



SHIMOGA TECHNOLOGIES LIMITED

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**EIGHTEENTH
ANNUAL REPORT**

2008 - 2009



SHIMOGA TECHNOLOGIES LIMITED

BOARD OF DIRECTORS

SURESH SHASTRY

Chairman & Director

(w.e.f 1.4.2009 Chairman & Director)

SHAILAJA SURESH

Director (Resigned w.e.f 14.3.2009)

G.ANANDA

Director (w.e.f 18.09.2008)

S. LAKSHMINARAYANA MURHTY

(Additional Director w.e.f. 31.07.2009)

Dr.M.S.RAMAPRASAD

Director (Resigned w.e.f 31.7.2009)

AUDITORS

H.R. SUDARSHAN

H.R. SUDARSHAN & ASSOCIATES

Chartered Accountants

No. 47, "BRAHMI"

9th Main, 11th Cross,

Girinagar, III Phase

Bangalore - 560 085

REGISTRAR AND TRANSFER AGENTS

TSR DARASHAW LIMITED

6-10, Haji Moosa Patrawala Industrial Estate,

20 Dr. E. Moses Road

Mahalaxmi

MUMBAI - 400 011

REGISTERED OFFICE

135 / 3A, 11th Cross,

Malleswaram

Bangalore - 560 003

WORKS

Plot Nos. 12 & 13

Industrial Estate

Sagar Road

Shimoga - 577 204, Karnataka

EIGHTEENTH ANNUAL REPORT 2009

NOTICE

Notice is hereby given that **Eighteenth Annual General Meeting of Shimoga Technologies Limited** will be held on Friday the 25th September 2009 at 10.00 A.M. at Seva Sadan Association, 14th Cross, Malleswaram, Bangalore - 560 003 to transact the following business:

ORDINARY BUSINESS:

1. To receive and consider and adopt the audited accounts for the year ended, 31st March 2009 and the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Suresh Shastri, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors 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 and to pass the following resolution thereof:

"RESOLVED THAT Mr. H.R. Sudarshan, proprietor Messrs H. R. Sudarshan & Associates, Chartered Accountants, Bangalore, be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting, on such remuneration as may be determined by the Board of Directors in consultation with the Auditors, which remuneration may be paid on a progressive billing basis to be agreed between the Auditors and the Board of Directors."

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED that Shri S. Lakshminarayana Murthy, who was appointed as an additional director by the Board on 31.07.2009 be and is hereby appointed as Director of the Company liable to retire by rotation"

By Order of the Board

Place: Bangalore
Date: 31st July 2009

(**SURESH SHASTRI**)
Chairman & Director

Regd. Office:
135/3A, 11th Cross,
Malleswaram,
Bangalore - 560 003

NOTES:

1. Register of Members and Share Transfer Books of the company will remain closed from 22.9.2009 to 25.9.2009 (both days inclusive).
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of meeting.
3. An explanatory statement pursuant to section 173(2) of the Companies Act, 1956, pertaining to special business contained in the Notice is annexed hereto.
4. Shareholders are requested to bring their copy of the Annual Report along with them to the meeting since extra copies will not be supplied at the meeting.
5. Members/Proxies should fill the Attendance slip for attending the meeting.
6. Members who hold shares in dematerialized form are requested to write their client ID and DP numbers and those who hold shares in physical form are requested to write their Folio number in the Attendance slip for attending the meeting.
7. TSR DARASHAW LIMITED - Mumbai are the Company's Registrar and Share Transfer Agents. Shareholders are requested to send all requests for Transfer of shares, change in address, etc., to their Head Office or Branch Offices as mentioned in point No. 10.9 on page 12.
8. Members desiring to have any information on the accounts are requested to write to the company at least one week before the meeting so as to enable the management to keep the information ready.
9. As per Companies Act, 1956, a shareholder may nominate in the prescribed manner a person to whom his shares in the Company shall vest in the event of death (Form 2B of Companies (Central Govt's) General Rules & Forms). In the case of joint holding, joint holders may together nominate a person to whom shares shall vest in the event of death of all the joint holders.
10. Members are requested to intimate immediately any change in their address to the Registrar and Transfer Agents of the Company. Also they are requested to send to the Registrar and Transfer Agent: (1) PAN Number (2) Bank Account Number



SHIMOGA TECHNOLOGIES LIMITED

11. Appointment of Directors:

At the ensuing Annual General Meeting, Mr. Suresh Shastry retires by rotation and being eligible offers himself for reappointment. He will be appointed as a Director liable to retire by rotation. The information or details to be provided for the aforesaid director, under Corporate Governance Code, are as under:

Mr. Suresh Shastry is a Metallurgical Engineer and a specialist in Forge Technology. He is also a Promoter Director of the Company. The company will be benefited by his vast experience and hence your Directors recommend the resolution for your approval.

Resolution placed before the members for their approval.

Companies Act, 1956 Mr. Lakshminarayana Murthy holds office until the conclusion of this Annual General Meeting. The Board recommends his appointment as a Director and liable to retire by rotation. The information or details to be provided for the aforesaid director, under Corporate Governance Code, are as under:

Mr. Lakshminarayana Murthy is a Commerce graduate. He is a businessman with 50 years of experience. By virtue of long standing business experience, he is capable of extending valuable guidance to the company.

The company has received a notice in writing from a member of the company under Section 257 of the Companies Act, 1956 proposing Mr. S. Lakshminarayana Murthy as candidate for appointment as a Director of the Company, liable to retire by rotation, at this Annual General Meeting.

None of the Directors other than Mr. S. Lakshminarayana Murthy is interested in the Resolution.

By Order of the Board

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

SPECIAL BUSINESS: Item No. 4

The Board of Directors of the Company co-opted Mr. S. Lakshminarayana Murthy as an Additional Director of the Company w e f 31.07.2009. As per Sec 260 of the

Place: Bangalore

Date: 31st July 2009

(SURESH SHASTRY)

Chairman & Director

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DETAILS OF DIRECTORS SEEKING APPOINTMENT AT THE ANNUAL GENERAL MEETING

Particulars	Mr. Suresh Shastry	Mr. S. Lakshminarayana Murthy
Date of Birth	12.11.1956	04.06.1932
Qualification	Holds a specialized advanced Diploma in Forge Technology from the National Institute of Foundry & Forge Technology – Ranchi	He is a graduate in Commerce.
Expertise in Specific Functional areas	He is a Metallurgical Engineer and has 29 years of experience in Forging Industry.	He is a businessman with 50 years experience.
Directorships held in other Public Companies (excluding Foreign Companies)	Nil	Nil
Memberships/Chairman ships of Committees of other Public Companies	Nil	Nil
Number of Shares held in the Company	6,320 Equity shares of Re.1 paid up.	Nil

EIGHTEENTH ANNUAL REPORT 2009

DIRECTORS' REPORT

Your Directors hereby present the **Eighteenth Annual Report** and the Audited Accounts for the year ended 31st March 2009.

PERFORMANCE:

The year under review has been a very tough year for the company. Your Company has recorded a sales turnover of Rs.818.70 lakhs as against Rs.1147.52 lakhs for the previous year. i.e., 28.65% reduction in its turnover, due to severe economic recession.

DIVIDEND:

Since the company has incurred losses during the year under review, your Directors regret their inability to recommend dividend for the year ending 31st March 2009

DIRECTORS:

Mr. Suresh Shastry, Director retires by rotation and is eligible for re-appointment.

Mr. Lakshminarayana Murthy was appointed by the Board as Additional Director on 31.7.2009

In view of the lease arrangement with Bhagavathi Enterprises Limited, Mr. Suresh Shastry, Chairman and Managing Director has relinquished his post as Managing Director with effect from 1.4.2009 and is functioning as Chairman and Director only without any managerial remuneration.

Your directors Mrs. Shailaja Suresh and Dr. M.S. Ramaprasad resigned w.e.f 14.3.2009 and 31.7.2009 respectively. The Board of Directors, place on record sincere appreciation for the contributions during their association with the Company.

FIXED DEPOSITS:

The Company has not accepted any fixed deposits during the period under report.

AUDITORS:

The Company's Auditors, Mr. H.R. Sudarshan, Proprietor of M/s. H.R. Sudarshan & Associates, Chartered Accountants, Bangalore, retire at the conclusion of this ensuing Annual General Meeting and are eligible for re-appointment.

PARTICULARS OF EMPLOYEES:

There are no employees who are in receipt of remuneration in excess of the limits specified under section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended. Further all the employees of the Company have resigned at the close of business hours of 31/3/2009 due to the lease arrangement with M/s Bhagavathi Enterprises Ltd w.e.f 1.4.2009.

ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**Energy:**

The particulars of energy conservation in accordance with Companies (Disclosure of Particulars in the Report of Board of Directors), Rules 1988, are annexed in Form A.

Technology Absorption:

There are no items to disclose under this head.

Foreign Exchange Earnings and Outgo:

There are no earnings or outgo in Foreign Exchange during the year under review.

Related Party Disclosures:

As regards related party disclosures, one of the directors of the Company is related to directors of Bhagavathi Enterprises Limited, a closely held public limited company under the Companies Act, 1956. However, there are no common directors and no shareholders holdings in excess of 2% of the paid up capital of either of the companies. As approved by the Shareholders in the EGM held on 20.3.2009, to curtail future losses it was resolved to lease the manufacturing facilities of the Company to Bhagavathi Enterprises Ltd, Bangalore with effect from 1.4.2009. As per the said resolution the manufacturing facilities of the Company have been leased out to Bhagavathi Enterprises Limited, Bangalore for a period of 11 months renewable for a period not more than 3 years. In order to tide over the present financial exigencies the Chairman has lent a sum of Rs.1 Crore to the Company on 30.1.2009 at an interest rate of 15% PA. There are no other materially significant related party transactions made by the Company with promoters, directors or management etc., that may have potential conflict with the interest of the company at large. However this disclosure is made only as a matter of prudence. For details of transactions with Bhagavathi Enterprises Ltd during the year 2008-09, please refer point 12 of Schedule-VII.

De-listing of Securities

Company's securities have been delisted from Madras stock exchange w.e.f 15.10.2008.

AUDITOR'S QUALIFICATIONS:

Regarding Auditors qualifications, the Directors state as follows:

1. For Item 4(vi)(a) of Audit Report read with Note No.2 Schedule VII

Though the net worth of the Company has substantially eroded and the Company has leased out its manufacturing facilities, the facts that the plant is continuously working and the manufacturing facilities have been leased out only for a short period and the Company has reserved its right to take back the facilities and re start the operations, soon after the financial re-structuring is complete, the accounts have been drawn on going concern basis.

2. For Item 4(vi)(b) of Audit Report read with Note No.5(i) of Schedule VII

The Company has filed a petition before the Honourable High Court of Karnataka, which has granted a stay pending disposal of the petition. No provision has been made for the proposed penalty on sales tax, as the matter is sub-judice.



SHIMOGA TECHNOLOGIES LIMITED

3. For Item 4(vi)(c) of Audit Report read with Note No.8 of Schedule VII

- Advances given by the Company usually relates to deposits / advances with statutory institutions. Company has obtained receipts from such statutory institutions at the time of making the payments.
- The Company has requested all the creditors and debtors to confirm the balances and it has obtained confirmations from more than 99% from its Debtors and 58% of its Creditors. Confirmation from banks have been obtained for more than 95% of the balances.

4. For Items 4(vi)(d) of Audit Report read with Note No.5(ii) to 5(v) of Schedule VII and Item No.(iv) of Annexure to Audit Report

The company is in process of filing the necessary applications / appeals for reduction / deletion of demands to Commercial Tax / Provident Fund authorities for rectification of mistakes in the assessment orders / demands concerned.

5. For Item No. vii of Annexure to Audit Report:

The Company noted this suggestion and is in process of strengthening the internal audit systems by proper supervisions by qualified personnel.

6. For Item No. ix(a), ix(b) & ix(c) to Audit Report:

- The company has paid the statutory dues, however due to financial crunch at times, the company has delayed in payment.
- Regarding Sales Tax / Entry Tax the Company has approached the Government of Karnataka for certain relief. The Company has also referred the matter to Hon. Board for Industrial and Financial Reconstruction for the sanction of a rehabilitation package for the revival of the unit. In view of this, the Hon. High Court of Karnataka has stayed the recovery proceedings. Since the Company is facing severe shortage of working capital, there have been delays in payment of statutory dues. The Company is taking necessary steps to negotiate and settle the dues.

7. For the Items No. x and xi of the Annexure to the Audit Report:

As already stated in Note No. 2 of Schedule VII aforesaid, the Company is hopeful of increasing the net worth by taking all possible measures in working of the company. The payment of dues to Bank, Financial institution and Suppliers is a pointer to the direction of management's plans and recovery actions.

8. For the Item No xvii of the Annexure to the Audit Report:

Due to sustained losses, the Company does not have long term funds for the purchase of need based fixed assets; and hence, it was left with no other alternative but to use short term funds to procure essential fixed assets.

9. For the Item No. i(c) of the Annexure to the Audit Report:

The company has leased out the premises to stop the continuous losses and to have time to bargain with the creditors for the reduction in the payments due.

10. For Item No. 5(iii) of Schedule VII

The company could not pay the Professional Tax dues, due to funds constraints and the returns were not accepted without payment of tax.

11. For Item No. 4(vi)(e) of Auditor's Report:

All the employees of the company have resigned on 31.3.2009. The liability for gratuity was computed on the basis of 15 days salary for each completed years of service. Since the amount arrived by this method was higher than the amount estimated by LIC, provision has been made for the higher amount.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors Responsibility Statement, it is hereby confirmed that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- 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, 2009 and the loss for the year ended on that date.
- 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
- The Directors have prepared the annual accounts on a 'going concern' basis, even though the Company has leased out the manufacturing facilities because the manufacturing facilities are still in use and taking into account the short period of lease and the management's assessment of improvement in the economic conditions in future.

CORPORATE GOVERNANCE REPORT:

The Company has taken adequate steps to ensure that all mandatory provisions of Corporate Governance as prescribed under the Listing Agreements of the Stock Exchanges on which the Company is listed, are complied with. A separate section on Corporate Governance and a certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges forms part of the Annual Report.

EIGHTEENTH ANNUAL REPORT 2009

PERSONNEL:

Your Directors wish to place on record, their sincere appreciation to the employees at all levels for their dedication and hard work.

ACKNOWLEDGEMENTS:

The Directors wish to thank the Company's Bankers, Financial Institutions, Government authorities, customers and the suppliers for their unstinted support extended to the

Company and also place on record the continued support extended by the employees at all levels to the Company's operations during the year.

For and on behalf of the Board of Directors

Place: Bangalore
Date: 31.7.2009

(SURESH SHASTRY)
Chairman and Director

ANNEXURE TO THE DIRECTORS' REPORT**FORM NO. A****DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

	Year Ended 31.03.2009	Year Ended 31.03.2008
A) POWER & FUEL CONSUMPTION		
1. Electricity		
a. Purchased Units	978,004	1,391,557
Total Amount (Rs.)	4592478	6,403,073
Rate/Units (Rs.)	4.70	4.60
b. Own Generation		
i. Through Diesel Oil	4548.8	16,247.6
Units per litre of Diesel	2.44	3.00
Oil Cost/Unit (Rs.)		
ii. Through Steam Turbine		
Generator Units		
Units per litre of		
Fuel/Oil/Gas Cost/Unit		
2. Coal (specify Quality & where used)		
Total Cost	—	—
Average Rate	—	—
3. Furnace Oil		
Quantity (MT) (Rs.)	122.45	281.66
Total Amount (Rs.)	2,971,767	6,295,792
Average Rate	24,269/ MT	22,352 /MT
4. Others/internal generation		
(Please give details)		
Quantity	—	—
Total Cost	—	—
Rate/Unit	—	—

B. CONSUMPTION PER UNIT OF PRODUCTION

	Standard If any	Year Ended 31.03.2009	Year Ended 31.03.2008
Products (with Details-Unit Electricity)	—	1042 Units/MT	755 Units/MT
Coal (Specify Quality)	—	—	—
Furnace Oil	—	130 MT	151 MT

For and on Behalf of the Board of Directors

Place: Bangalore
Date: 31.7.2009

(SURESH SHASTRY)
Chairman & Director



SHIMOGA TECHNOLOGIES LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

Forward-looking Statements:

The report contains certain forward-looking statements, which are based on certain assumptions and expectations of future events. The Company does not guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments.

Overview:

The company has discontinued its operations and leased out its factory w.e.f 1.4.2009 to

- Curtail future losses.
- Gain sufficient time to negotiate with creditors and the Government to reduce liability.
- To re-start the operations after consolidation.

Opportunities

Though the international scenario at present is at downward trend for Auto industry, there is an expectation of a turnaround. Moreover Auto industry is an essential part of the present way of living and is an inevitable component in today's living style. All the Domestic auto majors have stepped up their production and most of the International giants are in India for sourcing components for their products. Though your Company is a reputed manufacturer of small, precision and intricate forgings, to exploit the opportunities offered by the burgeoning market, it is necessary for the Company to offer bigger intricate forgings and ready-to-fit parts, to the Customers.

Threats

The major perceivable threats are fluctuation in steel and petroleum prices, interest rates, political stability and the overall economic scenario. Although the Company makes all out effort to improve productivity, reduce waste and cut

overhead expenses, if the user industry fails to absorb the increases in costs and if the Company is made to absorb whole of these increases, it would adversely effect the profitability.

Outlook

The Country is witnessing a turnaround in the industrial production curve, which is expected to sustain in the years to come and offer a good opportunity for growth.

Technology

The in-house technical and commercial teams consistently engage themselves in indigenization of technology and implementation of value engineering and cost saving methods.

Internal Control Systems and their adequacy

The company has adequate internal control procedure in place, duly supplemented by an Internal Audit System.

Human Resource Development

The company conducts regular training programs, both internally and externally for employees, to develop individual personality and to improve work skills.

Financial Performance

During the year under review, in-view of severe resource constraint, your company's sales have reduced from Rs.1147.52 lakhs to 818.70 lakhs, down by 328.82 lakhs. Even when the raw material price has gone up by 22.57% and that of other consumables have increased by more than 8.01%, the loss before tax prior period items has reduced from Rs.113.17 lakhs to Rs. 43.33 lakhs.

Uncertainties

Your company predominantly depends upon Automobile industry for its work orders and hence the prospects of your company is linked with that of Auto Industry. Further, the volatility in the prices of Raw Material, Consumables, Spares and Components have a direct bearing on the performance of your Company.

ANNEXURE TO THE DIRECTORS' REPORT REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Code of Governance:

The Company's philosophy on Corporate Governance is sustained growth, transparency, internal controls, risk management, safety, health, environment management, accounting fidelity, product and service quality. Your Company has implemented various measures of Corporate Governance aiming to assist the management of the Company to meet the obligations to statutory authorities, shareholders and towards enhanced transparency.

2. Board of Directors:

The Board of Directors consists of four Directors. Composition of the Board is as follows:

Category	Name of the Director
Executive Director	Mr. Suresh Shastry
Non-Executive Director	Mrs. Shailaja Suresh (upto 13.3.2009)
Independent Director	Mr. G.Ananda
Independent Director	Dr. M.S.Ramaprasad (upto 31.7.2009)

EIGHTEENTH ANNUAL REPORT 2009

Attendance of each Director at the Board Meetings, last Annual General Meeting and number of Board Committees of which he/she is a Chairperson and Number of Board Meetings held :

Name of the Director	Attendance Particulars		No. of other Directorships and Committee Member / Chairmanship		
	Board Meetings held & present during Directors tenure	Last AGM	Other Directorships@	Committee Memberships	Committee Chairmanships
	Held	Present			
Mr. Suresh Shastry	10	10	Present	Nil	1
Mrs. Shailaja Suresh	8	6	Present	Nil	1
Mr. M.S. Ranganath (resigned w.e.f 2.8.2008)	3	3	N.A	2	1
Mr. G.Ananda (from 2.8.2008)	7	7	Present	Nil	2
Dr.M.S.Ramaprasad (from 2.8.2008)**	7	6	Present	Nil	1
Mr. M.H.R. Rao (resigned w.e.f 2.8.2008)	3	3	N.A	Nil	1

@ Including Directorship in Private Limited Companies and excludes any Company registered under Section 25 of the Companies Act, 1956.

Number of Board Meetings held, dates on which held:

Ten Board Meetings were held during the period -

The dates on which the meetings were held were 28th April 2008, 30th June 2008, 31st July 2008, 2nd August 2008, 31st October 2008, 29th December 2008, 31st January 2009, 04th February 2009, 16th March 2009 & 23rd March 2009.

The maximum gap between two Board Meetings was not more than three months.

3. AUDIT COMMITTEE:

The terms of reference to the Audit Committee cover all areas prescribed by Clause 49 of the Listing Agreement and include the following:

To review reports of the internal audit and discuss periodically with the Internal Auditor; to meet the Statutory Auditors to discuss their findings, suggestions and other related matters; and to review weakness in internal controls reported by the Internal and Statutory Audit and to review this periodically.

The company has reconstituted the Audit Committee on 2.08.2008 by appointing Mr. G.Ananda and Dr.M.S.Ramaprasad as independent & non-executive Directors. Hence the Audit Committee of your company has three directors namely, Mrs. Shailaja Suresh and Dr. M.S.Ramaprasad under the Chairmanship of Mr. G. Ananda, who is a qualified and experienced HR Manager. The Audit Committee has been granted powers as prescribed under Clause 49 II (c) of the Listing Agreement.

The Audit Committee met five times during the year-ended 31.03.2009 on following dates:

April 28, 2008, June 30, 2008, July 31, 2008, October 30, 2008, January 31, 2009

Audit Committee meetings and attendance during the year.

Name	No. of Meetings held during his tenure	No. of Meetings Attended
Mr. M.S. Ranganath	3	3
Mrs. Shailaja Suresh	5	5
Mr. M.H.R. Rao	3	3
Mr. G.Ananda **	2	2
Dr. M.S.Ramaprasad**	2	2

** Appointed as a member of the Committee on 2.8.2008



SHIMOGA TECHNOLOGIES LIMITED

The terms of reference of the Audit Committee include the following:

1. Overseeing the Company's financial reporting process including Internal Audit arrangements and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
3. Reviewing with the Management the Annual Financial Statements before submission to the Board.
4. Reviewing any activity under its reference.

4. REMUNERATION OF DIRECTORS:

The Non-Executive Directors of the Company do not receive any remuneration except the sitting fee of Rs. 1000/- for each Board Meeting. The shareholders approved the remuneration package of Managing Director Shri. Suresh Shastry at the time of his appointment in 2007 and hence the remuneration committee was not constituted during 2008-2009. The Managerial remuneration under Section 198 of the Companies Act, 1956

Particulars	Year 31.3.2009	Yr.31-3.2008
	Rs.	Rs.
Remuneration (for 12 months)	600,000	575,000
Contribution to Provident Fund	72,000	69,000
Contribution to Superannuation Fund	90,000	86,250
House Rent Allowance	240,000	235,000
Perquisites:		
- Leave Travel Allowance	NIL	NIL
- Others	12,290	17,101
- Sitting Fees paid to Non Whole time Directors	25,000	22,000

5. SHARE TRANSFER-CUM-INVESTOR GRIEVANCE COMMITTEE:

The company has constituted a Share Transfer-cum-Investor Grievances Committee, comprising of Shri. Suresh Shastry and Smt. Shailaja Suresh/Mr. G.Ananda (w.e.f 2.8.2008). This Committee monitors and redresses investors complaints, transfer of shares, transmission etc.,

The total no. of letters/complaints received and replied during the year to the satisfaction of shareholders is NIL and no demat request was pending for approval as on 30th June 2009

5a. Shares and Convertible Instruments held by non-executive Directors: Nil

6. CEO CERTIFICATION

The CEO has certified compliance of Clause 49'V of the Listing Agreement

7. GENERAL BODY MEETINGS:

Location and time for the last three Annual General Meetings were:

Year	AGM	Location	Date & Time	Special Resolution passed
2005-06	AGM	Century Club, No.1, Seshadri Road, (Cubbon Park) Bangalore - 560 001	29-09-2006 at 10.00 a.m.	None
2006-07	AGM	Century Club, No.1, Seshadri Road, (Cubbon Park) Bangalore - 560 001	28-09-2007 at 10.00 a.m.	None
2007-08	AGM	Century Club, No.1, Seshadri Road, (Cubbon Park) Bangalore - 560.001	18-09-2008 at 10.00 a.m.	None

No special resolutions were passed through Postal Ballot during last year.