

SCHLAFHORST ENGINEERING (INDIA) LIMITED



27th ANNUAL REPORT & ACCOUNTS - 1ST JANUARY 2008 TO 31ST DECEMBER 2008

BOARD OF DIRECTORS

Mr. Suraj L. Mehta	- Chairman
Mr. Sanjay K. Asher	- Director
Mr. K.M. Thanawalla	- Director
Mr. Leen Osterloh	- Director (from 30 th April 2008)
Mr. CBK Pillai	- Managing Director
Dr. Dirk Burger	- Director (up to 30 th April, 2008)

COMPANY SECRETARY

Mr. CBK Pillai

AUDITORS

Shah & Shah Associates

REGISTERED OFFICE & WORKS

Chandrapura Village, Tal. Halol – 389 350

Dist. Panchmahals, Gujarat State

Telephone No. (02676) 221870

Fax No. (02676) 220887

E-mail : seilhalol@sify.com

IMPORTANT NOTICE

1. Members / Shareholders are requested to lodge their Equity Share certificates for transfer with the Company at its Registered Office.
2. With effect from 9th October 2000, the Company got admitted its Equity Shares to be dealt in dematerialized format and a tripartite agreement was signed between the Company, The Central Depository Services (India) Ltd., & Sharepro Services for providing electronic connectivity.

NOTICE

Notice is hereby given that the **TWENTY SEVENTH ANNUAL GENERAL MEETING** of the members of **SCHLAFHORST ENGINEERING (INDIA) LIMITED** will be held at the Registered Office of the Company, Chandrapura Village, Tal. Halol – 389 350, Dist. Panchmahals, Gujarat on Thursday, the 25th June, 2009 at 2.30 p.m. to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the audited Profit & Loss Account of the Company for the year ended 31st December 2008 and the Balance Sheet as at that date together with the reports of the Directors and Auditors.
2. To appoint a Director in place of Mr. K.M. Thanawalla, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. CBK Pillai, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint the Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By order of the Board of Directors
SCHLAFHORST ENGINEERING (INDIA) LTD.

CBK PILLAI
MANAGING DIRECTOR

Registered Office:

Chandrapura Village, Tal. Halol – 389 350
Dist. Panchmahals, Gujarat.

Place: Mumbai

Date: 29th April, 2009

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. An instrument appointing a proxy should be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the meeting.
3. Members are requested to intimate the change of address, if any, immediately to Share Dept., Schlafhorst Engineering (India) Ltd., Chandrapura Village, Tal. Halol – 389 350, Dist. Panchmahals, Gujarat, quoting their Folio Number(s).
4. Shareholders seeking information on accounts published herein are kindly requested to furnish their queries to the Company at least TEN days before the date of the meeting addressed to the Secretary, Schlafhorst Engineering (India) Ltd., Chandrapura Village, Tal. Halol – 389 350, Dist. Panchmahals, Gujarat.
5. In view of the high cost of paper and printing, the practice of handing out copies of the Annual Report at the Annual General Meeting has been discontinued. Shareholders are therefore requested to bring their copies of the Report to the Meeting.
6. The Share Transfer Deeds should be sent to the Company at its Registered Office. In case the Share Certificates duly transferred are not received by the Members within one month from the date of lodgement and for resolving any Investors' Grievances, please write to the Secretariate (Investors' Grievances) at the Registered Office of the Company.
7. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, the 23rd June, 2009 to Wednesday, the 24th June, 2009 (both days inclusive).

By order of the Board of Directors
SCHLAFHORST ENGINEERING (INDIA) LTD.

CBK PILLAI
MANAGING DIRECTOR

Registered Office:

Chandrapura Village, Tal. Halol – 389 350
Dist. Panchmahals, Gujarat.

Place: Mumbai

Date: 29th April, 2009

DIRECTORS' REPORT

To,
The Shareholders,
SCHLAFHORST ENGINEERING (INDIA) LIMITED

Your Directors submit their Twenty Seventh Annual Report & Audited Statement of Accounts for the year ended on 31st December, 2008.

1. FINANCIAL RESULTS

	Current Year Rupees (‘000)	Previous Year Rupees (‘000)
Net Income from manufacturing	63,683	89,568
Income from trading in spare parts	13,689	24,100
Other income (Interest, Lease Rent, etc.)	16,017	12,914
Total income	93,389	126,582
Depreciation	4,924	5,304
Profit/(Loss) before Tax	14,769	18,707
Provision for taxation	215	305
Profit/(Loss) after tax	14,554	18,402
Brought forward balance of previous year losses	220,937	239,339
Cumulative losses	206,383	220,937
Net worth	173,900	159,346

2. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

- a) The Company sold 21 Draw Frames of the aggregate value of Rs.18.42 mio as against 50 Draw Frames of the aggregate value of Rs. 46.52 mio in the previous year and executed job work aggregating to Rs.54.31 mio as against Rs. 57.94 mio in the previous year. Job work constituted around 69% of the total manufacturing income. The decrease of income from sale of spare parts from Rs.24.76 mio in the previous year to 14.15 Mio during the year under review is mainly on account of phasing out of old model Autoconers AC138 (which was discontinued in 1993) and AC 238 (which was discontinued in 1997) from the market. Other income includes interest from deposits of Rs.6.75 Mio (Rs.5.14 Mio in the previous year) and rent from the lease of company's Factory premise surplus to its current requirement of Rs.7.26 Mio (previous year Rs.6.13 Mio). The net profit after provision for tax is Rs.14.6 Mio (15.6% of total income) as

against Rs.18.4 Mio (14.5% of total income) in the previous year.

- b) Though the company has fully paid off most of its long term liabilities, the preference shares which are repayable anytime after 15th December, 2006 (but before 28th October 2024) are yet to be redeemed. The Preference Share holder (Oerlikon) has sought the redemption of preference shares as early as possible.

3. SEGMENT WISE PERFORMANCE

The operations of the company are in a single segment of Textile Machinery – High Speed Draw Frame. The job work and the sale of spare parts are not considered as separate product segments.

4. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

- (a) Industry structure and development

The Company was set up in 1983 to produce Autoconers (Yarn Tester & Rectifier). It was discontinued in 1997 due to high cost of production and competition from imported Autoconers of superior technology from various countries. The resources so released are being used for job work since 1998.

Since 1984, your Company has been manufacturing Draw Frame, which is used as a spinning preparatory machine by textile mills. It is a very old product designed by Zinser several years back. Due to paucity of funds, difficulty in getting competent technical hands and lack of R&D facilities, the Company has not been able to make any material technological improvement in it, except replacing PCB with PLC and some other minor changes. It is a small value product.

- (b) Opportunities and Threats

There is enormous scope for the growth of textile mills industry in India with right technology, efficient productivity, economies of scale supported by sufficient cost effective power, affordable finance and other infrastructure, which provides ample opportunity to the textile machinery industry to grow with the right technology and equipment. However, Draw Frame being manufactured by your Company is of very old design and technology. Draw Frames of superior technology are available in the market. In the case of mills setting up new projects, the tendency is to source the Draw Frames from the manufacturers, who supply a line/range of products. Besides, the Mills

increasingly prefer Autoleveller Draw Frame for which your Company does not have the required technology and R & D facilities.

(c) Outlook, risk and concerns:

- i) The global financial meltdown had its effect in the sale of draw frames manufactured by your company. The company received orders for 9 draw frames over the last 16 months from January, 2008 till April, 2009. Orders for 13 draw frames received since 2006 for which inventory was built by the company were subsequently cancelled by the client and the fate of the other 16 Draw Frames required by a single client is uncertain. Deliveries of 8 Draw Frames packed ready for dispatch are being delayed by the clients for financial reason.
- ii) As was being reported to you over the last one decade, the future does not hold good for the company in the absence of any viable product. The majority share holder does not have any product to offer which could be manufactured in this company. Job work is not a reliable source of business & is likely to further slow down. The same can be the case with income from lease rent as the lessees have the option to move out after the lease period.
- iii) The Board has been looking for an investor who can take over the company after paying the existing liabilities and who can take care of the interest of minority share holders. The obsolescent nature of most of the existing machineries and a huge liability to the extent of Rs.1240 lacs in the form of Non convertible preference shares which became due for redemption after 15th December 2006 have been discouraging factors. Most of all, any prospective investor can have greater interest only if the company has a technologically attractive marketable product which your company does not have. Winding up of the company at this stage is not the best option.
- iv) Till such time, the concern of the Board is to keep the company's operations profitable. Costs on all fronts have been on constant watch and critical evaluation. To reduce the fixed cost, the number of permanent employees have been further reduced with effect from 1st April, 2009.

(d) Material development in Human Resources:

The strength of the permanent employees has been reduced with their support and cooperation. Except this, which took place on 1st April, 09, there has not been any material development during the year under review.

(e) Internal control systems and their adequacy:

The company has adequate internal control systems commensurate with its size. A firm of Chartered Accountants has been appointed as Internal Auditors of the Company, who submits its quarterly reports to the Audit Committee /the Board of Directors. Every month, a detailed Management report containing statistics on sales, income, expenses and cash flow of the company is being submitted to the Audit Committee and the Board for their review. All the fixed assets of the company have been physically examined and recorded at regular intervals. Also in all operational matters, the Company follows the systems and procedures as set out in ISO 9000 : 2000 certification manual implemented since February 2007.

5. DIVIDEND

In view of the carried forward accumulated losses, your Directors do not recommend any dividend for the year under review.

6. PERFORMANCE OF THE CURRENT YEAR:

Total income from sale of draw frames, job work, rental income and other receipts for the first quarter ended on 31st March, 2009 was Rs. 12.59 Mio (previous year Rs.23.44 Mio) with a net after tax profit of Rs.0.17 Mio (previous year Rs.2.77 Mio). The total orders pending execution as on 31st March 2009 stood at Rs.29.38 Mio (previous year Rs.51.24 Mio). Current year performance is expected to slow down further for reasons explained under the heading 'Management Discussion & Analysis'.

7. PARTICULARS OF EMPLOYEES:

The particulars of employees as required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are as under:

Name & Date of commencement of Employment	Designation & nature of duties	Qualification & Experience (including experience in previous concerns, if any)	Remuneration received during the year (Rupees)	Age	Last employment held Name of Employer, Post held & period
Mr. CBK Pillai 09-02-1995	Managing Director Overall Management	B.A., LLB A.C.S. 40 years	Rs.19,00,043/-	59	Eimco Elecon (India) Ltd. Company Secretary 4 years

Notes : Remuneration as above includes Salary, Company's contribution to Provident Fund and Superannuation Scheme, Leave Travel Assistance, Medical Expense Reimbursement, other Allowances, Bonus/Ex-gratia, Personal Accident Insurance Premium, Company's Furniture, Equipments, Gas, Electricity and Gratuity - where applicable and Retirement benefit. None of the employees is relative of any Director of the Company.

8. DIRECTORS

1. Mr. KM Thanawalla and Mr. CBK Pillai retire by rotation at the ensuing Annual General Meeting of the company and are eligible for reappointment. The Board recommends that they be reappointed as Directors.
2. Born on December 24, 1942, Mr Thanawalla is a graduate in Commerce, Fellow of Institute of Chartered Secretaries and Administration, besides being an Associate of Textile Institute, UK and British Institute of Management. He is presently Managing Director of Oerlikon Textile India Pvt Ltd (Registered Office: Maharashtra, Bombay) and has held various senior positions since 1965. Born on August 31, 1950, Mr. Pillai is a Law graduate and a Chartered Secretary, has been the Managing Director of the company since June, 1998 and held in large Public Limited Corporates various positions since 1971.
3. The other directors on the Board are Mr. Sanjay K. Asher (DOB: November 26th, 1964), a Chartered Accountant and a Solicitor with many years of legal practice and a Director of several other companies. He has been director in the company since March 2004. Mr. Leen Osterloh (DOB: March 3, 1975) was appointed on April 30, 2008 as a Director nominated by the company's promoter. He is a graduate in Economics and held senior positions as Managing Director since 2002 and is the Chief Financial Officer of Oerlikon Textile GmbH & CO KG since 2006. Mr SL Mehta (DOB: May 1, 1944) who joined the Board on October 31, 2007 is an economist and a Banker by profession and held very senior positions in multinational banks as Managing Director and CEO and holds directorship in some large Indian Corporates.

9. DISCLOSURE OF INFORMATION ON ENERGY CONSERVATION & TECHNOLOGY ABSORPTION

- A) Conservation of Energy
The Company continues to take all possible steps to conserve energy.
- B) Technology Absorption, Research & Development and Technology Absorption, Adaptation and Innovation: NIL

C) Foreign Exchange earnings and outgo:

The total foreign exchange earned by the Company during the year under review from exports and other activities amounted to Rs.1.02 lacs. The total foreign exchange used for imports and on account of various remittances amounted to Rs.58.38 lacs.

10. AUDITORS

The tenure of Shah & Shah Associates as Auditors of the Company expires at the conclusion of the 27th Annual General Meeting. You are requested to appoint Auditors and fix their remuneration.

11. INSURANCE

All the properties of the Company are adequately insured against various perils.

12. CEO / CFO CERTIFICATION:

This is to certify that –

- a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered in to by the Company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement

therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

CBK PILLAI

Y.J. SHAH

MANAGING DIRECTOR SR. MANAGER –
FINANCE & ACCOUNTS

13. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 217 (2AA) of the Companies Act, 1956, your Directors confirm that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures. The Directors have selected appropriate 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 and of the profit of the Company for the financial year 1st January 2008 to 31st December 2008. 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. The annual accounts have been prepared on a going concern basis.

14. CORPORATE GOVERNANCE:

1. Company's Philosophy:

Transparency, accountability, full disclosure and compliance with the law are the governing factors at SEIL, which is committed to enhance the shareholders' value in the long term as its ultimate objective, while contributing to the welfare of the employees, state revenue and public interest.

2. Board of Directors

2a) Board Meetings:

During 2008, Four meetings of the Board of Directors were held on January 30, 2008, on April 30, 2008, on July 16, 2008 and on October 21, 2008.

2b) Composition of the Board:

During the year under review, 6 Directors, whose names are given below, served the Board – a Managing Director & CEO, 3 non executive nominee directors representing the promoter – W.Reiners Verwaltungs GmbH, Germany, who are also employees of the promoter and 2 non-executive independent directors. The Chairman of the board is non executive and is no way connected with the Promoters. The non executive independent directors are one-third of the total strength.

Name of the Director	Category	Attendance of Board Meetings	Attendance of last AGM	Director ship	In other Companies Committee Member	Chairman ship of
Mr. SL Mehta	Chairman from 31.10.2007 Non-executive Independent Rotational	4	YES	3	-	-
Mr. Sanjay Asher	Independent, Rotational	4	NIL	32	5	5
Mr. KM Thanawalla	Promoter's Nominee Rotational	3	Yes	13	3	-
Mr. CBK Pillai	Mg. Director Rotational Executive	4	Yes	NIL	NIL	NIL
Dr. Dirk Burger	Chairman up to 31.10.2007 Non-Rotational, Promoter's Nominee	1	NIL	5	NIL	NIL
Mr. Leen Osterloh	Non-Rotational, Promoter's Nominee	1	NIL	4	-	-

Note: None of the Directors are inter se related to each other.

3) AUDIT COMMITTEE:

3a) The Company has constituted an Audit Committee on 30th January 2001. During 2008, the members of the committee were (i) Mr. Suraj L. Mehta (Chairman & Independent Director from 31st October 2007), (ii) Mr. Sanjay Asher (Independent Director), (iii) Dr. Burger (Non-Executive Director from 19th April 2007 to 30th April 2008) with Mr. CBK Pillai as its Secretary.

3b) The Audit Committee is vested with the power to examine all the aspects of the Company's business, recommend capital expenditure and utilization of credit facilities, suggesting remedial measures on issues that are raised in the Internal Auditors' Report, Statutory Auditors' Report and other Management reports being generated every month, review of quarterly performance, cost reduction measures, compliance with statutory regulations, interaction with the Statutory Auditors and officers of the Company and other matters specified in Clause 49 of Listing Agreement and Section 292A of the Companies Act, 1956.

3c) The Audit Committee had its meetings on January 30, 2008, April 30, 2008, July 16, 2008 & October 21, 2008. These meetings were attended by Mr. S.L. Mehta (all Meetings), Mr. Sanjay Asher (all Meetings), Dr. Dirk Burger (1 meeting) & Mr. CBK Pillai (all meetings). Mr. Mukesh B. Banker, Statutory Auditor (all meetings).

4) COMPENSATION AND REMUNERATION COMMITTEE:

- 4a) The terms of reference of the Committee is to consider adequate compensation to Managing Director commensurate with the qualification, experience, past performance, future expected performance, etc.
- 4b) The Remuneration Committee consists of Mr.Sanjay Asher as Chairman & Mr.KM Thanawalla for determining the appointment of and remuneration to the Managing Director.
- 4c) The Managing Director's remuneration is approved by the Remuneration Committee, the Board and the Shareholders. The Directors except Mr Oesterloh and the Managing Director was paid sitting fees within the limits prescribed by the Rules made under the Companies Act, 1956 for attending Board & Committee meetings from April 2008 Except as above, no director has any material pecuniary relationship or business transaction with the company. None of the Directors is related to any other Director. The Managing Director is under a service contract for a period of three years commencing 1st January 2007 to 31st December 2009. His service is terminable by giving 6 months notice. There are no severance fees except as provided in Section 318 of the Companies Act, 1956. The Company has not introduced any stock option. The Managing Director's remuneration for the period 2007-2009 is set out in the explanatory statement annexed to the notice given in the annual report convening the 25th Annual General Meeting. The committee last met on 31st October, 2006 to approve the Managing Director's remuneration for the above period and was attended by Mr. Josef Steiger, Mr.AK Bhagwati, Mr.Sanjay Asher & Mr. KM Thanawalla.
- 4d) None of the Non-Executive Directors hold any Equity Share of the Company.
- 4e) During the year no meeting was conducted.
- 4f) As the Managing Director's remuneration is decided by the Remuneration Committee, the Board & the Shareholders based on experience and merit and no remuneration is paid to any other Director other than the sitting fee as permissible under the companies Act 1956, no separate remuneration policy has been laid down for the directors generally.

5) SHAREHOLDERS' / INVESTORS' COMMITTEE:

- 5a) On 29th January, 2002 a Shareholders' / Investors' Grievance Committee headed by Mr. Josef Steiger (Non executive director - up to

19th April 2007) of the company was formed by the Board to review the status of investors' grievances and redressal mechanism and to suggest measures to improve the level of investor services. With the resignation of Mr.Steiger, Mr. K.M. Thanawalla is heading this Committee with Mr. CBK Pillai as the other Member.

5b) COMPLIANCE OFFICER:

Mr. CBK Pillai, Company Secretary, is the Compliance Officer overseeing the Investors' grievances. He can be contacted at Schlafhorst Engineering (India) Ltd., Chandrapura Village, Tal. Halol - 389 350, Dist. Panchmahals, Gujarat, Telephone No. (02676) 221870, Fax No. (02676) 220887, E-mail: seilhalol@satyam.net.in

- 5c) During the year the Company has received 12 complaints and all the complaints have been resolved well in time. No complaints are pending at the end of the financial year.

6) GENERAL BODY MEETING:

The previous 3 General Body Meetings were held as under :

Annual General Meeting	Day, Date & Time	Venue
24 th Annual General Meeting	Friday 16.06.2006 at 2.30 p.m.	Registered Office of the Co. Chandrapura Village Tal.Halol-389 350 Dist.Panchmahals, Gujarat
25 th Annual General Meeting	Monday 04.06.2007 at 2.30 p.m.	Registered Office of the Co. Chandrapura Village Tal.Halol-389 350 Dist.Panchmahals, Gujarat
26 th Annual General Meeting	Friday 27.06.2008 at 2.30 p.m.	Registered Office of the Co. Chandrapura Village Tal.Halol-389 350 Dist.Panchmahals, Gujarat

On 6th May 2004, the company passed two special resolutions at its general meeting (1) reducing the face value of equity shares from Rs.10/- per share to Rs.3/- per share and (2) altering the Articles of Association to give effect to the proposal. As that proposal was not implemented, the general meeting held on 21st April 2005, a special resolution was passed altering the Articles of association to restore it to the original position. At the aforesaid general meeting in 2004, a special resolution was also passed by the Shareholders to delist the shares from the Vadodara and Ahmedabad stock exchanges, which was implemented. At

the general meeting in 2005 as aforesaid a special resolution was passed, besides postal ballot to shift the registered office from Vadodara to its works at Halol, which was implemented.

No special resolution was passed in the 25th or in the 26th Annual General Meetings or proposed to be passed in the 27th Annual General Meeting.

7) DISCLOSURES:

7a) The Company has not entered into any contract or transaction of material nature that may have a potential conflict with the interest of the company with any of the directors or their relatives or promoters during the year. There were no penalties or strictures imposed on the company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to Capital Markets during the last 3 years.

7b) A.T.E. Marketing Pvt. Ltd. (ATEMPL) was the Selling Agent of the Company. The commission payable was 4% on net sales, which was also being paid to other selling agents in the past. Mr. A.K. Bhagwati, a Director of the Company up to July 2007, was also a Director in ATEMPL. The Selling Agency Agreement expired in May 2008 and was not renewed.

7c) The Company carried out fabrication job work of certain components for Zinser Textile Systems Pvt. Ltd. (ZTS). These job works are sought by the Company to utilize its surplus capacity. Some of the Directors of the Company namely Mr. Sanjay Asher & Mr. KM Thanawalla are Directors in ZTS. Approval from the Central Government u/s 297 of the Companies Act has been received for the purpose. The contract expired in October, 2007 and was not renewed.

7d) The Company's Factory Shed admeasuring around 2488 sq. meter has been let out to ZTS for a period of 3 years from March 2007. Around 2445 sq. meter of Factory Shed has also been let out to another group company namely Oerlikon Textile Components Pvt. Ltd (OTC) for a period of 5 years from 1st March 08. The terms and conditions of the lease are the same as applicable to the other lessee who is not a group company.

7e) It is affirmed that no personnel has been denied access to the Audit committee and that the company has complied with all the mandatory and some of the non mandatory requirements under the corporate governance.

7f) Except Mr. CBK Pillai, the Managing Director of the Company who holds 100 Equity Shares, no other Director holds any Equity Shares of the Company.

8) MEANS OF COMMUNICATION:

8a) QUARTERLY RESULTS

The Quarterly results of 2008 are published as under:

	Date of Publication
First Quarter	01.05.2008
Second Quarter	17.07.2008
Third Quarter	22.10.2008
Fourth Quarter	24.01.2009

8b) The quarterly results and half yearly results of the Company are sent to the Stock Exchange immediately after the Board's approval. The quarterly results are also published in Loksatta/ Jansatta in vernacular language and in Business Standard in English language within 48 hours of the approval by the Board. There have been no news releases or presentation to the institutional investors or analysts.

9) GENERAL SHAREHOLDERS' INFORMATION

9a) The 27th Annual General Meeting of the company will be held on Thursday, the 25th June, 2009 at 2.30 pm at its Registered Office at Chandrapura Village, Tal Halol - 389 350, Dist Panchmahals, Gujarat State. The company follows calendar year (January – December) as its financial year. The Register of Members and the Share Transfer Books of the company will remain closed from Tuesday, the 23rd June, 2009 to Wednesday, the 24th June, 2009 (both days inclusive).

In view of accumulated losses, no dividend has been recommended. The Company's equity shares are listed on the Stock Exchange Mumbai. The stock code allotted is 505358.

9b) MARKET PRICE DATA:

The High & Low market prices of the shares at The Stock Exchange, Mumbai are as under:

Month	Highest	Lowest	Sensx	
			Highest	Lowest
January 2008	37.25	19.25	20873.33	16729.94
February 2008	22.15	16.35	18663.16	16608.01
March 2008	17.15	10.90	16677.88	14809.49
April 2008	15.79	13.40	17378.46	15343.12
May 2008	16.69	11.90	17600.12	16275.59
June 2008	14.44	9.32	16063.18	13461.60
July 2008	10.69	8.60	14942.28	12575.80
August 2008	9.85	8.26	15503.92	14048.34
September 2008	9.19	6.65	15049.86	12595.75
October 2008	7.57	5.16	13055.67	8509.56
November 2008	5.60	4.43	10631.12	8451.01
December 2008	4.72	4.00	10099.91	8739.24

Source : The Economic Times