

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance

The Company's corporate governance philosophy is based on the principle that better corporate governance adds considerable value to the operational performance. As such the Company has implemented a system to ensure transparency, control, accountability, responsibility and fairness in all areas of operations.

Good Corporate Governance practices is imperative for the growth of any enterprise in the long term perspective. Fair and Transparent business practices alongwith timely disclosure of financial and corporate information is very essential for the confidence and harmonious relationship with all the stakeholders.

The Company is in compliance of the requirements of Corporate Governance under Clause 49 of the Listing Agreement with the Stock Exchanges.

2. Board of Directors

The Board of Directors of the Company is having optimum combination of Executive and Non-Executive Directors in compliance with the provisions of Clause 49 of the Listing Agreement. As on 31st March, 2010, the Board of Directors comprises eleven directors out of which four are executive directors, six are non-executive directors besides one nominee director. All the non-executive directors are independent directors.

The details of composition of Board, category of directors as well as their directorship/membership in other companies/committees are given below:

Sr. No.	Name and Designation of Director	Category	Number of other Directorship and Committee Membership / Chairmanship		
			Other Directorships	Committee Membership	Committee Chairmanship
1.	Mr. Mukesh Bhandari Chairman & Chief Technology Officer	Promoter & Executive	6	Nil	Nil
2.	Mr. Shailesh Bhandari Managing Director	Promoter & Executive	9	1	Nil
3.	Mr. Avinash Bhandari Jt. Managing Director & CEO	Executive	2	Nil	Nil
4.	Mr. Narendra Dalal Whole Time Director	Executive	4	Nil	Nil
5.	Mr. Nilesh Desai	Independent/Non-Executive	2	2	Nil
6.	Mr. Madhusudan Somani	Independent/Non-Executive	Nil	Nil	Nil
7.	Mr. Ram Singh	Independent/Non-Executive	1	2	Nil
8.	Mr. Pradeep Krishna Prasad	Independent/Non-Executive	Nil	Nil	Nil
9.	Mr. Ravikumar Trehan	Independent/Non-Executive	Nil	Nil	Nil
10.	Mr. Sunay Mathure*	Nominee Director	1	Nil	Nil
11.	Dr. Sudhir Kapur	Independent/Non-Executive	1	Nil	Nil
12.	Mr. Parth Gandhi*	Nominee Director	Nil	Nil	Nil

* ICICI Venture Funds Management Company Limited, an Investment Manager of India Advantage Fund – VI has nominated Mr. Parth Gandhi as Nominee Director and withdrawn the nomination of Mr. Sunay Mathure effective from 30th May, 2010.

- Directorships in other companies mentioned above excludes directorships in private limited companies, unlimited companies, section 25 company and foreign companies.



- While calculating the number of Membership / Chairmanship in Committees of other Companies, Membership / Chairmanship of only Audit Committee and Shareholders' / Investors' Grievance Committee have been considered pursuant to Clause 49 of the listing agreement. None of the director is a member in more than ten committees and acts as a Chairman in more than five committees across all companies in which he is a Director.
- None of the directors are related to each other except Mr. Mukesh Bhandari and Mr. Shailesh Bhandari, who are Brothers.

Board Meetings

During the financial year 2009 - 2010, five meetings of the Board were held on 13th April 2009, 25th May 2009, 29th July 2009, 29th October 2009 and 25th January 2010.

Attendance of Directors at the Board Meetings and at the last Annual General Meeting which was held on 15th September, 2009 is as under:

Name of Director	Attendance	
	Board Meetings	AGM held on 15.09.2009
Mr. Mukesh Bhandari	3	Yes
Mr. Shailesh Bhandari	4	Yes
Mr. Avinash Bhandari	4	Yes
Mr. Narendra Dalal	4	Yes
Mr. Nilesh Desai	4	No
Mr. Madhusudan Somani	3	No
Mr. Ram Singh	3	No
Mr. Pradeep Krishna Prasad	5	No
Mr. Ravikumar Trehan	1	No
Mr. Sunay Mathure	4	No
Dr. Sudhir Kapur	5	Yes

All the information required to be furnished to the Board was made available to them along with detailed agenda notes. Time gap between any two Board Meetings was not more than four months.

3. Committees of Board

A. Audit Committee

(i) Brief description of Terms of Reference

The terms of reference and powers of the Audit Committee are in compliance with the provisions of the Corporate Governance – Clause 49 of the Listing Agreement and section 292A of the Companies Act, 1956. Minutes of the Audit Committee are circulated and discussed at the board meetings.

(ii) Composition of the Committee

The Audit Committee comprises of four members all being non-executive directors. Audit Committee was re-constituted w.e.f. 30th May, 2010 by appointing Dr. Sudhir Kapur as Member of the Audit Committee in place of Mr. Sunay Mathure. At present, Mr. Madhusudan Somani is the Chairman and Dr. Sudhir Kapur, Mr. Nilesh Desai and Mr. Ram Singh are members of the Audit Committee. The Company Secretary acts as secretary to the Audit Committee.

(iii) Meetings and Attendance

During the Financial Year 2009-2010, four meetings of the Audit Committee were held on 25th May 2009, 29th July 2009, 29th October 2009 and 25th January 2010.

**Details of Attendance at the Audit Committee**

Name	Designation	Attendance
Mr. Madhusudan Somani *	Chairman	1
Mr. Sunay Mathure	Member	4
Mr. Nilesh Desai	Member	3
Mr. Ram Singh	Member	2

* appointed as member & chairman with effect from 29th July 2009

B. Remuneration Committee**(i) Brief description of Terms of Reference**

The Remuneration Committee has been constituted to recommend and review remuneration package of Executive Directors of the Company and recommend suitable revision to the Board.

(ii) Composition of the Committee

The Remuneration Committee consists of three non-executive & independent directors, to comply with and meet the requirements of the Listing Agreement and Schedule XIII of the Companies Act, 1956. Mr. Nilesh Desai is Chairman and Mr. Madhusudan Somani and Mr. Pradeep Krishna Prasad are members of the Remuneration Committee.

(iii) Meetings and attendance

During the Financial Year 2009 -2010, one meeting of the Remuneration Committee was held on 29th July, 2009.

Details of Attendance at the Remuneration Committee:

Name	Designation	Attendance
Mr. Nilesh Desai	Chairman	1
Mr. Madhusudan Somani*	Member	Nil
Mr. Pradeep Krishna Prasad	Member	1

* Appointed as a member with effect from 29th July 2009

(iv) Remuneration Policy

The remuneration policy of the Company for managerial personnel is based on the performance, experience and responsibilities. During the Financial Year, Remuneration Committee has recommended for revision of remuneration to Executive Directors and the same has been approved by the Board of Directors on 29th July, 2009 and by the Shareholders at the 23rd Annual General Meeting held on 15th September, 2009.

(v) Details of Remuneration of Directors

The details of remuneration paid to Chairman, Managing Directors and Whole Time Director for the Financial Year ended on 31st March, 2010 is as under:

(₹ In Millions)

Name of Executive Director	Salary	Allowances & PF Contribution	Commission*	Total
Mr. Mukesh Bhandari	5.68	4.14	8.60	18.42
Mr. Shailesh Bhandari	4.37	3.16	8.60	16.13
Mr. Avinash Bhandari	1.75	1.26	0.00	3.01
Mr. Narendra Dalal	1.75	1.26	0.00	3.01

* payable in 2010-2011

Mr. Sunay Mathure, Nominee Director has been paid sitting fees within the limits prescribed under the Companies Act, 1956 and as fixed by the Board of Directors. Accordingly, during the financial year ended on 31st March, 2010, ₹ 80,000/- has been paid as gross sitting fees to ICICI Venture Funds Management Company Ltd. as per Shareholders Agreement entered into with it. No sitting fees are paid to any other directors.

**C. Shareholders'/Investors' Grievance Committee**

The Company has Shareholders'/Investors' Grievance Committee comprising of one executive director and two non-executive & independent directors to expedite the process of redressal of complaints like non-transfer of shares, non-receipt of annual report, non-receipt of dividends, etc.

Mr. Ram Singh, a Non-Executive and Independent Director is the Chairman and Mr. Avinash Bhandari and Mr. Nilesh Desai are members of the Committee. The Committee generally meets two times a quarter to expedite all matters relating to shareholders' / investors' grievances received during that period. The Committee reviews summary of share transfers, dematerialization of shares, consolidation or sub-division of shares, complaints received and disposed off, etc.

During the Financial Year 2009-2010, seven meetings of the Shareholders' / Investors' Grievance Committee were held. Mr. Ashwin Patel, Company Secretary is the Compliance Officer.

Details of Shareholders Complaints

The details of complaints received / solved / pending during the year are as under:

Sr. No.	Nature of Complaint	Complaints received	Complaints solved	Complaints pending
1.	Non receipt of Dividend	3	3	Nil
2.	Non receipt of Annual Report	3	3	Nil

D. Other Committees**(i) Share Allotment Committee**

The Company has constituted a Share Allotment Committee on 29th July, 2006. The terms of reference of Share Allotment Committee includes to look into the receipt of money by way of subscription of Shares, Warrants, FCCBs or other convertible instruments issued or to be issued by the Company and allotment of Shares, Warrants, FCCBs or other convertible instruments and allotment of Equity Shares arising on conversion of Warrants, FCCBs or other convertible instruments issued by the Company or to be issued by the Company in future.

Mr. Shailesh Bhandari is the Chairman of the Committee and Mr. Avinash Bhandari and Mr. Ram Singh are members of the Committee.

During the Financial Year 2009-2010, no meeting of the Share Allotment Committee was held.

(ii) Management Committee

The Company has constituted a Management Committee on 29th October, 2007. The terms of reference of Management Committee includes to look into the day to day functioning and exercise of delegated power of the Board for matters relating to operations and granting of authority for various functional requirements such as issue of Power of Attorney, arranging for vehicle loans, dealings with Central / State Governments and various statutory / judicial / regulatory / local / commercial / excise / customs / port / sales tax / income tax / electricity board etc. and other authorities on behalf of the Company.

Mr. Shailesh Bhandari is the Chairman of the Committee and Mr. Avinash Bhandari and Mr. Narendra Dalal are members of the Committee.

During the Financial year 2009-2010, five meetings of the Management Committee were held.

(iii) Restructuring Committee

As the demerger scheme of the Company was put on hold by the Board of Directors, the Company has discontinued with Restructuring Committee during the Financial Year 2009-2010.



4. General Body Meeting

(i) Annual General Meetings

The last three Annual General Meetings of the Company were held within the statutory time period, the details of the same are as under:

AGM	Financial Year	Venue	Date	Time
23 rd	2008-2009	H. T. Parekh Convention Centre, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015	15.09.2009	11.00 A.M.
22 nd	2007-2008	A-1, Skylark Apartment, Satellite Road, Satellite, Ahmedabad – 380 015	20.06.2008	11.00 A.M.
21 st	2006-2007	A-1, Skylark Apartment, Satellite Road, Satellite, Ahmedabad – 380 015	25.06.2007	11.00 A.M.

Special Resolutions

Special Resolutions passed at the previous three Annual General Meetings:

- (1) Special Resolution under section 163 of the Companies Act, 1956 for keeping the Register of Members, Index of Members and other related books at the premises of the Companies' Registrar and Transfer Agent viz. Link Intime India Private Limited was passed at the 23rd Annual General Meeting held on 15th September, 2009.
- (2) No Special Resolution was passed at the 22nd Annual General Meeting held on 20th June, 2008.
- (3) Special Resolution under section 81, 81(1A) of the Companies Act, 1956 for raising of funds through ADRs / GDRs / FCCBs was passed at the 21st Annual General Meeting held on 25th June, 2007.

(ii) Extra Ordinary General Meetings

No Extra Ordinary General Meeting was held during the Financial Year 2009 – 2010.

(iii) Court convened Meeting of Equity Shareholders

A Court convened meeting of the Equity Shareholders of the Company was held on 16th June, 2009 at 10.00 a.m. at H.T. Parekh Convention Centre, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015 in terms of the Order dated 5th May, 2009 of the Hon'ble High Court of Gujarat at Ahmedabad for obtaining approval of the Equity Shareholders of the Company to the Scheme of Arrangement envisaging the utilisation of Share Premium Account and recording of immovable assets at their respective fair values (Scheme of Arrangement).

The Equity Shareholders of the Company had approved the said Scheme of Arrangement with requisite majority.

(iv) Postal Ballot

During the Financial Year, special resolution for alteration of main object clause of the Memorandum of Association of the Company was passed through postal ballot under the provisions of section 192A of the Companies Act, 1956 and the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2001. The notice of Postal Ballot dated 29th July, 2009 was dispatched to all the shareholders on 18th August, 2009 and the result of the same was declared on 23rd September, 2009 at the Registered Office of the Company as per the report of Scrutinizer, details whereof are as under:

Sr. No.	Particulars	No. of Postal Ballot Forms	No. of Shares
1	Total postal ballot forms received	52	28,95,582
2	Less: Invalid postal ballot forms	2	130
3	Net Valid postal ballot forms	50	28,95,452
4	Postal ballot forms with assent for the Resolution	47	28,95,372 (99.997%)
5	Postal ballot forms with dissent for the Resolution	1	50 (0.002%)
6	Postal ballot forms with neither assent nor dissent for the Resolution	2	30 (0.001%)

The special resolution had, therefore, been approved by the shareholders with requisite majority.



Mr. Jignesh A. Maniar, Practising Company Secretary conducted the postal ballot process as Scrutinizer appointed by the Board for that purpose.

The Company has complied with the procedures for Postal Ballots in terms of the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001 and amendments thereto.

No Resolution is proposed by the Board to be conducted through postal ballot at the ensuing Annual General Meeting.

5. Disclosures

(i) Disclosures on materially significant related party transactions

The Company does not have any related party transactions with promoters, directors or management or relatives, which may have potential conflict with the interest of the Company at large. Transactions with related parties are disclosed in the notes to the accounts in this Annual Report.

(ii) Code of Conduct

The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct has been posted on the website of the Company www.electrotherm.com

In compliance with the Code, directors and senior management of the Company have affirmed compliance with the Code for year ended on 31st March, 2010. The declaration of compliance of Code of Conduct by the Joint Managing Director & CEO is part of this Annual Report.

(iii) CEO / CFO Certification

Mr. Shailesh Bhandari, Managing Director and Mr. Avinash Bhandari, Joint Managing Director & CEO of the Company has furnished the requisite certificate to the Board of Directors under Clause 49 V of the Listing Agreement.

(iv) Cases of Non-compliance / Penalties

There are no non-compliances by the Company on any matter related to capital markets, during the last three years. Similarly, there are no penalties or strictures imposed on the Company by Stock Exchanges, SEBI or any other statutory authorities on any matter related to capital markets during the last three years.

The Company has complied with all the mandatory requirements of the Clause 49 of the listing agreement with the Stock Exchanges as well as regulations and guidelines issued by SEBI.

(v) Whistle Blower Policy

The Company does not have Whistle Blower Policy. The Company hereby affirms that no personnel has been denied access to the Audit Committee.

(vi) Non-Mandatory Requirements

The Company has fulfilled the following non-mandatory requirements as prescribed in Annexure ID to Clause 49 of the Listing Agreement with the Stock Exchanges:

- (a) The Company has set up a Remuneration Committee. Please see the Para 3B on Remuneration Committee for details.
- (b) The statutory Financial Statements of the Company are unqualified.

6. Means of Communication

The quarterly results are normally published in national and local daily such as "Economic Times" in English and Gujarati editions.

The Company has its own website www.electrotherm.com, on which the quarterly results are displayed. The quarterly results and official news releases are displayed on the website of the respective stock exchanges.

The Management Discussion and Analysis Report is attached herewith and form part of the Annual Report.

7. General Shareholder Information

Day, Date & Time of 24 th AGM	Friday, 24 th September, 2010 at 11.00 a.m.
Venue of AGM	H. T. Parekh Convention Centre, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015
Book Closure Date	20 th September, 2010 to 24 th September, 2010 (Both days inclusive)
Dividend Payment Date	After 24 th September, 2010, but within 30 days from the date of declaration
Compliance Officer	Mr. Ashwin Patel, Company Secretary
Email for Investor Complaint	sec@electrotherm.com
Website	www.electrotherm.com
Financial Year	1 st April to 31 st March
ISIN with NSDL & CDSL	INE822G01016

Tentative Financial Calendar for 2010 -2011

First Quarter Results	On or before 14 th August, 2010
Half Yearly Results	On or before 14 th November, 2010
Third Quarter Results	On or before 14 th February, 2011
Audited Results for 2010-2011	On or before 30 th May, 2011

A. Listing on Stock Exchange(s)

Shares of your Company are listed on two Stock Exchanges as shown below:

Name & Address of Stock Exchange	Stock Code
Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001	526608
National Stock Exchange of India Limited Exchange Plaza, Bandra – Kurla Complex, Bandra (East), Mumbai – 400 051	ELECTHERM

Annual Listing Fees for the Financial Year 2010-2011 have been paid to both the Stock Exchanges and Annual Custodial Fees for the Financial Year 2010-2011 have been duly paid to NSDL and CSDL.

B. Market Price Data

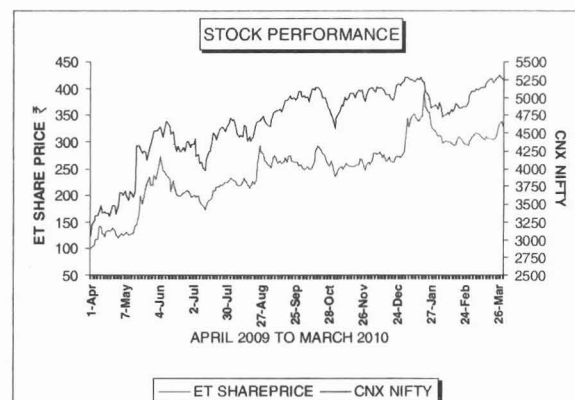
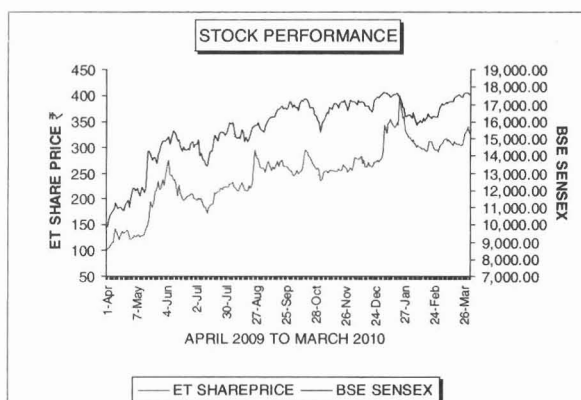
Market price data of Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) for the financial year 2009-2010 are given below:

Month	BSE – Share Price		BSE Monthly Volume	NSE – Share Price		NSE Monthly Volume
	High	Low		High	Low	
April, 2009	153.55	95.00	74,783	148.90	92.50	59,796
May, 2009	241.50	121.05	1,19,162	243.00	120.00	97,840
June, 2009	293.55	190.00	1,34,074	288.00	192.00	84,297
July, 2009	243.75	169.00	50,655	248.95	168.00	44,474
August, 2009	306.50	210.00	1,39,507	307.00	187.20	2,33,877
September, 2009	292.00	245.00	1,36,059	292.90	247.00	1,97,130
October, 2009	299.00	243.00	1,22,292	300.00	243.00	1,02,483
November, 2009	275.00	233.65	57,855	277.00	230.50	65,626
December, 2009	304.00	252.00	1,25,941	304.50	251.10	1,04,917
January, 2010	411.70	267.00	12,08,787	415.00	271.00	15,45,412
February, 2010	342.70	286.00	1,93,885	341.10	290.05	3,20,947
March, 2010	370.00	295.55	2,65,188	365.65	295.15	2,79,593



C. Stock Performance

Performance of share price of the Company in comparison to BSE Sensex and NSE Nifty for the year 2009 – 2010 are as under:



D. Registrar and Share Transfer Agent

M/s Link Intime India Pvt. Ltd. is the Share Transfer Agent for entire functions of share registry, both for physical transfers as well as dematerialisation / rematerialisation of shares, issue of duplicate / split / consolidation of shares, etc.

LINK INTIME INDIA PVT. LTD.

211, Sudarshan Complex, Near Mithakhali Under Bridge,

Navrangpura, Ahmedabad – 380 009

Phone & Fax No. (079) 2646 5179

E-mail Address: ahmedabad@linkintime.co.in

E. Share Transfer System

Shareholders are requested to send their share transfer related requests and documents at the above mentioned address. To expedite the process of share transfer, the Board of the Company has delegated the power of share transfer to the Registrar and Share Transfer Agent, which attends to the share transfer formalities at least once in a fortnight.

As per Clause 47(c) of the Listing Agreement, the Company has obtained the half yearly certificates from the Company Secretary in Practice for compliance of share transfer formalities and the same have been submitted to the Stock Exchanges. The Company has also obtained Quarterly Secretarial Audit Report for the reconciliation of Share Capital as per the Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996 and submitted the same to the Stock Exchanges.

F. Distribution of shareholding as on 31st March, 2010

Category	No. of Shareholders		No. of Shares	
	Total	% of Shareholders	Total	% of Shares
1 – 500	6,775	93.71	5,60,153	4.88
501 – 1000	235	3.25	1,77,870	1.55
1,001 – 2000	97	1.34	1,42,615	1.24
2,001 – 3000	35	0.48	84,856	0.74
3,001 – 4000	15	0.21	51,790	0.45
4,001 – 5000	12	0.16	57,900	0.50
5,001 – 10,000	20	0.28	1,36,113	1.19
10,001 & above	41	0.57	1,02,65,077	89.45
Total	7,230	100.00	1,14,76,374	100.00

G. Categories of Shareholding as on 31st March, 2010

Sr. No.	Category	No. of Shares	% to Share Capital
A.	Promoters Shareholding		
1.	Promoters and Promoters Group	38,53,075	33.57
B.	Public Shareholding		
2.	Mutual Funds / UTI	34,800	0.30
3.	Banks/Financial Institutions	100	0.00
4.	Insurance Companies	7,591	0.07
5.	Foreign Institutional Investors	2,675	0.02
6.	Foreign Financial Institution	13,66,666	11.91
7.	Bodies Corporate	15,68,527	13.67
8.	NRIs	61,653	0.54
9.	Trusts	13,68,333	11.92
10.	Foreign Companies	20,00,000	17.43
11.	Clearing Members	55,605	0.48
12.	Indian Public	11,57,349	10.09
	Total	1,14,76,374	100.00

H. Dematerialisation of shares and liquidity

The shares of the Company are under compulsory trading in demat form. The details of dematerialisation of shares as on 31st March, 2010 is as under:

Sr. No.	Particulars	No. of Shares	% of Paid up Capital
1	Held in Demat form	88,05,547	76.73
2	Held in Physical form	26,70,827	23.27
	Total	1,14,76,374	100.00

No Equity Shares are under lock-in as on 31st March, 2010.

Shares of the Company are regularly traded in BSE and NSE and are included in Group "B" category of shares of Bombay Stock Exchange Limited.

I. Outstanding GDRs/ADRs/Warrants or Convertible instruments, conversion date and likely impact on the equity

As on 31st March, 2010, the Company does not have any GDRs/ADRs/Warrants or any other convertible instruments.

J. Plant Locations

Engineering & Projects Division	:	Survey No. 72, Village: Palodia, Taluka : Kalol, Dist. Gandhinagar - 382 115, Gujarat
Steel & Electric Vehicle Division	:	Survey No. 325, Village : Samkhiyali, Taluka : Bhachau, Dist. Kutch, Gujarat
Wind Farm	:	Village : Dhank, Taluka : Upleta, Dist. Rajkot, Gujarat
Renewables Division	:	414/1 GIDC, Phase : II, Vatva Industrial Area, Ahmedabad - 382 445, Gujarat
Transmission Line Tower Division	:	Village : Juni Jithardi, Tal : Karjan, Dist : Vadodara, Gujarat

K. Correspondence

Shareholders are requested to correspond with the Company at the following address:

Mr. Ashwin Patel

Company Secretary

Electrotherm (India) Limited

A-1, Skylark Apartment, Satellite Road, Satellite, Ahmedabad – 380 015

Phone No. (02717) 234553 to 57 Fax No. (02717) 660600

Email : sec@electrotherm.com

DECLARATION OF CODE OF CONDUCT

As provided under Clause 49 of the Listing Agreement with the stock exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended 31st March, 2010.

Place : Palodia
Date : 13th August, 2010

Avinash Bhandari
Joint Managing Director & CEO

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
Electrotherm (India) Limited
Ahmedabad

We have examined the compliance of conditions of Corporate Governance by **Electrotherm (India) Limited** for the year ended on 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Mehta Lodha & Co.
(Registration No. 106250W)
Chartered Accountants

Place : Ahmedabad
Date : 13th August, 2010

Prakash D. Shah
Partner
Membership No.34363