24/08/2005

S.K.Samdani
(Managing Director)

DIRECTORS' REPORT

Dear Members,

Your Directors hereby present the nineteenth Annual Report of the Company together with the Audited Accounts for the year ended 31st March,2005.

Financial Results :

	(Rs. in Lacs)	
	Year ended 31/03/2005	Year ended 31/03/2004
Total Income	19.13	21.38
Total Expenditure	16.86	16.67
Profit before depreciation	2.27	4.71
Depreciation	0.98	1.18
Profit/Loss before tax	1.29	3.53
Provision for taxation	0.10	0.27
Profit/Loss after tax	1.19	3.26
Paid up Equity Share Capital	500	500

Dividend :

In view of playback of profit, Your Directors regret their inability to recommend any dividend for the year under review.

Public Deposit :

During the period the company did not invite public deposits within the meaning of section 58A of the companies Act,1956 and rules made thereunder.

Directors :

In accordance with the provisions of the Companies Act,1956 and Articles of Association of the Company Shri Jagdish Rath, retires by rotation at the forthcoming Annual General Meeting, and being eligible, offer himself for re-appointment.

Directors Responsibility Statement :

Pursuant to the requirement under Section 217(2AA) of the Companies Act,1956, with respect to Director's Responsibility statement, it is hereby confirmed:

- that in the preparation of the annual accounts for financial year ended 31st March,2005, the applicable accounting standards have been followed along with proper explanation relating to material departure;
- that the Directors have selected such accounting policies and applied them consistently and 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 at the end of financial year and of the profit of the Company for the year and review.
- that the Directors have taken proper and sufficient care of 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 fraud and other irregularities;
- that the Directors have prepared the annual accounts on a going concern basis.

Auditors :

M/s S.N. Gadiya & Company, Chartered Accountants, Auditors of the company are retiring and have informed that they do not wish to seek re-election as auditors at the ensuing Annual General Meeting. The Board records its sincere appreciation of the long and fruitful association with your company, had with M/s S.N. Gadiya & Co.

A Special notice has been received from member proposing the appointment of M/s Sethiya Khandelwal & Co., Chartered Accountants as Statutory Auditors of the Company.

Further Observation made in the Auditors Report are self-explanatory and therefore do not call for any further explanation.

Disclosure of Special Particulars :

As company does not have any manufacturing facilities, hence particulars relating to conservation of energy and technology absorption stipulated in the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 are not applicable and further there was neither inflow nor outflow of foreign exchange during the period.

Particulars of the Employee :

There was no employee during the period drawing remuneration attracting provisions of section 217 (2A) of the companies Act, read with the companies (particulars of Employees) Rules 1975.

Corporate Governance :

A Report on the corporate Governance code along with a certificate from the Auditors of the Company regarding the compliance of conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement as also the Management Discussion and Analysis Report are annexed to this report.

Audit Committee :

Under the provisions of Companies Act, 1956 and Listing Agreement with the Stock Exchanges a Audit Committee Comprises of Shri J.C. Rathí, Shri Rakesh Sethiya and Shri Bhagwati Prasad Sharma.

Acknowledgements :

The Directors wish to place on record their appreciation for the devoted services rendered by the staff members of the Company. Your Company & Directors wish to extend sincere thanks to the Banks and institutions along with all the Shareholders of the Company for extending their sincere support and services.

For Systematix Securities Limited

Place : Indore
Dated : 30/06/2005

S.K.Samdani **Jagdish C. Rathí**
(Managing Director) (Director)

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 practices as followed by the Company.

1. COMPANY'S PHILOSOPHY OF CORPORATE GOVERNANCE

Systematix Securites Limited (SSL), has been practicing of good corporate governance over the years. The Board of Directors supports the broad principle of Corporate Governance.

2. BOARD OF DIRECTORS

A. The Board of Directors together with their other details are as under. During the year 2004-2005 the Board met five times viz. 30th June, 2004, 31st July, 2004, 25th August 2004, 30th October, 2004 and 31st January, 2005. The last Annual General Meeting was held on 30th September, 2004.

The following table gives details of Directors, attendance of directors at the board meeting and at the last annual general meeting.

Name of Directors	Category of Directors	No. Of Board Meetings Attended	Attendance at the last AGM
Mr. S.K. Samdani	MD	5	No
Mr. Jagdish Rathi	NED	5	Yes
Mr. Rakesh Sethiya	NED	5	No
Mr. Bhagwati Prasad Sharma	NED	3	No

NED ----Non-Executive Director

MD - Managing Director

Number of membership held by directors in the board/committees of various companies: -

Name of Director	No. of Directorships in other Boards *	No. of Memberships in other Board Committees#	No. of Chairmanships in other Board Committees#
Mr. Jagdish Rathi	NIL	NIL	NIL
Mr. S.K. Samdani	NIL	NIL	NIL
Mr. Rakesh Sethiya	1	NIL	NIL
Mr. Bhagwati Prasad Sharma	NIL	NIL	NIL

None of the Directors is a member in more than ten Committees and acts as a chairman in more than five committees across all companies in which he is a director.

B. BOARD PROCEDURE

A detailed agenda folder is sent to each Director in advance of Board and Committee meetings. To enable the Board discharge its responsibilities effectively, the chairman briefs the Board at every meeting on the overall company performance.

C. MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS.

There have been no materially significant related party transactions, pecuniary transactions or relationship between Systematix Securities Limited and its directors for year ended 31st March, 2005.

D. REMUNERATION OF DIRECTORS: SITING FEES, SALARY, PERQUISITES AND COMMISSION

During the year Rs. 72,000/- was paid to Mr. S.K.Samdani, Managing Director of the company. No sitting fees was paid to any other director.

3. AUDIT COMMITTEE

The Audit Committee constituted by the Board of directors consists of three Non executive Directors namely, Mr. J.C.Rathi, Shri

Bhagwati Prasad Sharma and Shri Rakesh Sethiya as on financial year ending on 31st March 2005. The constitution of Audit Committee also meets with the requirement of section 292A of the Companies Act, 1956 as introduced by the Companies (Amendment) Act, 2000.

Audit Committee Meeting were held on 30th June, 2004, 31st July'2004, 30th October' 2004, 31st Jan.2005.

Name of Director	No. Of Meeting attended
Mr. Jagdish Rath	4
Mr. Bhagwati Prasad Sharma	4
Mr. Rakesh Sethiya	1

Terms of Reference:

The terms of reference of this Committee are wide enough covering the matters specified under the Listing Agreement and the Companies Act, 1956. Brief description of terms of reference:

- i) Review with the Management the annual/half -yearly/ quarterly financial statements.
- ii) Hold separate discussion with Head-Internal Audit, Statutory Auditors and among members of the Audit Committee to find out whether the Company's financial statements are fairly presented in conformity with the Accounting Standards issued by ICAI.
- iii) Review the adequacy of accounting records maintained in accordance with the provisions of the Companies Act, 1956.
- iv) Perform other activities consistent with Company's Memorandum and Articles, the Companies Act, 1956 and other Governing Laws.

4. REMUNERATION COMMITTEE

The Remuneration Committee comprises of Shri J.C. Rath, Shri Rakesh sethiya and Shri Bhagwati Prasad Sharma all non executive director with Shri J.C. Rath its Chairman.

5. SHAREHOLDER'S/INVESTOR'S GRIEVANCE COMMITTEE

The Committee comprises of Shri Rakesh Sethiya, Shri J.C. Rath and Shri Bhagwati Prasad Sharma. The Committee look's into redressing of shareholder's/ investor's complaint like transfer of shares, non-receipt of balance sheet etc. The Committee oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement of the quality of investor services.

6. GENERAL SHAREHOLDER INFORMATION

General Body Meeting :

Financial Year	Date	Time	Venue
Annual General Meeting 2003-2004	30.09.2004	4.00 P.M.	At Regd. Office at campas 237, Kamlalaya Center, 156-A, Lenin Sarani, Kolkata
Annual General Meeting 2002-2003	30.09.2003	3.00 P.M.	At Registered Office of Company at Bangur Avenue, VIP Road, Kolkata.
Annual General Meeting 2001-2002	30.09.2002	4.00 P.M.	At Registered Office of Company at Bangur Avenue, VIP Road, Kolkata.

A Special Resolution was passed through postal Ballot in the last AGM for the purpose of shifting the Registered office from one state to another state.

SYSTEMATIX SECURITIES LTD.

AGM: Date, Time and Venue	30th September 2005 at 2.00P.M. at the registered office of the company.
Financial reporting for 2005-06 : 1st Quarter ending 30th June, 2005 2nd Quarter ending 30th September, 2005 3rd Quarter ending 31st December 2005 4th Quarter ending 31st March, 2006	End of July, 2005 End of October, 2005 End of January, 2006 End of April, 2006
Date of Book Closure	27th September to 30th September 2005 [both days inclusive]
Listing on Stock Exchanges	1. The Stock Exchange, Mumbai 2. The Kolkata Stock Exchange, Association, Kolkata The Company has paid listing fees for the period from 1st April, 2005 to 31st March, 2006 to Mumbai Stock Exchange.
Stock Code -Physical	Mumbai Stock Exchange 531432 Kolkata Stock Exchange: NIL
Registrar and Transfer Agents	Ankit Consultancy Private Limited 2nd Floor Alankar point, A.B. Road, Indore, PH 0731-3042298
Share Transfer System	All the transfer received are processed by the Registrar and transfer Agent
Distribution of shareholding and share holding pattern as on 31.03.2005	Please see Annexure 'A'
Market Rate	Not Available due to infrequent trading
Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity	Not issued
Address for correspondence	Shareholders correspondence should be addressed to: Systematix Securities Limited 110-112 Manas Bhavan 11, R.N.T. Marg, Indore.

MEANS OF COMMUNICATION

Quarterly results are published in two prominent daily newspaper in English and Hindi. The annual reports are posted to every shareholder of the Company.

Auditor Certificate on Corporate Governance

The Company has obtained the certificate from the Auditors of the Company regarding compliance with the provisions relating to corporate governance laid down in clause 49 of the Listing Agreement with the stock exchanges. This report is annexed to the Director's Report for the year 2004-2005. This certificate will be sent to the stock exchanges, along with the annual report to be filed by the Company.

ANNEXURE A

SHAREHOLDING PATTERN AS AT 31ST MARCH 2005

[SHAREHOLDING PATTERN]

Category	No. of Share held	Percentage of Shareholding
A. Promoters Holding		
1. Promoters Indian Promoters : Foreign Promoters :	2000000	40.00
2. Persons acting in concert		
Sub Total	2000000	40.00
B. Non-Promoters Holding	-	-
1. Institutional Investors	-	-
2. Mutual Funds and UTI	-	-
3. Banks, Financial Institutions, Insurance Companies [Central/State Govt. Institutions, Non- Government Institutions]	-	-
4. FIs	-	-
5. Sub-Total	-	-
6. Others	-	-
Private Corporate Bodies	79200	1.584
7. Indian Public	2919400	58.388
8. NRIs/OCBs	1400	0.028
9. Any other [please specify]		
Sub-Total	3000000	60.00
Grand Total	5000000	100.00

DISTRIBUTION OF HOLDING

Share or Debenture holding of nominal value		Shares/Debentures Amount		Shares/Debenture holders	
Rs.	Rs.	Number	% to Total	Rs.	% of Total Amount.
Upto-5000		1084	79.41	2608000	5.20
5001-10000		85	06.23	728000	1.45
10001-20000		54	03.96	905000	1.80
20001-30000		22	01.61	570000	1.14
30001-40000		10	0.73	345000	0.69
40001-50000		23	1.69	1132000	2.26
50001-100000		19	1.39	1479000	2.96
100001 and above		68	4.98	42233000	84.50
Total		1365	100	50000000	100.00

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. INDUSTRY STRUCTURE & DEVELOPMENT

The financial year 2004-2005 was another good year for the Indian economy and for Indian stock Market though the main performance parameters were not as good as those achieved during the previous years. With good business climate, India would be an attractive destination for global and capital market.

B. OUTLOOK

The capital market is expected to remain buoyant in short to medium term during the current financial year. The Division is geared up to derive full benefits of the opportunities that may come. We think that private equity activity will be a principle focus area and opportunities for investors will abound.

C. RISK & CONCERNS

Your company's operations depend on market perception.

D. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The revenue of the Company for the year under review were Rs. 19.13 Lacs as compared to Rs 21.38 Lacs for the previous year. The net profit of the year under review was Rs. 1.19 against a net profit of Rs. 3.26 Lacs in the previous year.

E. INTERNAL CONTROL AND ADEQUACY

The Company has adopted good internal control systems, the adequacy of which has been reported by its Auditors in their report. Further it needs to improve according to size of the business.

F. MATERIAL DEVELOPMENT IN HUMAN RESOURCES/INDUSTRIAL RELATION FRONT

There has been no material development on the Human Resources/ industrial Relation front during the year. Employee relation at all level continue to remain cordial.

G. CAUTIONARY STATEMENT

Statements in this "Management Discussion and Analysis" describing the Company's objectives, expectations or predictions are forward looking within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied depending on various factors.

CERTIFICATE

To the Members of
SYSTEMATIX SECURITIES LIMITED

We have examined the Compliance of conditions of Corporate Governance by M/s Systematix Securities Limited for the year ended 31st March, 2005 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said clause. It is neither an audit nor expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance to the extent as detailed in their report, as stipulated in clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Indore
Date : 30.06.2005

For S.N. Gadiya & Co.
Chartered Accountants

S.N. Gadiya
Proprietor

AUDITOR'S REPORT

TO THE SHARE HOLDERS OF SYSTEMATIX SECURITIES LTD.

We have audited the attached Balance Sheet of M/s. SYSTEMATIX SECURITIES LTD. as at 31st March, 2005, and the annexed Profit & Loss Account for the year ended on that date. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit also includes examination on test basis, evidence supporting and amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) order, 2003 issued by the company law board in terms of section 227 (4A) of the Companies Act, 1956. We enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.

Further to our comment in the Annexure referred to above we report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion proper books of accounts as required by the law have been kept by the management so far as appears from our examination of those.
- c) The Company's Balance Sheet and Profit and Loss Accounts dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this Report comply with the Accounting Standards referred in section 211(3C) of the Companies Act, 1956 so far as applicable.
- e) On the basis of written representation received from the directors of the Company as at 31st March 2005, and taken on record by the Board of Directors of the Company, no Director is disqualified from being appointed as Director of the Company, under section 274(1)(g) of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in the conformity with the accounting principles generally accepted in India :
 - i) In the case of Balance Sheet of Company, of the state of affairs of the Company as at 31st March 2005.
 - ii) In the case of Profit & Loss & Account, of the profit for the year ended 31st March 2005.
 - iii) In the case of Cash Flow Statement, of the Cash Flow for the year ended of that date.

For S.N.Gadiya & Co.
Chartered Accountants

(S.N.Gadiya)
Proprietor

Place : Indore
Date : 30/06/05

ANNEXURES TO AUDITOR'S REPORT

(referred to of our report of even date)

- (1) The nature of the company's activities during the year have not been such that the clauses (ii), (viii), (xiii) and (xix) of paragraph 4 of the Companies (Auditors Report) Order are not applicable to the Company during the year.
- (2) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed asset.
(b) According to the information and explanations given to us, the fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
(c) The Company has not disposed off a substantial part of fixed assets during the year.
- (3) According to the information and explanation given to us, The company has not granted/ taken any loans, secured or unsecured to / from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (4) In our opinion and according to the information and explanation given to us, there are adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of shares and fixed assets and for the sale of shares, if any.
- (5) In our opinion and according to the information and explanation given to us, there are no transactions that need to be entered into a register maintained under section 301 of the Companies Act 1961.
- (6) In our opinion and according to the information and explanation given to us, The Company has not accepted deposits from the public according to the provisions of sections 58A and 58AA of the Act and the rules framed there under.
- (7) The Company has an internal audit system commensurate with its size and nature of its business.
- (8) According to the information and explanation given to us, the company is regular in depositing undisputed statutory dues like income tax with appropriate authorities during the year.
- (9) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- (10) According to information and explanation given to us, the Company has neither issued any Debenture not taken loans from financial institution and bank during the year.
- (11) The Company has not granted loans and advances on the basis of security by way of pledge of shares.
- (12) In our opinion, the Company is dealing in shares and proper records have been maintained of the transactions and contracts and timely entries have been made therein and the shares have been held by the company, in its own name except to the extent of the exemption, if any, granted under section 49 of the Act.
- (13) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (14) According to the information and explanation given to us, the Company has not raised any term loan during the year under review hence question of its application does not arise.
- (15) According to the information and explanation given to us, on an overall basis, the Company has not raised the funds on short-term basis, which have been used for long term investment and vice versa.
- (16) The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- (17) During the year, the Company has not raised money by public issue hence the question of disclosure and verification of end use of such monies does not arise.
- (18) To the best of our knowledge and belief and according to information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.

For S.N.Gadiya & Co.
Chartered Accountants

(S.N.Gadiya)
Proprietor

Place : Indore
Date : 30/06/05

SYSTEMATIX SECURITIES LTD.
BALANCE SHEET AS ON 31ST MARCH, 2005

PARTICULARS	SCHEDULE	AS ON 31/03/05	AS ON 31/03/04
I. SOURCES OF FUNDS			
1. Shareholders Fund :			
Share Capital	01	50,000,000	50,000,000
Reserve & Surplus	02	20,472,498	20,472,498
2. Loan Fund :			
Secured Loan	-	-	-
Unsecured Loan	-	-	-
TOTAL		70,472,498	70,472,498
II. APPLICATION OF FUNDS			
3. Fixed Assets :	03		
Gross Block		1,172,543	1,172,543
Less : Depreciation		552,977	455,474
		619,566	717,069
4. Investments :	04	27,274,634	31,674,634
5. Current Assets, Loans & Advance :			
a) Inventories	-	-	-
b) Cash & Bank Balances	05	674,852	1,025,884
c) Loans, Advances & Deposits	06	38,086,383	32,814,877
d) Sundry Debtors	-	-	-
		38,761,235	33,840,761
Less : Current Liabilities & Provisions	07	864,841	815,302
		80,378	97,969
		37,816,016	32,927,490
6. Misc. Expenditure :			
Preliminary Expenses	08	-	272,085
7. Profit & Loss Account :	09	4,762,282	4,881,220
TOTAL		70,472,498	70,472,498
Notes on Accounts	14		

Schedules 01 to 09 and Schedule 14 referred to above form an integral part of the Balance Sheet

For & On behalf of the Board

As per our report of even date

S.K.Samdani **Jagdish C. Rath**
(Managing Director) (Director)

For S.N.Gadiya & Co.
Chartered Accountants

(S.N.Gadiya)
Proprietor

Place : Indore
Date : 30/06/05

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2005

PARTICULARS	SCHEDULE	AS ON 31/03/05	AS ON 31/03/04
INCOME			
Incomes from Operations	10	1,895,319	2,129,349
Other Incomes		17,565	8,750
		<u>1,912,884</u>	<u>2,138,099</u>
EXPENSES			
Administration	11	122,494	108,870
Operational	12	511,488	505,496
Personnel	13	780,000	780,000
Depreciation	03	97,503	118,243
Preliminary & Public Issue Expenses	08	272,085	272,085
		<u>1,783,568</u>	<u>1,784,694</u>
PROFIT BEFORE TAX		129,316	353,405
Provision for Taxation (MAT)		10,378	27,169
PROFIT AFTERTAX		<u>118,938</u>	<u>326,236</u>
Add /(Less) : Items relating to Previous Year		-	-
Short Provision of MAT		-	13,446
		<u>118,938</u>	<u>312,790</u>
Balance Brought Forward from earlier Year		(4,881,220)	(5,194,010)
Balance of Profit (Loss) carried to Balance Sheet		<u>(4762282)</u>	<u>(4881220)</u>

Schedules 10 to 13 above form an integral part of the Profit & Loss Account

For & On behalf of the Board

S.K.Samdani **Jagdish C. Rath**
(Managing Director) (Director)

As per our report of even date

For S.N.Gadiya & Co.
Chartered Accountants

(S.N.Gadiya)
Proprietor

Place : Indore
Date : 30/06/05

SYSTEMATIX SECURITIES LTD.**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2005**

PARTICULARS	AS ON 31/03/05	AS ON 31/03/04
<u>SCHEDULE 01</u>		
SHARE CAPITAL		
AUTHORISED		
7,000,000 Equity Shares of Rs. 10/- each	70,000,000	70,000,000
<u>ISSUED SUBSCRIBED & PAID UP</u>		
5,000,000 Equity Shares of Rs. 10/- each	50,000,000	50,000,000
<u>SCHEDULE 02</u>		
RESERVES & SURPLUS		
Share Premium	20,472,498	20,472,498

SCHEDULE 03
FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	OPENING BALANCE	ADDITION (DEDUCTION)	TOTAL	OPENING BALANCE	FOR THE YEAR	TOTAL	W.D.V. AS ON 31.03.05	W.D.V. AS ON 31.03.04
Computer	149,100	-	149,100	142,572	-	142,572	6,528	6,528
Vehicles	1,023,443	-	1,023,443	312,902	97,503	410,405	613,038	710,541
TOTAL	1,172,543	-	1,172,543	455,474	97,503	552,977	619,566	717,069
Previous Year	1,172,543	-	1,172,543	337,231	118,243	455,474	717,069	835,312

SCHEDULE 04**INVESTMENT (AT COST)****Quoted :**

Inani Marbles & Industries Ltd.

100000 Equity Shares of Rs. 10/- each fully paid 1,505,000 1,505,000

Bank of Baroda

1069 Equity Shares of Rs. 10/- each fully paid 91,934 91,934

Escort India Ltd.

100 Equity Shares of Rs. 10/- each fully paid 3,500 3,500

MCC Investments Ltd.

400 Equity Shares of Rs. 10/- each fully paid 1,200 1,200

State Bank of Bikaner & Jaipur

175 Equity Shares of Rs. 100/- each fully paid 91,000 91,000

Square D. Bio-Tech Ltd.

300 Equity Shares of Rs. 10/- each fully paid 1,200 1,200

Tata Iron & Steel Co. Ltd.

900(600) Equity Shares of Rs. 10/- each fully paid 80,400 80,400

Unquoted :

Inani Securities & Investments Ltd.		
200000 Equity Shares of Rs. 10/- each fully paid	2,000,000	2,000,000
Arawali Associates Pvt. Ltd.		
2050 Equity Shares of Rs. 100/- each fully paid	1,025,000	1,025,000
Inani Marbles Pvt. Ltd.		
3850 Equity Shares of Rs. 100/- each fully paid	1,925,000	1,925,000
Inani Marmo & Granite Pvt. Ltd.		
25000 Equity Shares of Rs. 10/- each fully paid	1,500,000	1,500,000
Inani Tiles Pvt. Ltd.		
5380 Equity Shares of Rs. 100/- each fully paid	2,690,000	2,690,000
Chirag Tiles Pvt. Ltd.		
50000 Equity Shares of Rs. 10/- each fully paid	500,000	500,000
Nathani Marble Pvt. Ltd.		
15000 Equity Shares of Rs. 10/- each fully paid	150,000	150,000
Action Marble & Granite Pvt. Ltd.		
60000 Equity Shares of Rs. 10/- each fully paid	1,725,000	1,725,000
Vijaydeep Silk Mill Pvt. Ltd.		
229540 Equity Shares of Rs. 10/- each fully paid	2,295,400	2,295,400
Vibhuti Textile Pvt. Ltd.		
180000 Equity Shares of Rs. 10/- each fully paid	1,800,000	1,800,000
Ajay Synthetics Pvt. Ltd.		
135000 Equity Shares of Rs. 10/- each fully paid	1,350,000	1,350,000
Gems Forwards Trades Pvt. Ltd.		
27000 Equity Shares of Rs. 10/- each fully paid	-	5,400,000
Ajay India Ltd.		
70000 Equity Shares of Rs. 10/- each fully paid	700,000	700,000
Share Application Money	7,840,000	6,840,000
	<hr/>	<hr/>
	27,274,634	31,674,634

Aggregate cost of quoted investments	1,774,234	1,774,234
Aggregate market value of quoted investments	2,257,357	2,171,602
Aggregate cost of unquoted investments	25,500,400	29,900,400

SCHEDULE 05

CASH & BANK BALANCES

Cash in Hand	563,767	145,274
--------------	---------	---------

BANK BALANCES

Balances with Scheduled Bank	111,085	880,610
	<hr/>	<hr/>
	674,852	1,025,884

SCHEDULE 06

LOANS AND ADVANCES

Loans/Advances recoverable in cash or in kind or for value to be revealed	36,198,633	31,168,895
Tax Deducted at Sources	1,870,130	1,645,982
Advance Income Tax	17,620	-
	<hr/>	<hr/>
	38,086,383	32,814,877

SYSTEMATIX SECURITIES LTD.**SCHEDULE 07****CURRENT LIABILITIES & PROVISION****Current Liabilities**

Creditors for Expenses	96,633	45,742
Sundry Creditors	768,208	769,560

	864,841	815,302
--	---------	---------

Provison

Audit Fees Payable	10,000	10,800
Bonus Payable	60,000	60,000
Income Tax	10,378	27,169

	80,378	97,969
--	--------	--------

SCHEDULE 08**MISC. EXPENDITURE**

(To the extent of not written of or adjusted)

Preliminary and public issue expences	272,085	544,170
Less: 1/10th w/off during the year	272,085	272,085

	-	272,085
--	---	---------

SCHEDULE 09**PROFIT & LOSS A/C**

(As per Annexed Profit & Loss Account)

	4,762,282	4,881,220
--	-----------	-----------

SCHEDULE 10**INCOME FROM OPERATION**

Interest Income	1,802,172	1,949,349
Professional Fees	90,000	180,000
Interest on STDR with Bank	3,147	-

	1,895,319	2,129,349
--	-----------	-----------

SCHEDULE 11**ADMINISTRATION**

Postage & Telegram	19,264	18,230
Rent	72,000	72,000
Books & Peridicals	3,230	2,640
Legal & Professional Charges	28,000	16,000

Total	122,494	108,870
--------------	----------------	----------------

SCHEDULE 12**OPEARTIONAL**

Auditors Remuneration	10,000	10,800
Stationery & Printing	18,108	16,266
Conveyance & Travelling	144,386	121,430
Telephone & Trunkcall	66,708	72,208
Advertisement	28,200	30,000
Office Expenses	42,262	44,316
Insurance Charges	6,327	7,552
Newspaper	2,868	2,184
Vehicle Running & Maintenance	123,400	146,039

Secretarial Charges	30,141	29,000
Bank Charges	11,533	2,795
Listing Fees	20,750	20,750
Business Promotion	6,805	2,156
	<hr/>	<hr/>
	511,488	505,496
	<hr/>	<hr/>

SCHEDULE 13

PERSONNEL

Directors Remuneration	72,000	36,000
Salaries	648,000	684,000
Bonus	60,000	60,000
	<hr/>	<hr/>
	780,000	780,000
	<hr/>	<hr/>

SCHEDULE 14

NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICY

a) Method of Accounting

The Financial statement are prepared under historical cost convention and are in accordance with the requirement of the Companies Act, 1956 and is following accrual basis of accounting.

b) Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation.

c) Depreciation

Depreciation on Fixed Assets has been charged on Straight Line Method at the rates prescribed under Schedule XIV to the Companies Act, 1956.

d) Retirement Benefit

No provision for gratuity has been made as no employees has put in the qualifying period of service for entitlement of this benefit.

e) Investments

Investments are stated at cost.

f) Miscellaneous Expenditure

Preliminary expenditure and Public issue expenses are written off over a period of 10 years.

(g) Annual Accounts have been prepared on a going concern basis.

B. NOTES ON ACCOUNT S

1. The Company does not have the practice to obtain balance confirmation for the amounts at the year end, therefore the balance under the heads Sundry Debtors, Sundry Creditors, Deposit, Loans and Advances, Bank a/c, and other personnel a/c are shown as per books of accounts and are subject to reconciliation and adjustment, if any.
2. Previous year figures have been regrouped / rearranged wherever necessary to confirm to current years presentation.

SYSTEMATIX SECURITIES LTD.

3. Figures have been rounded off nearest to the Rupees.
4. In the opinion of the Board, Current Assets, Loans and Advances are approximately of the same value, if realized in the ordinary course of business. The provision for all the liabilities is adequate.
5. None of the employees paid / payable salary exceeding Rs 24,00,000/- p.a.

6. Auditors Remuneration :

Statutory Audit Fees	Rs. 10000/-
----------------------	-------------

7. Earning Per Shares :

Net Profit (Loss) for the Year	Rs. 1,18,938/-
Nos. of Equity Shares (Nos. in 000's)	5,000/-
Basic & Diluted Earning per Shares (Rupees per Shares)	0.02

8. Related Party Disclosures

Managing Directors Remuneration : Rs. 72000/- to Mr. S.K. Samdhani

9. The Company has unabsorbed losses and depreciation of Rs. 41,01,969/- as at 31.03.2005 eligible for set off against income of future years under Income Tax Act and uncertainty of having taxable income under normal provisions of the Income Tax Act, 1961. No Deferred Tax Assets is recognized in the Books. The position will be reviewed every financial year and deferred tax assets when considered realisable, will be recognized in the books.
- The Provision for current tax is provided according to the section 115JB of the Income Tax Act, 1961.
10. Additional Information in pursuant to the provision of para 3 & 4 of part 11 of schedule VI of the Companies Act, 1956.

- i) Quantitative information of Opening Stock, Sales, Purchases and closing stock :

No. of Shares				
Opening Stock	Trans. to Investments	Purchase	Sales	Closing Stock
-	-	-	-	-
Previous Year				
Opening Stock	Trans. to Investments	Purchase	Sales	Closing Stock
2644	2644	-	-	-

- | | | |
|-------------------------------------|---|------|
| (2) Value of Import | - | Nil. |
| (3) Expenditure in foreign currency | - | Nil. |
| (4) Earning in foreign exchange | - | Nil. |

BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details :		State Code	21
Registration No.	: 40357/1986	:	
Balance Sheet Date	31.03.05		
II. Capital raised during the year: (Amount in Rs. Thousands)			
Public issue	Nil	Right Issue	Nil
Bonus issue	Nil	Private Placement	Nil
III. Position of mobilisation and deployment of funds: (Amount in Rs. Thousands)			
Total Liabilities	70472.498	Total Assets	70472.498
<u>Source of Funds</u>			
Paid up Capital	50000.000	Share Application Money	Nil
Reserves & Surplus	15710.216	Secured Loans	Nil
Unsecured Loans	Nil		
<u>Application of Funds</u>			
Net Fixed Assets	619.566	Investments	27274.634
Net Current Assets	37816.016		Nil
Miscellaneous Expenditure	Nil	Accumulated Losses	Nil
(d) Performance of Company: (Amount in Thousands)			
Turnover (Gross Revenue)	1912.884	Total Expenditure	1783.568
Profit/(Loss) before tax	129.316	Profit/(Loss) after tax	118.938
Profit after extra-ordinary items	Nil		
Earnings per shares (Rs.)	0.02		
before extra-ordinary items		Dividend Rate	Nil
(e) Generic Names of principal product, services of the Company:			
Item Code No.		Product Description	

As per our report of even date

For & On behalf of the Board

For S.N.Gadiya & Co.
Chartered Accountants

(S.N.Gadiya)
Proprietor

S.K.Samdani **Jagdish C. Rath**
(Managing Director) (Director)

Place : Indore
Date : 30/06/05

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31st MARCH, 2005

	2004-2005	2003-2004
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extra ordinary items	118,938	312,790
Adjustments for :-		
1. Depreciation	97,503	118,243
2. Foreign Exchange/Dep. Investments	-	-
3. Investments Extraordinary items (Net Investments Loss)	-	-
4. Preliminary, Public Issue	272,085	272,085
5. Lease Equilisation	-	-
6. Interest/Dividend Received	(1,805,319)	(1,958,099)
7. Loss (Profit) on Sale of Assets	-	-
Operating profit before working capital changes	(1,316,793)	(1,254,981)
Adjustments for :-		
1. Trade and other receivables	(5,271,506)	(140,928)
2. Inventories	-	269,234
3. Trade Payable Net of Lease Terminal Adj. A/c	31,948	(49,115)
Cash Generated from operation	(6,556,351)	(1,175,790)
1. Interest Paid	-	-
2. Direct Taxed paid	-	-
Cash Flow Before extraordinary items	(6,556,351)	(1,175,790)
Extraordinary items	(6,556,351)	(1,175,790)
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	-	-
Sale of Fixed Assets	-	-
Acquisitions of Companies	-	-
Purchase of Investments	-	-
and increase in share application money	(1,000,000)	(1,694,234)
Sale of Investments	-	-
and decrease in share application money	5,400,000	500,000
Interest received	1,805,319	1,949,349
Dividend Received	-	8,750
Preliminary Exp. Incurred	-	-
Net Cash from/ (Used) in investing activities	6,205,319	763,865
(C) CASH FLOW FROM FINANCIANG ACTIVITIES		
Proceeds from issue of share capital	-	-
Proceeds from issue of share application money	-	-
Proceeds from long and short term borrowings	-	-
Repayment of finance lease liabilities	-	-
Interest Paid	-	-
Dividend paid	-	-
Net Cash used in financiing activities	(351,032)	(411,925)
Net increase in Cash and Cash equivalents	1,025,884	1,437,809
Cash and Cash equivalents as (Opening Balance)	674,852	1,025,884
Cash and Cash equivalents as (Closing Balance)		

For and on behalf of the Board

S.K.Samdani
(Managing Director)

Jagdish C. Rath
(Director)

AUDITOR'S CERTIFICATE

We have verified the attached cash flow statement of Systematix Securities Ltd. for the year ended 31st March 2005, from the books and records maintained by the Company in the ordinary course of the business and have, subject to comparative figures for the previous year ended 31st March 2004, found in accordance herewith.

As per our Report of even date
For S.N. Gadiya & Co.
Chartered Accountant

Place : Indore
Date : 30/06/2005

(S.N.Gadiya)
Proprietor

SYSTEMATIX SECURITIES LTD.

Registered Office : 237, Kamalaya Center, 156-A, Lenin Sarani, Kolkata - W.B.

L. F. No.	
No of Shares held	

ATTENDANCE SLIP

19th Annual General Meeting - September 30th, 2005 at 2.00 p.m.

I/We hereby record my/our presence at the Nineteenth Annual General Meeting of the Company to be held at Registered Office of the Company 237, Kamalaya Center, 156-A, Lenin Sarani, Kolkata - W.B.

NAME OF THE SHAREHOLDER (In Block Letters)	
SIGNATURE OF THE HOLDER	
NAME OF THE PROXY (In Block Letters)	

NOTE : Please bring this attendance slip to the meeting and handover at the entrance duly filled in.

----- Tear Here -----

SYSTEMATIX SECURITIES LTD.

Registered Office : 237, Kamalaya Center, 156-A, Lenin Sarani, Kolkata - W.B.

PROXY FORM

19th Annual General Meeting - September 30th, 2005 at 2.00p.m.

I/We.....of in the district

of.....being a member/members of the above named company hereby appoint

.....in the district of..... or failing him..... of

.....in the districtof as my/our proxy to vote for me/our behalf at the

Nineteenth Annual General Meeting of the company to be held on Friday, September 30th, 2005 and at any adjournment thereof.

Signed thisday of2005.

Rs. 1.00
Revenue
Stamp

NOTE : The Proxy duly signed across the revenue stamp of Rs.1.00 must be deposited at Company's Registered Office not less than 48 hours before the time of the meeting.

Book - Post

To,

★ PAPER PRINT, Indore 5041458

If undelivered please return to :

Systematix Securities Limited

Regd. Office : 237, Kamalaya Center,
156-A, Lenin Sarani,
Kolkata - W.B.