

INEOS ABS

37th Annual Report
January-December 2009

INEOS ABS (India) Limited

INEOS ABS (INDIA) LIMITED

INEOS ABS

Board of Directors	Dr. Gerhard Franken	Chairman
	Mr. R S Agrawal	Managing Director
	Mr. Andrew Pizzev	Director
	Mr. S M Kulkarni	Director
	Mr. Jal R Patel	Director
	Mr. Ravindra Kulkarni	Director
VP (Finance)	Mr. D. J. Shah	
Company Secretary & VP (Legal)	Mr. S. M. Vaishnav	
Statutory Auditors	M/s. Price Waterhouse, Mumbai	
Bankers	State Bank of India ICICI Bank	
Registered Office	6th Floor, ABS Towers, Old Padra Road, Vadodara - 390 007. Phones : 0265-2355861-63, 2355871-73. Fax : 0265-2341012, 2355860, 2355950, 2355960.	
Works	51, GIDC Industrial Estate, Nandesari - 391 340 Dist. Vadodara, Phones : 0265-2840319, 2840285, 2840559, 2841010 Fax : 0265- 2840827	
Katol Plant	Halol-Katol Road, Katol -389 330 , Taluka Katol, Dist. Panchmahal, Gujarat Phones : 02676-235980, 235891, 235802, 235803. Fax : 02676 - 235518	
Delhi Office	8-A, Gopala Tower, 25-Rajendra Place, New Delhi - 110 008 Phones : 011-25712650, 25729515, 25712727 Fax : 011-25756494	
Mumbai Office	LANXESS India Pvt. Limited, Thane-Kolshet Road, Thane, Mumbai - 400 607 Phones : 022-25311175-76, Fax : 022-25455072	
Bangalore Office	Unit 4 & 5, 2nd floor, Above Big Kids Kemp, Ramanashree Arcade No. 18, M. G. Road, Bangalore - 560 001 Phones : 080-25596516, 25525285, Fax : 080-25580508	
Ahmedabad Office	404, Satkar, Nr. Swagat Char Rasta, C. G. Road. Ellisbridge, Ahmedabad - 380 006 Phones : 079-26446877, Fax : 079-26442013	
R & D Centre & Moxi Plant	Sankarda-Bhadarva Road, Post : Poicha - 391 350 Tal.: Savli, Dist.: Vadodara Phones : 02667-244350, 244370, 244380, Fax : 02667 - 244340	

Members are requested to direct all correspondence relating to share matters to the Company's Registered Office or to Share Transfer Agent, M/s. Link Intime India Private Limited, 308, 1st Floor, Jaldhara Complex, Opp. Manisha Society, Old Padra Road, Vadodara - 390 015.

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NOTICE

NOTICE is hereby given that the 37th Annual General Meeting of the members of the Company will be held on Tuesday, 27th April, 2010, at 4.30 p.m. at the Registered Office of the Company at ABS Towers, Old Padra Road, Vadodara - 390007, to transact the following business:

(A) ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st December, 2009, Profit and Loss Account and Cash Flow Statement for the year ended on that date and report of the Directors' and Auditors' thereon.
2. To declare dividend on ordinary shares, if any.
3. To appoint a Director in place of Mr. Andrew Pizzey, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Jal R Patel, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To consider appointment of M/s Price Waterhouse, Chartered Accountants, Mumbai, as Statutory Auditors of the Company.

(B) SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 & 310 read with Schedule XIII and other applicable provision(s) if any of the Companies Act, 1956 and in accordance with the Memorandum & Articles of Association of the Company, consent of the Members, be and is, hereby accorded to appoint Mr. R S Agrawal as a Managing Director, for a period of two years from 1st January, 2010 to 31st December, 2011 (both days inclusive) on the terms and conditions alongwith the remuneration, powers and duties to be exercised by him as approved by the Board.

The major terms and conditions are as follows :

1. The agreement hereunder shall be operative with effect from 1st January, 2010 upto 31st December, 2011.
2. Mr. R S Agrawal shall be appointed as the Managing Director and he shall serve the Company as the Managing Director of the Company, subject to the superintendence, control and direction of the Board of Directors of the Company for the period from 1st January, 2010 to 31st December, 2011 on the terms and conditions hereinafter contained.
3. The Managing Director, unless prevented by ill health, shall throughout the said term devote his attention and ability to the business of the Company and shall perform such duties and exercise such powers as shall from time to time be assigned to or vested in him by the Board of Directors and shall comply with the orders, directions and regulations from time to time of the Board of Directors of the Company and shall well and faithfully serve the Company and use his utmost endeavour to promote the interests thereof.
4. The Managing Director shall, be entrusted with substantial powers of management and shall also perform such other duties as shall be entrusted to him from time to time by the Board including the powers exercisable under the Articles of Association of the Company.
5. The Company shall, subject to the condition that taxes shall be paid by him, pay and provide to him the following remuneration :-
 - A) A basic salary of Rs. 9,00,000/- p. m.
 - B) House rent allowance of Rs. 3,00,000/- p.m.
 - C) Monetary value of perquisites at maximum: Rs. 3,00,000/- per year (being soft/hard house furnishing and utilities charges and others).
 - D) Annual Performance Bonus / Award : An amount as may be decided by the Board from time to time, which shall be at the discretion of the Board.

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In the event that during the tenure of the present agreement, the statutory restrictions contained in the Company Law / or Corporate Laws are removed or amended by the Government, the Board will be at liberty to decide such variation in terms as may be deemed necessary.

E) Other Perquisites :

- i) Contribution to Provident Fund as per the rules of the Company and the same will not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.
- ii) Two Company maintained cars for use on Company's business including the drivers' salary for both the cars, not exceeding Rs. 10,000/- per month.
- iii) Reimbursement of telephone expenses as per the rules of the Company.

6. Minimum Remuneration

In the event of absence or inadequacy of profits in any accounting year of the Company, the salary of Rs. 9,00,000/- pm., as well as statutory benefits aforesaid, shall be paid as minimum remuneration to Mr. R S Agrawal during his tenure of his office as Managing Director of the Company, subject to statutory approvals, if any, and the overall remuneration by way of salary and perquisites shall be subject to the ceilings and the conditions as set out in Section II of Part II of Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT Mr. R S Agrawal shall not be liable to retire by rotation during his tenure as Managing Director of the Company.

RESOLVED FURTHER THAT the Board may, subject to approval of the members at the general meeting and other requisite approvals, if required of the office of Registrar of Companies, increase, augment, vary and modify the remuneration payable and the benefits and amenities provided to Mr. R S Agrawal including the monetary value thereof, upto the limits prescribed in that behalf under or pursuant to the Companies Act, 1956 or any statutory amendment, modification or re-enactment thereof from time to time in force and/or the guidelines in Managerial Remuneration issued by the Government of India, Ministry of Corporate Affairs, from the date the statutory amendment, modification, re-enactment and/or the Guidelines come into force."

Regd. office :
6th floor, ABS Towers,
Old Padra Road,
Vadodara - 390 007
February 26, 2010

BY ORDER OF THE BOARD
For INEOS ABS (India) Limited

S M Vaishnav
Company Secretary & VP (Legal)

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
Proxy form should be deposited with the Company at its registered office not less than 48 hours before the commencement of the meeting. A proxy so appointed shall not have any right to speak at the meeting. A blank proxy form is enclosed.
2. An explanatory statement relating to Item No. 6 as required under Section 173(2) of the Companies Act, 1956, is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 19th April, 2010 to Friday, 23rd April, 2010, (both days inclusive).
4. Members are requested to notify immediately any change in their address, if any, to their Depository Participants (DPs) in respect of their electronic share accounts quoting Client ID No. and to Link Intime India Pvt. Limited, the Company's Registrars and Transfer Agent in respect of their physical shares, quoting Folio No.
5. Payment of dividend as recommended by the Directors, if declared at the meeting, will be made on or after 5th May, 2010, to the members whose names stand on the Company's Register of Members on 19th April, 2010 and to the Beneficial

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Owners as per the Beneficiary list at the close of business hours on Friday, 16th April, 2010, provided by the National Securities and Depository Limited and Central Depository Services (India) Limited.

6. Payment of Dividend will be made through Electronic Clearing Service (ECS) at the RBI Centres by crediting the dividend amount to the Bank of the shareholders wherever relevant information is made available to the Company. Members holding shares in physical form and covered under RBI centres, who have not furnished requisite information and who wish to avail of the ECS facility to receive dividend from the Company, may furnish the information to Link Intime India Pvt. Ltd, the Registrars and Transfer Agents. The members holding shares in electronic form may furnish the information to their Depository Participants, in order to receive dividend through ECS mechanism.
7. Pursuant to the provisions of Section 205C of the Companies Act, 1956, the amounts of dividends remaining unclaimed for a period of seven years are to be transferred to the Investors' Education and Protection Fund.

The details of dividend declared for the year 2002 onwards are given below :

Financial Year	Div Rate(%)	Last date for claiming
2002	25	2 nd May, 2010
2003	25	30 th April, 2011
Sp.Div 2004	80	24 th Feb, 2012
2004	25	12 th May, 2012
2005	25	5 th May, 2013
2006	30	4 th May, 2014
2007	30	24 th April, 2015
2008	25	29 th April, 2016

Members, whose dividend has remained unencashed / unclaimed for the above years, are requested to write to the Company for claiming of unpaid / unclaimed dividend before such unclaimed / unencashed dividend is transferred to the Investors' Education and Protection Fund at a specified date.

8. Members desirous of getting any information on Accounts or other items of Agenda are requested to forward his / her queries to the Company atleast seven working days prior to the date of Annual General Meeting so as to enable the management to keep the information ready.
9. Corporate members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
10. Members / proxies attending the meeting are requested to bring their copy of Annual Report with them at the Meeting and deliver the enclosed attendance slip at the entrance of the meeting hall.
11. Reappointment of Directors

Pursuant to the provisions of Articles of Association, Mr. Andrew Pizzey and Mr. Jal R Patel are retiring at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

The brief resumes of the directors and other information as per Clause 49 of the Listing Agreement with Stock Exchanges are provided herein below :

Name of Director	Mr. Andrew Pizzey	Mr. Jal R. patel
Age (Yrs.)	39	73
Date of Appointment	13.3.2008	29.12.2005
Experience (Yrs.)	16	49
Qualification	ICEAW	Company Secretary-ACS Chartered Accountant-ACA

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Name of Director	Mr. Andrew Pizzey	Mr. Jal R. patel
List of Public Companies in which directorship held as on 31.12.2009	INEOS ABS (India) Ltd.	INEOS ABS (India) Limited. ABC Bearings Limited. MIPCO Seamless Rings (Gujarat) Ltd. Shri Dinesh Mills Limited. Gujarat Gas Company Limited. Eimco-Elecon India Limited Munjal Auto Industries Ltd.
Committee Chairmanship / Membership held as on 31.12.2009	—	<u>Audit Committee</u> Chairman ABC Bearings Limited. Gujarat Gas Company Limited. Eimco-Elecon India Limited Member INEOS ABS (India) Ltd. MIPCO Seamless Rings (Gujarat) Ltd. <u>Shareholder's Grievance Committee</u> Chairman INEOS ABS (India) Ltd. Member Shri Dinesh Mills Limited. Gujarat Gas Company Limited. <u>Remuneration Committee</u> Member INEOS ABS (India) Ltd. Gujarat Gas Company Limited.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956, SETTING OUT THE MATERIAL FACTS RELATING TO BUSINESS UNDER ITEM NOS. 6 AS SET OUT IN THE NOTICE.

ITEM NO. 6:

The shareholders at the 33rd Annual General Meeting of the Company held on 28th April, 2006 had approved appointment of Mr. R S Agrawal as Managing Director of the Company for a period of 3 years with effect from 1st January, 2007 to 31st December, 2009. The said period of appointment expired on 31st December, 2009. In order to continue to avail of the benefit of service of Mr. R S Agrawal, the Board of Directors of the Company at their meeting held on 27th July, 2009 has reappointed him for a further period from 1st January, 2010 to 31st December, 2011 (both days inclusive) subject to the approval of the members in the general meeting on the terms and conditions set out in the notice.

The Company shall enter into an agreement with Mr. R S Agrawal detailing the terms and conditions of appointment alongwith powers, duties and remuneration payable to him as detailed in the notice. The Directors recommend the resolution as set out in item no. 6 of the notice for your approval.

The Government of India, Ministry of Corporate Affairs has in past indicated intention of reducing / removing the limits on the remuneration payable to the senior managerial personnel at the Board level. As and when the amendments / notifications are introduced, the Board would suitably reflect on the same having sought such authorizations in general. Thus in the event that during the tenure of the present agreement, if the statutory restrictions within Company Law / or Corporate Laws stands removed / reduced with Government amending the same, the Board will be at liberty to decide reflecting such variation in terms as may be deemed necessary.

None of the Directors except Mr. R S Agrawal is interested or concerned in the said resolution.

Agreement relating to appointment of Managing Director is open for inspection on any working day between 11.00 a.m. to 1.00 p.m. at the Registered Office of the Company.

This may be treated as an extract as required u/sec 302 of the Companies Act, 1956.

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DIRECTORS' REPORT

Dear Shareholders,

Your Directors take pleasure in presenting herewith their 37th report together with Audited Accounts and Auditors' Report for the year ended 31st December, 2009.

Financial Performance

The financial performance of your Company for the year ended 31st December, 2009 is indicated below :

(Rs. In '000)

Particulars	2009	2008
Sales in MTs	63,443	58,912
Sales and other operating Income	6,062,110	6,890,512
Other Income	44,473	66,881
Total Income	6,106,583	6,957,393
Gross Profit before Interest, Depreciation & Tax	894,144	417,476
Less : Interest	0	0
Less: Depreciation	144,853	146,537
Profit Before Tax	749,291	270,939
Less: Provision for Tax	300,800	102,600
Less: Provision for Deferred Tax	(41,410)	(11,200)
Net Profit After Tax	489,901	179,539
Add: Balance of Profit Brought Forward	1,175,897	1,065,794
Amount Available for Appropriation	1,665,798	1,245,333
Appropriations:		
Proposed Dividend	61,550	43,964
Tax on Proposed Dividend	10,464	7,472
Transfer to General Reserve	49,000	18,000
Balance of Profit Carried Forward	1,544,784	1,175,897
EPS (Basic)	27.86	10.21
(Diluted)	27.86	10.21

Review of operations

During the year under review, the net sales amounted to Rs. 606.21 Cr. (Prev. year Rs. 689.05 Cr.). The Operating profit of the Company after accounting relevant expenses amounts to Rs. 89.41. Cr. making an increase by 114% (Prev year Rs. 41.75 Cr.) and the net profit has increased to Rs. 48.99 Cr. (Prev. year Rs.17.95 Cr.).

The earning per share has increased to Rs. 27.86 from Rs. 10.21 last year. During the year, Company has not increased share capital which remains unchanged at Rs. 17.58 Cr.

Your Board of Directors is pleased to record Company's debt free status, for the seventh year in succession.

Throughout the year, main raw materials prices remained volatile and their availability was also uncertain. Despite the difficult market conditions, your Company could optimize price realization and maintain sales.

The Company has successfully implemented it's expansion plan by increasing the ABS plant capacity to 80,000 Mts. This shall be available during current year. In order to meet customer needs, newer grades have been added to support demands of key customers.

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The two and four wheeler automotive industry and durable goods sector off take continued to maintain robust growth, in line with the past trend. This has enabled your Company's products to be in good demand.

Your Company is confident of maintaining its market leadership and continues to show consistent performance during last number of years.

Dividend

The Directors of your Company are pleased to recommend a dividend of Rs. 3.50 per equity share i.e. 35 % for the financial year ended on December 31, 2009 subject to the shareholders' approval at the ensuing Annual General Meeting. Dividend once approved, will be paid to all those shareholders whose names appear in the Register of Members as on 19th April, 2010.

The register of members and share transfer books shall remain closed from 19th April, 2010 to 23rd April, 2010, both days inclusive, for the purpose of Annual General Meeting and payment of dividend.

Transfer to the Investor Education and Protection Fund

In terms of Section 205C of the Companies Act, 1956, the unclaimed dividend relating to the financial year ended on 31.12.2002 is due for transfer on 2nd May, 2010 to the Investor Education and Protection Fund established by the Central Government.

Contribution to the National Exchequer

A sum of Rs. 81.75 Cr. on account of central excise duty, direct and indirect taxes and state taxes was paid to the National Exchequer during the year under review.

Expansion / Modernization

Your Company invested necessary capital expenditure generated out of internal accruals to enable attain the ABS Plant capacity of 80,000 MTs. This will be fully available from Q2-2010 onwards for meeting the expanding market requirements. Our sales and marketing efforts are fully geared in retaining our market leadership and maintain the growth momentum. All attempts are made at the plants and manufacturing units to integrate marketing needs and opportunities. It is expected that implementation of new technology will enable better efficiency of the production and quality of the products, also bringing down the cost of production.

Research and Development

The R & D centre meets with market needs helping customers' improve upon the laid out standards. Continuous improvement in product and process studies have helped better controls.

INEOS ABS is geared to contribute to R & D capabilities globally and we hope to become an important hub for such related activities.

Our after sales services to customers results in customer bonding and long term relationship ensuring mutual benefits.

Risk Management

Risk management and control practices have been deployed across all the functions and functional evaluation of rating the probability and impact is constantly monitored under the guidance of the Managing Director. Very high ranking risks are deliberated at the Board level and mitigating steps and measures applied or to be applied are debated.

The objectives of the Company's risk management framework comprises the following :

- To identify, assess, prioritize and manage existing as well as new risks in a planned and coordinated manner.
- To increase the effectiveness of internal and external reporting structure.
- To develop a risk culture that encourages employees to identify risks and associated opportunities and respond to them with appropriate actions.

The Senior management team forming part of the risk managing organization conducts an exercise every quarter internally for an ongoing risk assessment and takes measures and effective steps to mitigate / reduce its impact and control the same from time to time. The Managing Director gives overall directions in controlling / mitigating risks generally and is in complete know of the organizational risks potential.

The Company has an adequate proper system to ensure compliance of legal / regulatory rules and regulations applicable to the Company.

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Health, Safety and Environmental Protection

Your Company gives highest importance to Environment and Safety and encourages and promotes safety awareness as an integral part of the work culture.

Process Safety Management- PSM is now an Integral part of any changes in the process.

Onsite emergency plans have been reviewed and updated in all divisions. Periodic mock drills are conducted at various divisions and the reports indicate improved preparedness of employees.

Apart from employees, the contractors and workmen are also given exhaustive training on safety, first-aid and fire fighting. The Company has appointed and trained safety stewards to promote safety in all divisions. Green belt in and around the premises has been maintained regularly.

Insurance

As at year end 2009, your Company's assets are adequately insured against risk from fire, riot, earthquake, terrorism, loss of profits, etc. and other risks which are considered necessary by the management.

As an additional coverage, a statutory Public Liability Insurance Policy has been taken to cover public liability arising out of industrial accidents. INEOS ABS group has covered globally through insurance cover, the Directors' and Officers' liability under the Indian Companies act to meet with any eventuality.

Directors

The Managing Director Mr. R S Agrawal, whose term expired on 31st December, 2009. The Board of Directors at the meeting held on 27th July, 2009 had considered reappointing Mr. Agrawal as Managing Director for a further term of 2 years i.e. from 1.1.2010 to 31.12.2011. The remuneration and terms were considered by specially constituted Remuneration Committee and reappointment terms recommended by the Audit Committee. A separate agenda item in the notice is being considered detailing the reappointment terms, remuneration and powers delegated for the consideration of the members at the ensuing AGM.

Mr. Jal Patel and Mr. Andrew Pizzey, who are present Director/s, are to retire at the ensuing AGM. Both of them are retiring by rotation and being eligible, have offered themselves for reappointment. The Board recommends their appointment/s.

Mr. Arindam Ghosh has resigned from Alternate Directorship of Mr. Andrew Pizzey effective from 26th February, 2010.

Your Directors hereby confirm the compliance of conditions necessary for appointing Independent Director/s under Clause 49, amended till date, of the Corporate Governance Code prescribed under the Listing Agreement.

Auditors and their report

Comments of the Auditors in their report and the notes forming part of the Accounts are self explanatory and need no comments.

M/s. Price Waterhouse, Chartered Accountants, Mumbai, Statutory Auditors' of the Company will retire at the conclusion of ensuing Annual General Meeting and being eligible offers themselves for reappointment. The Company has received a certificate from the auditors to the effect that their re-appointment, if any, would be in accordance with the provisions of Section 224(1B) of the Companies, Act, 1956. The Directors recommend the re-appointment of M/s. Price Waterhouse, Chartered Accountants, Mumbai.

Consumption of energy, technology absorption and foreign exchange earnings and outgo

A statement giving details of the conservation of energy, technology absorption, and foreign exchange earnings and outgo, in accordance with 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, is annexed hereto and forms part of this report.

Quality Systems and ISO certification

During the year the Company continues to observe all pre-requisites in maintaining the quality systems and standards and ISO audit methods as required under the guidelines in this regard. Quality and Environmental Management Systems for ISO certified by DQS, Germany. During the year System Assessment for ISO 9001:2008 & ISO 14001:2004 were also successfully completed.

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Corporate Governance

Your Company has implemented clause 49 of Listing Agreement, popularly known as 'Corporate Governance', within the stipulated timeframe and has taken effective steps to meet with its compliance standards. It takes a proactive approach and revisits its governance practices from time to time so as to fulfill business and regulatory needs.

The Company has implemented all of the major stipulations as applicable to the Company.

The Statutory Auditor's Certificate in accordance with Clause 49 of the Listing Agreement and report on Corporate Governance is annexed to and forming part of the Director's Report.

Mr. R S Agrawal, Managing Director and Mr. D J Shah, Chief Financial Officer have given a certificate to the Board as contemplated in sub-clause V of clause 49 of the Listing Agreement.

The Company has made written requests to the stock exchange/s in relation to pending compliance under Clause 40A of the Listing Agreement.

Management Discussion and Analysis

A Management Discussion and Analysis Report for the year 2009 as required under Clause 49 of the Listing Agreement is annexed and forming part of the Directors Report.

Human Resource and Industrial Relations

The human resource development function of the Company is guided by a spirit of corporate team building and dedication towards strengthening the Company's systems thereby improving efficiencies and registering growth. All personnel continue to have a healthy, cordial and harmonious approach in problem solving and enhancing Company value at all levels. Despite severe economic trials, the enthusiasm and unstinting efforts of the employees has enabled the Company to maintain leadership in its business areas.

Particulars of Employees

Particulars of employees, as required under Sec 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, form part of this Report.

Directors' Responsibility Statement Pursuant to Section 217(2AA)

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors based on the representation received from the operating management, confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) they 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 on 31st December, 2009 and of the profit of the Company for the year ended on that date;
- iii) they 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;
- iv) they have prepared the annual accounts on a going concern basis.

Acknowledgements

Your Board of Directors thank all the stakeholders - the shareholders, customers, dealers, suppliers, bankers, and all the other business associates for the continuous support given by them to the Company and their confidence in its management.

For and on behalf of the Board

Vadodara
February 26, 2010

Dr. Gerhard Franken
Chairman