

# ANNUAL REPORT

2007-2008

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Shervani Industrial Syndicate Limited

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Sixtieth Annual General Meeting of the Members of SHERVANI INDUSTRIAL SYNDICATE LIMITED will be held on **Saturday, the 30<sup>th</sup> August, 2008 at 11.30 A.M** at 2, New Cantonment, Kanpur Road, Allahabad to transact the following business:

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2008, Balance Sheet as at that date together with the Reports of Auditors' and Directors' thereon.
2. To declare Dividend.
3. To appoint a Director in place of Mr. Tahir Hasan, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Kush Bhargava, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. Gopal Swarup Chaturvedi, who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

### SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to provisions of Section 269, 198, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the said Act including any statutory modification(s) or re-enactment thereof for the time being in force, consent of the Company be and is hereby accorded to re-appointment of Mr. Tahir Hasan as the Whole time Director of the Company for a further period of three years with effect from 1st June, 2008 on the following terms and conditions as approved by the Remuneration Committee:-

- a) SALARY : Rs. 12,000/- (Rupees Twelve Thousand only) per month.
- b) PERQUISITES : Mediclaim / Personal Accident Insurance as per rules of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter, vary, modify the terms and conditions of appointment of Mr. Tahir Hasan from time to time during the tenure of his appointment as Whole-time Director of the Company provided however that the total remuneration payable to him shall not at any time exceed the limit prescribed under Schedule XIII and all other applicable provisions of the Companies Act, 1956."

RESOLVED FURTHER THAT where in any Financial Year during the currency of tenure of appointment of Whole time Director, the Company has no profits or its profits are inadequate, the Company shall pay to Mr. Tahir Hasan, Whole time Director remuneration by way of salary and perquisites as specified supra, as minimum remuneration, subject to approvals, if any, as may be required.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, desirable or expedient to give effect to this resolution."

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

"RESOLVED THAT pursuant to provisions of Section 269, 198, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the said Act including any statutory modification(s) or re-enactment thereof for the time being in force, consent of the Company be and is hereby accorded to re-appointment of Mr. Saleem Iqbal Shervani as Managing Director of the Company for a further period of five years with effect from 3<sup>rd</sup> April, 2008 on the following terms and conditions as approved by the Remuneration Committee:-

- a) SALARY : Rs. 1,00,000/- (Rupees One Lac only) per month.
- b) PERQUISITES :
  - i) Housing: Unfurnished Residential Accommodation subject to deduction of 15% of his salary towards house rent.
  - ii) Medical reimbursement for self and family: One month's Salary in a year or three month's Salary over a period of three years.
  - iii) Personal Accident / Mediclaim Insurance as per the Rules of the Company.
  - iv) Company's Contribution towards Provident Fund: 12% of Salary.

The Perquisite stated in Clause b) iv) above will not be included in the computation of the ceiling on remuneration as specified in Part II of Schedule XIII.

### EXPLANATION

"Family here means the spouse & dependent children of the Managing Director.

- c) Provision of Car for use in Company's business and telephone at residence will not be considered as perquisites, personal long distance calls on telephone and use of Car for private purpose shall be billed by the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter, vary, modify the terms and conditions of appointment of Mr. Saleem Iqbal Shervani from time to time during the tenure of his appointment as Managing Director of the Company, provided however that the total remuneration payable to him shall not at any time exceed the limit prescribed under Schedule XIII and all other applicable provisions of the Companies Act, 1956."

RESOLVED FURTHER THAT where in any Financial Year during the currency of tenure of Managing Director, the Company has no profits or its profits are inadequate, the Company shall pay to Mr. Saleem Iqbal Shervani, Managing Director remuneration by way of salary and perquisites as specified

supra, as minimum remuneration, subject to approvals, if any, as may be required.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, desirable or expedient to give effect to this resolution."

9. To consider and note the Report of the Scrutinizer and declare the result of the Postal Ballot on the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the Section 17 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification, re-enactment thereof for the time being in force) and subject to such approvals, sanctions or consents as may be required, the Objects Clause of the Memorandum of Association of the Company be and is hereby altered in the manner and to the extent as hereunder:

That the existing Objects Clause 3 of the Memorandum of Association of the Company be and is hereby extended by addition of the following sub-clause Z (4) immediately after the existing sub clause Z (3):

Z(4).To carry on in India or elsewhere the business of real estate, either alone or jointly with one or more person(s), colonizers, Site Developers, Builders, Contractors, Promoters and Developers and to build townships, acquire, develop, construct, erect, alter, buy, sell any movable or immovable property including land, real estate, multi-storied buildings, sheds, dwelling offices, shops, stores, public utility building, residential, commercial and industrial complexes, multiplexes, shopping malls and to rent, lease, build, construct, equip, execute, carry out, improve, work, develop, administer, maintain, manage or control works and conveniences of all kinds and infrastructure including roads, ways, highways, tramways, dams, flyovers, bridges, aerodromes, docks, ports, jetties, piers, wharves, canals, reservoirs, drainage, aqueducts and to deal in all sorts of lands and buildings and to do all incidental acts and things necessary for the attainment of foregoing objects.

"RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised to take all necessary steps to give effect to the aforesaid alterations in the Memorandum of Association of the Company and to commence and undertake all or any of the businesses as specified in the newly introduced sub-clause Z under Clause 3 of the Memorandum of Association of the Company as and when deemed fit and considered most appropriate by the Board of Directors".

10. To consider, note the Report of the Scrutinizer and declare the result of the Postal Ballot on the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to provisions of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956 and subject to necessary approvals, consent of the Company be and is hereby accorded to the Board of Directors of the Company to sell, transfer or otherwise dispose off the whole or substantially the whole of the Undertaking of the

Company pertaining to Flashlight and Drycell Battery Division located at Shervani Nagar, Sulem Sarai, Allahabad, to one or more persons, Companies or entities, at such price and on such terms and conditions, at such time and in such manner as may be decided by the Board of Directors or a Committee of Directors as may be appointed by the Board for the purpose, with power to the Board of Directors or to the said Committee, in its absolute discretion, to finalize the terms and conditions, the means, methods or modes in respect thereof and to finalize and execute all the required documents, deeds of assignment / conveyance and other documents and to do all such other acts, deeds, matters and things as may be deemed necessary and expedient for giving effect to this resolution and the matters incidental, consequential and connected therewith."

By Order of the Board  
For Shervani Industrial Syndicate Limited

**B.K. MISRA**  
Company Secretary & Accounts Manager

Place : Allahabad  
Date : July 10, 2008

Registered Office :  
Shervani Nagar, Sulem Sarai,  
Allahabad-211 011 (U.P.)

#### NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll to vote instead of himself and the proxy need not be a member of the company. Proxy in order to be effective must be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Annual General Meeting.
2. An Explanatory Statement pursuant to the provisions of Section 173 (2) of the Companies Act, 1956 in respect of the Special business under Item Nos. 7 to 10 is annexed hereto.
3. With respect to the Resolution at Item Nos. 9 and 10 of the Notice, Members are required to vote only by Postal Ballot in terms of Section 192A of the Companies Act, 1956. A Postal Ballot Form along with postage pre-paid envelope will be sent separately to members. Depending upon the result of the Postal Ballot, the said resolution will be declared as having been passed or otherwise at the Annual General Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 23rd August, 2008 to Saturday, the 30th August, 2008, both days inclusive.
5. The Dividend, if declared at the Meeting, will be paid on and after on 30th August, 2008 to those members, whose names appear in the Companies Register of members on 22nd August 2008 and/or in respect of shares held in dematerialised form the dividend will be paid to members

whose names are furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owners as on that date.

6. All amounts of Unclaimed dividend declared up to the Financial Year ended 31<sup>st</sup> March, 2000 have been transferred to the General Revenue Account of the Central Government / Investor Education and Protection Fund established by the Government of India as required by the Companies Act, 1956.
7. Dividends for the financial year ended 31<sup>st</sup> March, 2001 and thereafter, which remain unpaid or unclaimed for a period of Seven years from the date they became due for payment shall be transferred by the Company to the "Investor Education and protection Fund" established by the Government of India and that thereafter no claim shall lie against the Fund or the Company in respect of the amount so transferred. Members who have not so far encashed dividend warrant(s) for the aforesaid years may send their outdated dividend warrants to the Company for issue of duplicate warrant(s) in lieu thereof.
8. Members seeking any information regarding Accounts should write to the Company at its Registered Office at least seven days before the date of the Meeting so as to enable the management to keep the information ready, if the Chairman so permits.
9. The Members are requested to intimate to the Registrar of the Company immediately any change in their address alongwith the Pin Code Number indicating their Folio Number to "M/s Intime Spectrum Registry Limited" C-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (W) Mumbai - 400078.
10. The Members holding Shares in the physical form, who are desirous of making nominations as permitted under Section 109A of the Companies Act, 1956 in respect of the Shares held by them may write to the RTA for the prescribed form.
11. Disclosure pursuant to Clause 49 of the Listing Agreement with respect to the Directors seeking re-appointment at the forthcoming Annual General Meeting is given in the Annexure.

## ANNEXURE TO NOTICE

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

#### ITEM NO. 7

Mr. Tahir Hasan was appointed as the Whole-time Director of the Company on 25<sup>th</sup> April, 2005 for a period of three years with effect from 1<sup>st</sup> June, 2005 and his term of appointment expired on 31<sup>st</sup> May, 2008. Considering his experience and valuable contribution made to the Company, the Board of Directors of the Company at its Meeting held on 26<sup>th</sup> April, 2008, re-appointed Mr. Tahir Hasan as the Whole-time Director of the Company for a further period of three years w.e.f. 1<sup>st</sup> June, 2008 on the terms and conditions as set out in the proposed resolution which are in line with the requirements of Schedule XIII of the Companies Act, 1956 and have been

approved by the Remuneration Committee. The Board recommends the resolution for acceptance.

None of the Directors of the Company except Mr. Tahir Hasan himself, may be considered as concerned or interested in the resolution.

The resolution along with accompanying Explanatory Statement may be treated as an abstract of the terms of appointment and Memorandum of Interest within the meaning of Section 302 of the Companies Act, 1956.

#### ITEM NO. 8

Mr. Saleem Iqbal Shervani was appointed as the Managing Director of the Company on 30<sup>th</sup> June, 2003 for a period of five years with effect from 3<sup>rd</sup> April, 2003 and his term of appointment expired on 2<sup>nd</sup> April, 2008. Considering his experience and valuable contribution made to the Company, the Board of Directors of the Company at its Meeting held on 26<sup>th</sup> April, 2008, re-appointed Mr. Saleem Iqbal Shervani as the Managing Director of the Company for a further period of five years w.e.f. 3<sup>rd</sup> April, 2008 on the terms and conditions as set out in the proposed resolution which are in line with the requirements of Schedule XIII of the Companies Act, 1956 and have been approved by the Remuneration Committee. The Board recommends the resolution for acceptance.

None of the Directors of the Company except Mr. Saleem Iqbal Shervani himself, Mr. Tahir Hasan, Whole-time Director, Mr. A.N. Shervani, Mr. S.M. Shervani and Mrs. Salma Hasan, Directors being related to him may be considered as concerned or interested in the resolution.

The resolution along with accompanying Explanatory Statement may be treated as an abstract of the terms of appointment and Memorandum of Interest within the meaning of Section 302 of the Companies Act, 1956.

#### ITEM NO. 9

The Company had been engaged in the business of manufacturing Flashlights and Drycell Batteries. Due to changed business scenario in Flashlight and Drycell Battery Industry, the operations of the Company suffered a serious set back leading to closure of business operations. As the business prospects for the aforesaid activities did not seem promising, the Board of Directors of the Company has decided to dispose off the whole or substantially the whole of the Undertaking pertaining to Flashlights and Drycell Batteries after obtaining the necessary approvals. The Board of Directors of the Company after careful consideration of the situation, decided to make a foray in Real Estate Business. In order to enable the Board to enter into the newly identified Business activity, the Objects Clause of the Memorandum of Association of the Company is being altered. The alteration will facilitate rejuvenation of Company's operations and activities through increased revenues, leading to long term business sustainability. Accordingly, in terms of the provisions of Section 17 read with Section 192 A of the Companies Act, 1956 approval of the Members is being sought by way of the intended Special Resolution through the Postal Ballot Process for alteration in Objects clause of the Memorandum of Association of the Company. The proposed alteration in the Objects Clause is subject to registration by the Registrar of Companies in terms of the provisions of Section 18 of the Companies Act, 1956. The Board of Directors of the Company accordingly, recommends the Special



Resolution for approval by the Members by exercising their voting rights through Postal Ballot Process.

None of the Directors of the Company may be considered as concerned or interested in the Resolution.

#### ITEM NO. 10

The Company had been engaged in the Business of Manufacturing of Flashlight and Drycell Battery under the brand name 'Geep' with its manufacturing facilities situated at Shervani Nagar, Sulem Sarai, Allahabad. The Company had earlier sold 'Geep' brand to 'Gillette' and as a part of the arrangement, the Company was obliged to make production of Drycell Batteries exclusively for 'Gillette' for the next ten years. However, the Battery manufacturing activities suffered a serious set back as 'Gillette' did not renew its business contract with us. However, the Company continued to carry on the business as Contract manufacturer of Geep, Eveready and Salora brand of torches. As the Company had been undertaking only Contract manufacturing activities, the capacity utilization was dependant on job work orders which were not adequate due to adverse market conditions aggravated by tremendous increase in the product costs and wide acceptance of low priced and energy saving LED (Light Emitting Diode) torches by the consumers. On account of the above factors Flashlight Division suffered serious setback with huge operational losses which ultimately resulted in closure of Contract manufacturing activities as well. As the prospects of the conventional brass flashlight business did not appear to be promising, taking into consideration the various factors, the Board of Directors of the Company decided to dispose off the whole or substantially the whole of the Undertaking of the Company pertaining to Flashlights and Drycell Battery Division. Section 293(1)(a) of the Companies Act, 1956 provides, inter-alia, that the Board of Directors of a Public Company shall not except with the consent of the Members of the Company in General Meeting, Sell, Transfer, Lease or otherwise dispose off the whole or substantially the whole of the Undertaking of the Company or where the Company owns more than one Undertaking, of the whole or substantially the whole of any such Undertaking. Accordingly, in terms of the provisions of Section 293(1) (a) read with Section 192 A of the Companies Act, 1956 approval of the Members is being sought by way of intended resolution through Postal Ballot Process for disposal of Flashlight and Drycell Battery Division. The Board of Directors of the Company accordingly, recommends the Ordinary Resolution for approval by the Members by exercising their voting rights through Postal Ballot Process.

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

All the documents referred to in the accompanying Notice are open for inspection of members at the Registered Office of the Company between 11.00 A.M. to 1.00 P.M. on all working days except holidays up to the date of the meeting.

By Order of the Board  
For Shervani Industrial Syndicate Limited

B.K. MISRA  
Company Secretary & Accounts Manager

Place : Allahabad  
Date : July 10, 2008

#### ANNEXURE TO THE AGM NOTICE Information pursuant to Clause 49 of the Listing Agreement regarding re-appointment of the Directors.

Name of the Director	Mr.Tahir Hasan
Date of birth	21.07.1946
Date of appointment	28.06.1979
Specialised expertise	Industrialist
Qualifications	B.E., PGDM
Directorship of other Companies as on 31.03.2008	Shervani Hospitalities Ltd. Shervani Sugar Syndicate Limited Tara Cement Co. Private Limited The Saraswati Sugar Mills Limited The Saraswati Industrial Syndicate Limited Tara Snacks & Foods Limited
Chairman/Member of other Committees of Companies as on 31.3.2008	Remuneration Committee Shervani Sugar Syndicate Ltd.
Name of the Director	Mr. Kush Bhargava
Date of birth	20.10.1952
Date of appointment	11.07.1981
Specialised expertise	Company Executive
Qualifications	M.A.
Directorship of other Companies as on 31.03.2008	K.B. Builders Private Limited
Chairman/Member of other Committees of Companies as on 31.3.2008	NIL
Name of the Director	Mr. G.S. Chaturvedi
Date of birth	23.01.1950
Date of appointment	12.01.2000
Specialised expertise	Advocate
Qualifications	B.Sc., LL.B
Directorship of other Companies as on 31.03.2008	Shervani Sugar Syndicate Limited
Chairman/Member of other Committees of Companies as on 31.3.2008	NIL

**SHERVANI INDUSTRIAL SYNDICATE LIMITED**  
 Regd. Office : Shervani Nagar, Sulem Sarai, Allahabad-211011 (U.P.)

**ATTENDANCE SLIP**

Name	Folio No./ Client ID	No. of Shares	
		Ordinary	Deferred
_____	_____	_____	_____

I hereby record my presence at the 60th ANNUAL GENERAL MEETING of the Company at 2, New Cantonment, Kanpur Road, Allahabad at 11.30 a.m. on Saturday, the 30th August, 2008.

\_\_\_\_\_  
 (Proxy's full name)

\_\_\_\_\_  
 Member's / Proxy's Signature

- Notes:** 1. The Member/Proxy must bring the Attendance Slip to the meeting duly completed and signed and hand over the same at the entrance of the Meeting place.  
 2. Please bring your copy of Annual Report.

**PROXY FORM**

I/We \_\_\_\_\_ of \_\_\_\_\_  
 \_\_\_\_\_ in the District of \_\_\_\_\_

being a Member / Members of SHERVANI INDUSTRIAL SYNDICATE LIMITED, Shervani Nagar, Sulem Sarai, Allahabad-211011 hereby appoint \_\_\_\_\_ of \_\_\_\_\_  
 \_\_\_\_\_ in the district of \_\_\_\_\_ of failing him \_\_\_\_\_ of \_\_\_\_\_  
 \_\_\_\_\_ in the district of \_\_\_\_\_ as my / our Proxy to attend and vote for me/us  
 on my/our behalf at the 60th Annual General Meeting of the Company to be held on Saturday, the 30th August, 2008 at 11.30 a.m. at 2, New Cantonment, Kanpur Road, Allahabad - 211001 and at any adjournment thereof.

Signed this \_\_\_\_\_ day \_\_\_\_\_ 2008

Folio No. / Client ID. : \_\_\_\_\_

No. of Shares held : \_\_\_\_\_

Ordinary \_\_\_\_\_

Deferred \_\_\_\_\_

Affix Re.1/-  
 Revenue  
 Stamp

**Note:** The form duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.

## BOARD OF DIRECTORS

Mr Azhar Nisar Shervani  
**Chairman Emeritus**

Dr. Kamal Kumar  
**Chairman**

Mr. Tahir Hasan  
**Vice Chairman**

Mr. Saleem Iqbal Shervani  
**Managing Director**

Mr. Raju Verghese  
**Whole-time Director**

Mr. Saeed Mustafa Shervani

Ms. Salma Hasan

Mr. Kush Bhargava

Mr. Gopal Swaroop Chaturvedi  
**Directors**

**COMPANY SECRETARY  
& ACCOUNTS MANAGER**

Mr. B. K. Misra

**AUDITORS**

M/s. P.L. Tandon & Co.

**BANKERS**

Central Bank of India

Union Bank of India

State Bank of India

ICICI Bank Ltd.

HDFC Bank Ltd.

**REGISTERED OFFICE  
SHERVANI NAGAR, SULEM SARAI  
ALLAHABAD - 211011 (U.P.)**

## **SHERVANI INDUSTRIAL SYNDICATE LIMITED**

### **ANNUAL REPORT 2007-2008**

# **C O N T E N T S**

DIRECTORS' REPORT	3
CORPORATE GOVERNANCE	5
AUDITORS' REPORT	9
BALANCE SHEET	13
PROFIT AND LOSS ACCOUNT	14
SCHEDULES	15
ACCOUNTING POLICIES	27
CASH FLOW STATEMENT	28
ABSTRACT	29
ACCOUNTS OF SUBSIDIARY COMPANY	31



**60<sup>TH</sup> ANNUAL REPORT (2007-2008)****DIRECTORS' REPORT**

Your Directors take pleasure in presenting the 60<sup>th</sup> Annual Report together with the audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2008.

**FINANCIAL RESULTS**

	(Rs. in Lacs)
Operating Loss before Depreciation	48
Depreciation	51
Operating Loss	99
Net Income and Exceptional items	302
Profit before Tax	203
Fringe Benefit Tax	4
Current Tax	24
Net Profit after Tax	175
Add Balance brought forward from last year	123

**Surplus Available for Appropriation 298**

Appropriation:	
Dividend	33
Tax on dividend	5
Balance Carried Forward	260

**DIVIDEND:**

Your Directors recommend dividend @ 10% for the year 2007-08 payable as under:

	(Rs. in Lacs)
(1) Ordinary Shares @ Re.1.00 per share	32.60
(2) Deferred Shares @ Rs.2.50 per share	0.20
<b>TOTAL</b>	<b>32.80</b>

**OPERATIONS REVIEW**

During the year under review due to non receipt of adequate orders for production of Flashlights, Company has suffered huge operational losses. Company has restructured its business by giving VRS to employees to reduce its cost and become competitive. Negotiations are going on with the established manufacturers for revival of the business and regular orders on revised rates considering the cost reduction achieved and it is expected that in coming months some positive agreements can take place to continue present business of contract manufacturing for reputed brands of torches. Company is also exploring other alternatives to make use of its assets.

**SUBSIDIARY COMPANIES****TARA SNACKS & FOODS LIMITED**

The subsidiary company has not done any business during the year and the management is looking for some alternate arrangement to safeguard the interest of the Company.

**SHERVANI SUGAR SYNDICATE LIMITED :**

In View of bleak prospects of Sugar industry and continued

Losses in the Business, the Board had divested the investment at Book value. After the transfer of these shares Shervani Sugar Syndicate Limited Ceased to be subsidiary of the Company.

**CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with the accounting standard AS-21 on consolidated financial statements read with accounting standard AS-23 on accounting for investments in associates, your company has prepared the consolidated financial statements and those shareholders who desire to obtain these statements, would be provided the same upon receiving such request.

**DIRECTORS**

Mr. A. N. Shervani has resigned from the Chairmanship of the Board with effect from 26.04.2008 to reconstitute the Board in compliance of clause 49 of Corporate Governance of the Listing Agreement with the Stock Exchanges. Board has accepted the resignation and appreciated his services and guidance extended to the Board and to the Company during his tenure as Chairman.

Mr. A.N. Shervani has been appointed as Chairman Emeritus by the Board of Directors in its meeting held on 26<sup>th</sup> April, 2008.

Dr. Kamal Kumar has been appointed as Chairman by the Board of Directors in its meeting held on 26<sup>th</sup> April, 2008

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Tahir Hasan, Mr. Kush Bhargava and Mr. Gopal Swarup Chaturvedi Directors of the Company retire by rotation at this Annual General Meeting and are eligible for re-appointment.

**AUDITORS**

The observations of the Auditors in their report are appropriately dealt with in the schedule of Notes forming part of Accounts.

M/s P. L. Tandon & Co., Chartered Accountants retire at the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received confirmation that their appointment, if made, will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

**CORPORATE GOVERNANCE**

Report on Corporate Governance along with Auditors' Statement on its compliance is annexed to this Annual Report.

**CONSERVATION OF ENERGY, TECHNICAL ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

As required under Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the

**60<sup>TH</sup> ANNUAL REPORT (2007-2008)****DIRECTORS' REPORT**

Report of Board of Directors) Rules, 1988, information regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in the Annexure 'A' to this Report.

**PARTICULARS OF EMPLOYEES**

Information in accordance with Sub-Section (2A) of Section 217 of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended from time to time and forming part of Directors Report—Not Applicable

**DIRECTORS' RESPONSIBILITY STATEMENT**

As required under Section 217(2AA) of the Companies Act, 1956, your Directors state as under :

- (i) That in the preparation of the Annual Accounts, the applicable accounting standards had been followed and there is no material departure;
- (ii) That the accounting policies selected and applied are consistent and the judgements and estimates made 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 or Loss of the Company for that period;
- (iii) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Annual Accounts have been prepared on a going concern basis.

**DEPOSITS**

During the year fixed deposits amounting to Rs.2.50 lacs were paid. No Deposits was due for payment on or before 31<sup>st</sup> March, 2008. Depositors were intimated well in advance regarding the maturity of deposits with requests to claim their deposits on maturity.

**INDUSTRIAL RELATIONS**

Industrial Relations remained satisfactory during the period under review.

**ACKNOWLEDGEMENT**

Your Directors wish to place on record their deep sense of appreciation for the devoted services of all the employees of the Company and assistance and co-operation received from all stakeholders.

For and on behalf of the Board

**Saleem I. Shervani**  
Managing Director

**Raju Verghese**  
Whole-time Director

Place : Allahabad  
Date : June 21, 2008

**ANNEXURE 'A' TO THE DIRECTORS' REPORT**

Information 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, as amended from time to time and forming part of Directors' Report for the year ended 31<sup>st</sup> March, 2008.

**A. CONSERVATION OF ENERGY**

- a) Energy conservation measures taken—Nil
- b) Additional investments & schemes being implemented — Nil
- c) Impact of measure (a) & (b) above—Nil

**B. TECHNOLOGY ABSORPTION RESEARCH AND DEVELOPMENT—Nil****C. FOREIGN EXCHANGE EARNINGS AND OUTGO-**

Foreign Exchange used equivalent to Rs.0.04 Lac and Foreign Exchange earned Rs.Nil.

For and on behalf of the Board

**Saleem I. Shervani**  
Managing Director

**Raju Verghese**  
Whole-time Director

Place : Allahabad  
Date : June 21, 2008