



ANNUAL REPORT 2007-08

## EMPIRE INDUSTRIES LIMITED

### DIRECTORS :

S.C. MALHOTRA	<i>Chairman</i>
RANJIT MALHOTRA	<i>Vice-Chairman</i>
DILEEP MALHOTRA	<i>Jt. Managing Director</i>
R.A. MASKATI	} <i>Directors</i>
J.N. GUZDER	
K.C. KHANNA	
RAJBIR SINGH	

### REGISTERED OFFICE :

414, Senapati Bapat Marg, Lower Parel,  
Mumbai - 400 013

Tel : 6655 5453

Fax : 2493 9143 / 2493 7203

E-mail : email@empiresecretarial.com

### PLANT :

#### *Vitrum Glass*

L.B. Shastri Marg,  
Vikhroli, Mumbai - 400 083

### DIRECTOR FINANCE & COMPANY SECRETARY :

S.K. GULATI

### AUDITORS :

D.P. GHEVARIA & CO.

### ADVOCATES & SOLICITORS :

DSK LEGAL

### BANKERS :

INDIAN BANK

ALLAHABAD BANK

BANK OF INDIA

BANK OF BARODA

CENTRAL BANK OF INDIA

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## NOTICE

The ONE HUNDRED AND SEVENTH ANNUAL GENERAL MEETING of the Members of EMPIRE INDUSTRIES LIMITED will be held on Wednesday, August 27, 2008 at 4:00 P.M. at Hall of Culture, Ground Floor, Nehru Centre, Worli, Mumbai - 400 018 to transact the following business:

### A G E N D A

1. To adopt the Directors' Report and the Audited Balance Sheet as at March 31, 2008, and the Profit & Loss Account for the year ended on that date.
2. To declare a Dividend for the year ended March 31, 2008.
3. To appoint a Director in place of MR. DILEEP MALHOTRA, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of MR. J.N. GUZDER, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint Auditor and fix their remuneration, and to pass, with or without modification, the following resolution as an Ordinary Resolution:  
 "RESOLVED THAT Messrs D P Ghevaria & Co., Chartered Accountants, who was appointed by the Board of Directors at its Meeting held on April 29, 2008 in the casual vacancy caused due to sad demise of Mr. V R Patel, Proprietor of M/s. R A Patel & Co., be and are hereby re-appointed as Auditor of the Company to hold office from the conclusion of this Meeting up to the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors plus applicable Taxes plus reimbursement of travelling and actual out-of-pocket expenses."

#### Special Business :

6. To consider and if thought fit, to pass, with or without modifications, the following resolution as Special Resolution:  
 "RESOLVED THAT pursuant to provisions of Section 198, 269, 309, 310 and 311 and all other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII (as amended from time to time) to the said Act, approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. S C Malhotra as Chairman of the Company for a period of five years with effect from 1<sup>st</sup> November 2008 on the following remuneration and terms and conditions set out in the draft agreement submitted to this Meeting and

for identification initiated by Mr. Rasheed A Maskati, a Director of the Company."

- (A) **Salary:** Rs.2,50,000 per month in the scale of Rs.2,50,000/- – Rs.4,50,000/-. The Annual increments, which will be effective 1<sup>st</sup> April each year will be decided by the Board of Directors.
- (B) **Perquisites:** Chairman shall be entitled to the perquisites as classified into three categories "A", "B" and "C" as follows:

#### Category "A"

- (i) **Residential Accommodation:**

Fully furnished residential accommodation, if no accommodation is provided by the Company, a suitable House Rent Allowance for a fully furnished residential accommodation or what the Board of Directors may determine will be paid to him.

- (ii) **The expenditure incurred by the Company on providing gas, electricity and water at the residential accommodation shall be valued as per the Income Tax Rules, 1962. This will, however, be subject to a ceiling of 10% of the salary of Mr. S.C. Malhotra.**

- (iii) **Medical Reimbursement:** Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

- (iv) **Leave Travel Concession:** For self and family once in a year incurred in accordance with the rules specified by the Company.

- (v) **Club Fees:** Fees of clubs subject to maximum of two Clubs. This will not include admission and life membership fees.

- (vi) **Personal Accident Insurance:** Premium not to exceed Rs.4,000/- p.a.

**Explanation:** For the purpose of Category "A" Family means the spouse, the dependent children and dependent parents.

#### Category "B"

- (i) **Contribution to Provident Fund** as per rules of the Company. This will not be included in the computation of ceiling on perquisites to the extent this either singly or put together are not taxable under the Income Tax Act.



- (ii) Gratuity payable shall not exceed half month's salary for each completed year of service. This will not be included in the computation of the ceiling on perquisites.

#### Category "C"

Provision of car with driver for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to Mr.S.C. Malhotra.

- (C) **Commission:** 1% of the net profits of the Company for each financial year or part thereof as laid down under Section 309(5) of the Companies Act, 1956.
- (D) **Leave:** Leave on full pay and allowance as per rules of the Company. Leave accumulated and not availed of may be encashed as per rules of the Company. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.
- (E) The Chairman will not be paid any sitting fees for attending the meeting of the Board of Directors or any Committee thereof.
- (F) The Chairman shall be entitled to the reimbursement of all expenses including travelling and entertainment expenses actually and properly incurred by him in the course of business of the Company.
- (G) In case the Chairman suffers permanent total disablement due to sickness or accident or shall die during the course of his employment hereunder, the Company shall pay full salary for the then current calendar month and for six calendar months thereafter, to him or his heirs as the case may be.
- (H) In case of premature death during the currency of this agreement, his nominee as disclosed by him in the Superannuation Scheme, will be paid 50% of the Salary for the balance period of the full term of this agreement.
- (I) Subject to the provisions of Section 201 of the Companies Act, 1956 the Company agrees to indemnify the Chairman for any costs, losses, penalty, fine expenses which he may incur or become liable to by reasons of any contract entered into or act or thing done by him in any way in the discharge of his duties as a Chairman.

"RESOLVED FURTHER THAT in the event of loss or absence or inadequacy of profits in any financial year of the Company subject to the provisions of the Companies Act, 1956 the salary and perquisites

payable and allowed to Mr S C Malhotra shall be as specified in Schedule XIII of the Companies Act, 1956 as amended from time to time."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to vary, alter, increase, expand, enhance, enlarge or widen the scope of the remuneration and perquisites, including the monetary value thereof specified in Schedule XIII to the Companies Act, 1956, as amended from time to time."

"RESOLVED LASTLY THAT the Board of Directors be and are hereby authorised to do all such acts, matters and things as may be considered necessary, desirable or expedient for the purpose of giving effect to this Resolution."

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

"RESOLVED THAT pursuant to provisions of Section 198, 269, 309, 310 and 311 and all other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII (as amended from time to time) to the said Act, approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Ranjit Malhotra as Vice-Chairman and Managing Director of the Company (with the designation of Vice-Chairman) for a period of five years with effect from 1<sup>st</sup> October 2008 on the following remuneration and terms and conditions set out in the draft agreement submitted to this Meeting and for identification initiated by Mr.Rasheed A Maskati, a Director of the Company."

(A) **Salary:** Rs.2,50,000/- per month in the scale of Rs.2,50,000/- – Rs.4,50,000/-. The Annual increments, which will be effective 1<sup>st</sup> April each year will be decided by the Board of Directors.

(B) **Perquisites:** Vice-Chairman shall be entitled to the perquisites as classified into three categories "A", "B" and "C" as follows:

#### Category "A"

- i. Residential Accommodation:

Fully furnished residential accommodation, if no accommodation is provided by the Company, a suitable House Rent Allowance for a fully furnished residential accommodation or what the Board of Directors may determine will be paid to him.

- ii. The expenditure incurred by the Company on providing gas, electricity and water at the residential accommodation shall be valued as per the Income Tax Rules, 1962. This will, however, be subject to a ceiling of 10% of the salary of Mr. Ranjit Malhotra.

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- iii. Medical Reimbursement: Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
- iv. Leave Travel Concession: For self and family once in a year incurred in accordance with the rules specified by the Company.
- v. Club Fees: Fees of clubs subject to maximum of two clubs. This will not include admission and life membership fees.
- vi. Personal Accident Insurance: Premium not to exceed Rs.4,000/- p.a.

**Explanation:** For the purpose of Category "A" Family means the spouse, the dependent children and dependent parents.

**Category "B"**

- i. Contribution to Provident Fund as per rules of the Company. This will not be included in the computation of ceiling on perquisites to the extent this either singly or put together are not taxable under the Income Tax Act.
- ii. Gratuity payable shall not exceed half month's salary for each completed year of service. This will not be included in the computation of the ceiling on perquisites.

**Category "C"**

Provision of car with driver for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to Mr. Ranjit Malhotra.

- (C) Commission: 1% of the net profits of the Company for each financial year or part thereof as laid down under Section 309(5) of the Companies Act, 1956.
- (D) Leave: Leave on full pay and allowance as per rules of the Company. Leave accumulated and not availed of may be encashed as per rules of the Company. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.
- (E) The Vice-Chairman will not be paid any sitting fees for attending the meeting of the Board of Directors or any Committee thereof.
- (F) The Vice-Chairman shall be entitled to the reimbursement of all expenses including travelling and entertainment expenses actually

and properly incurred by him in the course of business of the Company.

- (G) In case the Vice-Chairman suffers permanent total disablement due to sickness or accident or shall die during the course of his employment hereunder, the Company shall pay full salary for the then current calendar month and for six calendar months thereafter, to him or his heirs as the case may be.
- (H) In case of premature death during the currency of this agreement, his nominee as disclosed by him in the Superannuation Scheme, will be paid 50% of the Salary for the balance period of the full term of this agreement.
- (I) Subject to the provisions of Section 201 of the Companies Act, 1956 the Company agrees to indemnify the Vice-Chairman for any costs, losses, penalty, fine expenses which he may incur or become liable to by reasons of any contract entered into or act or thing done by him in any way in the discharge of his duties as a Vice-Chairman.

"RESOLVED FURTHER THAT in the event of loss or absence or inadequacy of profits in any financial year of the Company subject to the provisions of the Companies Act, 1956 the salary and perquisites payable and allowed to Mr. Ranjit Malhotra shall be specified in Schedule XIII of the Companies Act, 1956 as amended from time to time."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to vary, alter, increase, expand, enhance, enlarge or widen the scope of the remuneration and perquisites, including the monetary value thereof specified in Schedule XIII to the Companies Act, 1956, as amended from time to time."

"RESOLVED LASTLY THAT the Board of Directors be and are hereby authorised to do all such acts, matters and things as may be considered necessary, desirable or expedient for the purpose of giving effect to this Resolution."

By Order of the Board  
For **EMPIRE INDUSTRIES LIMITED**

**S.K. GULATI**  
Director Finance &  
Company Secretary

**Registered Office:**

414, Senapati Bapat Marg,  
Lower Parel, Mumbai - 400 013.  
Place : Mumbai  
Date : June 27, 2008.

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of Item Nos. 6 & 7 as set out above is annexed hereto.
3. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. The Company has already notified closure of Register of Members and Transfer Books thereof from Monday, the 14<sup>th</sup> July 2008 to Friday, the 18<sup>th</sup> July 2008 (both days inclusive) for determining the names of members eligible for dividend, if approved, on equity shares.
5. The Dividend on Equity shares, as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid on or after August 27, 2008 to those Members whose names shall appear on the Company's Register of Members on July 13, 2008. In respect of shares held in dematerialised form, the dividend will be paid to Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
6. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
7. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
8. In order to provide protection against fraudulent encashment of dividend warrants, Members who hold shares in physical form are requested to intimate the Company's Registrars and Transfer Agents, M/s. Bigshare Services Pvt. Ltd., under the signature of the Sole/First joint holder, the following information to be incorporated on dividend warrants:

- (i) Name of the Sole/First joint holder and the Folio Number.

## (ii) Particulars of Bank Account, viz.

- (a) Name of Bank
- (b) Name of Branch
- (c) Complete address of the Bank with PIN Code Number.
- (d) Account Type, whether Savings Account (SA) or Current Account (CA)
- (e) Bank Account Number.
- (f) MICR Number.

Members who hold shares in dematerialised form may kindly note that their Bank Account details, as furnished by their Depositories to the Company, will be printed on their dividend warrant as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for deletion of or change in such Bank Account details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in electronic form. Members who wish to change such Bank account details are therefore requested to advise their Depository Participants about such change with complete details of Bank Account.

To avoid loss of dividend warrants in transit and undue delay in respect of receipt of dividend warrants, the company has provided a facility to the Members for remittance of dividend through Electronic Clearing System (ECS). The ECS facility is available at locations identified by Reserve Bank of India from time to time and covers most of the cities and towns. Members holding shares in physical form and desirous of availing this facility are requested to contact the Company's Registrars and Transfer Agents, M/s. Bigshare Services Private Limited.

9. Shareholders who have not yet dematerialised their shares and wish to dematerialise the same are requested to apply for dematerialisation through your Depository Participants.
10. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send the share certificates to the Company's Registrars and Transfer Agents, M/s. Bigshare Services Private Limited, for consolidation into a single folio.

## ANNEXURE TO NOTICE

As required by Section 173 of the Companies Act, 1956 the following Explanatory statement set out all material facts relating to the business mentioned under Item Nos. 6 & 7 of the accompanying Notice dated June 27, 2008.

### Item No. 6

Mr. S.C. Malhotra's tenure of appointment as Chairman of the Company expires on 31<sup>st</sup> October 2008. The Board of Directors at its Meeting held on 27<sup>th</sup> June, 2008, have re-appointed Mr. S.C. Malhotra as Chairman subject to the approval of the Members of the Company, for a period of five years with effect from 1<sup>st</sup> November, 2008, on such remuneration and terms & conditions as set out in the Resolution. Mr. S.C. Malhotra satisfies all the conditions set out in Part-I of Schedule XIII to the Companies Act, 1956 for being eligible for the re-appointment. Since Mr.S.C. Malhotra has attained the age of 75 years, his reappointment is to be approved by Special Resolution per provisions of Schedule XIII of the Companies Act, 1956.

The draft Agreement to be entered into by the Company with Mr. S C Malhotra is available for inspection by the Members of the Company between 10.00 A.M. and 1.00 P.M. on all working days up to and including day of the Meeting.

A brief resume of Mr. S.C. Malhotra, nature of his expertise in specific functional areas as stipulated under Clause 49 of Listing Agreement with the Bombay Stock Exchange Limited, is provided in the Report of Corporate Governance forming part of the Annual Report.

Mr. S.C. Malhotra is interested in the proposed Resolution as it concerns his own remuneration. Mr. Ranjit Malhotra and Mr. Dileep Malhotra, Directors of the Company may also be regarded as interested in the Resolution as relatives of Mr. S.C. Malhotra.

### Item No. 7

Mr. Ranjit Malhotra's tenure of appointment as Vice-Chairman & Joint Managing Director of the Company expires on 30<sup>th</sup> September 2008. The Board of Directors at its Meeting held on 27<sup>th</sup> June, 2008, have re-appointed Mr. Ranjit Malhotra as Vice-Chairman & Managing

Director (With the designation of Vice-Chairman) subject to the approval of the Members of the Company, for a period of five years with effect from 1<sup>st</sup> October, 2008, on such remuneration and terms & conditions as set out in the Resolution. Mr. Ranjit Malhotra satisfies all the conditions set out in Part-I of Schedule XIII to the Companies Act, 1956 for being eligible for the re-appointment.

The draft Agreement to be entered into by the Company with Mr. Ranjit Malhotra is available for inspection by the Members of the Company between 10.00 A.M. and 1.00 P.M. on all working days up to and including day of the Meeting.

A brief resume of Mr. Ranjit Malhotra, nature of his expertise in specific functional areas as stipulated under Clause 49 of Listing Agreement with the Bombay Stock Exchange Limited, is provided in the Report of Corporate Governance forming part of the Annual Report.

Mr. Ranjit Malhotra is interested in the proposed Resolution as it concerns his own remuneration. Mr. S.C. Malhotra and Mr. Dileep Malhotra, Directors of the Company may also be regarded as interested in the Resolution as relatives of Mr. Ranjit Malhotra.

The Explanatory Statements and the Resolutions may be treated as an abstract under Section 302 of the Companies Act, 1956.

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

By Order of the Board  
For **EMPIRE INDUSTRIES LIMITED**

**S.K. GULATI**  
*Director Finance &  
Company Secretary*

### Registered Office:

414, Senapati Bapat Marg,  
Lower Parel, Mumbai - 400 013.  
Place : Mumbai  
Date : June 27, 2008.





## DIRECTORS' REPORT

The Directors hereby present their Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2008.

### FINANCIAL RESULTS:

Particulars	Year ended 31.03.2008 Rupees	Year ended 31.03.2007 Rupees
<b>Income:</b>		
Sales & Commission	1,15,93,67,847	91,07,55,989
Educational Income	—	4,32,315
Other Income	27,28,01,650	19,68,65,027
	<u>1,43,21,69,497</u>	<u>1,10,80,53,331</u>
Less : Operating Expenses	1,28,90,36,432	99,19,08,573
Profit Before Tax	14,31,33,065	11,61,44,758
Less : Provision for Current Taxation	3,67,50,000	1,50,00,000
Provision for Fringe Benefit Tax	73,50,000	65,00,000
Provision for Deferred Tax	65,74,000	88,26,000
	<u>9,24,59,065</u>	<u>8,58,18,758</u>
Add : Excess Tax Provision written back	—	4,87,405
Amount available for appropriation	<u>9,24,59,065</u>	<u>8,63,06,163</u>
<b>Appropriated as under:</b>		
Dividend proposed	4,79,99,984	3,59,99,988
Tax on Proposed Dividend	81,57,598	61,18,198
General Reserve	3,63,01,483	4,41,87,977
<b>Total amount appropriated</b>	<u>9,24,59,065</u>	<u>8,63,06,163</u>

### DIVIDEND:

The Directors are pleased to recommend, for your consideration, payment of Dividend @ 80 % (Rs.8/- per Equity Share of the face value of Rs.10/- Tax Free) for the financial year 2007-08. The total amount of the Dividend outgo will be Rs.4,79,99,984/- as against Rs.3,59,99,988/- for the previous financial year. The tax on distributed profits, payable by the Company would amount to Rs.81,57,598/- as against Rs.61,18,198/- for the previous financial year.

### OPERATIONS:

#### Vitrum Glass:

The Division manufactures Amber Glass Bottles of international quality for the Pharmaceutical Industry. Over one million bottles are manufactured every day on four fully automatic production lines. During the year under

review the Division achieved 20% higher turnover at Rs.56.58 crore and direct export was more than double at Rs.3.85 crore. This Division is expected to do well in the coming years.

#### EMPIRE MACHINE TOOLS – MFTM

##### (Metal Forming, Testing & Metrology):

This Division is engaged in agency business covering sales, project execution and service support of hi-tech machines in Metal Forming, Metrology, Assembly and Testing Lines, Welding, Melting, Heat Treatment and Process consultancy. Local sourcing for turnkey jobs and project execution are new challenge areas. A shift to higher value products needs sourcing in greenfield projects, new product sourcing activities; teams working to achieve goals are the main thrusts for the Division to position itself uniquely. The Division expects to do good business in the current year.

#### EMPIRE MACHINE TOOLS – MCAT

##### (Metal Cutting & Allied Technologies):

MCAT Division has done well in terms of order booking mainly due to investments in Automobile (OE and Tier I supplies), power generation and infrastructure (construction equipment) sectors. Shipments have been affected due to long deliveries for machine tools from Germany and Japan. Prospects in power generation equipment manufacturer and infrastructure seem to be bright and the Division expects to improve its performance in the current year.

#### Empire Chemicals:

The focus of the business continued to be in the area of Pharmaceutical APIs, Intermediates and Fluoro-Chemicals. During the year, the business (major source-China) faced some serious hurdles caused by - pressure on China to appreciate currency against USD, withdrawal of Chinese duty drawback, clampdown on a large number of plants in preparation for Beijing Olympics and volatility related to crude oil prices.

On the plus side, some businesses which had seen a slow-down during the year have shown smart recovery and volumes have already been committed for year 2008-09. Business to Taiwan has doubled during the year and is expected to further increase during current year.

#### Empire Industrial Equipment:

This Division has made remarkable progress during the year in procuring high value orders from Refineries, Steel Plants, etc. Growth in other sectors like Auto Ancillary, Coal Bed Methane (CBM) has also helped the Division to achieve comfortable Order position. Recent industrial

growth and the demand for investment has given the Division good opportunities in taking up some Turnkey Projects. The Division is expected to do even better in the current year.

#### **Empire Vending (GRABBIT)**

The Division has grown in numbers and strength under the brand name "GRABBIT – Premium Vending Services" with a catch line of "Vending without Ending". During the year this Division has started its operations in two more cities in addition to Mumbai and a new business segment for "Non-Food Vending" in public locations like Malls is getting overwhelming response from Corporates for food vending services and from Brands for selling the products through our vending machines. Brand building through our vending machines has become a big revenue earner. This Division will be expanding its operations to nine more cities in the coming year.

#### **CAPITAL EXPENDITURE:**

The Major Capital Expenditure of Rs.32 Crore was incurred on construction of a seven storied building admeasuring approx. 1,90,000 Sq. Ft. for Information Technology industries at Company's vacant land at Vikhroli. The said building was completed in August, 2007 and given on Leave & License basis to TCS Ltd. (5 Floors), Development Credit Bank (1 Floor) and Global Broadcast News Ltd. (1 Floor). Due to more demand in this area, we are planning to construct another Building of approx. 2,00,000 sq. ft. for which we are in finalisation stage of seeking permissions from necessary authorities. The substantial property at Lower Parel is given on Leave & License basis to well-known MNCs and reputed Indian Companies.

#### **DIRECTOR'S RESPONSIBILITY STATEMENT:**

As stipulated in Section 217(2AA) of the Companies Act, 1956, your Board of Directors confirm as under:

- (i) that in the preparation of the annual accounts, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgements 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 at March 31, 2008 and of the profit of the Company for the year ended on that date;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets

of the Company and for preventing and detecting fraud and other irregularities; and

- (iv) that the Directors have prepared the Annual Accounts of the Company on a going concern basis.

#### **CORPORATE GOVERNANCE:**

A report on Corporate Governance is given in the Annexure forming part of this report.

#### **FIXED DEPOSITS:**

As on March 31, 2008, 127 depositors had not claimed their matured deposits amounting to Rs.18,26,000/-. Since then 51 depositors have claimed/renewed their deposits amounting to Rs.11,27,000/-. As of date, all deposit claims have been met, except unclaimed deposits amounting to Rs.6,97,000/-. The Company has complied with the provisions of Section 58 A of the Companies Act, 1956.

#### **PARTICULARS OF EMPLOYEES:**

As required by the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, the names and other particulars of employees is given in the Annexure forming part of this report.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Information pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988, relating to the foregoing matters is given in the Annexure forming part of this report.

#### **DIRECTORS:**

Mr. N.V. Khote passed away on September 9, 2007. The Board has placed on record its high sense of appreciation for the valuable services rendered by Mr. N.V. Khote during the period of his association with the Company.

In accordance with the provisions of the Companies Act, 1956, and the Articles of Association of the Company, Mr. Dileep Malhotra and Mr. J.N. Guzder, retire by rotation at this Annual General Meeting and being eligible, offer themselves for re-appointment.

#### **TRANSFER OF UNPAID/UNCLAIMED AMOUNTS TO IEPF**

Pursuant to the provisions of Section 205C of the Companies Act, 1956 the Fixed Deposits and interest thereon which remained unpaid/unclaimed for a period of 7 years have been transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the said Act.