

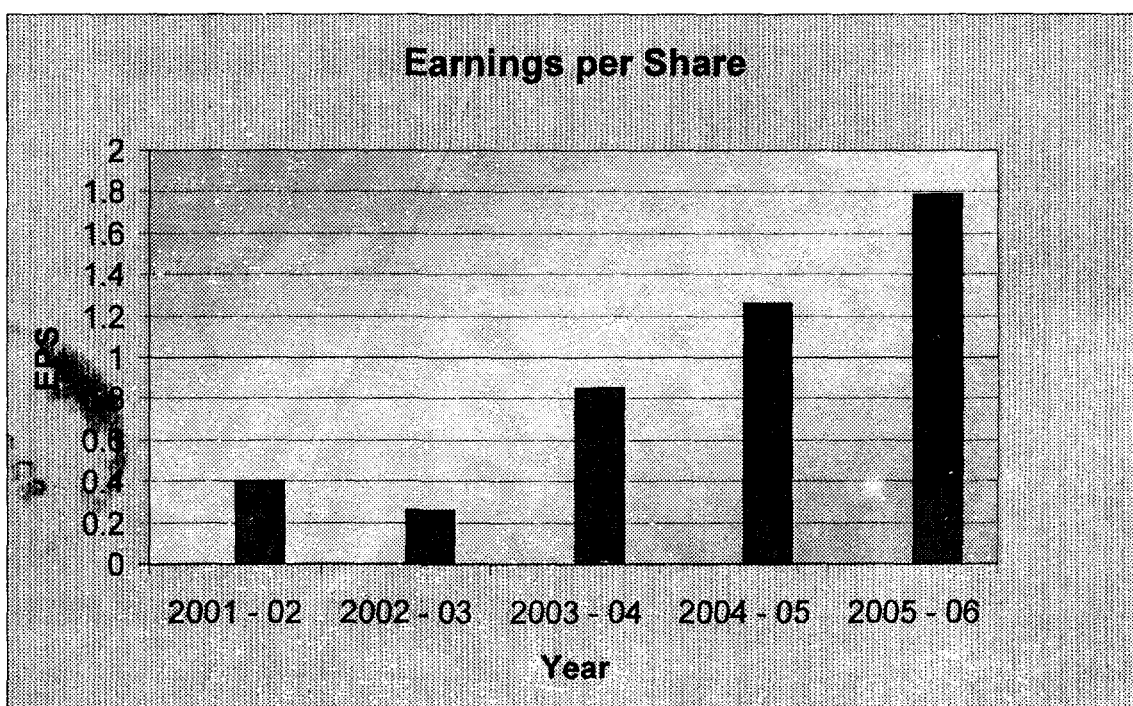
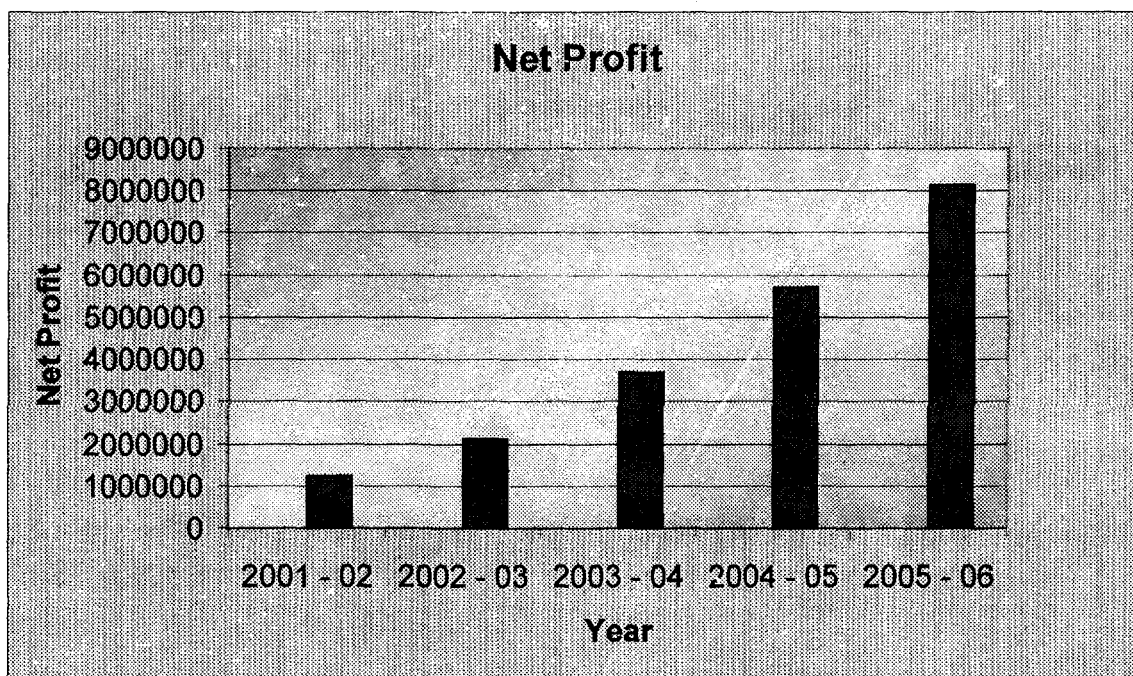


SOLITAIRE MACHINE TOOLS LTD.

14TH ANNUAL REPORT

Report  junction.com

2005-06



BOARD OF DIRECTORS

Mr. P. J. SHETH (Chairman)
Mr. D. J. SHETH
Ms. SHILPA TANEJA
Mr. A. J. KOTHARI
Mr. N.B.AMIN
Dr. AMITA SANDIP SHAH
Ms. SWATI BADANI (Alternate Director to
Mr. D. J. Sheth)
Mr. A. J. SHETH (Managing Director)
Mr. H. J. BADANI (Managing Director)

AUDITORS

AJMERA AJMERA & ASSOCIATES
CHARTERED ACCOUNTANTS
MUMBAI.

BANKER

UTI BANK LTD,
VARDHAMAN COMPLEX, OPP. G.E.B
RACE COURSE CIRCLE (NORTH),
VADODARA – 390 007.

REGISTERED OFFICE

107, ARUN CHAMBERS,
TARDEO ROAD,
MUMBAI – 400 034.

PLANT 1:

292, DHARAMSINH DESAI MARG
CHHANI ROAD, VADODARA – 390 002.

PLANT 2:

A- 24/25 , KRISHNA INDUSTRIAL ESTATE,
GORWA, VADODARA – 390 016

SHARE TRANSFER AGENT

INTIME SPECTRUM REGISTRY LIMITED,
C-13, PANNALAL SILK MILL COMPOUND,
L. B. S. MARG, BHANDUP (WEST)
MUMBAI – 400 078.

NOTICE

NOTICE is hereby given that the Annual General Meeting of the Members of the Solitaire Machine Tools Limited will be held on Saturday, the June 3, 2006 at 10.00 a.m. at Senate Room, Status Restaurant, 208, Regent Chambers, Nariman Point, Mumbai- 400 021 to transact the following business: :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance sheet as on March 31, 2006 and Profit and Loss Account for the year ended on that date and Directors' Report and Auditors' Report thereon.

2 To declare dividend for the financial Year 2005-06.

3. To appoint a director in place of Mr. Dinesh J. Sheth, who retires by rotation, and being eligible, offers himself for reappointment.

4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

5.To consider and if thought fit, to pass with or without modification, the following resolution as a Special resolution.

"RESOLVED THAT pursuant to provisions of section 31 of the Companies Act, 1956 Articles of Association of the company be and is hereby altered in the manner as following:

In Article No. 133 of the Articles of Association of the Company, viz. 'The remuneration of each Director, for his services be not exceeding Rs. 250/- for each meeting of the Board or committee of the Board attended by him' be deleted and substituted by the following sentence-

'The sitting fees for attending each meeting of the Board of Directors or committees, thereof, shall be such sum of Rupees as may be decided from time to time by the Board of Directors not exceeding the maximum as prescribed under Section 310 of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of Directors from time to time and subject to the ceiling prescribed under the Companies Act, 1956 or rules framed there under prescribe as sitting fees for each meeting of the Board of Directors or Committee(s) thereof, attended by the Non-Executive Directors of the Company."

For Solitaire Machine Tools Limited

Sd/-
P. J. Sheth
Chairman

Regd. Office: 107, Arun Chambers
Tardeo Road
Mumbai - 400 034

Place: Vadodara

Date : April 26, 2006

Notes:

1. 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. Proxies in order to be effective should be duly completed, stamped and signed and must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.

2. Members are requested to advise immediately any change in their address to the Company's Registered Office or M/s Intime Spectrum Registry Ltd., Mumbai, quoting their registered folio number. Shareholders holding shares in dematerialized form shall address their communication to their respective depository participant only.

3. All communication in respect to the shares be addressed to share transfer agent "M/s. Intime Spectrum Registry Limited." C13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (West), Mumbai 400078.

4. The Register of Members and Share transfer Books will remain closed from Saturday, the May 27, 2006 to Saturday, the June 3, 2006 (both days inclusive).

5. Any queries regarding Accounts should be communicated in writing at the Registered office of the company at least seven days in advance before the date of Annual General Meeting.

6. The Company's shares are listed at Mumbai and Vadodara Stock Exchanges.

7. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the Special Business to be transacted at the meeting is annexed to this notice.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT 1956.

Item No.5 :

As per the revised clause 49 of the Listing Agreement, company's fees/compensation payable to Non-Executive Directors, including the independent directors, shall be fixed by the Board of Directors and shall require previous approval of the members in General Meeting.

The present Article 133 has low limit on payment of sitting fees to the directors for attending Board and committee meetings and it is decided to increase the same to more realistic level of Rs. 1000/- per meeting of the Board and committee thereof. Further Board of Directors are being empowered to review the sitting fees from time to time.

The Board recommends the resolution for approval of shareholders.

None of the directors are interested or concerned in the passing of this resolution except to the extent of sitting fees payable to them.

For Solitaire Machine Tools Limited

Sd/-
P. J. Sheth
Chairman

Regd. Office: 107, Arun Chambers
Tardeo Road, Mumbai - 400 034

Place: Vadodara

Date : April 26, 2006

DIRECTORS REPORT**TO THE MEMBERS:**

Your Directors have pleasure in presenting 14th Annual Report of your company together with the Audited Accounts for the year ended 31st March, 2006.

FINANCIAL RESULTS:

The financial results of the company for the year under review are summarized below:

	(Rs.in Lacs) Year Ended 31st March, 2006	(Rs.in Lacs) Year Ended 31 st March, 2005
Sales	545.08	567.29
Other Income	7.26	3.63
Increase/(Decrease) in stocks	23.24	(48.32)
Gross Profit Before Depreciation & Taxation	156.89	146.54
Less :Depreciation	39.68	36.46
:Taxation	45.00	44.00
:Fringe Benefit Tax	0.95	--
Add/(Less):Deferred Tax	10.27	(8.31)
Profit after Depreciation and Tax	81.53	57.77
Less: Income Tax for Earlier Years	--	00.76
Net Profit after Tax	81.53	57.01
Add: Profit brought Forward from Previous year	139.20	114.09
Profit available for appropriation	220.73	171.10
Proposed Dividend	22.71	22.71
Corporate Tax on Proposed Dividend	03.19	03.19
Transfer to General Reserve	9.00	06.00
Balance Carried to Balance Sheet	185.83	139.20

DIVIDEND:

Your directors recommend dividend of Rs. 0.50 per share (5%) on 4542176 equity shares of Rs. 10/- each for the year ended March 31, 2006 subject to members' approval.

OPERATIONS:

The Company's gross profit has grown by 7% and Net Profit has grown by 43%. However the sales have reduced by 4 %. The reduction in sales was due to non clearance of certain machines by customers in time for the sales for the year.

The Company's order books are full for next 6 to 7 months. The largest customer of the Company has shown their further confidence and has placed bulk order of 15 grinders for current year. As you are aware Auto Ancillary industry is targeting for higher growth due to thrust on export of their products. This has necessitated need for our grinders with international recognition and quality.

During the year your Company exported 11 Grinders to USA and sold 5 grinders to 100 % EOU in India. Current year would see the trend to continue with higher growth. Company has been trying to look for business in other countries besides USA for export of the grinder.

Your Company has commissioned the Second plant in Gorwa area of Baroda. This plant is targeted to focus on Remanufacturing and CNC Retrofitment work of Centerless Grinder and other Precision grinders.

The new No.3 size grinder is being developed by the Company. The first grinder has been taken in production. The grinder will be displayed at IMTEX 2007 in January 2007 in Bangalore. This is the prime exhibition for Machine Tools in India and has over 100,000 visitors over a period of 7 days.

The company's personnel have worked diligently during the year and the future growth is being assured with continuous training of personnel in all fields.

The Company has worked with it's vendors as partners in the progress. All efforts are being made to widen the vendor's base and make them more technology driven for improvement in quality at lower cost. As can be seen from report, the cost of manufacturing has been maintained in spite of increase in cost of steel, copper, electricity and other inputs. This was possible due to increased work being done at our vendor's plants and employing better manufacturing processes in plant.

The customers have played major role in helping and making Company's product more user friendly and meeting international standard of safety, environment improvement and TPM. The customer's trust in Company's Remanufacturing activities has also helped to again momentum for future business.

Your Directors are confident that the present trend of growth would continue in the forthcoming years.

U. S OPERATIONS:

The company had obtained License from Cincinnati Milacron through JBS Machinery Corporation to manufacture and sell Centerless Grinders in 1987. During the year, JBS Machinery Corporation had initiated legal action against the company in US court for restraining company from exporting machines to USA and other countries. The company has successfully settled the matter out of court. Thereby, the law suit was withdrawn by JBS Machinery Corporation. Now the company has freedom to market it's products worldwide without any restriction. The company proposes to buy out JBS Machinery Corporation in USA as 100 % wholly owned subsidiary for which necessary agreement is being drawn up.

DIRECTORS:

During the year, Mr. Rohit Chothani resigned as Director of the Company with effect from July 30th 2005.

Mr. Niranjan Amin was appointed additional Director by the Board on July 30, 2005 and shall cease to be director at the forthcoming Annual General Meeting of the company.

Mr. P J Sheth stepped down as Executive Chairman of the Company w. e. f. 30.12.2005 and will continue as non Executive Chairman from 31.12.2005 onwards.

Mr. D. J. Sheth, Director of the Company is liable to retire by rotation and being eligible, offer himself for reappointment.

DIRECTORS RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956.

The Directors state that-

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- (ii) the directors had selected such accounting policies and applied them consistently and made judgment 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 covered under this Report and of the profit of the Company for the year;
- (iii) the directors had taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) the directors had prepared the annual accounts on a going concern basis.

SUBSIDIARY COMPANY AND CONSOLIDATED ACCOUNTS

Consolidation of subsidiary company account has not been carried out due to insignificant transaction during the year.

CORPORATE GOVERNANCE:

Corporate Governance Report and Management Discussion and Analysis along with Certificate of the Company Secretary in Practice pursuant to clause 49 of the Listing Agreement with the Stock Exchanges have been included in the report. Your company has been practicing the principle of good Corporate Governance over the years. The Board of Directors supports the broad principles of Corporate Governance. In addition to the basic governance issues, the Board lays strong emphasis on transparency, accountability and integrity.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO:

- a. **CONSERVATION OF ENERGY:**
The company's operations do not involve substantial consumption of power in comparison to cost of production. However, regulatory measures are there to ensure that the consumption of power is within the norms.
- b. **TECHNOLOGY ABSORPTION:**
The company has fully absorbed the technical know-how received from USA.
- c. **FOREIGN EXCHANGE EARNING AND OUTGO:**
Foreign exchange earnings of the company during the year 2005-06 were Rs. 0.27 Lacs (Previous Year Rs. 55.78 Lacs) while outgoings were Rs. 7.32 Lacs (Previous Year Rs. 0.93 Lacs).

AUDITORS

M/s Ajmera Ajmera & Associates, Chartered Accountants, Mumbai hold their office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The members are requested to re-appoint them as Auditors of the Company till the conclusion of the next Annual General Meeting.

FIXED DEPOSIT:

During the financial year under consideration, the Company had not accepted nor renewed any deposit from public within the meaning of Section 58-A of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES:

None of the employees are drawing salary whose particulars are to be included in the Directors' Report as required u/s 217(2A) of the Companies Act, 1956.

PERSONNEL & INDUSTRIAL RELATIONS:

Relations with all employees were in general cordial and congenial atmosphere prevailed. Your Directors acknowledge with gratitude the committed efforts of the employees at all levels and their satisfying contribution in management and company affairs.

INSURANCE

Your Company continued to cover all assets mainly; plant & machinery, building, materials, furniture & fixtures, employees for the possible risks like fire, flood, public liability, break-down, terrorism, earthquake and accidents.

ACKNOWLEDGEMENT:

Your Directors' acknowledge the co-operation received from various Government agencies, Bank, Customers, Suppliers and Employees during the year.

BY ORDER OF THE BOARD

Place: Vadodara

Date: April 26, 2006

P J SHETH
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS**1. Industry Structure and Development:**

The Company is part of the industry broadly known as Capital Goods. The Capital Goods Industry consists of various products in different segments like Textiles, Chemicals, Automobiles etc. The Company is part of Capital Goods Industry known as Machine Tools Industry catering to various segments as explained above. Being part of Capital Goods Industry, fortunes of company is directly linked to the growth and progress of the industry to which it caters. The other relevant factors having bearing on the industry are government policies, import export policies, and incentive for investment available to the industries.

The centerless grinders manufactured by the company are used for specialised tooling in the industry like Automobiles, Textiles Machinery, Capital Goods Industry etc.

2. Opportunities and Threats:

The growth opportunity for the machine tools industry is in direct proportion to the industrial growth of the country. During the last decade, the phenomenal growth in Automobiles Industry has largely contributed to the growth of machine tools industry and opportunity lies in the further growth expected in the Automobiles Industry as multinational car manufacturer shift their production base to India. Another potential growth opportunity lies in out sourcing of Automobile ancillary products from India, which has tremendous growth potential in the coming years.

The major threats to the growth in India is basically from the slow down of the economy and supply from far Asian countries like China at below cost prices. However, the specialized nature of the product and quick after sales service requirement will counter the aforesaid threats to the large extent.

3. Segment wise Performance:

Presently, company is dealing in single segment activity namely machine tools.

4. Outlook:

The long-term outlook for the industry is optimistic based upon the product innovation and cutting age technology for sustaining growth. The export market especially to U.S.A. has growth potential upon revival of economic activity in U.S.A. The domestic demand is on the increase and bearing unexpected development, the outlook for the current year is encouraging.

5. Internal Control Systems and Their Adequacy:

Considering the size and nature of the business, presently adequate internal control systems are in place. However, as and when company achieves further growth and higher level of operations, company will review the internal control system to match with changed requirement.

The company has proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against unauthorised use or disposition and that transaction are authorised and recorded correctly.

The company has constituted Audit Committee consisting of non-executive and independent Directors to look into various aspects of Accounts. The company has clearly defined organisation structure in place.

6. The Financial and Operational Performance:

The financial statements are in confirmation with the provisions of the Companies Act, 1956 and applicable accounting standard recommended by the Institute of Chartered Accountants of India. The financial statement reflects the genuine desire for the transparency and best judgment for the estimates made on prudent and reasonable bases to correctly reflect the true and fair affairs of the company. The turnover and other income of the company during the year have increased to Rs. 575.59 from Rs. 522.60 lacs during the previous year. The net profit during the year has been Rs. 81.53 lacs in comparison to Rs. 57.01 lacs in the previous year.

7. Human Resource Development:

The company believes that the main strength of any organisation is its people. It is the people who build the system and create a climate to suit the growth and excellence in the company. The industrial relations, during the year were cordial.

8. Cautionary statement:

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors.

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company believes that Corporate Governance is powerful mediums to sub serve the long-term interest of all the shareholders, creditors, customers, employees and other stakeholders. Corporate Governance strengthens Investors and Creditors trust and ensures a long-term partnership that helps in fulfilling our quest for achieving significant growth and profits. Your Company is committed to benchmarking itself with good governance and operates with transparency, professionalism, good conduct and value based systems.

2. BOARD OF DIRECTORS:

The present strength of Board of Directors is 8 (Eight), whose composition and category is given below:

Two	-	Promoter, Executive Directors
Three	-	Independent Directors
Three	-	Promoter, Non- Executive Director

(A) THE CONSTITUTION OF THE BOARD AS ON MARCH 31, 2006

The composition of the board of directors and also the number of other directorship or committees of which they are member/ chairperson are as given below:

Directors	Category	No. of other Directorship		No. of other Committee positions	
		Public	Private	Member	Chairman
Mr. P J Sheth	Promoter Non-Executive	1	1	--	--
Mr. D J Sheth	Promoter Non-Executive	--	--	--	--
Mr. A J Sheth	Promoter Executive	--	--	--	--
Mr. H J Badani	Promoter Executive	--	2	--	--
Ms. Shilpa Taneja	Promoter Non-Executive	--	1	--	--
Mr. A J Kothari	Independent	1	--	--	--
Ms. Amita S Shah	Independent	--	--	--	--
Ms. Swati Badani	Alternate to D. J. Sheth	--	--	--	--
Mr. Niranjana Amin	Independent	--	--	--	--

BOARD PROCEDURE

The Board of the Company met Five (5) times during the year-ended 31.03.2006. Notice and Agenda were circulated in advance of each meeting of the Board of Directors. The Chairman briefed the Board at every meeting on the overall performance of the Company. The Board mainly deliberated on the following subjects:

- Strategy and Business Plans
- Operations and Capital Expenditures
- Finance and Banking operations
- Adoption of Quarterly/Half yearly/ Annual Results
- Compliance with Statutory/ Regulatory requirements and review of major Legal Issues
- Significant Labour Issues

(C) ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST ANNUAL GENERAL MEETING:

During the year ended March 31, 2006, five board meetings were held on April 27, 2005, May 23, 2005, July 30, 2005, October 22, 2005, and January 30, 2006.

Name of the Directors	No. of Board Meeting Attended	Attendance At last AGM Held on June 30, 2005	Remarks
Mr. P J Sheth	5	Yes	--
Mr. Dinesh J Sheth	-	No	--
Mr. Ashok J Sheth	4	Yes	--
Mr. H J Badani	2	Yes	--
Mr. Rohit Chothani	1	Yes	Resigned w.e.f.30.7.2005
Ms. Shilpa Taneja	4	Yes	--
Mr. A J Kothari	3	Yes	--
Ms. Swati Badani	3	Yes	Alternate to Dinesh Sheth
Ms. Amita S Shah	2	Yes	--
Mr. Niranjana Amin	2	--	Appointed w.e.f. 30.7.2005

(D) DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT

The brief particulars of the Director being appointed/re-appointed as Director retiring by rotation.

Mr. D. J. Sheth retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Mr. D. J. Sheth, 64 years old and Mechanical Engineers by qualification has forty years of experiences in Engineering Industry.

3. **Committees of the Board:**

The Board of Directors has Constituted Three committees of the Board – (i) The Audit Committee (ii) Remuneration Committee and (iii) The Share Transfer and Investors Grievance Redressal Committee.

i) **Audit Committee:**

The Committee's powers, role and functions are as stipulated in Clause 49 of the Listing Agreement and under Section 292 A of the Companies Act, 1956.

COMPOSITION

The Audit Committee was reconstituted at the Board meeting held on July 30, 2005 by appointing Mr. Niranjn Amin as member in place of Ms. Swati Badani. The re-constituted Audit Committee comprises of three Directors of whom two are independent Directors and one Non Executive Director. Mr. Anil Kothari, acts as the Chairman of the Committee.

The constitution of the present Audit Committee is as follows:

1.	Mr. Anil Kothari	-	Chairman
2.	Ms. Shilpa Taneja	-	Member
3.	Mr. Niranjn B Amin	-	Member

During the year ended March 31, 2006; Four Audit Committee Meetings were held on April 27, 2005, July 30, 2005, October 22, 2005 and January 30, 2006 and there was no time gap of more than six months between any two meetings. The member's attendances at the meeting of the Audit Committee are as follows:

1.	Mr. Anil Kothari	-	3
2.	Ms. Swati Badani	-	2
3.	Ms. Shilpa Taneja	-	4
4.	Mr. Niranjn B Amin	-	2

(ii) **Remuneration Committee:**

- Fixation of salary, perquisites etc. of all executive directors of the Company, as and when any new executive director is appointed / existing executive director is re-appointed; and
- Deciding commission payable to executive directors based on performance of the concerned executive director and for this purpose, fix targets for achievements.

COMPOSITION

The Remuneration Committee was reconstituted on resignation of Mr. Rohit Chothani, as Director of the Company and Mr. Niranjn B Amin was appointed in the Committee at the Board meeting held on July 30, 2005. The re-constituted Remuneration Committee comprises of three Directors of whom two are independent Directors and one Non Executive Director. Mr. Anil Kothari, acts as the Chairman of the Committee.

The constitution of the present Remuneration Committee is as follows:

i)	Mr. Anil Kothari	-	Chairman
ii)	Ms. Shilpa Taneja	-	Member
iii)	Mr. Niranjn B Amin	-	Member

The break up of the remuneration paid to Managing Directors and the Whole-time Directors are as follow:

Sl No.	Name of Directors	Salary	Sitting Fee	Total
1.	P. J. Sheth*	235,000/-	500/-	235,500/-
2.	A. J. Sheth	295,000/-	500/-	295,500/-
3.	H. J. Badani	295,000/-		295,000/-

The remuneration committee at their meeting held on October 22, 2005 had revised the remuneration package of above Directors for the remaining period of their terms of appointment w. e. f. 1st November 2005.

- Mr. P J Sheth was Executive Chairman up to 30.12.2005.

(iii) Investors' and shareholders Grievance & Share Transfer Committee:

The "Investors Grievance & Share Transfer Committee" of the Board, looks into various issues relating to investor grievances and to deal with matters relating to transfers/transmissions of shares, and monitors redressal of complaints from shareholders relating to transfers, non-receipt of balance-sheet, non-receipt of dividends declared, issue of duplicate share certificates, etc.

COMPOSITION

The constitution of the Committee is as follows:

- | | | | |
|----|-------------------|---|-------------|
| 1) | Ms. Shilpa Taneja | - | Chairperson |
| 2) | Mr. P J Sheth | - | Member |
| 3) | Ms. Swati Badani | - | Member |

The Company's shares are traded compulsorily in the dematerialized form and delivered in the dematerialized form in all the Stock Exchanges. To expedite transfers in the physical segment, Mr. N. M. B. Khan, Group Finance Manager, is acting as Compliance Officer.

All the complaints received are replied to the satisfaction of the shareholders. There are no pending complaints requiring intervention of the committee.

4. GENERAL MEETINGS

Location and time, where last three Annual General Meetings were held is given below:

Financial Year	Date	Location of the Meeting	Time
2004-2005	11.06.2005	Senate Room, Status Restaurant, 208, Regent Chambers, Nariman Point, Mumbai- 400 021	10.00 A.M
2003-2004	31.07.2004	Senate Room, Status Restaurant, 208, Regent Chambers, Nariman Point, Mumbai- 400 021	10.00 A.M
2002-2003	26.07.2003	Senate Room, Status Restaurant, 208, Regent Chambers, Nariman Point, Mumbai- 400 021	10.00 A.M.

No Special resolution was required to be passed through postal ballot at the last Annual General Meeting nor it is proposed this year.

5. DISCLOSURES

- a) There has been Nil non-compliance Penalties / Strictures imposed on the company by the Stock Exchanges or SEBI or any other statutory authority, on any matter related to capital markets, during the last three years.
- b) There are no materially significant related party transaction with the promoters, directors or the subsidiaries or relatives other than disclosed in the Notes to the Accounts.

6. MEANS OF COMMUNICATION

The Board of Directors of the Company approves and takes on record the un-audited financial results in the format prescribed by the Stock Exchange, Mumbai, within one month of close of quarter/ half year and announces forthwith results to all stock exchanges where the shares of the Company are listed. Further, the quarter/half yearly results in the prescribed format are published in the Free Press Journal and Navshakti.

The Company does not have any website but the results are published on SEBI website (EDIFAR).

7. GENERAL SHAREHOLDERS INFORMATION

- a. Registered Office : 107 Arun Chambers
Tardeo Road
Mumbai - 400 034
- b. Annual General Meeting: Date and time: Saturday, June 3, 2006 at 10.00 a.m.
Venue: Senate Room, Status Restaurant, 208, Regent Chambers, Nariman Point, Mumbai- 400 021
- c. Financial Calendar (2006-2007) : **Result to be tabled & adopted in the month of**
 - i) First Quarter ended June 30, 2006 : July, 2006
 - ii) Half Yearly / Second Quarter ended September 30, 2006 : October, 2006
 - iii) Third Quarter / Nine Months ended December 31, 2006 : January, 2007
 - iv) Yearly Audited / Fourth Quarter ended March 31, 2007 : June, 2007