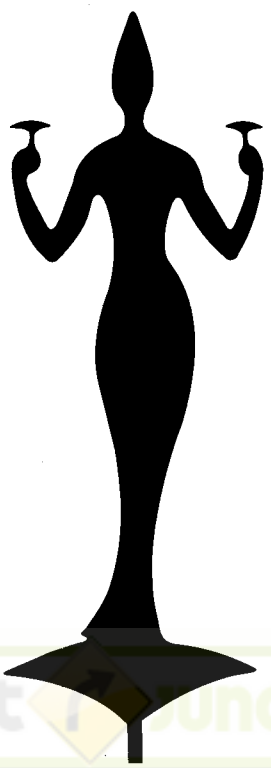
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LMW®

LAKSHMI MACHINE WORKS LIMITED

ANNUAL REPORT 2008-09

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REGISTERED OFFICE

Perianaickenpalayam
Coimbatore 641 020
Tel : 2692371-79, 6612255
Fax : 2692541-42
E-mail : regd.off@lmw.co.in
Website : www.lakshmimach.com

CORPORATE OFFICE

34-A, Kamaraj Road
Coimbatore 641 018
Tel : 2221680-82
Fax : 2220912
E-mail : secretarial@lmw.co.in
: investorscell@lmw.co.in

AUDITORS

M/s.M.S.Jagannathan & Viswanathan
Chartered Accountants, Coimbatore

M/s.Subbachar & Srinivasan
Chartered Accountants, Coimbatore

BANKERS

Indian Bank
Bank of Baroda
Citibank N.A.
HDFC Bank Limited
IDBI Bank Limited
Standard Chartered Bank
Bank of Nova Scotia
Deutsche Bank

BOARD OF DIRECTORS

Dr.D.Jayavarthanavelu
(Chairman and Managing Director)

Sri.M.V.Subbiah

Justice Sri.G.Ramanujam(Retd.)

Justice Sri.S.Natarajan(Retd.)

Sri.S.Pathy

Sri.R.Satagopan

Sri.Basavaraju(Nominee Director of LIC)

Sri.R.Venkatrangappan
(Wholetime Director)

Sri.Sanjay Jayavarthanavelu
(Wholetime Director)

CHIEF FINANCIAL OFFICER

Sri.R.Rajendran

COMPANY SECRETARY

Sri.K.Duraisami

SHARE TRANSFER AGENTS

SKDC Consultants Limited
Post Box No.2979
No.7, S N Layout,St.No.1
Coimbatore -641 012
Tel : 6549995
Fax : 2499574
E-mail : info@skdc-consultants.com

CONTENTS

	PAGE No.
Notice to Shareholders	02
Directors' Report	06
Management Discussion and Analysis Report	14
Corporate Governance Report	21
Auditors' Report	32
Accounts	36
Corporate Information	59
LMW Textile Machinery (Suzhou) Co. Ltd.	61
Consolidated Financial Statements	69

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NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Forty Sixth Annual General Meeting of the Shareholders of Lakshmi Machine Works Limited, Coimbatore- 641020 will be held on Monday, the 27th July, 2009 at 3.30 PM at "Nani Kalai Arangam", Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore-641037, to transact the following business :-

ORDINARY BUSINESS :

1. To consider the Profit and Loss Account for the financial year ended 31st March, 2009, the Balance Sheet as at that date, the Report of the Board of Directors and the Report of the Auditors.

2. To declare a dividend.

3. To appoint a Director in the place of Sri.Basavaraju who retires by rotation and being eligible offers himself for re-appointment.

4. To appoint a Director in the place of Sri.M.V.Subbiah who retires by rotation and being eligible offers himself for re-appointment.

5. To appoint Auditors to hold office till the conclusion of next Annual General Meeting and fix their remuneration.

SPECIAL BUSINESS:

6. To consider and if deemed fit to pass with or without modification the following resolution as a Special Resolution :

   RESOLVED that pursuant to the provisions of Sections 198, 309 and other applicable provisions, if any of the Companies Act, 1956 a sum not exceeding 1% of the net profits of the Company per annum computed in the manner prescribed under Sections 349 and 350 of the Companies Act,1956 subject to a maximum of Rs.36,00,000/- in addition to the sitting fees payable for attending the meetings of Board or Committees thereof be paid and distributed amongst the Non-Executive Directors of the Company or some or any of them in such amounts or proportions and in such manner as may be decided by the Board of Directors for 3 financial years commencing from 1st April, 2009.

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

   RESOLVED that in accordance with the provisions of Sections 198, 269, 309, 349 and 350 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 Dr.D.Jayavarthanavelu be and is hereby re-appointed as Managing Director of the Company for a further period of five years with effect from 1st April, 2010 to 31st March, 2015 upon the terms and conditions set out below:

   Remuneration:

   i) Salary : Rs. 4,50,000/- p.m.
   ii) Commission : 2% of the net profits payable annually
   iii) Perquisites :

   In addition to the salary and commission, the Managing Director shall also be entitled to interchangeable perquisites like furnished accommodation, where accommodation is not provided 50% of the salary as HRA, gas, electricity, water, furnishings, medical reimbursement, LTA for self and family, club fees, medical insurance etc., in accordance with the rules of Company, such perquisites being restricted to Rupees fifty four (54) lakhs per annum. For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules wherever applicable.

   Company's contribution to Provident Fund and Superannuation Fund as per rules of the Company, to the extent these, either singly or together, not taxable under the Income Tax Act, 1961 shall not be included in the computation of the ceiling on remuneration or perquisites. Gratuity payable shall not exceed half a month's salary for each completed year of service. The Managing Director is

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entitled to encashment of leave at the end of the tenure , which shall not be included in the computation of celing on remuneration or perquisites.

Provision of a Company car with driver for use on Company's business and telephone facility at his residence will not be considered as perquisites. Personal long distance calls on telephone and use of the car for private purposes shall be billed by the Company to the Managing Director.

The Minimum remuneration and perquisites to be paid in the event of loss or inadequacy of profit in any financial year during the tenure of office shall be as per schedule XIII of the Companies Act, 1956.

8. To consider and if deemed fit to pass with or without modification the following Resolution as a Special Resolution:

RESOLVED that subject to the provisions of the Companies Act, 1956, the Securities Contracts (Regulation) Act, 1956, Listing Agreements with the Stock Exchanges, Securities and Exchange Board of India (Delisting of Securities) Guidelines - 2003 and subject to such other approvals, permissions and sanctions as may be required from the Stock Exchange with which the Equity Shares of the Company are listed and / or any other relevant authority, and subject to any conditions or modifications as may be imposed while granting such approvals, permissions and sanctions and mutually agreed to in the best interest of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company to seek voluntary delisting of its equity shares from Madras Stock Exchange Limited, where the Company's Equity Shares are presently listed without giving an exit option to the shareholders of the regions where the aforesaid Stock Exchange is situated.

RESOLVED FURTHER that the Board of Directors of the Company be and are hereby authorised to do and perform all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable or appropriate and make all such applications and execute deeds, agreements, documents and writings as it may consider necessary, usual, requisite or proper for giving effect to this resolution.

By Order of the Board

Place : Coimbatore
Date : 20th May, 2009

K.Duraisami
Company Secretary

NOTE :

1. **A MEMBER WHO IS ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**

2. **PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT PERIANAICKENPALAYAM, COIMBATORE - 641 020 NOT LESS THAN 48 HOURS BEFORE HOLDING THE MEETING.**

3. **Brief resume, details of shareholding and Directors inter-se relationship of Non-Executive Directors, who retire by rotation and seeking re-election, as required under clause 49 of the Listing Agreement, are provided under the Corporate Governance Report.**

4. Members holding shares in physical form are requested to intimate the Change of Address and their Bank Account details such as Bank Name, Branch with address and Account number for incorporating the same in Dividend Warrants to M/s SKDC Consultants Limited, Post Box No.2979 No.7(Old No.11), S N Layout, Street No.1 West Power House Road, Coimbatore - 641 012 quoting their respective folio number. Members holding shares in Demat form shall intimate the above details to their Depository Participant with whom they have Demat Account.

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5. The Register of Members and share transfer books of the Company will remain closed from, Thursday the 16th July, 2009 to Monday, the 27th July, 2009 (both days inclusive).

6. The dividend recommended by the Board, if declared at the AGM will be paid to those members or their mandatees whose name appear on the Register of Members of the Company on 27th July, 2009. In respect of shares held in dematerialised form, the dividend will be paid on the basis of beneficial ownership as per details furnished by the depositories for this purpose at the end of business hours on 15th July, 2009. No deduction of tax at source will be made from dividend.

7. Pursuant to Section 205C of the Companies Act, 1956, unclaimed dividends are to be transferred to the "Investor Education and Protection Fund" of the Central Government after a period of 7 years from the date of declaration. Shareholders who have not en-cashed/misplaced/not received the dividend warrant for the years 2001-02, 2002-03, 2003-04, 2004-05, 2005-06(interim & final), 2006-07(1st & 2nd interim), 2007-08 (interim & final) are requested to write to M/s SKDC Consultants Limited, Post Box No.2979, No.7(Old No.11), S N Layout, Street No.1, West Power House Road, Coimbatore - 641012 for claiming the dividend. Due date for the transfer of the unclaimed dividend of the year 2001-02 to the said fund is 20th August, 2009 and shareholders can not make a claim after that date.

8. Any member who needs any clarification on accounts or operations of the Company shall write to the Company Secretary, so as to reach him at least 7 days before the meeting, so that the information required can be made available at the meeting.

9. In compliance with the requirements of Sec. 302 of the Companies Act, 1956 terms of appointment contained in item no. 7 of the notice may be taken as the abstract of terms of remuneration payable to Dr. D. Jayavarthanavelu, Managing Director.

10. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.

EXPLANATORY STATEMENT IN TERMS OF SECTION 173 OF THE COMPANIES ACT, 1956

Item No.6:

At the Extra Ordinary General Meeting held on 30th November, 2006, the shareholders of the Company had approved the payment of commission to Non-Executive Directors of the Company upto 1% of the net profits subject to a maximum of Rs.36,00,000/- per annum for three financial years commencing from 1st April, 2006. This was in addition to the Sitting Fees payable to them for attending the meeting of the Board and Committees thereof.

Taking into consideration of the responsibilities of the Non-Executive Directors in the emerging corporate environment, it is proposed to continue the same for a further period of three financial years commencing from 1st April, 2009. As per Section 309 of the Companies Act, 1956 this requires the approval of the shareholders of the Company by a Special Resolution.

The Board of Directors recommend the resolution for your approval.

Interest of Directors:

All Directors except Dr.D.Jayavarthanavelu, Chairman and Managing Director, Sri.R.Venkatrangappan and Sri Sanjay Jayavarthanavelu, Wholetime Directors are concerned or interested in this resolution to the extent of commission payable to them.

Item No.7:

Dr.D.Jayavarthanavelu was re-appointed as Managing Director for a period of 5 years from 1st April, 2005 to 31st March, 2010 in conformity with Schedule XIII of the Companies Act, 1956 and the same was approved by the shareholders at the 41st Annual General Meeting held on 28th July, 2004. His period of office would expire on 31st March, 2010. In the interest and progress of the

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Company Dr.D.Jayavarthanavelu should be re-appointed as Managing Director of the Company for a further period of five years with effect from 1st April, 2010 on the terms and conditions set out in the resolution.

Board of Directors by a Circular Resolution dated 1st April, 2009 had proposed the re-appointment of Dr.D.Jayavarthanavelu as Managing Director and authorised the Remuneration Committee of Board of Directors to fix his remuneration. The Remuneration Committee at its meeting held on 11.05.2009 had fixed the same remuneration as that of the current tenure for the proposed tenure also which is set out in the resolution. Board of Directors at their meeting held on 20.05.2009 had approved the re-appointment. Accordingly the said resolution is recommended for your approval.

In terms of Articles 321 of Articles of Association of the Company, Dr.D.Jayavarthanavelu is not liable to retire by rotation.

Interest of Directors

Dr.D.Jayavarthanavelu, Chairman and Managing Director and Sri Sanjay Jayavarthanavelu, Wholetime Director, are concerned or interested in the re-appointment of the former as Managing Director. No other Director of the Company is concerned or interested in the Resolution.

Item no.8

The Securities and Exchange Board of India (SEBI) had notified "Delisting of Securities Guidelines - 2003" on February 17, 2003 (the Guidelines). As per the Guidelines, a company may seek voluntary delisting of its securities from all or some of the stock exchanges and further that an exit offer is not required to be provided in cases where such securities continue to be listed at a Stock Exchange having nationwide trading terminals i.e. The Bombay Stock Exchange Limited, Mumbai, The National Stock Exchange of India Limited, Mumbai and any other Stock Exchange (s) that may be specified by SEBI in this regard.

The equity shares of your Company are presently listed in three stock exchanges, Madras Stock Exchange Limited(MSE) Chennai, The Bombay Stock Exchange Limited (BSE) Mumbai, and The National Stock Exchange of India Limited(NSE) Mumbai.

The shares of your Company is not being traded in MSE for a long time. Hence, it is proposed to delist the equity shares from MSE.

BSE and NSE offer trading terminals throughout the country and also offer on-line trading in shares. Delisting from MSE will in no way affect the trading in our shares by the shareholders of the Company in any region, hence no exit option is given to the shareholders of the region where MSE is situated. The shares shall continue to be listed on BSE and NSE.

Members' approval is being sought by a special resolution to enable voluntary delisting of the Company's shares from MSE in accordance with SEBI Guidelines and Stock Exchange Rules.

Your Directors recommend the Resolution for your approval.

Interest of Directors:

None of the Directors is concerned or interested in the resolution .

By Order of the Board

Place : Coimbatore
Date : 20th May, 2009

K.Duraisami
Company Secretary

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DIRECTORS' REPORT TO SHAREHOLDERS

Dear Shareholders,

Your Directors have pleasure in presenting the Forty-sixth Annual Report of your Company together with the audited accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS: in Rupees

YEARS	2008-09	2007-08
Gross Profit	2,717,883,681	4,870,266,489
Depreciation	1,176,172,742	1,158,698,971
Profit Before Tax	1,541,710,939	3,711,567,518
Provision for Income Tax - Current Tax	520,000,000	1,100,000,000
- Wealth Tax	165,920	197,873
- Deferred Tax (Net)	(3,599,138)	169,583,311
- Fringe Benefit Tax	11,784,000	16,798,089
- Prior year taxes paid	(55,988,513)	1,976,279
Profit After Tax	**1,069,348,670**	**2,423,011,966**
Add/Less : Investment Fluctuation Reserve	(363,191,190)	117,316,624
Balance brought forward	4,874,881,938	3,235,766,530
BALANCE AVAILABLE FOR APPROPRIATION	**5,581,039,418**	**5,776,095,120**
APPROPRIATIONS:		
Proposed dividend	185,538,750	556,616,250
Dividend Tax	31,532,311	94,596,932
Transfer to General Reserve	120,000,000	250,000,000
Surplus carried to Balance Sheet	5,243,968,357	4,874,881,938
TOTAL	**5,581,039,418**	**5,776,095,120**

DIVIDEND

Your Directors have recommended payment of dividend at Rs 15/- per equity share of Rs. 10/- each (150%) on the equity share capital of Rs.123,692,500 for the year ended 31st March, 2009 aggregating to Rs.185,538,750 and to pay a Dividend Tax of Rs. 31,532,311. The dividend if approved by the shareholders will be paid to those members or their mandatees whose name appear on the Register of Members on 27th July, 2009 for those holding shares on physical form and as per the details furnished by the depositories as at the end of business hours on 15th July, 2009 for those holding shares on Dematerialized form.

OPERATIONS

During the year under review, your Company has recorded a turnover of Rs. 133801.39 lakhs (2007-08 Rs. 220516.47 lakhs) resulting in a net profit of Rs 15417.11 lakhs (2007-08 Rs. 37115.67 lakhs) before tax. During the year under review the turnover had declined by 39.32% and profit by 58.46% respectively over the previous year due to the financial meltdown and the resultant economic recession in Western markets impacting adversely the global and domestic Textile Industry.

TEXTILE MACHINERY DIVISION

The Textile Machinery Division of your Company, during

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the year under review, has recorded a turnover of Rs 117997.54 lakhs as against Rs. 200742.32 lakhs achieved during last year recording a decline of 41.22% over the previous year.

The growth trajectory of the Indian Textile sector has peaked out from the middle of the financial year 2008-09 and has started moving southwards as a consequence of global economic recession. The global economic slow down has contracted the export potential for textile products out of India. Ambitious expansion, modernization and capacity build up carried out by the textile mills, after the phasing out of quota regime in 2005, is not being fully utilized. Mills have either postponed or abandoned their investment proposals due to the uncertain situation prevailing in this sector.

Besides the external factors, internal factors such as power shortage, sharp exchange rate fluctuation, forex hedging losses, increasing commodity prices and interest rates have depressed the investment sentiment of the Textile sector.

Next to China, India is the second largest textile market in the world. Realizing the importance of this sector, the Government of India has initiated schemes like Technology Mission on Cotton (TMC), Technology Upgradation Fund Scheme (TUFS), Scheme for Integrated Textile Parks (SITP), rationalized duty structure etc. It is heartening to note that the Government is committed to implement these measures thoroughly, in order to give a fillip to this industry.

Stimulus package introduced by the Government, declining inflation and interest rates, one year moratorium granted to textile mills for the repayment of term loans, favorable foreign exchange rate situation gives hope for recovery in this sector, in the near future.

MACHINE TOOL DIVISION

Turnover of the Machine Tool Division during the year under review was Rs. 7331.48 Lakhs as against Rs. 12478.93 Lakhs recorded during the last year.

Machine Tool Industry is yet another industry which is worst affected by the global economic slow down. Failure of auto majors in the US and Europe has played havoc on the auto component and auto ancillary industry in India. Consequently the Machine Tool industry which is dependent on the engineering, auto and auto ancillary industries were as well affected by demand recession. Besides, this sector is facing a severe competition from the high technology Machine Tool manufacturers based in Japan and Germany.

To face the competition from international players your Company has taken steps to strengthen the product range with high value products, took measures to improve product support including application engineering and tool design. New VMCs developed during 2008-09 are going to be commercialized during the year 2009-10. The new HMC machine developed and exhibited in the IMTEX 2009 has received a good response. R&D work is tuned up towards the development of new variants of VMCs' and HMCs' with the help of domestic and imported technology.

FOUNDRY DIVISION

Foundry Division has achieved a turnover of Rs 8472.37 Lakhs as against Rs. 7295.22 Lakhs recorded during the previous year showing a marginal increase over the previous year. About 47% of the turnover amounting to Rs 3940.34 Lakhs is from exports made to countries like USA, Germany, Spain, Finland and Canada.

Despite all round economic slow down, the high precision heavy castings manufactured by your Company attracts good demand from Indian and international customers. In order to cater to the increased demand, your Company has augmented the capacity of this division considerably. Implementation of world class manufacturing technology, creation of facilities for value addition by machining of heavy castings would take this division to new heights.

This division manufactures turbine parts for advanced low emission engines, critical traction motor housings, marine transmission housings, power transmission, wind mills, transport infrastructure etc., which are all having a recurring demand.

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WIND MILL DIVISION

Augmentation of Renewable Energy Resources occupies the centre space in your Company's long term investment planning. Your Company's contribution to develop inexhaustible sources of clean energy will definitely contribute towards global battle against climate change.

During the year under review, your Company has installed 6 numbers of 250 KW wind energy generators. So far your Company has installed 23 numbers of wind energy generators with a total installed capacity of 27.95 MW. During the year under review, this division has generated 623 lakh units of wind energy as against 567 lakh units generated during 2007-08.

The wind power generated by the Company meets a major portion of its power requirements and thereby brings about appreciable savings in the energy bill of your Company.

EXPORTS

During the year under review, your Company has achieved an export turnover as indicated below:

a. Textile Machinery - Rs. 5775.66 lakhs (previous year Rs. 9019.13 lakhs)

b. Castings - Rs. 3940.34 lakhs (previous year Rs. 3930.32 lakhs)

c. Total - Rs 9715.99 lakhs (previous year Rs. 12949.45 lakhs)

The countries of export include Bangladesh, USA, Germany, Kenya, Vietnam, Indonesia, Thailand etc. Subsequent weakening of the Indian Rupee against major currencies of the world and the stimulus packages introduced by various countries to kick start their domestic economies is expected to bring in more export orders.

RESEARCH AND DEVELOPMENT

Your Company has a vibrant R&D infrastructure set up separately for the Textile Machinery Division and the Machine Tool Division. Customer focused research is being carried out to provide value for money. R&D is also tuned to track emerging trends in technology and adapt them suitably to enhance the competitive strength of the customers. It is the continuous endeavor of your R&D to develop user friendly, cost effective, state of the art machinery. World class infrastructure facilities have been provided to this department. For testing the new Textile Machinery in a mill working environment a new Pilot Mill with 8,000 spindles capacity has been established.

AWARDS

During the year your Company has received the "Star Performer - Large Enterprise" Regional Award for the year 2006-07 from the Engineering Export Promotion Council.

Your Company has been inducted into the prestigious Hall of Fame in the Asia Pacific region and awarded with a Steuben Crystal Rising Star in appreciation of our efforts in implementing and successfully running the Balanced Score Card Tool. The award was presented to your Company by Dr Robert S Kaplan. The Balanced Score Card is a Performance Management Tool.

Your Company has also received the "ICWAI National Award for Excellence in Cost Management - 2008" under the category of private manufacturing organization (Large) from the Institute of Cost and Works Accountants of India.

DIRECTORATE

Sri Basavaraju and Sri M V Subbiah, Directors, will retire by rotation at the ensuing Annual General Meeting, being eligible, offer themselves for re-appointment.

The present tenure of office of Dr D Jayavarthanavelu, Chairman and Managing Director is valid up to 31st March, 2010. The Board of Directors has proposed to reappoint him for a further period of five years effective from 1st April, 2010.

INDUSTRIAL RELATIONS

The relationship with the employees was cordial throughout the year.

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JOINT VENTURE: RIETER - LMW MACHINERY LIMITED

During the year under review, the Company recorded a turnover of Rs 9263 lakhs (Rs. 14458 lakhs during 2007-08). The reduction in turnover is mainly on account of poor off-take of machinery globally.

SUBSIDIARY: LMW TEXTILE MACHINERY (SUZHOU) CO.LTD.

Your Company has incorporated LMW Textile Machinery (Suzhou) Co Ltd, a wholly owned subsidiary, with a registered capital of USD 12.50 million to establish a green field project in China for the manufacture of Textile Spinning Machinery at an estimated cost of USD 29 million. The project is situated in the Wujiang Economic Zone, Jiangsu Province in the Peoples' Republic of China. This Company has taken a ready built factory premises with water and electricity connections on a long term lease. Erection of machinery, provision of other infrastructure facilities is under progress. The company is expected to commence commercial production during last quarter of 2009.

FIXED DEPOSITS

The Company has not accepted any fixed deposits.

LISTING

Your Company's shares are listed in the Madras Stock Exchange Limited, Chennai, the Bombay Stock Exchange Limited, Mumbai, and the National Stock Exchange of India Limited, Mumbai and the respective listing fees has been paid. Subject to the approval of the shareholders it is proposed to de-list the shares from the Madras Stock Exchange Limited as there is no trading in our shares in this Stock Exchange.

AUDITORS

Your Company's Auditors M/s M S Jagannathan & Visvanathan and M/s Subbachar & Srinivasan, are to retire at the ensuing Annual General Meeting. They are eligible for reappointment and have consented to act as Auditors of the Company, if appointed and necessary certificate pursuant to Section 224(1B) of the Companies Act, 1956 has been received from them.

INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956.

Information in accordance with Clause (e) of sub-section 217 of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2009 is given in Annexure-I of this Report.

Information in accordance with Sub-section (2A) of Section 217 of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of Directors' Report for the year ended 31st March, 2009 is given in Annexure - II of this Report.

ADDITIONAL DISCLOSURES

Management Discussion and Analysis Report, Corporate Governance Report, Segment Report, and Related Party Disclosures provided elsewhere in the Annual Report forms a part of this Report as required under the Listing Agreement entered into with the Stock Exchanges.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance of Section-217 (2AA) of the Companies Act, 1956 the Directors of your Company confirm that:

- All applicable Accounting Standards have been followed in the preparation of Annual Accounts and that there are no material departures;
- Such accounting policies have been selected and applied consistently and such judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2009 and of the Profit of the Company for the year ended on that date;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Annual Accounts of your Company have been prepared on a going concern basis.

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