

Annual Report

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SAVITA CHEMICALS LIMITED
44th ANNUAL REPORT 2004-2005

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FIVE YEAR PERFORMANCE AT A GLANCE

Rupees in lacs

PARTICULARS	2004-2005	2003-2004	2002-2003	2001-2002	2000-2001
A. REVENUE AND APPROPRIATIONS					
SALES AND OTHER INCOME	56,441	46,698	32,852	25,832	22,106
PROFIT BEFORE TAX	4,155	3,642	2,415	1,352	1,017
PROFIT AFTER TAX	2,953	2,817	1,989	1,120	786
DIVIDEND %	100	75	45	35	30
B. ASSETS EMPLOYED					
NET FIXED ASSETS	6,017	4,778	3,602	3,443	3,817
INVESTMENTS	2,304	1,229	1,408	947	911
NET CURRENT ASSETS	9,710	9,676	8,315	8,580	5,534
DEFERRED TAX	(851)	(624)	(408)	(498)	(393)
TOTAL	17,180	15,059	12,917	12,472	9,869
C. FINANCED BY					
EQUITY SHARES	876	876	876	876	876
RESERVES	14,279	12,356	10,315	8,808	8,104
LOAN FUNDS	2,025	1,827	1,726	2,788	889
TOTAL	17,180	15,059	12,917	12,472	9,869

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BOARD OF DIRECTORS	:	G. N. Mehra - Chairman and Managing Director N. B. Karpe Mrs. S. N. Mehra V. D. Narkar S. R. Pandit A. G. Satsangi (<i>Resigned from 20.10.2004</i>)
SECRETARY	:	C. V. Alexander
BANKERS	:	State Bank of India Union Bank of India Corporation Bank Standard Chartered Bank
AUDITORS	:	Bansal & Associates Chartered Accountants Mumbai
REGISTERED OFFICE	:	66/67, Nariman Bhavan, Nariman Point, Mumbai - 400 021 Tel. No.: 022-2288 3061 / 62 / 63 / 64
FACTORIES	:	17/17A, Thane Belapur Road, Turbhe, Navi Mumbai - 400 703 Survey No. 10/2, Kharadpada, Post Naroli, Silvassa, Dadra and Nagar Haveli - 396 230
SHARE TRANSFER AGENT	:	Sharepro Services (India) Pvt. Ltd. Satam Estate, 3rd Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (East), Mumbai - 400 099

SAVITA CHEMICALS LIMITED

NOTICE

NOTICE is hereby given that the Forty-Fourth Annual General Meeting of the Members of SAVITA CHEMICALS LIMITED will be held at the M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001 on Wednesday, 28th September, 2005 at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS :

1. To receive and adopt the Audited Balance Sheet as at 31st March, 2005, Profit and Loss Account and Cash Flow Statement for the year ended on that date and the Report of the Directors and the Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mrs. S. N. Mehra, who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Mr. V. D. Narkar, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Meeting until conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

6. To consider and if thought fit, to pass with or without modifications, the following as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the Act, the re-appointment of Mr. G. N. Mehra as Managing Director of the Company from 26th March, 2005 upto 30th September, 2009 upon terms and conditions including remuneration as set out in the Agreement executed by the Company with Mr. G. N. Mehra be and is hereby approved and ratified."

"FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to vary or increase the remuneration, perquisites and any other entitlements including the monetary value thereof as specified in the said Agreement to the extent the Board of Directors may consider appropriate, as may be permitted or authorised in accordance with the provisions of the Companies Act, 1956 or re-enactment thereof and/or Rules or Regulations framed thereunder and the terms of the aforesaid Agreement between the Company and Mr. G. N. Mehra shall be suitably modified to give effect to such variation or increase as the case may be."

7. To consider and if thought fit, to pass with or without modifications, the following as Ordinary Resolution:

"RESOLVED THAT Mr. C. V. Alexander, in respect of whom the Company has received a Notice in writing from one of the Members proposing his candidature for the office of Director, under the provisions of Section 257 of the Companies Act, 1956, along with a deposit of Rs.500/-, and who is eligible for the appointment to the office of the Director, be and is hereby appointed Director of the Company."

8. To consider and if thought fit, to pass with or without modifications, the following as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the Act, consent of the Company be and is hereby accorded to the appointment of Mr. C. V. Alexander as the Whole-time Director of the Company for a period upto 30th September, 2006 with effect from 24th May, 2005 on remuneration and perquisites and other terms and conditions as contained here below:

Remuneration:

- (i) Salary: Rs.40,000/- (Rupees Forty thousand only) per month in the scale of Rs.40,000-4,000-44,000.
- (ii) Perquisites: As classified into three categories A, B & C as follows:

CATEGORY A

- (a) House rent allowance at the rate of twenty five per cent of the salary.
- (b) Education allowance and Special allowance of Rs.100/- and Rs.2,044/- per month respectively.
- (c) Medical Expenses Reimbursement:

Reimbursement of medical expenses incurred on himself and his family subject to a ceiling of five per cent of his salary in a year. Reimbursement of insurance premium for medical and hospitalisation policy as per the Rules of the Company.

(d) Leave Travel Allowance:

For himself and his family once in a year in accordance with the Rules of the Company for the time being in force.

(e) Bonus:

As per the Rules of the Company.

(f) Performance Linked Incentive:

As per the Policy of the Company.

(g) Personal Life/Accident Insurance:

For himself in accordance with the Rules of the Company.

CATEGORY B

(h) Provident Fund, etc.:

Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per the Rules of the Company applicable from time to time to the extent that these either singly or put together are not taxable under the Income-tax Act.

(i) Gratuity:

15 days salary for each completed year of service.

(j) Leave Entitlement & Encashment:

Leave entitlement shall be as per the Rules of the Company. He shall be permitted to encash unavailed leave.

CATEGORY C

(k) Conveyance:

Provision of car with driver for Company's business and personal use.

(l) Telephone:

Provision of telephone facility subject to being billed for personal long distance calls."

"FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to vary or increase the remuneration, perquisites and any other entitlements including the monetary value thereof as specified herein above to the extent the Board of Directors may consider appropriate, as may be permitted or authorised in accordance with the provisions of the Companies Act, 1956 or re-enactment thereof and/or Rules or Regulations framed thereunder and the terms of the Agreement to be executed between the Company and Mr. C. V. Alexander shall be suitably modified to give effect to such variation or increase as the case may be."

9. To consider and if thought fit, to pass with or without modifications, the following as Special Resolution:

"RESOLVED THAT in supersession of the Special Resolution passed on 18th September, 1999, pursuant to provisions of Section 309 and other applicable provisions of the Companies Act, 1956, with effect from 1st April, 2005, the Directors other than in the Whole-time employment or the Managing Director of the Company be paid remuneration by way of commission, a sum not exceeding one per cent per annum of the net profits of the Company calculated in accordance with the provisions of Sections 198, 349 and 350 of the Companies Act, 1956, subject to a ceiling of Rs.100,000/- each per annum in addition to sitting fees as permissible under the provisions of the Companies Act, 1956 and Rules framed thereunder."

By Order of the Board of Directors

Mumbai
23rd May, 2005

C. V. Alexander
Secretary

NOTES :

1. Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a member.

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2. The proxy form duly completed and signed should be deposited at the Registered Office of the Company not later than 48 hours before the time of holding the Meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 22nd September, 2005 to 28th September, 2005 (both days inclusive).
4. The payment of dividend, if sanctioned, will be made to the Shareholders whose names stand on the Register of Members on 28th September, 2005. For shares held in the dematerialised form, dividend will be paid on the basis of beneficial ownership as per details received from the Depositories.
5. The Shareholders are requested to (a) intimate, if shares are held in the same name or in the same order and same names, but more than one folio to enable the Company to consolidate the said folios into one folio, and (b) notify immediately any change in their recorded address, along with pin code number, to the Company.
6. The Shareholders are requested to forward shares for transfer and related communication to the Share Transfer Agent or to the Registered Office of the Company.
7. The Shareholders seeking information on accounts published herein are requested to kindly furnish their queries to the Company at least ten days before the date of the Meeting to facilitate satisfactory replies.
8. The Shareholders who attend the Meeting are requested to complete the attendance slip and deliver the same at the entrance of the Meeting hall. The Shareholders holding shares in dematerialised form, should indicate the DP Id and Client Id numbers in the attendance slip.
9. The Shareholders are requested to bring their copy of the Annual Report to the Meeting.

By Order of the Board of Directors

Mumbai
23rd May, 2005

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C. V. Alexander
Secretary

ANNEXURE TO THE NOTICE**EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173 OF THE COMPANIES ACT, 1956****Item No.6**

The Board of Directors in its meeting held on 25th January, 2005 re-appointed Mr. G. N. Mehra as the Managing Director of the Company for a period from 26th March, 2005 upto 30th September, 2009. An Agreement in this regard has been executed between the Company and Mr. G. N. Mehra on 14th March, 2005.

The appointment of Mr. G. N. Mehra is subject to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the Act.

The terms and conditions as contained in the aforesaid Agreement are as under:

Remuneration:

- (i) Salary: Rs.130,000/- (Rupees One lac thirty thousand only) per month, in the scale of Rs.130,000-15,000-190,000.
- (ii) Commission: One per cent of the net profits of the Company subject to overall ceilings as laid down in Sections 198 and 309 of the Companies Act, 1956.
- (iii) Perquisites: Perquisites as classified into three categories A, B & C as follows:

CATEGORY A**(a) Housing:**

- (i) Rent free furnished residential accommodation shall be provided by the Company. In case the accommodation is owned by the Company, an amount equivalent to ten per cent of the salary shall be taken as the perquisite value.

In case no accommodation is provided by the Company, the Managing Director shall be entitled to House Rent Allowance at the rate of sixty per cent of the salary.

(ii) The Company shall bear the expenses incurred on upkeep and maintenance of Managing Director's residence and provide and maintain household appliances and bear expenses on furnishings, gas, electricity, water and all utilities, facilities and amenities in the residential accommodation, the monetary value of which may be evaluated as per the Income-tax Rules.

(b) Medical Expenses / Medical Insurance Premium Reimbursement:

Reimbursement of medical expenses incurred on himself and his family subject to a ceiling of two month's salary in a year, which entitlement may be carried forward up to the expiry of the contract and reimbursement of Medical Insurance premium.

(c) Leave Travel Concession:

For himself and his family once in a year in accordance with the Rules of the Company for the time being in force.

(d) Club Fees:

Provision of membership of any two clubs including entrance fees.

(e) Personal Life/Accident Insurance:

The premium of which does not exceed Rs.25,000/- per annum.

CATEGORY B

(f) Provident Fund, etc.:

Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per the Rules of the Company applicable from time to time to the extent that these either singly or put together are not taxable under the Income-tax Act.

(g) Gratuity:

Half a month's salary for each completed year of service.

(h) Leave Entitlement & Encashment:

Leave entitlement shall be as per Rules of the Company. He shall be permitted to encash unavailed leave.

CATEGORY C

(i) Conveyance:

Provision of car with driver for Company's business and personal use subject to the perquisite value being added as per the tax law.

(j) Telephone:

Provision of telephone facilities subject to his being billed for personal long distance calls.

MINIMUM REMUNERATION :

Where in any financial year, the Company has no profits or its profits are inadequate, the Company will pay to the Managing Director, minimum remuneration as provided in Section II of Part II of Schedule XIII to the Companies Act, 1956 as notified from time to time.

As required under Section 302 of the Act, an Abstract dated 21st March, 2005 relating to the terms and conditions of the appointment of Mr. G. N. Mehra was sent to the Members of the Company.

The appointment and remuneration of the Managing Director are required to be approved by the Shareholders at the ensuing General Meeting and accordingly this resolution is placed before the Members of the Company.

None of the Directors of your Company except Mrs. S. N. Mehra and Mr. G. N. Mehra himself, is in any way concerned or interested in this Special Resolution.

The Agreement entered into between the Company and Mr. G. N. Mehra as well as the copy of the Memorandum and Articles of Association are available for inspection to the Members at the Registered Office of the Company during business hours on any working day upto and including the date of the Annual General Meeting or any adjournments thereof.

Your Directors recommend this Special Resolution for your approval.

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Item No.7

In the Board Meeting held on 23rd May, 2005, Mr. C. V. Alexander was appointed as Additional Director w.e.f. 24th May, 2005. In accordance with Section 260 of the Companies Act, 1956, he will hold office upto the date of the ensuing Annual General Meeting of the Company. In terms of Section 257 of the Companies Act, 1956, the Company has received notice from a Shareholder along with the requisite deposit signifying his intention to propose Mr. C.V. Alexander as candidate for the office of Director. Mr. C.V. Alexander has given his consent to act as Director of the Company, if appointed at the ensuing Annual General Meeting.

None of the Directors other than Mr. C.V. Alexander is concerned or interested in the passing of this Resolution.

The Board of Directors considers that it would be in the interest of the Company to avail the services of Mr. C.V. Alexander as Director of the Company and therefore recommends his appointment.

Item No.8

The Board of Directors in its meeting held on 23rd May, 2005 appointed Mr. C. V. Alexander as the Whole-time Director of the Company for a period from 24th May, 2005 upto 30th September, 2006. An Agreement in this regard shall be executed between the Company and Mr. C. V. Alexander containing the terms and conditions as stated in the Resolution under Item No.8.

The appointment of Mr. C. V. Alexander is subject to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the Act.

MINIMUM REMUNERATION :

Where in any financial year, the Company has no profits or its profits are inadequate, the Company will pay to the Whole-time Director, minimum remuneration as provided in Section II of Part II of Schedule XIII to the Companies Act, 1956 as notified from time to time.

As required under Section 302 of the Act, an Abstract relating to the terms and conditions of the appointment of Mr. C. V. Alexander shall be sent to the Members of the Company within the specified period from the date of execution of the contract with him, as provided under the said Section.

The appointment and remuneration of the Whole-time Director are required to be approved by the Shareholders at the ensuing General Meeting and accordingly this Resolution is placed before the Members of the Company.

None of the Directors of your Company except Mr. C. V. Alexander himself, is in any way concerned or interested in this Special Resolution.

The Agreement to be entered between the Company and Mr. C. V. Alexander on execution as well as the copy of the Memorandum and Articles of Association shall be made available for inspection to the Members at the Registered Office of the Company during business hours on any working day upto and including the date of the Annual General Meeting or any adjournments thereof.

Your Directors recommend this Special Resolution for your approval.

Item No.9

Section 309 of the Companies Act, 1956 permits the payment of remuneration to the Non-Whole-time Directors of a company, by way of commission not exceeding one per cent per annum of the net profits of the company, if the company authorises such payment by a Special Resolution. In addition, Section 310 of the Companies Act, 1956 and Rules framed thereunder prescribe limits on payment of sitting fees to the Non-Whole-time Directors for attending Board meetings of a company.

The Company had passed a Special Resolution on 18th September, 1999 approving the payment of remuneration by way of commission not exceeding one per cent per annum of the net profits of the Company subject to a ceiling of Rs.100,000/- per annum to each of the Non-Whole-time Directors.

It is now proposed that with effect from 1st April, 2005, each of the Non-Whole-time Directors of the Company be paid a remuneration by way of commission not exceeding one per cent per annum of the net profits of the Company calculated in accordance with the provisions of the Act, subject to a ceiling of Rs.100,000/- per annum in addition to sitting fees in accordance with Section 310 of the Companies Act, 1956 and the Rules framed thereunder for attending Board Meetings.

Mr. N. B. Karpe, Mrs. S. N. Mehra, Mr. V. D. Narkar and Mr. S. R. Pandit, Non-Whole-time Directors of the Company may be deemed to be concerned or interested in the Resolution mentioned at Item No.9 of the Notice, to the extent of the remuneration that may be received by them. Also Mr. G. N. Mehra being related to Mrs. S. N. Mehra may be deemed to be concerned or interested in the said Resolution.

Your Directors recommend this Special Resolution for your approval.

By Order of the Board of Directors

REPORT OF THE DIRECTORS TO THE MEMBERS

Your Directors have pleasure in presenting the Forty-Fourth Annual Report, together with the Audited Accounts for the year ended 31st March, 2005.

1. FINANCIAL RESULTS

	Rupees in lacs	
	Year ended 31.3.2005	Year ended 31.3.2004
Total Income	56,441	46,698
Profit before Depreciation & Tax	4,852	4,220
Depreciation	697	578
Profit before Tax	4,155	3,642
Provision for Taxation		
Current	975	610
Deferred	227	215
Profit for the year after tax	2,953	2,817
Balance brought forward from previous year	3,318	1,592
Profit available for appropriation	6,271	4,409
Appropriations:		
Proposed Dividend	876	657
Tax on Dividend	123	84
General Reserve	400	350
Balance carried to Balance Sheet	4,872	3,318

2. DIVIDEND

In view of the improved operational performance of the Company, your Directors are pleased to recommend a higher dividend of 100% for the year ended 31st March, 2005 as against 75% for the previous year on the paid up Equity Share Capital of Rs.876.13 Lacs.

3. OPERATIONS

With economic recovery in the country continuing in the year under review, your Company succeeded in delivering another commendable performance in the year 2004-05 with sales turnover at Rs.54,851 lacs against Rs.45,244 lacs in the year 2003-04, showing a growth of 21%. The net profit of the Company stood at Rs.2,953 lacs as against Rs.2,817 lacs for the previous year showing an increase of 5%. The growth in net profit of the Company could not keep pace with growth in sales turnover due to higher tax provision and pressure on profit margins as a result of the sharp increase in global Crude Oil prices during the year under review. The increase in sales turnover was mainly because of increased demand for the Company's products in the domestic as well as in the overseas markets.

During the year under review, your Company commissioned four new Wind Energy Generators of 750 KW each in the State of Tamil Nadu in August 2004 involving an outlay of approximately Rs.1,260 lacs. In addition to the aforesaid, two more projects, one in the State of Karnataka with two Wind Energy Generators of 950 KW each and the other in the State of Maharashtra with two Wind Energy Generators of 1,250 KW each are expected to be commissioned during the first half of the current financial year. These projects will take the combined installed Wind Energy capacity of your Company to 16 MW.

In the year under review, global Crude Oil prices have risen to unprecedented levels. Strong demand for Crude Oil from major global economies coupled with continuing tensions in the Middle East have led to the Crude Oil prices touching newer heights.

With most global economies showing signs of expansion, the demand for Crude Oil may continue to remain strong and as a result of this, Crude Oil prices are likely to remain firm in the coming months.

4. WHOLLY OWNED SUBSIDIARY IN UNITED ARAB EMIRATES

Your Company in April 2005, established a wholly owned subsidiary company 'Solaris International FZE' in Sharjah (United Arab Emirates) with a paid up capital of Dhs 300,000. This subsidiary is being set up for the purpose of carrying on business of petroleum and other products and is expected to give a further boost to the international business operations of the Company. The said subsidiary is likely to be operational in the second half of the financial year 2005-06.

5. FIXED DEPOSITS

The Company has no overdue / unpaid fixed deposits.

6. RESEARCH AND DEVELOPMENT

A detailed note on the R & D activities is given in Form 'B' by way of an Annexure to this Report.

SAVITA CHEMICALS LIMITED**7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information pursuant to 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 relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is furnished by way of Annexure to this Report.

8. DIRECTORS

The Board of Directors in its meeting held on 25th January, 2005 re-appointed Mr. G. N. Mehra as the Managing Director of the Company for a period from 26th March, 2005 upto 30th September, 2009. An Agreement in this regard was executed between the Company and Mr. G. N. Mehra on 14th March, 2005. The appointment of Mr. G. N. Mehra is subject to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the Act. An abstract of the terms and conditions under Section 302 of the Companies Act, 1956 of his re-appointment was sent to all the Shareholders of the Company on 21st March, 2005. The gist of contract of his re-appointment have been separately specified in the Corporate Governance section attached to this Report.

Mrs. S. N. Mehra and Mr. V. D. Narkar retire by rotation under Section 256 of the Companies Act, 1956 and being eligible, offer themselves for re-appointment. The Board of Directors recommends their re-appointment as Directors.

During the year under review, Mr. A. G. Satsangi resigned as Director of the Company. Your Directors wish to place on record their appreciation for the efforts and contributions made by Mr. A. G. Satsangi during his tenure as a Director in the Company.

Mr. C. V. Alexander was appointed as an Additional Director as well as the Whole-time Director of the Company by the Board in its Meeting held on 23rd May, 2005. It is proposed to appoint him as the Director of the Company at the ensuing Annual General Meeting. He is a postgraduate in Arts and graduate in Law. He has been with the Company for over four decades and continues to be the Secretary of the Company. He has made valuable contributions to the growth of the Company over the years. An Abstract of the terms and conditions under Section 302 of the Companies Act, 1956 of his appointment is being sent to all the Shareholders of the Company.

9. CORPORATE GOVERNANCE

A statement on Corporate Governance along with the Auditors' Certificate regarding its compliance and Management Discussion and Analysis are given separately as part of the Annual Report.

10. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the requirements of Section 217 (2AA) of the Companies (Amendment) Act, 2000, the Directors of the Company hereby confirm that:

- (i) in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2005 and of profit of the Company for the year ended on that date;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the Directors have prepared the Annual Accounts on a 'going concern' basis.

11. AUDITORS

M/s. Bansal & Associates, Chartered Accountants, retire at the conclusion of this Annual General Meeting and are eligible for re-appointment.

12. PARTICULARS OF EMPLOYEES

The information required to be published under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended is given in the Annexure to this Report.

13. LISTING

Your Company's shares continue to be listed on The Stock Exchange, Mumbai (Code : 24667) and The National Stock Exchange of India Limited (Code: SAVITA CHEM-EQ). The Listing Fees to these two Stock Exchanges for the year 2005-06 have been paid by the Company in time.

Pursuant to the passing of the Special Resolution at the last Annual General Meeting, Company's equity shares have been delisted from The Stock Exchange Ahmedabad and the application for delisting of the shares from The Delhi Stock Exchange Association Limited is pending confirmation.

14. ACKNOWLEDGEMENTS

Your Directors gratefully acknowledge the support and co-operation that the Company has received from its bankers, financial institutions, agents and business associates, as well as employees at all levels. The Directors also wish to express their appreciation for the confidence and faith reposed in them by all the Shareholders.

For and on behalf of the Board

G. N. Mehra

Chairman & Managing Director