

# **Bhatia Industries & Infrastructure Limited**

( formerly known as “*BCC Finance Limited*”)



B H A T I A   G R O U P

**18<sup>th</sup>**  
**ANNUAL REPORT**  
**2010-2011**



## **Corporate Information**

### **BOARD OF DIRECTORS**

Mr. Surinder Singh Bhatia	:	Executive Director & CEO
Mr. Manjeet Singh Bhatia	:	Director
Mr. Jitendra Kumar Jain	:	Director
Mr. Lal Krishna Thanvi	:	Director

### **REGISTERED OFFICE**

“BCC House”, 8/5, Manoramaganj,  
Navratan Bagh Main Road,  
Indore (M.P.) 452 001

### **COMPANY SECRETARY & COMPLIANCE OFFICER**

Mr. Ashok Mishra

### **BANKERS**

Bank of India  
Central Bank of India  
State Bank of India  
IndusInd Bank Limited

### **AUDITORS**

M/s. R.S.Bansal & Co.  
Chartered Accountants,  
Urvashi , 3, Jaora Compound,  
Indore (M.P.) 452001

### **REGISTRAR & SHARE TRANSFER AGENT**

M/s. Link Intime India Private Limited  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (West), Mumbai- 400 0780



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## Important Communication to Members

- The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that services of notice/documents including Annual Report can be sent by e-mail to its member. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail id with Company / Registrar and Transfer Agent, M/s. Link Intime India Private Limited.
- Demat your shares : Members are requested to convert their physical shareholdings to demat / electronic form through any of the nearest depository participants (DPs) to avoid the hassles as possibility of loss, mutilation, etc. and also to ensure safe and speedy transactions in the securities.
- Register Nominations : To help your successors get the shares transmitted in their favour, please register your nomination. Members desirous of availing this facility may submit nomination form which can be obtained from Link Intime India Private Limited. Members holding shares in dematerialized form are requested to register their nomination directly with their respective DPs.



**NOTICE**

**NOTICE** is hereby that the Eighteenth Annual General Meeting of the Members of the Company will be held on Monday, the 27<sup>th</sup> day of June, 2011, at 11:00 A.M. at 9/4, Manoramaganj, Navratan Bagh Main Road, Indore to transact the following business:

**ORDINARY BUSINESS**

- 1) To consider, approve and adopt the Balance Sheet of the Company as on 31<sup>st</sup> March, 2011 and Profit and Loss Account for the year ended on that date and the report of the Statutory Auditors' and the Directors' thereon;
- 2) To declare dividend of Rs. 2.00 per share on 2% Cumulative Redeemable Preference Shares of the Company;
- 3) To declare dividend of Rs. 2.00 per share on the Equity Shares of the Company;
- 4) To appoint a director in place of Shri Manjeet Singh Bhatia who retires by rotation and being eligible offers himself for re-appointment;
- 5) To appoint Statutory Auditors of the Company for the year 2011-2012 and to fix their remuneration. The retiring Auditors of the Company M/s. R. S. Bansal & Co. Indore, are eligible for re-appointment.

**SPECIAL BUSINESS :**

**ITEM NO.6 : INCREASE IN AUTHORISED SHARE CAPITAL OF THE COMPANY**

To consider and if thought fit to pass with or without modifications the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to provisions of section 94, 16 and 31 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956, the authorized share capital of the Company be increased from Rs. 12,00,00,000/- (Rupees Twelve Crores) divided into 40,00,000 Equity Shares of Rs. 10/- each and 8,00,000 2% Cumulative Redeemable Preference Shares of Rs. 100/- each to Rs. 23,00,00,000/- (Rupees Twenty Three Crores) divided into 1,50,00,000 Equity Shares of Rs. 10/- and 8,00,000 2% Cumulative Redeemable Preference Shares of Rs. 100/- each new Equity Shares ranking pari passu with the existing equity shares of the Company and that Clause V of the Memorandum of Association and Article 3 of the Articles of Association of Company be altered accordingly to read as under:

*"The Share Capital of the Company shall be Rs. 23,00,00,000/- (Rupees Twenty Three Crores) divided into 1,50,00,000 Equity Shares of Rs. 10/- and 8,00,000 2% Cumulative Redeemable Preference Shares of Rs. 100/- each with power to the Company to increase, divide, sub-divide into various classes of shares and attached thereto such preferential/deferred, special right/privileges/ conditions as may be determined by the Company in accordance with Articles of Association and the provisions of Companies Act, 1956."*

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do such act, deeds and things as may necessary to give effect to aforesaid resolution."

**ITEM NO.7 : TO AUTHORISE THE BOARD OF DIRECTORS FOR CREATION OF MORTGAGE/ CHARGE ON ALL OR ANY OF THE MOVABLE OR IMMOVABLE PROPERTIES OF THE COMPANY**

To consider and if thought fit to pass with or without modifications the following resolution as a Special Resolution:

**"RESOLVED THAT** in modification to the earlier resolution passed by the members of company in terms of provisions of Section 293(1)(a) and all other applicable provisions of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board") to create mortgage, charge or hypothecation in addition to the existing mortgages, charges or hypothecation created/to be created by the Company in such form and manner and with such ranking and at such time and on such terms and conditions as the Board may determine, on all or any of the moveable or immovable properties of the Company, both present and future and/or the whole or any part of the undertakings of the Company subject to the limits approved under Section 293(1)(d) of the Companies Act, 1956, together with interest at respective agreed rates, in respect of the fund based/ non fund based/ working capital limits/ loans/ borrowings/debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board and the lenders viz., financial institution(s), nationalised bank(s)/ private bank(s) or any other lending institution(s) however, the properties so charged or mortgaged or hypothecated by the Board shall not exceed Rs. 500.00 Crore ( Rupees Five Hundred Crore only) at any one time."

**"RESOLVED FURTHER THAT** in order to give effect to this resolution the Board be and is hereby authorised to finalize, settle and execute on behalf of the Company such documents, deeds, writings, papers, agreements as may be required and do all such acts, deeds, matters and things as may be necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages/charges/ hypothecation as aforesaid."

**ITEM NO.8: TO AUTHORISE THE BOARD OF DIRECTORS OF THE COMPANY TO BORROW MONEY IN EXCESS OF THE PAID-UP CAPITAL AND FREE RESERVES OF THE COMPANY**



To consider and if thought fit to pass with or without modifications the following resolution as a Special Resolution:

**"RESOLVED THAT** in modification to the earlier resolution passed by the members of company in terms of provisions of Section 293(1) (d) and all other applicable provisions, if any of the Companies Act, 1956, the Company be and is hereby, accords its consent to the Board of Directors of the Company (hereinafter referred to as "the Board") to borrow any sums of money from time to time, at its discretion either from the Company's bank or any other nationalized or private bank(s), or any other lending institutions and/or from any one or more persons, firms, Bodies Corporate and from any other persons or combination thereof whether by way of fund based ( cash credit) / non fund based ( inland or foreign LC / bank guarantee), working capital limits, term loans, overdrafts, advance or deposits, debentures or bills discounting or otherwise and whether unsecured or secured by way of mortgage, charge, hypothecation, lien or pledge of Company's assets and properties, whether in full or in part whether movable or immovable, current assets and all or any of the undertakings of the Company, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business), will or may exceed at any time 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, by a sum not exceeding Rs. 500.00 Crore (Rupees Five Hundred Crore only).

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do such act, deeds and things as may necessary in this regard."

**ITEM NO.9: TO CONSIDER EXTENDING CORPORATE GUARANTEE, PROVIDING SECURITY OR MAKE INVESTMENT IN TERMS OF THE PROVISIONS OF SECTION 372A OF THE COMPANIES ACT, 1956**

To consider and if thought fit to pass with or without modifications the following resolution as a Special Resolution:

**"RESOLVED THAT** in modification to the earlier resolution passed by the members of company in terms of provisions of Section 372A and other applicable provisions of the Companies Act, 1956, Company be and is hereby accords its consent to the Board of Directors to acquire by way of subscription, purchase or otherwise the securities of any other body corporate or to give guarantee or provide security in connection with various Credit Facilities (including Fund Based and Non Fund Based Limit) which may be given to anybody corporate by various Banks/ Financial Institutions in the ordinary course of business on such terms and conditions as may be agreed by the Board of Directors of the Company, provided that the aggregate of the investment so far made, the amount for which guarantee or security so far provided to or in all other bodies corporate, alongwith the investment, guarantee or security proposed to be made or given by the Board shall not exceed Rs. 500.00 Crore (Rupees Five Hundred Crore only)."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do such act, deeds and things as may necessary in this regard."

**ITEM NO.10: ALTERATION OF ARTICLES OF ASSOCIATION**

To consider and if thought fit to pass with or without modifications the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the existing Clause 9A of the Articles of Association of the Company be and is hereby inserted after existing Clause 9 to read as under :

***CAPITALIZATION OF PROFITS AND RESERVES***

***9A. (1) The Company upon passing a resolution at its Board Meeting resolve:***

- (a) that it is desirable to capitalize any part of the amount for the time being standing credit of any of the Company's reserve account or to the credit of the Profit and Loss Account, or to the credit of share premium account or otherwise available for distribution and*
- (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who could have been entitled thereto if distributed by way of dividend and in the same proportion.*

***(2) The sum aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) in or towards:***

- (i) Paying up any amount for the time being unpaid on any shares held by such member respectively;*
- (ii) Paying in full, unissued shares of the Company to be allotted and distributed credited as fully paid bonus shares to and amongst such members in the proportion aforesaid; or*
- (iii) Partly in the way specified in sub clause (i) and partly in that specified in sub clause (ii).*

***(3) A share premium account and a capital redemption reserve account may, for the purpose of this regulation, only be applied in the paying up to the un-issued shares to be issued to members of the Company as fully paid bonus shares.***

***(4) The Board shall give effect to the resolution passed regarding fully paid bonus shares."***



**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do such act, deeds and things as may necessary to give effect to aforesaid resolution."

**ITEM NO.11: ISSUE OF BONUS SHARES**

To consider and if thought fit to pass with or without modifications the following resolution as an Special Resolution:

**"RESOLVED THAT** in terms of provisions of Article 9A of the Articles of Association of the Company and subject to the guidelines issued by the Securities and Exchange Board of India under Chapter IX of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 for issue of bonus shares and approval of the Reserve Bank of India, approval of the members of the Company be and is hereby accorded for capitalization of the profits and reserves to the extent of Rs. 9,90,00,000/- (Rupees Nine Crores Ninety Lacs) as per the audited books of the Company, for issue of 99,00,000 (Ninety Nine Lacs) fully paid-up equity shares of Rs.10/- each out of the un-issued equity share capital of the Company as bonus shares to the existing equity shareholders, in the ratio of 3 (Three) equity share for each equity share held by the shareholders whose names are appearing in the list of members of the Company on such date as the board may declare as record date."

**"RESOLVED FURTHER THAT** the new equity shares so issued shall rank *pari-passu* in all respects with and carry the same rights as that of existing fully paid-up equity shares of the Company and shall be entitled to participate in full in any dividend to be declared in respect of the financial year in which the allotment of new equity shares pursuant to this resolution is made."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do such act, deeds and things as may necessary to give effect to aforesaid resolution."

**By Order of the Board  
For Bhatia Industries & Infrastructure Limited**

**Place: Indore  
Date: 30th May, 2011**

**Ashok Mishra  
Company Secretary**

**NOTES :**

- 1) **A MEMBER ENTITLED TO ATTEND ANNUAL GENERAL MEETING AND VOTE THEREAT IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE VALID MUST BE DEPOSITED WITH THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME FOR THE MEETING.**
- 2) The Register of Members and the Share Transfer Books of the Company shall remain closed for the purpose of Annual General Meeting from Saturday, 11th June, 2011 to Sunday, 12th June, 2011 (both days inclusive).
- 3) Shareholders having any query or desiring any information pertaining to annual accounts are requested to write to the Company at an early date to enable the Company to reply the queries suitably at the time of the annual general meeting.
- 4) In pursuance of the recommendations of SEBI Committee on corporate governance for the appointment/ re-appointment of retiring Directors, Please find below details of Mr. Manjeet Singh Bhatia, who retires by rotation at the ensuing Annual General meeting and being eligible offers himself for re-appointment.

Mr. Manjeet Singh Bhatia, aged 50 years, is a Commerce graduate with more than 18 years of extensive experience in Coal trading and Washery business. Presently, he is holding position as Director in the Company. He was appointed as First Director and is the member of the Audit Committee and the Shareholders' Grievances and Share Transfer Committee of the Company. He holds Directorship in two other companies viz., Bhatia International Limited and Reliance Services and Consultants Limited. In addition to this he is the member of Remuneration Committee of Bhatia International Limited. He holds 164810 equity shares of the Company.

- 5) Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the member.
- 6) Members holding shares in electronic form are requested to intimate immediately any changes in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change of address immediately to the Company/ Registered and Transfer Agents, M/s Link Intime India Private Limited.
- 7) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Accountant Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Member holding shares in physical form can submit their PAN details to the Company / Registrars and Transfer Agents, M/s Link Intime India Private Limited.

**EXPLANATORY STATEMENTS:****EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956****Item No.6**

Presently the authorised share capital of the Company is Rs.12,00,00,000/- (Twelve crore) divided into 40,00,000 Equity Shares of Rs. 10/- each and 8,00,000 2% Cumulative Redeemable Preference Shares of Rs. 100/- each. In order to issue shares to the existing equity shareholders of the Company against capitalization of profits and reserve by way of bonus shares, it is proposed to increase the authorised share capital of the Company from the present level of Rs.12,00,00,000/- (Twelve crore) to Rs.23,00,00,000/- (Twenty Three Crore).

The new Equity Shares shall rank pari passu with the existing equity shares of the Company in all respects.

Consequent to increase in the authorized share capital Clause V of the Memorandum of Association and Article 3 of the Articles of Association of the Company shall also be altered in pursuance of Section 16 and 31 of the Companies Act, 1956.

Your Directors recommend to pass the resolution given at item no.6 of the notice as Special Resolution. None of the Directors of your Company are interested in the said resolution.

**Item No. 7 & 8**

Presently the prescribed limit in terms of provisions of Section 293 (1) (a) and 293 (1) (d) of the Companies Act, 1956 is Rs. 250 Crores. The Company is in the process of expansion of its business needs fund to meet out the capital expenditures. These funding requirements shall be met by way of borrowing from various financial institutions/ banks etc. from time to time. Hence, the consent of the shareholders is sought in accordance with the provisions of Section 293(1) (d) of the Companies Act, 1956, to enable the Directors to borrow money to the extent of Rs. 500.00 crores.



The proposed borrowings shall be secured by way of charge, mortgage or hypothecation on the assets of the Company in favour of the lenders, hence it is further required to authorize the Board of Directors under Section 293(1) (a) of the Companies Act, 1956, for creation of charges, mortgages or hypothecation for an amount not exceeding the borrowing limit of Rs. 500.00 crores.

The Directors recommend the passing of the resolutions in item no. 7 and 8 of the notice for the approval of the members as Special Resolutions.

None of the Directors of your Company are interested in the said resolutions.

**Item no. 9**

Your Company intends to invest its funds in various bodies corporate and provides corporate guarantee or security to various bodies corporate for the Credit Facilities sanctioned to them by various Banks/ Financial Institutions from time to time. The provisions of Section 372A of the Companies Act, 1956 permits the Board of Directors of the Company to acquire by way of subscription, purchase or otherwise the securities of any other body corporate or give guarantee or provide security in connection with the various Credit Facilities which may be given to anybody corporate by various Banks/Financial Institutions upto the limit 60% of paid up capital and free reserves or 100% of free reserves of the Company whichever is higher. Presently the members of the Company vide resolution dated 30.09.2006 has authorised Board of Directors to an extent of Rs. 250 crores and now it is proposed to increase the said limit to an extent of Rs. 500 crores.

In view of the above and as per the provisions of Section 372A of the Companies Act, 1956 the Board recommends to pass the said resolution as set out at item no.9 of the Notice as the Special Resolution.

None of the Directors of your Company are interested in the said resolution.

**Item no. 10**

Presently the Articles of Association does not contain the provision for Capitalization of Profit and Reserves. Having regard to the accumulated reserves the Board proposes to issue Bonus Shares by way of Capitalization of Profit and Reserves. Hence it is proposed to alter the present article of association of the Company by inserting new Clause 9A after existing Clause 9 of the Article of Association of the Company.

Section 31 of the Companies Act, 1956 requires approval of members of the Company by way of special resolution. The Board of Directors recommends the members to pass the resolution at Item No. 10 as a special resolution.

The directors of the Company may be deemed interested in the resolution to the extent fresh shares may be allotted to them out of the proposed fresh issue by way of Capitalization of Profit and Reserves or otherwise.

**Item no. 11**

The Company came out with its public issue during the year 1997 and since then ploughing back its profits every year into the business and expansion activities into the Company were taking place year by year. This resulted into accumulation of profits and reserves into the Company.

The Board of Directors of the Company is of the view that the shareholders of the Company, who have invested their money into the business of the Company for several years, must be rewarded suitably by way of capitalization of those accumulated profits and reserves.

The members are requested to pass the proposed resolution as special resolution. The Board recommends, passing of the resolution.

The directors of the Company may be deemed interested in the resolution to the extent fresh shares may be allotted to them out of the proposed fresh issue by way of bonus shares or otherwise.

**By Order of the Board  
For Bhatia Industries & Infrastructure Limited**

Place: Indore  
Date: 30th May, 2011

**Ashok Mishra  
Company Secretary**



**DIRECTORS' REPORT**

To,  
The Members,  
Bhatia Industries & Infrastructure Limited  
Indore

Your Directors have pleasure in presenting the Eighteenth Annual Report together with the Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2011.

**FINANCIAL RESULTS**

The summary of the financial result of the Company for the year under review are as under:

(Rs. in Lacs)

Particulars	For the year ended 31.03.2011	For the year ended 31.03.2010
<b>Sales</b>	<b>24485.02</b>	<b>3649.92</b>
<b>Profit / (Loss) before Depreciation, Interest &amp; Tax</b>	<b>1696.38</b>	<b>208.54</b>
Less : Depreciation	–	–
Interest & Financial Charges	137.25	34.50
<b>Profit / (Loss) before tax</b>	<b>1559.13</b>	<b>174.04</b>
Add/(Less) : Prior period adjustments	–	0.16
Add/(Less) : Provision for Income-Tax	(520.00)	(59.44)
<b>Profit/(Loss) after Tax</b>	<b>1039.13</b>	<b>114.76</b>
Less : Transfer to General Reserve	78.00	-
Less : Transfer to Capital Redemption Reserve	114.29	114.29
Less : Dividend on Preference Shares	16.00	16.00
Less : Dividend on Equity Shares	66.00	-
Less : Dividend Distribution Tax	13.62	2.66
<b>Add : Balance brought forward from last year</b>	<b>296.01</b>	<b>314.19</b>
Balance carried forward to Balance Sheet	1047.24	296.01

**PERFORMANCE REVIEW**

During the year under review, your Company has posted Sales of Rs. 24,485.02 Lacs and Profit after Tax of Rs. 1,039.13 Lacs. The Sales of the Company has increased by 570.84% and Profit after Tax has increased by 805.48% as compared to the previous year. The strategies of planned procurement and marketing system have boosted the company to compete in the market and earn good profits.

**DIVIDEND**

Having regard to the splendid performance of the Company, your Directors are pleased to recommend payment of dividend on 2% Cumulative Redeemable Preference Shares and Dividend of 20% on the paid-up Equity Share Capital of the Company, which works out to Rs.2.00 per share on 33,00,000 equity shares of Rs. 10/- each for the financial year ended 31<sup>st</sup> March, 2011.

**ISSUE OF BONUS SHARES**

Your Directors recommend issue of Bonus shares in the ratio of 3:1 i.e. three equity shares for every existing equity share of the Company held by the Members on the record date as may be fixed by the Board of Directors of the Company in consultation with Bombay Stock Exchange. The proposed issue of bonus shares is subject to the consent of the shareholders at the forthcoming Annual General Meeting. The bonus shares shall rank *pari passu* in all respects with the existing fully paid up equity shares of the Company, including any dividend declared for the financial year in which the bonus shares are allotted.

**PUBLIC DEPOSIT**

The Company has not invited or accepted any public deposits in accordance with the provisions of Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975 during the year under review.

**DIRECTORS**

Mr. Manjeet Singh Bhatia, Director of the Company shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

**COMPANY SECRETARY & COMPLIANCE OFFICER**

The Company has appointed Mr. Ashok Mishra as Company Secretary and Compliance Officer of the Company.

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- (ii) Appropriate accounting policies have been selected and applied consistently and judgments and estimates made 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 and of the profit and loss account of the Company for that period;
- (iii) Proper and sufficient care has been taken 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 preventing and detecting fraud and other irregularities;
- (iv) The annual accounts have been prepared on a going concern basis.

**STATUTORY AUDITORS**

M/s. R.S. Bansal & Co., Chartered Accountants, Indore, the statutory auditors of the Company, shall retire at the ensuing Annual General Meeting and are eligible for re-appointment. M/s. R.S. Bansal & Co., Chartered Accountants, Indore has confirmed that their appointment, if made would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. The Board recommends their re-appointment as statutory auditors for the current year.

**AUDITORS' REPORT**

Pursuant to the comments made by the Auditors, the relevant notes forming part of the accounts of the Company are self-explanatory and do not require any further explanation.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO**

Disclosure regarding Conservation of Energy and Technology absorption as required under 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 are not applicable to the Company. The information relating to Foreign Exchange Earnings and Outgo is given in the Annexure to the report

**PARTICULARS OF EMPLOYEES**

None of the employees of the Company during the year are in receipt of remuneration of more than the maximum permitted ceiling given in the Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended.

**CORPORATE GOVERNANCE REPORT**

The Company has complied with the Corporate Governance Code as stipulated under Clause 49 of the listing agreement with the stock exchanges. A separate section on Corporate Governance, along with a certificate from Practicing Company Secretary confirming the compliance is annexed to the Annual Report forming part thereof.

**REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis report in accordance with the requirements of Clause 49 of the Listing Agreement for the year under review is annexed to the Annual Report forming part of it.

**LISTING**

The shares of the Company are listed on Bombay Stock Exchange - Mumbai, Ahmedabad Stock Exchange - Ahmedabad and Madhya Pradesh Stock Exchange - Indore. The Board of Directors has approved the application for voluntary delisting of shares from the Madhya Pradesh Stock Exchange, Indore and Ahmedabad Stock Exchange, Ahmedabad. Delisting of shares shall be completed in due course of time with approval of the concerned Stock Exchanges.