

# 37<sup>th</sup> *Annual Report 2011-12*

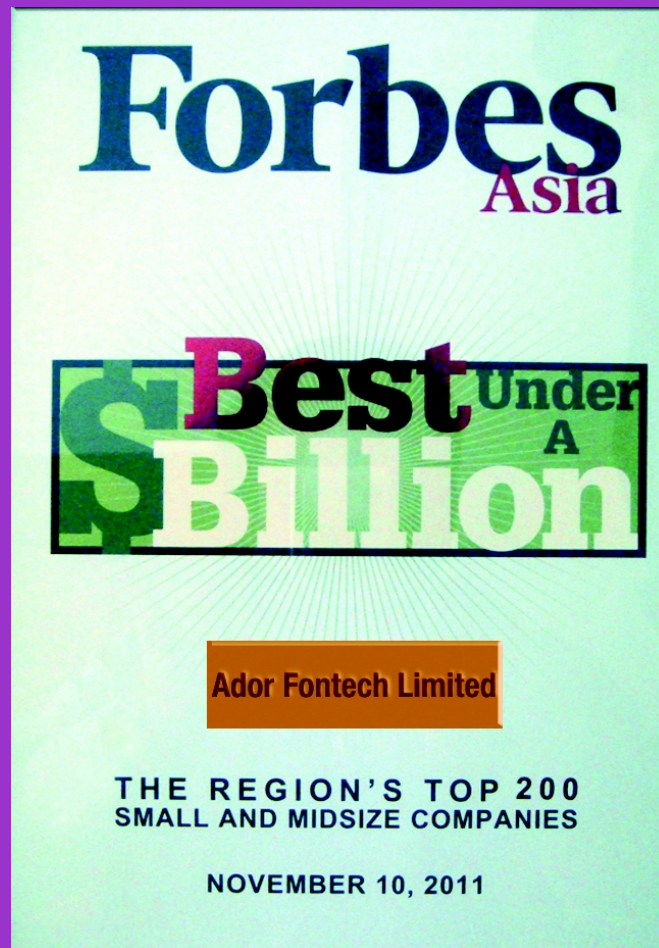


**Ador Fontech Limited**



Reclamation, Fusion  
Surfacing, Spraying &  
Environmental Solutions

## Certificate of Honour



Mr. H P Ledwani, Managing Director, receiving Forbes Asia Award at "Hong Kong"



# Ador Fontech Limited

## Board of Directors

Mrs. N Malkani Nagpal	Chairman
Mr. H P Ledwani	Managing Director
Mr. A T Malkani	
Mr. N Srinivasan	
Mr. N S Marshall	
Mr. Nayan B Pandya	

## Company Secretary

Ms. Geetha D

## Management Team

Mr. H P Ledwani  
Mr. M J Kurian  
Mr. Muneesh Narain  
Mr. P Vishwanathan  
Mr. Rajesh V Joshi  
Mr. SV Puntambekar  
Mr. Melville Ferns  
Mr. R Krishna Kumar

## Registered and Corporate Office

Belview 7 Haudin Road Bangalore 560 042

## Reclamation Centre

S-60-61 MIDC Hingna Industrial Estate Hingna Road Nagpur 440 016

## Manufacturing Plant I

486 B-I 4<sup>th</sup> Cross 3<sup>rd</sup> Main 4<sup>th</sup> Phase Peenya Industrial Estate Bangalore 560 058

## Manufacturing Plant II

A-288 6<sup>th</sup> Main 2<sup>nd</sup> Stage Peenya Industrial Estate Bangalore 560 058

## Bankers

HDFC Bank Limited  
8/24 Salco Centre Richmond Road Bangalore 560 025  
The Bank of Nova Scotia  
25/2 S N Towers M G Road Bangalore 560 001

## Auditors

Amarnath Kamath and Associates  
Chartered Accountants  
Carewel House 6<sup>th</sup> Cross Muniswamappa Layout Opp. Kemp Fort Off HAL Airport Road Bangalore 560 017

## Share Transfer Agent

Integrated Enterprises (India) Limited (Formerly Alpha Systems Private Limited)  
30 Ramana Residency Sampige Road Malleswaram Bangalore 560 003

## Contents

Notice.....	01
Directors' Report .....	07
Management Discussion and Analysis Report .....	09
Report on Corporate Governance.....	10
Auditors' Report.....	15
Balance Sheet .....	18
Statement of Profit and Loss .....	19
Cash Flow Statement .....	20
Significant Accounting Policies .....	21
Notes on Financial Statement .....	22
General Business Profile .....	32

## NOTICE

Notice is hereby given that the 37<sup>th</sup> Annual General Meeting of the Members of the Company will be held at 'Woodlands Hotel Private Limited' # 5 Raja Ram Mohan Roy Road Bangalore 560 025 on Tuesday, July 17, 2012 at 11:30 hours to transact the following business:

### ORDINARY BUSINESS

#### 1. Adoption of Accounts

To receive, consider and adopt the audited Balance Sheet as at March 31, 2012 and the Statement of profit and loss for the year ended on that date, together with the reports of the Directors and Auditors thereon.

#### 2. Declaration of Dividend

To declare dividend for the financial year ended March 31, 2012.

#### 3. Re-appointment of Mr. N Srinivasan as "Director"

To appoint a Director in place of Mr. N Srinivasan, who retires by rotation and being eligible, offers himself for re-appointment.

#### 4. Appointment of Statutory Auditors

To appoint the retiring auditors, M/s. Amarnath Kamath and Associates, Chartered Accountants, as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, at such remuneration as may be determined by the Board of Directors in consultation with the Auditors.

### SPECIAL BUSINESS

#### 5. Re-appointment of Mr. H P Ledwani as "Managing Director"

**To consider and if thought fit, to pass, with or without modification(s), the following resolution as a 'SPECIAL RESOLUTION'**

"RESOLVED THAT pursuant to the provisions of Sections 198, 268, 269, 309, 310, 311, 314 and other applicable provisions and schedules of the Companies Act, 1956, (including any statutory modifications or re-enactment(s) thereof, for the time being in force) and subject to such sanctions and approvals as may be necessary including the Government, the Company hereby approves the re-appointment of Mr. H P Ledwani as a whole-time Director, not liable to retire by rotation, designated as "Managing Director" for a period of five years with effect from April 1, 2012 on the terms, conditions and remuneration as set out in the explanatory statement annexed hereto, with liberty to the Board of Directors to alter or vary any of the terms and conditions of the said appointment, including remuneration as may be agreed to between the Directors and Mr. H P Ledwani or otherwise to the intent that approval be and is hereby granted, irrevocably to the said appointment, by the express authority of this resolution".

#### 6. Appointment of Mr. AT Malkani as "Director/Executive Director"

**To consider and if thought fit, to pass, with or without modification(s), the following resolution as a 'SPECIAL RESOLUTION'**

"RESOLVED THAT Mr. AT Malkani, in respect of whom the Company has received notice in writing from a Member proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company, not liable to retire by rotation.

FURTHER RESOLVED THAT pursuant to the provisions of Sections 198, 268, 269, 309, 310, 311, 314 and other applicable provisions and schedules of the Companies Act, 1956, (including any statutory modifications or re-enactment(s) thereof, for the time being in force) and subject to such sanctions and approvals as may be necessary including the Government, the Company hereby approves the appointment of Mr. AT Malkani as a whole-time Director designated as "Executive Director" for a period of five years with effect from April 27, 2012 on the terms, conditions and remuneration as set out in the explanatory statement annexed hereto, with liberty to the Board of Directors to alter or vary any of the terms and conditions of the said appointment, including remuneration as may be agreed to between the Directors and Mr. AT Malkani or otherwise to the intent that approval be and is hereby granted, irrevocably to the said appointment, by the express authority of this resolution".

#### 7. Appointment of Branch Auditors

**To consider and if thought fit, to pass, with or without modification(s), the following resolution as an 'ORDINARY RESOLUTION'**

"RESOLVED THAT pursuant to Section 228 and other applicable provisions of the Companies Act, 1956, and amendments thereof, the accounts for the year ending March 31, 2013 of the manufacturing plants of the Company, be audited by the Company's Auditors or such other person or persons, other than the Company's Auditors and as are qualified for appointment as Auditors under Section 226 of the Companies Act, 1956, and that the Board of Directors be and is hereby authorised to decide and appoint such Branch/Unit Auditors in consultation with the Company's Auditors".

## NOTES

#### (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON BEHALF OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Proxy form in order to be valid must be lodged at the Registered office of the Company, not later than forty eight hours before the commencement of the meeting.

#### (b) The 'Register of Members' and 'Share Transfer Books' will remain closed from July 9, 2012 to July 17, 2012 (both days inclusive).

## NOTICE

- (c) Members are requested to notify immediately changes, if any, in their address/bank mandate to their respective Depository Participants (DPs) in respect of electronic share account and to the Registrar and Share Transfer Agents - Integrated Enterprises (India) Limited - with all necessary details, in respect of physical share folios.
- (d) Nomination facility is available as per the provisions of the Companies Act, 1956. Those who wish to avail themselves of this facility may send in their nomination forms (Form 2B) either to the Registrar or to the Company at its Registered office.
- (e) Pursuant to the provisions of Section 205A of the Companies Act, 1956, the amount of dividend which remains unclaimed for a period of seven years from the date of declaration would be transferred to the 'Investor Education and Protection Fund'. As such, shareholders who have not encashed their dividend warrants are requested to write to the Company for claiming outstanding dividends, if any, in respect of the previous year(s).
- (f) Amount of unclaimed dividend as at March 31, 2012 for the years 2004-05 to 2010-11 aggregate to ₹ 50,81,548 (Rupees fifty lakh, eighty one thousand, five hundred and forty eighty only).
- (g) To ensure prompt remittance of dividends, we recommend the shareholders to utilise the ECS scheme of the Reserve Bank of India. Kindly send photocopy of a cancelled cheque along with a request letter to the Registrar and Share Transfer Agent (Integrated Enterprises (India) Limited) or to the Depository Participant for shares held in physical and electronic form respectively.
- (h) Members are requested to send all share transfer lodgements (physical mode) to the Registrar and Share Transfer Agent, Integrated Enterprises (India) Limited, marking in the envelope "Unit - Ador Fontech Limited".

## EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

### Item no.5

Mr. H P Ledwani started his career with Ador Welding Limited. He joined Ador Fontech Limited on 01.12.1979. He is one amongst the first batch of employees to join the Company. By dint of dedication and hard work, he rose to become the 'Executive Director' on April 23, 1998 and thereafter the "Managing Director". His term of appointment ended on March 31, 2012. As he has been instrumental in developing the Company since inception, the Board at its meeting held on January 20, 2012 recommended his re-appointment/extension of service for a further period of five years with effect from April 1, 2012.

Mr. H P Ledwani will be the 'Chief executive officer' in-charge of day to day operations of the Company.

The terms of remuneration payable to Mr. H P Ledwani during his tenure as "Managing Director" and subject to the provisions of the Companies Act, Statutory Legislations, Regulations and Enactments will be as follows:

#### 1. Salary, allowances and perquisites

**1.1 Basic:** ₹ 5,20,000 (Rupees five lakh and twenty thousand only) per month.

#### 1.2 On a time scale basis

₹ 5,20,000 with annual increments of ₹ 10,000 or more as may be decided by the Board annually.

#### 1.3 Performance bonus

The Company shall pay to Mr. H P Ledwani performance bonus as may be decided by the Board.

#### 1.4 Housing

The Company shall provide furnished residential accommodation along with all amenities, facilities and utilities or in case no accommodation is provided, the Company shall pay house rent allowance equivalent to sixty percent of the basic salary.

#### 1.5 Provident fund

Contribution to provident fund at 12% of the salary and subject to such modifications as may be notified by the Government from time to time.

#### 1.6 Superannuation fund

Contribution to superannuation fund as per the rules of the Company subject to the condition that such contribution together with provident fund shall not exceed 27% of the salary as prescribed under the Income tax rules, 1962. (This ceiling may be modified as per applicable Government rules, from time to time).

#### 1.7 Gratuity

Payable as per the rules applicable to the Executives of the Company and subject to such modifications as may be notified by the Government from time to time.

#### 1.8 Earned/Privilege leave

One month's leave for every eleven months of service.

Encashment of unavailed leave, if any, shall be subject to the rules as applicable to the Executives of the Company.

The Managing Director will be entitled to encashment of privilege leave standing to his credit at the time of cessation of his service, provided the maximum days reckoned for encashment would be restricted to the number of days allowed under the Income tax act and rules, as may be in force.

#### 1.9 Medical

The Company shall reimburse all expenses incurred in India and/or abroad (for payment of premium, medical expenses and hospitalisation expenses incurred) on account of self and family. (Note: Family means spouse, dependent children and parents).

## NOTICE

### 1.10 Leave travel concession

The Company shall pay leave travel concession for self and family, once a year to any destination in India/abroad, as per the rules of the Company, not exceeding an amount equivalent to one and half month's basic salary.

### 1.11 Club fees

The Company shall pay fees of clubs (maximum two clubs) including admission and life membership fees.

### 1.12 Personal accident insurance

The Company shall pay premium for personal accident insurance policy of a suitable amount.

### 1.13 Use of vehicle

The Company shall provide vehicle for official purpose. (The expenditure on which will not be considered as perquisite).

### 1.14 Communication facility at residence

The Company shall provide telephone and other communication facilities. (The expenditure on which will not be considered as perquisite).

### 1.15 Entertainment

Entertainment on account of Company's business on actual reimbursement. (The expenditure on which will not be considered as perquisite).

### 1.16 Educational allowance

The Company shall pay an amount equivalent to ₹10,000 (Rupees ten thousand only) per month towards education.

### 1.17 Contribution to life insurance policies

The Company shall contribute to premia on life insurance policies taken in the name of the Managing Director. (As per general applicable policies of the Company from time to time).

### 1.18 Minimum remuneration

Notwithstanding anything contained in the Companies Act, 1956, where in any financial year, during the currency of tenure as Managing Director, the Company has no profits or its profits are inadequate, the Company may pay remuneration by way of salary, performance bonus/commission, perquisites and any other allowance not exceeding the limits specified in the Companies Act, 1956 and other applicable rules and regulations or as per Government notification that may be issued/amended from time to time.

### 1.19 Sitting fees

No sitting fees will be payable for attending meetings of the Board of Directors or Committee thereof.

## 2.0 Loss of office/termination

The Managing Director shall be remunerated for loss of his office (including termination) for the remaining period of his contract. In case he resigns, he shall give the Company a notice of six (6) months. The Board of Directors is empowered to act suitably in case of such eventualities.

## 3.0 Undertaking

The Managing Director shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company in future without the prior approval of the Central Government.

## 4.0 Supersession

This agreement supersedes all previous agreements (including amendments thereto) entered in to between the Company and Mr. H P Ledwani.

## 5.0 General

The Managing Director will also be entitled towards travel expenditure (including reimbursements) of travel fare/board and lodging/daily allowance/per diem allowance (as may become applicable) to enable discharge of official duties. (The expenditure on which will not be considered as remuneration/perquisite).

The explanatory statement together with notice to be treated as an abstract of the terms and memorandum of interest of the Director under Section 302 of the Companies Act, 1956. Further, a copy of the agreement, detailing terms and conditions as above, is available for inspection to the Members at the Registered office of the Company during business hours on any working day up to the date of the Annual General Meeting.

The Board recommends the resolution set out at item no.5 for approval.

No Director of the Company is concerned or interested in the said resolution except Mr. H P Ledwani, as it pertains to his appointment.

### Item no.6

Mr. AT Malkani is due to retire by rotation at the ensuing Annual General Meeting pursuant to the provisions of Companies Act, 1956. In the meantime, the Company received notice along with requisite deposit from a Member proposing the appointment/re-appointment of Mr. AT Malkani as a Director, not liable to retire by rotation.

Further, as the Company is positioned at the point of inflection, it becomes essential to strategise business modules keeping in view the long term growth requirement of the organisation. Mr. AT Malkani as part of the promoter group, evinces keen interest in the development of the

## NOTICE

organisation and hence, the Board has recommended his appointment as “Executive Director” subject to the compliance with the provisions of the Companies Act, Statutory Legislations, Regulations and Enactments.

Mr. A T Malkani will be in charge of growth oriented strategic business management. The terms of remuneration payable to him during his tenure as “Executive Director” will be as follows:

### I Salary, allowances and perquisites

**I.1 Basic:** ₹ 3,07,000 (Rupees three lakh and seven thousand only) per month.

**I.2 On a time scale basis:** ₹ 3,07,000 with annual increments of ₹ 5,000 or more as may be decided by the Board annually.

### I.3 Housing

The Company shall provide furnished residential accommodation along with all amenities, facilities and utilities or in case no accommodation is provided, the Company shall pay house rent allowance equivalent to sixty percent of the basic salary.

### I.4 Provident fund

Contribution to provident fund at 12% of the salary and subject to such modifications as may be notified by the Government from time to time.

### I.5 Superannuation fund

Contribution to superannuation fund as per the rules of the Company subject to the condition that such contribution together with provident fund shall not exceed 27% of the salary as prescribed under the Income tax rules, 1962. (This ceiling may be modified as per applicable Government rules, from time to time).

### I.6 Gratuity

Payable as per the rules applicable to the Executives of the Company and subject to such modifications as may be notified by the Government from time to time.

### I.7 Earned/Privilege leave

One month's leave for every eleven months of service.

Encashment of unavailed leave, if any, shall be subject to the rules as applicable to the Executives of the Company.

The Executive Director will be entitled to encashment of privilege leave standing to his credit at the time of cessation of his service, provided the maximum days reckoned for encashment would be restricted to the number of days allowed under the Income tax act and rules, as may be in force.

### I.8 Medical

The Company shall reimburse all expenses incurred in India and/or abroad (for payment of premium, medical expenses and hospitalisation expenses incurred) on account of self and family. (Note: Family means “spouse, dependent children and parents”).

### I.9 Leave travel concession

The Company shall pay leave travel concession for self and family, once a year to any destination in India/abroad, as per the rules of the Company, not exceeding an amount equivalent to one and half month's basic salary.

### I.10 Club fees

The Company shall pay fees of clubs (maximum two clubs) including admission and life membership fees.

### I.11 Personal accident insurance

The Company shall pay premium for personal accident insurance policy of a suitable amount.

### I.12 Use of vehicle

The Company shall provide vehicle for official purpose. (The expenditure on which will not be considered as perquisite).

### I.13 Communication facility at residence

The Company shall provide telephone and other communication facilities. (The expenditure on which will not be considered as perquisite).

### I.14 Entertainment

Entertainment on account of Company's business on actual reimbursement. (The expenditure on which will not be considered as perquisite).

### I.15 Contribution to life insurance policies

The Company shall contribute to premia on life insurance policies taken in the name of the Executive Director. (As per general applicable policies of the Company from time to time).

### I.16 Minimum remuneration

Notwithstanding anything contained in the Companies Act, 1956, where in any financial year, during the currency of tenure as Executive Director, the Company has no profits or its profits are inadequate, the Company may pay remuneration by way of salary, performance bonus/commission, perquisites and any other allowance not exceeding the limits specified in the Companies Act, 1956 and other applicable rules and regulations or as per Government notification that may be issued/amended from time to time.

## NOTICE

### 1.17 Sitting fees

No sitting fees will be payable for attending meetings of the Board of Directors or Committee thereof.

### 2.0 Loss of office/termination

The Executive Director shall be remunerated for loss of his office (including termination) for the remaining period of his contract. In case he resigns, he shall give the Company a notice of six (6) months. The Board of Directors is empowered to act suitably in case of such eventualities.

### 3.0 Undertaking

The Executive Director shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company in future without the prior approval of the Central Government.

### 4.0 Supersession

This agreement supersedes all previous agreements (including amendments thereto) entered in to between the Company and Mr. AT Malkani.

### 5.0 General

The Executive Director will also be entitled towards travel expenditure (including reimbursements) of travel fare/board and lodging/daily allowance/per diem allowance (as may become applicable) to enable discharge of official duties. (The expenditure on which will not be considered as remuneration/perquisite).

The explanatory statement together with notice to be treated as an abstract of the terms and memorandum of interest of the Director under Section 302 of the Companies Act, 1956. Further, a copy of the agreement, detailing terms and conditions as above, is available for inspection to the Members at the Registered office of the Company during business hours on any working day up to the date of the Annual General Meeting.

The Board recommends the resolution set out at item no. 6 for approval.

No Director of the Company is concerned or interested in the said resolution except Mr. AT Malkani as it pertains to his appointment.

### Item no. 7

The Company's manufacturing plants are situated at diverse locations. In view of the same, it is proposed to authorise the Board of Directors to appoint, in consultation with the Company's Auditors, such persons as are qualified for appointment as Branch Auditors under Section 226 of the Companies Act, 1956, and amendments thereof, to audit the accounts, for the year ending March 31, 2013 and to fix their remuneration.

The Board recommends the resolution set out at item no. 7 for approval.

No Director of the Company is concerned or interested in the said resolution.

## BRIEF PROFILE OF THE DIRECTORS

### I. Mr. N Srinivasan

Mr. N Srinivasan is a Chartered Accountant. He was a senior partner of Deloitte Haskins and Sells/Fraser and Ross. He has served the Accounting and Auditing profession for over five decades. Besides, being a Board member of several well-known companies, he is associated with Associated Chambers of Commerce and Industry of India, Madras Chamber of Commerce and Industry, Indo Australian Chamber of Commerce and the Employees' Federation of Southern India as 'Managing Committee Member'.

#### (a) Specific areas of expertise

Accounts, Audit and Corporate Finance

#### (b) Directorship in Companies (other than Ador Fontech Limited)

##### Public Limited Companies

United Breweries (Holdings) Limited

McDowell Holdings Limited

UB Engineering Limited

Best and Crompton Engineering Limited

Essar Shipping Limited

GATI Limited

The India Cements Limited

India Cements Capital Limited

Redington (India) Limited

Tafe Motors and Tractors Limited

Tractors and Farm Equipment Limited

The United Nilgiri Tea Estates Company Limited

##### Private Limited Companies

Indair Carriers Private Limited

SCM Microsystems (India) Private Limited

UT Worldwide (India) Private Limited

SGP Exim Private Limited



## NOTICE

- (c) **Member of Board Committees (other than Ador Fontech): Ten**
- (d) **Chairman of Board Committees (other than Ador Fontech) : Five**
- (e) **Number of shares held in the Company: 1 000**

### 2. **Mr. H P Ledwani**

Mr. H P Ledwani is a science graduate and qualified in administrative management from the Jamnalal Bajaj Institute, Mumbai. He has attended several management studies and programmes of premier institutions like Indian School of Business (ISB), Indian Institute of Management (IIM) and Stanford University (USA).

- (a) **Specific areas of expertise**  
Planning, Marketing and General Administration
- (b) **Directorship in Companies (other than Ador Fontech Limited)**  
**Public Limited Company**  
Ador Multiproducts Limited
- (c) **Member of Board Committees (other than Ador Fontech Limited): Nil**
- (d) **Chairman of Board Committees (other than Ador Fontech Limited): Nil**
- (e) **Number of shares held in the Company: 48,875**

### 3. **Mr. AT Malkani**

Mr. AT Malkani is a graduate in Economics and has done his masters in Business Administration. He is an industrialist and represents the second generation of promoter group in Ador Fontech Limited. He started his career with J B Advani and Company and moved over to Ador Welding Limited as 'Manager' for international operations.

- (a) **Specific areas of expertise**  
Strategic and Operational Management
- (b) **Directorship in Companies (other than Ador Fontech Limited)**  
**Public Limited Companies**  
Ador Welding Limited  
Ador Multiproducts Limited  
**Private Limited Companies**  
J B Advani and Company Private Limited  
Ador Green Energy Private Limited
- (c) **Member of Board Committees (other than Ador Fontech Limited): Two**
- (d) **Chairman of Board Committees (other than Ador Fontech Limited): Nil**
- (e) **Number of shares held in the Company: 3,03,166**

Mumbai  
April 27, 2012

By order of the Board  
For **Ador Fontech Limited**  
**Geetha D**  
Company Secretary

## Disclosure in terms of Clause 49 (IV)(G)(ia) of the Listing Agreement

There are no inter-se-relationship between the Board members.

Mumbai  
April 27, 2012

By order of the Board  
For **Ador Fontech Limited**  
**Geetha D**  
Company Secretary

## Annual Certification by the Managing Director pursuant to Clause 49 (I)(D)(ii) of the Listing Agreement

As the Managing Director of Ador Fontech Limited and as required pursuant to Clause 49 (I)(D)(ii) of the Listing Agreement, I hereby declare and certify that all the Board Members and Senior Management personnel of Ador Fontech Limited have affirmed compliance with the Code of Conduct adopted by the Company for the financial year 2011-12.

Mumbai  
April 27, 2012

For **Ador Fontech Limited**  
**H P Ledwani**  
Managing Director

## DIRECTORS' REPORT

### To the Members,

We are delighted to present the Annual Report of the Company for the year ended March 31, 2012.

### 1. FINANCIAL HIGHLIGHTS

(₹ in lakhs)

Details	2011-12	2010-11
Turnover	16,042	15,011
Operating profit	3,079	2,862
Interest	-	-
Depreciation	243	159
Profit before tax	2,836	2,703
Provision for tax	953	867
Profit after tax	1,883	1,836
<b>Appropriations</b>		
Transfer to general reserve	1,000	1,000
Proposed dividend including distribution tax	611	511
Balance carried forward	272	325

### 2. DIVIDEND

The Directors are pleased to recommend a dividend of ₹ 3 per share (one hundred and fifty percent) as compared to the previous year of ₹ 2.50 (one hundred and twenty five percent).

### 3. REVIEW OF BUSINESS OPERATIONS

All over the world including India, major impacts which have affected business in general include:

- Regression in gross domestic product
- High inflation
- Escalation in forex rates
- Steep increase in input cost
- Deferral of infrastructural projects and capital expansion

Given this scenario, the Company has registered moderate growth and balanced its performance, both in terms of revenue and profitability. Going forward, the Company is gearing to meet existing and new challenges that it may have to constantly face and will strive to maintain consistency of business performance.

### 4. DIRECTORS' RESPONSIBILITY STATEMENT

In the preparation of financial statements, the Board of Directors of the Company has ensured that:

- The applicable accounting standards have been followed.
- The accounting policies are reasonable, prudent and are consistently followed to give a true and fair view of the state of affairs of the Company.
- Proper and sufficient care has been taken for maintenance of adequate accounting records, for safeguarding the assets of the Company and for preventing/detecting fraud and other irregularities.
- The annual accounts have been prepared on a going concern basis.

### 5. DIRECTORS

Mr. N Srinivasan retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. The Board recommends the appointment of Mr. N Srinivasan as "Director", Mr. H P Ledwani as "Managing Director" and Mr. A T Malkani as "Executive Director".

### 6. CORPORATE GOVERNANCE

The Corporate governance report and certificate obtained from the Auditors of the Company is attached to this report.

### 7. AUDITORS

M/s. Amarnath Kamath and Associates, the Statutory Auditors retire at the conclusion of the Annual General Meeting and being eligible offer themselves for re-appointment. The Branch Auditors will be appointed in consultation with the Statutory Auditors.

### 8. FIXED DEPOSITS

The Company has not accepted fixed deposits and as such no amount was outstanding as on the date of Balance sheet.

### 9. PRODUCTS AND SERVICES

The Company is an ISO certified organisation. Besides, some of the products manufactured have 'CE' marking which is a bench mark of European community standard. To further ensure a systemic approach to shop floor working, it has imbibed the culture of 'Lien management'.