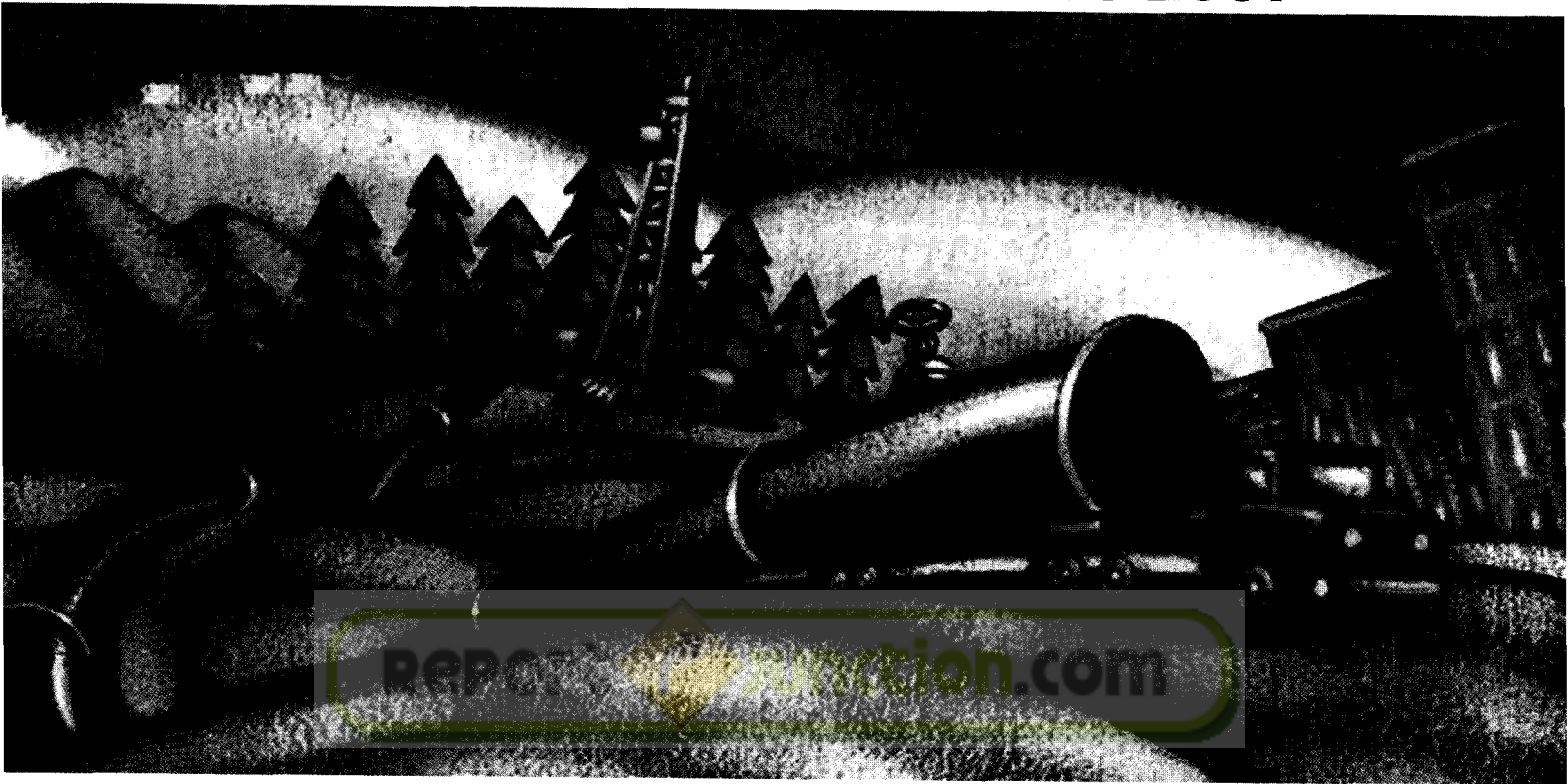


## 21st ANNUAL REPORT 2006-2007



**JAIHIND**  
PROJECTS LIMITED

CONTRIBUTING TO THE NATION'S GROWTH

[www.reportjunction.com](http://www.reportjunction.com)

<b>BOARD OF DIRECTORS</b>	:	Prakash L. Hinduja	<i>Chairman &amp; Managing Director</i>
		Dinesh L. Hinduja	<i>Executive Director (Commercial)</i>
		Lallan R. Pandey	<i>Executive Director</i>
		Dinesh P. Lalwani	<i>Director</i>
		Devraj Arjnani	<i>Director</i>
		Shankar Tolani	<i>Director</i>
<b>AUDITORS</b>	:	N. K. Aswani & Co.	
		Chartered Accountants	
		Ahmedabad	
<b>BANKERS</b>	:	Canara Bank	
		Sabarmati Branch, Ahmedabad	
<b>REGISTERED &amp; CORPORATE OFFICE</b>	:	5th Floor, "Shanti Arcade",	
		Nr. Saptak Party Plot,	
		132 Ft. Ring Road,	
		Ahmedabad.	
<b>PUNE OFFICE</b>	:	Planet Millennium	
		A-10, Fifth Floor,	
		Flat-502, Pimple Saudagar,	
		Pune - 411 027.	
<b>SHARE TRANSFER AGENT</b>	:	Intime Spectrum Registry Limited	
		211, Sudarshan Complex,	
		Mithakhali Under Bridge,	
		Ahmedabad - 380 009.	
		Tel, 079-26465179	

**ANNUAL REPORT 2006-2007****NOTICE**

**NOTICE** is hereby given that the TWENTY FIRST Annual General Meeting of the members of Company will be held on Saturday, 1st September, 2007 at 4th Floor, "Shanti Arcade" Nr.Saptak Party Plot, 132 Ft Ring Road, Ahmedabad at 03.00 P.M. to transact the following business :

**ORDINARY BUSINESS:**

- 1) To receive, consider and adopt Audited Balance Sheet as at 31st March 2007 and Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors.
- 2) To re - appoint Mr. Dinesh L Hinduja as a Director of the Company who retires by rotation and being eligible offers himself for re - appointment.
- 3) To re - appoint Mr. Devraj Arjanani as a Director of the Company who retires by rotation and being eligible offers himself for re - appointment.
- 4) To appoint Auditors and to fix their remuneration.

**SPECIAL BUSINESS :**

- 5) To consider and if thought fit to pass with all without modification the following resolution as Special Resolution. :

**RESOLVED THAT** in partial modification of the terms of appointment the remuneration of the Managing Director of the Company Mr. Prakash L Hinduja be and is hereby fixed as under:

**Salary:** Rs. 4,00,000 p.m. including perquisites like medical re-reimbursement, HRA, CLA, Children' education allowance, entertainment expenses etc.

**Contributions:** Towards Provident Funds, Superannuation of annuity Fund to the extent these are singly or put to gather not taxable under The Income Tax Act, 1961.

**Period:** From 01.04.2007 to 31.03.2009

- 6) To consider and if thought fit to pass with all without modification the following resolution as Special Resolution. :

**RESOLVED THAT** in partial modification of the terms of appointment the remuneration of the Managing Director of the Company Mr. Dinesh L Hinduja be and is hereby fixed as under:

**Salary:** Rs. 3,00,000 p.m. including perquisites like medical re-reimbursement, HRA, CLA, Children' education allowance, entertainment expenses etc.

**Contributions:** Towards Provident Funds, Superannuation of annuity Fund to the extent these are singly or put to gather not taxable under The Income Tax Act, 1961.

**Period:** From 01.04.2007 to 31.03.2009

- 7) To consider and if thought fit to pass with all without modification the following resolution as Special Resolution. :

**RESOLVED THAT** pursuant to section 81, 81(1A) and other applicable provisions if any of the Companies Act, 1956, the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 on preferential issues as amended from time to time, provision of Memorandum and Articles of Association of the Company and other applicable provisions, if any, of any statute enforced in India and subject to necessary approval, if any required, of any financial institutions, banks and other concerned persons and authorities, the consent of the members of the company be and is hereby given and the Board of Directors of the Company be and is hereby authorised to offer and issue upto 10,00,000 (Ten Lacs) equity shares of Rs.10/- each at a premium as per SEBI Guidelines or such price and on such terms and conditions as may be determined by the Board in accordance with the Guidelines or any other applicable provisions as may be prevailing at that time to the following persons:

Sr. No.	Name of the proposed Allottees	No. of Equity Shares proposed to be allotted	Status
01	Mrs.Nita P.Hinduja Jt. with Gaurav P.Hinduja	75000	Promoter Group
02	Lallan R.Pandey	10000	Promoter Group
03	Dcom Systems Ltd.	600000	Non Promoter
04	Jayprakash L. Bajaj HUF	100000	Non Promoter
05	Urvashi J.Bajaj	100000	Non Promoter
06	Mrs.Darshna R.Rathod	5000	Non Promoter
07	Mukesh Keswani	10000	Non Promoter
08	Karishma J.Bajaj	100000	Non Promoter

**RESOLVED FURTHER THAT** the Equity Shares on Preferential basis shall be issued by the company on the following terms and conditions:

- 1) The equity shares to be issued on preferential basis to promoter group allottees shall be lock in for a period of 3 years from the date of allotment and to non promoter group shall be in lock in period of 1 year from the date of allotment as prescribed under SEBI (Disclosure and Investor Protection) guidelines, 2000.
- 2) The entire amount of the value at such price and on such terms and conditions as may be determined by the Board in accordance with the Guidelines or any other applicable provisions as may be prevailing at that time shall be paid before allotment of shares.
- 3) Subject to above, aforesaid new shares shall be pari-passu with existing shares.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to take such steps and to do all such acts, deeds, matters and things necessary for issue and allotment of aforesaid shares and agree and accept any alteration(s) or amendment(s) or correction(s) or modification(s) as may be imposed, required or suggested by the Securities and Exchange Board of India, Stock Exchange or any other authority and to settle any question or difficulties that may be arose with regard to aforesaid issue in such manner as it may determine in its absolute discretion and to take such steps and to do all such acts, deeds, matter and things as may be required, necessary, proper or expedient, to give effect to this resolution.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to delegate any or all the powers conferred upon it by this resolution, to any committee formed thereof for the powers conferred upon it by this resolution, to any individual so authorised by the Board.

**RESOLVED FURTHER THAT** the relevant date in relation to the shares for the purpose of determining the issue price under SEBI (Disclosure and investor Protection) guidelines 2000 relating to the preference issue shall be 1st August 2007

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

**RESOLVED THAT** an authority be given to the Board of Directors of the Company to borrow apart from the borrowing in the ordinary course of business from Nationalise Bank/ Private Banks/ Financial Institutions/ Body Corporate engaged in Banking activities a sum not exceeding Rs.5,000,000,000/- (Rupees Five Hundred Crores) not with standing the fact the sum so borrowed is in excess of the paid up capital of the Company and its free reserves as provided in section 293 (1) (d).

**RESOLVED FURTHER THAT** for above purpose an authority also be given for mortgaging the whole of substantially whole undertaking of the Company and to execute any document as may be required.

**Registered Office**

5th Floor, Shanti Arcade,  
Nr.Saptak Party Plot, 132 FT.Ring Road,  
Naranpura, Ahmedabad 380013.  
Date:31/07/2007

**On Behalf of the Board of Directors**

**Prakash L. Hinduja**  
Chairman & Managing Director

**NOTE :**

1. A member entitled to attend and vote at the meeting is also entitled to appoint proxy to attend and vote instead of himself and the proxy need not be a member of the company. The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the company not less than 48 hours before the time for holding the aforesaid meeting.
2. The register of share transfer book and register of members shall be closed from 28.08.2007 to 01.09.2007. ( both days inclusive ).
3. The Explanatory Statement in respect of special business is annexed to the notice.

**ANNEXURE TO NOTICE**

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF COMPANIES ACT, 1956.

**Item No. 5 and 6**

Subject to the approval of Shareholders under section 310 of the Companies Act, 1956 thought is given by the management to increase the remuneration of Mr. Prakash L. Hinduja Managing Director and Mr. Dinesh L. Hinduja Whole Time Director of the Company w.e.f 01.04.2007 to the extent permissible as minimum remuneration under Section 269 read with Schedule XIII of the Companies Act, 1956 and subject to the

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approval of shareholders. For this purpose the resolutions are proposed and your directors recommend the same and request to consider and pass the resolution as Special Resolution.

The remuneration payable to these Directors would be in accordance with the provisions of section 269 and schedule XIII of the Companies Act, 1956.

The revised scale are as under:

### 1. Salary:

Sr. No.	Name of Director	Designation	Scale	Effective From	Remarks
01	Prakash L. Hinduja	Managing Director	400000 p.m.	01.04.2007	Not liable to retire by rotation
02	Dinesh L. Hinduja	Whole Time Director	300000 p.m.	01.04.2007	Liable to retire by rotation

2. **Perquisites:** Following perquisites will be provided subject to condition that the total amount of perquisites will not exceed an amount equal to annual salary.

### Category A

- (a) **Reimbursement of Expenses:** Incurred by the appointee on gas, electricity and water valued as per Income Tax Rule subject to ceiling of 20% of salary.
- (b) **Medical Reimbursement:** Reimbursement of Medical Expenses incurred in connection with the medical treatment of self and family members no exceeding an amount equal to two month's salary in a year or six month's salary over a period of three years.
- (c) **Leave Travel Concession (LTC):** Reimbursement of traveling expenses for self and family members twice in a block of four year with a facility to en cash the LTC not availed in the said block.
- (d) **Club Fees:** Membership Fees not more than two clubs. However, admission fees shall not be admissible.
- (e) **Insurance Premium:** Insurance Premium for the personal accident for self and dependents not exceeding Rs. 10,000/- P.Y.

### Category B

Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceilings on perquisites.

To the extent these either singly or put together are not taxable under Income Tax Act.

Privileged Leave: As per the rules of the Company Unclaimed Privileged Leave be en cashed at the end of the year i.e. 31st March.

Encashment of leave at he end of tenure will not be included in the computation of the ceiling on perquisites.

### Category C

Provision of car with Chauffer for use Company's Business and telephone at residence will not be considered as perquisites.

That in the event of loss or inadequacy of profits the aforesaid remuneration shall be paid to these Directors as minimum remuneration.

None of the directors except Mr. Prakash L. Hinduja and Mr. Dinesh L. Hinduja are interested in the resolution set out in Item No. 5 and 6 of the notice.

### Item 7

Since the Company is listed Company, the proposed issue is in terms of the provisions of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 on issue of shares on preferential basis and the relevant disclosures are given below :

#### • Instrument:

The Company is proposing to issue 1000000 equity shares of Rs.10/- each at such price and on such terms and conditions as may be determined by the Board in accordance with the Guidelines or any other applicable provisions as may be prevailing at that time to the following persons:





**JAIHIND**  
PROJECTS LIMITED

Sr. No.	Name of the proposed Allottees	No. of Equity Shares proposed to be allotted	Status
01	Mrs.Nita P.Hinduja Jt. with Gaurav P.Hinduja	75000	Promoter Group
02	Lallan R.Pandey	10000	Promoter Group
03	Dcom Systems Ltd.	600000	Non Promoter
04	Jayprakash L. Bajaj HUF	100000	Non Promoter
05	Urvashi J.Bajaj	100000	Non Promoter
06	Mrs.Darshna R.Rathod	5000	Non Promoter
07	Mukesh Keswani	10000	Non Promoter
08	Karishma J.Bajaj	100000	Non Promoter
	Total	1000000	

• **Lock-in-period**

In case of promoters allottees, the said equity shares shall be issued subject to locked-In of 3 year from the date of allotment and incase of non-promoters allottees, locked in of 1 year from the date of allotment. Out of the proposed issue, the Company will issue 1000000 equity shares to persons belonging to non promoters group and same should be issued subject to locked in of 1 years from the date of allotment.

**Relevant Date and Issue Price:**

The relevant date for the purpose of determination of issue price of resultant equity shares is 1st August 2007. As per the calculation of value of shares on relevant date the value per share comes to Rs.70/- (Rs. Seventy Only) (i.e.Rs.10/- is face value and Rs.60/- is the amount of premium calculated on relevant date).

Issue Price of the proposed issue of equity shares is calculated as the pricing formula prescribed in the SEBI Guidelines details of the same is given below but not below the face value of the Equity Shares:

An issue price not less than the higher of following:

- The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during the six months preceding the relevant date; or
- The average of the weekly high and low of the closing prices of the related shares quoted on a stock exchange during the two weeks preceding the relevant date.

Here, stock exchange means Bombay Stock Exchange Limited where the shares of the company are listed.

• **Payment**

The full issue price of the resultant equity shares shall be payable before allotment of shares.

• **Particulars of Allottees:**

The Company has proposed to issue said shares to individual/ body corporate whose details are as follows:

1	Mrs.Nita P.Hinduja Jt.with Gaurav P. Hinduja	Rajni Bunglow, Keshavnagar, Subhash Bridge, Ahmedabad - 380 027.
2	Mr. Lallan Pandey	A/91, Krishna bunglow, Motera, Sabarmati, Ahmedabad - 380 005.
3	Dcom Systems Ltd.	4th Floor, Shanti Arcade,132 Ft.Ring Road, Nr.Saptak Party Plot, Naranpura, Ahmedabad-380 013
4	Jayprakash L.Bajaj HUF	2, Bijaj Bunglows, Nr.Gokul Row Houses, Satellite, Ahmedabad-380015
5	Urvashi J.Bajaj	2, Bijaj Bunglows, Nr.Gokul Row Houses, Satellite, Ahmedabad-380015
6	Mr.Darshna R.Rathod	6, Raj Aprtments,13-B,Dalal Colony, Nr.Aradhana High School,Maninagar, Ahmedabad-380008
7	Mr. Mukesh Keswani.	A/5, Navdurga Society, Patia, Naroda Road, Ahmedabad - 382 345.
8	Karishma J.Bajaj	2, Bijaj Bunglows, Nr.Gokul Row Houses, Satellite, Ahmedabad-380015

All the allottees except No.1 and No2 neither belongs to promoters of the Company nor acting as person in concert as defined in the SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 1997.

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- Pre-issue and Post-issue holding of the proposed allottees:**

As on the date of this notice all aforesaid proposed allottees hold following shares in the Company. Further, all the aforesaid allottees have not sold any shares of this Company during the six months period prior to relevant date.

Sr. No.	Name of the applicant (Proposed allottees)	Pre Issue (Nos. of Shares)	Post Issue (Nos. of Shares)
01	Mrs.Nita P.Hinduja Jt. with Gaurav P.Hinduja	Nil	75000
02	Lallan R.Pandey	16700	26700
03	Dcom Systems Ltd.	280000	880000
04	Jayprakash L. Bajaj HUF	Nil	100000
05	Urvashi J.Bajaj	Nil	100000
06	Mrs.Darshna R.Rathod	300	5300
07	Mukesh Keswani	10000	20000
08	Karishma J.Bajaj	Nil	100000

**Pre-Issue and Post-issue Shareholding Pattern of the Issuer Company:**

Category	Pre-issue	Post-issue			
		No. of Shares	% of Share Holding	No. of Shares	% of Share Holding
Promoters Holding:					
Indian Promoters		3086600	50.52	3171600	44.61
Sub Total		3086600	50.52	3171600	44.61
Non-Promoters Holding:					
Others:					
Private Corp. bodies		384400	6.29	984400	13.85
India Public		2489300	40.75	2804300	39.44
NRI/OCB's		148300	2.44	148300	2.10
Any others					

**Object and Purpose of the Preferential Issue:**

Due to expansion and procuring tenders from Government, Semi Government and other Body Corporate, the Company needs funds to acquire the equipments to fulfill the time bound contracts and also to meet the working capital requirement for the aforesaid purpose. Accordingly the Board of Directors has proposed to make preferential issue to the aforesaid allottees to meet the long-term and short term funds requirement of the Company for executing and implementing the time bound contracts.

**Proposed time of allotment**

The allotment of equity shares in the present preferential issue will be made within 15 days from date of passing of the proposed resolution, provided that where the allotment on preferential basis is pending on account of any approval of such allotment by any regulatory authority or the Central Government, the allotment shall be completed within 15 days from the date of such approval.

Pursuant to Section 81(1A), approval of members by special resolution required to issue and allot the shares to persons other than members of the Company. Hence, said resolution is proposed as special resolution.

None of the directors are interested in the aforesaid resolution.

**Item 8**

Section 293(1)(d) and 293(1)(a) requires the approval of Shareholders for giving authority to the Board for borrowing (apart from cash Credit and other facilities in the ordinary course of business) and to mortgage the assets of the Company required for the purpose.

On account of expansion in business the Company needs additional funds to meet requirement of Capital Expenditure.

The Board thereof, recommends the resolution set out in Item No.8 None of the Director is interested in said resolution.

**Registered Office**

5th Floor, Shanti Arcade,  
Nr.Saptak Party Plot, 132 FT.Ring Road,  
Naranpura, Ahmedabad 380013.  
Date:31/07/2007

**On Behalf of the Board of Directors**

**Prakash L. Hinduja**  
Chairman & Managing Director

## DIRECTORS' REPORT

Dear Shareholders,

Your directors have pleasure in presenting this 21st Annual Report and the Audited Accounts for the financial year ended on 31st March 2007.

### FINANCIAL RESULTS

	(Rupees in lacs)	
	Current Year	Previous Year
Total Income	8518.68	6240.62
Less: Expenditure	7668.26	5851.74
Profit before Interest and Depreciation	850.42	388.88
Less : Interest	228.00	107.90
Less : Depreciation	136.11	88.65
Profit Before Tax	486.31	192.33
Less: Provision for Taxation	135.00	59.00
Fringe benefit tax	8.75	06.00
Less: Transfer to deferred Tax Liability	33.62	19.96
Profit After Tax	308.94	107.37
<b>Balance brought forward</b>	<b>594.39</b>	<b>487.02</b>
<b>Balance carried to Balance-Sheet</b>	<b>903.33</b>	<b>594.39</b>

### DIVIDEND

As a measure of abundant precaution and in order to retain the surplus for growth and expansion your Directors do not propose any dividend for the financial year 2006.07

### OPERATIONS

During the year under review, the Company's income was Rs.8518.68 Lacs against Rs.6240.62 Lacs during the previous year. There was increase in income on account of boom in infrastructure. The Company has increased its strength by acquiring the plant and machineries and equipments to cope up with the development in the economy in the industry particularly in the field of infrastructure and capital goods. Besides this the skilled personnel has also been increased to cope up with the development and expansion of the company for fulfilling its commitments.

During the year, our Company has bagged various contracts worth over Rs.21423.67 Lacs as under:

GSPC GAS Company Ltd.	358.00	Lying, Testing & Commissioning of 6" dia steel Pipe line network for Khambhat City
GAIL (India) Limited	15844.46	Lying of pipeline and Associated works for Dabhol Panvel Pipeline Project (Ph-II)Part-A(30" Dia x 69 Km approx)
Cairn Energy India Pvt. Ltd.	1122.00	Supply & installation of Gas Pipeline and Tie-in System CB-X-1 to Suvali Plant
GSPC GAS Company Ltd.	426.00	Laying & Construction of 8" Dia (11 Kms)Steel Pipeline for Natural Gas supply for Nadiad City
GSPC GAS Company Ltd.	374.00	Laying & Construction of 6" Dia (7.7.Kms) and 4" dia (0.30 Km) Steel Pipeline for Natural Gas Steel Pipeline for Natural Gas supply for Nadiad City
Oil & Natural Gas Corpo.	433.00	Laying of 300 mm ND, 3LPE coated CS Pipeline from GGS to CPF & GGS 3 to CPF in Gandhar file
Haldia Petrochemicals Limited	630.00	Laying of 24" Pipeline and associated work for transportation of Naphtha from Haldia Oil Jetty-3 (HOJ-3) to HPL compalex, Haldia (Approx.7.7 KM)
Gujarat State Petronet Ltd.	1216.44	Laying of 24" Pipeline from paguthan to NTPC Jhanore-Bharuch (Approx 12 KM)
Karnataka Urban Water Supply & Drainage Board Karnatak	616.32	Providing and laying stoneware and RCC sewer lines of different dia with hydraulic testing & commissioning construction of manholes in Pandavpura town
Karnataka Urban Water Supply & Drainage Board Karnatak	403.45	Providing and laying stoneware and RCC sewer lines of different dia with hydraulic testing & commissioning construction of manholes in Svirangapatna town



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Your Company has bagged an order of Rs.153.00 Crores from GAIL in consortium. On successful completion of project there will be substantial boost in operation and profits.

### FUTURE PLANS & DIVERSIONS

Your company is continuing to improve its performance because of its management's total focus on key strategic initiatives. Apart from this, the management has been aggressively examining the process by taking full advantage of technology to drive down costs across the organization to generate additional funds to fuel growth. The initiative has been successfully implemented by outstanding work force of the company to which the Board acknowledges its appreciation and gratitude.

### PREFERENTIAL ISSUE OF SHARE

In the current year the Company has issued and allotted 1000000 Equity Shares at a premium of Rs.31/- per share on preferential basis as per SEBI guidelines in terms of Special Resolution passed on 17/05/2007 and in principle approval from The Bombay Stock Exchange Limited and Ahmedabad Stock Exchange Limited. The application for listing of said shares has been made to the Stock Exchanges which will be received in due course.

### FINANCE

On account of substantial looking of orders from various bodies the company would need additional funds to meet the working capital requirement and capital expenditure to implement the proposed projects. Thus a thought was given by the management to issue 1000000 (Ten Lacs) Equity Shares of Rs.10/- each at a premium as per SEBI Guidelines to known person not belonging to promoters group and are willing to subscribe on preferential basis as per SEBI guide lines.

### PERSONNEL

There was no employee drawing remuneration as mentioned under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

### DIRECTORS

Mr.Dinesh L.Hinduja and Mr.Devraj Aranjani retires by rotation at this annual general meeting and being eligible offers themselves for re-appointment.

Looking to the involvement of Mr. Prakash L. Hinduja the Managing Director, Mr. Dinesh L. Hinduja in the development of the Company a thought is given to raise their remuneration by re appointing them prior to their tenures as explained in the explanatory statement of the notice convening the meeting.

### DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 as amended by Companies (Amendment) Act, 2000 with respect to Directors Responsibility Statement, it is hereby confirmed;

- (i) that in the preparation of the accounts for the financial year ended 31st March 2007, the applicable accounting standards have been followed along with proper explanation relating to the material departures,
- (ii) that the Directors 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 the Company for the year under review,
- (iii) that the Directors 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 the Directors have prepared the annual accounts on a 'going concern' basis.

### LISTING AGREEMENT

Your Company is committed to good corporate governance practices. Under clause 49 of the listing agreement, your Directors are pleased to inform that your Company has implemented all the major stipulations prescribed under clause 49 of the listing agreement with the Stock Exchange(s) A certificate from the Statutory Auditors of the Company in line with clause 49 is annexed to and forms part of the Director's Report.

### FIXED DEPOSITS

The Company has accepted short term deposit from director, bodies corporate etc.

### AUDITORS

You are requested to appoint the auditors for the current year and to fix their remuneration. The retiring auditors M/s. N.K. Aswani & Co., Chartered Accountants, are eligible and offer themselves for re-appointment. The Company has received a certificate from M/s. N.K. Aswani & Co. to the effect that their re-appointment, if made, will be within the prescribed limits specified in Section 224(1-B) of the Companies Act, 1956.

**AUDITORS REPORT**

The observations of the Auditors are explained wherever necessary in the appropriate notes annexed to the accounts. The explanations contained in the notes may be treated as information/explanations submitted by the Board as contemplated U/s.217(3) of the Companies Act, 1956.

**ACKNOWLEDGEMENT**

Your directors take this opportunity to express their sincere gratitude for the assistance and continued support and co-operation extended by Banks, Government and Statutory Authorities, shareholders, Suppliers and our valued clients GAIL, PDIL, ONGCL, IOCL, IGL, BPCL, GAEL, GSPL, EIL, MJP, CMWSSB, GWSSB, TWAD, KUWS&DB, EPIL, BARC etc.

Your Directors wish to thank all the Executives, Employees and consultants of the company for rendering impeccable service to ever constituent of the company's clientele, their hard work, dedication and commitment.

For and on behalf of the Board of Directors

Date : 31.07.2007

Place : Ahmedabad

**Prakash L. Hinduja**

*Chairman & Managing Director*

**Annexure - A****Particulars required under the Companies****(Disclosure of particulars in the Report of Board of Directors) Rules, 1988****(a) Conservation of Energy :**

Care is taken for economic consumption of energy in all the project sites/ workshops of the Company. Company had consumed electricity and the cost of power fuel is reasonable. Company has maintained various power generators/ DG sets periodically to achieve maximum efficiency with minimum fuel consumption Company has successfully worked out effective and efficient design of the lighting and energy devices in the offices of site working areas.

**(b) Technology Absorption :**

Research & Development (R & D)

(i) Specific are in which R & D is carried out by the Company.

(a) Improvement of Product Quality for pipe lining/ coal tar coating

(b) Process Optimisation.

(c) Process development/ modification

(ii) Benefits derived as result of above R & D

Lower cost due to higher quality and better process Optimisation

(iii) Future plan of action

The Company efforts will continue in the above area of R & D.

**(c) Technology absorption, adoption & innovation:**

(1) Effort, in brief, towards technology absorption, adoptions and Innovations :

The Company has instituted state of the art machinery at various sites, workshops, which operate under excellent technological parameters.

(2) Benefits derived as result of the above ;

Enabled the Company to complete the projects of good quality and with tight completion schedule.

(3) Future Plans :

The Company will continue its to improve the product quality and productivity by carrying out various process/ Quality improvements through indigenous technology.

**(d) Foreign Exchange Earning & Outgo :**

Additional information pursuant to the provisions of Part-II Schedule VI of the Companies Act, 1956 (wherever applicable)

<b>Particulars</b>	<b>2006-2007</b>	<b>2005-2006</b>
1. Value of Imports Calculated on CIF basis		
Purchase of Raw Materials Goods	<b>8005627</b>	4758061
2. Purchase of Fixed Assets	<b>51628868</b>	12951106
3. Expenditure in foreign Currencies	<b>644979</b>	136930

For and on behalf of the Board of Directors

Date : 31.07.2007

Place : Ahmedabad

**Prakash L. Hinduja**

*Chairman & Managing Director*