

# **SURYACHAKRA POWER CORPORATION LIMITED**



**18<sup>TH</sup>  
ANNUAL REPORT  
2012-2013**



**Board of Directors** : Mr. P. K. Bhattacharjee  
Mr. V. S. Murthy  
Mr. K. Vijay Kumar  
Mr. A. Ramesh Kumar  
Mr. K. Satyanarayana (upto 15.10.2012)  
Mrs. B.N. Raja Kumari  
Mr. P.V. Subba Rao (wef. 14.11.2012)  
Mr. Mahesh Chand (upto 12.08.2013)  
Dr. S. M. Manepalli, Managing Director

**Company Secretary** : Mr. P. Satish Chandra Mouli

**Audit Committee** : Mr. P. K. Bhattacharjee  
Mr. K. Vijay Kumar  
Mr. V. S. Murthy  
Mrs. B.N. Raja Kumari  
Mr. P.V. Subba Rao

**Statutory Auditors** : M/s. M Bhaskara Rao & Co  
Chartered Accounts  
6-3-652, 5th Floor,  
Kautilya, Somajiguda,  
Hyderabad-5000 82

**Bankers** : State Bank of India

**Regd. Office** : Suryachakra House, Plot No.304-L-III,  
Road No.78, Jubilee Hills,  
Hyderabad -500 096.

**Plant** : Bamboo flat, Near Fire Brigade,  
South Andaman,  
Port Blair - 744 107.



## NOTICE

Notice is hereby given that the 18<sup>th</sup> Annual General Meeting of the Members of Suryachakra Power Corporation Limited will be held on **Monday, the 30<sup>th</sup> day of September, 2013 at 10.00 A.M** at ADDA Function Hall, IV Floor, Padmavathi Plaza, Bhagyanagar Colony, Opp. KPHB, Kukatpally, Hyderabad – 500 072 to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2013 and the Profit and Loss account for the period ended as on that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. V.S. Murthy, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. K. Vijay Kumar, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Statutory Auditors and to fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

**“RESOLVED THAT** M/s. M. Bhaskara Rao & Co., Chartered Accountants, Hyderabad, (bearing firm Regn No.000459S) be and are hereby appointed as Statutory Auditors of the Company and to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as shall be fixed by the Board of Directors of the Company.”

### **SPECIAL BUSINESS:**

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

**Alteration of other objects clause (C) of the Memorandum of Association of the company by inserting new clause 12 after the existing clause 11:**

**“RESOLVED THAT** pursuant to the provisions of Section 17 and all other applicable provisions, if any, of the Companies Act, 1956, the other objects clause of the Memorandum of Association of the Company be altered by inserting the following new sub-clause 12 immediately after the existing sub-clause 11 under Clause III (C) of the MOA:

To carry on the business of manufacturing and trading of Biomass pellets like Bio coal, Briquettes, Fly ash bricks, Biofuels, bamboo, khajuria and other similar botanical plants including Napier grass to revive renewable energy business as backward integration for the renewable energy i.e., cultivation of Napier grass and other species and such other related products.”

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

**Appointment of Mr. P.V. Subba Rao, Additional Director, as Director (Independent Director)**

**“RESOLVED THAT** Mr. P.V. Subba Rao, who was appointed as an Additional Director of the company under Section 260 of the Companies Act, 1956 read with Article No. 169 of the Articles of Association of the company and who holds office till commencement of this Annual General Meeting and in respect of whom the company has received a notice from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation.”

7. **To Consider and if thought fit to pass with or without modification the following resolution as a Special Resolution:**

**Appointment and remuneration payable to Mr. K. Vijay Kumar, Executive Director:**

**“RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals/consents as may be required, the approval and consent of the Company be and is hereby accorded to the appointment of Mr. K. Vijay Kumar, as Executive Director, for a period of three years with effect from 12<sup>th</sup> August, 2013 on the remuneration and other allowances as mentioned below:



**Salary:** Salary is Rs.99,000/- per month plus Conveyance of Rs.15,000/- per month with effect from 12<sup>th</sup> August, 2013 subject to such annual increments as may be decided by Board from time to time over a period of three years, during the existence of this period of contract.”

**“RESOLVED FURTHER THAT** the remuneration aforesaid including other allowances shall be allowed and paid to Mr. K. Vijay Kumar, Executive Director, as minimum remuneration during the currency of his tenure, in the event of loss or inadequacy of profits in any financial year for a period not exceeding three years.”

**8. Appointment and remuneration payable to Mrs. B.N. Raja Kumari, Executive Director:**

**To Consider and if thought fit to pass with or without modification the following resolution as a Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals/consents as may be required, the approval and consent of the Company be and is hereby accorded to the appointment of Mrs. B.N. Raja Kumari, as Executive Director, for a period of three years with effect from 12<sup>th</sup> August, 2013 on the remuneration and other allowances as mentioned below:

**Salary:**Rs.40,859/- per month including perquisites and other allowances with effect from 12<sup>th</sup> August, 2013 subject to such annual increments as may be decided by Board from time to time over a period of three years, during the existence of this period of contract.”

**“RESOLVED FURTHER THAT** the remuneration aforesaid including perquisites and other allowances shall be allowed and paid to Mrs. B.N. Raja Kumari, Executive Director, as minimum remuneration during the currency of her tenure, in the event of loss or inadequacy of profits in any financial year for a period not exceeding three years.”

By Order of the Board of Directors  
For SURYACHAKRA POWER CORPORATION LIMITED

Sd/-  
P. SATISH CHANDRA MOULI  
COMPANY SECRETARY

Place: Hyderabad  
Date: 12.08.2013

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The proxy form(s) in order to be effective must be received by the company at the registered office of the Company not less than 48 hours before the commencement of the meeting.

2. Explanatory statement pursuant to section 173(2) of the Companies Act, 1956, relating to the special business to be transacted at the meeting is annexed hereto.
3. Brief Particulars of the Directors seeking re-appointment at this Annual General Meeting are annexed to the notice.
4. The Register of Members and Share Transfer Books of the Company will remain closed from **27.09.2013 to 30.09.2013**(both days inclusive).
5. Members holding shares in physical form are requested to intimate any change in their address quoting their registered folio number to the Registrars and Share Transfer Agents namely M/s. Karvy Computershare Private Limited, Plot No.17 to 24, Vittalrao Nagar, Madhapur, Hyderabad - 500 081. Ph. No.040 44655181.
6. Members holding shares in electronic form are requested to intimate any change in their address to the depository participant (DP) with whom the demat account is maintained.
7. Members are requested to bring admission slip duly filled in along with a copy of Annual Report to the Meeting.
8. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
9. **Important Communication to Members:** The Ministry of Corporate Affairs has introduced a "Green Initiative in the Corporate Governance" vide its various circulars issued till date allowing the companies to service the notice / documents including Annual Report by way of e-mail to its members. This initiative is a step towards protection of environment and enabling faster communication with the members.

Accordingly, the Company has proposed to serve all the documents to the e-mail addresses of the members. The members are requested to support this green initiative of the Government by registering / updating their e-mail addresses with their concerned Depository Participants (DP) to get the Annual Report and other documents on such e-mail address. Members holding shares in physical form are also requested to intimate their e-mail address to the Company either by e-mail at [suryachakra.power@gmail.com](mailto:suryachakra.power@gmail.com) or by sending a communication to the Registered Office of the Company. If any member is interested to receive such document in physical form, a communication in this regard may be made to the Company.

10. Annual Report of the company has been uploaded on website of the company [www.suryachakra.in](http://www.suryachakra.in)

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956****ITEM NO.2****Mr. V.S. Murthy**

Mr. V.S. Murthy is a graduate in Engineering and having vast experience in Electrical and Power projects. He started his career with Heavy Electrical Corporation (HEC), Ranchi and worked for a period of 26 years. He also worked in ITC Bhadrachalam Paper Board over a period of 10 years and held various positions. He has expertise in the field of Erection, Operation and Maintenance of Transformers, Power Cables, Distribution network etc. He is on the Board of the Company since August 29, 2009.

**ITEM NO. 3****Mr. K. Vijay Kumar**

Mr. K. Vijay Kumar is an Engineering Graduate with 43 years of Experience in various Engineering and Power Projects. Earlier he worked as Chief Engineer/Superintendent Engineer in Andhra Pradesh State Electricity Board for a period of more than 30 years in various capacities looking after the power generating stations of AP GENCO. He Joined the Company as General Manager (Technical)w.e.f 27<sup>th</sup> April, 2005 and is elevated to the position of Executive Director



recognizing his meritorious services rendered to the organization. As per Articles he retires by rotation and is eligible for re-appointment. None of the Directors except Mr. K. Vijay Kumar is interested or concerned in the resolution. (Also refer item No.7)

#### **ITEM NO. 5**

##### **ALTERATION OF OTHER OBJECTS CLAUSE IN MOA**

It is proposed to diversify the activities of the company with the experience gained and the knowhow acquired from other various companies of power generation over the years. At present your company is carrying out the business of generation of power through diesel. In order to enhance the production of power through other sources, the company identified Bio-mass as an alternate source of energy. In pursuit of this objective it is now proposed to enhance the other sources for constant supply of raw material required for Bio-mass plants and renewable energy plants and decided to venture in to the business of manufacturing and trading of biomass pellets such as Bio coal, Briquettes, Fly ash bricks, Biofuels, Bamboo, Khajuria and other botanical plants as well as to revive renewable business energy plantation as backward integration for the renewable energy i.e., by cultivation of Napier grass and other botanical species including such other related products which would reduce the shortage of raw material and the cost of production for bio-mass power plants. Hence this resolution for insertion of new sub clause in Memorandum of Association.

Accordingly, it has been found desirable that, the other objects clause of the Memorandum of Association of the company be amended suitably as cited supra so as to include the other objects therein, with the approval of shareholders by passing a Special Resolution. Further, pursuant to Section 149(2A) of the Act, prior approval of shareholders is required for commencement of any business covered under Other Objects Clause of the Memorandum of Association by passing a Special Resolution.

The Board recommends the Special Resolution for members' approval. None of the directors is interested in the above resolution.

#### **ITEM NO.6**

##### **Mr. P.V. SubbaRao**

Mr. P.V. SubbaRao is a Post Graduate in Arts and also holding a degree in Law, besides holding a PG (Dip.) in Public Administration and Management and also a PG (Dip.) in Personnel Management. He has about 30 years of experience in Personnel & Administration in various reputed corporate entities.

The Company received a notice in writing from a member along with a deposit of Rs.500/- proposing the candidature of Mr. P.V. Subba Rao for the office of the Director of the company under section 257 of the Companies Act, 1956. Mr. P.V. SubbaRao is not disqualified from being appointed as Director under section 274(1)(g) of the Companies Act, 1956 and has complied with the provisions of section 266A of the Companies Act, 1956.

The Board, accordingly, recommends the Resolution for approval of the members of the Company. None of the Directors except Mr. P.V. Subba Rao is interested or concerned in the resolution.

#### **ITEM NO.7**

Mr. K. Vijay Kumar is an Engineering Graduate with 43 years of Experience in various Engineering and Power Projects. Earlier he worked as Chief Engineer/Superintendent Engineer in Andhra Pradesh State Electricity Board for a period of more than 30 years in various capacities looking after the power generating stations of AP GENCO. He Joined the Company as General Manager (Technical) w.e.f 27<sup>th</sup> April, 2005 and is elevated to the position of Executive Director recognizing his meritorious services rendered to the organization. As per Articles he retires by rotation and is eligible for re-appointment. None of the Directors except Mr. K. Vijay Kumar is interested or concerned in the resolution.

The Board, on the recommendations of the Remuneration Committee at its meeting held on 3<sup>rd</sup> August, 2013, considered and approved the appointment and the remuneration payable to the Executive Director in appreciation of his contribution, for a period of 3 years w.e.f from 12<sup>th</sup> August, 2013 as set out in the Resolution, subject to approval of members at the ensuing Annual General Meeting of the company.

The resolution as set out at Item No.7 together with this Explanatory Statement constitute the abstract of terms of the appointment and remuneration payable to the Executive Director and Memorandum of Interest of Mr. K. Vijay Kumar under Section 302 of the Companies Act, 1956.



The Board accordingly recommends the Special Resolution for members' approval. None of the Directors except Mr. K.Vijay Kumar is interested in the above resolution.

**ITEM NO.8**

Mrs. B.N. Raja Kumari is a Post Graduate in Economics with 17 years of experience in Finance and Administration. She is on the Board of the Company representing the employees of the company. Her meticulous work and performance has won the laurels of management and Employees and is elevated to the level of an Executive Director.

The Board, on the recommendations of the Remuneration Committee at its meeting held on 3<sup>rd</sup> August, 2013, considered and approved the remuneration payable to the Executive Director in appreciation of herservices,for a period of 3 years w.e.f from 12<sup>th</sup> August, 2013 as set out in the Resolution, subject to the approval of members at the ensuing Annual General Meeting of the company.

The resolution as set out at Item No.8 together with Explanatory Statement constitute the abstract of terms of the appointment and remuneration payable to the Executive Director and Memorandum of Interest of Mrs. B.N. Raja Kumari underSection 302 of the Companies Act, 1956.

The Board recommends the Special Resolution for members' approval. None of the Directors except Mrs. B.N. Raja Kumari is interested in the above resolution.

By Order of the Board of Directors  
For SURYACHAKRA POWER CORPORATION LIMITED

Sd/-  
P. SATISH CHANDRA MOULI  
COMPANY SECRETARY

Place: Hyderabad  
Date: 12.08.2013



## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 18<sup>th</sup> Annual Report of the Company together with the Audited Accounts for the 9 Months period ended March 31, 2013.

### **FINANCIAL PERFORMANCE:**

(Rs. in millions)

Particulars	9 months Period ended 31.03.2013	15 months period ended 30.06.2012
Income from sale of power	1011.56	1838.41
Other Income	0.00	0.09
	<b>1011.56</b>	<b>1838.50</b>
Profit before interest and depreciation	35.69	43.52
Interest and Finance Charges	78.06	150.12
Depreciation	50.80	84.13
Profit after interest, but before exceptional items	(93.17)	(190.73)
Exceptional Items (net)	--	--
Profit before Tax	(93.17)	(190.73)
Current Tax	--	--
Mat credit entitlement	--	--
Profit after Tax	(93.17)	(190.73)
Profit / (Loss) from continuing operations	(93.17)	(190.73)
Profit / (Loss) from discontinuing operations	--	(36.58)
Profit / (Loss) for the year.	(93.17)	(227.32)

### **REVIEW OF OPERATIONS:**

During the period under review, your Company achieved a gross turnover of Rs.1011.56 millions as against Rs.1838.50 millions of the previous year. The turnover for the current year (9 months period) was lower than the previous year (15 months period) as the company sustained losses due to non-operation of one of the gen-set and also non-operation of most of the subsidiaries with the exception of one unit viz: SAAIL, Khajuri, Baloda Bazar, Raipur, Chhattisgarh. The operating net loss for the current period was Rs. (-)93.17millions as against the net loss of Rs. (-) 227.32 millions of the previous year.

The Company's 20 MW plant at Bamboo flat, Port Blair has achieved the required availability during the year 2012-13 at 69.25% as against the benchmark of 68.49%for getting full fixed charges.

Management Discussion and Analysis report for the year under review, as stipulated in Clause 49 of the Listing Agreement entered with Bombay Stock Exchange Ltd, forms part of this Annual Report. The Board of Directors review the progress of the Company from time to time and guide the Company towards its corporate goals.

### **JOINT ELECTRICITY REGULATORY COMMISSION (JERC) PETITION:**

During the year under review the Company has filed a Petition bearing No.89/2012 before JERC, Gurgaon making Superintending Engineer / Electricity Department and Chief Secretary / A&N Administration are Respondents to the said petition on 27.11.2012.

JERC heard the Petition from both the Parties at length to fix the actual completed capital cost of the project and the tariff under regulation 3(2A), 3(4), 12 and 36 of the JERC read with appropriate sections of the Electricity Act, 2003 and directed both the parties to submit compliance Report by 18.02.2013. The commission after hearing both the parties at length over a period of 6 months observed during various hearings and opined that the company should be in a position to revamp its entire operational performance once the revised tariff and the arrears of the amount of the PPA of about Rs.100 to Rs.110 Crores are received form the A&N Administration. This would immensely help the company to reduce the debt and can restructure all the units for higher performance of SPCL as well as subsidiary Companies.





As such JERC while disposing the Petition vide its Order dated July 03, 2013 has passed orders in favour of the Company with directions to the Respondents (A&N Administration) fixing the Project Cost of SPCL at Rs. 78.2965 Crores and certain other issues like waiver of liquidated damages and payment of interest on delayed payment etc. The Hon'ble Commission has also directed both the parties for complying its order dated 03.07.2013 and to submit the compliance report in this regard to the Commission within a fortnight. However, in order to get certain issues of the Petition which were not fully recommended by the Commission, the Company has filed an Appeal in the Appellate Tribunal for Electricity (APTEL) on 09.08.2013. The A&N administration has also filed a Review Petition on 02.08.2013 with JERC against the Commission's order dated 03.07.2013. The same are yet to come up for hearing before APTEL.

#### **DIVIDEND:**

During the year under review, your Directors are unable to recommend any dividend on the Equity Capital of the Company due to losses.

#### **SUBSIDIARY COMPANIES:**

During the period under review, the performance of the subsidiaries viz., Suryachakra Global Enviro Power Limited, South Asian Agro Industries Limited, M.S.M. Energy Limited and Sri Panchajanya Power Private Limited, biomass based power plants located at Chhattisgarh and Maharashtra have not been functioning on account of non-availability of raw material at reasonable prices. The management has been striving hard to try alternatives like Napier grass and tie up with Farmers' Growers Associations in respective areas to ensure continuous feed supply is put in place and improve the performance of all the plants in near future.

#### **Suryachakra Global Enviro Power Limited (SGEPL):**

As per the understanding between the Company and Indiabulls during the year 2011-12, Indiabulls were to restructure the loan and to provide additional funds for the working capital. Indiabulls agreed to sanction additional finance with a condition that the operations of the plant will be controlled jointly by them (Indiabulls) and the company. Further, the Bank account opened at Axis Bank, Raipur was operated solely by the officials of India bulls. Accordingly Indiabulls sanctioned a term loan of Rs.50.00 Crores on 30.03.2012 which was utilized after the adjustment of the original loan of Rs.35.00 Crores along with interest which amounted to Rs.40.43 Crores and balance loan amount instead of making available to operations of the plant as per the understanding, was utilized for servicing the interest from April 2012 to December 2012 and part of the amount was adjusted towards the interest in South Asian Agro Industries Limited (SAAIL). The matter has been pending with Indiabulls and company's operations are yet to restart once again on further negotiations with them.

#### **South Asian Agro Industries Limited (SAAIL):**

As per the understanding between the company and Indiabulls during the year 2011-12, Indiabulls were to restructure the loan and to provide additional funds for the working capital. Accordingly, Indiabulls sanctioned a loan amount of Rs.50 crores, out of which the existing loan of Rs.35 crores along with interest amounting to Rs.41.48 crores was adjusted. The plant was under joint control with Indiabulls and the company. The Bank Account with Axis Bank, Raipur was operated solely by the officials of Indiabulls. The Plant was in operation since April/May 2012. Contrary to the understanding, Indiabulls has not provided timely working capital resulting in non-availability of Raw material on a continuous basis. The operations were closed during April 2013. The company during the current FY has exported 1,81,54,200 units amounting about Rs.9.30 crores.

The receipts from CSPDCL were not completely utilized for recycling towards working capital as part of it was utilized for payment of interest. Similarly the additional funds which were meant for working capital were utilized to service the interest and a small portion was used towards working of the plant. The interest on the loan was serviced from April 2012 to December 2012. Due to delay in payment to raw material suppliers and O & M, the production was not up to the mark.

Indiabulls as a strategy filed the following cases against SGEPL, SAAIL and its Directors

1. Demand Notice u/s.13 (2) of SARFAESI Act, 2002 to SGEPL & SAAIL was issued. Reply to the notice was sent suitably.
2. Filed petition in High Court of Delhi u/s.9 of Arbitration and Conciliation Act, 1996 against SGEPL restraining from creating any third party interest in the Power Project and further receivables related to the power project will be deposited with the court along with a complete statement of account and obtained an ex-parte interim order. The case is posted for 11.10.2013. The matter has been under active consideration of our legal counsel.



3. Filed cases u/s.138 of N.I. Act and with Economic Offenses Wing (EOW), Gurgaon against SGEPL, SAAIL, SPPPL and its Directors. Reply to the notice received from the Inspector, EOW, Gurgaon was submitted through proper channel.

A letter was sent addressing the Chairman, India bulls Group requesting for his intervention in resolving the issues.

#### **MSM Energy Limited**

During the period under review there was no change in the status of the plants located at Parbhani and Amaravathi. A proposal evincing interest to take over the Amaravathi plants was received from M/s Virtuous Energies Private Ltd (Promoter- Mr. Bharat Chowdary).The information sought by them was furnished suitably.

Out of the three consortium Banks i.e. SBI and SBH, have issued a demand notice u/s. 13(2) of SARFAESI Act for recovery of their share of dues, whereas IDBI Bank has issued a recall notice for payment of their dues.

#### **Sri Panchajanya Power Private Limited**

During the year under review the company received a notice from Syndicate Bank u/s. 13(2) of SARFAESI Act and they took action u/s. 13(4) of SARFAESI Act, 2002. The company filed a petition with Debt Recovery Tribunal (DRT) and the matter is posted for hearing on 03.09.2013.

The company has been negotiating through Financial Consultants, Mumbai for one time settlement (OTS) and also to arrange the funds to meet the said commitment through ARCIL and Reliance ARC.

#### **Consolidated Financial Statements:**

The Consolidated Accounts presented by the Company for the period 2012-13 include the financials of its subsidiary companies. In accordance with the General Circular issued by the Ministry of Corporate Affairs, Govt. of India dated 8th February 2011, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not attached to the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary Companies to any member of the Company or its subsidiaries, upon receiving a request for the same. Further, the Annual Accounts of the subsidiary companies including the consolidated annual accounts of the Company will be kept open for inspection at the Registered Office of the Company and that of the subsidiaries, during the office hours. A summary of financial information of the subsidiary companies is provided in the Annual Report of the Company.

#### **FIXED DEPOSITS:**

Your Company has neither accepted nor renewed any deposits from the shareholders / public under Section 58A of the Companies Act, 1956, during the year under review.

#### **INSURANCE:**

The properties of the Company including its buildings, plant and machinery and stocks have been adequately insured as required.

#### **CORPORATE GOVERNANCE:**

A report on Corporate Governance, Management Discussion and Analysis along with additional information for shareholders as prescribed under Listing Agreement with the Stock Exchange, Mumbai are annexed as a part of this report along with Practicing Company Secretary's Certificate confirming the compliance of Corporate Governance. As per SEBI requirement, Secretarial audit is carried out at regular intervals. The findings of the audit have been found to be satisfactory.

#### **DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

- i] in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures;
- ii] the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- iii] the Directors have ensured that proper and sufficient care is taken in the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv] the Annual Accounts are prepared on a going concern basis.