

ANNUAL REPORT 2006-07

Heading for the Golden Era



Letter from Chairman

Dear Shareholders,

You are aware the India's economy is booming with pragmatism of the Government of India and emerging enterprise in the industry. In last couple of years first time in the history of independent India. We saw our country's perception changed. India of today is counted as Nuclear nation and economic super power. Its sheer size provides large market for the industry of India and overseas. No one can ignore India as the future belongs to it.

India is experiencing a strong GDP and industrial growth rate touching double digits, foreign exchange reserves exceeding US\$200 bn and a booming capital market. The just concluded financial year 2006-07 saw your Company also perform equally well and create a sound platform for continued growth. Your trust and confidence in the company has motivated us to work harder and streamline our operations for giving superior performance.

As the report talks about our performance, future roadmap and government policies, I am happy to share my sense of satisfaction and encouragement at the robust performance of your Company.

Let's start with the fiscals. The annual turnover of your company rose to Rs 6963 million in 2006-2007, as against Rs 5584 million in 2005-2006.

CONSISTENCE PERFORMANCE

In simple words, your company has done exceptionally well this year. Working with a focused mind set and synchronized effort, your company has seen 25% per cent growth in terms of the annual turn over and 37% growth in term of EBIDTA margin which emphasizes the fact that in this globalised market your company is able to sustain the growth year after year. LEAF's vision, values and philosophies have bought us together this far making this journey equally profitable for everyone associated with your Company.

STRATEGIC GROWTH

Diversification is the essence of any business. For the past many years we have been making our best efforts to implement new ideas in forward and backward directions. We have brought brand new state-of-the-art plant and equipments from the world over, which consumes 30 to 40 per cent less energy, requires just one third of the manpower and is non-pollutant. They occupy much less space for the same capacity and operate through microprocessor controls.

Though the original cost of the plant acquisition is high, they need much less maintenance shutdowns. This is not all. Our crusade to do bigger things in future has now become much stronger, the base having been created. Particularly, now that there is no limit to growth as the Government of India is doing a lot for the growth of farm sector. The Prime Minister allocated a corpus of Rs.25,000 crore for agri-sector growth from National Development Council. The Government intends to raise agriculture growth rate from 2 per cent to 4 per cent and sooner it happens the better because that had become the barrier in crossing 10 per cent GDP growth of the Country.



Sh. Balbir Singh Uppal
Chairman-cum-Managing Director

“Persistence, hard work and evolution are our success mantras”

The strategy of your Company going forward will be to build on the strong growth platform it has created in the just concluded financial year and drive future growth riding on this. The Company would also present to you with the commissioning of quite a few projects which are being implemented.

EXTENDED EXPERTISE

While, agri-related products of the company remain the core area of strength, your company is fast looking out for more business opportunities such as silo storage of food grains, contract farming, procurement and marketing of food products through its wholly owned subsidiary. Having stepped into power generation, from Bio-mass capacities for paddy processing, rice barn oil refining and cattle feed production are being increased. As for the next venture, as you know would be packaged food products for the retail market. With your support and strategic planning we will continue to diversify & deliver. Thank you for being with us, always and helping LEAF ride the wagon of success.

With Warm Regards

B.S. Uppal
Chairman & Managing Director

Board of Directors**Sh. Balbir Singh Uppal**

Chairman-cum-Managing Director

Sh. Janak Raj Singh

Executive Director

Sh. I.S. Gumber

Executive Director

Smt. Vijay Luxmi

Director

Sh. Amarjit Singh

Director

Sh. Varinder Kumar

Director

Sh. Sanjeev Sood

Director

Sh. Kewal Krishan

Director (upto 22.06.07)

Maj. Gen. A.L. Suri (Retd.)

Director (w.e.f. 04.10.06)

Sh. Nirdosh Bali

Director (w.e.f. 04.09.07)

Sh. Rajendra Sharma

Director (w.e.f. 04.09.07)

Bankers

Punjab National Bank

Syndicate Bank

ICICI Bank

Auditors

S. Kumar Gupta & Associates

Chartered Accountants

Chandigarh

Sh. Rajinder Sandal

General Manager (Finance & Taxation)

Sh. Ajay K. Ratra

Company Secretary

Registered Office

S.C.O.18-19, 1st Floor, Sector 9-D,

Madhya Marg, Chandigarh-160017.India.

Tel: 0172-2740352, 2744008, 2743274

Fax: +91-172-2743057

Works & Administrative Office

V.P.O Khamanon

Ludhiana-Chandigarh National Highway,

Khamanon 140 801, Punjab. India

Registrars & Share Transfer Agents

M/s Beetal Financial & Computer

Services (P) Ltd.

"Beetal House" 3rd Floor,

99, Madangir, New Delhi-110062

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 17th Annual General Meeting (AGM) of the Members of the Company will be held on Friday, 28th September, 2007 at 11.00 A.M. at Chandigarh Club, Sector-1, Chandigarh 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 Profit and Loss Account for the year ended on that date together with the Reports of the Auditors and Directors thereon.
2. To confirm Interim Dividend @ 25% as declared for the financial year ended 31st March, 2007.
3. To appoint a Director in place of Mr. I.S.Gumber who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Varinder Kumar who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting and to authorize the Board to fix their remuneration.

Special Business:

6. Appointment of Mr. A.L Suri as Director

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"Resolved that pursuant to the provisions of section 257 and all other applicable provisions, if any of the Companies Act, 1956 (Including any statutory modification(s) or re-enactment there of for the time being in force), Mr. A.L.SURI, who was appointed as an Additional Director pursuant to the provisions of section 260 of the Companies Act, 1956 be and is hereby appointed as Director of the Company subject to retirement by rotation".

7. Appointment of Mr. Nirdosh Bali as Director

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"Resolved that pursuant to the provisions of section 257 and all other applicable provisions, if any of the Companies Act, 1956. (Including any statutory modification(s) or re-enactment there of for the time being in force), Mr. Nirdosh Bali, who was appointed as an Additional Director pursuant to the provisions of section 260 of the Companies Act, 1956 be and is hereby appointed as Director of the Company subject to retirement by rotation".

8. Appointment of Mr. Rajendra Sharma as Director

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"Resolved that pursuant to the provisions of section 257 and all other applicable provisions, if any of the Companies Act, 1956. (Including any statutory modification(s) or re-enactment there of for the time being in force), Mr. Rajendra Sharma, who was appointed as an Additional Director pursuant to the provisions of section 260 of the Companies Act, 1956 be and is hereby appointed as Director of the Company subject to retirement by rotation".

9. Revision in remuneration of Mr. Balbir Singh Uppal, Chairman and Managing Director

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"Resolved that pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII of the Companies Act, 1956 and the Articles of the Association of the Company, and other applicable provisions, if any, consent of the Members be and is hereby given for increase in remuneration of Mr Balbir Singh Uppal, Managing Director of the Company, for the remaining period of his tenure of office with effect from 1st October, 2007 in the following manner:

- i. Gross monthly remuneration not exceeding Rs. 10,00,000 (Rupees ten lacs only) whether paid as salary, allowance(s), perquisites or a combination thereof; and
- ii. Commission not exceeding @ 5% of the net profit of the Company calculated in the manner provided under the provisions of the Companies Act, 1956, if any.

Provided that the following perquisites will not be included in the aforesaid remuneration:

- a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961;
- b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- c. Encashment of leave at the end of tenure.

Provided further that payment/re-imbursement of telephone and/or mobile phone(s) bills, conveyance, fuel expenses or other out of pocket expenses incurred in course of the official duties will not be included in the aforesaid remuneration.

Resolved further that in the event of loss, absence or inadequacy of profits, the gross monthly remuneration not exceeding Rs. 10,00,000 (Rupees ten lacs only) shall be paid as the minimum remuneration. However, in such an event, payment of commission will be proportionately reduced among various managerial personnel so as to restrict the overall managerial remuneration within the maximum permissible limits as prescribed under the Companies Act, 1956.

Resolved further that the Board of Directors of the Company (including any committee/sub-committee of the Board) be and is hereby authorised to assign and delegate, from time to time, such work, duties, power and authorities to the Managing Director as it may deem fit and proper.

Resolved further that the Board of Directors and the Remuneration Committee of the Company be and are hereby severally authorised to fix such remuneration and to work out various components of the remuneration package as it may deem fit and proper within the overall limits of the remuneration as approved above.

Resolved further that the Board of Directors of the Company (including any committee/sub-committee of the Board) be and is hereby authorised to take all necessary steps to give effect to the aforesaid resolution."

10. Revision in remuneration of Mr. Janak Raj Singh, Executive Director

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"Resolved that pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII of the Companies Act, 1956 and the Articles of the Association of the Company, and other applicable provisions, if any, consent of the Members be and is hereby given for increase in remuneration of Mr Janak Raj Singh, Executive Director of the Company, for the remaining period of his tenure of office with effect from 1st October, 2007 in the following manner:

- i. Gross monthly remuneration not exceeding Rs. 5,00,000 (Rupees five lacs only) whether paid as salary, allowance(s), perquisites or a combination thereof; and
- ii. Commission not exceeding @ 2% of the net profit of the Company calculated in the manner provided under the provisions of the Companies Act, 1956, if any.

Provided that the following perquisites will not be included in the aforesaid remuneration:

- a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961;
- b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- c. Encashment of leave at the end of tenure.

Provided further that payment/re-imbursement of telephone and/or mobile phone(s) bills, conveyance, fuel expenses or other out of pocket expenses incurred in course of the official duties will not be included in the aforesaid remuneration.

Resolved further that in the event of loss, absence or inadequacy of profits, the gross monthly remuneration not exceeding Rs. 5,00,000 (Rupees five lacs only) shall be paid as the minimum remuneration. However, in such an event, payment of commission will be proportionately reduced among various managerial personnel so as to restrict the overall managerial remuneration within the maximum permissible limits as prescribed under the Companies Act, 1956.

Resolved further that the Board of Directors of the Company (including any committee/sub-committee of the Board) be and is hereby authorised to assign and delegate, from time to time, such work, duties, power and authorities to the Managing Director as it may deem fit and proper.

Resolved further that the Board of Directors and the Remuneration Committee of the Company be and are hereby severally authorised to fix such remuneration and to work out various components of the remuneration package as it may deem fit and proper within the overall limits of the remuneration as approved above.

Resolved further that the Board of Directors of the Company (including any committee/sub-committee of the Board) be and is hereby authorised to take all necessary steps to give effect to the aforesaid resolution."

11.Revision in remuneration of Mr. I.S Gumber, Executive Director

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"Resolved that pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII of the Companies Act, 1956 and the Articles of the Association of the Company, and other applicable provisions, if any, consent of the Members be and is hereby given for increase in remuneration of Mr. I.S Gumber, Executive Director of the Company, for the remaining period of his tenure of office, with effect from 1st October, 2006 in the following manner:

- i. Gross monthly remuneration not exceeding Rs. 2,00,000 (Rupees two lacs) whether paid as salary, allowance(s), perquisites or a combination thereof; and

Provided that the following perquisites will not be included in the aforesaid remuneration:

- a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961;
- b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- c. Encashment of leave at the end of tenure.

Provided further that payment/re-imbursment of telephone and/or mobile phone(s) bills, conveyance, fuel expenses or other out of pocket expenses incurred in course of the official duties will not be included in the aforesaid remuneration.

Resolved further that in the event of loss, absence or inadequacy of profits, the aforesaid remuneration shall be paid as the minimum remuneration.

Resolved further that the Board of Directors of the Company (including any committee/sub-committee of the Board) be and is hereby authorised to assign and delegate, from time to time, such work, duties, power and authorities to the Executive Director as it may deem fit and proper.

Resolved further that the Board of Directors and the Remuneration Committee of the Company be and are hereby severally authorised to fix such remuneration and to work out various components of the remuneration package as it may deem fit and proper within the overall limits of the remuneration as approved above.

Resolved further that the Board of Directors of the Company (including any committee/sub-committee of the Board) be and is hereby authorised to take all necessary steps to give effect to the aforesaid resolution."

By Order of the Board
For **Lakshmi Energy and Foods Limited**

Place: Chandigarh

Date : 4th September 2007

(Ajay K. Ratra)
Company Secretary

Notes:

- A. **Appointment of Proxy:** A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The proxy form in order to be effective must be deposited with the Company not less than 48 hours before the time fixed for commencement of the Meeting.
- B. **Corporate Members:** Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.

- C. Members/Proxies attending the meeting are requested to bring their copy of Annual Report to the Meeting.
- D. **Queries at the AGM:** Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least seven days prior to the date of AGM to enable the management to compile the relevant information to reply the same in the meeting.
- E. **Book Closure:** The Register of Members and Share Transfer Books of the Company will remain closed from September 26, 2007 to September 28, 2007 (both days inclusive) for the purpose of the AGM.
- F. Members are requested to notify any change in their address/ mandate/ bank details immediately to the share transfer Agent of the Company- M/s Beetal Financial & Computer Services (P) Ltd.
- G. **Inspection of Documents:** Documents referred to in the Notice etc., are open for inspection at the registered office of the Company at all working days except Saturdays between 11 A.M. and 2 P.M. up to the date of Annual General Meeting.
- H. **Explanatory Statement:** Explanatory Statement as required under section 173(2) of the Companies Act, 1956, in respect of Special Business under item no. 6 to 11 is enclosed herewith.
- I. The details pertaining to the Directors being appointed and/or reappointed required to be provided pursuant to clause 49 of the listing agreement are furnished in the statement on Corporate Governance, which is enclosed with the Directors' Report.

Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956

Item No. 6

Maj. Gen. A. L. Suri AVSM (Retd.) was appointed as an Additional Director of the Company in the meeting of the Board of Directors held on 4th October 2006. He brings with him rich experience of over 40 Years and will be involved in the implementation of power project of the company. Maj. Gen. A. L. Suri AVSM (Retd.) would serve the Board of the Company as a Non-Executive Director.

Notice under section 257 of the Companies Act, 1956, proposing the appointment of Mr. A.L. Suri as a Director has been duly received by the company along with a deposit of Rs. 500 in cash.

The details pertaining to Maj. Gen. A. L. Suri AVSM (Retd.) required to be provided pursuant to clause 49 of the listing agreement are furnished in the statement on Corporate Governance, which is enclosed with the Directors' Report.

The Board of Directors of your company recommend passing of the aforesaid Ordinary Resolution at Item No.6.

Memorandum of concern/interest:

None of the directors of the Company except Maj. Gen. A. L. Suri AVSM (Retd.), may be deemed to be concerned or interested in the aforesaid resolution.

Item No. 7 & 8

Mr. Nirdosh Bali and Mr. Rajender Sharma were appointed as an Additional Directors of the Company in the meeting of the Board of Directors held on 4th September 2007. Mr. Nirdosh Bali brings with him rich experience of 18 Years in the food processing industry. and Mr. Rajender Sharma has rich experience of over 25 Years in the implementation of projects. Both the aforesaid directors would serve the Board of the Company as a Non-Executive Directors.

Notices under section 257 of the Companies Act, 1956, proposing the appointment of Mr. Nirdosh Bali and Mr. Rajender Sharma as Directors have been duly received by the company along with a deposit of Rs. 500 each in cash.

The details pertaining to Mr. Nirdosh Bali and Mr. Rajender Sharma required to be provided pursuant to clause 49 of the listing agreement are furnished in the statement on Corporate Governance, which is enclosed with the Directors' Report.

The Board of Directors of your company recommend passing of the aforesaid Ordinary Resolutions at Item No. 7 & 8.

Memorandum of concern/interest:

None of the directors of the Company except Mr. Nirdosh Bali and Mr. Rajender Sharma may be deemed to be concerned or interested in the aforesaid resolutions.

Item No. 9

Mr. Balbir Singh Uppal has been the Managing Director of the Company since last seventeen years. The Company has recorded an impressive growth during his tenure as Managing Director. Considering his valuable contributions to the Company, it is proposed to increase the remuneration payable to Mr. Balbir Singh Uppal, Managing Director. The enhanced remuneration will be payable with effect from 1st October 2007.

The Board of Directors and the Remuneration Committee have already approved and recommended the proposed enhancement of remuneration. The members' approval is required by way of an ordinary resolution in this regard. This explanatory statement together with the accompanying notice are to be treated as relevant abstracts of the terms under Section 302 of the Companies Act, 1956.

The Board of Directors of your company recommend passing of the aforesaid Ordinary Resolution at Item No.9

Memorandum of concern/interest:

Mr Balbir Singh Uppal and Mr Janak Raj Singh are deemed to be interested and concerned in the proposed resolution.

Item No.10

Mr Janak Raj Singh has been associated with the Company for a very long time. The Company has progressed a lot under his able guidance. Considering the all-round improvement in the operational and financial performance of the company and to align the managerial remunerations to the levels prevailing in the corporate sector, the board of directors ('board') deemed it necessary to revise the remuneration payable to Mr. Janak Raj Singh, Executive Director. The enhanced remuneration will be payable with effect from 1st October, 2007. The Board of Directors and the Remuneration Committee have already approved and recommended the proposed enhancement of remuneration. The members' approval is required by way of an ordinary resolution in this regard. This explanatory statement together with the accompanying notice are to be treated as relevant abstracts of the terms under Section 302 of the Companies Act, 1956.

The Board of Directors of your company recommend passing of the aforesaid Ordinary Resolution at Item No.10.

Memorandum of concern/interest:

Mr. Janak Raj Singh and Mr. Balbir Singh Uppal are deemed to be interested and concerned in the proposed resolution.

Item No. 11

Mr. I S Gumber has been the Executive Director of the Company since 1st March, 2005. He is involved in business strategic and corporate finance related matters of the Company.

Considering the all-round improvement in the operational and financial performance of the company and to align the managerial remunerations to the levels prevailing in the corporate sector, the board of directors ('board') deemed it necessary to revise the remuneration payable to Mr. I.S Gumber. The enhanced remuneration will be payable with effect from 1st October, 2006. The Board of Directors and the Remuneration Committee have already approved and recommended the proposed enhancement of remuneration. The members' approval is required by way of an ordinary resolution in this regard. This explanatory statement together with the accompanying notice are to be treated as relevant abstracts of the terms under Section 302 of the Companies Act, 1956.

The Board of Directors of your company recommend passing of the aforesaid Ordinary Resolution at Item No.11.

Memorandum of concern/interest:

None of the directors of the Company except Mr. I S Gumber may be deemed to be concerned or interested in the aforesaid resolution.

By Order of the Board
For **Lakshmi Energy and Foods Limited**

Place: Chandigarh

Date : 4th September 2007

(Ajay K. Ratra)
Company Secretary

BOARD OF DIRECTOR'S REPORT

Dear Members

Your Directors have the pleasure in presenting the 17th Annual Report of your Company together with the Audited Annual Accounts for the financial year ended 31st March, 2007.

Financial Highlights

(Amount in Rs. Million)

Particulars	Financial Year ended	
	31 st March' 07	31 st March' 06
Sales	6962.66	5583.89
Other Income	21.01	7.75
Total Income	6983.67	5591.64
Profit before Interest, Depreciation and Tax	1188.17	750.58
Financial Expenses	45.02	65.05
Depreciation	121.94	49.17
Profit before tax	1021.21	636.36
Provision for tax		
- income tax	152.77	144.89
- fringe benefit tax	0.85	1.61
Deferred Tax Liabilities	264.28	69.87
Profit after tax	603.31	419.99
Less: Prior period tax adjustment	-	0.18
Add: Balance of Profit brought forward	674.21	320.07
Profit available for appropriation	1277.52	739.88
Appropriations		
Final Dividend paid for 2005-06	22.87	23.69
Interim Dividend	28.58	-
Prov. for interim dividend tax	7.22	-
Transfer to General Reserve	60.33	42.00
Balance carried to Balance Sheet	1158.53	674.19

Year in Retrospect

During the year under review total income of the Company was Rs. 6983.67 million as against Rs. 5591.64 million in the previous year. The Company was able to earn a profit before tax of Rs. 1021.21 million during the current financial year as against a profit before tax of Rs. 636.36 million in the previous year. This depicts a growth of 24.89% and 60.48% in turnover and profitability respectively. Also, Profit after tax increased from Rs. 419.99 million to Rs. 603.31 million in current year, registering a growth of 43.65%. Your Directors are putting in their best efforts to improve the performance of the Company.

Expansion & Diversification

Paddy/Rice processing and wheat flour mill

During the year, new state of the art paddy processing plant with 2 paddy processing streams of 40MT/hour each were completed. With this installation of the most advanced plant and machinery, the company is all set to become world's largest food grain processors. The said plant has been built with the equipments from Satake of Japan, Cimbria of Denmark, Schmidt-Seeger of Germany and Broak International of USA. The company's 1st phase wheat flour mill has also been set up.

Power project

The company's 1st Biomass based power plant reached advance stage and would be commissioned very soon. This will qualify for carbon credits under Kyoto Protocol. The revenue accrual from power plant would be available to the company during the financial year 2007-08.

Retail Foray

The company is all set to enter retail products market during the financial year 2007-08. It will package various food products beginning with rice, wheat flour and rice bran cooking oil. These double poly-film packaged products will be sold domestically and in the export market. Package sizes will vary according to the market demand, ranging from 1 kg to 10 kg. For rice it will also be 25 Kg in a special fine gunny pack for certain market segments. This will give the company an edge in the marketplace.

Punjab Greenfield Resources Limited (PGRL)

This wholly owned subsidiary of the Company was incorporated on 31st Jan 2007. The objective of PGRL is to procure and distribute foodgrains, pulses, vegetables, fertilizers, seeds, pesticides and undertake contract farming and farm R&D. PGRL will open various district offices in Punjab and have its own transport and storage set up. PGRL would be headed by a professional CEO and would be a unique company in its line of business. PGRL will start its operations during the financial year 2007-08. It will be headquartered at Ludhiana, for which land has been bought at a prime location.

A statement under Section 212 of the Companies Act, 1956, relating to the subsidiary of the Company viz., Punjab Greenfield Resources Limited is enclosed with this report.

Stock split

To encourage active retail investor participation and enhance liquidity, your Company has sub-divided its equity shares of Rs 10 each into 5 equity shares of face value of Re.2 per share. The split was approved by the shareholders at their Extra-Ordinary General Meeting held on 1st December 2006 and is effective from 22nd December 2006.

Transfer to Reserves

The Company has transferred Rs. 60.33 million in the General Reserve during the financial year under review in pursuance to the provisions of Companies (Transfer of Profits to Reserves) Rules, 1975.

Dividend

The company is ploughing back the profits to reap the maximum benefits. Therefore, the Board did not recommend final dividend for the FY 2006-07. Interim dividend @ 25% has already been paid in February 2007.

Material Changes and commitments

Save as mentioned elsewhere in this Report, no material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company, and the date of this Report.

Management Discussion and Analysis Report

Management Discussions and Analysis Report as required under clause 49 of the Listing Agreement is given as a separate statement in the annual report and forms part of this report.

Corporate Governance

A report on Corporate Governance is produced as a part of the Annual Report along with the Auditors' Certificate on its compliance.

Public Deposits

During the year under report, your Company did not accept any deposits from the public in terms of the provisions of Section 58A of the Companies Act, 1956.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

a. Conservation of Energy & Technology Absorption:

i. Energy Conservation Measures taken: