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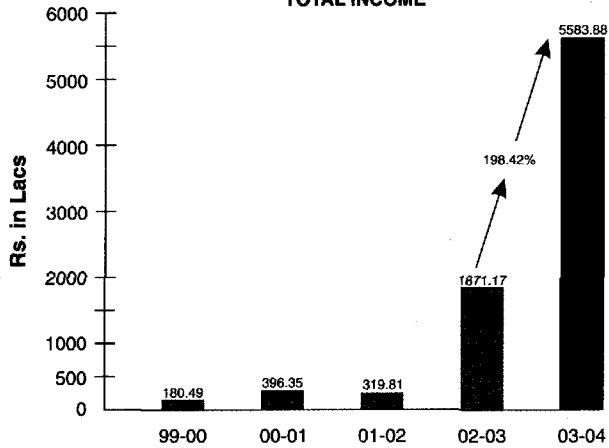
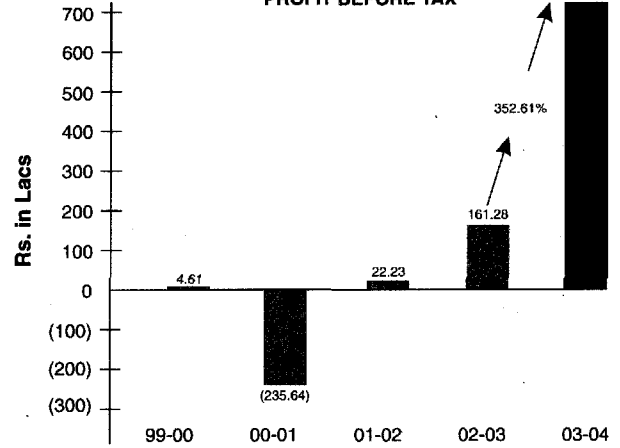
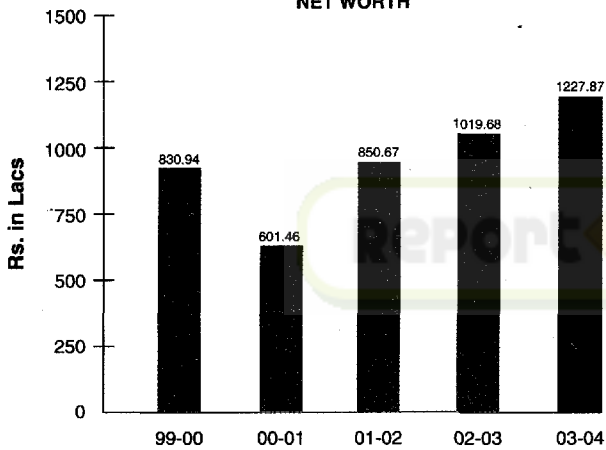
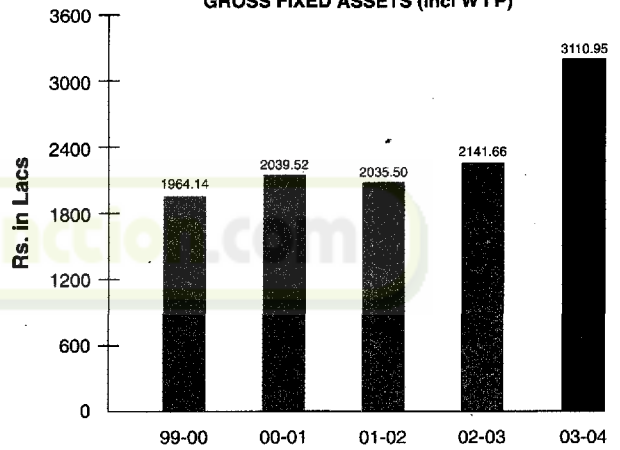
**T E N T H  
ANNUAL REPORT  
2003-2004**

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**ANKUR**  
**DRUGS AND PHARMA LTD**

# ANKUR

DRUGS AND PHARMA LTD

**TOTAL INCOME****PROFIT BEFORE TAX****NET WORTH****GROSS FIXED ASSETS (Incl W I P)****REVENUE BREAK-UP CAPSULE**

	Lacs	
C/F	202.14	3.62%
D/WS	107.41	1.92%
Tax (+DF)	323.25	5.79%
Depreciation	104.05	1.86%
Interest	202.98	3.63%
Extraordinary Item	100.00	1.79%
Admin. Sales & Other Exp.	117.17	2.09%
Manufacturing Exp.	251.40	4.47%
Materials Consumed	4198.29	75.19%

**BOARD OF DIRECTORS**

Mr. Purnandu Jain - Chairman & Managing Director  
 Mr. Lalit Agarwal  
 Mr. Girraj Vijayvargiya  
 Mr. Parmeshwar B. Bang (upto 6-2-2004)  
 Mr. Sampat Jain (upto 31-8-2004)  
 Mr. Dileep Shinde (wef 31-8-2004)

**REGISTERED OFFICE**

C-306, Crystal Plaza, Andheri Link Road,  
 Andheri (West), Mumbai - 400 053.  
 Tel : (022)-26733683; Fax : (022)-26733687,  
 Email : adpl@vsnl.net, Web : www.ankurdrugs.com

**MANUFACTURING UNITS**

- 1) Plot No. 3 & 4, Survey No. 168,  
 Dabhel Industrial Co-operative Society Limited  
 Village Dabhel, Nani Daman (U.T.) 396-210.  
 Tel : (0260)-2240980; Fax : (0260)-2242412
- 2) Village Makhnu Majra,  
 P. O. Baddi, Tal. Nalagarh,  
 Dist. Solan, HP - 173 205.  
 (Under Construction)

**AUDITORS**

M/s. M. G. Vashi & Co.  
 Chartered Accountants  
 Mumbai

**COMPANY SECRETARY**

Mr. S. C. Rane

**BANKERS**

Canara Bank, Mumbai  
 Corporation Bank, Mumbai  
 The Shamrao Vithal Co-op Bank Ltd., Mumbai

**REGISTRAR & SHARE TRANSFER AGENTS**

Choksh Infotech Limited  
 Unit : Ankur Drugs and Pharma Limited  
 102/103, MHADA Commercial Complex,  
 Next to Oshiwara Police Station,  
 Adarsh Nagar, Andheri (West), Mumbai - 400 102.  
 Tele/Fax : (022)-26349264  
 Email : choksh@vsnl.com

**ANNUAL GENERAL MEETING**

Day : Thursday  
 Date : September 30, 2004  
 Time : 10.30 A.M.  
 Venue : PAPILLON PARK,  
 Opp. Tata Power House,  
 Jeevan Nagar,  
 Andheri Link Road, Andheri (W)  
 Mumbai - 400 053.

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## NOTICE

NOTICE is hereby given that the **Tenth Annual General Meeting of the Members of ANKUR DRUGS AND PHARMA LIMITED** will be held on Thursday, September 30, 2004 at Papillon Park, Opp. Tata Power House, Jeevan Nagar, Andheri Link Road, Andheri (West), Mumbai-400 053, at 10.30 A.M. to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2004 and the Profit & Loss Account of the company for the year ended on that date along with the reports of the directors and auditors thereon.
2. To declare dividend for the financial year ended on March 31, 2004.
3. To appoint a director in place of Mr. Girraj Vijayvargiya who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration. M/s. M. G. Vashi & Co., Chartered Accountants, the retiring Auditors are eligible for re-appointment.

### SPECIAL BUSINESS:

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

**"RESOLVED THAT** notice having been received from a member pursuant to Section 257 of the Companies Act, 1956, signifying his intention to propose Mr. Dileep H. Shinde, as a Director, who was appointed as an Additional Director on August 31, 2004 and who holds office upto this Annual General Meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution** :

**"RESOLVED THAT** the consent of the Company be and is hereby accorded to the Board of Directors pursuant to Section 293(1)(d) of the Companies Act, 1956 to borrow monies from time to time, either by way of rupee loans or by way of foreign currency loans or by way of issue of debentures or by issue of any other instruments and either from the Company's Bankers or from any other Bank / Financial Institution or from any other Lending Institutions or Corporate Bodies or Other Persons, on such terms and conditions and covenants stipulated and as may be considered appropriate by the Board of Directors, not exceeding in the aggregate at any point of time Rs.100 Crores ( Rupees One Hundred Crores ) notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans/facilities obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid-up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to finalise, settle and execute all documents / deeds / agreements as may be required to take all necessary steps and to do all acts, matters and things, as it may in its absolute discretion deem necessary, expedient, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating the aforesaid mortgages / charges or otherwise considered by the Board of Directors to be in the best interest of the Company."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** :

**"RESOLVED THAT** in accordance with the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956, ("the Act"), the existing Authorised Share Capital of the Company of Rs.14,00,00,000/- (Rupees Fourteen Crores only) divided into 1,40,00,000 (One Crore Forty Lakhs) equity shares of Rs.10/- (Rupees Ten only) each, be and is hereby increased to Rs.15,00,00,000/- (Rupees Fifteen Crore) divided into 1,50,00,000 (One Crore Fifty Lakhs) equity shares of Rs.10/- (Rupees Ten only) each."

**"RESOLVED FURTHER THAT** the existing Clause V of the Memorandum of Association of the Company be and is hereby altered by deleting the same and substituting in its place and stead, the following as new Clause V:

#### Clause V :

The Authorised Share Capital of the Company is Rs. 15,00,00,000/- (Rupees Fifteen Crores only) divided into 1,50,00,000 (One Crore Fifty Lakhs) equity shares of Rs.10/- (Rupees Ten) each with the rights, privileges and conditions attached thereto as are provided by the Articles of Association of the Company for the time being with power to increase and reduce the Capital for the time being to several classes and to attach thereto respectively, such preferential, deferred, qualified and special rights, privileges and conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges and conditions in such manner as may be permitted by the Act or provided by the Articles of Association for the time being in force."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** in accordance with the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, ("the Act"), the existing regulation in Article 4 of the Articles of Association of the Company be altered by deleting the same and substituting in its place and stead, the following as new Article 4:

**Article 4:**

"The Authorised Share Capital of the Company is Rs.15,00,00,000/- (Rupees Fifteen Crores only) divided into 1,50,00,000 (One Crore Fifty Lakhs) equity shares of Rs.10/- (Rupees Ten ) each with the rights, privileges and conditions attached thereto as are provided by the Articles of Association of the Company for the time being with power to increase and reduce the Capital for the time being to several classes and to attach thereto respectively, such preferential, deferred, qualified and special rights, privileges and conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges and conditions in such manner as may be permitted by the Act or provided by the Articles of Association for the time being in force."

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 read with the limits and conditions under Schedule XIII to the said act, the approval of members of the Company be and is hereby accorded to approve the appointment of Mr. Purnandu Jain as Managing Director of the Company for a period of 5 years with effect from 23<sup>rd</sup> August, 2003 on the terms and conditions of remuneration and perquisites as set out below :

- 1) Rs.1,50,000/- p.m. consolidated (in the scale of 1,50,000-8,00,000-4,50,000-6,00,000)
- 2) Contribution to Provident Fund as per the Company's rules.
- 3) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.
- 4) Leave encashment at the end of the tenure of the employment.

and on the terms and conditions as set out in the agreement entered into between the Company on one hand and Mr. Purnandu Jain on the other hand, with the discretion to the Board of Directors to alter and vary the terms and conditions of the aforesaid appointment and remuneration payable to the said Managing Director from time to time."

**"RESOLVED FURTHER THAT** appointment of Mr. Purnandu Jain as Managing Director of the Company for a period of 5 years with effect from August 23, 2003 for a consolidated remuneration of Rs.1,50,000/- p.m, plus the perquisites, proposed and accepted at the meeting of the Board of Directors of the Company held on August 23, 2003 in exercise of the powers vested in the Board to appoint the Managing Director, be and is hereby approved, confirmed and ratified."

**"RESOLVED FURTHER THAT** in the event of absence or inadequacy of net profit in any financial year, the remuneration payable to Mr. Purnandu Jain shall be governed by Section II of Part II of Schedule XIII of the Companies Act, 1956 or any statutory modification thereof."

**"RESOLVED FURTHER THAT** in the event of any statutory amendment or modification or relaxation by the Central Government of Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorised to vary or to increase the remuneration including salary, commission, perquisites, allowances, etc. within such prescribed limit or ceiling and the aforesaid agreement entered into between the Company and Mr. Purnandu Jain be suitably amended to give effect to such modification, relaxation or variation without any further reference to the Company in General Meeting."

Registered Office :  
C-306, Crystal Plaza, Andheri Link Road,  
Andheri (West), Mumbai - 400 053.

Date : August 31, 2004.

**By Order of the Board of Directors**

**S. C. RANE**  
Company Secretary

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL VOTE INSTEAD OF HIMSELF /HERSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.
2. An Explanatory Statement pursuant to section 173 (2) of the Companies Act, 1956 with respect to item nos. 5 to 9 of the Notice set out above is annexed here to.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 23, 2004 to Thursday, September 30, 2004 (both days inclusive) for payment of dividend. Share transfer requisitions received at the Registrars's office or at the registered office by 5.30 p.m. on September 22, 2004 in time, will be eligible for payment of dividend subject to the provisions of section 206A of the Companies Act, 1956. In respect of shares held in electronic form the dividends will be paid on the basis of beneficial ownership as per the details furnished by the depositories for this purpose.
4. Members/Proxies are requested to bring their copies of the Annual Report to the meeting and handover the attendance slip duly signed at the entrance hall of the meeting. Members who hold shares in dematerialised form are requested to bring their Client ID no. and DP ID no. for easy identification of attendance at the meeting.
5. The company will extend Electronic Clearing System (ECS) facility to its members for automatic credit of dividend payment to their bank account. ECS eliminates the risk of loss in transit/tampering/delayed delivery and fraudulent encashment of dividend warrant. The ECS mandate form is perforated at the end of the report for your use.
6. Members holding shares in single name are requested to fill in the nomination form and send it to the Registrars of the company. A copy of the nomination form is also perforated at the end of the report for your use.
7. Member seeking any information or clarification on the Accounts are requested to send in written queries to the company at least one week before the date of the Annual General Meeting. Replies will be provided only in respect of such written queries received at the meeting.
8. Members are requested to send ECS form and Nomination form duly filled in directly to the Company's Registrar & Share Transfer Agents, Any change in address also be notified to them at the following address :

Choksh Infotech Limited  
 Unit : Ankur Drugs And Pharma Ltd.  
 102 / 103, MHADA Commercial Complex, Next to Oshiwara Police Station,  
 Adarsh Nagar, Andheri (West), Mumbai – 400 102. Tele/Fax : (022)-26349264

DETAILS OF DIRECTORS, PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT, SEEKING RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING, IS AS FOLLOWS:

Name of the Director	Mr. Girraj Vijayvargiya	Mr. Dileep H. Shinde	Mr. Purnandu Jain
Date of Birth	December 12, 1968	September 23, 1950	May 20, 1964
Expertise in Specific Functional Areas	Finance	Technical	Projects, Marketing and Manufacturing
Qualifications	B. Com., FCA	BTE	B. Com., FCA
List of other companies in which directorship held as on 31 <sup>st</sup> March 2004	1. Anodyne Remedies India Ltd.	---	1. Anodyne Remedies India Ltd. 2. Aakanksha Securities Private Limited.
Chairman / Member of the Committee of the Board of other companies in which he is a Director as on 31 <sup>st</sup> March 2004.	Chairman / Member of 1. Audit Committee 2. Remuneration Committee 3. Shareholders' Grievance Committee	---	Member of 1. Shareholders' Grievance Committee.



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**ANNEXURE TO NOTICE**

As required by Section 173(2) of the Companies Act, 1956, the following Explanatory Statement set out all material facts relating to the business mentioned under item Nos. 5 to 9 of the accompanying notice dated August 31, 2004.

**ITEM NO. 5**

Mr. Dileep H. Shinde was appointed as an additional Director at the Board Meeting held on August 31, 2004. His particulars are annexed to the notice. Mr. Shinde aged about 54 years, is a Textile Engineer by profession has worked for more than 22 years in IFCI Ltd. as a General Manager and more than 8 years in big corporates. His experience in the industry and corporate world will help the company.

Under Section 260 of the Companies Act, 1956, he holds the office as an Additional Director upto the date of the Annual General Meeting. Notice has been received from a member intimating his intention to propose the appointment of Mr. Dileep H. Shinde as a Director at the ensuing Annual General Meeting. The Board of Directors considers that his appointment as a Director will be in the interest of the Company and recommends the approval of the resolution.

None of the Directors except Mr. Dileep H. Shinde is concerned or interested in the above resolution relating to his appointment as a Director of the Company.

Your Directors recommend the resolution for your approval.

**ITEM NO. 6**

Keeping in view the fact that the Company will have to borrow large amounts from time to time for the implementation of the expansion projects and for meeting its long term working capital requirements and for other matters connected with the business of the Company, it is proposed that the authority given to the Board to borrow amounts be increased up to Rs. 100 Crores.

Section 293(1)(d) of the Companies Act, 1956 requires the consent of the shareholders in General Meeting for authorizing the Board of Directors to borrow monies from time to time, for the purposes of the Company, where monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans/facilities obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid-up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes.

None of the Directors of the Company is concerned or interested in this resolution.

Your Directors recommend the resolution for your approval.

**ITEM NO. 7 & 8**

The Authorised Share Capital of the Company is at present Rs. 14,00,00,000/- (Rupees Fourteen Crores) divided into 1,40,00,000 (One Crore Forty Lakhs) equity shares of Rs. 10/- (Rupees Ten) each.

It is proposed to increase the Authorised Share Capital of the Company to Rs. 15,00,00,000/- (Rupees Fifteen Crores only) divided into 1,50,00,000 (One Crore Fifty Lakhs) equity shares of Rs. 10/- (Rupees Ten) each, as set out in the Notice in accordance with Section 94 of the Companies Act, 1956. The increase in the Authorised Share Capital is proposed to enable the Company to raise the funds for further expansion as recommended by the Board of Directors of the Company in its meeting held on August 31, 2004, subject to the consent of the shareholders.

The alteration of Article 4 of the Articles of Association is purely consequential to the alteration of the Capital Clause of the Memorandum of Association of the Company.

None of the Directors of the Company is concerned or interested in this resolution.

Your Directors recommend the resolution for your approval.

**ITEM NO. 9.**

The resolutions are in respect of appointment, remuneration payable and increase in remuneration to Mr. Purnandu Jain as Managing Director of the Company.

Mr. Purnandu Jain, a Chartered Accountant is associated with the company since October, 1996. Under his able leadership the Company has turned the corner and made excellent progress.

The Board of Directors at its meeting held on August 23, 2003 decided to appoint Mr. Purnandu Jain as Managing Director of the Company with effect from August 23, 2003 with mutual consent and immediately appointed him for a period of 5 (Five) years from August 23, 2003 with the permissible remuneration and perquisites etc. as specified in Section I, Part II of Schedule XIII to the Companies Act, 1956. In accordance with



the said Schedule, a Company having profits in a financial year may pay any remuneration by way of Salary, Dearness Allowance, Perquisites, Commission and other allowances which shall not exceed 5% of its profit for one such managerial person, and if there is more than one such managerial person, 10% for all of them together. In terms of Part I of Schedule XIII of the Companies Act, 1956 Mr. Purnandu Jain is eligible for appointment as Managing Director.

The terms and conditions of appointment and remuneration as set out in the agreement, may be altered or varied from time to time, by the Board of Directors of the Company, at its discretion, deem fit, so as to not to exceed any statutory modification or re-enactment thereof, for the time being in force or any amendments made thereto.

The Board of Directors at its meeting held on August 31, 2004 passed a resolution to increase the remuneration of Mr. Purnandu Jain; Managing Director of the Company from Rs. 1,50,000/- p.m. to Rs.3,00,000/- p.m. with effect from April 1, 2004 which is in scale of (150000-300000-450000-600000).

This may be regarded as an abstract of the Agreement entered into between the company and Mr. Purnandu Jain, Managing Director of the Company pursuant to Section 302 of the Companies Act, 1956. The Agreement is available for inspection by the members at the Registered Office of the Company during office hours on all working days except holidays between 10.00 a.m. to 4.00 p.m. upto the date of Annual General Meeting.

None of the Directors except Mr. Purnandu Jain is concerned or interested in the above resolution relating to his appointment as Managing Director of the Company.

Your Directors recommend the resolution for your approval.

Registered Office :  
C-306, Crystal Plaza, Andheri Link Road,  
Andheri (West), Mumbai - 400 053.

Date : August 31, 2004.

**By Order of the Board of Directors**

**S. C. RANE**  
Company Secretary

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**DIRECTORS' REPORT**

To the Members of  
Ankur Drugs and Pharma Limited

Your Directors have great pleasure in presenting this Tenth Annual Report and Audited Accounts for the year ended March 31, 2004.

**Financial Results at a Glance**

Rs. In Lakhs

Particulars	Year Ended March 31, 2004	Year Ended March 31, 2003
Net Income from operations	5492.86	1827.66
Other Income	25.43	0.54
Profit before Financial Charges, Depreciation & Tax	1036.99	339.80
Less : Financial Charges	* 302.98	82.47
Depreciation	104.03	96.05
Profit before taxation	629.98	161.28
Add/(Less) : prior period adjustments	2.82	(2.48)
Less : provision for taxation		
- Current Tax	52.00	13.82
- Defferd Tax	271.25	59.22
Profit for the year	309.55	85.76
* Includes 100.00 Lacs as premium on pre payment of loan from IDBI		

**DIVIDEND**

Your Directors have pleasure in recommending a maiden dividend @ Re. 1 per share (10%) for the year ended March 31, 2004 for approval of members on the capital base of Rs. 950 Lakhs. Total amount of dividend to be paid will be Rs. 107.42 Lakhs inclusive of corporate tax on dividends of Rs. 12.42 Lakhs to those shareholders whose names are registered in the register of members as on September 22, 2004.

**REVIEW OF CURRENT OPERATION**

The year under review has been a sequential second year of remarkable performance with income from operations (net of excise) increasing from Rs. 1827.66 Lakhs during 2002-03 to Rs. 5492.86 Lakhs during 2003-04 a growth of 200%. The company has earned profit before tax and profit after tax of Rs. 629.98 Lakhs (excluding extraordinary item of Rs. 100 Lakhs as premium on pre payment of loans from IDBI) and Rs. 309.55 Lakhs respectively for 2003-04 as against Rs. 161.28 Lakhs and Rs. 85.76 Lakhs registering healthy growth of 290.61% and 260.95% resp.

In continuation of our stated endeavors in the earlier year's annual report, your management has successfully geared in tremendously improving the sustained and robust growth momentum since last year. The Indian Pharmaceutical Industry is highly fragmented with about 22,000 players (260 in organised sector). The top 10 Pharma Companies make up for a third of the market. The revenues generated by the industry are approximately US\$ 6 billion and growing at the rate of 8-9%. Globally the established trend of outsourcing and contract manufacturing is on an increase and will still increase further. Given the low cost, high quality advantage, Indian companies are poised to benefit from Contract Research / Manufacturing Business on behalf of multinationals. As for contract manufacturing global pharmaceutical companies are finding it profitable to outsource production. To cash in on these opportunities many large production houses in the country are becoming US FDA compliant. The potential for the contract manufacturing has improved relatively due to several reasons like a) improved image of India - largely due to the track record of Indian companies in IT space. Being one of the few countries globally maintaining its 5% + GDP growth rates for several years and more importantly likely to sustain it for next few years b) Improving telecom and physical infrastructure c) Exploiting the demonstrated advantage of outsourcing to India. The customer has been "pro-active" as never before reflecting their urgency to cut costs, improve efficiencies. d) After passing through a highly outsourcing experience in IT, many companies have gradually come to realise and leverage the cost advantage, the knowledge resource pool which India offers. Contract Manufacturing which is the growth engine for Indian Pharma companies provides the new opportunity since for the global pharma companies it pays to outsource manufacturing and focus their own resources on research marketing.



Your company is rapidly occupying more space in this particular business and has chosen alliance and business with some of the fastest growing listed pharma companies. During the year, steps have been taken to substantially enhance our manufacturing capacities which has helped scale-up both volume of business and profits. This will be further accelerated during the year by climbing the value chain.

## BUSINESS OUTLOOK

The start of the first quarter of the second decade of the company is equally satisfying as the last quarter of the first decade. We realise that "a constraint is not a constraint, if one knows the constraint". The expanded capacity at Daman is in place. New facilities of building, plant and machinery are being constructed at Baddi, Himachal Pradesh the commercial production from which is expected to start in the third quarter of the next year, for which the capex committed is approx. Rs. 4000.00 lacs.

## LISTING OF SHARES

Presently, the equity shares of the company are listed on The Stock Exchange, Mumbai. (BSE code - B1-<sup>5</sup>31683) The listing fees for the year 2004-05 has been duly paid.

## DELISTING OF SHARES

As per the approval of the shareholders obtained in the previous years Annual General Meeting, the shares are delisted from Ahmedabad Stock Exchange (ASE) w.e.f. August 18, 2004. The Company has received a letter from ASE confirming the delisting of the shares of the Company. The work of delisting of shares of the company from the Stock Exchanges at Jaipur and Madras (Chennai) is under process.

## INCREASE IN BORROWING POWERS

The Company will have to borrow large amounts from time to time for the implementation of the expansion project and for meeting its long term working capital requirements and for other matters connected with the business of the Company. In view of this it is proposed that the borrowing powers of the Board should be increased to Rs. 100 Crores. Section 293(1)(d) of the Companies Act, 1956 requires the consent of the shareholders in General Meeting for authorizing the Board of Directors to borrow monies from time to time, for the purposes of the Company, where monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans/facilities obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid-up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes.

## FIXED DEPOSITS

The company has not accepted or renewed any deposits from public during the year.

## CORPORATE GOVERNANCE

The Securities and Exchange Board of India (SEBI) has introduced a comprehensive code on Corporate Governance. The Code is implemented in the year under review. A report is enclosed as Annexure III and forms a part of Corporate Governance Report. The certificate from the Company's Auditors confirming the compliance of conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement with the Stock Exchanges is annexed hereto.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that:

1. In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. 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 the financial year under review and for the profit of the Company for the period.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the annual accounts on going concern basis.