

GUJARAT	BOROSIL
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GUJARAT BOROSIL LIMITED



*NINETEENTH ANNUAL REPORT
2007-2008*

BOARD OF DIRECTORS

B. L. Kheruka - Chairman & Managing Director
P. K. Kheruka - Vice Chairman
V. A. Gore
H. Khaitan
Shashi Mehra
Jagdish Joshi
Ashok Jain - Whole-time Director

COMPANY SECRETARY

Arun Kumar

REGISTERED OFFICE & PLANT

Village - Govali, Taluka - Jhagadia,
District - Bharuch - 393 001 (Gujarat).
☎ : 02645-220300 (8 Lines)

HEAD OFFICE

Khanna Construction House,
44, Dr. R. G. Thadani Marg,
Worli, Mumbai - 400 018.
☎ : 022-67406300

AUDITORS

Singhi & Co.
Chartered Accountants

BANKERS

Bank of Baroda

REGISTRAR & TRANSFER AGENTS

Mondkar Computers Pvt. Ltd.
Unit : Gujarat Borosil Limited
21, Shakil Niwas,
Mahakali Caves Road,
Andheri (East),
Mumbai - 400 093.
☎ : 2820 7203, 2820 7204, 2820 7205

GUJARAT BOROSIL

NOTICE

Notice is hereby given that the Nineteenth Annual General Meeting of members of Gujarat Borosil Limited will be held at the Registered Office of the Company at Village – Govali, Taluka – Jhagadia, District – Bharuch 393 001, Gujarat State on Wednesday, the 30th July, 2008 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the audited Balance Sheet as at 31st March, 2008 and Profit and Loss Account for the year ended on that date and the reports of the Directors and the Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Shashi Mehra, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. P. K. Kheruka, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this meeting, until the conclusion of the next Annual General Meeting of the Company 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 a Special Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 198,269, 309,310 and 314(1B) read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (hereinafter refer to as the “Act” which includes any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the re- appointment of Mr. B.L Kheruka, (a relative of Mr.P.K.Kheruka, Vice Chairman), as Chairman and Managing Director of the Company, for a period of 3(three) years with effect from 1st August,2008 on the terms and conditions including remuneration as are set out in the agreement to be entered into between the Company and Mr.B.L. Kheruka, a draft whereof is placed before this meeting with a liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Remuneration Committee constituted by the Board) to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement, subject to the same not exceeding the limits specified in Schedule XIII to the Act, or otherwise permissible at law for the time being in force.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year(s) during the tenure of his service as Managing Director, Mr. B.L. Kheruka shall be paid the remuneration as set out in the Explanatory Statement as minimum remuneration subject to limits laid down in Schedule XIII of the Companies Act, 1956, or as may be approved by the Central Government.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

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

“RESOLVED THAT in accordance with the provisions of Sections 198,269,309 and 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (hereinafter referred to as the ‘Act’; which includes any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the re-appointment of Mr. Ashok Jain, as Whole Time Director of the Company, for a period of 3(three years) with effect from 3rd January, 2009 on the terms and conditions including remuneration as are set out in the agreement to be entered into between the Company and Mr.Ashok Jain, a draft whereof is placed before this meeting which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Remuneration Committee constituted by the Board) to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement, subject to the same not exceeding the limits specified in Schedule XIII to the Companies Act, 1956, or otherwise as permissible at law for the time being in force.

GUJARAT BOROSIL

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the tenure of his service as Whole Time Director, Mr. Ashok Jain shall be paid the remuneration as set out in the Explanatory Statement as minimum remuneration subject to limits laid down in Schedule XIII of the Companies Act, 1956, or as may be approved by the Central Government.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Date: 19th June, 2008
Registered Office:
Village - Govali
Taluka - Jhagadia
District - Bharuch 393 001
Gujarat

By Order of the Board

ARUN KUMAR
Sr. General Manager (Legal)
& Company Secretary

NOTES

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- (2) The Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business under item Nos. 6 & 7 as set out above, and the relevant details in respect of Item Nos.3, 4,6&7 set out above pursuant to Clause 49 of the Listing Agreement are annexed hereto and form part of this Notice.
- (3) The Register of Members and Share Transfer Books of the Company will remain closed from 23rd July, 2008 to 30th July, 2008 (both days inclusive).
- (4) The Dividend as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid on or after 30th July, 2008:
 - (i) to those Members whose names appear in the Register of Members after giving effect to all valid share transfers in physical form lodged with the Company on or before 22nd July, 2008.
 - (ii) in respect of shares held in electronic form, to those "deemed Members" whose names appear on the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited at the end of business hours on 22nd July, 2008.
- (5) The Members are requested to notify immediately the change of address, if any, to the Company's Share Transfer Agents i.e. Mondkar Computers Pvt. Ltd., Unit : Gujarat Borosil Ltd., 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai 400 093, quoting their folio number(s).
- (6) The details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement) are furnished below:-

Name of Director	Mr. Shashi Mehra	Mr. P.K.Kheruka	Mr. B. L. Kheruka	Mr. Ashok Jain
Date of birth	19th December, 1952	23rd July, 1951	7th November, 1930	21st February, 1958
Date of appointment:	29th June, 2002	22nd December, 1988	22nd December, 1988	3rd January, 2003
Expertise in specific Professional areas	Chartered Accountant having vast experience in accounting, auditing & taxation	Industrialist having rich business experience of about 35 years particularly in glass industry	Industrialist having rich business experience of about 46 years particularly in glass industry	Chartered Accountant, 27 years in Corporate Sector
Qualifications:	B.Com, FCA	B.Com	B.Com	B.Com. FCA FCS
List of other Indian Public Limited Companies in which Directorship held.	Nil	Borosil Glass Works Limited Borosil International Limited General Magnets Limited Gujarat Fusion Glass Limited Window Glass Limited	Borosil Glass Works Limited Borosil International Limited Croton Trading Limited General Magnets Ltd. Gujarat Fusion Glass Limited Window Glass Ltd.	Nil

GUJARAT BOROSIL

Name of Director	Mr. Shashi Mehra	Mr. P.K.Kheruka	Mr. B. L. Kheruka	Mr. Ashok Jain
Chairman/Member of the Committee of Board of other Public Limited Companies	None	Audit Committee: Borosil Glass Works Limited – Member Share Transfer and Investor Grievance Committee Borosil Glass Works Limited – Member	Share Transfer and Investor Grievance Committee: Borosil Glass Works Limited - Chairman	None
Equity Shares held in the Company as on date 19.06. 2008	NIL	NIL	NIL	NIL

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

The Company had appointed Mr. B. L. Kheruka as Chairman & Managing Director for a period of three years with effect from 1st August, 2005. The said term will expire on 31st July, 2008. The Company has prospered a lot during last three years under his stewardship. It is therefore proposed to re-appoint him as Chairman & Managing Director of the company for a further period of three years from 1st August, 2008.

The appointment of Mr. Kheruka is subject to the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any of the Companies Act, 1956 (the Act) read with Schedule XIII of the Act. Since Mr. Kheruka is over 70 years, his re-appointment is required to be approved by a Special Resolution passed by the Company in General Meeting.

Moreover, since Mr. B. L. Kheruka is a relative of Mr. P. K. Kheruka, Vice- Chairman, prior approval of the shareholders in terms of Section 314(1B) of the Companies Act, 1956 (hereinafter referred to as "Act") is also sought for holding of office of Managing Director by him. As per clarification issued by the Department of Company Affairs vide their Letter No. 3/36/87/CL-V dated 29.5.1989; approval of the Central Government is not necessary as the appointment is in accordance with Schedule XIII to the Act.

The terms and conditions of Mr. Kheruka's re-appointment and revised remuneration payable to him, as approved by the Remuneration Committee are as follows:

I. Remuneration**a) Salary :**

Rs. 2,15,000/- p.m. in the scale of Rs. 2,15,000/- p.m. to Rs. 2,50,000/- p.m. with such increments as may be decided by the Board of Directors (which includes any Committee thereof) from time to time.

b) Commission :

Such percentage of the net profits of the Company or such amount as may be decided by the Board of Directors (which includes any Committee thereof) for each Financial Year or part thereof within overall ceiling of 5% of the net profits of the Company.

c) Perquisites :**i) Housing**

1) Residential accommodation or house rent allowance not exceeding 60% of the salary.

2) Expenses pertaining to electricity will be borne/ reimbursed by the Company.

ii) Medical Expenses

Domiciliary Treatment - At actuals subject to a ceiling of Rs. 15000/- p.a. for Mr. Kheruka and his family.

Hospitalisation – Mr. Kheruka and his dependents will be covered by the Company's medical insurance scheme.

iii) Club Fees

Reimbursement of membership fee for upto 2 clubs in India.

iv) Personal Accident Insurance

Personal Accident Insurance Policy of such amount, the premium of which shall not exceed Rs.10,000/- per annum.

v) Mr.Kheruka will be provided with a Company maintained car with Driver.

vi) Phone rental and call charges will be paid by the Company at actuals for telephone at the residence/mobile phone. Charges for personal STD/Trunk Calls would be borne by Mr.Kheruka.

vii) Company's contribution to Provident Fund, Gratuity and encashment of leave at the end of his tenure, payable as per rules of the Company. These shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

viii) Leave

Leave with full pay or encashment thereof as per the Rules of the Company.

ix) Mr.Kheruka will further be entitled to reimbursement of actual entertainment and travelling expenses incurred by him for business purposes.

II. In case of inadequacy or absence of profits in any financial year(s) during the tenure of Mr.Kheruka as a Managing Director, the remuneration payable to him in that financial year shall be calculated in a manner so that it does not exceed the limits laid down in Section II of Part II of Schedule XIII to the Companies Act, 1956 or as may be approved by the Central Government.

III. Other terms and conditions:

a) The Agreement may be terminated by either party by giving three months' notice in writing.

b) Mr.Kheruka, as long as he functions as Managing Director shall not become interested or otherwise concerned directly or through his wife in any selling agency of the Company without prior approval of the Central Government.

The Directors recommend passing of the Resolution contained at item no. 6 of the accompanying Notice.

Except Mr.B.L.Kheruka and Mr.P.K.Kheruka who is his relative, no other Director is concerned or interested in the resolution.

A copy of the draft Agreement to be entered into between the Company and Mr.Kheruka will be open for inspection by members at the Registered Office of the Company between 10.00 a.m. and 12.00 noon on any working day of the Company upto and including the date of Annual General Meeting.

Abstract of Terms and Conditions of Appointment and Memorandum of Interest Under Section 302

The contents of item 6 of the Explanatory Statement set out above shall be deemed to be an abstract of the terms and conditions of re-appointment of Mr. B.L.Kheruka under Section 302 of the Companies Act, 1956 and the Memorandum of interest in that behalf.

Item No. 7

The Board of Directors had re-appointed Mr.Ashok Jain as Whole Time Director for a period of 3 years with effect from 3rd January 2006, on the terms and conditions as set out in the Agreement between the Company and Mr.Ashok Jain (hereinafter referred to as "Mr. Jain") for a period of 3 years. The Board of Directors has at its meeting held on 19th June, 2008 decided to re-appoint Mr. Jain for a further period of 3 years on the terms and conditions set out in the draft Agreement to be entered into between the Company and Mr.Ashok Jain.

The re-appointment of Mr. Jain is subject to the provisions of Sections 198,269,309 and 310 and other applicable provisions, if any, of the Companies Act, 1956 (the Act) read with Schedule XIII of the Act.

The broad particulars of remuneration payable to and the terms of appointment of Mr. Jain are as under:-

I. Remuneration**a) Salary :**

Rs.1,10,000/- p.m. in the scale of Rs.1,10,000/- p.m. to Rs.1,80,000/-p.m. with such increments as may be decided by the Board of Directors (which includes any Committee thereof) from time to time.

GUJARAT BOROSIL**b) Perquisites & allowances:**

- i) Housing – Provision for hired/leased furnished accommodation or House Rent- subject to a ceiling of 60% of salary
- ii) Medical Expenses
Domiciliary Treatment - At actuals subject to a ceiling of Rs. 15000/- p.a. for Mr. Jain and his family.
Hospitalisation – Mr. Jain and his dependents will be covered by the Company's medical insurance scheme.
- iii) Premium- Personal Accident Insurance
- iv) Leave Travel Assistance – For Mr. Jain and his family, once in a year, incurred in accordance with the rules of the Company.
- v) Mr. Jain will be provided with a Company maintained car with Driver.
- vi) Phone rental and call charges will be paid by the Company at actuals for telephone at the residence/mobile phone. Charges for personal STD/Trunk Calls would be borne by Mr. Jain.
- vii) Company's contribution to Provident Fund, Gratuity and encashment of leave at the end of his tenure, payable as per rules of the Company. These shall not be included in the computation of limits for the remuneration or perquisites aforesaid.
- viii) Leave
Leave with full pay or encashment thereof as per the Rules of the Company.
- ix) Mr. Jain will further be entitled to reimbursement of actual entertainment and travelling expenses incurred by him for business purposes.

II. In case of inadequacy or absence of profits in any financial year(s) during the tenure of Mr. Jain as a Whole Time Director, the remuneration payable to him in that financial year shall be calculated in a manner so that it does not exceed the limits laid down in Section II of Part II of Schedule XIII to the Companies Act, 1956 or as may be approved by the Central Government.

III. Other terms and conditions:

- a. The Agreement may be terminated by either party by giving three months' notice in writing.
- b. Mr. Jain, as long as he functions as Whole Time Director shall not become interested or otherwise concerned directly or through his wife or minor children's in any selling agency of the Company without prior approval of the Central Government.

The Directors recommend passing of the resolution contained at item no.7 of the accompanying Notice.

Expect Mr. Ashok Jain, no other Director is concerned or interested in the Resolution.

A copy of the draft Agreement to be entered into between the Company and Mr. Jain will be open for inspection by members at the Registered Office of the Company between 10.00 a.m. and 12.00 noon on any working day of the Company upto and including the date of Annual General Meeting.

Abstract of Terms and Conditions of Appointment and Memorandum of Interest Under Section 302

The contents of item 7 of the Explanatory Statement set out above shall be deemed to be an abstract of the terms and conditions of re-appointment of Mr. Jain under Section 302 of the Companies Act, 1956 and the Memorandum of interest in that behalf.

Date : 19th June, 2008

By Order of the Board

Registered Office:

Village - Govali
Taluka - Jhagadia
District – Bharuch 393 001
Gujarat

ARUNKUMAR
Sr. General Manager (Legal)
& Company Secretary

DIRECTORS' REPORT

To:
The Members of
Gujarat Borosil Limited

Your Directors are pleased to present their Nineteenth Report and Audited Statement of Accounts for the year ended 31st March, 2008.

FINANCIAL RESULTS

The financial results for the year ended 31st March, 2008 are given below :

(Rupees in Lacs)

	Year Ended 31.03.2008	Year Ended 31.03.2007
Gross Sales (including Excise Duty)	9276.52	10597.06
Profit before interest, depreciation and tax	988.80	1924.50
Interest	9.29	11.45
Depreciation	505.71	480.91
Profit for the year	473.80	1432.14
Exceptional Income	385.46	—
Net Profit before tax	859.26	1432.14
Provision for Taxation (Net)	89.67	170.28
Provision for fringe benefit tax	8.97	8.02
Provision for deferred tax liability	201.06	297.73
Profit after tax	559.56	956.11
Add: Balance brought forward from last year	1576.07	1118.96
Available for appropriation	2135.63	2075.07
Appropriation:		
Transferred to General Reserve	100.00	100.00
Proposed Dividend	341.04	341.04
Dividend distribution tax	57.96	57.96
Balance carried to the Balance Sheet	1636.63	1576.07

DIVIDEND

Your Directors are pleased to maintain dividend of 10 % for the year.

PERFORMANCE

The performance was adversely affected due to continuous fall in selling prices in the first half of the year. Due to 12% devaluation in US dollar against rupee in April, 2007, there was sustained pressure of cheaper imports from around the Asian countries. The additional production from the recent new plants also added to woes of flat glass industry and did not allow the prices to revert back. The net selling price was lower by 8 % compared to last year. Besides this the price of Soda Ash and Furnace oil increased considerably thereby further contracting the already thinning margins.

The exceptional income represents refund received from GAIL in respect of refixing of gas compression charges for the earlier years.

The Company has commissioned a wind power generation plant of 1.50 MW in Kutch on 27th September, 2007 at a capital cost of Rs 9.08 crores.

NEW PROJECT

The plan to set up a float glass plant at the existing site remains postponed and the same will be reviewed and taken up at an appropriate time.

In the meantime, the Company has taken up a project to manufacture 105 TPD low iron patterned glass which has good domestic as well as export potential in view of buoyancy in Solar power sector and huge investments in pipeline. The low iron patterned glass is used in Photovoltaic cell panels used for generation of electricity by Solar energy as well as in flat plate Solar thermal collectors. This project is expected to add substantially to the sales and profits from next financial year. The 97.50 crores project is being financed by internal accruals to the extent of Rs 32.50 crores and debt of Rs 65 crores.

GUJARAT BOROSIL

DIRECTORS

Mr. Shashi Mehra and Mr. P. K. Kheruka retire by rotation and being eligible offer themselves for re-appointment.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

A. INDUSTRY STRUCTURE AND DEVELOPMENTS

The Flat Glass Industry consists of float glass, sheet glass and figured glass as well as processed glass like tempered glass, mirrors etc. In the recent past due to demographical changes, growth of middle class and higher disposable income levels, there has been increase in demand in view of significantly higher growth in Housing and Automobile sectors. This has led to setting up of further capacities in the country. However, as of now the supply is in excess of demand. In view of Global technological changes taking place, capacity growth in the transparent flat glass market has occurred only in the float glass sector because this is the only glass available. However, a certain portion of the Indian market continues to be cost conscious, and there is adequate demand for the Company's production of sheet glass.

B. OPPORTUNITIES & THREATS

OPPORTUNITIES

- The Company is a major player in the sheet glass market and has a good brand image. The Company is in the process of setting up a facility to manufacture low iron patterned glass. This will be a good diversification for the Company.

The Government has announced long term policy measures which will accelerate the growth of solar energy in the Country which will require huge quantity of low iron glass. The energy produced will be more dependable by this non-conventional route and will reduce pressure on natural resources besides being non-polluting and environment friendly.

- The Company has a large and established network of dealers and has successively shown its ability to market its products at the time of cut-throat competition.
- The Company's operations are cost effective and compare favorably with others.
- The Company is free of term debts. This will enable fund raising for expansion.

THREATS

- Cheaper imports of float/sheet glass and recent expansion by some of the manufacturers has already disturbed the demand supply equation and lead to destabilization in selling prices. Besides, there are fresh capacities expected from new entrants in this field.
- Constraints of Product mix and value added items.
- Increase in fuel cost due to gradual deregulation of prices of natural gas/furnace oil and linkage to international prices and increase in soda ash prices due to changes in international situation.

C. SEGMENTWISE OR PRODUCTWISE PERFORMANCE

The Company's business activity falls within a single primary business segment viz. Manufacture of flat glass. As such, there are no separate reportable segments as per Accounting Standard 17.

D. OUTLOOK

The Company's product continues to be in demand and we do not foresee any difficulties in selling.

The outlook for Industry appears to be reasonable in view of robust growth in housing sector provided the interest rates on housing loans come back to more affordable levels as there is tremendous increase in the size of middle class aspiring to own houses both in urban and rural areas.

E. RISK AND CONCERNS

The absence of mandatory Building Code regarding uses of glass is an area of concern, where Government intervention is required to ensure better quality of construction with higher safety.

F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate Internal Control System commensurate with its size and nature of business. The internal control systems are designed to ensure that the financial statements are prepared based on reliable information. The Internal Audit is continuously conducted by in house Internal Audit department of the Company and Internal Audit Reports are reviewed by the Audit Committee.

G. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The operating performance during the year suffered compared to the previous year though Capacity utilisation continued to be over 100% in the fifth consecutive year. The sales value, however declined

due to 8% drop in the selling prices. The profit before interest, depreciation and tax for the year was Rs. 988.80 lacs (Excl exceptional income of Rs 385.46 lacs) compared to Rs. 1924.50 lacs in the previous year due to lower selling prices and increase in Soda ash/furnace oil prices.

H. MATERIAL DEVELOPMENT IN HUMAN RESOURCES , INDUSTRIAL RELATION FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

The industrial relations continued to be cordial.

Number of people employed as on 31st March,2008 were as under:

Staff	:	153
Workers	:	269 (Excluding contract labour)

CORPORATE GOVERNANCE REPORT

A separate section on Corporate Governance is included in the Annual Report and the Certificate from Company's auditors confirming the compliance with the code of Corporate Governance as enumerated in Clause 49 of the listing agreement with the Stock Exchanges is annexed hereto.

The Board of Directors of the Company has evolved and adopted a Code of Conduct and posted the same on the Company's website www.gujaratborosil.com . The Directors and Senior Management personnel have affirmed their compliance with the code for the year ended 31st March, 2008.

DEPOSITS

Your Company has not accepted any deposits from Public till date.

POLLUTION CONTROL

The Company's plant does not generate any effluent except flue gas, the chemical composition of which is within permissible limits.

AUDITORS

M/s. Singhi & Company, Chartered Accountants, will retire as Auditors of the Company at the conclusion of the ensuing Annual General Meeting and being eligible have expressed their willingness for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Subject to disclosures in the Annual accounts and also on the basis of the discussion with the Statutory Auditors of the Company from time to time, the Board of Directors state as under :

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed and there were no material departures.
- ii) that we 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 at the end of the financial year and of the profit or loss of the Company for that period.
- iii) that we 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.
- iv) that we have prepared the annual accounts on a going concern basis.

PARTICULARS OF EMPLOYEES

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956 are annexed hereto and form part of the Report.

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

The particulars prescribed under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are furnished in the Annexure to the Report.

ACKNOWLEDGMENT

Your Directors would like to express their deep appreciation for the co-operation received from employees during the year under review. Directors also place on record its appreciation for the confidence reposed by the shareholders.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 19th June, 2008

B.L. Kheruka
Chairman & Managing Director