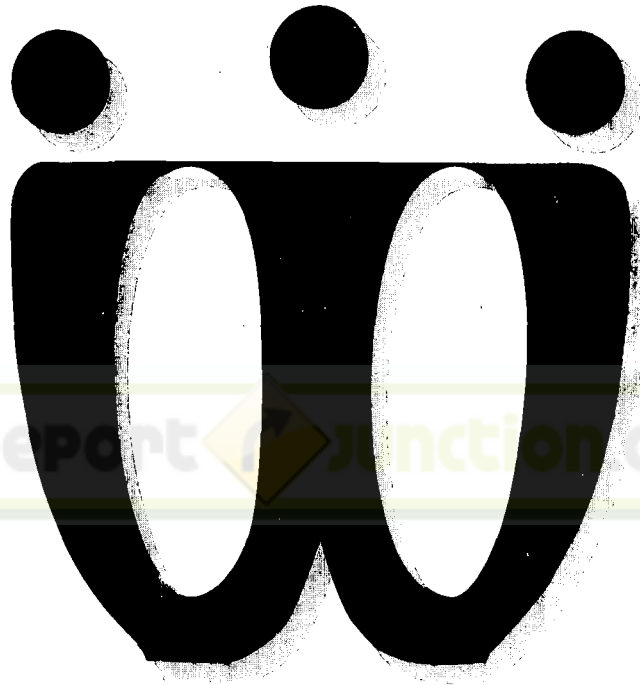


88th ANNUAL REPORT 2007 - 2008



PEOPLE



WALCHAND PEOPLEFIRST LIMITED



DALE CARNEGIE®
TRAINING



PerformanSe
Main as direct participant in the main development



WALCHAND
DALE CARNEGIE
FINISHING SCHOOL



SOCIETY FOR HUMAN
RESOURCE MANAGEMENT



BOARD OF DIRECTORS

Ms. PALLAVI JHA - CHAIRPERSON & MANAGING DIRECTOR

Mr. SANJAY JHA

Mr. M.N. BHAGWAT

DR. S.C. JHA

MR. V.K. VERMA

MS. POONAM BARUA

COMPLIANCE OFFICER

MR. VIVEK WADHAVKAR

AUDITORS

M/s. HARIBHAKTI & CO.,

CHARTERED ACCOUNTANTS

BANKERS

STANDARD CHARTERED BANK

BANK OF INDIA

REGISTERED OFFICE

1, CONSTRUCTION HOUSE,
WALCHAND HIRACHAND MARG,

BALLARD ESTATE,

MUMBAI – 400 001

TEL : 22618095 /8096 /67818181

FAX : 22610574

Website : www.walchandpeoplefirst.com

REGISTRAR & TRANSFER AGENT

M/s. COMPUTECH SHARECAP LIMITED

147, MAHATMA GANDHI ROAD,

FORT, MUMBAI – 400 023

TEL : 22635001 /5002

FAX: 22635005

E-MAIL : helpdesk@compu-techsharecap.com

INFORMATION FOR SHAREHOLDERS**88TH ANNUAL GENERAL MEETING**

DATE : 30-09-2008 (Tuesday)
TIME : 11.00 A.M.
VENUE : WALCHAND HIRACHAND HALL
 INDIAN MERCHANT CHAMBERS,
 IMC MARG, CHURCHGATE,
 MUMBAI - 400 020.
DATE OF BOOK CLOSURE : September 23, 2008 to September 30, 2008
 (BOTH DAYS INCLUSIVE)


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WALCHAND PEOPLEFIRST LIMITED

AT A GLANCE

OPERATIONAL STATISTICS

	2005-2006	2006-2007	Rs. in Lakhs 2007-2008
Operating Earnings	471.32	682.22	630.85
Other Income	115.51	82.02	88.86
Profit on Sale of Training Business	-	-	906.44
Total Earnings	586.83	764.24	1,626.15
Employee Remuneration & Other Expenses	415.06	666.46	788.51
Non Recurring items	87.65	20.9	18.23
Interest	1.64	1.54	1.09
Depreciation	39.16	41.02	37.31
Tax Liability	8.32	(218.30)	145.62
Total Expenses	551.83	511.62	990.76
Net Profit/(Loss) after taxation	35.00	252.62	635.39

Financial Highlights

SOURCES OF FUNDS

SHAREHOLDERS FUNDS

Share Capital	284.89	284.89	284.89
Reserves & Surplus	1,136.81	1,356.09	1,956.76
Loan Funds	14.42	16.84	8.41
Total	1,436.12	1,657.82	2,250.06

APPLICATION OF FUNDS

Fixed Assets (Net)	342.23	332.71	261.98
INVESTMENTS	634.13	794.03	1,229.64
Deferred Tax Asset	-	227.67	174.63
Working Capital	459.76	303.41	583.81
Total	1,436.12	1,657.82	2,250.06

Book Value per share (Rs.)	499.03	576.00	786.85
Earning per share (Rs.)	12.29	88.67	223.03
Dividend per share (Rs.)	10.00	10.00	10.00
Networth	1,421.70	1,640.98	2,241.65





NOTICE

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eighty – Eighth Annual General Meeting of WALCHAND PEOPLEFIRST LIMITED will be held at Walchand Hirachand Hall, Indian Merchants' Chamber, IMC Marg, Churchgate, Mumbai – 400 020 on Tuesday, September 30, 2008 at 11.00 A.M. to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2008, Profit and Loss Account for the year ended on that date and the Reports of the Auditors' and the Directors' thereon.
2. To declare final dividend.
3. To appoint a Director in place of Mr. M. N. Bhagwat, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. V. K. Verma, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint the Auditors to hold office from the conclusion of this meeting until conclusion of the next Annual General Meeting and to authorize Board to fix their remuneration. "RESOLVED THAT M/s. Haribhakti & Co. Chartered Accountants, Mumbai, being retiring Auditors of the Company, be and are hereby re-appointed as Auditors of the Company to hold the office from the conclusion of the ensuing Annual General Meeting until conclusion of the next Annual General Meeting, on such remuneration as may be determined by the Chairperson in consultation with the Auditors, in addition to reimbursement of service tax and all out of pocket expenses in connection with the audit of the Accounts of the Company, which remuneration may be paid on existing terms to be agreed between the Auditors and the Chairperson."

By order of the Board

Place : Mumbai

Date : July 31, 2008

Pallavi Jha

Chairperson & Managing Director

Registered Office:

1, Construction House,
Walchand Hirachand Marg,
Ballard Estate, Mumbai – 400 001.

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and the proxy need not be a member of the Company. Under the Companies Act, 1956, voting is by a show of hands unless a poll is demanded by a member or members present in person, or by proxy, holding at least one-tenth of the total shares entitled to vote on the resolution or by those holding paid-up capital of at least Rs. 50,000. A proxy shall not vote except on a poll. The instrument appointing the proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
2. Members /Proxies should bring duly-filled Attendance Slips

sent herewith to attend the meeting.

3. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
4. 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.
5. The Register of Members and Share Transfer Books of the Company will remain closed from September 23, 2008 to September 30, 2008 (both days inclusive) for the purpose of Annual General Meeting.
6. Members holding shares in physical form and desirous of making/changing nomination in respect of their shareholding in the Company, may send their request in the prescribed form 2B to the Registrar & Transfer Agents of the Company.
7. Corporate Members are requested to send to the Company, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General meeting.
8. Members desirous of obtaining any information on the Accounts and Operations of the Company are requested to write at least one week before the meeting so that the same could be compiled in advance.
9. Members are requested to notify changes, if any, in their registered addresses along with the pin code to the Company's Registrar and Share Transfer Agent.
10. Members are requested to bring their copy of Annual Report to the Meeting.
11. All documents referred to in the notice are open for inspection at the registered office of the Company between 10.30 A. M. and 1.00 P.M. on all working days up to the date of the Meeting.
12. Subject to the provisions of Section 206 A of the Companies Act, 1956 dividend as recommended by the Board of Directors, if declared at the meeting, will be payable on or after September 30, 2008, to those Shareholders whose names stand on the Company's Register of Members on September 23, 2008 and to whom dividend warrants will be posted. In respect of Shares held in electronic form, the dividend will be paid on the basis of beneficial ownership position as at the end of the day on September 23, 2008 as per data to be furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for this purpose.
13. (a) In order to provide protection against fraudulent encashment of dividend warrants, Members who hold shares in physical form are requested to intimate the Company's Registrars and Transfer Agents, M/s. Computech Sharecap Limited, under the signature of the Sole/ First joint holder, the following information to be incorporated on dividend warrants:
 - (i) Name of the Sole/First joint holder and the Folio Number.
 - (ii) Particulars of Bank Account, viz.:
 - Name of the Bank
 - Name of the Branch
 - Complete address of the Bank with Pin Code Number,
 - Account type, whether savings Account (SA) or Current Account (CA)
 - Bank Account Number.

- (b) Members who hold shares in dematerialized form may kindly note that their Bank Account details, as furnished by their Depositories to the Company, will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for deletion of or change in such Bank Account details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in electronic form. Members who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change with complete details of Bank Account.
- (c) To avoid loss of dividend warrants in transit and undue delay in respect of receipt of dividend warrants, the Company has provided a facility to the Members for remittance of dividend through the Electronic Clearing System (ECS). The ECS facility is available at locations identified by Reserve Bank of India from time to time and covers most of the cities and towns. Members holding shares in physical form and desirous of availing this facility are requested to contact the Company's Registrars and Transfer Agents, M/s. Computech Sharecap Limited.
14. Members whose shareholding is in electronic mode are requested to direct change of address notifications and updations of savings bank account to their respective Depository Participants.
15. Member are requested to address all correspondences, including dividend matters, to the Registrar and Share transfer Agents, M/s. Computech Sharecap Limited, "Computech", 147, Mahatma Gandhi Road, Fort, Mumbai - 400 023, Tel No: 22635001-2, Fax No.: 22635005, Email helpdesk@computechsharecap.com
16. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Mr. Vivek Wadhavkar, Compliance Officer, at the Company's registered office. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per section 205 C of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund.
17. The following are the details of dividend paid by the Company and its respective due date of transfer to such fund of the Central Government, which remain unpaid.

Sr. No.	Date of Declaration	Dividend for the year	Due date of transfer to the Government
1	30 th January, 2006	Interim Dividend 2005-06	01 st March, 2013
2	31 st August, 2006	Final Dividend 2005-06	30 th September, 2013
3	20 th September, 2007	Final Dividend 2006-07	20 th October, 2014

It may be noted that no claim of the shareholders will be entertained for the unclaimed dividend which has been transferred to the credit of the Investor Education & Protection Fund of the Central Government under the provisions of Section 205(B) of the Companies Act, 1956. In view of the above, those Shareholders who have not encashed their dividend warrants are advised to send all the unclaimed dividend warrants to the Registrar & Share Transfer Agents or to the Registered Office of the

Company for revalidation and encash them before the due date for transfer to the Central Government.

18. As per the provisions of the Companies Act, 1956, facility for making nominations is available for shareholders, in respect of the shares held by them. Nomination forms can be obtained from the Registrar and Transfer agents of the Company.
19. Members seeking any information or clarifications on the Annual Report are requested to send in written queries to the Company at least one week before the meeting to enable the Company to compile the information and provide replies at the meeting.

INFORMATION UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING RE - APPOINTMENT OF DIRECTORS.

Mr. M.N. Bhagwat did his Bachelors Degree in Mechanical & Electricals Engineering from the University of Illinois, USA and Diploma in Business Management from the prestigious Bajaj Institute of Management Studies, Mumbai.

He worked in various senior positions both in India and abroad which includes Blue Star Ltd., Yokogawa Blue Star Ltd., Total Mechanical Systems Inc. USA, Skidmore, Owings & Merrill, Chicago, USA and Managing Director of Tata Sons Limited and heading the Corporate Assurance Group, which administers the Tata Brand Equity and the Tata Code of Conduct. He is the Chairman of the Audit Committee of our Company.

Disclosure Pursuant to Clause 49 (IV) (E) (V) of the Listing Agreement: Shareholding of Mr. M.N. Bhagwat (both own or held by / for other persons on a beneficial basis) as on July 31, 2008 was Nil.

Mr. V.K. Verma, a veteran of human resources function began his career at Tata Motors over 3 decades back as a Technical and Management Trainee and worked on many line assignments in the Company's various Productions and Engineering departments. Since then, he has held positions of increasing responsibility, culminating with his appointment as the Head of Corporate HR in 1996. In this role, he has been responsible for the design and implementation of HR enabled change management of workforce and amicable VRS of over 5500 bargain- able employees.

His contribution in planning and implementation of the growth linked HR strategy including restructuring of commercial functions and strengthening of product development function was well recognized at Tata Motors. His other notable achievement was Development of the Competency Framework, institutionalizing Leadership Development Processes including Talent Management & Fast Track systems.

Mr. V.K. Verma holds a bachelor's degree in Electrical Engineering from Regional Engineering College, Bhopal and has Post Graduated in Business Management from X.L.R.I., Jamshedpur. He was a rank holder both at the University level and B-School. He was a member of the National Technical Training cell of CII and was the Chairman of the Western Regional Technical Training Group. He continues to be a visiting faculty at several B-Schools and TMTC.

Disclosure Pursuant to Clause 49 (IV) (E) (V) of the Listing Agreement: Shareholding of Mr. V.K. Verma (both own or held by / for other persons on a beneficial basis) as on July 31, 2008 was Nil.



DIRECTORS' REPORT

The Members of WALCHAND PEOPLEFIRST LIMITED

Your Directors present herewith the 88th Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2008.

1. FINANCIAL RESULTS

	(Rs. In Lacs)	
	2007-08	2006-07
Profit before interest, depreciation and taxation	(87.03)	76.88
Profit on Sale of Training Business	906.44	
Less: Interest	1.09	1.54
Depreciation/Amortisation	37.31	41.02
Provision for Taxation		
-current/earlier years	92.58	9.37
	<u>130.98</u>	<u>51.93</u>
	<u>688.43</u>	<u>24.95</u>
Deferred Tax recognised	(53.04)	227.67
Net Profit	635.39	252.62
Add: Balance brought forward	675.07	455.78
Less: Transferred to Reserve Fund	N.A	N.A
Amount available for appropriation	<u>1310.46</u>	<u>708.40</u>
Appropriations		
Final Dividend	28.49	28.49
Dividend Tax	4.84	4.84
Balance carried forward	<u>1277.13</u>	<u>675.07</u>
Total	<u>1310.46</u>	<u>708.40</u>

2. DIVIDEND

The Board of Directors recommends 10% final dividend for the Financial Year ended March 31, 2008.

3. MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure & Development:

India's economy has been one of the stars of global economies in recent years, growing at 8.7% in FY 2008, 9.2% in FY2007 and 9.6% in FY2006. While there was a marginal slowdown in 2007-08, overall growth has been supported by market reforms, huge FDI inflows, rising foreign exchange reserves, both an IT and real estate boom and a flourishing capital market.

During this period of stable growth, the performance of the Indian services sector has been particularly significant with a growth rate of 11.7% and it now contributes 55% of the GDP. The industrial sector grew by 9.2% in the same period and is now 27.5% of GDP. Agriculture is 17.5% of the Indian economy. Growth in the manufacturing sector has also complemented this with a steady rise of 9.4%. Additional factors that have contributed to the

robust environment are sustained investments and a high savings rate of 34.8%.

Employment in India too, is going through dramatic changes. As per the report of the National Sample Survey organization, for the first time since Independence, employment has grown at a faster rate than population during the five year period from 2000 to 2005. Yet despite the growth in jobs, unemployment has also grown. According to the NSS report, the workforce participation rate has increased by 2.85% of total population.

Opportunities & Challenges:

Most of the nation's job and economic growth has been generated by family-owned Indian enterprises and multinationals in industries such as IT, telecom, BPO and pharmaceuticals.

Maintaining high growth rates is a high priority for industries because they face increasingly stiff competition, most notably from China. But sustaining growth may be difficult due – ironically – to a lack of qualified people. Availability of suitable talent is becoming a “make or break” business issue which has made the value of good HR apparent to top executives. As a result, the HR profession is gaining both respect and attention. Faced with record growth level in some industries and skyrocketing attrition, HR professionals are spending 80% of their time on recruitment. Most important, finding people with the right skills is a problem. Retention, no matter which industry, is a nightmare. Another key problem is finding workers with the right mindset to meet the needs of the changing workplace. A dearth of middle managers also is a pressing problem as even for those managers already on the jobs, there is a gap in expertise and training. With the exception of relatively few managers with multinational experience, India's homegrown managers are inadequately prepared to cope with global challenges coming from mergers and acquisitions, joint ventures and entry into new markets. While HR challenges facing many Indian industries are daunting and crucial to continued success, the number of HR leaders helping tackle the challenges are still small and HR has still not reached the strategic level that it should have.

Your company is well placed to address the above needs of industry. During the year we took substantial strides to reorganize our business to meet the various challenges towards supporting recruitment, training at entry-level and high level managers and providing development of HR professionals.

With the formation of the 100% subsidiary, Walchand

TalentFirst Ltd., we are making significant investments to further consolidate our existing Dale Carnegie Training business with our pioneering Finishing School initiative as well as to expand our new operations of PerformanSe Assessments and SHRM HR training. It has been a year for gearing up to achieve a quantum leap in the Talent Development and Management space through offering "Employability" training, support to recruitments through rapid screening and selections and further talent management with our Assessments services, Continuing Education and enhancement of professional HR capabilities in industry.

With our partnerships with established global leaders like Dale Carnegie Training, PerformanSe SAS and Society for Human Resources Management, and having built a very strong reputation and client base in India, your company has a unique set of world-class capabilities to service the Indian market needs. We are positioned and ready to maximize our business potential with this very large market opportunity.

Outlook, Risks & Concerns:

At the macro-level, like most of the world, India is facing testing times in 2008. Inflation has crossed 11%, the highest level seen in a decade. The rising costs of oil, food and resources all playing a part. The Indian stock market has fallen 40% in six months from its January 2008 high. USD 6 billion of foreign funds have flowed out of the country in the same period. A tighter monetary policy by the Government is expected to slow down the growth of the Indian economy.

Indian industry has begun to cut costs and there are reports on slower hiring and salary increases. It is not all slowdown, however. By global standards, the Indian economy and industry has a high growth outlook and there is optimism in the long-term health of the economy and domestic markets.

For your company, the market is yet to be penetrated deeply and the expansion prospects continue to be high. As companies are looking at greater cost-efficiencies, there is a trend towards outsourcing of training and non-core competencies. Further, there is a boom in the education sector with a growing number of new institutions, both private and public. This presents a very big opportunity for our Finishing School to partner with several educational institutions to enhance talent supply to industry.

As the first movers of the Finishing School concept and with our investments in place, we expect the Finishing School to give returns in the next couple of years, even as we grow our corporate training, HR training and

Assessments businesses rapidly.

Cautionary Statement:

The statements made in this report describe the Company's objectives, expectations and projections that may be forward looking statements. The actual results might differ materially from those expressed or implied depending on the economic conditions, government policies and other incidental factors, which are beyond the control of the Company and Management.

Segmentwise Performance:

The Company incorporated its wholly owned subsidiary viz. Walchand TalentFirst Limited during the year. The training business was transferred to this subsidiary. The revenue and results for the Investment Division and the Training Division for the relevant period are reported in the notes to Accounts.

Internal Control Systems and their Adequacy:

The Company has adequate and effective control systems, commensurate with its size and nature of business, to ensure that assets are efficiently used and the interest of the Company is safeguarded and the transactions are authorized, recorded and reported correctly. Checks and balances are in place to determine the accuracy and reliability of accounting data. The preventive control systems provide for well-documented policy, guidelines, and authorization and approval procedures. The Company has a full-fledged Internal Audit System to ensure that the policies and procedures laid down are adhered to. The Company has also developed a Risk Assessment policy and is reviewed by the Board of Directors/ Audit committee on a quarterly basis.

Financial Performance with respect to Operational Performance:

Total income achieved during the year under review by the Company is Rs 719.71 lakhs. After providing for taxation of Rs 92.58 Lakhs and recognition of Deferred Tax Liability of Rs 53.04 Lakhs, the Company made a Net Profit of Rs 635.39 Lakhs as against Rs. 252.62 lakhs in the previous year. This includes profit on slump sale of training business of Rs 906.44 Lakhs.

As per the Consolidated Financial Statement, Total income achieved during the year under review by the Company (and its subsidiary) is Rs 1217.53 lakhs as against Rs 764.24 lakhs in the previous year. Training income for the Company (and its subsidiary) has increased to Rs 992.21 lakhs as against Rs 593.44 lakhs in the previous year showing an increase of more than 67%. After providing for taxation of Rs 93.58 Lakhs and recognition of Deferred Tax Liability of Rs 53.04 Lakhs,



the Consolidated results for the Company show a Net Loss of Rs 605.16 Lakhs. The Net Loss in the Consolidated Results is mainly a result of non-recognition of profit on slump sale as per applicable accounting standards.

Human Resources:

Your Company considers its intellectual capital as its most valuable asset. Personnel policies of your Company are designated to ensure fairness to and growth of all individuals in the organization and continuously strives to provide a challenging work environment. We have a strong Performance Management System and code of conduct which reinforces our work ethics.

Due to sale of training business to its subsidiary Walchand TalentFirst Ltd, most of the staff of the company have been transferred to Walchand TalentFirst Ltd resulting in a substantial reduction in the Company's employee strength.

4. SUBSIDIARY

The Company incorporated its wholly owned subsidiary viz WALCHAND TALENTFIRST LIMITED in the year 2007-08 to carry on the business of imparting talent development and management services including but not limited to training, HR consulting, job profiling, competency assessments. Due to substantial economic growth, Companies across all industrial sectors have charted out substantial expansion plans, which are linked to attracting & retaining skilled manpower. Thus the Company has aggressive plans for large-scale expansion of Training Business to tap the enormous potential. Therefore in the interests of the shareholders, the Company transferred its Training Business to a separate Subsidiary Company so as to provide undivided attention to the said business, to unlock the value of the Training Business and also enable participation from strategic / financial investors.

5. INVESTMENTS

During the year under report the outstanding position in the investment of shares and debentures of various companies were to the tune of Rs.1229.64 lacs as compared to the last year's investment of Rs. 794.03 lacs.

The Book value of the quoted investments for the year under review was Rs. 31.59 lacs (previous year Rs. 93.60 lacs) and its market valuation was Rs. 18.45lacs (previous year Rs. 85.45 lacs).

6. FIXED DEPOSITS

Your Company had stopped accepting / renewing fixed deposits since February 1998. The Company after obtaining necessary approval from the Reserve Bank of India had offered to repay the entire fixed deposits to all the deposit holders, who were holding the deposits as on August 31, 1999, including the interest thereon.

As at March 31, 2008, there is no outstanding liability to fixed depositors. The entire outstanding liability is on account of matured fixed deposits which remained unclaimed and has been transferred to Investor Education and Protection Fund.

7. CORPORATE GOVERNANCE

Pursuant to clause 49 of the Listing Agreement with the Stock Exchanges, a compliance report on Corporate Governance together with a Certificate from M/s. Pramod S. Shah & Associates - Practising Company Secretaries is annexed as part of the Annual Report.

8. COST AUDIT

The company is not required to undertake the cost audit as required under Section 233 B of the Companies Act, 1956.

9. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956:

- a) that in the preparation of the Annual Accounts for the year ended March 31, 2008, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- b) that 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 ended March 31, 2008 and of the profit of the Company for that year.
- c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities
- d) that the Directors have prepared the Annual Accounts for the year ended March 31, 2008, on a going concern basis.

10. DIRECTORS

In accordance with the Articles of Association of the Company and provisions of the Companies Act, 1956 Mr. M.N. Bhagwat and Mr. V. K. Verma retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Your Directors recommend their re-appointment.