



GARWARE MARINE INDUSTRIES LIMITED



**TWENTY NINTH ANNUAL REPORT
2006-07**

GARWARE MARINE INDUSTRIES LIMITED

Twenty Ninth Annual Report 2006-07

**GARWARE MARINE INDUSTRIES LIMITED**

Founder : Padma Bhushan late Dr. B. D. Garware - Founder of the Garware Group

BOARD OF DIRECTORS	ASHOK GARWARE (Chairman)	M.A. (Cantab)
	ADITYA GARWARE (Vice-chairman)	M.B.A. (U.S.A.)
	V. V. DESAI	B.Com., LL.B., D.A.M.
	DR. B. M. SARAIYA	M.B.B.S.
	C. V. RAMACHANDRAN	B.Com., LL.B., F.C.S., D.T.M. DIP.A.
	S. V. ATRE (Additional & Executive Director w.e.f. 31-10-2007)	B.Sc. ENGG., D.M.M.
COMPANY SECRETARY	A. C. CHANDARANA	B.Com., LL.B., F.C.S.
BANKERS	IDBI BANK LTD.	
	THE SHAMRAO VITHAL CO-OP. BANK LTD.	
AUDITORS	MESSRS RAMAN S. SHAH & ASSOCIATES Chartered Accountants	
SOLICITORS	V. DESHPANDE & CO. Advocates & Solicitors	
REGISTERED OFFICE	Chandermukhi, Nariman Point, Mumbai - 400 021.	
FACTORY	E-9/10, M.I.D.C. Industrial Area, Ahmednagar - 414 001 (Maharashtra)	
REGISTRAR & SHARE TRANSFER AGENT	Bigshare Services Pvt. Ltd. E-2/3 Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Andheri (E), Mumbai - 400 072.	

GARWARE MARINE INDUSTRIES LIMITED

Twenty Ninth Annual Report 2006-07

NOTICE

NOTICE is hereby given that the Twenty Ninth Annual General Meeting of the Members of Garware Marine Industries Limited will be held on Monday, 31st December, 2007 at 9.30 a.m. at "Garware Sabhagriha", F.P.H. Building, Lala Lajpatrai Marg, Haji Ali, Mumbai - 400 034 to transact the following business :

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 30th June, 2007 and the Profit & Loss Account for the year ended on that date together with Directors' and Auditors' Reports thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri Aditya Garware who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. C.V. Ramachandran who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

6. To consider and, if thought fit to pass with or without modification(s), the following Resolution as an 'Ordinary Resolution' :

"RESOLVED THAT Mr. Shamsunder Vasudev Atre who was appointed as an Additional Director of the Company and holds office till the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice from a Shareholder under Section 257 of the Companies Act, 1956 proposing his candidature for the Office of Director, be and is hereby appointed as Director of the Company'.

7. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an 'Ordinary Resolution' :

'RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, and subject to such other approvals, as may be required, consent be and is hereby accorded to the appointment and payment of remuneration to Mr. Shamsunder Vasudev Atre as Executive Director of the Company, for a period of 3 (three) years with effect from 31st October, 2007, on the terms and conditions as set out in the Draft Agreement to be entered into by the Company with Mr. Shamsunder Vasudev Atre and submitted to this meeting and initialed by the Chairman for the purpose of identification'.

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a 'Special Resolution' :

"RESOLVED THAT pursuant to Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (Act) (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the Articles of Association of the Company, the Listing Agreements entered by the Company with Stock Exchanges, the Guidelines for preferential issues contained in the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 (SEBI Guidelines), the applicable laws, rules, regulations, guidelines, clarifications and approvals including those issued by the Reserve Bank of India (RBI) wherever applicable, and any other statutory/regulatory authorities and subject to such approvals/consents/permissions/ sanctions as may be required in accordance with applicable laws, rules, regulations and guidelines and subject to such conditions as the authorities may impose at the time of granting their approvals / consents/permissions / sanctions and which may be agreed to by the Board of Directors of the Company (the "Board", which expression shall include any Committee thereof constituted by the Board), consent of the members of the Company be and is hereby accorded to the Board to issue and allot, in one or more tranches and upon such terms and conditions as may be deemed appropriate by the Board, by way of preferential allotment up to 3,50,000 Warrants entitling the holders of the Warrants to exercise an option to subscribe to 3,50,000 Equity Shares of Rs.10/- each of the Company equal to the number of Warrants that may be allotted to them for cash at a price of Rs.25/- Per Share (i.e at a premium of Rs.15/- per share), ranking pari passu with the existing



equity shares of the Company (the "Shares") to Promoters / Group of the Promoter Companies and their Nominees on such other terms and conditions, as the Board may deem appropriate in its absolute discretion."

"RESOLVED FURTHER THAT

- (a) The relevant date for the purpose of pricing of the issue of the Shares resulting from the warrants in accordance with SEBI Guidelines is 1st December, 2007 being the 30th day prior to 31st December, 2007 (i.e. the 30th day prior to the date on which the meeting of the general body of shareholders is to be held, in terms of Section 81 (1A) of the Companies Act, 1956, to consider the proposed issue).
- (b) The Board be and is hereby authorized to decide and approve the other terms and conditions of the issue of the Warrants and Shares arising on exercise of Warrants and also shall be entitled to vary, modify or alter any of the terms and conditions including the size of the issue, as it may deem expedient.
- (c) The currency of the warrants shall not exceed 18 months from the date of their issue.
- (d) The Warrants shall be locked in for a period of three years from the date of their allotment, provided that the lock - in on Equity Shares acquired by conversion of Warrants shall be reduced to the extent the Warrants have already been lock - in.
- (e) The Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any director or directors or to any committee of Directors of the Company to give effect to the aforesaid resolution."

"RESOLVED FURTHER THAT for giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds and things as the Board may, in its absolute discretion, consider necessary, expedient, usual, proper or incidental and to settle any question, remove any difficulty or doubt that may arise from time to time in relation to the offer, issue and allotment of the Warrants and Shares arising on exercise of the option relating to the Warrants and the utilisation of the issue proceeds of the Warrants and the Shares arising on exercise of the option relating to the Warrants and to take such actions or give such directions as may be necessary or desirable and to obtain any approvals, permissions, sanctions which may be necessary or desirable, as they may deem fit."

9. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (Act) (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the Articles of Association of the Company, the Listing Agreements entered by the Company with Stock Exchanges, the Guidelines for preferential issues contained in the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 (SEBI Guidelines), the applicable laws, rules, regulations, guidelines, clarifications and approvals including those issued by the Reserve Bank of India (RBI) wherever applicable, and any other statutory/regulatory authorities and subject to such approvals/consents/permissions/ sanctions as may be required in accordance with applicable laws, rules, regulations and guidelines and subject to such conditions as the authorities may impose at the time of granting their approvals / consents/permissions / sanctions and which may be agreed to by the Board of Directors of the Company (the "Board", which expression shall include any Committee thereof constituted by the Board), consent of the members of the Company be and is hereby accorded to the Board to issue and allot, in one or more tranches and upon such terms and conditions as may be deemed appropriate by the Board, by way of preferential allotment up to 4,70,000 Warrants entitling the holder of the Warrants to exercise an option to subscribe to 4,70,000 Equity Shares of Rs.10/- each of the Company equal to the number of Warrants that may be allotted to them for cash at a price of Rs.25/-Per Share (i.e at a premium of Rs.15/- per share), ranking pari passu, with the existing equity shares of the Company (the "Shares) to Non Promoters and other Domestic investors and/ or its affiliates, on such other terms and conditions, as the Board may deem appropriate in its absolute discretion."

"RESOLVED FURTHER THAT

- (a) The relevant date for the purpose of pricing of the issue of the Shares resulting from the warrants in accordance with SEBI Guidelines is 1st December, 2007 being the 30th day prior to 31st December, 2007

GARWARE MARINE INDUSTRIES LIMITED

Twenty Ninth Annual Report 2006-07

(i.e. the 30th day prior to the date on which the meeting of the general body of shareholders is to be held, in terms of Section 81 (1A) of the Companies Act, 1956, to consider the proposed issue).

- (b) The Board be and is hereby authorized to decide and approve the other terms and conditions of the issue of the Warrants and Shares arising on exercise of Warrants and also shall be entitled to vary, modify or alter any of the terms and conditions including the size of the issue, as it may deem expedient.
- (c) The currency of the warrants shall not exceed 18 months from the date of their issue.
- (d) The Warrants shall be locked in for a period of one year from the date of their allotment, provided that the lock – in on Equity Shares acquired by conversion of Warrants shall be reduced to the extent the Warrants have already been lock – in.
- (e) The Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any director or directors or to any committee of Directors of the Company to give effect to the aforesaid resolution."

"RESOLVED FURTHER THAT for giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds and things as the Board may, in its absolute discretion, consider necessary, expedient, usual, proper or incidental and to settle any question, remove any difficulty or doubt that may arise from time to time in relation to the offer, issue and allotment of the Warrants and Shares arising on exercise of the option relating to the Warrants and the utilisation of the issue proceeds of the Warrants and the Shares arising on exercise of the option relating to the Warrants and to take such actions or give such directions as may be necessary or desirable and to obtain any approvals, permissions, sanctions which may be necessary or desirable, as they may deem fit."

Registered Office :

Chander Mukhi
Nariman Point
Mumbai – 400 021

By Order of the Board

A.C. CHANDARANA
COMPANY SECRETARY

Date : 30th November, 2007.

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL ONLY, INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. An Explanatory Statement pursuant to Section 173 of The Companies Act, 1956 in respect of special business for Item Nos. 6 to 9 is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 27th December, 2007 to 31st December, 2007 (both day inclusive).
4. Brief Profile of Directors to be appointed/re-appointed.

MR. S.V. ATRE

Mr. Atre, aged 63 is an Electrical Engineer with additional qualification of Diploma in Marketing Management from Jamnalal Bajaj Institute (University of Mumbai).

He has work experience of 37 years in various functions of an organization. He was with C.P. Tools (merged with ATLAS Copco in 1996) for 31 years. He has been with Garware Marine Industries Ltd. since 2001.

Other Directorship held : NIL



MR. ADITYA A. GARWARE

Mr. Aditya Garware, aged 36 years, is an M.B.A. from Lehigh University (USA) and has wide experience in the management of various Companies. He has been associated with the Company since May, 1993.

Other Directorship held.: Aybeegee Investment Co. Pvt. Ltd., Adsu Trading & Investment Co. Pvt. Ltd., Asuad Trading & Investment Co. Pvt. Ltd., Garware Goa Nets Ltd., Garware Offshore Services Ltd., Masu Trading & Investment Co. Pvt. Ltd., Mauve Trading Co. Pvt. Ltd., Shesu Trading & Investment Co. Pvt. Ltd., Universal Investment Services Pvt. Ltd., Veebeegee Investment Co. Pvt. Ltd.

MR. C.V. RAMACHANDRAN

Mr. C.V. Ramachandran is an L.L.B. and Fellow Member of Institute of Company Secretaries of India, having wide and varied experience over 40 years especially in legal matters.

Other Directorship held : Garware Goa Nets Ltd.

5. For the Convenience of Members, an Attendance Slip is annexed to the Proxy Form, Members are requested to fill in and affix their signatures at the space provided therein and hand over the Attendance Slip at the entrance of the place of the Meeting. Proxy / Representative of a Member should mark on the Attendance Slip as 'Proxy' or 'Representative' as the case may be. Members are also requested not to bring with them any person, who is not a Member / Proxyholder.
6. Members are requested to address all their future correspondence including change of address, Transfer of Shares and Dematerialisation etc., to the Company's Registrar & Share Transfer Agent, M/s. Bigshare Services Pvt. Ltd., E-2/3 Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Andheri (E), Mumbai - 400 072. Tel. No.28560652, Fax No.28525207.

REQUEST TO THE MEMBERS :

7. Members desiring any information on the Accounts at the Annual General Meeting are requested to write to the Company at least ten days in advance of the Annual General Meeting so as to enable the Company to keep the information ready. Only the information which can be furnished will be furnished to the Members.
8. Members are requested to bring their copy of Annual Report at the Meeting.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.

ITEM NO.6 & 7

Mr. S.V. Atre was appointed as an Additional Director of the Company with effect from 31st October, 2007 and shall hold office till the date of the ensuing Annual General Meeting. Notice u/s. 257 of the Companies Act, 1956 has been received from a Shareholder proposing his candidature for the office of the Director.

Mr. S.V. Atre has been associated with the Company since 2001 and has rich experience in the field of Production and Marketing and other related matters. His experience has been and will continue to be of immense help to the Company. Members are requested to appoint him as Director.

In the event Mr. S.V. Atre is appointed as a Director, it is also proposed to appoint him as Executive Director of the Company for a period of three years. With effect from 31st October, 2007 and pay remuneration under the provisions of the Companies Act, 1956.

GARWARE MARINE INDUSTRIES LIMITED

Twenty Ninth Annual Report 2006-07

The following remuneration is proposed to be paid :

(a)	SALARY	Rs.25,000/- per month or such higher amount as may be approved by the Board of Directors or its Committee from time to time.
(b)	HOUSE RENT ALLOWANCE	Rs.10,000/- per month
(c)	PERQUISITES	<p>Mr. S.V.Atre will, in addition to salary be entitled to benefits like Ex-Gratia and other perquisites such as reimbursement of medical expenses of Rs.2,000/- per month incurred for self and family, leave travel allowance of Rs.2,000/-per month for self and family, provision of a car with driver, telephone at residence and other allowances as per the rules of the Company. Perquisites shall be evaluated as per Income-Tax Rules, wherever applicable.</p> <p>Mr.S.V.Atre shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration:</p> <p>(i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.</p> <p>(ii) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.</p> <p>(iii) Encashment of leave at the end of his tenure.</p> <p>(iv) Mr. S.V.Atre will be entitled to leave on full remuneration, as per the rules of the Company but not exceeding one month's leave for every 11 months of service.</p> <p>(v) Mr. S.V.Atre will also be entitled to reimbursement of entertainment expenses actually incurred by him in the course of business of the Company.</p> <p>(vi) Mr. S.V.Atre will also be entitled to receive from the Company travelling, hotel and other expenses incurred in performance of the duties on behalf of the Company.</p>

The above shall be treated as an abstract of the terms and conditions u/s.302 (7) of the Companies Act 1956. The draft agreement proposed to be entered between the Company and Mr. S.V. Atre is available for inspection to the members on any working day between 2.00 PM. and 4.00 PM at the Registered Office of the Company till the date of the conclusion of the Annual General Meeting.

Except Mr. S.V. Atre, no other Directors are interested or concerned in passing of the Resolution.

ITEM NO. 8 & 9

The Board of Directors at its meeting held on 30th November, 2007, subject to the approval of the shareholders and any other statutory approvals wherever applicable, has proposed to offer for subscription by way of preferential allotment up to 3,50,000 Warrants of Rs. 10/- each to Promoters and Group of Promoter Companies and 4,70,000 Warrants of Rs.10/- each to Non-Promoters of the Company for cash at a price of Rs.25/- Per-Warrant (i.e. at a premium of Rs.15/-). The Equity Shares arising on conversion of Warrants shall rank pari passu with all the existing shares of the Company.

The issue price computed on the basis of the SEBI Guidelines is Rs.24.68 per Warrant approximately and the shares to be issued in exercise of the option relating to the Warrants are proposed to be issued at Rs.25/- per Share.

The currency of the Warrants shall not exceed 18 months from the date of the issue of the Warrants.

Disclosures required to be made in the Explanatory Statement pursuant to the provisions of the SEBI (Disclosures and Investors Protection) Guidelines, 2000 (the SEBI Guidelines) are set out below:

1. The object of the issue through preferential offer:

The funds raised from the proposed issue of Warrants will be utilized for part funding the Capital Expenditure for expansion and support growth plans of the company and repayment of existing debts..



II. Intention of the Promoters/Directors to subscribe to the offer:

It is proposed to issue the Warrants to the Promoters / Group of the Promoter Companies and their Nominees and Key Management Persons.

IDENTITY OF THE PROPOSED ALLOTTEES

PARTICULARS	PRE ISSUE		NO. OF WARRANTS TO BE SUBSCRIBED	AFTER CONVERSION	
	No. of Shares held	% of Holding	No. of Warrants	Total No. of shares Held	% of Holding
A. PROMOTERS					
Adsu Trading & Investment Co. Ltd	5,800	0.12	1,00,000	1,05,800	1.84
Ashok B. Garware	3,90,630	7.90	1,00,000	4,90,630	8.51
Universal Investments Services Pvt.Ltd.	1,68,655	3.41	1,50,000	3,18,655	5.53
B. NON PROMOTERS					
Ajay Malpani	16,041	0.32	40,000	56,041	0.97
Ajay Malpani H.U.F.	—	—	40,000	40,000	0.69
Beeba Pai	—	—	40,000	40,000	0.69
Suresh Pai	—	—	40,000	40,000	0.69
G.C.Malpani H.U.F.	4,150	0.08	36,000	40,150	0.70
Aruna Pugalia	—	—	32,000	32,000	0.55
Bharati Damani	—	—	32,000	32,000	0.55
C.D.More	—	—	32,000	32,000	0.55
Othayamangalam.Pavithran	3,101	0.06	30,000	33,101	0.57
Sajitha Pavithran	—	—	32,000	32,000	0.55
Santosh R Bhise	—	—	32,000	32,000	0.55
S.N.Damani	291	0.00	32,000	32,291	0.56
Sujata More	—	—	32,000	32,000	0.55
Piyush Patel	950	0.02	20,000	20,950	0.36
TOTAL	—	—	8,20,000		

The number of Warrants to be subscribed as mentioned herein above may be interchanged with proposed allottees. However, the total number of Warrants to be allotted pursuant to these resolutions will remain same.

The composition of the present Board of Directors is not likely to undergo any change.

GARWARE MARINE INDUSTRIES LIMITED

Twenty Ninth Annual Report 2006-07

- III. Shareholding pattern before and after the offer on allotment of Equity Shares and on conversions of warrants into Equity shares. :

CATEGORY OF SHAREHOLDERS	PRE ISSUE		POST ISSUE	
	NO. OF SHARES / WARRANTS HELD	% OF HOLDING	NO. OF SHARES HELD	% OF HOLDING
A. PROMOTERS HOLDING				
Indian Promoters	14,76,890	29.86	18,26,890	31.68
Foreign Promoters	-	-	-	-
B. NON PROMOTERS HOLDING				
Mutual funds and UTI	100	0.00	100	0.00
Banks/ financial Institutions / Insurance Companies	25,325	0.51	25,325	0.44
Foreign Institutional Investors	-	-	-	-
Private Corporate Bodies	5,23,994	10.59	5,23,994	9.09
Indian Public & Trust	27,40,506	55.41	32,10,506	55.68
NRIs	8,354	0.17	8,354	0.14
Trust	1,71,015	3.46	1,71,015	2.97
GRAND TOTAL	49,46,184	100	57,66,184	100.00

Presumptions :-

- All Warrant Holders will exercise their option for conversion into Equity Shares.
- All the Equity shares / Warrants as are offered to the proposed allottees are fully subscribed to and allotted to them.
- All the warrants are at the time of exercise of the option, held by the said proposed allottees respectively and that all the Warrants are exercised by them.

- IV. Proposed time within which the allotment shall be completed:

The allotment of Shares / Warrants is proposed to be completed within a maximum period of 15 days from the date of passing of the resolution at the General Meeting, provided that when the allotment on preferential basis is pending on account of pendency of any approval for such allotment by any regulatory authority, the allotment shall be completed within 15 days from the date of receipt of such last approval.

None of the Directors of the Company except Mr. Ashok Garware and Mr. Aditya Garware shall be interested to the extent of shares that may be allotted to them and/or, the promoter Group Companies.

A copy of the certificate from Messrs. Raman S. Shah & Associates, Chartered Accountants, Mumbai, Statutory Auditors of the Company, certifying that the issue of Warrants and shares arising on exercise of Warrants is being made in accordance with the requirements of the SEBI Guidelines shall be available for inspection of members at the Registered Office of the Company between 2.00 p.m. and 4.00 p.m. on any Working Day till the date of the conclusion of the Extra-Ordinary General Meeting and placed before the Shareholders at the Extra Ordinary General Meeting.

The Special Resolution has been proposed under the provisions of Section 81(1A) of the Companies Act, 1956 in view of the fact that the Warrants and Shares arising out of conversion of Warrants will be offered to persons who may or may not be the existing members.

Registered Office :

Chander Mukhi
Nariman Point
Mumbai - 400 021

Dated 30th November, 2007.

By Order of the Board

A.C. CHANDARANA
COMPANY SECRETARY



DIRECTORS' REPORT

FOR THE YEAR ENDED 30TH JUNE, 2007

TO
THE MEMBERS

	12 months period ended 30.06.07	Rs. in Lacs 18 months period ended 30.06.06
1. FINANCIAL RESULTS :		
Income from Operations / Other Income	1,281.92	1,730.71
Expenses	1,137.27	1,557.39
Profit before Interest, Depreciation & Tax	144.65	173.32
Interest & Finance Charges	49.81	96.72
Profit before Depreciation & Tax	94.84	76.60
Depreciation & Amortisation	16.34	22.91
Provision for Tax (including Fringe Benefit Tax)	11.76	0.58
Net Profit for the year	66.74	53.11

2. DIVIDEND :

The Board of Directors is pleased to recommend Dividend @ 5% (previous year -- 5%) subject to the approval of the Members at the ensuing Annual General Meeting out of the Current Profits of the company on 49,46,184 Equity Shares of Rs.10/- each. The Cash Outflow on account of Dividend will be Rs.28.93 Lacs (previous year--Rs.28.20 Lacs) inclusive of tax on Dividend.

3. OPERATIONS :

During the year under review, the production was 370 M.T. (previous period 406.831 M.T. for 18 months). Income from operation was Rs.1197.09 Lacs for the period (as against Rs.1652.87 Lacs for 18 months). Interest and Finance charges was reduced to Rs.49.81 Lacs (as against Rs.96.72 Lacs for 18 months).

The Operating profits for the year stood at Rs.94.84 Lacs (as against Rs.76.60 Lacs for 18 months). The Profit after tax was Rs.66.74 Lacs (as against Rs.53.11 Lacs for 18 months), an increase of 95% on an annualised basis.

The market outlook for the current year is also positive even though there was a slowdown in the monsoon season. Plans to improve productivity and profitability are under active consideration.

4. RESPONSIBILITY STATEMENT :

The Directors confirm :

- a. 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.
- b. 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 at the end of the Financial year and of the profit of the Company for that period.
- c. That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with 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.

5. FIXED DEPOSITS :

During the period under review, the Company has not accepted any deposit from public and shareholders.