



**TODAYS WRITING INSTRUMENTS LIMITED**

**20th ANNUAL REPORT**

**2011-2012**

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# COMPANY INFORMATION

<b>BOARD OF DIRECTORS</b>	: Mr. Rajesh Kumar Drolia	: Chairman
	Mr. Ronald Netto	: Managing Director
	Mr. Rahul Gupta	: Independent Director
	Mr. Shreedhar M Parande	: Independent Director
	Mr. Sunil Agarwal	: Whole Time Director ( Resigned w.e.f. 14.06.2011)
<b>BANKERS</b>	: State Bank of India	
	Bank of India	
	HSBC Limited	
	ICICI Bank Limited	
	Axis Bank Limited	
<b>AUDITORS</b>	: M/s. Ajay Shobha & Co.	
	Chartered Accountants	
<b>LOCATIONS :-</b>		
<b>REGISTERED OFFICE</b>	: Survey No. 251/2, Valsad Falia,	
	Near Jain Temple, Dadra,	
	Dadra & Nagar Haveli, (U.T.) - 396193, India	
	Tel No. : 0260-2668574 / 2668538	
	Fax No. : 0260-2668536	
	Email : secretarial@todays-pens.com	
<b>ADMINISTRATIVE OFFICE</b>	: 201, Hari Om Chambers, B-16, New Link Road,	
	Andheri (W), Mumbai - 400 053	
	Tel No. : 022-66954900/66060800	
	Fax No. : 022-66954910	
	Email: todays@todays-pens.com	
<b>WORKS</b>	: Survey No. 251/2, Valsad Falia,	
	Near Jain Temple, Dadra,	
	Dadra & Nagar Haveli, (U.T.) - 396193, India	
<b>REGISTRAR &amp; TRANSFER AGENT</b>	: SATELLITE CORPORATE SERVICES PVT. LTD.	
	B-302, Sony Apartment,	
	3rd Floor, Opp, St. Jude High School,	
	Andheri-Kurla Road,	
	Sakinaka, Jarimari, Mumbai - 400 072.	
	Tel No. : 022-28520461 / 28520462	
	Fax No. : 022-28511809	
	Email : service@satellitecorporate.com	

# NOTICE

**NOTICE** is hereby given that the Twentieth **Annual General Meeting** of the members of **TODAYS WRITING INSTRUMENTS LIMITED** will be held at the Registered Office of the Company at Survey No. 251/2, Valsad Falia, Near Jain Temple, Dadra - 396 193, D. & N. H. (UT) on 30<sup>th</sup> November, 2012, Friday at 10.00 a.m. to transact the following business :

## **ORDINARY BUSINESS :**

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2012 and the Profit & Loss Account for the year ended on that date together with the report of Directors' and Auditors' thereon.
2. To appoint a director in place of Mr. Shreedhar M Parande , who retires by rotation, and being eligible offers him self for re-appointment.
3. To appoint M/s. Ajay Shobha & Co., Chartered Accountants (Registration No. 317031E) as Statutory Auditors of the Company, 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.

## **SPECIAL BUSINESS :**

4. To consider and if thought fit, to pass with or without modification (s) the following resolution as a special resolution  
“RESOLVED THAT pursuant to provision of Section 198, 269, 309, and all other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the Act (including any statutory modifications or re-enactment thereof, for the time being in force), and all guidelines and clarifications, for managerial remuneration issued by the Central Government from time to time and subject to the approval of Central Government, if applicable and also subject to such other approvals as may be necessary and in furtherance to and in partial modification to the Ordinary Resolution No. 4, passed by the Members of the Company at the 17<sup>th</sup> Annual General Meeting of the Company held on 29<sup>th</sup> September, 2009, in respect of remuneration to Mr. Ronald Netto, Managing Director of the Company, for a period of 5 years w.e.f. 30<sup>th</sup> March, 2009 upto 29<sup>th</sup> March, 2014, the consent of the members be and is hereby accorded to the payment of remuneration as mentioned in the Explanatory Statement attached hereto to Mr. Ronald Netto, Managing Director of the Company, for the period w.e.f. 1<sup>st</sup> April 2012 to 29<sup>th</sup> March, 2014 and more particularly set out in the Explanatory statement, which is hereby specifically approved with authority to the Board of Directors (which term shall be deemed to include any committee thereof for the time being and from time to time, to which all or any of the powers hereby conferred on the Board by this resolution may have been delegated) to alter and/or vary the terms and conditions of the said remuneration including perquisites payable from time to time as they deem fit, in such manner, as may be agreed upon by the Board of Directors and Mr. Ronald Netto, within the limits prescribed under Schedule XIII to the Act or any statutory amendment(s) and/or modification(s) thereto issue from time to time and if necessary, as may be permitted by the Central Government.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be hereby authorized to apply on behalf of the Company to the Central Government, if required, for taking its approval for payment of remuneration to Mr. Ronald Netto as mentioned in the explanatory statement attached hereto and to do all such acts, deeds, things and matters as may be necessary and expedient to give effect to this resolution including execution of necessary documents/ agreements/ applications on behalf of the Company.

**For and on behalf of the Board of Directors**

**Sd/-**  
**Rajesh Kumar Drolia**  
**Chairman**

## **Regd. Office :**

Survey No.251/2, Valsad Falia, Near Jain Temple,  
Dadra, Dadra & Nagar Haveli, (U.T.)-396 193

**Date: 19/10/2012**

## **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, AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER TO BE VALID , PROXY FORM MUST BE LODGED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The register of members and the share transfer books of the Company will remain closed from 23<sup>rd</sup> November, 2012 to 30<sup>th</sup> November , 2012 (both days inclusive).
3. As per provision of the Section 205A read with Section 205C of the Companies Act, 1956 the Company is required to transfer unpaid dividends remaining unclaimed and unpaid for a period of 7 years from the due date(s) to the Investor Education and Protection Fund (IEPF) set up by the Central Government. Accordingly the unclaimed dividends up to financial year 2003-2004 have been transferred to the said fund. Unclaimed dividend for the year 2004-2005 is due for

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transfer to IEPF on or before November 03, 2012. Those members who have not encashed their dividend warrants(s) for the said year are requested to revalidate the same by sending it to the Company or M/s. Satellite Corporate Services Pvt. Ltd. It may be noted that once the unclaimed dividend is transferred to the IEPF as above, no claim shall lie against the IEPF or the Company in respect of any amounts which were unclaimed/unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.

4. Members are requested to bring their attendance slip along with their copy of the Annual Report as copies of the report will not be distributed at the meeting.
5. Members desirous of asking any questions at the Annual General Meeting are requested to send in their questions so as to reach the Company at least 10 days before the Annual General Meeting to facilitate suitable reply.
6. Members/Proxies are requested to produce the Attendance Slip at the entrance of the Hall.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Members holding shares in dematerialized mode are requested to intimate immediately any change in their address, bank accounts details, nomination, email address to the Depository Participants with whom they are maintaining the demat accounts. Members holding shares in physical form are requested to advise any change in their address immediately to Registrars and Transfer Agent, M/s Satellite Corporate Services Pvt Ltd.
9. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dtd. 21st April , 2011 and 29th April, 2011 respectively) has undertaken a 'Green Initiative in Corporate Governance' and allowed the Companies to share documents with its Members through electronic mode. Members are requested to support this Green Initiative by registering / updating their e-mail ids for receiving electronic documents from the Company.
10. As required under Clause 49 (IV) of the Listing Agreement the details of the appointment of new Director or re-appointment of a Director.

Sr.No	Name	Age	Education Qualification	Experience	Other Directorship and Members of Committee	No. Of Shares held as on 31/03/2012
1	Mr. Shreedhar Parande	75	B.SC/M.SC/LLB, LLM.CAIB,AIB. (London),Diploma in German Language, certificate in French Language	Mr Shreedhar Parande is a B.S.C gold Medalist along with other high profile qualifications. While working with SBI he was responsible for setting up of first 100% inter national business banking branch in India. Worked with many other reputed corporate/Companies and was instrumental in their diversification and growth. He was responsible for setting up first mutual fund in the country and launched offshore funds of over us \$ 250 million in collaboration with Morgan Stanley's. Associated with three majors group such as Hinduja's, Mittal's and Mafatlals.	1. Khandwala Securities Ltd. 2. KPM Asset Alliance Private Limited 3. Shakti Press Ltd. 4. Anand Finance Strategic Advisors Pvt Ltd 5. Accentia Technologies Ltd. 6. Au Management Consultants Pvt Ltd 7. Enkorr Energys Limited	Nil

For and on behalf of the Board of Directors

Sd/-  
Rajesh Kumar Drolia  
Chairman

Regd. Office :  
Survey No.251/2, Valsad Falia, Near Jain Temple,  
Dadra, Dadra & Nagar Haveli, (U.T.)-396 193  
Date: 19/10/2012

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## ANNEXURE TO NOTICE

### EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

#### Itemno.4

At the 17th Annual General Meeting of the Company held on 29th September, 2009 and vide Ordinary Resolution passed by the Shareholders, Mr. Ronald Netto has been appointed as Managing Director of the Company for a period of 5 years w.e.f. March 30, 2008 to 29th March, 2014, at a total monthly remuneration up to a maximum of ₹ 2,00,000/- per month.

In terms of provisions of Section - II of Part - II of Schedule - XIII of the Companies Act, 1956, it is necessary to modify the said Ordinary Resolution passed at the 17th Annual General Meeting of the Company held on 29th September, 2009, in respect of payment of remuneration to Mr. Ronald Netto, as under, for the period w.e.f. 1st April, 2012 to 29th March, 2014 by obtaining approval of Members of the Company by way of a Special Resolution, which is duly approved by the Board of Directors at their meetings held on 31st August, 2012, subject to approval of Central Government, if applicable :-

#### Remuneration :-

Salary, perquisite and Allowances: - up to Maximum of ₹ 1,40,000/- per month

Mr. Ronald Netto shall also be eligible for the perquisite specified under para 2 of section 2 of part II of schedule XIII to the Companies Act, 1956 not exceeding the limits specified therein or such other perquisites as may be prescribed by the Central Government from time to time.

All other terms and conditions as mentioned in the explanatory statement to the notice of Annual general meeting held on 29/09/2009 relating to the appointment, powers, duties, termination of the contract etc. of Managing Director as approved earlier by the Shareholders shall remain unchanged.

A Statement as per requirement of Schedule XIII is given to the Shareholders containing following informations of the Company and Mr. Ronald Netto :-

#### I. GENERAL INFORMATION:

- 1) Nature of Industry:  
The Company is into Manufacturing of all kind of Writing Instruments and stationery Products.
- 2) Date of Incorporation of Company:  
Your Company has been incorporated on 29th April, 1992
- 3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:  
Not Applicable
- 4) Financial performance based on given indicators:

(₹ in Lacs)

Particulars	March-2012	March-2011
Sales and Other Income	5948.24	6768.66
Profit/(Loss) Before Depreciation, Interest, Tax, Extra-Ordinary Item and Appropriation	(9974.12)	(1091.27)
Less : Depreciation	851.03	827.53
Interest / Finance Charges	1135.62	1235.21
Profit/(Loss) Before Tax and Extra-ordinary item	(11960.77)	(3154.02)
Less : Provision for Taxation- Earlier year	105.90	197.24
-deferred	(1931.32)	88.24
Profit/(Loss) After Tax	(10135.35)	(3439.51)
Balance brought forward from previous year	(4458.87)	(1019.35)
Amount available for appropriation	(14594.22)	(4458.87)
Balance carried to Balance Sheet	(14594.22)	(4458.87)

- 5) Export performance and net foreign exchange collaborations:

FOB value of Exports: - ₹ 1409.86 Lacs

- 6) Foreign investments or collaborations, if any: Not Applicable

#### II. INFORMATION ABOUT THE APPOINTEE

- 1) Background details:

Mr. Ronald Netto is an experienced strategist, who began his career in the creative field as advertising professional, he has experience of launching over 100 successful brands- building campaigns. Over 2 decades as a strategist he has

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gained experienced in the field of Advertising, Marketing, Finance and Corporate Management. He is actively involved in corporate planning and development. During his tenure with the Company, he has made significant contribution to improve the performance of the Company.

2) Past remuneration:

Members have passed resolution on 29.09.2009 for the payment of remuneration to Mr. Ronald Netto up to maximum of ₹ 2,00,000/- P.M, subject to the condition that if in case financial year during the currency of tenure of the Managing Director, the Company has no profits or its profits are inadequate, Mr. Ronald Netto shall be entitled to minimum remuneration by way of Basic Salary, Perquisites, allowances, not exceeding the ceiling limit of ₹ 2,00,000/- per month and in addition thereto, he shall also be eligible to the perquisites not exceeding the limits specified under para 2 of Section II, Part II of Schedule XIII to the Companies Act, 1956 or such other limits as may be prescribed by the Central Government from time to time as Minimum Remuneration.

3) Recognition or awards:

Nil

4) Job profile and his suitability:

Mr. Ronald Netto is most suitable for this position as proven by his vast experience in the Advertising, Marketing, Finance and Corporate Management. He is actively involved in corporate planning and development. His association with the writing instruments industry over 15 years is of invaluable to the Company.

5) Remuneration proposed:

A maximum of ₹ 1, 40,000 /- p.m. Inclusive of all.

Mr. Ronald Netto shall also be eligible to the perquisites specified under para 2 of section 2 of part II of schedule XIII to the Companies Act, 1956 not exceeding the limits specified therein or such other perquisites as may be prescribed by the Central Government from time to time.

6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t the country of his origin):

The proposed remuneration is in tune with the current remuneration packages of the similar industry of comparative size qualification and experience of the appointee, highly competitive business scenario etc requiring recognition and reward for performance and achievement to facilitate retention of best talent and motivation towards meeting the objective of the Company.

7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

Apart from Mr. Ronald Netto is a Managing Director of the Company and receiving managerial remuneration, he holds 20,000 Equity Shares of ₹ 10/- each of the Company in his individual capacity.

## III. OTHER INFORMATION

### Reasons of loss or inadequate profits:

- 1) High Raw material cost as percentage of sales
- 2) Competition from Unorganized sector eroded the margins
- 3) Inventory Loss / Diminution in the Value of Inventory
- 4) Higher Provision for Bad and doubtful debts
- 5) Slow down in the market post Sept 2008 due to the global financial crisis
- 6) The recession in the market also ensured lower price realization
- 7) Delay in disbursement of assessed working capital fund from the consortium bankers resulted in non-exploitation of available capacity.
- 8) The liquidity crunch was aggravated further by late recovery/unrealisation of debtors.
- 9) Liquidity Constraints aggravated due to investment in subsidiaries resulting in losses.

2) Steps taken or proposed to be taken for improvement:

Our goal is to rebuild our financial strength, branding and credibility through focus on our core area of Manufacturing & distribution, we are confident that the restructuring which is underway shall yield the desired results.

3) Expected increase in productivity and profits in measurable terms:

The efforts indicated above have started yielding results while the top line has stabilized, the increase in productivity, profits will largely depend on the successful closure of the recapitalization efforts underway.

# NOTICE

## IV. DISCLOSURES

- 1) The shareholders of the Company shall be informed of the remuneration package of the managerial person:  
The abstract of the terms and conditions including remuneration package of Mr. Ronald Netto, as the Managing Director is enclosed herewith with the notice.
- 2) The following disclosures shall be mentioned in the Board of Director's Report under the heading 'Corporate Governance', if any, attached to the annual report:-
  - (i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc. of all the directors: Done
  - (ii) Details of fixed component and performance linked incentive along with the performance criteria: Not Applicable
  - (iii) Service contracts, notice period, severance fees: Service contract: 5 years, Notice period: One month, Severance fees: Nil
  - (iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable: N.A

The Board therefore recommends the Special Resolution for approval of the Members of the Company in partial modification of the terms of remuneration to be paid to Mr. Ronald Netto as a Managing Director of the Company, for the period w.e.f. 1st April, 2012 to 29<sup>th</sup> March, 2014, subject to approval of the Central Government, if applicable.

This explanation together with the accompanying notice is and should be treated as an abstract of the terms of payment of remuneration as per under Section 302 of the Companies Act, 1956.

None of the Director's except Mr. Ronald Netto is concerned or interested in the said resolution.

**For and on behalf of the Board of Directors**

Sd/-

**Rajesh Kumar Drolia**

**Chairman**

### **Regd. Office :**

Survey No.251/2, Valsad Falia, Near Jain Temple,  
Dadra, Dadra & Nagar Haveli, (U.T.)-396 193

Date : 19.10.2012



# DIRECTORS' REPORT

To,  
The Members,  
Your Directors are pleased to present the Twentieth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2012.

## FINANCIAL RESULTS

THE COMPANY'S FINANCIAL RESULTS FOR THE YEAR UNDER REVIEW ARE AS UNDER:

(₹ in Lacs)

Particulars	March-2012	March-2011
Sales and Other Income	5948.24	6768.66
Profit/(Loss) Before Depreciation, Interest, Tax, Extra-Ordinary Item and Appropriation	(9974.12)	(1091.27)
Less : Depreciation	851.03	827.53
Interest / Finance Charges	1135.62	1235.21
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Less : Provision for Taxation- Earlier year	105.90	197.24
-deferred	(1931.32)	88.24
Profit/(Loss) After Tax	(10135.35)	(3439.51)
Balance brought forward from previous year	(4458.87)	(1019.35)
Amount available for appropriation	(14594.22)	(4458.87)
Balance carried to Balance Sheet	(14594.22)	(4458.87)

## DIVIDEND

In view of losses, your directors do not recommend any dividend for the year.

## PERFORMANCE

This year was one of great challenge to your Company. While, the key to consolidate the business was the infusion of additional working capital the challenges faced there could not be surmounted totally. While, there was an improvement in the efficiency and check on costs, the sales suffered due to the inability to supply on time due to lack of working funds. While the CDR restructuring should have resulted in additional working capital the bankers refused to consider working capital at this stage. Hence during the year under review your Company has achieved net sales of ₹ 57.79 Crores (previous year ₹ 67.00) and incurred net loss of ₹ 101.35 Crores (previous year ₹ 34.39 crores). During the year, your Company has continued its remedial measures which were started since 2009. Continuing the ongoing exercise of aligning the inventory to realistic value necessitated due the massive exercise of business restructuring undertaken by the company further diminution in value to the extent of ₹ 48.00 Crores was factored in the year under review. Likewise, the Company has also made suitable provisions for debtors for ₹ 38.21 Crores after reviewing and analyzing the same in detailed, considering all factors affecting the debtors.

The silver lining has been the exports which moved up from ₹ 9.12 Crores in 2010-11 to ₹ 14.09 crores in 2011-12. The growing trend is likely to continue in the current year.

## OUTLOOK

The outlook for the industry despite the difficulties faced by the economy is good. The expectation of FDI in multibrand retail is another area that could result in consolidation in the industry. Your Company is expected to strengthen the current phase of restructuring and consolidation during the year and is likely to emerge stronger at the end of the year.

## FINANCIAL RESTRUCTURING

The settlement negotiations with the lenders are in progress. There is investor interest in the Company and once the contours of the settlement with the lenders are clear the way forward could be decided.

The Board expresses its gratitude to the Lenders for supporting the company at this crucial juncture..

## STATUS OF BIFR REGISTRATION

The company has been pursuing the matter with the BIFR and hearings are underway. A scheme can be submitted once the settlement with the lenders and other creditors are finalized.

## CHANGE OF NAME

To reflect the wider coverage of the Company's operations and business, your directors had proposed for change the name of Company from Today's Writing Products Limited TO Todays writing Instruments Limited. The Members had approved same at the previous Annual General Meeting held on September, 29, 2011. Consequent upon the receipt of all required approvals, name of the Company has been changed from Today's Writing Products Limited to Todays Writing Instruments Limited with effect from 02.11.2011. The Fresh Certificate of Incorporation consequent upon Change of Name has been received from the Registrar of Companies, Mumbai, Maharashtra.

# DIRECTORS' REPORT

## EXTENSION OF TIME FOR HOLDING THE ANNUAL GENERAL MEETING

Upon the application of the Company, the Registrar of Companies, Ahmedabad vide its letter dated September 18, 2012, has granted extension for a period up to November 30, 2012 to hold the Annual General Meeting of the Company for the financial year ended March 31, 2012.

## STATUS REPORT ON THE SUBSIDIARIES

### Today's Stationery Mart Ltd.

There is hardly any activity in this company and the ways of clearing the bank liability is the primary focus at this point in time.

### Today's Infrastructure and Construction Ltd.

No fresh projects are being undertaken in view of the liquidity constraints faced by the company.

### Today's Fluid Technologies Ltd.

During year this subsidiary has not commenced any business. Since the Company is inoperative since incorporation, it has been decided to get the name of company strike off from the register of Companies, maintained by Registrar of Companies.

The Ministry of Corporate Affairs has vide General Circular No. 2/2011 dated 8th February 2011, granted general exemption for not attaching the annual accounts of the subsidiary companies with account of Holding Company.

Pursuant to said circular, the Board of Directors of your Company in their meeting held on 31<sup>st</sup> August, 2012 has given their consent for not attaching the Annual Accounts of the Subsidiary Companies with that of the Holding Company. Accordingly, we are not attaching Balance sheet, Profit & Loss Account, Directors' Report and Auditors' Report and other documents of the Subsidiary Companies. However these documents shall be made available upon request to member of the Company interested in obtaining the same and shall be available for inspection at the Head/Registered Office of your Company and that of the concerned Subsidiary. As required, the financial data of the Subsidiary Companies has been furnished along with the statement pursuant to section 212 of the Companies Act, 1956 and form a part of this Annual Report.

## AUDITORS

M/s Ajay Shobha & Co., Chartered Accountants Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and being eligible for reappointment, they have filed a Certificate with the Company to the effect that their appointment, if made, will be within the limits specified in the subsection (1B) of Section 224 of the Companies act, 1956.

1. The Auditor has made comment vide para a) of point 9 of the annexure to the audit report that statutory dues of Provident Fund dues of ₹ 61.14 Lakhs, Income Tax of ₹ 768.15 Lakhs, Dividend Tax of ₹ 39.16 Lakhs, Fringe Benefit Tax of ₹ 18.16, TDS of ₹ 39.86 Lakhs and Sales tax of ₹ 44.09 Lakhs were outstanding for a period of more than six months from the date they became payable.

Due to recurring cash losses and the consequent liquidity constraints, there is a delay. However it will be the endeavor of the company to make payment of above dues as proposed in the restructuring proposal which is underway.

2. The auditor has made comment vide point 11 of the annexure to the audit report that the Company has defaulted in repayment of dues to banks.

Due to recurring cash losses and the consequent liquidity constraints, the Company has defaulted in repayment of dues to banks. However it will be the endeavor of the company to make payment of above dues as proposed in the restructuring scheme which is underway. This when implemented will regularize the repayment of liabilities

3. The auditor has made comment vide point 11 of the annexure to the audit report that the Company has accumulated losses at the end of the financial year and has incurred cash losses during the financial year ended 31<sup>st</sup> March 2012 and also in the immediately preceding financial Year.

Revenue of the Company's has suffered due to inability to supply on time due to lack of working funds. However, The performance has been satisfactory since the Company has retained its market and consolidated its presence and the Company has continued its remedial measures which were started since 2009.

4. The Auditors has made comment vide Point 3 (d) of Auditors report that the Company has not complied with the Accounting standard 15 (AS-15) relating to provision for retirement benefits of employees.

The Company has accounted the same in cash basis in the books of Accounts and there is no significant and material impact on the profitability / loss of the Company but the Directors of the Company would examine the desirability of changing the method of accounting.

Other Observations in the Auditors' Report are dealt within Notes to Accounts at appropriate places and being self-explanatory, need no further explanations.

## DIRECTORS

In accordance with the requirements of the Companies Act, 1956, Mr. Shreedhar M Parande, Director of the Company will retire by rotation at ensuing Annual General Meeting and being eligible, have offered himself for re-appointment.