

19 th
<i>Annual</i>
<i>Report</i>
2005-2006

Report  junction.com

GUJARAT
APOLLO

GUJARAT APOLLO EQUIPMENTS LIMITED

Let's Build ---- Better Roads

BOARD OF DIRECTORS

MR. ANIL T. PATEL	- <i>Chairman</i>
MR. MANIBHAI V. PATEL	- <i>Director</i>
MR. AJITKUMAR T. PATEL	- <i>Director</i>
MR. ASIT A. PATEL	- <i>Executive Director</i>
DR. N. V. VASANI	- <i>Additional Director</i>
DR. N. T. PATEL	- <i>Additional Director</i>
MR. R. C. GOSAIN	- <i>Additional Director</i>

COMPANY SECRETARY

SURESH S. SHAH

STATUTORY AUDITORS

ARVIND A. THAKKAR & CO.,

Chartered Accountants,

Ahmedabad

BANKERS

STATE BANK OF INDIA

REGISTERED OFFICE

Ditasan, Post Jagudan,

State Highway,

Mehsana - 382 710 (North Gujarat)

CORPORATE OFFICE

“Apollo House”,

Near Mithakhali Six Roads,

Navrangpura,

Ahmedabad - 380 009.

NOTICE

NOTICE is hereby given that the **Nineteenth** Annual General Meeting of the members of Gujarat Apollo Equipments Limited will be held on Saturday, the 9th day of September, 2006 at 3.30 p.m. at the Registered Office of the Company at Ditasan, Post: Jagudan, State Highway, Mehsana – 382 710 (N.G.) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2006 and the Profit & Loss Account for the year ended on that date, together with the Directors' and Auditors' Report thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. Anil T. Patel, who retires by rotation and being eligible offers himself for re appointment.
4. To appoint a Director in place of Mr. Manibhai V. Patel, who retires by rotation and being eligible offers himself for re appointment.
5. To re appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT Dr. N. V., Vasani, who was appointed as an additional Director of the Company on 26th October, 2005 and holds office up to the ensuing Annual General Meeting of the Company under section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing pursuant to Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, whose period of office shall be liable to determination by retirement of directors by rotation."

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

"RESOLVED THAT Dr. N. T. Patel, who was appointed as an additional Director of the Company on 26th October, 2005 and holds office up to the ensuing Annual General Meeting of the Company under section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing pursuant to Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, whose period of

office shall be liable to determination by retirement of directors by rotation."

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

"RESOLVED THAT Mr. R. C. Gosain, who was appointed as an additional Director of the Company on 26th October, 2005 and holds office up to the ensuing Annual General Meeting of the Company under section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing pursuant to Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, whose period of office shall be liable to determination by retirement of directors by rotation."

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

"RESOLVED THAT pursuant to Section 21 and all other applicable provisions, if any, of the Companies Act, 1956 and subject to approval of the Central Government, the name of the Company be changed from "GUJARAT APOLLO EQUIPMENTS LIMITED" to "GUJARAT APOLLO INDUSTRIES LIMITED" and immediately upon the said change in the name of the Company becoming complete and effective, the new name be substituted for the existing name wherever occurring in the Memorandum and Articles of Associations of the Company and letter heads, bills, vouchers, books and official papers of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, things and matters as may be required to give effect to this resolution."

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

"RESOLVED THAT pursuant to Section 94 and other applicable provisions, if any of the Companies Act, 1956, the Authorized Share Capital of the Company be increased from Rs. 10,50,00,000/- (Rupees Ten Crores Fifty Lacs Only) divided into 1,05,00,000 (One Crore Five Lacs Only) Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 12,00,00,000/- (Rupees Twelve Crores only) divided into 1,20,00,000 (One Crore Twenty Lacs) Equity Shares of Rs. 10/- (Rupees Ten only) each by creation of 15,00,000 (Fifteen Lacs only) Equity Shares

GUJARAT APOLLO EQUIPMENTS LIMITED

of Rs. 10/- each, which shall rank pari passu with the existing equity shares of the Company in respect of dividend, voting rights etc.

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

“RESOLVED THAT the existing Clause V of the Memorandum of Association of the Company be altered by deleting the same and substituting in place and instead thereof the following as new clause V:

V. The Authorized Share Capital of the Company is Rs. 12,00,00,000/- (Rupees Twelve Crores only) divided into 1,20,00,000 (One Crore Twenty Lacs Only) Equity Shares of Rs. 10/- (Rupees Ten only) each.

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

“RESOLVED THAT the existing Article 2 of the Articles of Association of the Company be altered by substituting the words “Rs. 12,00,00,000/- (Rupees Twelve Crores Only) divided into 1,20,00,000 (One Crore Twenty Lacs only) Equity Shares of Rs. 10/- (Rupees Ten only) each instead and in place the words “Rs. 10,50,00,000/- (Rupees Ten Crores Fifty Lacs Only) divided into 1,05,00,000 (One Crore Five Lacs Only) Equity Shares of Rs. 10/- (Rupees Ten only) each” appearing in the said Article.

13. To consider and if thought fit to pass with or without modification, the following resolution as a Ordinary Resolution:

“RESOLVED THAT pursuant to Section 198, 309, 269 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the re-designation of Mr. Asit A. Patel, the Executive Director of the Company as “Managing Director” with effect from 10th August, 2006 at the same terms and conditions as decided at the meeting of Board of Directors of the Company held on 30th June, 2004 and approved by the members at the 17th Annual General Meeting held on 25th September, 2004.”

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A proxy in order to be effective should be lodged at the Registered Office of the Company not later than 48 hours before the commencement of the Annual General Meeting.

2. The Register of Members and Share transfer books shall remain closed from 25th August, 2006 to 6th September, 2006 (both days inclusive).
3. Dividend, when declared, shall be paid to those members whose names appear on the Register of Members of the Company, on 6th September, 2006.
4. Pursuant to Section 205-A read with Section 205-C of the Companies Act, 1956, the Company is required to transfer the dividends declared for the Financial Year ended 1999 and onwards, which remains unpaid or unclaimed for a period of seven years to the Investors Education and protection Fund. It may be noted that no claims will lie against the Company or the Investors' Education and Protection Fund in respect of the said unclaimed dividend amount transferred to the Fund. The Members who have not claimed their dividend for the financial year ended 31st March 1999 and onwards are requested to lodge their claim with the Company.
5. Members are requested to notify immediately the change in address, if any, to the Company.
6. As an austerity measure, copies of Annual Report will not be distributed at the Annual General meeting. Members are requested to bring their copy to the meeting.
7. The Shares of the Company are listed at Bombay Stock Exchange Limited.
8. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed.

By order of the Board of Directors

Place : Ahmedabad

SURESH S. SHAH

Dated : 28th June, 2006

Company Secretary

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No. 6 to 8

Dr. N. V. Vasani, Dr. N. T. Patel and Mr. R. C. Gosain were appointed as additional directors of the Company with effect from 26th October, 2005 pursuant to section 260 of the Companies Act, 1956 to hold office up to ensuing Annual General Meeting of the Company.

The Company is in receipt of individual Notices under section 257 of the Companies Act, 1956 from the three of its members proposing the candidature of the aforesaid persons for directorship of the Company.

Dr. N. V. Vasani is a renowned educationist, technocrat, academic administrator and institution builder. Dr. Vasani has passed his B.E. from Gujarat University in 1962 and M. Tech from Indian Institute of Technology (IIT), Kanpur in the year 1974. He served the Government of Gujarat as Joint Director of Technical Education and as an Advisor, science and Technology. He was also advisor to the then Chief Minister of Gujarat on Science and Technology. He served Gujarat University as Pro Vice Chancellor as well as Vice Chancellor. Currently, he is holding Honorary Position as Chairman All India Council of Technical Education (AICTE), Central Regional Council and Chairman Board of Governors – National Institute of Technology, Surat. Dr. Vasani is Vice Chancellor, Nirma University Science and Technology and in recognition of his outstanding contribution to the development of education in the Indian Society, Florida Atlantic University, USA has conferred on him an Honorary Doctorate.

Dr. N. T. Patel is a renowned physician at Mehsana. He has passed his MBBS in the year 1975 from B. J. Medical College, Ahmedabad and M. D. (Internal Medicine) in 1978 from the same Medical College. He is associated with many Hospitals as Physician.

Mr. R. C. Gosain is B. E. Mechanical-1967 from S. V. Regional Engineering College, Surat and Master in Business Administration from Gujarat University in 1986. He worked with M/s Ingersoll Rand (India) Limited from 1967 to 1972, before joining Gujarat Industrial Investment Corporation Limited (GIIC) as Regional Manager. He worked with GIIC during the period from 1972 to 2000 as Senior Manager, Project Manager and Deputy General Manager.

All the above persons are highly qualified and well experienced in their respective fields. The Company is likely to be greatly benefited with their association as directors on

its Board. Your directors commend the passing of the resolutions set out at item nos. 6 to 8 of the accompanying Notice.

None of the Directors of the Company except the concerned director for his appointment, may be deemed to be concerned or interested in the above resolution for their appointments.

Item No. 9

The Company was registered in the state of Gujarat under Registration number 04/09042/1986-1987 on 7th October, 1986 as a public limited company. The Company obtained the Certificate of Commencement of Business on 11th November, 1986 from ROC, Gujarat.

The Company is engaged in manufacturing and marketing of Mobile equipment and plants. The Company also undertakes the infrastructure projects like water distribution, specialised road projects and other infrastructure ventures. Your Company has already made strategic investments in some other companies having diversified activities and such investments have marked company's indirect presence in the other attractive ventures resulting into the appreciation of stakeholders' wealth.

The Company in the Indian as well as International market is well known as Gujarat Apollo. The changed name would be truly indicative of more than one business activities in which the Company is engaged into.

The Registrar of Companies, Gujarat vide its Letter Dated 24th June, 2006 has signified the name availability for change of name of the Company to "Gujarat Apollo Industries Limited." A copy of the same is available for inspection by any member on any working day up to the day of ensuing Annual General Meeting of the Company, at its Registered Office during normal working hours of the Company.

None of the Directors of the Company is, in any way concerned or interested in the above resolution.

Item No. 10 to 12

The present Authorised Share Capital of the Company is Rs. 10,50,00,000/- divided into 1,05,00,000 (One Crore Five Lacs only) Equity Shares of Rs. 10/- each. The Company is expanding its business activities and also proposing to set up new manufacturing facility. This may require additional capital outlay which is proposed to be raised through a rights issue of equity shares. The present authorised share capital may not be adequate for the purpose. The Board of Directors have proposed to raise Authorised Share Capital to Rs. 12,00,00,000/- (Rupees

GUJARAT APOLLO EQUIPMENTS LIMITED

Twelve Crores only) divided into 1,20,00,000 Equity Shares of Rs. 10/- each. The Resolution set out at items 11 and 12 are consequential in nature towards amendment of Capital Clause of Memorandum of Association and Articles of Association.

Your Directors commend passing of the resolutions as set out at item numbers 10 to 12 of the accompanying Notice.

None of the Directors of the Company is, in any way concerned or interested in the above resolutions.

Item No. 13

Mr. Asit A. Patel was appointed as Executive Director of the Company with effect from 1st July, 1994 for a period of 5 years and his term was renewed for a further period of 5 years vide resolution passed at the 12th Annual General Meeting held on 28th September, 1999. Lastly, he was again reappointed as Executive Director of the Company for the third term of 5 years with effect from 1st July, 2004 and then appointment was approved by the members at the 17th Annual General Meeting held on 25th September, 2004. Mr. Asit A. Patel is a B. S. (Engineering) from USA and has more than 4 years working experience in USA before joining the Company in 1994.

Mr. Anil T. Patel, the promoter Managing Director of the Company has resigned from Managing Directorship of the Company with effect from 21st October, 2002 on account of his election to Gujarat State Assembly and the responsibility to look after the day to day affairs now solely rest with Mr. Asit

A. Patel as Executive Director. Mr. Asit A. Patel is looking after the entire management of the Company under the overall supervision of the Board of Directors and the guidance of Mr. Anil T. Patel, as Chairman of the Company. In view of the increased responsibilities Mr. Asit A. Patel is shouldering in the growth of the Company, it is proposed to designate him as Managing Director in place of Executive Director with effect from 10th August, 2006.

Mr. Asit A. Patel was reappointed as Executive Director of the Company at a monthly remuneration of Rs. 85,000/- per month in the grade of Rs. 85,000/- - 5,000/- - 1,05,000/- with the entitlement of 2% of the commission on Net Profit of the Company, subject to ceiling of 5% of the Net Profits. The remuneration being paid to Mr. Asit A. Patel as Executive Director shall remain unaltered with the changed designation.

Your Directors commend passing of the resolutions as set out at item number 13 of the accompanying Notice.

None of the Directors of the Company except Mr. Asit A. Patel, the Executive Director and Mr Anil T. Patel being related to him, is in any way concerned or interested in the above resolution.

By order of the Board of Directors

Place : Ahmedabad
Dated : 28th June, 2006

SURESH S. SHAH
Company Secretary

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Nineteenth Annual Report for the year ended 31st March, 2006.

FINANCIAL PERFORMANCE

(Rupees in Lacs)

	Current Year as at 2005-06	Previous Year as at 2004-05
Sales and Other Income	11401.27	6952.73
Profit before Interest, Depreciation and Taxes	1862.68	941.14
Less : Interest	164.90	98.63
Depreciation	90.87	89.52
Provision for Taxation	535.00	260.00
Deferred tax Liability	10.72	(36.51)
Fringe Benefit Tax	14.00	NIL
Net Profit	1047.19	529.50
Add : Profit & Loss Account Balance B/F	316.38	393.47
Amount available for proposed appropriations	1363.57	922.97
Proposed Dividend	140.00	140.00
Transfer to General Reserve	800.00	446.95
Provision for Tax on Dividend	19.64	19.64
Balance carried to Balance Sheet	403.93	316.38
	1363.57	922.97

OPERATIONS AND FUTURE OUTLOOK

During the year under review, the Company has achieved a turnover of Rs. 114.02 crores against Rs. 69.52 crores in the previous year registering a growth of 63.87%. After considering the interest charges of Rs. 164.90 Lacs, Depreciation of Rs. 90.87 Lacs, Provision of Taxation of Rs. 535 Lacs, the Company has earned a Net Profit of Rs. 1047 Lacs (Previous year Rs. 529 Lacs), an increase of approx. 98%.

The continued thrust given to the export market has paid rich dividend and the Company has achieved significant market share in Saudi Arabia, African countries, Afganistan, Australia, Bangladesh and Sri Lanka. The total export sales for the year under review – including the deemed export – was Rs. 52 crores, which is 45% of the total turnover of the Company for the year under review. Export business continues to buoyant for the Company with an year end confirmed pending orders value of Rs. 45 crores.

The prospects on the domestic sales front is also bright with the Central and State Governments continuing with the thrust

on building roads by awarding contracts both direct as well as on BOT basis. With the result, a lot of large private players are entering the road construction segment. Given the reputation of the Company in the industry for the quality product and services, this opens up enormous opportunity for the Company in the domestic segment as well.

The Company has initiated capital expenditure to increase the production and introduce future mobile and maintenance related equipment, the result of which are expected to be reflected in the second half of the current financial year. The Company is also proposing to expand its manufacturing facility by setting up a unit at SEZ, by the third quarter of this fiscal to give boost to the export market of company's products.

The Company has successfully implemented SAP R/3 ERP for better enterprise resource utilization and to manage the future growth. M/s Wipro Infotech was retained since October, 2005 for the implementation, which could not have been possible without the active support of executives and employees of the Company..

With a view to expand the production capacity, the Company proposes to issue equity shares on right basis to the equity shareholders of the company.

DIVIDEND

Your Directors recommend a Dividend of 20% i.e. Rs. 2/- per share on Equity Shares of the Company absorbing a sum of Rs. 140 Lacs (Previous year Rs. 2/- per Share). The dividend will be payable to the members, whose names appear on the Register of Members on 6th September, 2006, the date of ensuing Annual General Meeting of the Company.

DEPOSITS

During the year under review, the Company has accepted / renewed deposit from public/ shareholders within the provisions of Section 58-A of the Companies Act, 1956, as amended and Rules made there under. The Company has complied with the provisions of the relevant Rules. There is no overdue deposit as on 31st March 2006 except for 173 matured but unclaimed deposits amounting to Rs. 31.51 Lacs.

RESPONSIBILITY STATEMENT

The Directors confirm:

- that in the preparation of Annual Accounts, the applicable Accounting Standards have been followed and that no material departures have been made from the same;
- 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 or Loss of

GUJARAT APOLLO EQUIPMENTS LIMITED

the Company for that period;

- c) that they 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;
- d) that they have prepared the Annual Accounts on a Going concern basis.

DIRECTORS

Mr. Anil T. Patel and Mr. Manibhai V. Patel, the directors of the Company retire at the ensuing Annual General meeting of the Company and being eligible offer themselves for re-appointment. You are requested to re-appoint them.

During the year, Mr. V. P. Kamdar, Dr. Dahyabhai C. Patel and Mr. Pravin P. Patel, directors of the Company have resigned on account of their pre-occupations. The Board records its appreciation for the services rendered by them during their association as directors of the Company.

Dr. N. V. Vasani, Dr. N. T. Patel and Mr. R. C. Gosain were appointed as Additional Directors of the Company and hold office up to the ensuing Annual General Meeting of the Company. All of them are well experienced and experts in their respective fields. You are requested to accord your approval for their appointment as directors of the Company.

Mr. Asit A. Patel the Executive Director of the Company is to be redesignated as Managing Director of the Company with effect from 10th August, 2006 on account of his increased responsibilities.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars regarding Conservation of Energy and Technology Absorption and Foreign Exchange Earnings and Outgo pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure "A" which forms part of this Report.

PERSONNEL

During the year, the relations between the Management and the employees of the Company have been very cordial. Particulars of employees as required under the provisions of Section 217(2)(A) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure: B

CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with the Stock Exchange, a separate section on Corporate Governance Practices followed by the Company together with a Certificate from the Company's Auditors confirming compliance is set out in the Annexure forming part of this Report.

AUDITORS

M/s. Arvind A. Thakkar & Co., Chartered Accountants, Ahmedabad retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. You are requested to re appoint the said Auditors and fix their remuneration. No observations are made by the Auditors in their Report and it does not call for further clarifications.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation for the co-operation received from the Banks, Financial Institutions, and TIFAC, and the services rendered by the employees and look forward to their support in the years to come.

For and on behalf of the Board of Directors

Place : Ahmedabad **ASIT A. PATEL** **R. C. GOSAIN**
Dated : 28th June, 2006 *Executive Director* *Director*

ANNEXURE-'A' ANNEXURE TO DIRECTORS' REPORT

A. CONSERVATION OF ENERGY:

	2005-06	2004-05
Power & Fuel Consumption		
1. Electricity:		
a) Purchased		
Unit :	5,83,330	4,43,596
Total Amount (Rs.) :	28,25,634	23,19,607
Rate/Unit (Rs.) :	4.33	5.23
b) Own Generation :	NIL	NIL
2. Coal :	NIL	NIL
3. Furnace Oil :	NIL	NIL
4. L P G Quantity (Kg.) :	8002	8220
Total cost (Rs.) :	3,36,545	2,13,940
Rate/unit (Rs.) :	42.06	26.03

B. TECHNOLOGY ABSORPTION:

1. Research & Development (R & D)

The Company is not having an independent Research & Development Unit registered with the Government of India. However, Product developmental activities continue to get utmost priority in the field of process technology, improvement in quality, import substitution etc. through the Quality Assurance Department.

Benefit Derived as a result of above R & D

The Company has been able to substitute some of the indigenous spares, which were earlier to be imported.

2. Technology Absorption and Innovation

- Efforts : The Company has been able to indigenise components required for the manufacture of hydrostatic paver finisher.
- Benefits derived : Better product and indirect saving in Foreign Exchange.
- Particulars of Technology imported during the past 5 years:

(i) Technology Imported :

Technology relating to the manufacture of Asphalt Paver Finishers by way of drawings and designs.

(ii) Year of Import : 2003**(iii) Has the technology been absorbed.**

Technology has been partially absorbed.

(iv) If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of actions.

Technology for other models is under development and absorption.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO :

The required information is contained in the Notes to the Accounts, Schedule "T" 5 to 9.

ANNEXURE-'B' TO DIRECTORS' REPORT

Statement showing the particulars of employees pursuant to the provisions of Section 217(2A) of the Companies act, 1956 and forming part of the Directors' Report for the year ended 31st March, 2006.

(A) Employed through out the year

Sr. No.	Name	Age/Yrs.	Designation	Remuneration (Rs.)	Qualification	Date of Employment	Last Employment
1.	Mr. Asit A. Patel	38 yrs	Executive Director	45.18,545/-	B.S. (USA)	01/07/1994	--

Note : (1) The Nature of appointment of Mr. Asit A. Patel is contractual.

(2) Remuneration includes salary, allowance, commission etc.

GUJARAT APOLLO EQUIPMENTS LIMITED**ANNEXURE 'C'
REPORT ON CORPORATE GOVERNANCE****1. COMPANY'S PHILISOPHY ON CODE OF GOVERNANCE**

At Gujarat Apollo, value creation is a philosophy that is ubiquitous across the organization. The shareowners remain the focus of our growth strategy. Ensuring stability in a dynamic environment and growth in competitive times is a commitment we have and have kept since our inception. Your company has always believed in the concept of good Corporate Governance involving a high level of transparency, accountability and responsibility in all areas of its operations to ensure investors protection. Mandatory provisions of corporate Governance as stipulated under listing agreements of Stock Exchanges are being complied with.

2. BOARD OF DIRECTORS

The Board of Directors has one Executive Director and three Non-Executive Independent Directors. The composition of Board is in compliance with the requirements of Clause 49(1)(A). The detailed composition of the Board and other related information is given in the table below:

Name of the Director	Designation	Category	No. of Directorship held	No. of Memberships / Chairmanships of other Board Committees	No. of Board meeting attended	Attendance at the last Annual General Meeting
Shri Anil T. Patel	Chairman	Promoter Non- Executive	2	2	9	Yes
Shri Manibhai V. Patel	Director	Promoter Non- Executive	7	1	10	Yes
Shri Ajitkumar T. Patel	Director	Non- Executive	2	1	9	Yes
Shri Asit A. Patel	Executive Director	Executive Director	4	1	10	Yes
Shri V.P. Kamdar Upto 25-10-2005	Director	Independent Non- Executive	1	1	7	Yes
Dr. Dahyabhai C. Patel Upto 25-10-2005	Director	Independent Non- Executive	1	2	7	Yes
Shri Pravin P. Patel Upto 25-10-2005	Director	Independent Non- Executive	1	3	7	Yes
Dr. N. V. Vasani*	Director	Independent Non- Executive	1	1	2	NOT APPLICABLE
Dr. N. T. Patel*	Director	Independent Non- Executive	1	2	2	NOT APPLICABLE
Mr. R. C. Gosain*	Director	Independent Non- Executive	4	3	1	NOT APPLICABLE

* Appointed as Additional Directors of the Company with effect from 26th October, 2005.

During the year, Ten Board meetings were held, details of which are given in the table below:

Date of Board Meeting	13-04-2005	05-05-2005	29-06-2005	19-07-2005	27-07-2005	24-08-2005	24-09-2005	26-10-2005	30-11-2005	30-01-2006
No. of Directors present	7	7	7	6	7	6	7	4	7	6
Board Strength	7	7	7	7	7	7	7	7	7	7

The time gap between any two meetings was less than 4 months.