



26th Annual Report 2007-08

**BHAGWATI
AUTOCAST LIMITED**

BHAGWATI AUTOCAST LIMITED



26th Annual Report 2007-2008

Board of Directors	:	Dr P N Bhagwati	Chairman & Managing Director
		Ms Reena P Bhagwati	Jt Managing Director
		Mrs M P Bhagwati	} Directors
		Mr M N Shah	
		Mr B L Dalal	
Remuneration Committee	:	Mrs M P Bhagwati	Chair Person
		Mr M N Shah	} Members
		Mr B L Dalal	
Company Secretary	:	Yogendra J. Waghmar	
Auditors	:	M/s Milin J. Jani & Co. Chartered Accountants Ahmedabad	
Bankers	:	Bank of Baroda Ashram Road Ahmedabad	
Registered Office & Works	:	Survey No 816, Village Rajoda, Near Bavla, Dist. Ahmedabad 382 220	
Share Registrars	:	M/s M C S Limited 101, Shatdal Complex Opp. BATA Showroom, Ashram Road, Ahmedabad Tele No. 079 30070671	
			Fax No. 079 30070678



SANSO

26th Annual Report 2007-2008

Financial Highlights

[Rs. in Lacs]

Particulars	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	99-2000	1998-99	1997-98
Fixed Assets (Gross)	1430.75	1368.84	1267.32	1120.69	1101.30	986.80	896.44	868.71	859.62	681.48	670.95
Fixed Assets (Net)	619.95	627.15	593.37	492.68	504.31	441.31	458.95	481.14	510.18	371.85	398.02
Net Current Assets	703.28	577.37	389.89	(90.04)	(101.39)	(19.02)	180.71	188.21	213.52	198.44	237.84
Misc. Exps Deferred Revenue Exps.	9.13	17.01	22.45	10.71	14.27	0.00	0.72	1.44	2.17	2.90	3.62
Profit & Loss Account	0.00	0.00	0.00	166.34	246.36	169.28	0.00	0.00	0.00	0.00	0.00
TOTAL ASSETS (NET)	1332.36	1221.53	1,005.71	579.69	663.55	591.57	640.38	670.79	725.87	573.19	639.48
Borrowings	295.56	309.41	308.50	208.89	270.06	201.35	178.97	231.37	197.87	120.99	215.07
Equity Share Capital	288.07	288.07	288.07	160.04	160.04	160.04	160.04	160.04	160.04	160.04	160.04
Reserves & Surplus	693.83	560.06	325.03	121.72	142.77	142.77	208.59	279.38	367.96	292.16	264.37
Deferred Tax	54.90	63.99	84.11	89.04	90.68	87.41	92.78	0.00	0.00	0.00	0.00
TOTAL CAPITAL EMPLOYED	1332.36	1221.53	1005.71	579.69	663.55	591.57	640.38	670.79	725.87	573.19	639.48
DEBT EQUITY RATIO	0.14:1	0.17:1	0.20:1	0.82:1	0.89:1	0.66:1	0.48:1	0.53:1	0.37:1	0.27:1	0.51:1
Sales & Other Income	5898.05	5994.64	4383.29	3921.64	2443.08	1187.46	2160.71	2009.38	2567.54	2157.70	1962.57
Excise Duty & Cess	810.19	814.25	584.53	530.93	310.11	165.47	253.06	274.33	364.70	291.38	253.02
Sales Tax	173.68	229.97	166.49	151.33	90.14	48.13	76.89	0.00	0.00	0.00	0.00
Materials	3121.76	3108.11	2141.46	2080.82	1226.75	539.54	897.09	870.91	1069.10	924.92	882.47
Labour Cost	684.99	593.42	435.94	351.06	304.66	263.02	309.80	335.70	328.73	293.79	272.56
Power	623.63	695.27	528.57	493.30	378.01	239.68	414.30	433.17	452.35	385.52	348.75
Operation & Other Exps	112.85	107.15	75.86	68.42	47.91	44.51	56.71	63.43	79.35	62.01	45.76
Interest	97.60	92.00	135.19	127.88	98.94	73.48	84.23	73.64	64.59	81.22	95.78
GROSS PROFIT	273.35	354.47	315.25	117.90	(13.44)	(186.37)	68.63	(41.80)	208.72	118.86	64.23
Depreciation	69.55	72.40	58.51	56.84	54.29	46.90	54.82	46.79	43.14	41.20	33.31
Investment All. Reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PROFIT BEFORE TAX	203.80	282.07	256.74	61.06	(67.73)	(233.27)	13.81	(88.59)	165.58	77.66	30.92
Provision For Taxation	68.85	47.04	15.14	(1.64)	3.27	2.80	4.93	0.00	62.17	25.00	2.29
PROFIT AFTER TAX	134.95	235.03	241.60	62.70	(71.00)	(236.07)	8.88	(88.59)	103.41	52.66	28.63
Prior period adjustments	0.00	0.00	(0.01)	(3.74)	(6.08)	0.98	0.00	0.00	0.27	0.00	0.00
Dividends	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22.41	22.41	12.80
Corporate Tax on Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.93	2.46	1.28
Retained Earnings	134.95	235.03	241.59	58.96	(77.08)	(235.09)	8.88	(88.59)	76.34	27.79	14.55
Earning per Eq. Share Rs.	4.68	8.16	8.39	3.92	(4.44)	(14.75)	0.55	(5.54)	6.46	3.29	1.79
Dividend per Eq. Share %	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14.00	14.00	8.00
Net Worth	972.77	831.12	590.65	104.71	42.18	133.53	367.91	437.98	525.83	449.30	420.79
Book value per Eq. Share Rs.	33.77	28.85	20.50	6.54	2.64	8.34	22.99	27.37	32.86	28.07	26.29

BHAGWATI AUTOCAST LIMITED**NOTICE**

NOTICE is hereby given that the **TWENTY SIXTH ANNUAL GENERAL MEETING** of the members of **BHAGWATI AUTOCAST LIMITED** will be held at the Registered Office of the Company at Survey No.816, Village: Rajoda, Near Bavla, Dist. Ahmedabad, on Thursday, the 25th September, 2008 at 11.00 AM to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended on 31st March, 2008 and audited Balance Sheet as at the same date and consider the Directors' Report and Auditor's Report thereon.
2. To appoint Director in place of Mr. B. L. Dalal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Director in place of Mrs. Mandakini P. Bhagwati, who retires by rotation and being eligible offers herself for reappointment.
4. To appoint Auditors and to fix their remuneration.

By Order of the Board of Directors

Dr P. N. Bhagwati
Chairman

Place : Ahmedabad
Date : 23/07/2008

NOTES :

1. A member entitled to attend and vote is entitled to appoint one or more Proxies to attend and vote instead of himself/herself and that a Proxy need not be a member of the company.
2. The Proxy in order to be effective must be received by the Company not less than 48 hours before the commencement of Annual General Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 11th September, 2008 to Saturday, the 25th September, 2008 (both days inclusive).
4. Members are requested to notify the change in their address immediately.
5. The Members having multiple ledger folios in the same order of names are requested to approach Share Department for consolidating their entire holding in one folio for mutual convenience.
6. Members desiring any information as regards the accounts are requested to write to the Company at the earliest, so as to enable the Board of Directors to keep the information ready.
7. In terms of provisions of section 109A of the Companies Act, 1956, nomination facility available to individual shareholders. The shareholders who are desirous of availing this facility may kindly write to Company's share transfer agent, M/s. MCS Ltd., 101, Shatdal Complex, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380 009.
8. Members who hold shares in dematerialised form are requested to bring their depository account number for identification.
9. Members are requested to bring their copies of the annual report to the meeting.

By Order of the Board of Directors

Dr P. N. Bhagwati
Chairman

Place : Ahmedabad
Date : 23/07/2008

**DIRECTORS' REPORT**

To
The Members

Your Directors have pleasure in placing before you **TWENTY SIXTH ANNUAL REPORT** and audited Accounts for the year ended 31st March 2008.

01. FINANCIAL RESULTS:	For the year Ended 31/03/2008 (Rs.)	For the year Ended 31/03/2007 (Rs.)
Profit before Interest,		
Depreciation and Taxation	37,095,304	44,646,388
Less: Interest & Finance Charges	9,760,310	9,199,622
Profit before		
Depreciation & Taxation	27,334,994	35,446,766
Less: Depreciation	6,954,604	7,240,218
Profit before Tax	20,380,390	28,206,548
Less: Provision for Income Tax	7,795,000	6,715,000
Add: Provision for Deferred Tax	909,226	2,011,651
Profit After Tax	13,494,616	23,503,199
Add : Surplus/(Deficit) of Last		
Year Brought forward	16,393,174	(7,110,025)
Transfer to General Reserve	15,000,000	0
Balance of Profit Carried to Balance Sheet	14,887,790	16,393,174

02. DIVIDEND:

In view of the smallness of the profit and to conserve the resources of the Company, it has been decided not to declare Dividend.

03. OPERATIONS:

During the year under review, Your Company achieved gross sales of Rs. 5883.20 lacs as compared to earlier years gross sales of Rs. 5976.45 lacs.

During the year the sales in terms of quantity is marginally reduced. Moreover steep rise in raw material prices, could not be absorbed in final sales prices. In addition to the above increase in Employees cost and other direct costs have adversely affected the profitability of the company.

Your company is concentrating on increasing sales of high value castings for better profitability.

04. DIRECTORS:

Mr. B. L. Dalal and Mrs. Mandakini P. Bhagwati, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

05. AUDITORS:

You are requested to appoint Auditors for the current year to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and to fix their remuneration.

06. FIXED DEPOSITS:

There are no unclaimed / unpaid deposits as on 31/03/2008.

07. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Additional Information on Conservation of energy, Technology Absorption, Foreign Exchange earnings and outgo, as required to be disclosed in terms of section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 is annexed hereto and forms part of this report.

08. PARTICULARS OF EMPLOYEES:

The Company had one employee, who was in receipt of remuneration of not less than Rs. 2,400,000/- during the year ended 31st March, 2008 or not less than Rs. 200,000/- per month during any part of the said year. The details of the same are annexed herewith as part of the Directors report.

09. DIRECTORS RESPONSIBILITY STATEMENT:

As required u/s 217(2AA) of the Companies Act, 1956 the Directors confirm:

- That in the preparation of the annual accounts, the applicable Accounting Standards have been followed and that no material departures have been made from the same;
- That they 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 as on 31st March, 2008 and of the Profit of the Company for the accounting year ended on that date;
- That they 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;
- That they have prepared the annual accounts on a going concern basis.

10. GENERAL :**1. Insurance :**

The assets of the company including Plant and Machineries, Factory Building, Stocks, Stores, Vehicles etc. have been adequately insured.

2. Industrial Relations :

During the year under review the industrial relations were cordial.

3. Acknowledgement :

Your Directors wish to place on record their deep sense of appreciation of the continued co-operation and support extended by Bank of Baroda, from time to time.

The Directors also wish to place on record their appreciation of the devoted services of the Workers, Staff and Executives of the Company, who have contributed to the efficient management of the Company.

For and on behalf of the
Board of Directors
Dr. P. N. Bhagwati
Chairman

Place : Ahmedabad
Date : 23/07/2008

BHAGWATI AUTOCAST LIMITED

ANNEXURE TO DIRECTORS' REPORT

Information as per Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March 2008.

A. Employed for whole of the year and was in receipt of remuneration aggregating to Rs. 2,400,000/- or more per annum.

Sr. No.	Name of the Employee	Designation	Gross Remuneration	Qualification Experience	Date of Commencement of Employment	Age Year	Last Employment held Organisation
1	Dr. P.N Bhagwati	Managing Director	5,506,308	Ph.D. (Germany) 42 Years	01/04, 1964	72	Managing Director Bhagwati Spherocast Pvt. Ltd.

Notes :

- Dr. P.N Bhagwati Managing Director of the Company is a relative of Miss R.P Bhagwati Jt. Managing Director and Mrs. Mandakini P. Bhagwati, a director of the company. No other employees are related to any other Directors.
- Remuneration includes salary, house rent allowance, contribution towards provident, Contribution to superannuation fund and perquisites.

A. CONSERVATION OF ENERGY :

a) Measures Taken :

The Company has been taking various measures for conservation of energy for last few years. During the year, the Company has taken following additional measures: -

- [1] Additional L.T. Capacitors are installed to improve power factor to 0.920 to 0.970
- [2] Electronic chokes & regulators started using for tube lights & fans and A.C. drives are used in cranes & L.T. Drives.
- [3] High efficiency motors are used for new machinery viz. Furnace, Shot blasting machine, Drum cooler, Dust collector etc.
- [4] Air compressure pressure setting are optimized to control power consumption from 3100 KVH units a day to 2800 KVH units maximum for 3 shift working.
- [5] Capacitor control made semi automatic through M.D. controller to maintain power factor near to unity to reduce losses from 4 % to 3.7 %.
- [6] Increasing size of cables for plant distribution system reduces Cable losses.
- [7] Plant operation is optimised by preventing third shift operation as far as possible.
- [8] Extensive energy audit conducted by independent expert agency.
- [9] Awareness brought to switch off lights, fans & Machinery during idle running period.
- [10] New D G set replaced as old one was working at 60% efficiency and new one is working at 95% efficiency.

FURTHER STEPS TO BE IMPLEMENTED

- [1] APFC is planned to install to achieve power factor near to unity. This will help in getting maximum benefit for power factor rebate in GEB Bills.
- [2] Energy efficient motors to be used where power intensive equipment is installed.
- [3] Muffle furnace to be lined with ceramic fiber insulation.
- [4] Automatic thermostat controllers are to be provided to reduce consumption of furnace auxiliaries.

b) Additional Investment and proposals, if any, being implemented for reduction of consumption of energy :

- [1] Induction motors between 10 to 20 HP will be replaced in phased manner.
- [2] Distribution transformer insulation will be replaced during reconditioning of transformer, which will bring down losses to optimum 6% to 3%.

c) Impact of the measures taken at (a) & (b) above for reduction of energy consumption :

Satisfactory impact of measures taken as above has been observed during the current year inspite of low output however, further improvement may be possible when we reach to higher output.

Total energy consumption and energy consumption per unit of production as per Form A of the ANNEXURE in respect of industries specified in the Schedule thereto.

FORM - A

Particulars	2007-08	2006-07
[A] Power & Fuels consumption :		
1. Electricity		
[a] Purchased		
- Units	12027480	13358920
- Total Amount [Rs. Lacs]	623.63	695.27
- Rate / Unit [Rs.]	5.19	5.20
[b] Own Generation		
[i] Through Diesel Generator		
- Units	8884	4728
- Units per liter of diesel oil	3.00	1.50
- Cost per unit [Rs.]	38.96	21.73
[ii] Through Steam Turbine Generator		
- Units	Nil	Nil
- Units per liter of Fuel Oil/Gas	Nil	Nil
- Cost per Unit [Rs.]	Nil	Nil
2. Coal	Nil	Nil
3. Furnace Oil	Nil	Nil
4. Others / Internal Generation	Nil	Nil
[B] Consumption per unit of Production	Electricity per MT of Castings	Electricity per MT of Castings
[i] C I Castings	1129	1138
[iii] S G I Castings	1307	1300

FORM : B

B. A. DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT (R & D) :

TECHNOLOGY ABSORPTION :

During the year under review, The Company has introduced and increased the use of certain new technologies with a view to improve the quality of the products.

Cold Box Process :

The Cold Box technology was introduced to have better utilities resulting in low power consumption, better out-put and greater dimensional consistency. All new cores for new castings under development were made with this process and many of the shell cores were converted into Cold Box.

A second fully automated machine with higher out-puts and higher core weight capacity was commissioned resulting in over all improvement in the core quality and reduction in core cost and saving of power.

RESEARCH & DEVELOPMENT :

- [i] Specific areas in which R & D are carried out by the Company: -

- [a] Improvement in production process and waste control being continuously carried out by the company.
- [b] Total Quality Management is being introduced with more involvement resulting in improvement in work culture.
- [c] Upgradation of computerisation in various Monitoring systems and introduction of Board Information System (BIS) to monitor and evaluate the overall performance. Analysis of Rejection and Monitoring of Energy Consumption.

- [ii] Benefits derived as a result of above R & D : -

The quality of the product manufactured by the Company has further improved and the rejections both internal and after machining have been reduced.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

There is no export of Castings during the year under review.

	2007-08	2006-07
	[Rs]	[Rs]
Total Foreign Exchange used	106,893	137,527
Total Foreign Exchange earned	Nil	Nil

For and on behalf of the
Board of Directors
Dr. P.N Bhagwati
Chairman

Place : Ahmedabad
Date : 23/07/2008

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AUDITORS' REPORT

To,
The Members.
BHAGWATI AUTOCAST LIMITED

1. We have audited the attached balance sheet of **BHAGWATI AUTOCAST LIMITED** as at 31st March 2008 and also the profit and loss account and the cash flow statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those standards require that we plan & perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (referred to as "the Act") we enclose in the Annexure, a statement on the matters specified in the paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that :-
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - iii. The Balance Sheet, Profit & Loss account and Cash Flow statement dealt with by this report are in agreement with the books of account.
 - iv. In our opinion, the Balance Sheet, Profit & Loss account and Cash Flow statement dealt with by this report complies with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
 - v. Based on the written representations made by all the directors of the Company as on 31st March 2008 and according to the information and explanations as made available and taken on record by Board of Directors, We report that none of the Directors is disqualified as on 31st March, 2008 from being appointed as a Director in terms of clause (g) of section 274 (1) of the Act.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with note No. 05 regarding non payment of Gratuity contribution of Rs. 41.38 lacs and Superannuation contribution of Rs. 9.09 lacs and other notes thereon give the information required by the Act, in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India;

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008,
- b) In the case of the Profit and Loss Account of the Profit of the Company for the year ended on that date and,
- c) In the case of the Cash Flow statement of the cash flows for the year ended on that date.

For Milin J Jani & Co.
Chartered Accountants

Milin J Jani

Proprietor

Membership No. 44077

Place : Ahmedabad

Date : 23/07/2008

ANNEXURE TO AUDITORS' REPORT

Re: Bhagwati Autocast Limited

Referred to in paragraph 3 of our report of even date

- i.) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The Fixed Assets have been physically verified by the Management during the year ended 31.03.2008 in a phased periodical manner, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on verification.
- c) During the year, the Company has not disposed of major part of the fixed assets.
- ii.) a) The inventory (except stock lying with the third parties for which confirmation received from them) have been physically verified by the management. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- c) The company is maintaining proper records of inventory. No material discrepancies were noticed on verification of stocks as compared to book records.
- iii.) a) The Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Consequently, requirement of clauses (iii), (b), (iii), (c), (iii), (d), of paragraph 4 of the order are not applicable.
- b) The Company has taken loans/deposits from companies, firms or other parties listed in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year was Rs. 64,50,000/- and the year-end Balance of loans taken from such parties was Rs. 64,50,000/-.

BHAGWATI AUTOCAST LIMITED

- c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions are not prima-facie prejudicial to the interest of the company.
- d) The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interests.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedure commensurate with the size of the Company and the nature of its business with regard to purchase of Inventory, fixed assets and with regard to sale of goods. Further on the basis of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, We have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control procedures.
- v) a) According to the information and the explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Act, have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts, arrangements entered in the register maintained under section 301 of the Act, and exceeding the value of Rs. 5.00 (Five) Lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58-A and 58-AA of the Companies (Acceptance of Deposits) Rules 1975 with regard to the deposits accepted from the public. According to information and explanations given to us no order under the aforesaid sections has been passed by the Company Law Board on the Company.
- vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii) We have been informed by the management that the maintenance of cost records has not been prescribed by the Central Government under Section 209(1) (d) of the Act, for the products of the Company.
- ix) a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess were in arrears.
- x) The Company does not have accumulated loss at the end of the year and the Company has not incurred cash loss during the current & preceding year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not a chit fund or a nidhi / mutual benefit fund/ society. Therefore, the provisions of clause (xiii) of paragraph 4 of the order are not applicable.
- xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause (xiv) of paragraph 4 of the order are not applicable.
- xv) In our opinion and according to the information and explanations given to us the Company has not given any guarantee for loans taken by others from banks/financial institutions. Therefore, The provisions of clause (xv) of paragraph 4 of the order are not applicable.
- xvi) In our opinion, the term loans obtained have been applied for the purpose for which they were taken.
- xvii) According to the information and explanations given to us, on an overall basis, funds raised on short term basis have not, prima facie, been used during the year for long-term investments.
- xviii) The Company has not made any preferential allotment of shares to parties and Companies covered in the register under section 301 of the Companies Act, 1956.
- xix) According to the information and explanations given to us the Company had not issued any secured debentures during the year.
- xx) During the year, the Company has not raised money by public issue(s).
- xxi) To the best of our knowledge and belief and according to the information and explanation given to us, no fraud on or by the Company, was noticed or reported during the year.

For **Milin J Jani & Co.**
Chartered Accountants

Milin J Jani
Proprietor

Membership No. 44077

Place : Ahmedabad
Date : 23/07/2008