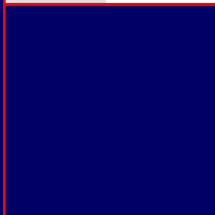
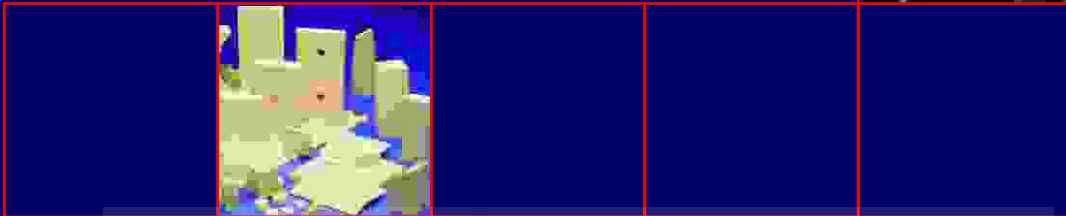




Reclamation, Fusion
Surfacing & Spraying Solutions

32nd Annual Report 2006-07



Ador Fontech Limited

Life Enhancement of Industrial Components through Reclamation, Fusion, Surfacing and Spraying Solutions

Ador Fontech Limited is a front-runner organisation that operates on the philosophy of 'partnering' with its clients in recommending and implementing 'best-in-class' joining, reclamation and surfacing solutions.

The Company is dedicated to supply of products, services and solutions that meet and exceed the needs of the end-users. The customer-base includes mining industries, steel and other metallurgical complexes, power plants, railways, road transport workshops, shipping industries, sugar mills, cement plants, fertilizer and chemical plants, oil drilling and refining sector, defence workshops and a whole range of engineering industries.

Products and Services

As a result of continuous analysis and evaluation of the end-user needs, the Fon Spectrum consists of low-heat input alloys, solid and flux-cored wires, welding and cutting equipment, fume extraction products, in-situ machining systems, thermal spray products and hands-on rebuilding and reclamation services. The products and services have been categorised as follows:

- FON** Low heat input welding alloys
- FMA** Hard-facing and wear-resistant products
- FAC** Welding, cutting and welder safety equipment
- FRS** Fon reclamation services
- LES** In-situ reclamation services
- FTS** Thermal spray technology, products and solutions

Within the scope of the above product groups, in addition to the in-house manufacturing programme, the Company exclusively represents the following internationally well-known brand names in India:

- | | | | |
|---|--|---|---|
|  | Flux is in the flame |  | Arc and resistance welding and plasma cutting equipment |
|  | World's most wear-resistant cast-wear plates | CEPRO | Welding spot separation and welder safety products |
|  | Cobalt and nickel based alloys and cast components | EWM / HIGHTEC WELDING | High-tech welding power sources and systems |
| SULZER METCO | Thermal spray technology, products and solutions | euromate | Welding fume extraction equipment and systems |
|  | CNC laser, plasma and oxy-fuel cutting systems |  | Wear protection by hardfacing |

THE BOARD OF DIRECTORS

Mrs. R T Malkani	Chairman
Mr. H P Ledwani	Managing Director
Mr. N Srinivasan	
Mr. Arvind Mathur	
Mrs. N Malkani Nagpal	

COMPANY SECRETARY

Ms. Geetha D

OPERATING TEAM

Mr. H P Ledwani
Mr. M J Kurian
Mr. Muneesh Narain
Mr. P Ramachandran
Mr. P Viswanathan
Mr. S Gopalakrishnan
Mr. Ravi Magal
Mr. Rajesh V Joshi
Mr. S V Puntambekar
Mr. Melville Ferns

REGISTERED AND CORPORATE OFFICE

Belview, 7, Haudin Road, Bangalore 560 042

MANUFACTURING UNITS

S-60-61, MIDC, Hingna Industrial Estate, Nagpur 440 016
No. 486, B-1, 14th Cross, 3rd Main, 4th Phase, Peenya Industrial Area, Bangalore 560 058
A-288, II Stage, Peenya Industrial Estate, Bangalore 560 058

AUDITORS

Amarnath Kamath and Associates
Chartered Accountants
Carewel House, 6th Cross, Muniswamappa Layout, Opp. Kemp Fort, Off Airport Road, Bangalore 560 017

BANKERS

HDFC Bank Limited
The Bank of Nova Scotia

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Notice is hereby given that the 32nd Annual General Meeting of the Members of the Company will be held at Hotel Ajantha, 22-A, Mahatma Gandhi Road, Bangalore 560 001 on Friday, July 20, 2007 at 12.00 hours to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2007, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, together with the Report of the Directors' and the Auditors' thereon.
2. To declare final dividend for the financial year ended March 31, 2007.
3. **To consider the appointment of Statutory Auditors and to pass with or without modification(s), the following resolution:**
 "RESOLVED THAT M/s. Amarnath Kamath and Associates, Chartered Accountants, be and are hereby reappointed 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 to be paid on a progressive billing basis, as may be determined by the Board of Directors in consultation with the Auditors".

SPECIAL BUSINESS

4. **To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:**
 "RESOLVED THAT Mrs. N Malkani Nagpal, who was appointed as Additional Director of the Company and who holds office up to the date of the Annual General Meeting pursuant to Section 260 of the Companies Act, 1956, and Article 123 of the Articles of Association of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation".
5. **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 reappointment of Mr. H P Ledwani as a Whole-time Director designated as "Managing Director" for a period of five years with effect from April 1, 2007 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 the approval be and is hereby granted, irrevocably to the said appointment, by the express authority of this resolution".
6. **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, 2008 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 and fix their remuneration and terms and conditions".
7. **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 31, 192A and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or reenactment thereof for the time being in force), the following be inserted as Article 196 under the heading "Passing of resolution by postal ballot" as set out herein below:

Article 196 : Passing of resolution by postal ballot

The Company do adopt the mode of passing of resolution(s), by means of postal ballot and/or other ways as may be prescribed by the Central Government, with respect to any business that can be transacted by the Company in the General meeting and particularly resolutions relating to such business as the Central Government may by notification declare to be conducted only by postal ballot".

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 10, 2007 to July 20, 2007 (both days inclusive).
- 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-Alpha Systems Private 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 years.
- f. In continuation with our initiative for prompt remittance of dividend payment, 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 (Alpha Systems Private Limited) or to the Depository Participant for shares held in physical and electronic form respectively.

g. Members are requested to:

- (i) Write to the Company at least seven days before the date of the meeting, in case they desire to have any information as regards the Audited Accounts for the financial year ended March 31, 2007, so as to enable the Company to keep the information ready.
- (ii) Bring their copy of the 'Annual Report' and 'Attendance Slip' to the meeting

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

Item no. 4

Mrs. N Malkani Nagpal was appointed as additional Director by the Board of Directors on July 27, 2006. Names of Companies in which she is a Director are given below:

Sl. No.	Name of the company	Board position held	Board committee memberships
1.	Ador Multiproducts Limited	Director	—
2.	Ador Welding Limited	Director	Shareholders' / Investor Grievance
3.	J B Advani and Company Private Limited	Whole time Director	—
4.	Piem Hotels Limited	Director	—

The Company has received notice along with requisite deposit from a Member under Section 257 of the Companies Act, 1956, proposing the appointment of Mrs. N Malkani Nagpal as a Director of the Company. Hence, the resolution is placed before the shareholders for approval. The Board recommends the resolution set out at item no. 4 for approval.

No Director of the Company is concerned or interested in the said resolution except Mrs. N Malkani Nagpal, as it pertains to her appointment.

Item no. 5

Mr. H P Ledwani started his career with Ador Welding Limited. He joined Ador Fontech Limited on 01.12.1979. He was appointed as the "Executive Director" w.e.f. April 23, 1998. At the twenty seventh Annual General Meeting of the Company, held on July 25, 2002, he was appointed as the "Managing Director". The Board of Directors at its meeting held on January 23, 2007 approved his reappointment/ extension of service for a further period of five years with effect from April 1, 2007. The terms of reappointment of Mr. H P Ledwani as contained in the agreement are set out below:

1. Remuneration

1.1 Salary:

Rs. 1,75,000/- (Rupees one lakh and seventy five thousand only) per month, with annual increments as may be decided by the Board based on performance appraisal.

1.2 Performance bonus:

The Company shall pay to Mr. H P Ledwani bonus based on turnover/ profitability or any amount that the Board may decide within the regulatory framework of Corporate Laws. The general criteria shall be as under:

Criteria	Bonus
For net profits up to Rs.15 crore	0.75% of the profit
For net profits above Rs.15 crore	1.00% of the profit

1.3 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.

1.4 Medical:

The Company shall reimburse all expenses incurred in India (for payment of premium, medical expenses and hospitalisation expenses incurred) on account of self and family.

(Note: Family means "Spouse, dependent children and parents").

1.5 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.

1.6 Club fees:

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

1.7 Use of vehicle:

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

1.8 Educational allowance:

The Company shall pay an amount of Rs. 10,000/- (Rupees ten thousand only) per month.

1.9 Entertainment:

Entertainment on account of Company's business on actual reimbursement basis shall not be considered as a perquisite.

1.10 Communication facility at residence:

The Company shall provide telephone and other communication facilities, the expenditure on which will not be considered as a perquisite.

2. Other benefits as per the rules of the Company:

- (a) Earned/Privilege leave
- (b) Company's contribution towards superannuation, gratuity and provident fund.
- (c) Encashment of leave
- (d) Contribution towards life insurance premium and personal accident policies.

3. 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 allowances not exceeding the limits specified in Schedule XIII of the Companies Act, 1956 (as amended) or as per the Government notification that may be issued from time to time.

4. Sitting Fees:

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

5. 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.

A copy of the above said agreement is available for inspection to the Members during office hours, at the Registered office of the Company, on any working day.

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

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 Auditors under Section 226 of the Companies Act, 1956, and amendments thereof, to audit the accounts, for the year ending March 31, 2008 and to fix their remuneration.

The resolution gives the necessary authority to the Board of Directors in this behalf.

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.

Item no. 7

Section 192A of the Companies Act, 1956, read with the Companies (Passing of resolution by postal ballot) Rules, requires a Public Limited Company to pass resolutions through postal ballot in case of such business as the Central Government may by notification prescribe and in case of other business, the Company may get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company.

Presently, the Articles of Association of the Company do not have provision relating to voting through postal ballot and in order to enable shareholders to avail this facility, the Articles of Association of the Company, is proposed to be amended by incorporating the said provision.

A copy of the present Articles of Association of the Company as well as the draft copy as it will appear after the proposed amendment will be open for inspection to the shareholders at the Registered office of the Company between 11 a.m. to 01.00 p.m. on any working day till the date of the 32nd Annual General Meeting.

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

Mr. H P Ledwani has been associated with this organisation since inception. He is basically a science graduate and qualified in administrative management from the Jamnalal Bajaj institute, Mumbai. He has attended several educational programmes including a course on growing companies conducted by the Stanford University, USA. He holds 5,000 equity shares in the Company as on March 31, 2007.

Mrs. N Malkani Nagpal holds Master's degree in Business Administration with specialisation in finance. She represents the new generation of entrepreneurs and is on the Board of several companies. She holds 2,970 equity shares in the Company as on March 31, 2007.

By order of the Board
For **Ador Fontech Limited**

Mumbai
April 26, 2007

Geetha D
Company Secretary

The Directors have pleasure in presenting the 32nd Annual Report of your Company and the Audited Statement of Accounts for the year ended March 31, 2007.

1. FINANCIAL HIGHLIGHTS

(Rs. In lakhs)

DETAILS	2006-2007	2005-2006
Income (net of Excise duty)	8072	7001
Operating profit	973	877
Interest	34	32
Depreciation	104	106
Profit before taxation	835	739
Provision for taxation (net)	323	294
Net Profit for the year	512	445
Exceptional items/adjustments	-	(8)
Profit brought forward from the previous year	133	105
Amount available for appropriation	645	542
Appropriations:		
Transfer to general reserve	300	250
Proposed dividend	175	140
Distribution tax thereon	30	20
Balance carried forward to the Profit and Loss Account	140	132

2. DIVIDEND AND RESERVES

Your Directors are happy to recommend a dividend of fifty percent (previous year forty percent) on the paid up share capital of the Company for the financial year ended March 31, 2007. Tax on dividend will be paid by the Company.

3. REVIEW OF BUSINESS OPERATIONS

Your Company recorded a significant incremental revenue of nearly eleven crores (Rs. 10,71,11,976/-) over the previous year. Factors that contributed to the growth include benign economic environment, major thrust on key product portfolios like repair welding and ceramics, focused training imparted by foreign principals and the Company's in-house training division 'DOTES' (Documentation, Training and Educational Services), besides an overall improvement in the KSAO's (Knowledge, Skill, Attitudes and Other attributes) of the employees.

On the financial front, the Company repaid its entire borrowing on working capital, amounting to rupees three crores and forty lakhs (classified under secured loans). This may be deemed to be a major step in the area of operational efficiency. Looking ahead, the Company plans to increase its value chain in the manufacture of low heat input welding alloys. The Management believes that this coupled with other allied businesses, would provide the necessary growth momentum, that has been set in pace.

4. DIRECTORS' RESPONSIBILITY STATEMENT

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

1. The applicable accounting standards have been followed.
2. 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.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records, for safeguarding the assets of the Company and for preventing/detecting fraud and other irregularities.
4. The annual accounts have been prepared on an ongoing concern basis.

5. DIRECTORS

Mr. J K Chandna, resigned from Directorship on July 27, 2006. He was one of the founder-members of Ador Fontech Limited. Through three long decades, he had chartered the course of this organisation, to its current level of eminence. His contribution to the work ethos, professionalism, pragmatic approach to problem solving etc. will remain a model for one and all to emulate. The Board of Directors wish to place on record their sincere appreciation and gratitude for the valuable contribution made by him, towards the growth of the Company.

Mrs. R T Malkani and Mr. Arvind Mathur retire at the forthcoming Annual General Meeting and do not seek reappointment. The organisation wishes to thank them for their excellent support and professional guidance.

The 'Board' has received Form DD-A, from the Directors seeking appointment/reappointment informing the Company that they are not disqualified under Section 274 (1) (G) of the Companies Act, 1956.

6. CORPORATE GOVERNANCE

As per the listing agreement with the Stock Exchange, the Company has implemented the code on Corporate Governance. The Corporate Governance Compliance Certificate obtained from the Auditors of the Company is attached to this report. The Management Discussion and Analysis Report and the Report on Corporate Governance are given in the annexure attached to this report. The code of business conduct and ethics is available on the website (www.adorfon.com).

7. AUDITORS

M/s. Amarnath Kamath and Associates, the Statutory Auditors of the Company retire at the conclusion of the Annual General Meeting and being eligible have offered themselves for reappointment.

8. PARTICULARS OF DISCLOSURE

The information required under the Companies Act, 1956, and the amendments thereof is enclosed.

9. EMPLOYEES

The dedicated work-force is a source of strength for the continuing growth of the Company. Most of them subscribe to self-development initiatives. The Board of Directors commend their effort in this direction and wish to place on record their warm appreciation.

10. ACKNOWLEDGEMENT

The Board of Directors thank the Shareholders, Authorised Dealers, Channel Partners, Overseas and Inland Business Associates, Bankers and the various Government Agencies for their continued patronage and support. The faith reposed by the various stakeholders is a major source of confidence and encouragement for the organisation.

For and on behalf of the Board

Mumbai
April 26, 2007

R T Malkani
Chairman

ANNEXURE TO THE DIRECTORS' REPORT (Under section 217 (1) (E) of The Companies Act, 1956)

Additional information in terms of notification no. 1029 dated 31.12.1998 by the Department of Company affairs

CONSERVATION OF ENERGY

Not given as the Company is not covered under the list of specified industries. However, efforts to conserve and optimise the use of energy through improved operational methods and other means will continue.

RESEARCH AND DEVELOPMENT (R and D)

- Specific areas in which R and D has been carried out: Efforts are being made to further improve the performance of the products.
- Benefits derived as a result of the above R and D: Conservation of basic raw materials coupled with low cost and longer life.
- Future plan of action: To make further progress on areas enunciated in item nos. 1 and 2 above.
- Expenditure on R and D
 - Capital : Nil
 - Recurring : As of now, it is being maintained as an ongoing part of production activities and a separate head of account is not maintained.
 - Total : Not applicable
 - Total R and D expenditure as a percentage of total turnover : Not applicable

TECHNOLOGY ABSORPTION AND INNOVATION

- Efforts in brief made towards technology absorption and innovation:
Locally available raw materials are utilised to gain maximum advantage.
- Benefits derived as a result of the above efforts [product improvement, cost reduction, product development, import substitution etc.]:
(i) Reduced cost of final products. (ii) Comparable quality and performance with products produced using imported materials.
- In case of imported technology (imported during the last five years reckoned from the beginning of the financial year) following information may be furnished:
 - Technology imported : Nil
 - Year of import : Not applicable
 - Has technology been fully absorbed : Not applicable
 - If not fully absorbed areas where this has not taken place.
Give reasons for the same and explain future plan of action, if any : Not applicable
- Foreign exchange earnings and outgoings: As reported in serial numbers 3, 4 and 6 "NOTES FORMING PART OF ACCOUNTS" Schedule - R.

UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956

Information as per Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report.

Name Age	Designation	Gross remuneration (Rs.)	Qualifications Experience	Date of joining	Previous employment
Mr. H P Ledwani 53 years	Managing Director	28,47,655	B.Sc (Hons) DAM (Bom), DTMM 33 years	01.12.1979	Ador Welding Limited, Mumbai

Notes: 1. The nature of employment is contractual. 2. The above employee is not related to any Director of the Company. 3. Information about qualifications and last employment are based on particulars furnished by the employee. 4. Neither the employee himself nor his spouse and dependant children hold two percent or more in the equity shares of the Company. 5. Gross remuneration includes (i) Salary and allowances (ii) Contribution to provident and other funds, but excludes contribution to group schemes where individual amounts are not ascertainable (iii) Performance incentives (iv) Value of perquisites (evaluated as per Income Tax Rules, wherever applicable).

1. INDUSTRY STRUCTURE AND DEVELOPMENT

The Company caters to the "Life Enhancement of Vital Machinery Components". The domain expertise in this sector calls for application of high level of skills covering metallurgy, chemical and repair welding processes. There are quite a few players in this market and competition is keen. Nonetheless, the underlying fact is the contribution that this segment offers to the world at large, in terms of conservation of depleting natural resources, which is substantial. Further, industries in general are benefited by way of greater productivity, resulting from lesser downtime. This unique predisposition, places the organisation on a consistent growth platform.

2. OPPORTUNITIES

An important segment of life enhancement solutions is repair and refurbishment. Many organisations are strategically outsourcing these business functions. This offers great opportunities for growth and development. Further, technological developments are transforming business processes and operations at phenomenal speed. New product additions, ease in handling of machines/equipment etc. are providing new dimensions towards value added business solutions.

3. THREATS, RISKS AND CONCERNS

Many countries are finding India a preferred destination to market their products and services. Off shore expansion by foreign entities through joint ventures, setting up of business organisations etc. are on the increase. This would enhance the already existing stiff competition. Further, organisations are transcending boundaries between fabrication and repair welding, leading to greater overlap in business operations.

4. SEGMENT/PRODUCT WISE PERFORMANCE

A detailed segment-wise report has been given in the "Notes on Accounts".

5. CURRENT YEAR OUTLOOK

The Company has a wide range of products and solutions and this range is constantly being monitored by way of additions and deletions to keep abreast with the latest in technology and operational efficiency.

6. FINANCIAL AND OPERATIONAL PERFORMANCE

An overview of the financial performance is given in the Directors' Report and the ratio analysis and funds flow statement are given below:

Funds Flow (Rs. in lakhs)

Description	2006-07
Sources of funds	
Funds from operations	937
Application of funds (net)	
Fixed assets	70
Repayment of borrowings	336
Tax	350
Dividend	160
Working capital	21
Total	937

Financial Ratios

Description	2006-07
Return on shareholders' funds (percent)	31
Sales to capital employed (times)	5
Profit to sales (percent)	10
Working capital turnover (times)	7
Inventory turnover (times)	5
Debtors turnover (times)	7
Current ratio (times)	2

7. INTERNAL CONTROL SYSTEM AND ADEQUACY

The Company has in place Branch and Internal Audits which are conducted by External Auditors who are qualified Chartered Accountants. Quarterly reporting on the findings of the Internal Audit is reviewed by the Audit Committee.

8. HUMAN RESOURCES DEVELOPMENT

Formal and structured human resources development programmes at all levels include: Product knowledge, role clarity, acquiring required skills for respective roles and imbibing habits relating to effectiveness.

Employees are also sponsored to attend development courses conducted by external institutions.

Overall, the process of development and skill enhancement is being continuously improved. The number of persons employed in the organisation was two hundred and eleven as on March 31, 2007.