



# GOVIND RUBBER LIMITED

## 21ST ANNUAL REPORT 2005-2006



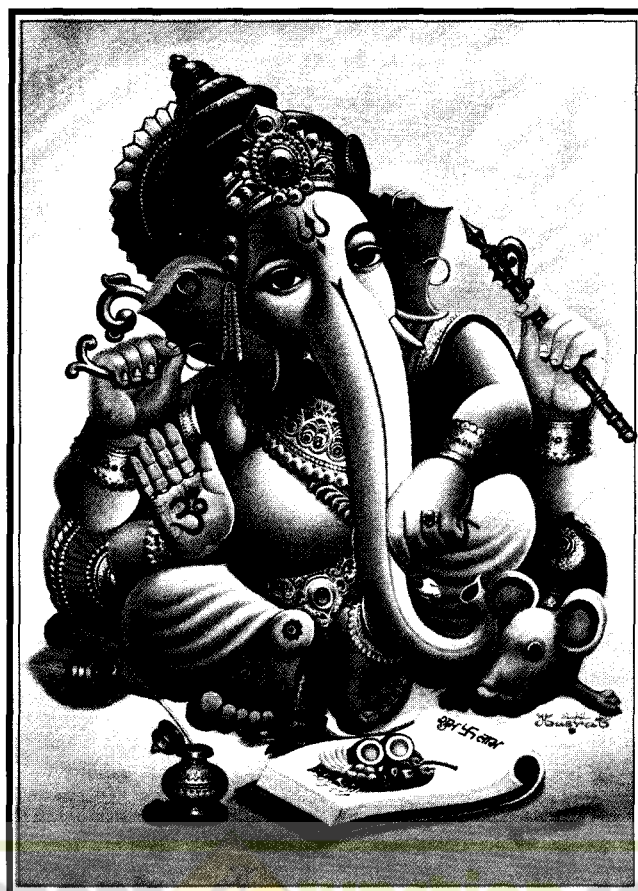
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## BOARD OF DIRECTORS :

Mr. VINOD PODDAR	Managing Director
Mr. K.M.GARG	Director
Mr. SANDEEP JHUNJHUNUWALA	Director
Mr. MADHUSUDAN LOHIA	Director

## AUDITORS :

M/s. JAYANTILAL THAKKAR & CO.  
Chartered Accountants

## Registered Office :

G-15, 'Creative'  
72, N. M. Joshi Marg, Lower Parel, Mumbai - 400 011.

## Works :

- V.P.O. Jugiana, G. T. Road, Ludhiana, Punjab - 141 120.
- Kanganwal Road, V.P.O. Jugiana, G. T. Road, Ludhiana, Punjab - 141 120.

## BANKERS :

ICICI BANK LIMITED  
IDBI BANK LIMITED  
CENTRAL BANK OF INDIA  
STATE BANK OF INDIA  
BANK OF BARODA  
INDIAN OVERSEAS BANK  
IFCI LIMITED



# Notice

**NOTICE** is hereby given that the Twenty First Annual General Meeting of the Members of Govind Rubber Limited will be held on Saturday the 2<sup>nd</sup> September, 2006 at 10.30 a.m. at Nehru Centre, Hall of Harmony, Dr. Annie Besant Road, Worli, Mumbai – 400 018 to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2006 and Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Vinod Poddar who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri K. M. Garg who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors of the Company and to fix their remuneration.

## SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modifications, 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 and the provisions of the Memorandum and Articles of Association of the Company and of such other appropriate authorities, financial institutions and banks who have advanced monies to the Company as may be required under any statutory provisions, guidelines, rules, regulations, notifications, or otherwise or under any agreements entered into by the Company and further subject to such terms and conditions and modifications as may be prescribed or imposed while granting such sanctions, approvals, consents, permissions, etc. and which may be agreed to by the Board of Directors of the Company( hereinafter referred to as 'the Board' which term shall be deemed to include any Committee of Directors, for the time being authorized by the Board of Directors to exercise the powers conferred on the Board of Directors by this resolution), consent and approval of the Company be and is hereby accorded to the Board to offer, allot and issue requisite number of equity shares on preferential basis in one or more tranches, to the Financial Institutions / Banks in accordance with the SEBI Guidelines for Preferential Issues contained in Chapter XIII of the Securities and Exchange Board of India (Disclosure and Investors Protection) Guidelines, 2000 in order to meet

with the terms of CDR Re-work proposal as approved by CDR Cell of Reserve Bank of India.

By order of the Board of Directors

Place: Mumbai  
Date: 29<sup>th</sup> June, 2006

VINOD PODDAR  
Managing Director

## NOTES:

**A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING A PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business as set out in Item No. 5 of the Notice is annexed hereto.

The Company has already transferred all unclaimed dividend declared up to the financial year ended 31<sup>st</sup> March, 1996 to the general revenue account of Central Government in terms of provision of Section 205 A of the Companies Act, 1956. Those members who have so far not claimed their dividend for the said period may claim the same by submitting an application in Form II with the Registrar of Companies, Hakoba Mill Compound, Kalachowkie, Mumbai 400 033.

Consequent upon amendment in Section 205 A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999, dividend for the financial year ended 31<sup>st</sup> March, 1999 and thereafter which remain unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government.

Information in respect of such unclaimed dividend when due for transfer to the said Fund is given below:

Financial year Ended	Date of declaration of Dividend	Last date for claiming unpaid Dividend	Due date for transfer to IEP Fund
31-03-1999	22-07-1999	21-07-2006	18-08-2006
31-03-2000	17-08-2000	16-08-2007	13-09-2007

Shareholders who have not yet encashed the dividend warrants for the financial year ended 31<sup>st</sup> March, 1999 or any subsequent financial year, are requested to make their claim

# Notice

with the company. Members would also note that once the unclaimed dividend is transferred to the Central Government as above, no claim shall lie in respect thereof.

Members are requested to notify to the Company immediately of any change in their address.

The Register of Members and Share Transfer Books of the Company shall remain closed from 28.08.2006 to 01.09.2006 (both days inclusive).

## **Note on Directors' seeking appointment / re-appointment as required under Clause 49 (VI)(A) of the Listing Agreement of Stock Exchange, Mumbai.**

- i) Shri. Vinod Poddar is retiring by rotation and is eligible for reappointment. He has offered himself for reappointment. His attendance record in the Board/ General Meeting during the year under review is given in this Report. Shri. Vinod Poddar is the Director of the Company since 1985 and was redesignated as a Managing Director in the year 1993. He has completed his graduation in commerce and has a vast experience in tyre industry for more than 24 years.
- ii) Shri K. M. Garg is retiring by rotation and is eligible for reappointment. He has offered himself for reappointment. His attendance record in the Board/ General Meeting/ Committee Meetings during the year under review is given in this Report. Shri K.M. Garg is a Chartered Accountant by profession and has vast experience and knowledge in the field of accounts and management analysis. Shri K. M. Garg is a member of Audit Committee as well as Shareholders' Grievance Committee.

## **ANNEXURE TO NOTICE**

### **EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.**

The Explanatory statement under Section 173 (2) in respect of Item No.5 of the accompanying Notice set out hereinabove is as under:

In order to strengthen the financial position and trading for better future, your Company has approached CDR Cell of Reserve Bank of India and received its assent for rescheduling of loans & reduction in interest rates with an option for conversion of 50% of sacrifice on account of interest into equity shares on NPV basis or Zero Coupon Term Loans. Two

lenders, ie Industrial Development Bank of India Limited (IDBI) and IFCI Limited (IFCI) have exercised an option of equity shares on NPV basis aggregating to Rs.41.88 lacs to be issued as per the price to be determined under DIP Guidelines of SEBI. This step shall find the improved operation in the years to come.

Disclosure are to be made under various regulations, as may be applicable of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Guidelines for preferential issue under SEBI (Disclosure and Investor Protection) Guide Lines 2000 as amended from time to time in respect of the proposed issue.

- i) Identity of the Acquirers / Allottees:
  - a) Industrial Development Bank of India Limited (IDBI)
  - b) IFCI Limited (IFCI)
- ii) Price at which the issue and allotment is proposed: Price shall be determined in accordance with SEBI DIP Guide Lines, 2000.
- iii) The purpose of and reason for such issue and allotment is as stated above.
- iv) There will not be any change in the Board of Directors of the Company consequent to such allotment.
- v) There will not be any change in the control of the Company as a result of such allotment.
- vi) The proposed allotment will be completed within a period of three months from the date of passing this resolution.
- vii) Consequential changes in the voting rights and shareholding pattern.

Since number of shares are yet to be determined, such information is not determinable.

The Resolution is proposed to obtain consent of the Members in accordance with the provisions of Section 81 (1A) of the Companies Act, 1956.

None of the Directors are in any way concerned or interested in passing of the Resolution.

By order of the Board of Directors

Place: Mumbai  
Date: 29<sup>th</sup> June, 2006

VINOD PODDAR  
Managing Director

# Directors' Report

## DIRECTORS' REPORT, MANAGEMENT DISCUSSION & ANALYSIS

Dear Shareholders,

Your Directors are pleased to present the 21<sup>st</sup> Annual Report and Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2006.

### FINANCIAL RESULTS

	Rs. In Lacs	
	2005-2006	2004-2005
Sales and		
Operational Income ( Gross )	21835	18497
Other Income	49	49
<b>TOTAL</b>	<b>21884</b>	<b>18546</b>
Gross Profit	435	287
Depreciation	377	409
Operating Profit/ (Loss) before exceptional items	58	(122)
Exceptional items	75	148
Profit before Tax	133	26
Fringe Benefit Tax	5	-
Profit after Tax	128	26
Balance brought forward	(5795)	(5821)
Balance carried forward to Balance Sheet	(5667)	(5795)

In view of inadequacy of profit, no dividend has been recommended for the year 2005-06.

### OPERATIONS :

The Company has achieved a Gross Turnover and other income of Rs. 21884 Lacs as compared to Rs 18546 Lacs in the previous year reflecting an increase of 18% growth. The net profit for the year stood to Rs128 Lacs as compared to Rs 26 Lacs in the previous year.

### OUTLOOK FOR THE CURRENT YEAR 2006-07 :

Your Directors and top management have taken all measures to improve upon the performance of the Company by increasing revenues in domestic, OEM's and export markets. The Company is also in the process of implementing various cost effective measures to improve upon operating Margins. The Company's business is subject to high volatility in Raw Materials and it would be a major Challenge to pass on the increased input cost to the market. The Company continues to develop new sizes, designs and ranges in all segments to meet the diverse needs and application for each category of customers.

Your Company continues to put thrust on exports into high

end bicycle tyres especially for European & American markets which should improve bottom line.

### CORPORATE GOVERNANCE :

Pursuant to the Provisions of Clause 49 of the Listing Agreement with the Stock Exchange, Mumbai, Management Discussion and Analysis, Corporate Governance Report and Auditor's Certificate regarding Compliance of the same are made a part of this Annual Report.

### FIXED DEPOSITS :

No deposit was accepted during the year and there was no outstanding deposit as on 31<sup>st</sup> March, 2006.

### DIRECTORS :

Shri Vinod Poddar and Shri K.M.Garg will be retiring by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

ICICI Bank Limited has withdrawn nomination of Ms. Anupama Ranade from the Board of Directors of the company w.e.f. 24<sup>th</sup> February, 2006. The Board of Directors sincerely place on record its appreciation for the valuable contribution extended by Ms. Anupama Ranade during her association with the Company.

### RESPONSIBILITY STATEMENT :

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, it is hereby confirmed that -

- In the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March 2006, the applicable Accounting Standards had been followed along with proper explanation relating to material departures ;
- The Directors had 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 or loss of the Company for the year under review ;
- The Directors had 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 ;
- The Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March 2006, on a "going concern" basis.

# Directors' Report

## AUDITORS

M/s. Jayantilal Thakkar & Co., Chartered Accountants, Mumbai, the Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

## INDUSTRIAL RELATIONS AND HUMAN RESOURCE

The industrial relations during the year under review continues to be cordial and the employees morale is high.

## ADEQUACY OF INTERNAL CONTROLS

The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transactions are authorized, recorded and reported correctly. The internal control system is designed to ensure that the financial and other records are reliable to prepare financial statements and other data and for maintaining accountability of assets.

## PARTICULARS OF EMPLOYEES

Particular of remuneration paid to the employees as required to be disclosed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees), Rules, 1975 are set out in Annexure- I attached hereto and form 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 (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in the Annexure-II of the report.

## CAUTIONARY STATEMENTS :

Certain statements in the Management Discussion and Analysis describing the Company's views about expectations, etc. may be forward looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed in the statement. Company's operations may inter-alia affect with the supply and demand situations, input prices and their availability, changes in Government regulations, taxes, exchange fluctuations and other factors such as Industrial relations and economic developments. Investors should bear the above in mind.

## APPRECIATION

Your Company is grateful for the continued co-operation and assistance extended to it by the Shareholders, Financial Institutions and Banks. Your Directors also wish to place on record their warm appreciation for the services rendered by the Executives, Staff, Workers, Creditors and Dealers of the Company.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 29<sup>th</sup> June, 2006

**VINOD PODDAR**  
Managing Director



# Annexure to Directors' Report

## ANNEXURE - I

STATEMENT OF PARTICULARS UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2006.

Sr. No.	Name of Employee	Age	Designation	Remuneration Rs. (Gross)	Qualification & Experience in yrs.	Date of Commencement of Employment	Particulars of last Employment held (Name, Designation & Experience)
<b>A. Employed throughout the year and in receipt of remuneration in aggregate of not less than Rs.24,00,000/-.</b>							
1.	Mr. Vinod Poddar	46	Managing Director	3480380	B.Com (26)	01.01.86	Business (11yrs)

**B. Employed for part of the year and in receipt of remuneration of not less than Rs.2,00,000/- per month.**

— NIL —

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 29<sup>th</sup> June, 2006

**VINOD PODDAR**  
Managing Director

## ANNEXURE - II

DISCLOSURE UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS), RULES, 1988.

d) **Total and per unit energy consumption as per form A.**

### FORM - A

#### A. CONSERVATION OF ENERGY:

##### a) Energy conservation measures taken:

- Suitable steps are taken from time to time for energy conservation as per the past experience. Energy audit has been carried out by outside consultants and their suggestions have been implemented by the Company.
  - Rice Husk is being used to reduce consumption of Coal for which special purpose boilers have been installed.
  - Maximum demand of electricity is being reduced by evenly distributing the loads throughout the day and increasing efficiency of plants and equipments.
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy.**

Steps for energy conservation by conversion of existing equipments into more efficient ones are being taken.

##### c) **Impact of the measurers at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.**

The use of rice-husk / coal boilers has resulted in an annual savings of about 8700 MT of Coal. However, this also depends on quality and cost of rice-husk available.

#### (A) Power & Fuel Consumption :

	2005-2006	2004-2005
1) Electricity:		
a) Purchased:		
Units	1,56,30,618	1,40,82,502
Total Amount (Rs.)	6,87,07,698	5,80,38,214
Rate/Unit (Rs.)	4.40	4.08
b) Own Generation		
i) Through Diesel Generator:		
Units	35,88,559	25,52,748
Units per liter of diesel	3.25	3.25
Cost/Unit (Rs.)	8.17	6.89
ii) Through Steam Turbine/Generator	Nil	Nil
2) (i) Coal		
Quantity (Kgs.)	19,760	10,909
Amount (Rs.)	1,21,610	68,380
Rs./Kg. (Rs.)	6.15	6.27
(ii) Rice-Husk		
Quantity (Kgs.)	1,86,69,012	1,48,21,071
Amount (Rs.)	3,68,08,359	2,40,35,740
Rs./Kg. (Rs.)	1.97	1.62

# Annexure to Directors' Report

## (B) Energy Consumption per Unit of Production:

Sr. No.	Product	2005-2006			2004-2005		
		Electri-city Units	Coal Kgs.	Rice-Husk Kgs.	Electri-city Units	Coal Kgs.	Rice-Husk Kgs.
1	Cycle Tyre	0.62	0.001	0.602	0.60	0.000	0.531
2	Cycle Tube	0.19	0.000	0.184	0.18	0.000	0.162
3	Auto Tyres	1.10	0.001	1.070	1.06	0.001	0.944
4	Auto Tubes	0.28	0.000	0.268	0.26	0.000	0.236

NOTE: The Company manufactures a wide range of products and the consumption of energy will vary significantly depending upon the actual product mix for the period.

## B. TECHNOLOGY ABSORPTION

### e) Efforts made in technology absorption as per Form B

#### FORM - B

Form for disclosure of particular with respect to technology absorption.

#### A) Research & Development (R&D) :

##### 1) Specific area in which Research & Development carried out by the Company.

The Company is developing and introducing various new sizes, designs and patterns of Tyres under its continuous R & D programmes as per changing market needs.

##### 2) Benefit derived as a result of above Research & Development

The R & D activities resulted into development of new designs and products and also acceptability of the products in the market.

##### 3) Future plan of action

- Development of New value added products
- Improvement in product quality
- Technology upgradation and modernisation

#### B) Technology absorption, adaptation and innovation:

##### i) Efforts in brief made towards technology absorption,

#### adaptation and innovation;

Implementation of continuous modernization programmes at Ludhiana.

##### ii) Benefits derived as a result of the above efforts.

Product improvements, cost reduction, product quality and better productivity.

##### iii) Information of Imported Technology

Nil

## C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

#### f) Activities relating to exports, initiatives taken to increase exports, developments of new markets for products and services and export plans:

The Company is one of the largest exporters of Cycle Tyres/ Tubes in the country. The Company exports a large quantity to many countries.

#### g) Total foreign exchange used & earned:

I. USED (Rs. in Lacs)	2005-2006	2004-2005
i) Import of Raw Materials/ Capital goods	3813.15	2443.39
ii) Commission on Exports	3.54	3.00
iii) Freight on Exports	68.35	32.92
iv) Others	3.00	10.93
Total	3888.04	2490.24
II. EARNED (Rs. in lacs)		
i) Exports at F.O.B. Value	2203.31	2187.10
ii) Reimbursement of Freight and insurance	68.41	208.05
iii) Indirect Exports	351.28	406.07
Total	2623.00	2801.22

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 29<sup>th</sup> June, 2006

VINOD PODDAR  
Managing Director

## ANNEXURE-III

### CORPORATE GOVERNANCE

In compliance with the Corporate Governance requirements as stipulated in clause 49 of the Listing Agreement with the Stock Exchange, the Company has been incorporating for the last few years, a separate section on Corporate Governance in its Annual Report. The Shareholders and investors of the Company would have found the information informative and useful.

#### I. Company's Philosophy on Code of Corporate Governance

Govind Rubber Limited is a well-known Company for the manufacturing of Tyres and Tubes. The Company firmly believes that the Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the organization. The Company continues to commit itself to maintaining the highest standards of integrity, transparency and accountability in all facets of its operations and to create Shareholders' value on a sustainable basis. Govind Rubber believes that good corporate governance with transparency and independence as its key ingredients, provides a market oriented framework for the running of Companies. It ensures proper balance amongst the Management and Shareholders of the Company and also adequate level of transparency.



# Annexure to Directors' Report

## II. Board of Directors

### a) Composition of Board :

The Board of Directors of the Company comprises four members at the end of the financial year consisting of three Non- Executive Independent Directors who account for seventy five percent of the Board's strength as against the minimum requirement of fifty percent as per the listing agreement. The Non- Executive Directors are professionals, drawn from amongst persons with experience in business & industry, finance and law.

### b) Number of Board Meetings:

The Board of Directors met five times during the year i.e. on 28<sup>th</sup> April 2005, 25<sup>th</sup> June 2005, 30<sup>th</sup> July 2005, 25<sup>th</sup> October 2005 and 24<sup>th</sup> January 2006. The maximum time gap between any two consecutive meetings did not exceed four months.

### c) Directors attendance record and Directorship held

The Composition and category of Directors and attendance at the Board Meetings during the year and at the last Annual General Meeting, as also the number of outside Directorships and Committee Memberships/ Chairmanships in public Companies as given below.

Sr. No.	Name of Directors	Category	Attendance		Outside Directorship	Committee Position	
			Board	Last AGM		Member	Chairman
1	Vinod Poddar	Managing Director	5	Yes	–	–	–
2	K.M.Garg	Non-Executive Independent Director	5	No	–	–	–
3	Sandeep Jhunjhunwala	Non-Executive Independent Director	5	Yes	2	–	–
4	Madhusudan Lohia	Non-Executive Independent Director	5	No	3	–	–
5	*Anupama Ranade	Nominee Director	Nil	No	–	–	–

\* ICICI Bank Ltd. has withdrawn nomination of Ms. Anupama Ranade w.e.f. 24<sup>th</sup> February, 2006:

### d) Code of Conduct:

The Company has framed a Code of Conduct for the members of the Board of Directors and Senior Management personnel of the Company. Requisite annual affirmations of compliance with the respective Codes have been made by the Managing Director of the Company which form part of this report.

## III. Audit Committee

- The Audit Committee has been constructed by the Board in accordance with the terms of Clause 49 of the Stock Exchange. Members of Audit Committee are;  
1) Shri K.M. Garg      2) Shri Sandeep Jhunjhunwala  
3) Shri Madhusudan Lohia
- All the members of the Audit Committee are Non- Executive Directors. The Committee has elected Shri K.M.Garg as its Chairman. All the members of Audit Committee are financially literate and one member is having accounting and related financial management expertise.
- The Audit Committee meetings were held four times in the year i.e. on 25.06.05, 30.07.05, 25.10.05 and 24.01.06. The attendance of each Audit Committee member is as under:-

Sr. No.	Name of Director	Category	No.of Meetings Attended
1.	K.M.Garg	Non Executive Independent Director	4
2.	Sandeep Jhunjhunwala	Non Executive Independent Director	4
3.	Madhusudan Lohia	Non Executive Independent Director	4

At the invitation of the Company, finance head of the Company & Statutory Auditors attend the Audit Committee Meetings.

### d) Terms of Reference of Audit Committee

To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

To recommend the appointment and removal of external auditor, to fix their audit fees and also to approve the payment for any other services rendered by the auditors.

To review with the Management and the Auditors about the adequacy of internal control systems.

To discuss with external auditor before audit commences about the nature and scope of audit.

To review Company's financial and risk management policies.

To review the quarterly, half yearly and yearly financial statements before submitting to the Board.

Compliances with accounting standard and listing agreement.

## IV. Subsidiary Companies:

The Company does not have any subsidiary company.

## V. Remuneration Committee

The Company has not formed any remuneration committee. The remuneration policy of the company is as under:-

The payment of remuneration to the Company's Managing Director is governed by the respective agreement executed by and between the Company and Managing Director. The remuneration to the Managing Director is within the overall limits of Schedule- XIII, and being approved by the Board of Directors and Members of the