

ANNUAL REPORT 2004-2005



MARSON'S LIMITED



BOARD OF DIRECTORS

1. Mr. M. C. Jain – Chairman
2. Mr. G. C. Kotia – Managing Director
3. Mr. Nikhilesh Kotia – Executive Director
4. Mr. Akhilesh Kotia – Executive Director
5. Mr. Pravin Jain – Executive Director
6. Mr. R. N. Agarwal – Executive Director
7. Mr. R. Kasliwal – Director
8. Mr. V. M. Swami – Director
9. Mr. Manoj Banka – Director
10. Mr. Peeyush Jain – Director

AUDITORS

K. K. Jain & Co.
Chartered Accountant

**REGISTERAR &
SHARE TRANSFER AGENT**

Maheswari Datamatics Pvt. Ltd.
6, Mangoe Lane, 2nd Floor,
Kolkata - 700 001

BANKERS

ALLAHABAD BANK
C. R. Avenue Branch
Kolkata.

REGISTERED OFFICE

**4, CHANDNI CHOWK STREET
KOLKATA-700 072**



NOTICE

NOTICE is hereby given that the 28th Annual General Meeting of the members of the company will be held at Bhartiya Bhasha Parisad, 36A Shakespeare Sarani, Kolkata - 700017 on Friday, the 12th day of August, 2005 at 11.00 A.M. to transact the following business:

As Ordinary Business:

1. To consider and adopt the Balance Sheet as at 31st March, 2005, the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors' and the Auditors' thereon.
2. To appoint a Director in place of Sri Nikhilesh Kotia, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sri Pravin Jain, who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint retiring Auditors of the Company, M/s. K.K.Jain & Co., Chartered Accountants to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

As special business

To consider and if thought fit, to pass with or without modification, the following resolutions :-

5. As Ordinary Resolution

"RESOLVED THAT Sri Peeyush Jain who was appointed as an Additional Director of the company with effect from 14.12.2004 and who ceases to hold office as such in terms of Section 260 of the Companies Act, 1956, but being eligible for appointment, be and is hereby appointed as a director of the company, liable to retire by rotation."

6. As Ordinary Resolution

"RESOLVED THAT Sri V. M. Swami who was appointed as an Additional Director of the company with effect from 04.01.2005 and who ceases to hold office as such in terms of Section 260 of the Companies Act, 1956, but being eligible for appointment, be and is hereby appointed as a director of the company, liable to retire by rotation."

7. As Ordinary Resolution

"RESOLVED THAT Sri Manoj Kumar Banka who was appointed as an Additional Director of the company with effect from 28.03.2005 and who ceases to hold office as such in terms of Section 260 of the Companies Act, 1956, but being eligible for appointment, be and is hereby appointed as a director of the company, liable to retire by rotation."

8. As Special Resolution

"RESOLVED THAT pursuant to Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, including Schedule XIII to the above referred Act, the company hereby approves the re-appointment and terms of remuneration of Mr. G. C. Kotia as Managing Director of the company for a further period of 1 year with effect from 1st April, 2005 upon the terms and conditions set out in the letter dated 28th March, 2005 issued to him by the Company, a copy of whereof laid on the table and initialed by the Chairman for the purpose of identification, with liberty to the Board of Directors to alter or vary the terms and conditions of the said re-appointment in such manner as may be agreed to between the Directors and Mr. G. C. Kotia."

9. As Ordinary Resolution

"RESOLVED THAT pursuant to Section 94 of the Companies Act, 1956 and the Articles of Association of the Company and other applicable provisions, if any, of the said Act, including any amendment thereof, the nominal capital of the Company be increased from Rs. 11,00,00,000/- (Rupees eleven crores) to Rs. 20,00,00,000/- (Rupees twenty crores) by creation of further 4,50,00,000 Equity Shares of Rs. 2/- each ranking pari passu with the existing shares in all respect.



RESOLVED FURTHER THAT existing Clause V of the Memorandum of Association of the Company be replaced with the following:

V. "The Share Capital of the Company is Rs. 20,00,00,000/- (Rupees twenty crores only) divided into 10,00,00,000 (ten crore) equity shares of Rs. 2/- (Rupees Two) each with power to sub-divide, consolidate and increase or decrease with power from time to time to issue any share of the original capital or any new capital, and to divide the shares for the time being of the Company into several classes of stock or shares and to attach thereto respectively such preferential rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company."

10. **As Special Resolution**

"RESOLVED THAT pursuant to the provisions of Section 81, 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications of re-enactment thereof, for the time being in force) (hereinafter referred to as the "Act"), and provisions in the Memorandum and Articles of Association of the Company and in accordance with the Listing Agreement entered into by the Company with the Stock Exchanges and subject to all applicable approvals, rules, regulation and guidelines of Financial Institutions (FIs), Central Government Securities and Exchange Board of India (SEBI), Secretariat of Industrial Approvals (SIA), Foreign Investment Promotion Board (FIPB), Reserve Bank of India (RBI) and all other concerned statutory and other authorities and to the extent necessary, and such other approvals, permissions and sanctions as may be necessary, and subject to such conditions and modifications as may be prescribed, stipulated or imposed in granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "The Board" which shall include any committee of the Board), the consent, permission and approval of the Company be accorded to the Board to offer/issue/allot Equity Shares of the face value of Rs. 2/- each at such price as may be fixed and determined by the Board prior to the issue and offer thereof, not exceeding Rs. 20.00 Crore (Rupees twenty crore) in value, (hereinafter referred to as "the Issue") on Rights basis to the existing Equity Shareholders of the Company in such ratio as determined by the Board.

RESOLVED FURTHER THAT the aforesaid shall be made at such terms and conditions as decided and finalised by the Board under a "Letter of Offer" specifying the number of Equity Shares offered and stipulating a time not less than thirty days (or within such time as may be extended by the Directors) from the date of offer within which time, the offer, if not accepted, will be deemed to have been declined and that after the expiry of the time specified in the Letter of Offer aforesaid or on receipt or earlier intimation from the person to whom such Letter of Offer is given that he declines to accept the Equity Shares offered, the Directors may dispose of the shares in such manner as they think most beneficial to the Company.

RESOLVED FURTHER THAT these Equity Shares will be subject to the Memorandum and Articles of Association of the Company and shall rank in all respects (including voting rights and dividend) *pari passu* with the existing Equity Shares.

RESOLVED FURTHER THAT the allotment to Non-resident shareholders shall be subject to the sanction of the Reserve Bank of India and such conditions that may be imposed in this regard.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to take such steps and to do all such acts, deeds, matters and things and accept any alterations or modification(s) as they may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in regard to this issue and allotment of the said equity share including the power to allot the unsubscribe equity shares, if any, in such manner as may appear to the Board to be most beneficial to the Company."

11. **As Special Resolution**

"RESOLVED THAT in terms of Section 81, 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force and may be



enacted from time to time) and in accordance with the provisions of the Article of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchange(s), and subject to the consent of Securities and Exchange Board of India and all concerned authorities, if and to the extent necessary and subject to such conditions and modifications as may be prescribed under applicable laws or imposed while granting such approvals, permissions and sanctions, which may be agreed by the Board of Directors of the Company and or a duly authorized Committee thereof for the time being exercising the powers conferred by the Board of Directors (hereinafter referred to as "the Board") at its absolute discretion, be and hereby authorized to allot the un-subscribed portion of shares, if any, in the proposed Rights Issue to any person, in such manner, as the Board may think proper."

12. As Ordinary Resolution

"RESOLVED THAT pursuant to the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges, the consent of the Company be and is hereby accorded for payment of such amount as may be approved by the Board of Directors, from time to time, subject to the ceiling prescribed under the Companies Act, 1956, or rules framed there under, as amended from time to time, as sitting fees for each meeting of the Board of Directors or the Committee(s) thereof, attended by the Non-Executive Directors of the Company."

13. As Special Resolution

"RESOLVED THAT subject to the provisions of the Companies Act, 1956, (including any statutory modifications(s) or reenactment thereof for the time being in force), Securities Contracts (Regulation) Act, 1956 and the Rules framed thereunder, Listing Agreements, SEBI Regulations and all other applicable laws, rules and regulations and guidelines and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'the Board', which term shall be, deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by the Resolution), the consent of the Company be and is hereby accorded to the Board to delist the equity shares of the Company from the Calcutta Stock Exchange".

BY ORDER OF THE BOARD
For MARSON'S LIMITED

Place : Kolkata
Date : 12.07.2005

G.C. KOTIA
MANAGING DIRECTOR

NOTES

1. The register of members and the share transfer books of the Company shall remain closed from 8th August, 2005 to 12th August, 2005. (both days inclusive.)
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote instead of himself/herself and the proxy need not be a member of the Company. However, the proxy forms duly filled up must be lodged with the company before 48 hours of the meeting.
3. Please note that as per the notifications of SEBI, the company's equity shares have been under compulsory demat trading mode for all the investors. You are therefore, requested to demat your shareholding to avoid inconvenience in future.
4. Members are requested to :-
 - i) Notify change of address, if any.
 - ii) Send Query (ies), if any, regarding audited accounts atleast 10 days before meeting.
 - iii) Bring with them their copy of the Annual Report in the meeting
 - iv) Carry their identity proof to produce at the venue for security reasons.
5. Information pursuant to Clause 49 of the Listing Agreement in connection with the Directors seeking appointment/re-appointment:



| Name of Director | Mr. Nikhilesh Kotia | Mr. Pravin Jain | Mr. Peeyush Jain | Mr.V.M. Swami | Mr. Manoj Banka | Mr. G.C. Kotia |
|---------------------------------------|--|--|---|--|--|--|
| Date of Birth | 19.10.1961 | 28.03.1965 | 18.07.1962 | 30.06.1940 | 12.09.1965 | 09.10.1931 |
| Date of Appointment | 15.03.1982 | 30.11.1990 | 14.12.2004 | 04.01.2005 | 28.03.2005 | 26.08.1976 |
| Qualification | B. Com | B. Com | B. Com | M. Com, LLB, CAIIB | B. Com | B.Com |
| Experience | Associated with the Electricals transformer business for over 20 years and have in depth knowledge in manufacturing and marketing of Power & Distribution of Transformer | Associated with the Electricals transformer business for over 18 years and have in depth knowledge in manufacturing and marketing of Power & Distribution of Transformer | Possess vast commercial knowledge | Associated with Banking Sector for over 35 yrs and retired as GM. Presently associated with Surana Industries Ltd as Director-Finance. | Possess good working commercial knowledge | Associated with the Electrical and Transformer business for over 40 years. and is pioneer in developing the company as promoter director since inception of the company. |
| Directorship in other Companies | Marson's Textiles Ltd. | Kotson's Pvt. Ltd. | Unicop Technologies (Office Automation) Ltd | Surana Industries Ltd. | 1) Marson's Power & Infrastructure Development Ltd. 2) Sidhartha Project Pvt. Ltd. 3) Modern India Vyapaar Pvt. Ltd. 4) Shiv Towers Pvt. Ltd. | NIL |
| Chairman/ Membership of the Committee | NIL | NIL | NIL | | (i) Chairman of Audit Committee of Marson's Power & Infrastructure Development Ltd. (ii) Chairman of Remuneration Committee of Marson's Power & Infrastructure Development Ltd. (iii) Chairman of Shareholders'/ Investors Grievance Committee of Marson's Power & Infrastructure Development Ltd. | NIL |

6) Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956 is attached herewith and forms part of the Notice.

BY ORDER OF THE BOARD
For MARSON'S LIMITED

Place : Kolkata
Date : 12.07.2005

G.C. KOTIA
MANAGING DIRECTOR



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

Item No. 5, 6 & 7

Mr. Peeyush Jain, Mr. V. M. Swami and Mr. Manoj Banka were inducted in the Board as Additional Directors with effect from 14.12.2004, 04.01.2005 & 28.03.2005 respectively. In accordance with the provisions of Section 260 of the Companies Act, 1956, they hold office as Directors only upto the date of the ensuing Annual General Meeting, but is eligible for appointment as director liable to retire by rotation. The required notice, pursuant to the provisions of Section 257 of the Companies Act, 1956 have been received from shareholders proposing their names for the directorship of the company. The Board propose their appointment for your consideration.

None of the Directors, except Mr. Peeyush Jain, Mr. V.M. Swami and Mr. Manoj Banka in their personal capacity, is interested or deemed to be interested in the proposed resolution.

Item No. 8

Mr. G. C. Kotia, Managing Director of the Company was reappointed by the meeting of the Board of Directors of the Company held on 28.03.2005 for a further term of 1 year.

Mr. G. C. Kotia, born on 09.10.1931 is associated with the Electrical and Transformer business for over 42 years and has in-depth knowledge in manufacturing and marketing of power and distribution of Transformers.

The appointment letter issued to him contains the following terms and conditions.

1. Appointment would be effective from 1st April, 2005 for a period of 1 year.
2. Basic Salary – Rs. 19200/- per month w.e.f. 01.04.2005.
The perquisites to be offered to him would be as under:
 1. Medical Reimbursement – Reimbursement of Medical Expenses actually incurred for self and family shall be subject to a ceiling of one month's salary in a year.
 2. Leave Travel Concession – Once in a year incurred in accordance with rules specified by the Company.
 3. Personal Accident Insurance – Premium not exceeding Rs. 3,000/- per annum.
 4. Reimbursement of Cost of Gas & Electricity supply to the extent of 10% of the salary.
 5. Club Fees – Fees of Clubs subject to a maximum of two clubs. This would not include admission and life membership fees.
 6. Contribution to Provident Fund as per rules of the Company. Gratuity payable will not exceed half a month's salary for each completed year of service, subject to such ceiling as per govt. notification from time to time.
 7. Provision if Car for use on Company's business and telephone at residence as per rules of the Company.

The above will be the minimum remuneration payable to Mr. G. C. Kotia in the event of loss or inadequacy of profit during his tenure as Managing Director.

The above be also treated as notice pursuant to Section 303(2) of the Companies Act, 1956.

Since Mr. C. Kotia is above 70 years of age, the Board recommends the resolution for approval of members as Special Resolution.

Save and except Mr. G. C. Kotia, in his personal capacity and Mr. Nikhilesh Kotia, Mr. Akhilesh Kotia, Mr. M. C. Jain and Mr. Pravin Jain being the relatives of Mr. G. C. Kotia, no other Director of the Company is concerned or interested in the proposed resolution.

Item No. 9

The present nominal capital of the Company is Rs. 11,00,00,000/- (Rs. Eleven Crores only) divided into 5,50,00,000 (Five Crore) equity shares of Rs. 2/- each. The Board of Directors of the Company has proposed to raise the Paid up Capital by various means and hence to enable the said proposal it is proposed to increase the nominal capital of the Company from Rs. 11,00,00,000/- (Rupees Eleven Crores only) to Rs. 20,00,00,000/- (Rupees Twenty One Crores only) by creation of further 4,50,00,000 equity shares of Rs. 2/- each of the Company ranking pari passu with the existing shares of the company in all respects.

The resolution is proposed for your approval. None of the Directors of the Company is interested or deemed to be interested in the proposed resolution.

**Item No. 10 & 11**

The Company is working a blueprint of expansion project of increasing the power transformer manufacturing capacity from the existing level of 132 KV to 220 KV.

Marson's Limited is the largest manufacturer of Power & Distribution Transformers in the whole of eastern region of the country. The company is established since the year 1957. Presently we are manufacturing transformers ranging from 25 KVA to 100 MVA upto 132 KV Class apart from various types of special application transformers. The company has recently launched FURNACE TRANSFORMER with great success.

Now we are planning to upgrade our facilities to manufacture Power Transformer upto 220 KV Class. The current scenario is very encouraging because the major thrust of our Govt. is on Power and Infrastructure sector. Meanwhile Eastern and North Eastern region is witnessing the maximum development in the power sector. We are in a commanding position for all North Eastern demand of these Large Transformers as we are at the gateway to the entire region. NTPC and NHPC are setting up power project of 25000 MW and 20000 MW at an estimated cost of approximately Rs. 20 Billion in the North East, which will give us a tremendous opportunity.

To finance the entire project, it is necessary to arrange fund from various sources. The enhanced capacity will register a national presence for the company.

As a part of financing, shareholders consent is sought to issue the securities, as stated in the resolution, resulting in the issuance of further shares of the company in accordance with the terms and nature of securities issued by the company. The proposed resolution is an enabling one to authorize the Board of Directors to mobilize adequate resources to meet the growing needs of the company by way of issue of shares securities.

Under the proposed resolution shareholder consent is sought pursuant to the provisions of Section 81 and all other applicable provisions of the Companies Act, 1956 and in terms of the provisions of the Listing agreement executed by the Company with the stock exchanges where the Company's shares are listed either on right basis or otherwise as the Board of Directors may deem fit in course of time.

The Directors recommend the resolution for your approval.

None of the Directors of the company are interested or deemed to be interested in the above resolution.

Item No. 12

The Securities and Exchange Board of India has issued a circular to all the Stock Exchanges advising them to amend the Listing Agreement by inserting a revised Clause 49 relating to the Corporate Governance requirements to be fulfilled by the Companies. The Stock Exchanges have accordingly amended the Listing Agreements with the Companies. The said amendment in the Listing Agreement is effective from December, 31st 2005. One of the requirements stipulated under the revised Clause 49 is that all the fees/compensation payable to the Non-Executive Directors, including Independent Directors, shall be fixed by the Board of Directors and shall require previous approval of the members in the General Meeting.

In view of the revised Clause 49 of the Listing Agreement, the approval of the members is sought for the payment of the sitting fees to all the Directors of the Company excluding Executive Directors. The Directors recommend adoption of the Ordinary Resolution at item no. 12.

All the Non Executive Directors of the Company namely Mr. Rakesh Kasliwal, Mr. V. M. Swami, Mr. Manoj Banka and Mr. Peeyush Jain may deemed be concerned or interested in the resolution.

Item No. 13

Presently the Company's shares are listed at Calcutta and Mumbai Stock Exchanges. The Company's shares are not at all traded at Calcutta Stock Exchange and the cost of compliance alongwith the annual listing fee paid to it does not have any significant compared to the benefit accrued from it. Further, since the Company's share shall remain listed at Mumbai Stock Exchange, the shareholders of the company shall not suffer at all as maximum trading are done only in this Stock Exchange. Again since the company's shares are in compulsory demat mode, shares of the company are easily tradable.

None of the Directors of the company is interested or deemed to be interested in the proposed resolution.

By Order of the Board
For Marson's Limited

G. C. Kotia
Managing Director

Place: Kolkata
Date : 12.07.2005



DIRECTOR'S REPORT

To
The Shareholders,
The Directors of your company hereby submit their Annual Report together with audited statement of accounts of the company for the year ended 31st March, 2005.

FINANCIAL HIGHLIGHT:

| | <u>For the Year ended 31.03.2005</u> | <u>For the Year ended 31.03.2004</u> |
|--|---|---|
| | Rs. (In Lacs) | Rs. (In Lacs) |
| Surplus/(Deficit) before providing for | | |
| Depreciation for the year | 64.07 | 89.02 |
| Less: Depreciation for the year | 41.18 | 62.66 |
| Profit/(Loss) before Taxation | 22.89 | 26.36 |
| Less: Provision for Income Tax | | |
| (Net of Deferred Tax Assets) | (05.12) | (25.62) |
| Add: Surplus brought forward | <u>15.99</u> | <u>14.02</u> |
| TOTAL EARNINGS | <u>44.00</u> | <u>66.00</u> |

Appropriation:

| | | |
|--|--------------|--------------|
| Transfer to General Reserve | 15.00 | 50.00 |
| Surplus (Deficit) carried to Balance Sheet | <u>29.00</u> | <u>16.00</u> |
| | <u>44.00</u> | <u>66.00</u> |

DIVIDEND

To augment the Working Capital & to strengthen the reserves, the directors do not recommend any dividend for the period under Report.

CURRENT OPERATION & FUTURE PROSPECTS

The year under report was a historic one for the shareholders of the company. First of all by splitting the face value of the share of the company from Rs. 10/- each to Rs. 2/- each, the company's efforts to increase the liquidity and widen the holding base resulted fruitful. The company's shares have started rolling in the Stock Exchanges and have witnessed itself among few top trading Companies in last six months. The number of shareholders of the company as on date stood upto 15000(approx). The Board also rewarded the faith of the shareholders bestowed upon the Company by allotting Bonus Shares in the ratio of 1 equity share of Rs. 2/- each of every 2 equity shares of Rs. 2/- each. The Management is hopeful of achieving new milestones and adding galaxies to its wing in coming years. As far as financial data are concerned, the Company achieved a turnover of Rs. 15.27 Crores against the previous year's turnover of Rs. 27.36 Crores. The surplus during the year was Rs. 22.89 Lacs compared to surplus of the previous year Rs. 26.36 Lacs. The Management is hopeful to do better in the light of outgoing power reforms.

Marson's Limited is the largest manufacturer of Power & Distribution Transformers in the whole of eastern region of the country. The company is established since the year 1957. Presently we are manufacturing transformers ranging from 25 KVA to 100 MVA upto 132 KV Class apart from various types of special application transformers. The company has recently launched FURNACE TRANSFORMER with great success.



Now we are planning to upgrade our facilities to manufacture Power Transformer upto 220 KV Class. The current scenario is very encouraging because the major thrust of our Govt. is on Power and Infrastructure sector. Meanwhile Eastern and North Eastern region is witnessing the maximum development in the power sector. We are in a commanding position for all North Eastern demand of these Large Transformers as we are at the gateway to the entire region. NTPC and NHPC are setting up power project of 25000 MW and 20000 MW at an estimated cost of approximately Rs. 20 Billion in the North East, which will give us a tremendous opportunity.

AUDITORS' REPORT:

The Notes on Accounts referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further comments.

PARTICULARS OF EMPLOYEES:

There has been no employee in the category as specified under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the Provisions of Section 217(2AA) of the Companies Act, 1956, the Directors confirm:

- i) that in the preparation of the Annual Accounts, the applicable accounting standards has been followed except AS 15 as the company follow the policy of pay as you go in respect of gratuity and leave encashment.
- ii) that the Directors had 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 ended 31st March, 2004 and of the profit of the company for the year.
- iii) that the Directors had 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 had prepared the annual accounts on a going concern basis.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ETC.

The particulars required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are attached, forming part of this report.

AUDITORS:

M/s. K. K. Jain & Co., Chartered Accountants, the Statutory Auditors retire at the conclusion of the ensuing Annual General Meeting and they have expressed their willingness to accept reappointment and have further confirmed their eligibility under Section 224(1B) of the Companies Act, 1956.

DIRECTORS:

During the year Mr. G. C. Kotia acting as Chairman and Managing Director of the company was reappointed for a further period of 1 year as Managing Director of the company w.e.f. 01.04.2005 and Mr. M. C. Jain was designated as Chairman of the Board of Directors of the company w.e.f. that date. The resolution for confirmation of appointment of Mr. G. C. Kotia as Managing director is proposed for your approval. Mr. Akhilesh Kotia was appointed as Executive Director of the company w.e.f. 5th January, 2004 for a period of 5 years and the same was duly confirmed by the members of the company in the Extra Ordinary General Meeting of the company held on 31st January, 2005. Mr. Peeyush Jain, V. M. Swami and Manoj Banka were inducted in the Board as Non Executive Independent Directors w.e.f. 14.12.2004, 04.01.2005 and 28.03.2005 respectively. Mr. S. R. Dutta ceased to act as Director of the company in terms of Section 283(g) of the Companies Act, 1956 w.e.f. 19.10.2004. The Board took on record its appreciation for the services rendered by him during the tenure of his directorship.