

# SAKTHI FINANCE LIMITED

An Edifice Built on Trust

## BOARD OF DIRECTORS

Dr. M. Manickam *Chairman*  
Sri. M. Balasubramaniam  
*Vice Chairman and Managing Director*  
Sri. S.A. Murali Prasad  
Sri. A. Shanmugasundaram  
Sri. M. Srinivaasan  
Sri. P.S. Gopalakrishnan  
Dr. A. Selvakumar  
Sri. S. Ragothaman

## SENIOR MANAGEMENT

Sri. M.K. Vijayaraghavan *President (Finance)*  
Dr. S. Veluswamy *President (Operations)*  
Sri. G. Muniasamy *General Manager*  
Sri. K. Guruprasad *General Manager*  
Sri. K. Natesan *General Manager*  
Sri. N. Raveendran *General Manager*

## COMPANY SECRETARY

Sri. S. Venkatesh

## REGISTERED OFFICE

62, Dr. Nanjappa Road  
Coimbatore - 641 018  
Phone : (0422) 2231471 - 74, 4236200  
Fax : (0422) 2231915  
E-mail : sakthif\_info@sakthifinance.com

## REGISTRARS & TRANSFER AGENTS

SKDC Consultants Limited  
Kanapathy Towers, 3rd Floor  
1391/A-1, Sathy Road, Ganapathy  
Coimbatore - 641 006  
Phone : (0422) 6549995, 2539835-36  
Fax : (0422) 2539837  
E-mail : info@skdc-consultants.com

## BANKERS

Indian Overseas Bank  
Bank of India  
Central Bank of India  
The Karnataka Bank Ltd  
Canara Bank  
Syndicate Bank  
State Bank of Travancore  
The Lakshmi Vilas Bank Ltd  
The Catholic Syrian Bank Ltd

## FINANCIAL INSTITUTIONS

Small Industries Development Bank of India  
The Tamilnadu Industrial Investment  
Corporation Limited

## AUDITORS

M/s. P.N. Raghavendra Rao & Co  
Chartered Accountants  
No. 23/2, Viswa Paradise Apartments  
Second Floor, Kalidas Road  
Ramnagar, Coimbatore - 641 009

## INTERNAL AUDITOR

Sri B. Muralidharan FCA  
Chartered Accountant  
226, T.V. Samy Road (East)  
R.S. Puram, Coimbatore - 641 002

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## NOTICE TO MEMBERS

NOTICE is hereby given that the Fifty Third Annual General Meeting of the members of the Company will be held on Tuesday, 14th September 2010 at 4.30 p.m at Smt. Padmavathi Ammal Cultural Centre, 1548, Avanashi Road, Peelamedu, Coimbatore – 641 004 to transact the following business.

You are requested to make it convenient to attend the meeting.

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010 and the Profit and Loss Account for the year ended on that date together with the reports of the Board of Directors and Auditors.
2. To appoint a director in place of Sri P S Gopalakrishnan who retires by rotation and is eligible for reappointment.
3. To appoint a director in place of Dr A Selvakumar who retires by rotation and is eligible for reappointment.
4. To appoint M/s P N Raghavendra Rao & Co (Firm Regn.No:003328S) Chartered Accountants, Coimbatore as Statutory Auditors of the company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting on the remuneration and out-of-pocket expenses as recommended by the Audit Committee and approved by the Board of Directors.

M/s P N Raghavendra Rao & Co, Chartered Accountants, Coimbatore retire and are eligible for reappointment.

### SPECIAL BUSINESS

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

RESOLVED THAT in accordance with Section 94(2) and other applicable provisions, if any, of the Companies Act 1956 and the Articles of Association of the Company, the Authorised Share Capital of the Company be increased from Rs.45,00,00,000 (Rupees Forty Five Crores only) divided into 4,00,00,000 Equity Shares of Rs.10 each and 5,00,000 Redeemable Cumulative Preference Shares of Rs.100 each to Rs.60,00,00,000 (Rupees Sixty Crores only) divided into 5,50,00,000 Equity Shares of Rs.10 each and 5,00,000 Redeemable Cumulative Preference Shares of Rs.100 each.

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

RESOLVED THAT in accordance with the provisions of Section 16(1) and other applicable provisions, if any, of the Companies Act 1956, the Memorandum of Association of the Company be and is hereby altered by deleting the existing Clause 5 and substituting in its place the following new Clause 5:

5. The Authorized Share Capital of the Company is Rs.60,00,00,000 (Rupees Sixty Crores only) divided into 5,50,00,000 Equity Shares of Rs.10 each (Rupees Ten Only) and 5,00,000 Redeemable Cumulative Preference Shares of Rs.100 each (Rupees One Hundred only) subject to be increased, decreased, consolidated, sub-divided or otherwise dealt with in accordance with the provisions of the Companies Act 1956 and the statutory regulations for the time being in force in this regard.

7. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

RESOLVED THAT in accordance with the provisions of Section 31 and other applicable provisions, if any, of the Companies Act 1956, the Articles of Association of the Company be and is hereby altered by deleting the existing Article 3 and substituting in its place the following new Article 3:

3. The Share Capital of the Company is Rs.60,00,00,000 (Rupees Sixty Crores only) divided into 5,50,00,000 Equity Shares of Rs.10 each (Rupees Ten Only) and 5,00,000 Redeemable Cumulative Preference Shares of Rs.100 each (Rupees One Hundred only) subject to be increased, decreased, consolidated, sub-divided or otherwise dealt with in accordance with the provisions of the Companies Act 1956 and the statutory regulations for the time being in force in this regard.

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8. To consider and if thought fit, to pass with or without modification(s), the following resolutions as Special Resolutions:

RESOLVED THAT in accordance with the provisions of Section 81 and other applicable provisions, approvals, permissions, consents, if any, of the Companies Act 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of Directors which the Board may have constituted or hereafter constitute to exercise its powers including the powers conferred by this resolution) to issue and allot 2,00,71,321 equity shares of Rs 10 each for cash at par for an aggregate nominal value of Rs.2007.13 lakhs to the existing equity shareholders on rights basis in the proportion of two equity shares for every three equity shares of Rs 10 each held on the following terms and conditions:

- a. that the offer shall be made to all the existing shareholders whose names appear on the Register of Members of the company as on a record date to be determined by the Board of Directors.
- b. that the offer to every shareholder shall be made by a notice specifying the number of equity shares offered and limiting a time from the date of offer within which time the offer shall be accepted.
- c. that the shareholders are empowered to renounce the shares to which they are entitled in favour of any person, provided that such renunciation is made before the time limit fixed for acceptance of the offer or right.
- d. that the Board of Directors are empowered to dispose of the shares in the manner most beneficial to the company, in case where the shares are neither subscribed nor renounced in favour of any other person.
- e. that the shareholders are entitled to apply for additional shares provided that a shareholder who has renounced his right in whole or in part shall not be entitled to an allotment of additional shares.
- f. that the right shares shall be issued subject to the Memorandum and Articles of Association of the company and the terms of offer as will be contained in the Letter of Offer.
- g. in case the offer of Rights Shares entails entitlement to any fractional shares, fractions of more than half will be rounded off to the nearest whole number and the fractions of less than half will be ignored.
- h. the New Equity Shares shall rank *pari passu* in all respects with the existing equity shares of the company.
- i. the issue of shares to Non-Resident Members / Non-Resident Incorporated Entity will be further subject to the approval of Reserve Bank of India under the Foreign Exchange Management Act 1999.
- j. the new equity shares will be listed in stock exchanges.

RESOLVED FURTHER THAT the Board of Directors / the Committee constituted by the Board for this purpose be and are hereby authorised to decide such other terms and conditions for the new equity shares to be offered on rights basis or otherwise as stated above and to accept such amendments, modifications, conditions as the Securities and Exchange Board of India (SEBI) and / or other authorities concerned may prescribe in this behalf.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take all such actions and to give all such directions as may be necessary to settle any questions or difficulty that may arise in regard to the creation, offer, issue and allotment of New Equity shares and further to do all such acts, deeds, matter and things to give effect to the resolution.

9. To consider and if thought fit, to pass with or without modification(s), the following resolutions as Ordinary Resolutions:

RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 316 and 317 read with Schedule XIII to the Companies Act 1956 and other applicable provisions, if any, of the

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Companies Act 1956, consent of the company be and is hereby accorded to the appointment of Sri M Balasubramaniam, as Managing Director of the company for a further period of five years with effect from 29th September 2010.

RESOLVED FURTHER THAT in consideration of his qualification, experience and services rendered to the company as Managing Director and subject to the overall limits for payment of Managerial remuneration laid down under Section 198 read with Schedule XIII to the Companies Act 1956, Sri M Balasubramaniam be paid the following remuneration and perquisites:

|             |   |
|-------------|---|
| Salary      | Rs 1,50,000 per month   |
| Perquisites | <p>Not exceeding the Annual Salary as may be decided by the Board of Directors from time to time.</p> <p>In addition to the salary, Sri M Balasubramaniam shall also be entitled to the following perquisites:</p> <ul style="list-style-type: none"><li>a. Contribution to Provident and Superannuation Funds to the extent not taxable under Income Tax Act 1961</li><li>b. Gratuity at the rate of half a month's salary for each completed year of service; and</li><li>c. Encashment of leave at the end of tenure as per rules of the Company</li></ul> |
| Commission  | 1% on the Net Profits of the Company, subject to a maximum ceiling specified in Section III of Part II of Schedule XIII to the Companies Act 1956.  |

RESOLVED FURTHER THAT where in any financial year, the Company has no profits or its profits are inadequate, the company shall pay to Sri M Balasubramaniam, the remuneration by way of salary and perquisites not exceeding the limits specified under Paragraph 2 of Section II of Part II of Schedule XIII to the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) or such other limit as may be prescribed by the government from time to time as minimum remuneration.

### NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM SHOULD BE DEPOSITED WITH THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. As required under Clause 49 (IV)(G) of the Listing Agreement, the relevant details of directors seeking reappointment under Item Nos. 2, 3 and 9 is annexed.
3. The relative Explanatory Statement as required under Section 173(2) of the Companies Act 1956 setting out the material facts in respect of Special Business under Item Nos.5 to 9 is annexed.
4. The Register of Members and Share Transfer Books of the company will remain closed from Tuesday, 7th September 2010 to Tuesday, 14th September 2010, both days inclusive.
5. Members holding shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for easy identification of attendance at the meeting.
6. Members holding shares in physical form are requested to intimate, indicating their folio number, the changes, if any, in their registered addresses either to the Company or to the Registrar and Share Transfer Agents, SKDC Consultants Limited, Coimbatore – 641 006 or to their respective Depository Participant (DP) in case the shares are held in dematerialised form.
7. a. As per Section 205A of the Companies Act 1956, all unclaimed dividends up to the financial year ended 31st March 1994 have been transferred to the General Revenue Account of the Central Government. Members who have not encashed their dividend warrant(s) for the said period are requested to forward their claims in prescribed Form No.II to The Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules 1978 to Registrar of Companies, Stock Exchange Building, Second Floor, 683 - 686, Trichy Road, Singanallur, Coimbatore - 641 005.

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- b. As per Section 205A (5) of the Companies Act 1956, the Company has transferred all unclaimed dividends up to the financial year ended 31st March 1997 which remained unclaimed for a period of seven years to the Investor Education and Protection Fund. Members are informed that no claims shall lie against the fund or the company in respect of individual amounts which were unclaimed or unpaid for a period of seven years from the dates that they first become due for payment and no payment shall be made in respect of each such claim.
- c. The Special Interim Dividend of 5% paid during March 2007 on equity shares for the year ended 31st March 2007 will be transferred to the Investor Education and Protection Fund during May 2014. Members who have not encashed their dividend warrant are requested to claim the warrants at an early date.

By Order of the Board

Coimbatore  
5th August 2010

S Venkatesh  
Company Secretary

### **EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT 1956**

#### **Item Nos. 5 to 7**

The present Authorised Share Capital of the Company is Rs. 45 Crores consisting of 4,00,00,000 Equity Shares of Rs.10 each and 5,00,000 Redeemable Cumulative Preference Shares of Rs.100 each. The present issued, subscribed and paid-up equity share capital of the Company is Rs. 30,10,69,810 consisting of 3,01,06,981 equity shares of Rs 10 each.

With a view to increase the capital base and raise the net worth, the Board of Directors have proposed to issue additional equity shares. To accommodate the increase in share capital, the Authorised Share Capital has to be increased by the creation of additional 1,50,00,000 equity shares of Rs.10 each. The revised Authorised Share Capital will be Rs. 60 Crores divided into 5,50,00,000 Equity Shares of Rs.10 each and 5,00,000 Redeemable Cumulative Preference Shares of Rs.100 each. This requires the approval of the members under Section 94(1)(a) of the Companies Act 1956 for which necessary resolution is proposed as set out in Item No.5.

As a consequence, the Capital Clauses in the Memorandum of Association (Clause 5) and the Articles of Association (Article 3) are required to be altered and the necessary Resolutions are proposed under Item Nos. 6 and 7 respectively for the approval of the Members. The Board of Directors recommend the passing of the Resolutions.

None of the Directors of the Company is, in any way, concerned or interested in the resolutions specified under Item Nos. 5 to 7.

A copy of the Memorandum and Articles of Association of the Company along with the proposed alterations is available for inspection by any member at any time during the business hours on any working day.

#### **Item No.8**

It is necessary to augment resources for the long term requirements of the company and the Board of Directors have thought it appropriate to make a rights issue in the proportion of two equity shares for every three equity shares held on a record date to be determined by the Board of Directors. The necessary resolutions in the terms of Section 81 of the Companies Act 1956 are proposed as Special Resolutions.

The Board of Directors recommend the passing of the Special Resolutions.

Directors are interested in the said resolutions to the extent of their shareholding in the company.

#### **Item No.9**

At the Annual General Meeting held on 19th September 2005, members had approved appointment of Sri M Balasubramaniam as Managing Director of the company for a period of 5 years with effect from 29th September 2005. His present term of office as Managing Director is valid upto 28th September 2010. Considering his significant contributions made to the company during his tenure of office, the Board of Directors have at their meeting held on 5th August 2010, after considering the recommendation of Nomination and Remuneration Committee, reappointed him, subject to the approval

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of members, as Managing Director for a further period of 5 years with effect from 29th September 2010 on the terms and conditions set out in the resolutions which are placed before the members for their approval.

Sri M Balasubramaniam is 52 years of age. He holds a Master's degree in Commerce from Madras University and a Masters Degree in Business Administration from Notre Dame University, USA. He joined the company as a Director in the year 1985 and has been the Managing Director of the company since 1990. He is also Joint Managing Director (Finance) of Sakthi Sugars Limited from January 2009.

Details of his Directorships and Committee Memberships held in other public companies are given in the Annexure to the notice.

The terms and conditions of re-appointment of Sri M Balasubramaniam, as set out in the Notice together with the annexed Explanatory Statement may be treated as an abstract under Section 302 of the Companies Act 1956.

Sri M Balasubramaniam is deemed to be concerned or interested as it relates to his reappointment and remuneration. Dr M Manickam, Chairman and Sri M Srinivaasan, Director are interested in the reappointment of Sri M Balasubramaniam as relatives. None of the other directors have any concern or interest in the resolution.

The Board of Directors recommend the resolutions for the approval of members.

By Order of the Board

Coimbatore  
5th August 2010

S Venkatesh  
Company Secretary

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### ANNEXURE

#### DETAILS OF DIRECTORS SEEKING REAPPOINTMENT AT THE 53RD ANNUAL GENERAL MEETING AS REQUIRED UNDER CLAUSE 49(IV)(G) OF THE LISTING AGREEMENT

##### Item Nos. 2 and 3

| Name of Director  | P S Gopalakrishnan   | Dr. A Selvakumar   |
|---|--|--|
| Director Identification Number (DIN)                            | 00001446   | 01099806   |
| Date of birth and age   | 23rd August 1935, 75 Years   | 30th April 1955, 55 Years  |
| Date of appointment on the board                                | 20th November 2004   | 30th March 2001  |
| Qualifications  | B.Com., LLB, AIB (London)  | M.E., PhD  |
| Expertise in specific functional areas                          | Has got rich experience in heading banks and financial institutions  | He holds a Doctrate in Engineering from Canada. He was working as a Project In-charge at Naval Engineering Test Establishment in Canada. At present, he is the Joint Correspondent of Kumaraguru College of Technology, Coimbatore. He has immense knowledge and experience in systems applications. |
| Directorships held in other public companies                    | Dharani Sugars and Chemicals Limited<br>Kothari Sugars and Chemicals Limited<br>Shriram General Insurance Company Limited  | Sri Chamundeswari Sugars Limited<br>Sri Sakthi Textiles Limited<br>S A International Limited   |
| Memberships /Chairmanships of committee across public companies | <b>Audit Committee - Chairman:</b><br>Kothari Sugars and Chemicals Limited<br><b>Member:</b><br>Dharani Sugars and Chemicals Limited<br><b>Nomination and Remuneration Committee - Chairman:</b><br>Kothari Sugars and Chemicals Limited<br><b>Member:</b><br>Dharani Sugars and Chemicals Limited<br>Sakthi Finance Limited | <b>Audit Committee - Chairman:</b><br>Sri Chamundeswari Sugars Limited<br><b>Member:</b><br>Sakthi Finance Limited<br><b>Nomination and Remuneration Committee and Shareholders' and Investors' Grievance Committee - Member:</b><br>Sakthi Finance Limited  |
| No. of equity shares held                                       | Nil  | Nil  |
| Relationship with other directors                               | None   | None   |

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### Item No.9

|  |  |
|--|--|
| <b>Name of Director</b>  | <b>M Balasubramaniam</b>   |
| Director Identification Number (DIN)                             | 00377053   |
| Date of birth and age  | 6th May 1958, 52 years   |
| Date of appointment on the Board                                 | 21st August 1985   |
| Qualifications   | M.Com., MBA  |
| Expertise in specific functional areas                           | He has got rich experience in Finance and Business Administration.   |
| Directorships held in other public companies                     | ABT Limited<br>ABT Finance Limited<br>ABT Foods Limited<br>ABT Foods Retailing (India) Limited<br>ABT Foundation Limited<br>ABT Industries Limited<br>Sakthi Auto Component Limited<br>Sakthifinance Commercial Vehicle and Infrastructure Limited<br>Sakthifinance Financial Services Limited<br>Sri Chamundeswari Sugars Limited<br>Sakthi Management Services (Cbe) Limited<br>Sakthi Sugars Limited<br>Sri Sakthi Textiles Limited<br>The Gounder and Company Auto Limited |
| Memberships / Chairmanships of Committee across public companies | <b>Audit Committee – Member:</b><br>Sakthi Sugars Limited<br><b>Shareholders' and Investors' Grievance Committee – Member:</b><br>Sakthi Sugars Limited<br>Sri Chamundeswari Sugars Limited  |
| Number of shares held  | 1,92,000   |
| Relationship with other directors                                | Brother of Dr M Manickam, Chairman and Sri M Srinivaasan, Director   |



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### DIRECTORS' REPORT

#### To the Members

Your directors are pleased to present their Fifty Third Annual Report together with the audited accounts of the company for the financial year ended 31st March 2010.

#### FINANCIAL PERFORMANCE

(Rs lakhs)

| Particulars                                      | 2009-10        | 2008-09 |
|--|----------------|---------|
| <b>Profit before tax</b>                         | <b>1052.62</b> | 806.13  |
| Less: Provision for:                             |                |         |
| – Current Tax                                    | <b>175.61</b>  | 121.43  |
| – Deferred tax                                   | <b>249.97</b>  | 146.13  |
| – Fringe Benefit Tax                             | –              | 9.55    |
| Net Provision for Income Tax (earlier years)     | <b>(1.15)</b>  | 7.65    |
| <b>Profit after tax</b>                          | <b>628.19</b>  | 521.37  |
| Add : Surplus brought forward from previous year | <b>1076.41</b> | 659.31  |
| <b>Amount available for appropriation</b>        | <b>1704.60</b> | 1180.68 |
| <b>Appropriations:</b>                           |                |         |
| Transfer to Statutory Reserve                    | <b>125.64</b>  | 104.27  |
| Surplus carried to balance sheet                 | <b>1578.96</b> | 1076.41 |

#### BUSINESS

During the year under review, the company's disbursement touched a new record level. The company disbursed **Rs.29,609 lakhs** in hire purchase business as against Rs 25,637 lakhs during the previous financial year. The collection efficiency continues to be good. Your directors are hopeful of higher business volumes and profitability in the coming years.

#### RESERVES AND SURPLUS

As required under Section 45IC of the Reserve Bank of India Act, 1934, the Company has transferred 20% of the net profit after tax to Statutory Reserve.

#### DIVIDEND

With a view to conserve resources for future requirements, the Board of Directors have not recommended dividend on equity shares for the year ended 31st March 2010.

#### DEPOSITS

The total deposits with the company as at 31st March 2010 stood at **Rs.5,239 lakhs** as against Rs.3,692 lakhs for the corresponding previous year.

As at the end of the financial year, 743 public deposits amounting to Rs.207.24 lakhs were due for repayment but remained to be claimed or renewed. The Company has been reminding the depositors regularly about the maturity and out of the said deposits, 252 deposits amounting to Rs. 77.15 lakhs have since been claimed and repaid / renewed as per their instructions.

#### DIRECTORS

The following directors retire by rotation at the ensuing Annual General Meeting and are eligible for reappointment:

1. Sri P. S. Gopalakrishnan
2. Dr A Selvakumar

The present term of office of Sri M Balasubramaniam, Managing Director is valid upto 28th September 2010. On the recommendation of Nomination and Remuneration Committee, the Board of Directors

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have at their meeting held on 5th August 2010, approved his re-appointment for a further period of 5 years with effect from 29th September 2010. A resolution relating to his re-appointment is placed before the members for their approval at the ensuing Annual General Meeting.

The profiles of these directors, as required under Clause 49 (IV) (G) of the Listing Agreement entered into with stock exchanges are given in the Annexure to the Notice of the 53rd Annual General Meeting.

### **AUDIT COMMITTEE**

The Audit Committee is functioning with the following non-executive directors:

1. Sri S A Murali Prasad, Chairman
2. Sri A Shanmugasundaram, Member
3. Dr A Selvakumar, Member

### **SUBSIDIARY COMPANY**

As required under Section 212 of the Companies Act 1956, the audited financial statements for the year ended 31st March 2010 of Sakthi Properties (Coimbatore) Limited, a wholly owned subsidiary, along with the Schedules and the reports of the Directors and Auditors and also the statement under the said section are attached.

### **CONSOLIDATED ACCOUNTS**

The Consolidated Financial Statements of the Company and its subsidiary prepared in accordance with the Accounting Standard (AS-21) forms part of the Annual Report.

### **CORPORATE GOVERNANCE REPORT**

As required under Clause 49 of the Listing Agreement, a report on Corporate Governance (including the Management Discussion and Analysis Report) and a Certificate from the auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated under the Listing Agreement form part of the Annual Report.

### **PARTICULARS REQUIRED UNDER SECTION 217 OF THE COMPANIES ACT 1956**

As required under Section 217(1)(e) of the Companies Act 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988:

- a. The Company has no activity involving Conservation of Energy or Technology Absorption;
- b. The Company does not have any Foreign Exchange Earnings; and
- c. Foreign Exchange Outgo : Rs.9.38 lakhs

The company has no employee drawing remuneration more than the limits prescribed under Section 217(2A) of the Companies Act 1956.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

As required under Section 217(2AA) of the Companies Act 1956, your directors confirm, to the best of their knowledge and belief, that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed and that no material departure had been made from it;
- b. the Directors had selected such accounting policies and applied them consistently and made judgements 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 of the company for the financial year;
- c. the Directors had taken proper and sufficient care 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; and
- d. the Directors had prepared the annual accounts on a going concern basis.