

GUJARAT PETROSYNTHESIS LIMITED

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ISO COMPANY

THIRTIETH ANNUAL REPORT 2006 - 2007


Gujarat Petrosynthese Limited

BOARD OF DIRECTORS	Dr. R.M. THAKKAR	(Chairman and Managing Director)
	Ms. URMI N. PRASAD	Executive Director
	Ms. URSULA THAKKAR	Executive Director
	Ms. CHARITA THAKKAR	
	Dr. A.C. SHAH	
	Dr. P.S. PALANDE	
	Mr. V.H. PANDYA	
	Dr. (Mrs.) M.H. MEHTA	
	Mr. ADHIK SHIRODKAR	
	Mr. M.D. GARDE	(Nominee)

BANKERS AXIS BANK LTD.

LEGAL ADVISOR KANGA & CO

AUDITORS S. ANANTHA RAO & CO

REGD. OFFICE No. 24, II Main Phase I,
& Doddanekkundi Industrial Area,
WORKS Mahadevpura Post, Bangalore - 560 048



Gujarat Petrosynthese Limited

NOTICE

Notice is hereby given that the Thirtieth Annual General Meeting of the Members of Gujarat Petrosynthese Limited will be held at the Registered office of the Company at 24, II main, Doddanekkundi Industrial Area, Bangalore 560 048 on Thursday the 27th day of September, 2007 at 3.30 PM to transact the following business;

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2007 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Ms. Charita Thakkar who retires by rotation and being eligible, offers herself for reappointment.
3. To appoint a Director in place of Mr. V. H. Pandya, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

5. To consider and if thought fit to pass with or without modification(s) the following resolution as **SPECIAL RESOLUTION**.

"RESOLVED THAT the Authorised Share Capital of the Company be increased from Rs. 7,50,00,000/- (Rupees Seven Crores Fifty Lakhs only) divided into 75,00,000 equity shares of Rs. 10/- each to Rs. 8,00,00,000/- (Rupees Eight crores only) divided into 80,00,000 equity shares of Rs. 10/- each, ranking pari-passu with the existing equity shares of the Company.

FURTHER RESOLVED THAT paragraph V of the Memorandum of Association of the Company stands substituted as follows;

The Authorised Share Capital of the Company shall be Rs. 8,00,00,000/- (Rupees Eight Crores) divided into 80,00,000/- (Eighty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten) each. with power to the Company to increase or reduce the said capital and to issue any part of its capital, original or increased with or without any preferences, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions, so that unless the conditions of issue shall otherwise be subject to the power herein contained. The rights and privileges attached to any share having preferential, qualified or special rights, privileges or conditions attached thereto may be altered or dealt with in accordance with clause of the accompanying Articles of Association but not otherwise. "

"FURTHER RESOLVED THAT Article No. 4 (A) of the Articles of Association of the Company stands substituted as follows.

The Authorised Share Capital of the Company shall be Rs. 8,00,00,000/- (Rupees Eight Crores) divided into 80,00,000 (Eighty lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each.

"FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorised to do all the necessary acts/ deeds/ things as may be considered necessary and incidental, to put the aforesaid resolution into effect."

6. To consider and if thought fit to pass with or without modification(s) the following resolution as **SPECIAL RESOLUTION**.

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 and in accordance with the guidelines, rules and regulations of the Securities and Exchange Board of India ("SEBI"), [including the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997], and enabling provisions in the Memorandum and Articles of Association of the Company and subject to such terms, conditions and modifications as may be considered appropriate and approved by the Board and or its Committee and subject also to such approvals, consents, permissions or sanctions (including any conditions thereof, or modifications to the terms contained therein), if any, required of the appropriate authorities, Financial Institutions, Banks as may be required and such terms and conditions, if any, as may be prescribed while granting such consents, approvals, permissions and sanctions which may be agreed to by the Board and/or its Committee, the Board and or its Committee be and is hereby authorized to offer, issue, and allot 19,50,000 Equity Shares for cash on a preferential basis to the following promoters of the Company in one or more tranches and on such terms and conditions as may be deemed appropriate by the Board or Committee thereof.



Gujarat Petrosynthese Limited

1. Upto 10,63,000 fully paid-up Equity Shares of the Company of a face value of Rs. 10/- per share at a subscription price of Rs. 19/- per equity share (inclusive of premium of Rs. 9/- per share) [calculated as per the prescribed guidelines issued by SEBI for Preferential Allotment] aggregating to Rs. 20197000/- (Rupees two crores one lac ninty seven thousand only) to Multichem Pvt. Ltd., having its Regd. Office at Pitru chhaya, Avantikabai Gokhale Cross Lane, Mumbai 400004 for cash on preferential allotment basis on such terms and conditions as may be deemed appropriate by the Board.
2. Upto 90,000 fully paid-up Equity Shares of the Company of a face value of Rs. 10/- per share at a subscription price of Rs. 19/- per equity share (inclusive of premium of Rs. 9/- per share) [calculated as per the prescribed guidelines issued by SEBI for Preferential Allotment] aggregating to Rs. 1710000/- (Rupees Seventeen lacs ten thousand only) to Dr. R M Thakkar Chairman and Managing Director of the Company for cash on preferential allotment basis on such terms and conditions as may be deemed appropriate by the Board.
3. Upto 6,52,000 fully paid-up Equity Shares of the Company of a face value of Rs. 10/- per share at a subscription price of Rs. 19/- per equity share (inclusive of premium of Rs. 9/- per share) [calculated as per the prescribed guidelines issued by SEBI for Preferential Allotment] aggregating to Rs. 12388000/- (Rupees One crore twenty three lacs eighty eight thousand only) to Dr (Mrs) S R Thakkar residing at Pitru chhaya, Avantikabai Gokhale Cross Lane, Mumbai 400004 for cash on preferential allotment basis on such terms and conditions as may be deemed appropriate by the Board.
4. Upto 15,000 fully paid-up Equity Shares of the Company of a face value of Rs. 10/- per share at a subscription price of Rs. 19/- per equity share (inclusive of premium of Rs. 9/- per share) [calculated as per the prescribed guidelines issued by SEBI for Preferential Allotment] aggregating to Rs. 285000/- (Rupees two lacs eighty five thousand only) to Ms. Urmi N. Prasad Executive Director of the Company for cash on preferential allotment basis on such terms and conditions as may be deemed appropriate by the Board.
5. Upto 15,000 fully paid-up Equity Shares of the Company of a face value of Rs. 10/- per share at a subscription price of Rs. 19/- per equity share (inclusive of premium of Rs. 9/- per share) [calculated as per the prescribed guidelines issued by SEBI for Preferential Allotment] aggregating to Rs. 285000/- (Rupees two lacs eighty five thousand only) to Ms. Ursula R. Thakkar Executive Director of the Company for cash on preferential allotment basis on such terms and conditions as may be deemed appropriate by the Board.
6. Upto 15,000 fully paid-up Equity Shares of the Company of a face value of Rs. 10/- per share at a subscription price of Rs. 19/- per equity share (inclusive of premium of Rs. 9/- per share) [calculated as per the prescribed guidelines issued by SEBI for Preferential Allotment] aggregating to Rs. 285000/- (Rupees two lacs eighty five thousand only) to Ms. Charita R. Thakkar Director of the Company for cash on preferential allotment basis on such terms and conditions as may be deemed appropriate by the Board.
7. Upto 1,00,000 fully paid-up Equity Shares of the Company of a face value of Rs. 10/- per share at a subscription price of Rs. 19/- per equity share (inclusive of premium of Rs. 9/- per share) [calculated as per the prescribed guidelines issued by SEBI for Preferential Allotment] aggregating to Rs. 1900000/- (Rupees nineteen lacs only) to Guardian Finance Ltd., having its Regd. Office at Pitru chhaya, Avantikabai Gokhale Cross Lane, Mumbai 400004 for cash on preferential allotment basis on such terms and conditions as may be deemed appropriate by the Board.

AND RESOLVED FURTHER THAT all the Equity Shares proposed to be issued and allotted as above, shall rank pari passu in all respects with the existing Equity Shares of the Company, (including as to dividends), from the date of allotment.

AND RESOLVED FURTHER THAT the Relevant Date for the purpose of calculating the issue price of the above mentioned Equity Shares under the SEBI (Disclosure and Investor Protection) Guidelines, 2000 relating to preferential issues shall be 28th August 2007 being the date, 30 days prior to the date of this General Meeting.

AND RESOLVED FURTHER THAT the Board and/ or its Committee be and is hereby authorized to decide and approve the other terms and conditions of the issue of the above-mentioned Equity Shares and to vary, modify or alter any of the terms and conditions, including the size of the issue, as it may deem expedient.

AND RESOLVED FURTHER THAT the offer, issue and allotment of the aforesaid Equity Shares shall be made at such time or times as the Board and/ or its Committee may in its absolute discretion decide.

Gujarat Petrosynthese Limited

AND RESOLVED FURTHER THAT the 19,50,000 Equity Shares to be issued to aforesaid persons will bear a lock-in period of one year from date of allotment.

AND RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board and/ or its Committee, be and is hereby authorized to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer, issue, allotment and utilization of the proceeds of the issue of the abovementioned Equity Shares and further to do all such acts, deeds, matters and things to finalize and execute all documents and writings as it may deem fit.

AND RESOLVED FURTHER THAT the Board be and is hereby authorized to enter into and execute all such contracts / arrangements with any Lead Managers, Managers, Co-Managers, Trustees, Registrars and all such agencies, as may be involved or concerned in such offerings of Securities and to remunerate all such Lead Managers, Managers, Co-Managers, Trustees, Registrars and all other agencies by way of commission, brokerage, fees or the like, and also to seek listing of such Shares in one or more Stock Exchanges in India.

AND RESOLVED FURTHER THAT the Board and/ or its Committee be and is hereby authorized to accept such terms and conditions as the Government of India, SEBI, Financial Institutions, Banks, etc., and/or Stock Exchanges may stipulate in that behalf.

AND RESOLVED FURTHER THAT the Board and/ or its Committee be and is hereby authorized to delegate all or any of the powers conferred on it by or under this Resolution to any Director or Directors or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution.

Regd. office :

24, II Main, Doddanekkundi Industrial Area,
Mahadevapura, Bangalore - 560 048.

By order of the Board of Directors
For **Gujarat Petrosynthese Limited**

Sd/-

Place : Mumbai
Date : 30th June, 2007

(Dr. R. M. Thakkar)
Chairman & Managing Director

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER.
2. Proxies should be deposited at the Registered office of the Company not less than 48 hours before the commencement of the meeting.
3. Members desirous of getting any information about the accounts and operations of the Company are requested to send their query addressed to the Compliance Officer at the Registered Office at least 7 days before the date of the meeting to enable the Management to keep the information readily available at the meeting.
4. (a) Pursuant to Section 205A of the Companies Act, 1956 all unclaimed dividends upto the Financial Year ended on 31st March, 1996 have been transferred to the General Revenue Account of the Central Government.
(b) As per section 205A and 205C of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of 7 years from the date of its transfer to the unpaid Dividend Account of the Company, is required to be transferred to the Investors Education and Protection Fund set up by the Government of India. Once unclaimed dividends are transferred to this fund, members will not be entitled to claim these dividends.
5. Member are requested to :
 - a) Notify immediately any change in their residential address.
 - b) Quote the Registered Folio Number in every correspondence with the Company.
 - c) Bring their copies of the Annual Reports along with duly filled in attendance slip at the meeting
6. The Register of Members and share transfer books of the Company will remain closed from 24.9.2007 to 27.9.2007 (both days inclusive) for the purpose of the Annual General Meeting.

Gujarat Petrosynthese Limited**ANNEXURE TO THE NOTICE****Explanatory Statement pursuant to the provisions of Section 173 (2) of the Companies Act, 1956.**

As required by Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out the material facts relating to the items of Special Business mentioned in the Notice.

Item No. 5

Members are aware that the existing Authorised Share Capital of the Company is Rs. 7,50,00,000/- divided into 75,00,000 Equity Shares of Rs. 10/- each. The Company has to raise its funds for its requirement for Research and capital expenditure project and to fund its requirement for working capital for meeting its normal capital expenditures. Accordingly, it is proposed to increase the Authorised Capital of the Company from Rs. 7.50 crores to Rs. 8.00 crores.

Consequent upon increase in Authorised capital, the paragraph V of the Memorandum of Association of the Company and Article No. 4(A) of the Articles of Association of the Company required to be substituted accordingly.

As per section 94 of the Companies Act, 1956, the Authorised Share Capital of the Company can be increased by passing Resolution by the shareholders of the Company. Further, increase in Authorised Share Capital also requires alteration of Article No.4(A) of the Articles of Association of the Company, which can be altered only by passing Special Resolution. Hence, this resolution is proposed by way of special resolution.

The Copy of Memorandum and Articles of Association is available and open for inspection at the Registered Office of the Company.

The Directors recommend this resolution for your approval.

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

ITEM NO. 6

The Company needs resources to fund its requirement for Research and capital expenditure project and to fund its requirement for working capital for meeting its normal capital expenditures.

For these purposes, the Company is considering the issue and allotment of upto 19,50,000 fully paid-up Equity Shares of the Company of a face value of Rs. 10/- per share at a subscription price of Rs. 19/- per equity share (inclusive of premium of Rs. 9/- per share) [calculated as per the prescribed guidelines issued by SEBI for Preferential Allotment] aggregating to Rs. 37050000/- (Rupees three crores seventy lacs fifty thousand only) to promoters of the Company viz. Multichem Pvt. Ltd., Guardian Finance Ltd. and other persons for cash on preferential allotment basis on such terms and conditions as may be deemed appropriate by the Board.

As on date, the promoters as mentioned in the resolutions have only provided a Letter of Intent to the Company. The acquisition, if any, by the said promoters are subject to, amongst other things, finalization and execution of requisite documents on mutually agreed terms and subject to the necessary approvals as may be necessary.

The "relevant date" for the purpose of calculating the price of the Equity Shares being allotted pursuant to this resolution is 28th Aug. 2007 being the date, 30 days prior to the date of this General Meeting.

The proposed preferential allotment shall not result in any change in the Management/ Control. It is proposed that the existing promoters will remain in management and control.

Pursuant to the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 ("the SEBI DIP Guidelines") the Equity Shares proposed to be issued to aforesaid promoters will be locked-in for a period of 12 months from the date of allotment of the Equity Shares.

Disclosures pursuant to the SEBI DIP Guidelines

The following disclosures are made pursuant to the provisions of the SEBI DIP Guidelines:

(i) Objects of the issue through preferential offer:

The Company needs resources to fund its requirement for Research and capital expenditure project and to fund its requirement for working capital for meeting its normal capital expenditures.

(ii) Intention of Promoters, Directors and Key Managerial Personnel to subscribe to the Issue:

None of the promoters except aforesaid entities intend to subscribe to the Issue.

Gujarat Petrosynthese Limited**(iii) The consequential change in Shareholding pattern will be as follows:**

Particulars	Existing Shareholding		Post Preferential allotment	
	No. of Shares	%	No. of Shares	%
Promoters total holding	2129464	35.38	4079464	51.19
Non Promoters				
Financial Institutions/ Mutual Fund/ UTI	67524	1.12	67524	0.85
Insurance companies	1054552	17.52	1054552	13.24
Private Corporate Bodies	32842	0.55	32842	0.41
NRIs / OCBs	546734	9.08	546734	6.86
Public & Others	2187685	36.35	2187685	27.45
Total	6018801	100.00	7968801	100.00

(iv) Proposed time within which the allotment will be completed:

The allotment of the Equity Shares are expected to be completed within 15 days of the date of passing of the above resolution. Provided that where the allotment is pending on account of pendency of any approval for such allotment by any Regulatory authority or the Central Government, the allotment is expected to be completed within 15 days from the date of such approval.

(v) The identities of the proposed allottees and the percentages of the post preferential issue capital that may be held by them:

Name of the proposed allottees	No. of shares Proposed to be allotted	Post allotment total holding with existing holding	% of post allotment paid up capital
Dr. R M Thakkar	90000	390336	4.90
Dr (Mrs) S R Thakkar	652000	1173251	14.72
Ms. Urmil N. Prasad	15000	176189	2.22
Ms. Charita R. Thakkar	15000	173800	2.18
Ms. Ursual R. Thakkar	15000	195700	2.46
Multichem Pvt. Ltd.	1063000	1172032	14.70
Guardian Finance Ltd.	100000	239648	3.00
Total	1950000	3520956	44.18

* The existing equity holding of above persons will be locked in for a period of 12 months from the relevant date as per SEBI Guidelines for preferential issue.

Auditor's Certificate

M/s. S. Anantha Rao & Co., Chartered Accountants, Bangalore, the Statutory Auditors of the Company, have certified that the preferential issue is being made in accordance with the requirements contained in SEBI (Disclosure and Investor Protection) Guidelines 2000. A copy of the Certificate will be laid before the meeting of the shareholders.

In terms of provisions of the Companies Act, 1956, consent of the members is required for issue of Equity Shares in the proportion other than the holding of existing members. Hence consent is sought under Section. 81(1A) of the Companies Act, 1956, for the offer, issue and allotment of the said equity shares, as detailed in the resolutions. The Board may be authorized to issue the Equity Shares, in accordance with the terms of offer, as detailed in the resolutions and to take all necessary actions without any limitation for implementing the resolutions and for listing of the above-mentioned shares.

Inspection

A copy of the certificate issued by M/s S Anantha Rao & Co., Chartered Accountants, Bangalore, the Statutory Auditors of the Company, is available for inspection at the Registered Office of the Company between 11.00 AM to 01.00 PM. on any working day prior to the date of the meeting and will also be available for inspection at the meeting.

Interest of Directors

Dr. R. M. Thakkar, Chairman & Managing Director, Ms. U. N. Prasad, Ms. U. R. Thakkar, Ms. C. R. Thakkar, and Mrs. M. H. Mehta Directors of the Company, being relatives and Directors of the Company to whom shares are offered as above are considered concerned or interested in the resolution. None of the other Directors of the Company is directly or indirectly concerned or interested in this resolution.

Gujarat Petrosynthese Limited

The Board of Directors believes that the proposed offer will be in the interest of the Company and its members. The Board of Directors recommends the Resolution for approval of the Shareholders.

Regd. office :

24, II Main, Doddanekkundi Industrial Area,
Mahadevapura, Bangalore - 560 048.

By order of the Board of Directors
For **Gujarat Petrosynthese Limited**

Sd/-

(Dr. R. M. Thakkar)

Chairman & Managing Director

Place : Mumbai

Date : 30th June, 2007

Details of Directors seeking appointment/reappointment in the forthcoming Annual General Meeting (in pursuance of Clause 49(VI)(A) of the Listing Agreement)

Name of Directors	Ms Charita Thakkar	Mr. V. H. Pandya
Date of Birth	01/11/1960	26/09/1926
Date of Appointment	28/08/1990	16/03/1982
Expertise in specific functional areas	Ms.C.R.Thakkar has expertise in Finance and has business experience of over 15 years.	Mr. V. H. Pandya has expertise in Chemical Engineering
Qualifications	MBA(TCU), MMS(Stanford)	B. Sc. (Honors)
Directorship held in other companies (excluding foreign companies)	Nil	Nil
Committee Positions held in other Companies	Nil	Nil

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Gujarat Petrosynthese Limited

DIRECTORS' REPORT

The Directors have pleasure in presenting the Thirtieth Annual Report of the Company together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2007.

Financial Results	(Rs. in Lacs)	
Particulars	2006-07	2005-06
Sales Turnover	703.17	816.10
Operating Profit	92.62	199.33
Less : Interest	(1.10)*	(1.04)
Depreciation	(30.61)	(30.18)
Profit before Tax	60.91	168.11
Less : Provision for Tax	11.00	20.00
Provision for Deferred Tax	0.43	-
Fringe Benefit Tax	3.91	2.97
Profit After Tax	45.57	145.14
Prior period Adjustments/ Income Tax for earlier years	1.39	29.83
Add : Balance in Profit & Loss Account	446.59	271.62
Balance available for appropriation	493.55	446.59
Balance carried to Balance sheet	493.55	446.59

Dividend

As per prudent financial measures and considering the need to conserve financial resources and to make necessary investments for the growth of business, your directors do not recommend any dividend.

Performance

Despite very tough competition, the Company has maintained the performance of the Bangalore unit at same levels as the previous year. Changes in specifications of some applications have resulted in both gains of new business and losses in others resulting in a status quo. In order to take advantage of the new developments taking place various applications areas, it is necessary for the Company to invest in latest sophisticated technical equipment to establish a well-equipped R&D Centre at Bangalore and to enhance production capabilities of the unit there. These activities would need additional funds of about Rs. 2 crores. Hence the Company is proposing to issue preferential equity shares to the promoters.

Working of our Subsidiary-GPPL:

The subsidiary GPPL produced good results and stabilized the operations by regaining customer confidence. However, the Company will continue to face challenges as one of the main application areas, 2-stroke engine lubricants, is disappearing at a much faster rate than previously envisaged in the marketplace. Therefore, the company is redoubling efforts to enhance its customer base and investing in R & D to meet high quality specs and new product development needs. GPPL's commitment to quality has paid off as customers in new markets have also approved its product.

Future outlook :

The future involves both challenges and opportunities and brings the excitement of new ventures, building on skills, experience and relationships established in the past. The Company has charted a strategy of growth in new products and new markets. In preparation for this new growth plan, the Company will require substantial funds to revamp its production base and invest in market seeding. The Company has re-established contacts with previous collaborators and customers to become active partners with the Company in this new strategy of growth through innovation. The Company has a highly motivated team which is committed to meeting the challenges and taking the Company to new heights.

Change of Registered office

The Registered Office of the Company stands shifted from Baroda to Bangalore. The Company Law Board, Western Region Bench, Mumbai has issued the order approving this change w.e.f. 11th June, 2007. As per requirement of the provisions of the Companies Act, 1956 the said order has been uploaded with the MCA21 portal on 20/06/2007. Now, the Registered office address is 24, II main, Doddanekkundi Industrial Area, Mahadevapura, Bangalore 560 048.

Human Resource Management

The Company considers Human Resources as an invaluable asset. Your Directors place on record their appreciation of the hard work, dedication and commitment of the employees of the Company at all levels. The efforts made by the employees makes it possible for the Company to face the challenges and competition.



Gujarat Petrosynthese Limited

Particulars of Employees

As required by the provision of Section 217(2A) of the Companies Act, 1956 read with (Companies Particulars of Employees) Rules 1975, as amended the names and other particulars of employees are given in the Annexure II to the Directors Report.

Industrial Relations

Relations between the employees at all levels with the management continue to remain cordial.

Health, Safety & Environment

Occupational safety and environment continue to be an important area for your Company and receive proper attention throughout the year. Necessary steps are regularly undertaken to ensure the Safety of personnel and equipment.

Internal Control System

Your Company has adopted an internal control system, commensurate with its size. The external auditors and high powered audit committee supplement the Company's internal control system. Your Company ensures its implementation and compliance so that the assets and business interests of your Company are adequately safeguarded.

Cautionary Statement

Statement in this report on Management discussion and analysis describing the company's objectives, projections, estimates, expectation may be "forward looking statements" within the meaning of applicable securities Laws or Regulations. These statements are based on certain assumptions and expectation of future events. However, actual results could differ materially from those express or implied. The Company assumes no responsibility in respect of forward looking statements, which may undergo changes in the future on the basis of subsequent development, information or events.

Deposits

Your company has not accepted any Deposits to which the provisions of section 58A of the Companies-Act, 1956 are applicable.

Conservation of energy, technology absorption, foreign exchange earnings and outgo.

The information required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 with respect to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo are as per attached Annexure.

Corporate Governance

A Compliance Report on Corporate Governance is annexed to this report. The Auditors' Certificate on compliance with the conditions of corporate governance under clause 49 of the Listing Agreement is also annexed to this report.

Director's Responsibility Statement

Pursuant to provisions under section 217(2AA) of the Companies Act, 1956 with respect to Director's Responsibility Statement, the Board of Directors hereby confirm that :

1. in the preparation of annual accounts, the applicable accounting standards have been followed and given proper explanation relating to material departures;
2. appropriate accounting policies have been selected and applied them consistently and made judgments and estimates which 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;
3. proper and sufficient care has been taken 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;
4. the annual accounts have been prepared on a going concern basis.