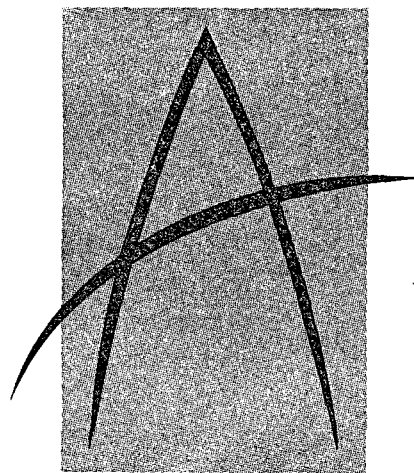


26th Annual Report
2006 - 2007

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ARCOTECH LIMITED
(Formerly SKS Limited)

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BOARD OF DIRECTORS

Shri Arvind K. Saraf	<i>Chairman</i>
Shri R. N. Pattanayak	<i>Whole Time Director</i>
Shri Gautam Khaitan	<i>Director</i>
Shri R. D. Tayal	<i>Director</i>

COMPANY SECRETARY

Shri Amit Sharma

AUDITORS

M/s. Shwetank Joshi & Co.
Chartered Accounts
66, Ezra Street,
Kolkata - 700 001.

REGISTERED OFFICE AND WORKS

181, Industrial Growth Centre,
Sector-3, Bawal-123501
Distt. Rewari (Haryana)

ARCOTECH LTD.**Annual Report 2006-2007****NOTICE**

Notice is hereby given that the 26th Annual General Meeting of the Company will be held on Saturday, the 29th day of September, 2007 at 10.30 A.M. at the Registered Office of the Company situated at 181, Sector-3, Industrial Growth Centre, Bawal, Distt Rewari, Haryana-123501 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2007 and the Profit & Loss Account together with the Statement of Accounts for the year ended on that date, together with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Shri Gautam Khaitan who retires by rotation and, being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to pass the following resolution :
"RESOLVED THAT M/s Shwetank Joshi & Co., Chartered Accountant, 66, Ezra Street Kolkata-700001, the retiring Auditors who have offered their services and who are not disqualified to act as auditors of the Company under Section 224(1B) of the Companies Act, 1956 be and are hereby reappointed as auditors of the Company to hold office for the period commencing from the conclusion of the ensuing Annual General Meeting till the conclusion of next Annual General Meeting on such remuneration as may be fixed by the Board of Directors.
"RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to take steps as may be necessary to give effect to this resolution."

SPECIAL BUSINESS**ITEM NO. 4**

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

"RESOLVED THAT Shri Radha Nath Pattanayak, who has been appointed as an Additional Director of the Company w.e.f. 18th December, 2006 under Section 260 of the Companies Act, 1956 (the Act), and, applicable provisions of the Articles of Association, by the Board of Directors at its meeting held on the 18th December, 2006, and in respect of whom the Company has received a notice in writing under Section 257 of the Act from a member alongwith a deposit of Rs. 500/- signifying his intention to propose Shri Pattanayak, as a candidate for the office of the Director, be and is hereby appointed as a Director of the Company."

ITEM NO. 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 Section 198, 269 & 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Shri Radha Nath Pattanayak, Director (Commercial) of the Company be and is hereby appointed as a Whole Time Director for a period of three years w.e.f. 18th December, 2006 on the monthly remuneration of Rs 2,50,000/- per month, detailed breakup of which, may be decided by following terms and conditions:-

S. No.	Particulars	Proposed (per month) (w.e.f. 15.12.2006) (Rs.)
1	Basic Salary	125000
2	Children Education Allowance	9000
3	House Rent Allowance	22500
4	Medical reimbursement	1500
5	Reimbursement of conveyance expenses subject to maximum of	30000
6	Washing Allowance	1500
7	Uniform Allowance	3500
8	Academic Research Allowance	3500
9	Driver's Salary	7500
10	Telephone Reimbursement	12000
11	Business Promotion	34000
Total		250000

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"RESOLVED FURTHER THAT subject to the overall ceiling on remuneration pursuant to the provisions of Section 198, 269 & 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Remuneration Committee be and is hereby authorized to re-fix, revise, amend and vary the remuneration and to pay a maximum of 1% commission on the net profit calculated as per the provisions of Section 350 of the Companies Act, 1956 to Shri Radha Nath Pattanayak from time to time after reviewing his performance."

"RESOLVED FURTHER THAT notwithstanding anything to the contrary herein contained, wherein any financial year during the currency of the tenure of the Appointee, the company has no profits or its profits are inadequate, the company will pay remuneration by way of salary, perquisites and allowances as specified above."

ITEM NO. 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 the provisions of Section 16, 94 and other applicable provisions, if any, of the Companies Act, 1956 the Authorized Share Capital of the Company be increased from Rs. 20,00,00,000 (Rupees Twenty Crores) to Rs. 25,00,00,000 (Rupees Twenty Five Crores) by creation of further 2,50,00,000 equity shares of Rs. 2/- (Rupees Two) each and accordingly, existing Clause V of the Memorandum of Association of the Company be and is hereby substituted, in its place and stead, by the following :-

"The Authorised Share Capital of the Company is Rs 25,00,00,000 (Rupees Twenty Five Crores) divided into 12,50,00,000 (Twelve Crores Fifty Lacs) equity shares of Rs.2/- (Rupees Two) each."

ITEM NO. 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 Section 81 and any other applicable provisions of the Companies Act, 1956 and relevant provisions of the Memorandum and Articles of Association of the Company and the Listing Agreement entered into by the Company with the Stock Exchange(s) and subject to any necessary approval, consent, permission and/or sanction of the Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI) and any other appropriate Authorities, Institutions or Bodies and subject to such conditions, as may be prescribed by any such approval, consent, permission or sanction, the consent and authority of the company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board") to issue Equity Shares of the Company/Non-Convertible Debentures/Partly Convertible Debentures/Fully Convertible Debentures/Foreign Currency Convertible Bonds or such other instruments as may be permitted by law, for such an amount not exceeding Rs. 5,00,00,000 (Rupees Five crores only) in nominal value as may be deemed fit by the Board, in one or more series, whether at a time or at different times, in one or more tranches as may be deemed appropriate by it, with a liberty to the Board to decide the method, terms and conditions of any such issue and allotment including pricing, number of Equity Shares/Non-Convertible Debentures/Partly Convertible Debentures/Fully Convertible Debentures/Foreign Currency Convertible Bonds or such other instruments as may be permitted by law, to be allotted, and all other matters relevant thereto."

"RESOLVED FURTHER THAT without prejudice to the generality of the powers conferred on the Board as above, the said Shares/Non-Convertible Debentures/Partly Convertible Debentures/Fully Convertible Debentures/Foreign Currency Convertible Bonds, may be issued by way of Rights Issue, Public Issue, Private Placement, Preferential Allotment, Firm Allotment, Reserved Allotment or in one or more of such methods to such persons (whether or not such persons are Members of the Company) in such proportion and manner as the Board may in its absolute discretion deem fit."

"RESOLVED FURTHER THAT the new shares arising out of this issue or any further issue pursuant to this resolution shall rank pari passu with the existing shares of the Company."

ITEM NO. 8

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

"RESOLVED THAT in supersession to all earlier resolution passed by the Members, and pursuant to the provisions of Section 293(1)(a) of the Companies Act, 1956, as may be amended from time to time, and other applicable provisions, if any, of the Companies Act, 1956, and the Articles of Association of the Company, approval and consent of the Company be and is hereby accorded to the Board of Directors of the Company to charge / mortgage / create security/encumber in respect of the whole or substantially the whole of the undertaking/s of the Company including all or any of its moveable or immoveable property(ies), both present and future, from time to time, on behalf of the Company, for securing the loan(s)/external commercial borrowings up to Rs. 500 crores availed / to be availed by the Company, in any form or manner or otherwise, in one or more tranches, from any bank/ financial institution/other lenders, on such terms and conditions, as may be decided by the Board of Directors, from time to time.

ITEM NO. 9

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

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"RESOLVED THAT in supersession to all earlier resolution passed by the Members, and pursuant to the provisions of Section 293(1)(d) and any other applicable provisions of the Companies Act, 1956 and relevant provisions of the Memorandum and Articles of Association of the Company and the Listing Agreement entered into by the Company with the Stock Exchange(s), appropriate guidelines issued by the Reserve Bank of India for the purpose of raising funds by way of External Commercial Borrowings and subject to any necessary approval, consent, permission and/or sanction of the Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI) and any other appropriate Authorities, Institutions or Bodies and subject to such conditions, as may be prescribed by any such approval, consent, permission or sanction, the consent and authority of the company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board") to borrow money(s), from time to time, for and on behalf of the Company from any Bank/ Financial Institution/ Lenders, in any form or manner or otherwise including in the form of External Commercial Borrowings, in one or more tranches, whether secured or unsecured, on such terms and conditions as may be decided by the Board of Directors, notwithstanding that the money(s) to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may 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 purpose, provided that the total amount of money/ moneys so borrowed by the Board shall not at any time exceed the limit of Rupees 500 Crores over and above the aggregate of Paid-Up Share Capital and Free Reserves of the Company."

ITEM NO. 10

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

"RESOLVED THAT pursuant to the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956 (the Act) Remuneration by way of Commission not exceeding one per cent per annum of the net profits of the Company, calculated in accordance with the provisions of Sections 198, 349 and 350 of the Act, be paid to Shri Arvind Kumar Saraf, a Non Executive Director of the Company and such payments shall be made in respect of the profits of the Company for a period of five years w.e.f. 1st April, 2007."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to take all such steps as may be necessary to give effect to this resolution."

By Order of the Board

Place : New Delhi
Date : 28th August, 2007

(Amit Sharma)
Company Secretary

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.
2. The proxy form duly completed must reach the Company's Registered Office atleast 48 hours before the commencement of the meeting.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from Saturday, the 22nd September, 2007 to Saturday, the 29th September, 2007 (both days inclusive).
4. All documents referred to in the above notice and the explanatory statement are open for inspection at the Registered Office of the Company between 10.00 A.M. and 1.00 P.M. on all working days, except Saturdays upto the date of Annual General Meeting.
5. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
6. The relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of special business is annexed hereto.
7. Members are already aware that the Company has appointed M/s. Maheshwari Datamatics Pvt Ltd, 6, Mangoe Lane, 2nd Floor, Kolkata-700001, as Share Transfer Agent (STA), both for electronic connectivity and Share Transfer work. Members can make correspondence with STA for Share Transfer requests and change of address related queries.
8. Members having multiple accounts in identical names or joint accounts in the same order are requested to intimate the Company / STA, the ledger folio of such accounts to enable the Company to consolidate all such shareholdings into one account.
9. The Company is registered with the following depositories for dematerialization of its Equity Shares:-
 - i) National Securities Depositories Ltd. (NSDL) at Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai- 400013
 - ii) Central Depository Services (India) Ltd. (CDSL), at Phiroze Jeejeebhoy Towers, 28th Floor, Dalal Street, Mumbai- 400001

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10. Members desiring any information/clarification on the Annual Accounts are requested to write to the Company at its Registered Office at least 15 days before the date of Annual General Meeting so that the same may be attended to, well in advance.
11. The relevant information of Directors, by way of brief resume, seeking reappointment/appointment under items no.2, 5 and 6 as required under Clause - 49 of the Listing Agreement entered with the Stock Exchanges are given herein below:

Name of the Director/s	Shri Gautam Khaitan	Shri Radha Nath Pattanayak
Date of Birth	16.05.1965	22.05.1960
First date of Appointment	22.03.2006	18.12.2006
Expertise in specific functional areas	Law	Marketing of Non-Ferrous products
Qualification/s	LLB	M.Com, MBA
Directorship in other Companies as on 31st March, 2007 (Excluding Pvt Ltd and Foreign Cos.)	<ul style="list-style-type: none"> • Medsave Health Care Ltd • J K Sugar Ltd • Salora International Ltd • Aravali Securities & Finance Ltd • I C Textiles Ltd • Ilpea Paramount Ltd • Jas Toll Road Company Ltd 	N.A.
Chairmanship/ Membership of Committees (across all public Cos.)	Member Audit Committee <ul style="list-style-type: none"> • Arcotech Ltd • Salora International Ltd • J K Sugar Ltd Member Remuneration Committee Arcotech Ltd Member Investor Grievance Committee J K Sugar Ltd Member Share Allotment Committee I C Textiles Ltd	Member Audit Committee & Share Transfer Committee: <ul style="list-style-type: none"> • Arcotech Ltd
Shareholding in the Company	NIL	NIL

ANNEXURE TO NOTICE**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.****ITEM NO. 4 & 5**

Shri Radha Nath Pattanayak was appointed as an Additional Director of the Company w.e.f. 18th December, 2006. His term of office shall expire at the ensuing Annual General Meeting. The company has received a notice in writing from a member along with a deposit of Rs 500/-, pursuant to Section 257 of the Companies Act, 1956, proposing his candidature as a Director.

Shri Radha Nath Pattanayak, aged 46 years, is an M.Com, MBA from Pune University and is having an experience of about 22 years in the marketing of non-ferrous products. He had been in the employment of the company for six years from 1989 to 1995. Shri Pattanayak has once again joined our organisation and is not having any other Directorship.

Considering his experience and track record, he was appointed as Whole Time Director by the Board for a period of three years w.e.f. 18th December, 2006 on the recommendation of the Remuneration Committee. Remuneration has been fixed within the ceiling limit & conditions specified in Section II (A) of Schedule XIII of the Companies Act, 1956.

None of the Directors except Shri Radha Nath Pattanayak himself is concerned or interested in these resolutions.

Your Directors recommend resolutions at Sl. No.4 & 5 for approval.

This may be treated as an extract of the terms of appointment pursuant to Section 302 of the Companies Act.

ITEM NO. 6 & 7

The company to optimise the utilisation of its existing plant at Bawal, needs to install balancing equipment to increase its production and productivity. A part of funds needed to finance the said capital expenditure is proposed to be mobilized by issue of Equity Shares/Non-Convertible Debentures/Fully or Partly Convertible Debentures/Foreign Currency

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Convertible Bonds aggregating Rs 5.00 crores, in nominal value for which present authorized capital needs to be increased by requisite number of equity shares to enable the Company to raise the fresh equity share capital.

None of the Directors, except to the extent of their shareholding in the company, is deemed to be concerned or interested in these resolutions.

Your Directors recommend resolution at Sl. No.6 & 7 for approval of the members.

ITEM NO. 8

As per the provisions of Section 293(1)(a) of the Companies Act, 1956 (The Act), the Board of Directors of a public company shall not without the consent of the company in a general meeting, sell, lease or otherwise dispose off the whole, or substantially the whole of the undertaking of the company. The creation of charge/ mortgage/ other security/ encumbrance by a company of its undertakings/ properties in favour of lending institutions/ other lenders from which it borrows moneys, is covered under this provision.

In view of the expansion of the business of your Company, and requirement for raising more funds, from time to time, the Board of Directors has approved the said charging /mortgaging /creating security / encumbering of the undertaking/s of the Company including its properties for an increased limit of borrowing up to Rs 500 crores, at its Meeting held on 20th July, 2007, subject to the approval of Members by way of an ordinary resolution under the aforesaid Section and other applicable Section/s, if any. This is only an enabling resolution so that Board can take relevant decision/s for giving security for its borrowings, at appropriate time(s).

The Articles of Association of the Company permit the above and can be inspected by the Members of the Company at its Registered Office on any working day during business hours, and, at the Annual General Meeting.

None of the Directors is interested in the proposed resolution.

Your Directors recommend to pass the proposed resolution given in item no. 8 as an Ordinary Resolution.

ITEM NO. 9

As per the provisions of Section 293(1) (d) of the Companies Act, 1956 (The Act), the Board of Directors of a public company shall not, without the consent of the company in a general meeting, borrow, together with moneys already borrowed, (excluding temporary loans from bankers in the ordinary course of business), exceeding the aggregate of paid-up share capital and free reserves of the company.

In view of the expansion of the business activities of the Company which requires raising of more funds, from time to time, your Board of Directors, at its Meeting held on 20th July, 2007, has decided to increase the said borrowing limit to Rs. 500 crores which shall be over and above the aggregate of paid up share capital and free reserves of the Company. The aforesaid Board resolution has been passed keeping in view the provisions of said Section 293(1)(d) and other applicable provisions of the Companies Act, 1956, if any, and the said decision is subject to the approval of Members, by way of an ordinary resolution. This is only an enabling resolution so that the Board can take relevant decision(s) for borrowing(s), at appropriate time(s).

The Articles of Association of the Company permit the above and can be inspected by the members of the Company at its Registered Office on any working day during business hours, and, at the Annual General Meeting.

None of the Directors is interested in the proposed resolution.

Your Directors recommend to pass the proposed resolution given in item no.9 as an Ordinary Resolution.

The above particulars are also in compliance with the requirements of Clause 49 of the Listing Agreement in this behalf.

ITEM NO. 10

A meeting of the Board of Directors of the Company was held on 28th August 2007, wherein it was decided to pay Remuneration by way of Commission to Shri Arvind Kumar Saraf and according to Section 309 of the Companies Act, 1956 Shareholders of the Company are required to approve such Remuneration by way of a Special Resolution.

Taking into account the services rendered by Shri Arvind Kumar Saraf and in commendation for the efforts put in by him for the growth of the Company, it is proposed that in terms of Section 309(4) of the Companies Act, 1956, Commission not exceeding one per cent per annum of the net profits of the Company computed in accordance with the provisions of the Companies Act, 1956 be paid to him for a period of five years w.e.f. from 1st April, 2007.

None of the Directors of the Company, except Shri Arvind Kumar Saraf, is concerned or interested in this resolution to the extent of the Remuneration that may be received by him.

Your Directors recommend this resolution for approval by the members of the Company.

By Order of the Board

Place: New Delhi
Date : 28th August, 2007

(Amit Sharma)
Company Secretary

ARCOTECH LTD.**Annual Report 2006-2007****DIRECTORS' REPORT**

Dear Members,

Your Directors take pleasure in presenting the 26th Annual Report with the Audited Statement of Accounts of your Company for the Financial Year ended 31st March, 2007.

1. FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

PARTICULARS	2006-2007	2005-2006
Sales & Other Income	397.88	0.00
Profit Before Interest, Depreciation & Tax (PBDIT)	39.12	0.00
Less : Interest & Finance Charges	15.55	0.00
Profit Before Depreciation & Tax (PBDT)	23.57	0.00
Less : Depreciation	16.67	0.00
Less : Loss on Sale of Fixed Assets	-	(35.22)
Add : Reconciliation & Settlement	-	36.15
Profit Before Tax (PBT)	6.90	0.93
Less : Provision for Current Tax	1.41	0.80
Add : Deferred Tax Assets	811.76	0.00
Profit After Tax (PAT)	817.25	0.13

2. DIVIDEND

In view of the inadequate profit, your Directors do not recommended any Dividend for the year under review.

3. PAID UP SHARE CAPITAL

Your Company had increased its paid up capital from the existing Rs 1370.90 lacs to Rs 2000.00 lacs by way of issuance of 31454900 equity shares of Rs 2/- each at par aggregating to Rs 629.10 lacs on 20th July 2007.

4. CHANGE IN NAME OF THE COMPANY

The name of the Company has changed from SKS Ltd. to Arcotech Ltd. pursuant to the resolution passed at item no. 6 in the Annual General Meeting held on 4th September, 2006, the new Certificate of Incorporation has been received from the Registrar of Companies and the new name of your Company has become effective from 22nd September, 2006.

5. BUSINESS AND OPERATIONS REVIEW

Your directors are pleased to inform that as per the directive of the Hon'ble Supreme Court of India the plant has been relocated and recommissioned at Industrial Growth Centre, Bawal, Haryana. The plant is fully operational and the production has stabilised.

With the stabilization of production your Directors propose to further increase the production, quality, product mix and productivity by installation of balancing equipment, installation of equipment for special grade Aluminium Alloy Ingots for Auto Component Industry.

Your company expects to achieve production up to 80% of the installed capacity by the end of the next financial year for which, it is planned to replace the old machinery with new and improved technology and machineries. The Company targets to achieve a considerable share in the Non Ferrous Market in India and also plans to export its products in the near future.

Your Company is committed to achieve highest quality standards of its products and is also very much concerned about environment. As a reward for its steps, the Company has been granted ISO 9001:2000 for having manufacturing system of internationally acceptable quality of Brass and Copper Foils and Strips and ISO 14001:2004 for having definite environmental policy.

6. DIRECTORS

During the year under review Shri S K Mitra, Executive Director of the Company resigned from the Directorship of the Company w.e.f 27.11.2006. The Board places on record its appreciation for the invaluable contributions made by him during his tenure and association with the Company.

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Shri Radha Nath Pattanayak, endowed with considerable experience, expertise and business acumen of Non-Ferrous Metals Business, has been appointed as an Additional Director as well as Whole Time Director on the Board of the Company w.e.f. 18.12.2006 and he will continue to hold that office up to the date of the ensuing Annual General Meeting (AGM). The Company has received a notice from a Member u/s 257 of the Companies Act, 1956 along with deposit of Rs. 500/-, stating his intention to propose Mr. Pattanayak as a candidate for the office of a Director. The matter of appointing him as Director, liable to retirement by rotation, on the Board of the Company, appears as an Agenda item in the Notice of the 26th Annual General Meeting.

7. FIXED DEPOSITS

During the Year under review your Company has not accepted any fresh deposit within the meaning of Section 58A and 58B of the Companies Act, 1956.

8. AUDITORS' REPORT AND AUDITORS

The Notes to Accounts, forming part of Balance Sheet as at 31st March, 2007 and Profit & Loss Account for the year ended on that date, referred to in the Auditors' Report are self explanatory.

M/s. Shwetank Joshi & Associates, Chartered Accountants, 66, Ezra Street, Kolkata-700001, Auditors of the Company who will retire at the conclusion of this Annual General Meeting, are eligible for re-appointment. The Company has received Certificate from the auditors to the effect that their appointment, if made, would be within the limit prescribed under Section 224 (IB) of the Companies Act, 1956. The Board of your Company recommends their re-appointment.

9. LISTING AND DEMAT OF SHARES

Your Company has got final approval for re-listing its Equity Shares at Bombay Stock Exchange (BSE) vide its letter no. DCS/COMP/DDV/116/2007 dated 19th April, 2007 subject to fulfillment of certain conditions.

Your shares have been dematerialised with NSDL and CDSL with ISIN No. INE574I01019.

10. STATUTORY STATEMENTS**A. Conservation of Energy and Technology Absorption**

The information relating to Conservation of Energy and Technology Absorption as required to be disclosed under Section 217(1)(e) of the Companies Act, 1956, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is annexed herewith as Annexure - 'A'.

B. Foreign Exchange Earnings and Outgo

During the year under review, your Company has not dealt with foreign exchange earning and outgo, pursuant to section 217(1)(e) of the Companies Act, 1956 read with Rule 2(c) of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

C. Particulars of Employees

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies Particulars of Employees Rules, 1975, as amended, regarding employees is given in the Annexure to the Directors' Report.

11. CORPORATE GOVERNANCE

A report on Corporate Governance together with a certificate from a practicing Company Secretary as per Clause 49 of the Listing Agreement are given separately in the **Annexure-B** which forms part of this Report.

12. MANAGEMENT DISCUSSION AND ANALYSIS**(a) Industry Scenario & Future Challenges**

The Global copper industry projected that world refined copper consumption will top 20 million tons by 2010, which implies a healthy compound growth rate of over 3.5%.

The Asian region comprising China, India, Taiwan, South Korea and Japan will be a principal engine of growth, resulting in higher average future capacity utilization rates and lower relative inventory levels, driving considerable production capacity expansions.

The recent demand for copper has been fuelled by industrial growth and demand for copper intensive goods in mainly infrastructure, automotive and electrical uses. Currently each additional 1 million USD of world GDP results in a need for half a tonnes of copper. Over the last 10 years the rate of usage increased 40% (3.5% annually). Copper usage will continue to increase, fed primarily by continued Asian demand from China, Taiwan, India and Korea.