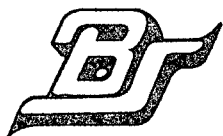




22nd

ANNUAL REPORT

2008 - 2009



BHARAT SEATS LIMITED


BHARAT SEATS LIMITED

BOARD OF DIRECTORS	N. D. RELAN TOSHIKI TASHIRO I. V. RAO ROHIT RELAN AJAY RELAN P. K. LAHIRI G. N. MEHRA GAUTAM KHAITAN KISHAN N. PARIKH RAVINDRA GUPTA	<i>Chairman</i> <i>(Nominee-Suzuki Motor Corporation)</i> <i>(Nominee-Maruti Suzuki India Ltd.)</i> <i>Managing Director</i> <i>Director</i> <i>Director</i> <i>Director</i> <i>Director</i> <i>Director</i> <i>Director</i>
BANKERS	STATE BANK OF TRAVANCORE THE BANK OF TOKYO - MITSUBISHI UFJ LTD. IDBI BANK LTD.	
REGD. OFFICE	D-188, OKHLA INDUSTRIAL AREA, PHASE - 1, NEW DELHI - 110 020	
FACTORY	<u>PLANT 1</u> PLOT NO. 1, MARUTI UDYOG JOINT VENTURE COMPLEX, GURGAON - 122 015 (HARYANA) <u>PLANT 2</u> 58 K.M. MILE STONE, DELHI JAIPUR HIGHWAY, VILLAGE BINOLA, GURGAON (HARYANA)	
AUDITORS	M/S. S. S. KOTHARI MEHTA & CO. CHARTERED ACCOUNTANTS NEW DELHI	
LISTED AT	BOMBAY STOCK EXCHANGE LIMITED	
CHIEF FINANCIAL OFFICER	SANJEEV KUMAR	
COMPANY SECRETARY & COMPLIANCE OFFICER	RITU BAKSHI	
REGISTRAR & SHARE TRANSFER AGENT	M/S ALANKIT ASSIGNMENTS LIMITED 2E/21, ALANKIT HOUSE, JHANDEWALAN EXTENSION, NEW DELHI - 110 055	

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NOTICE

NOTICE is hereby given that the Twenty Second Annual General Meeting of BHARAT SEATS LIMITED will be held on Thursday, 16th July, 2009 at 12 noon at 'Auditorium', India Habitat Centre, Lodhi Road, New Delhi to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2009 and the Profit & Loss Account for the year ended on that date together with the report of the Board of Directors and Auditors thereon.
2. To declare a dividend on shares.
3. To appoint a Director in place of Mr. N.D.Relan, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. Ajay Relan, who retires by rotation and being eligible offers himself for reappointment.
5. To appoint a Director in place of Mr. I.V.Rao, who retires by rotation and being eligible offers himself for reappointment.
6. To reappoint M/s S.S. Kothari Mehta & Co., Chartered Accountants, the retiring Auditors of the Company, as Auditors of the Company for the period commencing from the conclusion of this Annual General meeting till the conclusion of the next Annual General Meeting and authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

7. To consider and if thought fit, to pass with or without modification the following resolution as an ordinary resolution:

"Resolved that Mr. Gautam Khaitan, who was appointed as an additional director of the Company by the Board of Directors, w.e.f. 4.6.2008 and who holds office upto the date of this Annual General Meeting, pursuant to Section 260 of the Companies Act and Article 80 of the Articles of Association of the Company and in respect of whom the Company has received a notice from a member under Section 257 of the Companies Act, 1956, proposing his candidature, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
8. To consider and if thought fit, to pass with or without modification the following resolution as an ordinary resolution:

"Resolved that Mr. Kishan N.Parikh, who was appointed as an additional director of the Company by the Board of Directors, w.e.f. 4.6.2008 and who holds office upto the date of this Annual General Meeting, pursuant to Section 260 of the Companies Act and Article 80 of the Articles of Association of the Company and in respect of whom the Company has received a notice from a member under Section 257 of the Companies Act, 1956, proposing his candidature, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
9. To consider and if thought fit, to pass with or without modification the following resolution as an ordinary resolution:

"Resolved that Mr. Toshiaki Tashiro, who was appointed as an additional director of the Company by the Board of Directors, w.e.f. 24.07.2008 and who holds office upto the date of this Annual General Meeting, pursuant to Section 260 of the Companies Act and Article 80 of the Articles of Association of the Company and in respect of whom the Company has received a notice from a member under Section 257 of the Companies Act, 1956, proposing his candidature, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

10. To consider and if thought fit, to pass with or without modification the following resolution as an ordinary resolution:

"Resolved that Mr. Ravindra Gupta, who was appointed as an additional director of the Company by the Board of Directors, w.e.f. 31.3.2009 and who holds office upto the date of this Annual General Meeting, pursuant to Section 260 of the Companies Act and Article 80 of the Articles of Association of the Company and in respect of whom the Company has received a notice from a member under Section 257 of the Companies Act, 1956, proposing his candidature, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

11. To consider and if thought fit, to pass with or without modification the following resolution as an ordinary resolution:

"Resolved that in supersession of the Resolution passed in the General meeting of the Company held on 25th September, 1986, and pursuant to Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time any sum or sums of money on such terms and conditions as the Board may deem fit, which together with the monies already borrowed by the Company (apart from temporary loans obtained/ 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 maximum amount so borrowed by the Board shall not at any time exceed Rs. Fifty Crores."

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote on poll in the meeting instead of himself and such proxy need not be a member of the Company.
2. Proxies in order to be valid must be lodged at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. The Register of members and share transfer books of the Company will remain closed from 10th July, 2009 to 16th July, 2009, both days inclusive.
4. The Dividend on Equity Shares, upon its declaration at this meeting will be paid to those shareholders whose names appear on the Register of members on 16th July, 2009. In case of shares held in dematerialised form, the dividend thereon, upon its declaration shall be paid to beneficial owners, as per details furnished by the Depositories for this purpose.
5. Members are requested to forward their change of address notifications, Bank Account details including 9 digit MICR number appearing on the cheque pertaining to the respective bank account to facilitate distribution of dividend through Electronic Clearing Service(ECS) to the Company/ Registrar and Transfer Agent - Alankit Assignments Limited, 2E/21, Alankit House, Jhandewalan Extension, New Delhi, in respect of shares held in physical form and to their respective Depository Participants if the shares are held in electronic form.
6. Shareholders are hereby informed that the bank particulars given by them at the time of opening a depository account will be used by the Company for printing on the dividend warrants. This would ensure that the dividend warrants cannot be deposited in any account other than the one specified on the warrants. For the safety and interest of the shareholders, it is important that bank account details are correctly provided to the depository participants.
7. Shareholders/ Proxyholders are requested to produce at the entrance the Attendance Slip forwarded to them duly filled and signed in accordance with the signature registered with the Company for admission to the meeting hall.
8. Members desirous of getting any information relating to the accounts of the Company under reference or about operations of the Company, are requested to write to the Company at least 7 days before the meeting to enable the Company to make it available at the meeting.



9. Members who have not encashed their Dividend warrants for the financial year ended 31st March, 2002 and thereafter may approach the Registered office of the Company for revalidation of the Dividend warrants, as the amount of dividend remaining unpaid for a period of seven years shall be transferred to Investor Education & Protection Fund (IEPF) as per the provisions of Section 205A of the Companies Act, 1956. It may be noted that once the unclaimed dividend is transferred to the Central Government as above, no claim shall lie in respect thereof. The unpaid dividend for the financial year ended March 31, 2002 is due for transfer to IEPF on 7th August, 2009.
10. The Company has already transferred unclaimed dividend declared upto the financial year ended 31st March, 1995 to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978. The Company has also transferred the Unclaimed dividend for the year ended 31st March, 1996 to 31st March, 2001 to Investor Education and Protection Fund.
11. Members desirous of making a nomination in respect of their shareholding in the Company as permitted under Section 109A of the Companies Act, 1956 are requested to submit the prescribed Form-2B for the purpose to the registered office of the Company.
12. The Company has designated an exclusive e-mail ID namely, investor_relations@bharatseats.net for receiving and addressing investors' grievances.

By Order of the Board
For BHARAT SEATS LIMITED

REGD. OFFICE:

D-188, OKHLA INDL. AREA
PHASE- I, NEW DELHI - 110020

(RITU BAKSHI)

COMPANY SECRETARY

Dated : 13TH APRIL, 2009

ANNEXURE TO NOTICE

As required by Section 173 of the Companies Act, 1956, (hereinafter referred to as "the Act") the following Explanatory Statement set out all material facts relating to the business mentioned under item no.7 to 11 of the accompanying Notice dated 13th April, 2009.

Item No.7

Mr. Gautam Khaitan was appointed as an Additional Director of the Company with effect from 4.6.2008, pursuant to Section 260 of the Companies Act, 1956, read with Article 80 of the Articles of Association of the Company. Mr. Gautam Khaitan holds the office of Director upto the date of the ensuing Annual General Meeting. The Company has received notice in writing from a member alongwith a deposit of Rs.500/- proposing the candidature of Mr. Gautam Khaitan for the office of Director under the provisions of Section 257 of the Companies Act, 1956.

The Board of Directors commends acceptance of the Resolution set out in Item No.7 of the convening Notice. Mr. Gautam Khaitan is interested in the proposed resolution.

None of the other directors of the Company are concerned or interested in the resolution.

Item No.8

Mr. Kishan N.Parikh was appointed as an Additional Director of the Company with effect from 4.6.2008, pursuant to Section 260 of the Companies Act, 1956, read with Article 80 of the Articles of Association of the Company. Mr. Kishan N.Parikh holds the office of Director upto the date of the ensuing Annual General Meeting. The Company has received notice in writing from a member alongwith a deposit of Rs.500/- proposing



the candidature of Mr. Kishan N.Parikh for the office of Director under the provisions of Section 257 of the Companies Act, 1956.

The Board of Directors commends acceptance of the Resolution set out in Item No.8 of the convening Notice.

Mr. Kishan N.Parikh is interested in the proposed resolution.

None of the other directors of the Company are concerned or interested in the resolution.

Item No.9

Mr. Toshiaki Tashiro was appointed as an Additional Director of the Company with effect from 24.07.2008, pursuant to Section 260 of the Companies Act, 1956, read with Article 80 of the Articles of Association of the Company. Mr. Toshiaki Tashiro holds the office of Director upto the date of the ensuing Annual General Meeting. The Company has received notice in writing from a member proposing the candidature of Mr. Toshiaki Tashiro for the office of Director alongwith a deposit of Rs.500/- under the provisions of Section 257 of the Companies Act, 1956.

The Board of Directors commends acceptance of the Resolution set out in Item No.9 of the convening Notice.

Mr. Toshiaki Tashiro is interested in the proposed resolution.

None of the other directors of the Company are concerned or interested in the resolution.

Item No.10

Mr.Ravindra Gupta was appointed as an Additional Director of the Company with effect from 31.03.2009, pursuant to Section 260 of the Companies Act, 1956, read with Article 80 of the Articles of Association of the Company. Mr. Ravindra Gupta holds the office of Director upto the date of the ensuing Annual General Meeting. The Company has received notice in writing from a member proposing the candidature of Mr. Ravindra Gupta for the office of Director alongwith a deposit of Rs.500/- under the provisions of Section 257 of the Companies Act, 1956.

The Board of Directors commends acceptance of the Resolution set out in Item No.10 of the convening Notice.

Mr. Ravindra Gupta is interested in the proposed resolution.

None of the other directors of the Company are concerned or interested in the Resolution .

Item No.11

Under Section 293(1)(d) of the Companies Act, 1956, the Board of Directors cannot, except with the consent of the Company in general meeting, borrow monies (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business), in excess of the aggregate of the paid up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose.

The shareholders in the general meeting held on 25th September, 1986 had accorded their consent to the Board of Directors for borrowing upto Rs.15 crores.

In view of the Company's fund requirements in the near future for further expansions, growing operations etc., it is considered desirable to enhance this limit to Rs.50 crores.

The Board accordingly commends the proposed Resolution for your approval.

None of the Directors of the Company is concerned or interested in the Resolution .

By Order of the Board
For BHARAT SEATS LIMITED

REGD. OFFICE:

D-188, OKHLA INDL. AREA
PHASE- I, NEW DELHI - 110020

(RITU BAKSHI)
COMPANY SECRETARY

Dated : 13TH APRIL, 2009

**DETAILS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT AT THE
FORTHCOMING ANNUAL GENERAL MEETING
(IN PURSUANCE TO CLAUSE 49 OF THE LISTING AGREEMENT)**

NAME OF THE DIRECTOR	MR. N.D. RELAN	MR. AJAY RELAN	MR.I.V. RAO
DATE OF BIRTH	31.05.1929	03.12.1961	27.08.1952
DATE OF APPOINTMENT ON THE BOARD	06.03.1986	05.04.1988	14.02.2005
EXPERTISE IN SPECIFIC FUNCTIONAL AREA	FINANCE, BUSINESS MANAGEMENT,CAPITAL MARKET	BUSINESS MANAGEMENT	PRODUCTION, DESIGNING, TECHNOLOGY TRANSFER
QUALIFICATIONS	B.COM	B.COM(HONS.) OWNER/ PRESIDENT MANAGEMENT PROGRAMME FROM HARVARD BUSINESS SCHOOL	GRADUATED IN MECHANICAL ENGG.FROM OSMANIA UNIV. AND POST GRADUATE IN MECHANICAL DESIGN FROM IIT KANPUR
DETAILS OF SHARES HELD IN THE COMPANY	10,42,000	5,50,500	- NONE -
DIRECTORSHIP HELD IN OTHER COMPANIES AS ON 31.3.2009	<ol style="list-style-type: none"> 1. SHARDA MOTOR INDUSTRIES LTD. 2. RELAN INDUSTRIAL FINANCE LTD. 3. PEBCO MOTORS LTD. 4. HI TEK PRO ACOUSTICS LTD. 5. SHARDA SEJONG AUTO COMPONENTS (INDIA)LTD. 6. PROGRESSIVE ENGINEERING & AUTOMATION (P) LTD. 7. NEW INTERNATIONAL STAINLESS PIPE COMPANY LIMITED 8. CHASYS SHARDA AUTO COMPONENTS (INDIA) LTD. 	<ol style="list-style-type: none"> 1. SHARDA MOTOR INDUSTRIES LTD. 2. RELAN INDUSTRIAL FINANCE LTD. 3. HI TEK PRO ACOUSTICS LTD. 4. SHARDA SEJONG AUTO COMPONENTS (INDIA)LTD. 5. PROGRESSIVE ENGINEERING & AUTOMATION(P) LTD. 6. NEW INTERNATIONAL STAINLESS PIPE COMPANY LIMITED 7. CHASYS SHARDA AUTO COMPONENTS (INDIA) LTD. 	- NONE -
CHAIRMAN/ MEMBER OF THE "COMMITTEES OF OTHER COMPANIES" ON WHICH HE IS DIRECTOR AS ON 31.3.2009	NONE	NONE	NONE



NAME OF THE DIRECTOR	MR. GAUTAM KHAITAN	MR. KISHAN N. PARIKH	MR. TOSHIKI TASHIRO	MR. RAVINDRA GUPTA
DATE OF BIRTH	06.05.1965	15.04.1967	25.10.1964	29.04.1942
DATE OF APPOINTMENT ON THE BOARD	04.06.2008	04.06.2008	24.07.2008	31.03.2009
EXPERTISE IN SPECIFIC FUNCTIONAL AREA	LAW	BUSINESS MANAGEMENT	LEGAL, HR, FINANCE	MANAGEMENT & ADMINISTRATION
QUALIFICATIONS	B.COM, LL.B	B.COM	GRADUATE - LAW, KYUSHU UNIVERSITY	IAS (RETIRED)
DETAILS OF SHARES HELD IN THE COMPANY	NONE	7,500	NONE	NONE
LIST OF COMPANIES IN WHICH OUTSIDE DIRECTORSHIP HELD ON 31ST MARCH, 2009	<ol style="list-style-type: none"> 1. J.K. SUGAR LTD. 2. SALORA INTERNATIONAL LTD. 3. ARAVALI SECURITIES & FINANCE LTD. 4. KRBL LTD. 5. FACOR ALLOYS LTD. 6. ILPEA PARAMOUNT LTD. 7. MEDSAVE HEALTHCARE LTD. 8. ARCOTECH LTD. 9. ZAMBON (INDIA) PVT. LTD. 10. CELLCAST INTERACTIVE INDIA PVT. LTD. 11. MEDSAVE (INDIA) PVT. LTD. 12. VASUDHA COMMERCIAL PVT. LTD. 13. NIPSHILL BUILDERS PVT. LTD. 14. JEEVAN VIHAR PROPERTIES PVT. LTD. 15. HOWDEN INSURANCE BROKERS INDIA PVT. LTD. 	<ol style="list-style-type: none"> 1. PEBCO MOTORS LTD. 2. PEBCO INDUSTRIES LTD. 3. SHARDA MOTOR IND. LTD. 4. AERSOFT TRADING & MARKETING PVT. LTD. 5. CALCUTTA COMMODITIES (1965) PVT. LTD. 6. BRISCO PRIVATE LIMITED 	<ol style="list-style-type: none"> 1. J. IMPEX (DELHI) PVT. LTD. 2. SKH METALS LTD. 3. CLIMATE SYSTEMS INDIA LIMITED 	<ol style="list-style-type: none"> 1. JESSOP & CO. LTD. 2. ARISTOTLE CONSULTANTS PVT. LTD.
CHAIRMAN/ MEMBER OF THE "COMMITTEES OF OTHER COMPANIES" ON WHICH HE IS DIRECTOR AS ON 31.3.2009	<ol style="list-style-type: none"> 1. SALORA INTERNATIONAL LTD. (MEMBER - AUDIT COMMITTEE) 2. J.K. SUGAR LTD. (MEMBER - AUDIT COMMITTEE, SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE) 3. ARCOTECH LTD. (MEMBER - AUDIT COMMITTEE, REMUNERATION COMMITTEE) 4. ARAVALI SECURITIES & FINANCE LTD. (MEMBER - AUDIT COMMITTEE, SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE) 	- NONE -	<ol style="list-style-type: none"> 1. SKH METALS LTD. (MEMBER - AUDIT COMMITTEE) 2. CLIMATE SYSTEMS INDIA LTD. (MEMBER - AUDIT COMMITTEE) 	- NONE -



DIRECTORS' REPORT

Dear Shareholders

FINANCIAL RESULTS

Rupees in lakhs

PARTICULARS	2008-09	2007-08
SALES	24940.73	23328.48
OTHER INCOME	69.09	142.89
PROFIT BEFORE FINANCIAL CHARGES & DEPRECIATION	727.90	791.98
LESS: FINANCIAL CHARGES	91.37	75.67
PROFIT BEFORE DEPRECIATION & TAXATION	636.53	716.31
LESS:		
1. DEPRECIATION	213.32	235.97
2. PROVISION FOR TAXATION		
- CURRENT TAX	47.02	50.11
- FRINGE BENEFIT TAX	15.86	9.47
- DEFERRED TAX	77.51	89.69
- TAX FOR EARLIER YEARS	6.87	7.77
NET PROFIT AFTER TAX	275.95	323.30
ADD: BROUGHT FORWARD FROM PREVIOUS YEAR	15.00	15.00
PROFIT AVAILABLE FOR APPROPRIATION	290.95	338.30
APPROPRIATIONS:		
DIVIDEND PROPOSED	157.00	157.00
TAX ON DIVIDEND	26.68	26.68
TRANSFER TO GENERAL RESERVE	57.27	139.62
BALANCE CARRIED FORWARD TO BALANCE SHEET	50.00	15.00

PERFORMANCE REVIEW

The gross sales and other income for the financial year under review was Rs.25,009.82 lacs as against Rs 23,471.37 lacs, registering an increase of 6.55%. The profit before tax (after interest and depreciation charges) of Rs 423.20 lacs and profit after tax of Rs 275.95 lacs for the financial year under review as against Rs 480.34 lacs and Rs 323.30 lacs respectively for the previous financial year registering decrease of 12% and 15% respectively.

The profit for the current year is lower on account of provision for foreign exchange loss on Working Capital loans, amounting to Rs.63.29 lakhs, whereas in the previous year, there was a gain of Rs.10.92 lakhs. In addition, the Company has also made a provision for diminution in the value of investments of Rs.26.71 lacs, as against diminution of Rs.9.47 lacs in the previous year. The Company has adjusted to the cost of fixed assets, foreign exchange losses of Rs.73.47 lacs relating to acquisition of depreciable Capital assets in terms of the notification issued by the Ministry of Corporate Affairs (Refer Note No.9 of Schedule 18).

OPERATIONS

During the year under review, the global economy went into deep recession and its tremors were felt in India too. There was a reduction in the sale of seat sets in the second and third quarter. However, on the strength



BHARAT SEATS LIMITED

of reduction in excise duty and interest rates announced by the Government, the Company recorded the highest ever sales in the fourth quarter, which resulted in finishing the year with a marginal decrease of 0.20% only, as compared to the previous year. The Company has added a new product to its portfolio by starting supply of Luggage Carpet for a new car launched during the year. In addition, the company has developed the seating systems for a new model of car to be launched by Maruti Suzuki India Limited during financial year 2009-10.

The Company has started supply of seats and complete frames of the new model of Motorcycle launched by Suzuki Motorcycle India Pvt. Ltd. The Company has also executed a development order for supply of seats and berths for the Air-conditioned 3-tier coaches for the Indian Railways.

DIVIDEND

Your Directors are pleased to recommend for the approval of the shareholders, a dividend of 25% (Rs. 0.50/- per share) for the financial year ended 31.03.2009.

CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information relating to conservation of energy, research & development, technology absorption, foreign exchange earnings and outgo pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies(Disclosure of particulars in the report of Board of Directors)Rules, 1988 is annexed hereto as Annexure I, forming part of this Report.

DIRECTORS

In accordance with the Articles of Association of the Company and relevant provisions of the Companies Act, 1956, Mr.N.D.Relan, Mr.Ajay Relan and Mr.I.V.Rao are liable to retire by rotation at the ensuing Annual General Meeting and are eligible for reappointment.

During the year, Mr.Gautam Khaitan, Mr.Kishan N.Parikh and Mr.Pradeep Dinodia were appointed as Additional Directors w.e.f. 04.06.2008. Mr.Ravindra Gupta was appointed as an Additional Director w.e.f. 31.3.2009. Mr. Toshiaki Tashiro was also appointed as an Additional Director as nominee of Suzuki Motor Corporation in place of Mr. H. Nagao w.e.f. 24.07.2008.

Mr.Pradeep Dinodia, resigned as a director w.e.f. 23.1.2009.

The Company expresses its appreciation for the valuable services rendered by Mr.H.Nagao and Mr.Pradeep Dinodia during their tenure as Directors of Bharat Seats Limited.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the listing agreement with the Stock Exchange, the report on Corporate Governance and Management Discussion and Analysis Report have been included in this Annual Report as separate section, alongwith the Auditors' Certificate.

LISTING

The Equity shares of the Company are listed at Bombay Stock Exchange. The Company has paid listing fees to the Stock Exchange for the year: 2008-09.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that :

- (I) In the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures.
- (II) Appropriate accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs