

DIRECTORS REPORT TO THE MEMBERS

Your directors have pleasure in presenting the **11th Annual Report** of the Company together with the Audited Accounts for the financial year ended 31st March, 2014.

FINANCIAL RESULTS & BUSINESS PROSPECTS

The financial results of the Company for the financial year ended 31st March, 2014 are as under:

PARTICULARS	CURRENT YEAR (31.03.2014) (Rs. in Lakhs)	PREVIOUS YEAR (31.03.2013) (Rs. in Lakhs)
Total Income	464.16	387.33
Profit before interest & depreciation	34.68	37.65
Interest	1.98	2.26
Depreciation	10.90	4.66
Profit Before tax	21.80	30.73
Provision for taxes	8.00	10.11
Profit for the year	13.80	20.62

Your Board of Directors reports that your Company has earned total income of Rs.464.16 lakhs during the year under review, which is 19.83 % more than the previous year's total income of Rs.387.33 lakhs. Your Directors are confident to keep the progress during the current financial year also.

DIVIDEND

Considering the need to conserve the reserves, your Board of Directors decided to not to recommend any dividend for the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

Following is the Directors' Responsibility statement as required under section 217 (2AA) of the Companies Act, 1956, in respect of the financial statements:

- That in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- That the Directors have selected such an accounting policies and applied them consistently and made judgments and estimates that are reasonable and

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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;

- 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;
- That the Directors have prepared the annual accounts on a going concern basis.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) **Conservation of Energy**: Your Board of Directors report that proper measures have been taken to conserve energy through administrative systems and procedures.
- b) **Technology Absorption**: There is no technology involved which required disclosure in the Boards' Report.
- c) **Foreign Exchange Earnings**: The Company has not earned any foreign exchange during the year under report. The Company has also not imported any goods from outside the country.

PARTICULARS OF EMPLOYEES

There are no employees whose particulars are to be furnished under section 217(2A) of the Companies' Act 1956.

STAFF-MANAGEMENT RELATIONSHIP

The staff-management relationship during the year under review has been quite cordial and harmonious.

DIRECTORS

Your Directors report that there are no changes in the Board of Directors of the Company during the year under report.

STATUTORY AUDITORS

M/s. Narayanan, Patil & Ramesh, Chartered Accountants, Bangalore, retire as Statutory Auditors of the Company at the conclusion of this Meeting and being eligible offer themselves for re-appointment. We recommend for consideration of the Shareholders that M/s. Narayanan, Patil & Ramesh, Chartered Accountants, Bangalore, be re-appointed as Statutory Auditors of the Company for a period of five years from the conclusion of the ensuing 11th Annual General Meeting until the conclusion of the 16th Annual General Meeting (FY 2014-15 to 2018-19) pursuant to the provisions of section 139 of the Companies Act, 2013 read with Rule 3 of the Companies (Audit and Auditors) Rules, 2014 and that such appointment shall be subject to ratification in every Annual General Meeting by way of passing of an ordinary resolution.

ACKNOWLEDGEMENT

Your Directors wish to place on record of their sincere appreciation to the employees for their hard work and co-operation. Your Directors take this opportunity to thank the customers, Shareholders, Bankers, Statutory Auditors, Company Secretary and Government Agencies for their timely co-operation and guidance extended to the Company.

PLACE: BANGALORE
DATED: 20.09.2014

For and on behalf of the Board


DIRECTOR


DIRECTOR