

PAUSHAK LIMITED

(Formerly Known as Darshak Limited)

**INFORMATION MEMORANDUM FOR LISTING OF
32,07,114 EQUITY SHARES OF RS. 10/- EACH**

PAUSHAK LIMITED
(Formerly known as Darshak Limited)

Incorporated as a Public Limited Company on 6th May, 1972 under the Companies, Act, 1956 as "Darshak Limited". In terms of Scheme of Amalgamation of erstwhile Paushak Limited with the Company, as approved by the Hon'ble High Court of Gujarat, the name of the Company was changed to Paushak Limited w.e.f. 19th September, 2005.

Registered Office: Alembic Road, Gorwa, Baroda - 390 003.

Tel: (0265) - 2284731, 2281262, 2284032

Fax: (0265) - 2281508

Website: www.paushak.com

E-mail: paushak@alembic.co.in

**INFORMATION MEMORANDUM FOR LISTING OF 32,07,114 EQUITY
SHARES OF RS 10/- EACH FULLY PAID-UP**

GENERAL RISKS

Investment in equity and equity-related securities involve a degree of risk and investors should not invest in the equity shares of Paushak Limited unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in the shares of Paushak Limited. For taking an investment decision, investors must rely on their own examination of the Company including the risks involved.

ABSOLUTE RESPONSIBILITY OF PAUSHAK LIMITED

(Formerly Darshak Limited)

Paushak Limited (Formerly Darshak Limited) having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to Paushak Limited (Formerly Darshak Limited), which is material, that the information contained in the Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares of Paushak Limited (Formerly Darshak Limited) are proposed to be listed on Bombay Stock Exchange Limited, Ahmedabad Stock Exchange Limited and Bangalore Stock Exchange Limited.

SHARE TRANSFER AGENT

M/s. Intime Spectrum Registry Ltd.

201, Sidcup Towers,

Near Marble Arch,

Race Course,

Vadodara – 390 007.

Tel: (0265) 2312489, Telefax: (0265) 2332474

Email: vadodara@intimespectrum.com

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GLOSSARY OF TERMS/ ABBREVIATIONS

Articles/ Articles of Association	Articles of Association of Paushak Limited (Formerly Darshak Limited)
Auditors	The Statutory Auditors of Paushak Limited (Formerly Darshak Limited)
ASE	Ahmedabad Stock Exchange Limited
Banker(s) to the Company	The Bankers of Paushak Limited (Formerly Darshak Limited)
Board of Directors/ Board/ Directors	The Board of Directors of Paushak Limited (Formerly Darshak Limited)
BSE	Bombay Stock Exchange Limited
BgSE	Bangalore Stock Exchange Limited
CDSL	Central Depository Services (I) Ltd.
Companies Act	The Companies Act, 1956, as amended from time to time
DSE	Designated Stock Exchange
EPS	Earnings per equity share
Equity Shares	Equity shares of the Company of Rs.10 each unless otherwise specified in the context thereof
Financial year/ fiscal/ FY	The twelve months ended March 31 of a particular year
Information Memorandum	This document as filed with the Stock Exchanges is known as and referred to as the Information Memorandum
I. T. Act	The Income-tax Act, 1961, as amended from time to time, except as stated otherwise
Memorandum/ Memorandum of Association	The Memorandum of Association of Paushak Limited (Formerly Darshak Limited)
NSDL	National Securities Depository Limited
RBI	Reserve Bank of India
ROC	Registrar of Companies, Gujarat
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Guidelines	SEBI (Guidelines for Disclosure and Investor Protection) 2000 issued by SEBI effective from January 27, 2000, as amended, including instructions and clarifications issued by SEBI from time to time.
Stock Exchanges	BSE, ASE & BgSE
Transferor Company	Paushak Limited "PL"
Transferee Company	Darshak Limited "DL"

RISK FACTORS

Risk envisaged by the Management:

A. Risks Internal to the Company**1. Risks relating to business operations**

The operations of the Company are subject to the assumptions in demand and supply position in terms of quantity and price of raw material and finished goods.

B. Risks External to the Company**1. The Company is engaged in the manufacture of speciality chemicals, which by its nature is susceptible to various risks****Management Perception**

The Company has made proper safeguards and special arrangements are taken/made for prevention of any untoward happening. However, on the basis of the arrangement made, the management does not foresee any high risk.

2. Increased competition from low cost destinations**Management Perception**

The company proposes to address this risk by focussed efforts to reduce the costs of operations and match the ever growing industry expectations both in terms of the quality and costs of the products.

3. Foreign Exchange Rate Fluctuations**Management Perception**

The export revenue of the Company has been increasing consistently. The Company's exports is mainly denominated in US Dollar and hence, the fluctuations in the value of Indian Rupee against US Dollar may impact the profitability the export sales and this situation could continue if the Indian Rupee appreciates against US Dollar.

Note to risk factors:

As per the Scheme of Amalgamation, approved by the Hon'ble High Court of Gujarat, vide order dated 7th July, 2005, the entire running business of the Transferor Company (erstwhile Paushak Ltd.) is being transferred to the Transferee Company (erstwhile Darshak Ltd.) and the same will be carried on by the Transferee Company on a going concern basis. Accordingly all the above risks are being addressed and will continue to be so addressed by the Transferee Company also and the company does not foresee any adverse impact on the business of the company in future on this account.

I. GENERAL INFORMATION

Authority for Listing

The Hon'ble High Court of Gujarat, vide its Order dated 7th July, 2005 has approved the Scheme of Amalgamation of erstwhile Paushak Limited with erstwhile Darshak Limited (Now known as Paushak Limited) whereby the entire business of erstwhile Paushak Limited has been transferred to and vested in erstwhile Darshak Limited (Now Paushak Limited) w.e.f. April 1, 2004 (i.e. the Appointed Date under the Scheme) under Sections 391 to 394 of the Companies Act, 1956. In accordance with the said Scheme, the Equity Shares of the Company i.e. Paushak Limited (Formerly Darshak Limited). Shall, be listed and admitted to trading on Bombay Stock Exchange Limited ("BSE"). Such listing and admission for trading will be subject to fulfillment by the Company of listing criteria of BSE for such issues and also subject to such other terms and conditions as may be prescribed by BSE at the time of the application by the Company seeking listing.

The erstwhile Paushak Limited, prior to its merger with the Company was listed with the Bombay Stock Exchange Limited (BSE). The Scheme of Amalgamation of the erstwhile Paushak Limited with the Company was submitted to the BSE, which provided for listing of the equity shares of the Company with BSE. The BSE has vide its letter dated January 17, 2005 has approved the Scheme of Arrangement under Clause 24(f) of the Listing Agreement.

Eligibility Criterion

There being no Initial Public Offering or Rights Issue, the eligibility criteria in terms of Clause 2.2.1 of SEBI (DIP) Guidelines, 2000 does not become applicable.

The Company has submitted its Information Memorandum, containing information about itself, making disclosures in line with the disclosure requirement for public issues, as applicable, to BSE for making the said Information Memorandum available to public through their website viz. www.bseindia.com.

The Company has made the said Information Memorandum available on its website viz. www.paushak.com.

Change of Name of the Company

The Company was incorporated on 6th May, 1972 under the Companies Act, 1956, as Darshak Limited. In terms of the Scheme of amalgamation of erstwhile Paushak Limited with the Company, the name of the Company was changed to Paushak Limited w.e.f. 19th September, 2005.

The manufacturing activities were being carried on by the transferor company in the name of Paushak Limited for nearly three decades and the name has been established in the speciality chemicals industry. Hence, it was decided to change the name of the Company from Darshak Limited to Paushak Limited.

The Registrar of Companies, Gujarat has issued a Certificate for Change of Name the Company dated 19th September, 2005 consequent to change of name.

Prohibition by SEBI

The Company, its directors, its promoters, other companies promoted by the promoters and companies with which the Company's directors are associated as directors have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

Caution

The Company accepts no responsibility for statements made otherwise than in the Information Memorandum or in the advertisements to be published in terms of Clause 8.3.5.4 of SEBI (DIP) Guidelines, 2000 or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by the Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

Disclaimer Clause of BSE

As required, a copy of this Information Memorandum has been submitted to BSE. The BSE has vide its letter dated January 17, 2005 has approved the Scheme of Arrangement under Clause 24(f) of the Listing Agreement and by virtue of that approval the BSE's name is included in this Information Memorandum as one of the Stock Exchanges on which the Company's securities are proposed to be listed.

The BSE does not in any manner:

- warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; or
- warrant that this Company's securities will be listed or will continue to be listed on the BSE; or
- take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed to mean that this Information Memorandum has been cleared or approved by the BSE. Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of ASE

As required, a copy of this Information Memorandum has been submitted to Ahmedabad Stock Exchange Limited (ASE). The ASE has vide its letter dated October 19, 2004 has approved the Scheme of Arrangement under Clause 24(f) of the Listing Agreement and by virtue of that approval the ASE's name is included in this Information Memorandum as one of the Stock Exchanges on which the Company's securities are proposed to be listed.

The ASE does not in any manner:

- warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; or
- warrant that this Company's securities will be listed or will continue to be listed on the BSE; or
- take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed to mean that this Information Memorandum has been cleared or approved by the ASE. Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the ASE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of BgSE

As required, a copy of this Information Memorandum has been submitted to Bangalore Stock Exchange Limited (BgSE). The BgSE has vide its letter dated 2nd February, 2005 has approved the Scheme of Arrangement under Clause 24(f) of the Listing Agreement and by virtue of that approval the BgSE's name is included in this Information Memorandum as one of the Stock Exchanges on which the Company's securities are proposed to be listed.

The BgSE does not in any manner:

- warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; or
- warrant that this Company's securities will be listed or will continue to be listed on the BSE; or
- take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed to mean that this Information Memorandum has been cleared or approved by the BgSE. Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BgSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Filing

Copies of this Information Memorandum have been filed with BSE in due compliance.

Listing

Applications have been made to BSE, ASE & BgSE for permission to deal in and for an official quotation of the Equity Shares of the Company. The Company has nominated BSE as the Designated Stock Exchange for the aforesaid listing of the shares.

The Company has already taken steps for the completion of necessary formalities for listing and commencement of trading at the Stock Exchanges mentioned above.

Demat Credit

The Company has executed Agreements with NSDL and CDSL for admitting its securities in demat form.

<p>Share Transfer Agent M/s. Intime Spectrum Registry Ltd. 201, Sidcup Towers, Near Marble Arch, Race Course, Vadodara – 390 007. Tel: (0265) 2312489, Telefax: (0265) 2332474 Email: vadodara@intimespectrum.com</p>	<p>Auditors M/S. K. S. Aiyar & Co. Chartered Accountants, F-7, Laxmi Mills, Shakti Mills Lane (Off. Dr. E. Moses Rd.) Mahalaxmi, Mumbai - 400 011. Tel: (022) 56551770, 56551771 Fax: (022) 56551774</p>
<p>Banker to the Company ICICI Bank Limited Landmark Building, Race Course Circle, Vadodara - 390 005.</p>	<p>Compliance Officer & Company Secretary Rasesh Jayant Shah Company Secretary Paushak Limited Alembic Road, Vadodara - 390 003 Tel: (0265) - 2284731, 2281262, 2284032 Fax: (0265) - 2281508 Email: paushak@alembic.co.in</p>

Investors can contact the Compliance Officer in case of any share transfer related problem.

II. CAPITAL STRUCTURE**A. Pre Scheme of Amalgamation**

	Amount (Rs.)
A. <u>Authorised Capital</u>	
40,00,000 Equity Shares of Rs. 10/- each	4,00,00,000
TOTAL	4,00,00,000
B. <u>Issued, Subscribed & Paid-up Capital</u>	
29,29,170 Equity Shares of Rs. 10/- each fully paid-up	2,92,91,700
TOTAL	2,92,91,700

B. Post Scheme of Amalgamation

	Amount (Rs.)
A. <u>Authorised Capital</u>	
90,00,000 Equity Shares of Rs. 10/- each	9,00,00,000
11,00,000 Redeemable Cumulative Preference Shares of Rs. 100/- each	11,00,00,000
TOTAL	20,00,00,000
B. <u>Issued, Subscribed & Paid-up Capital</u>	
32,07,114 Equity Shares of Rs. 10/- each fully paid-up	3,20,71,140
TOTAL	3,20,71,140

Notes to Capital Structure:

- 1) In terms of the Scheme of amalgamation, the Company has allotted 2,78,744 Equity Shares of Rs. 10/- each fully paid-up to the equity shareholders of the Transferor Company i.e. erstwhile Paushak Limited on 5th November, 2005.
- 2) As per Clause 9(a)(ii) of the Scheme of amalgamation, the Company was required to issue 1 (one) Redeemable Cumulative Preference Share of Rs. 100/- fully paid up issued and allotted at par against 1 (one) Redeemable Cumulative Preference Shares of Rs. 100/- each fully paid up of transferor company, on the same terms and conditions including arrears of accumulated dividend on the shares held in transferor company. However, as on the Record Date i.e. 27th October, 2005, all the preference shares held by the preference shareholders in the transferor company were matured and due for redemption and hence, the transferee company has not issued any preference shares to the shareholders of the transferor company.
- 3) Consequent upon the approval of the Scheme, the Authorized Share Capital of the Company stood increased to Rs. 20,00,00,000/- (Rupees Twenty Crores) divided into 90,00,000 (Ninety Lacs) Equity Shares of Rs. 10/- each and 11,00,000 (Eleven Lacs) Redeemable Cumulative Preference Shares of Rs. 100/- each.

C. Share Capital History of the Company

Date	Allotment of Shares	No. of Shares	Cumulative No. of Shares	Face Value (Per share)	Capital Raised (in Rs.)	Total Capital (Rs.)
15-May-72	First Allotment (subscribers)	7	7	100	700	700
02-Aug-72	Board Meeting for allotment	3,300	3,307	100	330,000	330,700
22-Aug-72	Board Meeting for allotment	6,693	10,000	100	669,300	1,000,000
17-Nov-72	Board Meeting for allotment	1,620	11,620	100	162,000	1,162,000
25-Dec-72	Board Meeting for allotment	380	12,000	100	38,000	1,200,000
<i>Extra Ordinary General Meeting</i>						
<i>21-Sep-83</i>	<i>Approval - Issue of shares 81(1A)*</i>					
	* Not allotment of Shares					
06-Dec-83	Board Meeting for allotment	5,000	17,000	100	500,000	1,700,000
	Listing with BgSE					
<i>27-Jun-86</i>	<i>AGM - resolution passed for further issue*</i>					
	* Not allotment of Shares					
08-Dec-86	Board Meeting for allotment	7,000	24,000	100	700,000	2,400,000
<i>21-Sep-92</i>	<i>AGM - approval for bonus shares* - approval for rights issue*</i>					
	* Not allotment of Shares					
20-Jan-93	B.M. for split of shares into Rs. 10/- each	240,000	240,000	10	2,400,000	2,400,000
20-Jan-93	B.M. for allot of BONUS Shares	240,000	480,000	10	2,400,000	4,800,000
<i>28-Jan-95</i>	<i>AGM - approval for rights & public issue*</i>					
	* Not allotment of Shares					
20-Feb-96	B.M. for allt shares to alembic	270,000	750,000	10	2,700,000	7,500,000
07-May-96	B.M. for allt shares - public	810,000	1,560,000	10	8,100,000	15,600,000
	B.M. for allt shares - rights	1,440,000	3,000,000	10	14,400,000	30,000,000
28-Jul-98	Forfeiture of shares for non-Receipt of Calls of Rights	70,830	2,929,170	10	708,300	29,291,700

Date	Allotment of Shares	No. of Shares	Cumulative No. of Shares	Face Value (Per share)	Capital Raised (in Rs.)	Total Capital (Rs.)
<i>Extra Ordinary General Meeting</i>						
09-Mar-05	Special Resolution for issue of Shares pursuant to Scheme*					
	* Not allotment of Shares					
05-Nov-05	i) Cancellation of Crossholdings	800			8,000	
	ii) Allotment Committee meeting	278,744		10	2,787,440	
	Allotment of shares to shareholders of transferor company		3,207,114			32,071,140
			3,207,114			32,071,140

D. Shareholding Pattern of the Company before and After the Scheme

Category	Pre - Amalgamation		Post - Amalgamation	
	No. of Shares	% age of shareholding	No. of Shares	% age of Shareholding
A. Promoter's Holding				
1 Promoters				
- Indian Promoters	515051	17.58%	575086	17.93%
- Foreign Promoters	0	0.00%	0	0.00%
2 Persons acting in Concert	1496200	51.08%	1531399	47.75%
Sub-total	2011251	68.66%	2106485	65.68%
B. Non-Promoter's Holding				
3 Institutional Investors				
a. Mutual Funds and UTI	0	0.00%	0	0.00%
b. Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/ Non-government Institutions)	25450	0.87%	25533	0.80%
c. FIIs	0	0.00%	0	0.00%
Sub-total	25450	0.87%	25533	0.80%
4 Others				
a. Private Corporate Bodies	4250	0.15%	28428	0.89%
b. Indian Public	888219	30.32%	1046446	32.63%
c. NRIs/OCBs *	0	0.00%	190	0.01%
d. Any other	0	0.00%	32	0.00%
Sub-total	892469	30.47%	1075096	33.52%
GRAND TOTAL	2929170	100.00%	3207114	100.00%

- D.** List of the persons/entities comprising Promoters / Promoters Acting in Concert as shown in the Post amalgamation Shareholding pattern above are as follows:

	No. of shares	% of shares
Promoter Company		
Alembic Limited	5,75,086	17.93%
Promoters Acting in Concert		
Shreno Investment & Finance Ltd	2,36,000	7.36%
Shreno Limited	1,369	0.04%
Sierra Investments Limited	2,48,759	7.76%
PSU Chemicals Pvt Ltd.	47,100	1.47%
Whitefield Chemtech Pvt. Ltd.	30,600	0.95%
Dharak Limited	33	0.00%
Nirayu Pvt. Limited	1,68,262	5.25%
Aavaran Limited	33	0.00%
Paraan Limited	773	0.02%
Purak Vinimay Limited	1,333	0.04%
Ujjwal Vidyalaya	8,780	0.27%
Vidyanidhi Trust	123	0.00%
Arogyavardhini Society	3,365	0.10%
Granada Investments Ltd.	5,63,250	17.56%
Directors		
C. R. Amin	93,682	2.92%
M. C. Amin	39,273	1.22%
Udit C. Amin	26,997	0.84%
Amit Goradia	0	0.00%
Chandan Kumar	0	0.00%
R. M. Kapadia	200	0.01%
A. M. Kamdar	500	0.02%
Relatives of Directors		
Pranav Amin	29,599	0.92%
Shaunak Amin	26,999	0.84%
Y. R. Amin	3,455	0.11%
Jyotiben S. Patel	300	0.01%
Ninochaka Kothari	278	0.01%
Shreyaben Mukherjee	186	0.01%
Jaydev Kamdar	150	0.00%
TOTAL PROMOTERS HOLDING	21,06,485	65.68%

E. Top ten shareholders of the merged entity on the date of filing the Information Memorandum with Stock Exchange

Sr. No.	Name of Shareholder	No. of Shares	% of Shareholding	Nature of Interest
1	Alembic Limited	5,75,086	17.93%	Promoter
2	Granada Investments Limited	5,63,250	17.56%	Persons Acting in concert with Promoters
3	Sierra Investments Limited	2,48,759	7.76%	
4	Shreno Investment & Finance Ltd.	2,36,000	7.36%	
5	Nirayu Private Limited	1,38,262	5.25%	
6	C. R. Amin	93,682	2.92%	
7	PSU Chemicals Pvt. Ltd.	47,100	1.47%	
8	M. C. Amin	39,273	1.22%	
9	Whitefield Chemtech Pvt. Ltd.	30,600	0.95%	
10	Pranav Amin	29,599	0.92%	

As on the date of this Information Memorandum, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into equity shares of the Company.

There has been no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of approval of the Scheme by the High Courts till listing of the Equity Shares allotted as per the Scheme.

The Company presently does not have any intention or proposal to alter its capital structure for a period of six months from the date of listing the shares, by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise.

There shall be only one denomination for the Equity Shares of the Company, subject to applicable regulations and the company shall comply with such disclosure and accounting norms specified by SEBI, from time to time.

The Company has approximately 13,824 members as on the date of filing this Information Memorandum.

III - OBJECT OF THE SCHEME OF AMALGAMATION

The Transferor Company i.e., erstwhile Paushak Ltd. had plans for expansion of existing business and development of new products for which the Company required funds. The transferor company has accumulated losses for the year ended 31st March, 2004. The transferor company was in search of financially sound partner to meet the fund requirements.

The transferee company was financially sound company and had considerable resources in the form of reserves & surplus, and was looking for diversification and new business opportunities.

Since both the Companies belong to the same group of management, the Board of Directors of both the companies had thought it appropriate to amalgamate them for the purpose of achieving synergic advantages. It is thought fit to combine all the operations under one company. This would make the administration easy and control systems more efficient. The amalgamated company would be in a position to maximize its profits through optimum utilization of its resources and minimizing the administrative and operative costs and reducing duplication of efforts.

THE MAIN FEATURES OF THE SCHEME

The salient features of the Scheme are as follows:

1. The transfer date or the appointed date shall be 1st April, 2004.
2. All the existing equity shares of transferor Company (erstwhile Paushak Limited) shall be issued 1 equity Shares of Rs. 10/- each in the merged entity in lieu of every 6 equity shares of Rs. 10/- held in the transferor company.
3. All the Equity Shareholders of transferor Company (erstwhile Paushak Limited) shall be issued equity shares in the merged entity on the same terms and conditions as existing in the merged entity.
4. All the existing Preference Shareholders of transferor Company (erstwhile Paushak Limited) shall be issued the same number of Preference Shares in merged entity on same terms and conditions.
5. All the Equity Shares to be issued by the merged entity pursuant to the scheme of amalgamation shall be listed on the Stock Exchanges where the transferee company is currently listed and the Company shall also endeavor to get its shares listed on the Bombay Stock Exchange Limited (BSE).
6. The entire business including all assets and liabilities of the transferor company as on the appointed date shall stand transferred to and vest in the transferee company, on a going concern basis.

IV - HISTORY

The Company was incorporated in the name and style "DARSHAK LIMITED" under the Companies Act, 1956 as a public limited company vide certificate of incorporation No. 2197 dated 6th May, 1972 issued by the Registrar of Companies, Mysore (Now Karnataka).

Vide the order dt. 24th August, 2002 passed in Co. Pet. No. 198/2001 connected with Co. App. No. 515/2001 by the High Court of Karnataka, the Bulk Drug Manufacturing Unit of the Applicant company was de-merged and transferred to Alembic Limited. The Registered Office of the Company was shifted from the State of Karnataka to the State of Gujarat at 5th Floor, Administration Building, Alembic Limited, Alembic Road, Gorwa, Vadodara - 390 003 as per the Order of the Company Law Board, Chennai dated 13th August, 2004.

The Board of Directors of the Company have vide Board Resolution dated 24th October, 2005, shifted the registered office of the Company from 5th Floor, Administration Building, Alembic Limited, Alembic Road, Gorwa, Vadodara - 390003 to Alembic Road, Vadodara - 390 003.

Pursuant to the Scheme of amalgamation approved by the Hon'ble High Court of Gujarat vide its order dated 7th July, 2005, the name of the Company has been changed from "Darshak Limited" to "**Paushak Limited**" with effect from 19th September, 2005. The Registrar of Companies, Gujarat has issued Certificate for Change in the Name of the Company to this effect.

Main Objects of the Company

1. To carry on the business as traders, merchants, importers, exporters, articles, goods or merchandise, whole salers and processors of all kinds of commodities, materials, articles, goods or merchandise of any kind whatsoever.
- 1.B To undertake the manufacture of all kinds of commodities, materials, articles, goods or merchandise of any kind in which the company deals in or intends to deal in.
- 1.C To carry on the business of manufacturers and processors of and dealers in Chemicals. Chemical Compounds and Chemical products of any nature and kind whatsoever including the manufacturing of and dealing in. Heavy Chemicals, Acids, Alkalis, Petro Chemicals, Chemical Compounds and elements of all kinds (solid liquid of gaseous), solvents and plastics of all types.
- 1.D To carry on the business of manufacturers of and dealers in insecticides made from basic or intermediate organic chemicals or derived from plants and their compounds or in any other ways or methods.

- 1.E To carry on the business of manufacturers of and dealers in contact and systemic, organic and inorganic, fungicides, he-bicides, weedicides or Rodenticides.
- 1.F To carry on the business of manufacturers of and dealers in pesticides, disinfectants, deodorants, germicides for home, farm or other uses.
- 1.G To carry on the business of manufacturers of and dealers in liquid, dust and granulated formulations of any type of pesticides and filler powders of minerals like talcum, china clay etc.

Changes in the Memorandum of Association of the Company since incorporation

Date	Particulars
22.9.1992	Amendment in Memorandum of Association for increase in Authorised Capital from Rs. 25 lacs to Rs. 4 crores.
7.12.1996	Alteration in Object Clause of Memorandum of Association
29.7.2005	Alteration in Object Clause and Share Capital Clause of Memorandum of Association pursuant to Scheme of Amalgamation.

V - BUSINESS

The Company basically carries out the activities that were carried on by the transferor company. The Company is a specialty chemicals company belonging to the Alembic group from Baroda, India. The Company has mastered the Production of phosgene gas and phosgene based specialty Chemicals / intermediates through indigenously developed Technology. These chemicals are used in diverse fields such as Pesticides, pharmaceuticals, dyes, plastics, perfumeries etc.

The transferor company whose activities are presently carried on by the merged entity has had a long experience in handling phosgene gas and a major thrust of the company is to develop phosgene based derivatives through its R&D center that is recognized by the DISR. The Company can take up custom synthesis for phosgene derivatives and toll manufacturing. The Company has also handled Custom Synthesis and Contract based research.

The Company has production capacity of 150 tons per month of phosgene with a turnover of approximately Rs. 15.75 Crores p.a. and with a workforce of 200 plus. The Company has an in-house process development and R & D laboratory. The Company also has Corporate support in Production, R&D, QA, etc.

The Company offers unique capabilities in development & commercialization of phosgene based products. The Company accepts challenging product development request on routine basis. Laboratory Facilities are specifically designed & equipped for Safely conducting Phosgenation and related reactions. Expertise and resources are available to produce a wide range of specialty chemicals.

TOLL MANUFACTURING

The Company has a proven itself in meeting the special needs of customers on contract manufacturing basis and can undertake toll / contract manufacturing for Phosgenation to produce Carbamoyl chloride, Isocyanate, Choloformate, Urea, etc.

MANUFACTURING FACILITIES

The Company has its manufacturing facilities located at Panelav, Dist. Panchmahals, Gujarat.

The Company can offer a high degree of supply reliability for large scale products and speciality chemicals. The production complex consists of Multiple Products Plants that can be fine turned to run under optimal conditions for a given product.

PRODUCTS

The Product list of the Company comprises of the following products:

CHLOROFORMATES

Benzyl Chloroformate
Vinyl Chloroformate

ISOCYANATES

Ethly Isocynate
P-Chlorophenyl Isocynate
Trans - 4 - Methyl Chylohexyl Isocynate (In Toluene)
Biphenyl Isocynate
Cyclohexyl Isocynate
N-Butyl Isocynate
2-Phenyl Ethyl Isocynate
2-Chloro Ethyl Isocynate
O-Tolyl Isocynate
Isopropyl Isocynate (In Toluene)
Phenyl Isocynate

ACID CHLORIDES

Diphenyl Carbomoyl Chloride
N-Methyl Piperazine Carbomoyl Chloride
N, N-bis (2-chloroethyl) Carbomoyl Chloride (In Toluene)
Dimethyl Carbomoyl Chloride
Diethyl Carbomoyl Chloride

VI - PROMOTER & MANAGEMENT**PROMOTER:**

The Company is promoted by Alembic Limited which is a pharma major. The Company was incorporated as Alembic Chemical Works Company Limited on July 30, 1907 under the Indian Companies Act, VI of 1882 in the State of Gujarat. The name was changed to Alembic Limited from May 31, 1999. Originally, it was manufacturing chemicals, liquor etc. However, from 1950's onwards, it ventured into pharmaceutical business and after 1960 in the production of bulk drugs. The Company is a pioneer in manufacturing penicillin through fermentation process by developing indigenous know-how. Over the years, Alembic Limited has also developed other bulk drugs like Erythromycin, Roxithromycin, Azithromycin etc. The Company is very strong in domestic formulation business, anti-infectives, cold & cough remedies and in number of items in therapeutic segment.

Alembic Limited is also recognized as Export House by Government of India. Alembic Limited has manufacturing facilities at Baroda (Gujarat), Panelav (Gujarat) and Baddi (Himachal Pradesh)

MANAGEMENT:

Paushak Limited is managed by the Board of Directors of the Company. All the Directors of the Company are Non-Executive Directors. The composition of the Board of Directors alongwith the Directors' profile is given below:

Sr. No.	Name and Address	Directors' Profile
1	Mr. Chirayu R. Amin Chairman F - 10/195, Race Course Circle, Gotri Road, Vadodara - 390 007.	Mr. C. R. Amin is graduate in Science and M.B.A. from USA. He has been working as Managing Director of Alembic Limited since 1983. Alembic Limited has achieved tremendous growth in sales despite very keen competition in pharmaceutical industry, during his tenure as Managing Director of the Company. He holds directorship in ten other companies viz. Alembic Ltd., Alembic Glass Industries Ltd., AGI Developers Ltd., Alembic Exports Ltd., Nirayu Pvt. Ltd., Alembic Europe Pvt. Ltd., Elecon Engineering Company Ltd., Federation of Indian Chambers of Commerce & Industries, Gujarat Flying Club and Whitefield Agrotech Pvt. Ltd. He is also Chairman of Shareholders/Investors Committee of Alembic Glass Industries Ltd.

2	<p>Mrs. Malika C. Amin Director F - 10/195, Race Course Circle, Gotri Road, Vadodara - 390 007.</p>	<p>Mrs. M. C. Amin has done her Masters in Industry Psychology. She is working with Alembic Limited as Whole-time Director of the Company. She has extensive experience in corporate management and administration. She holds directorship in three other companies viz. Alembic Ltd., Alembic Glass Industries Limited and Aavaran Ltd.</p>
3	<p>Mr. Udit C. Amin Director F - 10/195, Race Course Circle, Gotri Road, Vadodara - 390 007.</p>	<p>Mr. Udit C. Amin studied Economics with focus on International trade at University of Michigan, USA. He has worked in regulatory department at Ivax, UK. He was the Whole-time Director of the erstwhile Paushak Limited prior to its merger with the Company and had worked extensively on the turn around project of erstwhile Paushak Limited.</p>
4	<p>Mr. Amit M. Goradia Director 12, Keshav Baug, Vasna Road, Vadodara - 390 012.</p>	<p>Mr. Amit Goradia is a qualified Mechanical Engineer from the prestigious Indian Institute of Technology (IIT), Mumbai He has rich and varied industrial experience in engineering, Industrial Chemicals and Fast Moving Consumer Goods industries. He is the Managing Director of Coronet Products Pvt. Ltd. and the Chairman of Jewel Brushes Pvt. Ltd. He holds directorship in 7 other companies viz. Coronet Products Pvt. Ltd., Kunkel Wagner (I) Pvt. Ltd., Jewel Brushes Pvt. Ltd., Federation of Indian Chambers of Commerce & Industries, Tapovan Education Institute, Coronet Trading Pvt. Ltd. and Sthapati Credit Ltd.</p>
5	<p>Mr. Chandan Kumar Director Alembic Colony, Alembic Road, Gorwa, Vadodara - 390 003.</p>	<p>Mr. Chandan Kumar is M.Sc. He has experience of more than 24 years in the field of pharmaceuticals and chemicals. He does not hold Directorships in any other Company.</p>
6	<p>Mr. R. M. Kapadia Director 49/50, Matri Mandir Society, Dutt Mandir Lane, ISCON Temple Road, Vadodara - 390 015.</p>	<p>Mr. R. M. Kapadia has experience of over 45 years in various field of business. He is M.Com, LL.B, DTP, FICWA, FCS, AIMA.DM. He is Director in 4 other companies viz. Alembic Limited, Ujjwal Limited, Paraan Limited and Whitefield Agrotech Pvt. Ltd.</p>

7	Mr. A. M. Kamdar Director 23, Pratapgunj, Vadodara - 390 002.	Mr. A. M. Kamdar is a qualified Cost Accountant. He has experience of more than 25 years in the field of Finance and Administration. He holds directorship in 5 other companies viz. Purak Vinimay Ltd., Ujjwal Ltd., Alembic Export Ltd., Shreno Investment & Finance Ltd. and Sierra Investments Ltd.
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Key Managerial Personnel

The Company is managed by the Board of Directors of the Company. Moreover, all the Directors of the Company are Non-Executive Directors. All the Directors are paid only sitting fees. The following Directors are the Key Managerial Personnel of the Company:

- 1) Mr. C. R. Amin - Chairman & Director
- 2) Mrs. M. C. Amin - Director
- 3) Mr. Udit C. Amin - Director
- 4) Mr. R. M. Kapadia - Director

GROUP COMPANIES

Paushak Limited is a promoted by Alembic Limited. Hence, the details of Alembic Limited are given below.

Alembic Limited (AL):

AL was incorporated on 13th July, 1907. AL is a listed company, which is engaged in the manufacturing of pharmaceutical products. AL's paid up equity share capital is Rs. 27.69 crores and Board of Directors consists of Mr. C. R. Amin (Chairman & Whole-time Director), Mrs. M. C. Amin (Whole-time Director), Mr. R. K. Baheti (Executive Director), Mr. R. M. Kapadia (Director), Mr. K. G. Ramanathan (Director), Mr. P. N. Parikh (Director), Mr. R. R. Patel (Director) and Dr. B. R. Patel (Director).

Shareholding pattern as on 30-09-2005

Sr. No.	Category	No. of shares held of Rs. 10/- each	% of voting strength
1.	Promoters & Associates	1,69,57,349	61.24
2.	Mutual Funds & UTI	9,51,432	3.44
3.	Banks, Financial Institutions & Insurance Companies	5,67,297	2.05
4.	Foreign Institutional Investors	20,49,594	7.40
5.	Private Corporate Bodies	3,49,726	1.26
6.	Indian Public	56,90,341	20.55
7.	NRIs / OCBs	11,24,942	4.06
8.	Any Other	300	Negligible

The financial performance of AL for the last 3 years is as follows:

(In Rs. lacs)

Particulars	2002-03	2003-04	2004-05
Sales & Other Income	51610.38	56904.21	534.14
PAT	3152.17	3125.87	5181.64
Equity Capital	735.96	2644.00	2769.19
EPS (Rs.)	12.37	12.19	19.27

Quotes for last six months at National Stock Exchange Limited (NSE)

Month	High (Rs.)	Low (Rs.)
June, 2005	292.40	232.50
July, 2005	292.00	236.50
August, 2005	330.00	264.35
September, 2005	288.00	250.00
October, 2005	292.00	241.00
November, 2005	313.30	243.05

Stock Market Data:

Name of Stock Exchange(s) where listed	NSE & BSE
High / Low price in last 6 months (Rs.) (At NSE)	330.00 / 232.50
Market price as on December 21, 2005	344.65
Market capitalization as on December 21, 2005 (Rs. in lacs)	953.99 crores

Paushak Limited does not have any Group Company. However, the names of the Companies which are the Group Companies of Alembic Limited (promoter of Paushak Limited) are as under:

1. Alembic Glass Industries Limited
2. Purak Vinimay Limited
3. Nirayu Private Limited
4. Whitefield Chemtech Private Limited
5. Light Publications Limited
6. Viramya Packlight Limited
7. Aavarani Limited
8. Sierra Investments Limited
9. Shreno Limited [Formerly known as Shreno Investment & Finance Limited]
10. Whitefield Agrotech Private Limited
11. Alembic Exports Limited
12. Alembic Europe Private Limited

VII - STATUS ON CORPORATE GOVERNANCE**1. Company's Philosophy**

The Company's philosophy on Corporate Governance is built on the basis of fair and transparent governance and disclosure practices. The Company's essential character revolves around values based on transparency, integrity, professionalism and accountability.

2. Board of Directors**• Composition of the Board:**

The Company's Board meets the requirement of Corporate Governance. The Board consists of seven directors and all of them are non-executive directors. Moreover, four Directors are independent Directors (i.e. they have no pecuniary relationship with the Company except the sitting fees).

• Number of Board Meetings held and the dates of the Board Meetings:

During the year ended 31st March, 2005, eight Board Meetings were held. The dates on which the said meetings were held are as follows:

23 rd April, 2004	29 th June, 2004	27 th July, 2004	1 st September, 2004
15 th September, 2004	28 th October, 2004	3 rd December, 2004	24 th January, 2005

• Details of other Directorships and Attendance of each Director at the Board Meetings and the last AGM

Name of Director	Category of Directorship	No. of Board Meetings Attended	Attendance at the last AGM
Mr. C. R. Amin*	Chairman & N.E.D.	N.A.	N.A.
Mrs. M. C. Amin*	N.E.D.	N.A.	N.A.
Mr. Udit C. Amin*	N.E.D.	N.A.	N.A.
Mr. Amit Goradia*	N.E.D. (I)	N.A.	N.A.
Dr. V. S. Chitnis*#	N.E.D. (I)	N.A.	N.A.
Mr. R. M. Kapadia**	N.E.D. (I)	8	Yes
Mr. Chandan Kumar	N.E.D. (I)	N.A.	N.A.
Mr. A. M. Kamdar	N.E.D. (I)	8	Yes
Mr. B. K. Mehta^	N.E.D. (I)	6	Yes
Mr. S. V. Ekbote^^	N.E.D. (I)	1	N.A.

N.E.D. - Non-Executive Director

N.E.D. (I) - Non-Executive & Independent Director

*Mr. C. R. Amin was appointed as Additional Director and Chairman of the Company w.e.f. 18th August, 2005.

Mrs. M. C. Amin, Mr. Udit C. Amin, Dr. V. S. Chitnis and Mr. Amit Goradia were appointed as Additional Director w.e.f. 18th August, 2005. Mr. Chandan Kumar was appointed as Additional Director w.e.f. 27th September, 2005.

** Mr. R. M. Kapadia was Chairman of the Company upto 17th August, 2005.

*# Dr. V. S. Chitnis resigned as Director w.e.f. 27th September, 2005.

^ Mr. B. K. Mehta resigned as Director w.e.f. 18th August, 2005.

^^ Mr. S. V. Ekbote resigned as Director w.e.f. 26th July, 2004.

3. Audit Committee

• Composition & Terms of Reference

During the year, the Audit Committee comprised of 3 Directors viz. Mr. R. M. Kapadia, Mr. A. M. Kamdar and Mr. B. K. Mehta. Mr. B. K. Mehta was appointed as member of the committee w.e.f. 27th July, 2004 in place of Mr. S. V. Ekbote who ceased to be a member of the committee. Mr. R. M. Kapadia is Chairman of the Audit Committee. All the Directors in Audit Committee were Non-executive Independent Directors. The terms of reference of the committee are wide enough covering the matters specified for Audit Committee under the Listing Agreements. Mr. Rasesh Shah, Company Secretary of the Company acts as Secretary of the Audit Committee. The Auditors of the Company are invited to attend the Meetings of Audit Committee.

The Audit Committee has been restructured with effect from 18th August, 2005 and at present the audit committee comprises of Mr. R. M. Kapadia, Mrs. M. C. Amin, Mr. Amit Goradia and Mr. A. M. Kamdar.

• Meetings and the attendance during the year:

There were three meetings of the Audit Committee during the year. The attendance of each Member of the Committee is given below:

Name of Director	Category of Director	No. of meetings attended
Mr. R. M. Kapadia	Non-executive - Independent	3
Mr. A. M. Kamdar	Non-executive - Independent	3
Mr. B. K. Mehta (w.e.f. 27 th July, 2005 to 18 th August, 2005)	Non-executive - Independent	2
Mr. S. V. Ekbote (upto 26 th July, 2005)	Non-executive - Independent	Nil

4. Remuneration Committee

Since no managerial remuneration is being paid, the Company is not required to appoint a Remuneration Committee. The erstwhile Paushak Limited, which is amalgamated with the Company, had a Remuneration Committee comprising of three Directors viz. Mr. A. M. Goradia, Mr. A. A. Joshi and Mr. R. A. Pawar. The terms and conditions of the appointment of Mr. Udit C. Amin, whole time Director of the erstwhile Paushak Limited were recommended by the aforementioned Remuneration Committee.

After merger of the erstwhile Paushak Limited with the Company w.e.f. 29th September, 2005, Mr. Udit C. Amin ceased to be whole time Director of the Company.

• **Details of Remuneration paid to Directors**

Non-Executive Directors

The Non-executive Directors were paid the sitting fees for attending Board / Committee Meetings at Rs. 1,000/- per meeting upto 23rd April, 2004. With effect from 29th June, 2004, the sitting fees were reduced to Rs. 500/- for attending Board / Committee Meetings.

Name of Directors	Sitting fees for Board Meetings (Rs.)	Sitting fees for Committee Meetings (Rs.)
Mr. R. M. Kapadia	4,500	1,500
Mr. A. M. Kamdar	4,500	1,500
Mr. B. K. Mehta	3,000	1,000
Mr. S. V. Ekbote	1,000	-

Executive Directors

The Company does not have any executive director. However, the erstwhile Paushak Limited had appointed Mr. Udit C. Amin as Whole-time Director of the Company. Mr. Udit C. Amin was paid salary, perquisites and other benefits of Rs. 7.89 lacs during the year. There was no separate provision for payment of severance fees and the Company also did not have any Stock Option Scheme.

5. Shareholders' / Investors' committee

The Board has constituted Shareholders' / Investors' Committee which looks into Shareholders'/Investors' related matters. The Committee comprised of 3 Directors viz. Mr. R. M. Kapadia, Mr. A. M. Kamdar and Mr. B. K. Mehta. Mr. B. K. Mehta was appointed as member of the committee w.e.f. 27th July, 2004 in place of Mr. S. V. Ekbote who ceased to be a member of the committee. Mr. R. M. Kapadia is Chairman of the shareholders'/Investors' Committee.

The Shareholders' / Investors' Committee has been restructured with effect from 18th August, 2005 and at present, the audit committee comprises of Mr. C. R. Amin, Mrs. M. C. Amin and Mr. R. M. Kapadia.

6. General Body Meetings

Details of the last three Annual General Meetings are given below:

Year	Location	Date	Time	No. of Special Resolutions passed
2001-02	Premises of M/s. Alembic Glass Industries Limited., Near Railway Station, Whitefield, Bangalore – 560 066	28 th September, 2002	11:30 a.m.	2 (out of which 1 through postal ballot)

2002-03	Premises of M/s. Alembic Glass Industries Limited., Near Railway Station, Whitefield, Bangalore – 560 066	15 th September, 2003	10:30 a.m.	1 (through postal ballot)
2003-04	"Sanskriti", Alembic Corporate Conference Center, Opp. Pragati Sahakari Bank Limited, Alembic Colony, Vadodara - 390 003	29 th September, 2004	11:00 a.m.	1

Details of Extraordinary General Meetings of Members held during the year

Year	Location	Date	Time
2005	"Sanskriti", Alembic Corporate Conference Center, Opp. Pragati Sahakari Bank Limited, Alembic Colony, Vadodara - 390 003	9 th March, 2005	3:00 p.m.

Resolutions passed through Postal Ballot:

During the year, a Special Resolution for making investments, providing of guarantees / securities in excess of the limits prescribed under Section 372A of the Companies Act, 1956 and for increasing the limit to Rs. 35 crores was put through Postal Ballot before the members of the Company. The result thereof was declared at the registered office of the Company on 12th January, 2005 and the same was intimated to the Stock Exchanges. The special resolution was passed with requisite majority.

Details of the voting pattern are as under:

Particulars	In favour	Against
No. of Postal Ballots	290	12
No. of Equity Shares	20,83,444	1,568
% of Postal Ballots	96.03	3.97
% of Equity Shares	99.92	0.08

Mr. R. M. Kapadia, Director and Mr. Rasesh Shah, Company Secretary were the persons responsible to conduct the postal ballot procedure. The Board had appointed Mr. Devesh Pathak, Company Secretary in whole-time practice as scrutinizer to the postal ballot process.

No Special Resolutions are proposed through postal ballot at the ensuing Annual General Meeting.

6A. Notes on Directors seeking appointment / re-appointment as required under Clause 49VI(A) of the Listing Agreement entered into with Stock Exchanges.

Mr. A. M. Kamdar will retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Mr. C. R. Amin, Mrs. M. C. Amin, Mr. Udit C. Amin, Mr. Amit Goradia and Mr. Chandan Kumar appointed as additional directors, shall be appointed at the ensuing Annual General Meeting.

Mr. A. M. Kamdar is a qualified Cost Accountant. He has experience of more than 25 years in the field of Finance and Administration. He holds directorship in 5 other companies viz. Purak Vinimay Ltd., Ujjwal Ltd., Alembic Export Ltd., Shreno Ltd. and Sierra Investments Ltd.

Mr. C. R. Amin is graduate in Science and M.B.A. from USA. He has been working as Managing Director of Alembic Limited since 1983. Alembic Limited has achieved tremendous growth in sales despite very keen competition in pharmaceutical industry, during his tenure as Managing Director of the Company. He holds directorship in ten other companies viz. Alembic Ltd., Alembic Glass Industries Ltd., AGI Developers Ltd., Alembic Exports Ltd., Nirayu Pvt. Ltd., Alembic Europe Pvt. Ltd., Elecon Engineering Company Ltd., Federation of Indian Chambers of Commerce & Industries, Gujarat Flying Club and Whitefield Agrotech Pvt. Ltd. He is also Chairman of Shareholders/ Investors Committee of Alembic Glass Industries Ltd.

Mrs. M. C. Amin is Master of Arts. She has been working with Alembic Limited as Whole-time Director of the Company. She has extensive experience in corporate management and administration. She holds directorship in two other companies viz. Alembic Ltd. and Aavaran Ltd.

Mr. Udit C. Amin studied Economics with focus on International trade at University of Michigan, USA. He has worked in regulatory department at Ivax, UK. He was the Whole-time Director of the erstwhile Paushak Limited prior to its merger with the Company and had worked extensively on the turn around project of erstwhile Paushak Limited.

Mr. Amit Goradia is a qualified Mechanical Engineer from the prestigious Indian Institute of Technology (IIT), Mumbai He has rich and varied industrial experience in engineering, Industrial Chemicals and Fast Moving Consumer Goods industries. He is the Managing Director of Coronet Products Pvt. Ltd. and the Chairman of Jewel Brushes Pvt. Ltd. He holds directorship in 7 other companies viz. Coronet Products Pvt. Ltd., Kunkel Wagner (I) Pvt. Ltd., Jewel Brushes Pvt. Ltd., Federation of Indian Chambers of Commerce & Industries, Tapovan Education Institute, Coronet Trading Pvt. Ltd. and Sthapati Credit Ltd.

Mr. Chandan Kumar is M.Sc. He has experience of more than 24 years in the field of pharmaceuticals and chemicals. His presence of the Board would immensely help in making effective business decisions.

7. Disclosure

There were no materially significant related party transactions that had conflict with the interest of the Company at large. The Register of Contracts for the transactions in which Directors are interested is placed before the Board regularly for its approval.

8. Compliance :

The Company has complied with all the mandatory requirements of the Listing Agreements with Stock Exchanges as well as regulations and guidelines of SEBI. Further, there is no penalty/stricture by any statutory authority during the year.

9. Means of Communication :

- Half-yearly results sent to each household of the shareholders : The results are Published in newspapers having wide coverage.
- * Quarterly Results : Published in newspapers.
- * Which Newspapers normally published in : Business Standard (English)
Loksatta (Gujarati)
- Whether Shareholder information forms part of the Annual Report. : Yes

10. Shareholders' Information :

1. Annual General Meeting
Date and Time : 8th November, 2005 at 4.00 p.m.
Venue : "Sanskriti", Alembic Corporate Conference Center, Opp. Pragati Sahakari Bank Limited, Alembic Colony, Vadodara-390 003
2. Financial Calendar : Adoption of results for the quarter:

Quarter ending 30 th June 2005	Declared on 28 th July, 2005
Quarter ending 30 th September 2005	October, 2005
Quarter ending 31 st December 2005	January, 2006
Quarter ending 31 st March, 2006	April, 2005 to June 2006
Annual General Meeting for the year ended 31 st March, 2006	Before September, 2006
3. Date of Book Closure : 27th October, 2005 to 8th November, 2005 (both days inclusive)
4. Registered Office : Paushak Limited
(formerly known as Darshak Limited)
5th Floor, Administration Building, Alembic Limited, Administration Road, Gorwa, Vadodara - 390 003.
Ph. No. (91-265) 2280550
Fax : (91-265) 2285892/2282506
Web: www.paushak.com
5. Listing Details : **Ahmedabad Stock Exchange,**
Kamdhenu Complex, Panjrapole, Ambawadi, Ahmedabad – 380 015.
(Trading Code : 12987)

Bangalore Stock Exchange Limited
 Stock Exchange Tower, 51, 1st Cross,
 J.C.Road, Bangalore – 560 027.
 (Security Code : DARSHAK)

6. Stock Price Data : No trading took place in the shares of the Company through Stock Exchanges during the period 1st April, 2004 to 31st March, 2005.

*However, there was regular trading in the shares of erstwhile Paushak Limited. The Stock Price Data of the same are provided at the end of this report.

7. Registrar and Share transfer Agents : Intime Spectrum Registry Limited
 201, Sidcup Tower,
 Near Marble Arch,
 Race Course, Vadodara–390007.
 Tel: (0265) 2312489,
 Telefax: (0265) 2332474
 Email: vadodara@intimespectrum.com

8. Share Transfer System : Share transfers are registered and returned generally within a period of 15 days from the date of receipt, if documents are accurate in all respects.

9. Distribution of Shareholding

The Distribution of Shareholdings as on 31st March, 2005 is given as under:

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of total shares
Up to 500	3709	91.60	554509	18.93
501 - 1,000	248	6.13	184000	6.28
1,001 - 2,000	53	1.31	80660	2.75
2,001 - 3,000	13	0.32	33500	1.14
3,001 - 4,000	6	0.15	22250	0.76
4,001 - 5,000	1	0.02	4400	0.15
5,001 - 10,000	1	0.02	6000	0.21
10,001 & above	18	0.45	2043851	69.78
Total :	4049	100.00	2929170	100.00

Shareholding pattern as on 31st March, 2005

Sr. No.	Category	No. of shares held	% of voting strength
A	Promoters & Associates	2014451	68.77
B	Banks, Financial Institutions & Insurance Companies	25450	0.87
C	Private Corporate Bodies	4250	0.15
D	Indian Public	885019	30.21
	Total :	2929170	100.00

11. Dematerialization of Shares and liquidity : At the end of the year 16,38,367 (about 55.93% of total shares) have been dematerialized. Trading in shares is permitted only in dematerialized form as per notification issued by the SEBI. (ISIN CODE: INE 111F01016)
12. Plant Locations : Panelav, Dist. Panchmahals.
13. Investor Correspondence : (i) Paushak Limited
Alembic Road, Gorwa,
Vadodara - 390 003.
- (ii) Intime Spectrum Registry Limited,
201, Sidcup Tower, Near Marble Arch,
Race Course, Vadodara-390007.

* The details of the Stock Price Data of erstwhile Paushak Limited on Bombay Stock Exchange Limited are as under:

Month	Month's Low Price	Month's High Price
April, 2004	7.80	12.01
May, 2004	10.00	12.99
June, 2004	8.55	11.00
July, 2004	8.25	11.27
August, 2004	11.80	21.00
September, 2004	18.30	29.40
October, 2004	27.00	37.00
November, 2004	31.55	60.90
December, 2004	43.40	57.25
January, 2005	37.00	48.00
February, 2005	31.50	42.10
March, 2005	26.00	35.00

VIII - MANAGEMENT DISCUSSION & ANALYSIS OF OPERATION AND FINANCIAL CONDITIONS

(A) Industry Structure and Development:

The Financial year 2004-05 was a challenging one for most of the economies globally. On the domestic front, with the reduction in tariffs, Indian companies with strong systems and organized operations have benefited in the liberal environment. Globally, the easing of GATT regulations have meant free trade and greater opportunities. Companies with competitive advantages, like having competence in the areas of high value-added chemicals, conforming with international quality standards, have translated this as a growth opportunity to establish a dominant presence in both international and domestic markets. These will do well going forward.

(B) Opportunities, Threats, Risks, Concern and Outlook:

There is good opportunity to increase our share in exports and domestic markets. The production facility of one of our products is approved by some of the major Indian players and MNCs. Many new Phosgene based products are developed and trial orders are being executed in India and abroad.

Your Company has introduced certain new products during the year. The Company has also started exporting some intermediates to USA. The Company has substantially increased capacity both in Solid and Liquid products.

Outlook:

There is a considerable scope for the growth of the speciality chemicals industry and the Company is striving towards enhancing the market share in the domestic and select international markets. In order to improve working of the Company, the Company is investing in building a new R & D block, expected to be commissioned in December, 2005.

(C) FINANCIAL PERFORMANCE:

The total income of the merged Company for the year under review was Rs. 1,871.26 lacs as compared to income of Rs. 751.66 lacs for the previous year ended on 31st March, 2004. The Gross Profit (before interest, depreciation, non-recurring expenses and tax) was Rs. 491.27 lacs for the year under review as compared to Rs. 46.07 lacs for the previous year ended on 31st March, 2004. The Company made a net loss of Rs. 149.81 lacs after writing off bad debts of Rs. 523.23 lacs for the year under review as compared to profit of Rs. 11.27 lacs for the previous year ended on 31st March, 2004. Export sales for the year ended on 31st March, 2005 were Rs. 384.44 lacs.

The erstwhile Paushak Limited has been merged with the Company with effect from 1st April, 2004 as the appointed date and hence the figures of the previous years are not comparable with the figures of the year under review.

(D) INTERNAL CONTROL SYSTEMS AND ADEQUACY:

Your Company maintains a system of well-established policies and procedure for internal control of operations and activities of the Company. The internal Audit function is being further strengthened in consultation with statutory auditors for monitoring statutory and operational issues. The Company has appointed M/s. Pravin Doshi & Co., Chartered Accountants as Internal Auditors.

(E) HUMAN RESOURCES INTERVENTIONS IN 2004-05:

Your Company regards its human resources amongst its most valuable assets and proactively reviews and evolves policies and processes to attract and retain the efficient people. Since its inception, the Company has invested in people through planned interventions to keep its employees competent in the ever-changing business environment.

IX - FINANCIAL INFORMATION OF PAUSHAK LIMITED

PAUSHAK LTD.

BALANCE SHEET AS AT 31st MARCH, 2005

Schedules	As At 31st	As At 31st
	March,2005	March,2004
	Rs.	Rs.
SOURCES OF FUNDS :		
1 Shareholders' Fund :		
a) Capital	A 6, 20, 71, 110	2, 92, 91, 700
b) Reserves & Surplus	B 10, 49, 56, 610	10, 43, 86, 302
	<u>16, 70, 27, 720</u>	<u>13, 36, 78, 002</u>
2 Loan Funds:		
a) Secured Loans	C 39, 03, 522	-
b) Unsecured Loans	D 8, 23, 62, 000	7, 39, 23, 900
	<u>8, 62, 65, 522</u>	<u>7, 39, 23, 900</u>
	<u>25, 32, 93, 242</u>	<u>20, 76, 01, 902</u>
APPLICATIONS OF FUNDS:		
1 Fixed Assets:		
Gross Block	E 12, 92, 72, 233	61, 82, 752
Less: Depreciation	8, 52, 88, 304	56, 14, 830
	<u>4, 39, 83, 929</u>	<u>5, 67, 922</u>
2 Investments	F 7, 22, 16, 844	1, 79, 15, 380
3 Current Assets, Loans and Advances:		
a) Inventories	G 2, 99, 61, 300	-
b) Sundry Debtors	H 4, 28, 36, 194	-
c) Cash and Bank Balances	I 24, 49, 746	96, 27, 072
d) Loans and Advances	J 8, 87, 64, 423	18, 97, 94, 274
	<u>16, 40, 11, 663</u>	<u>19, 94, 21, 346</u>
4 Less: Current Liabilities & Provisions:	K	
a) Liabilities	3, 43, 45, 640	1, 63, 24, 912
b) Provisions	-	-
	<u>3, 43, 45, 640</u>	<u>1, 63, 24, 912</u>
Net Current assets	<u>12, 96, 66, 023</u>	<u>18, 30, 96, 434</u>
5 Deferred Tax Assets	74, 26, 446	53, 18, 635
6 Miscellaneous Expenditure: (to the extent not written off)	-	7, 03, 531
	<u>25, 32, 93, 242</u>	<u>20, 76, 01, 902</u>

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH, 2005

		As At 31st March, 2005	As At 31st March, 2004
	Schedules	Rs.	Rs.
Income :			
Sales and Export incentives	L	15, 78, 06, 513	-
Commission received		74, 25, 010	6, 13, 84, 509
Other Income	M	2, 18, 94, 998	1, 37, 81, 381
		<u>18, 71, 26, 521</u>	<u>7, 51, 65, 890</u>
Expenditure :			
Raw Materials Consumed	N	5, 55, 09, 581	-
Stores, Spares & Containers Consumed		1, 29, 37, 046	-
Purchase of Finished Goods		4, 87, 738	-
Excise Duty		18, 09, 724	-
Manufacturing expenses	O	2, 83, 39, 346	-
Employees' Cost	P	2, 75, 93, 551	4, 55, 81, 713
Selling & Distribution Expenses	Q	35, 73, 003	13, 33, 175
Interest	R	1, 04, 56, 973	47, 59, 581
Bad Debts Written Off		5, 23, 22, 867	30, 70, 575
Others	S	1, 70, 67, 115	2, 36, 43, 910
Depreciation		80, 16, 858	1, 91, 566
		<u>21, 81, 13, 802</u>	<u>7, 85, 80, 520</u>
Less / (Add):			
Increase / (Decrease) in stock of Finished Goods & Work in Process	T	93, 17, 381	-
		<u>20, 87, 96, 421</u>	<u>7, 85, 80, 520</u>
Profit / (Loss) for the year before Taxes.		(2, 16, 69, 900)	(34, 14, 630)
Less: Excess Provision no longer required		25,866	-
		<u>(2, 16, 44, 034)</u>	
Less: Provision for Deferred Tax Liabilities / (Asset)		(67, 05, 815)	(45, 41, 851)
Less: Provision for Wealth Tax.		42,600	-
Profit / (Loss) after Taxes.		<u>(1, 49, 80, 819)</u>	11, 27, 221
Add: Profit/(Loss) brought forward from last year		5, 12, 17, 502	5, 02, 33, 236
Debit Balance of Profit & Loss account (Pursuant to Scheme of Amalgamation refer note 4 of Schedule U)		(2, 26, 22, 860)	
Less: Short Provision - Income Tax for Earlier Yr		-	(1, 42, 955)
Surplus / (Deficit) carried to Balance Sheet		<u>1, 36, 13, 823</u>	<u>5, 12, 17, 502</u>
Earning Per Share (Basic and diluted) (In Rs.) (Face Value Rs 10/-)		(10.56)	0.38

SIGNIFICANT PORTION OF ACCOUNTING POLICIES :**(a) Basis of Accounting**

The financial statements are prepared under the historical cost convention and on going concern basis and comply with the applicable accounting standards issued by the Institute of Chartered Accountants of India (ICAI) and relevant statutory provisions of The Companies Act, 1956.

(b) Fixed Assets :

(i) Fixed assets are stated at cost net of CENVAT/Service Tax credit.

(ii) Depreciation on all assets acquired pursuant to the Scheme of Amalgamation referred to in note 4 of Schedule U is being provided on straight line basis as follows.

(a) Depreciation on assets acquired upto 31.12.86 has been provided at the rates corresponding to the rates applicable under Income Tax Rules in force at the time of acquisition/installation as per Circular No. 1/86 CLB No. 14(5) 84 CL VI dated 21.5.86 issued by the Department of Company affairs, Government of India.

(b) Depreciation on assets acquired from 1.1.87 has been provided as per the rates prescribed in Schedule XIV of the Companies (Amendment) Act, 1988, as revised based on Circular 14/93 dated 20.12.93 issued by Department of Company Affairs, Government of India.

(iii) Depreciation on assets existing as on 01.04.2004 (other than those acquired pursuant to the scheme of Amalgamation referred to in note no 4 of Schedule U) is provided on written down value basis at rates prescribed in Schedule XIV of the Companies Act, 1956.

(c) Investments:

Investments (all long term) are stated at cost except where there is diminution in value other than temporary, in which case a provision is made to the carrying value to recognise the diminution.

(d) **Inventories:** Inventories are valued as follows:

Raw Materials	: Moving Weighted Average Cost.
Stores, Spares and Containers	: Moving Weighted Average Cost.
Work in Process	: At Lower of Cost or Net Realisable Value.
Finished Goods	: At Lower of Cost or Net Realisable Value.

(e) Sales:

Sales includes Excise Duty but excludes Sales Tax.

(f) Excise Duty :

Excise Duty is accounted for on completion/clearance of goods manufactured.

(g) Research and Development :

Revenue Expenditure on Research and Development is charged to Profit and Loss Account and Capital Expenditure incurred on Research and Development is capitalised.

(h) Foreign Currency Transactions :

Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions other than those relating to fixed assets are recognised in the Profit and Loss Account. Exchange difference in respect of liabilities incurred to acquire fixed assets are adjusted to the carrying amount of such fixed assets. In respect of transactions covered by forward contracts, the difference between the contract rate and the rate on the date of the transaction is charged to the Profit and Loss Account over the period of the contract.

(i) Retirement Benefits : Retirement benefits to employees are provided as follows :

1) Gratuity:

Gratuity payable to employees of the Company is provided for by payments to gratuity trust fund on the basis of amount determined by Life Insurance Corporation of India under Group Gratuity Scheme.

2) Superannuation:

Superannuation payable to certain employees is provided by payments to superannuation trust fund as per Superannuation Scheme.

3) Leave Encashment

The Company provides for accumulated leave liability as at the year end on the basis of actuarial valuation.

(j) Deferred Tax:

Deferred Tax Assets & Liabilities are recognized as per Accounting Standard AS-22 - Accounting for Taxes on income, issued by the Institute of Chartered Accountants of India.

2 Estimated amount of contracts remaining to be executed on Capital Accounts and not provided for (net of advances) **Rs.56,000/-**.(Previous year Rs.Nil)

3 Contingent Liabilities :

(i) Bills Discounted with Banks **Rs. Nil** (Previous Year Rs. 77,58,150/-)

(ii) Bond guarantees for two body corporate for an amount aggregating to **Rs. 4,02,43,612/-** (Previous Year Rs. 4,02,43,612/-)

(iii) Disputed claims for excise duty **Rs.18,45,589/-** (Previous Year Rs.Nil).

(iv) Arrears of dividend on 12% 1,00,000 Redeemable Cumulative Preference Shares of Rs.100 each (pursuant to Scheme of Amalgamation refer note 4 of Schedule U) amounting to **Rs.99,00,000/-**. (Previous year Rs.Nil).

(v) Arrears of dividend on 12% 2,00,000 Redeemable Cumulative Preference Shares of Rs.100 each (pursuant to Scheme of Amalgamation refer note 4 of Schedule U) amounting to **Rs.90,00,000/-**. (Previous year Rs.Nil).

4a The Scheme of Amalgamation of erstwhile Paushak Limited with the Company w.e.f. 01.04.2004 (Appointed Date) has been sanctioned by the Hon'ble High Court of Gujarat vide its order dated 07.07.2005. The same is filed with Registrar of Companies, Gujarat on 29.7.2005 and accordingly the Amalgamation became effective from that date. Accordingly the following assets and liabilities and accumulated loss as per the last audited accounts upto 31st March, 2004 of the erstwhile Paushak Ltd. have been accounted for during the year by the Company.

Assets:	Amount Rs.
Fixed Assets (Gross)	12, 64, 89, 192
Less: Depreciation Fund	8, 12, 46, 863
Net Fixed Assets	4, 52, 42, 329
Investments (Net of Inter Company Holdings)	69, 75, 728
Inventories	2, 04, 77, 142
Sundry Debtors	9, 59, 75, 300
Cash & Bank Balances	4, 48, 960
Loans and Advances	55, 42, 701
Total Assets	17, 46, 62, 160
Liabilities:	
Current Liabilities	3, 14, 86, 848
Secured & Unsecured Loans	8, 87, 09, 823
Share Premium	2, 55, 19, 800
Capital Redemption Reserve	10,000
Deferred Tax Liabilities	45, 98, 004
Total Liabilities	15, 03, 24, 475
	2, 43, 37, 685
Debit Balance in Profit & Loss Account	2, 26, 22, 860
Preference Share Capital	3, 00, 00, 000
Net Assets of erstwhile Paushak Limited taken over	1, 69, 60, 545

4b Pursuant to Scheme of Amalgamation approved by Hon'ble High Court of Gujarat, the name of the Company has been changed from Darshak Limited to Paushak Limited. The Registrar of Companies, Gujarat have approved the said change vide letter dated 19th Sept., 2005.

4c The Company will issue 2,78,741 Equity Shares to the shareholders of erstwhile Paushak Limited in the ratio of 1 Equity Share of Rs.10/- each for every 6 Equity Shares of Rs.10/- each on completion of necessary formalities.

4d The Amalgamation has been accounted for under the "Pooling of Interest" method being an amalgamation in the nature of merger as prescribed by the Accounting Standard 14 - "Accounting for Amalgamation", issued by the Institute of Chartered

Accountants of India. Pursuant to the Scheme of amalgamation approved by the Hon'ble High Court of Gujarat, the surplus of net assets over the liabilities taken over Rs.1,41,99,192/- has been credited to General reserve rather than to Capital reserve as per AS - 14.

4e Subsequent to the approved Scheme of Amalgamation, based on the expert opinion obtained by the Company, Authorised Capital of the erstwhile Paushak Limited of Rs. 10 crores has been merged with the Authorised Capital of the Company and combined Authorised Capital of Rs.20 Crores has been disclosed in Schedule A and the same has been relied upon by statutory auditors.

5. Auditors Remuneration

(i)	Statutory Auditors: Audit Fees	Rs. 96,600/-	(Previous year Rs. 21,600/-)
(ii)	For Tax Audit	Rs. 18,750/-	(Previous year Rs. 8,100/-)
(iii)	For Certification	Rs. 30,900/-	(Previous year Rs. 6,500/-)
(iv)	Out of Pocket Expenses	Rs. 8,776/-	(Previous year Rs. Nil)

6 A list of small scale undertakings with whom company have transactions of purchases as required by the Notification No.GSR 129(E) dated 2nd February,1999 issued by the Department of Company Affairs, Ministry of Law, Justice & Company Affairs.

Pushparaj Plastic & Packaging, Techno Bonanza P. Ltd., Ablaze Glass Works Pvt. Ltd., Sears Phytochem Ltd., Yashashawi Rasayan P. Ltd.

7 Segment Reporting:

a) Primary Segment:

The Company has identified "Speciality Chemicals" as the only primary reportable segment.

b) Secondary Segment (By Geographical Segment)

Particulars	For the year ended on	
	31.3.2005	31.3.2004
India	1335.95	-
Outside India	384.44	-
Total Sales	1,720.39	-

In view of the inter-woven / inter-mixed nature of business and manufacturing facility, other secondary segmental information not ascertainable.

8 Disclosure as required by the Accounting Standard - AS-18 relating to "Related Parties Disclosure" issued by The Institute of Chartered Accountants of India are as follows :

Sr.	Particulars	Associates	Key Mgt. Personnel	Total	
				2004-05	2003-04
1	Purchase of Goods	14, 52, 406	-	14, 52, 406	-
2	Sale of Goods	8,568	-	8,568	-
3	Receiving of Services	1, 74, 85, 097	-	1, 74, 85, 097	-
4	Commission Received	74, 25, 010	-	74, 25, 010	6, 13, 84, 509
5	Inter Corporate Loans taken	2, 85, 00, 000	-	2, 85, 00, 000	-
6	Interest Payable/ Paid	64, 56, 699	-	64, 56, 699	66,575
7	Interest Received	70, 35, 595	-	70, 35, 595	-
8	Rent Income	18, 00, 000	-	18, 00, 000	-
9	Rent Expense	28,310	-	28,310	-
10	Director's Sitting Fees*	-	88,000	88,000	23,000
11	Director's Remuneration*	-	7, 89, 596	7, 89, 596	-
12	Sale of Fixed Assets	18, 50, 631	-	-	-
13	Guarantees Given	50,000,000	-	-	-
14	Dividend Received	141,102	-	-	-
	Outstanding Balances	-	-	-	-
15	Payable	1, 37, 07, 286	-	1, 37, 07, 286	77, 65, 920
16	Inter Corporate Loans taken	6, 65, 00, 000	-	6, 65, 00, 000	-
17	Inter Corporate Loans given	7, 00, 00, 000	-	7, 00, 00, 000	-
18	Investments	6, 81, 20, 339	-	6, 81, 20, 339	-

* Includes amounts paid to key management personnel of erstwhile Paushak limited.

Note:

Name of related parties	
	Alembic Limited
	Alembic Glass Industries Limited
	Aavaran Limited
	Shreno Investments and Finance Limited
	Nirayu Pvt. Limited
	Sierra Investment Ltd.
	Light Publications Limited.
	Viramyia Packlight Ltd.
	Ujjwal Limited
	Paraan Limited

Key Management Personnel	
	Shri. C.R.Amin - Chairman (w.e.f. 18th August, 2005)
	Smt. M.C.Amin - Director (w.e.f. 18th August, 2005)
	Shri. U.C.Amin - Director (w.e.f. 18th August, 2005)
	Shri. R. M. Kapadia - Director

9. Earning Per Share

	As at 31st March, 2005	As at 31st March, 2004
Earning per Share has been computed as under:		
Profit after Taxation	(1, 49, 80, 819)	11, 27, 221
Arrears of Dividends on:		
- 12% Redeemable Cumulative Preference Share of Rs.100/- each.	99, 00, 000	-
- 12% Redeemable Cumulative Preference Share of Rs.100/- each.	90, 00, 000	-
Total	(3, 38, 80, 819)	11, 27, 221
Total Ordinary Shares		
Number of Ordinary Shares outstanding	29, 29, 170	
Number of Ordinary Shares pending allotment	2, 77, 941	32, 07, 111
Earning per share (Face value Rs.10/- per share) (a) / (b) (Basic and diluted)	(10.56)	0.38

10. Managerial Remuneration:

- a) The managerial remuneration includes payment to and provision for remuneration to the Whole-time Director of erstwhile Paushak Limited as under:

Particulars	2004-05	2003-04
a. Salary	7, 17, 596	2, 89, 998
b. Perquisites	72,000	28,800
	7, 89, 596	3, 18, 798

- b) Computation of net profit under section 349 read with section 198 of the Companies Act, 1956.

Particulars	Rs.	Amount Rs.
Net Profit/(Loss) for the year as per Profit and Loss Account		(1, 49, 80, 819)
Add:		
Provision for Wealth Tax	42,600	
Provision for Deferred Tax	67, 05, 815	
Depreciation	80, 16, 858	
Managerial remuneration	7, 89, 596	
Directors' Sitting Fees	1, 41, 000	
		1, 56, 95, 869
		(7, 15, 050)

Less:		
Depreciation as per section 350 of the Companies Act, 1956	80, 16, 858	
		<u>80, 16, 858</u>
Net Profit		<u>(87, 31, 908)</u>
5% of the Net Profit i.e. maximum remuneration payable to Managerial Persons		<u>(4, 36, 595)</u>

In view of inadequate profit, the remuneration payable to Whole time Director is within limits prescribed in part II of Schedule XIII of the Companies Act, 1956.

IX (A) - FINANCIAL RESULTS FOR THE LATEST QUARTER

PAUSHAK LIMITED.						
(Formerly known as Darshak Limited)						
REGD. OFFICE: ALEMBIC ROAD,VADODARA-390 003.						
UNAUDITED FINANCIAL RESULTS (PROVISIONAL) FOR THE QUARTER ENDED ON 31st DECEMBER, 2005						
(Rs. In Lacs)						
Sr. No.	Particulars	Quarter ended on 31st Dec.,05 (Reviewed)	Quarter ended on 31st Dec.,04 (Unaudited)	Nine months ended on 31st Dec., 05 (Reviewed)	Nine months ended on 31st Dec.,04 (Unaudited)	Year ended on 31.03.05 (Audited)
1	Sales /Income from Operations-Domestic	280	359	962	1025	1362
	Less : Excise Duty on Sales	38	46	117	129	169
	Net Sales /Income from Operations - Domestic	242	313	845	896	1193
2	Net Sales & Export Incentives - International	232	127	591	288	385
3	Other Income	25	56	96	255	293
	Total	499	496	1532	1439	1871
4	Expenditure					
	a. Consumption of Raw Materials	145	162	471	424	555
	b. Purchase of Finished Goods	-	-	-	5	5
	c. Excise Duty	(6)	2	(6)	18	18
	d. Staff Cost	41	59	114	227	276
	e. Manufacturing Expenses	65	75	201	225	283
	f. Other expenses	70	89	176	242	336
	g. Bad Debts Written off	-	-	-	-	523
	h. Provision for Doubtful Debts	-	172	-	344	-
	i. (Increase)/Decrease in Stock in Trade	32	(10)	44	(87)	(93)
5	Interest	8	31	33	98	105
6	Depreciation	21	19	63	61	80
7	Profit/(Loss) before Tax	123	(103)	436	(118)	(217)
8	Provision for Taxation					
	- Current Tax & Fringe Benefit Tax	11	-	37	-	-
	- Deferred Tax Liability/(Assets)	5	1	109	8	(67)
9	Profit/(Loss) after Tax	107	(102)	290	(110)	(150)
10	Paid-up Equity Share Capital (Face Value of Rs.10/- each)	321	293	321	293	321
11	Reserves excluding Revaluation Reserve					1049
12	Basic & Diluted Earning Per Share (In Rs.) (Not annualized)	0.25	(3.18)	5.96	(3.43)	(4.68)

13	Aggregate of Non-Promoters Shareholding				
	- Number of Shares	1100629	889269	1100629	889269
	- Percentage of Shareholdings	34.32	30.36	34.32	30.36
Notes:					
1	The Company fixed 27th October, 2005 as the Record Date for determining the entitlement of shareholders of erstwhile Paushak Limited to receive the shares of the Company, pursuant to the Scheme of Amalgamation of erstwhile Paushak Limited with the Company. Accordingly, on 5th November, 2005, the Allotment Committee of the Company allotted 2,78,744 Equity Shares of Rs. 10/- each to the shareholders of erstwhile Paushak Limited.				
2	During the quarter the Company has paid arrears of dividend amounting to Rs. 99 lacs upto 17.03.2005 on the 1,00,000 12% Preference Shares.				
3	The above results were recommended by the Audit Committee & were approved by the Board of Directors of the Company at its meeting held on 17th January, 2006 & The Statutory Auditors have carried out a limited review of the above results.				
4	The Company is engaged in the business of Speciality Chemicals only and therefore there is only one reportable segment in accordance with the Accounting Standard on Segment Reporting (AS-17).				
5	Details of Investor's Complaints for the quarter ended on 31st December, 2005 : Unresolved at the beginning of the quarter - Nil, Received during the quarter - Nil, Disposed off during the quarter - Nil, Unresolved at the end of the quarter - Nil.				
6	The figures of the previous year have been regrouped wherever necessary.				
For Paushak Limited					
Chairman					
Date : 17th January, 2006					
Place : Vadodara		visit us on : www.paushak.com			

X - OUTSTANDING LITIGATIONS

Criminal Cases:

- 1 Criminal Case filed in court of Chief Metropolitan Magistrate, Delhi by Bharat Insecticides Limited u/s 138 of the Negotiable Instruments Act involving liability of approximately Rs. 3.76 lacs.

Labour Cases:

- 4 Cases before Labour Court at Vadodara relating to reinstatement of workers and staff together with back wages. The amount of Liability is unascertainable.
- 4 Cases before Labour Court at Godhra relating to reinstatement of workers and staff together with back wages. The amount of Liability is unascertainable.

Excise Cases:

- 3 cases before the Commissioner (Appeals) for matters involving refund rejection and other matters with estimated liability of Rs. 6.11 lacs
- 2 cases before CESTAT regarding excise duty on repacked and relabelled containers with estimated liability of Rs. 4.52 lacs.

XI - GOVERNMENT APPROVALS

The Company has all the necessary permissions and approvals from the Government and various Government agencies for the existing activities.

As per the scheme of amalgamation the entire business of the transferor Company with all its approvals, permissions, benefits, rights, registrations, consents etc. is being transferred to the transferee Company which would be carried on by the transferee Company on a going concern basis. No further approvals from any Government authority/ Reserve Bank of India (RBI) are required by the Company to undertake the existing activities, save and except those approvals, which may be required to be taken in the normal course of business from time to time.

The Central Government/ RBI accepts no responsibility for the financial soundness or correctness of the statements made in this Information Memorandum.

XII - OTHER REGULATORY DISCLOSURES

The 29,28,370 Equity Shares of the Company are listed on Ahmedabad Stock Exchange Limited and Bangalore Stock Exchange Limited. The Company is seeking approval for listing of its 2,78,744 Equity Shares of Rs. 10/- each issued to the

shareholders of erstwhile Paushak Limited, pursuant to the Scheme of Amalgamation with the abovementioned Stock Exchanges through this Information Memorandum.

The Company is also seeking approval for listing of its 32,07,114 Equity Shares of Rs. 10/- each, pursuant to the Scheme of Amalgamation with the Bombay Stock Exchange Limited through this Information Memorandum.

Particulars Regarding Previous Public or Rights Issues during the last Five Years:

Paushak Limited (formerly Darshak Limited) has not made any previous public or rights issue during the last five years. There was no issue of Shares otherwise than for cash.

Companies under the same Management:

There is no company under the same management within the meaning of Section 370(1B) of the Companies Act, 1956.

Disclosure on negative net worth / winding up / sick / BIFR / disassociation / strike off from ROC

Alembic Glass Industries Limited, which is a Group Company of Alembic Limited, the promoter of Paushak Limited, has filed a reference to BIFR considering the non-provision of liability in respect of the ONGC demand that would have entirely eroded the net worth of the Company.

Purak Vinimay Limited, which is a Group Company of Alembic Limited, the promoter of Paushak Limited also has negative net worth.

There is no other group Company having a negative net worth or under winding up or a sick company or under BIFR. Further, The Company has no disassociated from any Company. Further, none of the Group Companies, have applied for striking off their name from ROC.

XIII - DIVIDEND POLICY

The declaration and payment of Dividends will be recommended by our Board of Directors, at their discretion and with the approval of our Shareholders. The recommendation of dividend will depend on a number of factors, including but not limited to our earnings, capital requirements and overall financial condition. For the financial year 2004-05, the Board has not recommended any Dividend.

XIV - MAIN PROVISIONS OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION

20. Subject to the provisions of Section 108, shares in the company shall be transferred in form No. 7B in Annexure "A" of the Companies (Central Government) General Rules and Forms, 1956 or any amendment or modification or replacement thereof.

21. The directors may, subject to the right of appeal conferred by the Act at their own absolute and uncontrolled discretion and without assigning any reason, decline to register or acknowledge and transfer of any shares in the company to any person of whom they do not approve and in particular, may so decline in any case in which the company has a lien upon the shares or any of them. The registration of a transfer shall be conclusive evidence of the approval by the Directors of the transferee but so far only as regards the share or shares in respect of which the transfer is so registered and not further or otherwise and not so as to debar the Directors from declining to register any subsequent or other transfer of other shares applied for in the name of such transferee provided that the Directors will not decline to register or acknowledge any transfer of shares on the ground of the transferrer being alone or jointly with any other persons or person indebted to the Company on any account whatsoever.

22. The company shall not register a transfer of shares in or debentures of the Company unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee in the prescribed form and in accordance with the requirements of the Act has been delivered to the company along with the certificate relating to the shares or debentures, or if no such certificate is in existence, along with the letter of allotment of the shares or debentures. Provided that where on an application on writing made to the company by the transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee on such terms as to indemnity as the Board may think fit; provided further that nothing in this Article shall prejudice any power of the company to register as share holder or debentures holder any person to whom the right to any shares in or debentures of the company has been transmitted by operation of law. The transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the register in respect thereof. Shares of different classes shall not be included in the same instrument of transfer.

23. The registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine : Provided that such registration shall not be suspended for more than forty-five days in any year.

24. The company shall be entitled to charge a fee not exceeding two rupees on the registration of every probate, letters of administration, certificate of death or marriage, power of attorney, or other instrument. The company will not charge any fee for the registration of transfers, transmission, Probate, letters of administration, certificate of death or marriage or power of attorney.

TRANSMISSION OF SHARES

25. (1) On the death of a member, the survivor or survivors where the member was a joint holder, and his legal representatives where he was a soleholder, shall be only persons recognised by the company as having any title to his interest in the shares.

(2) Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

26. (1) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either-

(a) to be registered himself as holder of the share, or

(b) to make such transfer of the share as the deceased or insolvent member could have made.

(2) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

27. (1) If the person becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.

(2) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(3) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

28. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to the meetings of the company :

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other money payable in respect of the share, until the requirements of the notice have been complied with

FORFEITURE OF SHARES

29. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

30. The notice aforesaid shall -

(a) name a further day (not being earlier than the expire of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made : and be liable to be forfeited.

(b) state that in the event of non-payment on or before the day so named, the shares in respect of which the call was made will be liable to be forfeited.

31. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to the effect.

32. (1) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(2) At any time before sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

33. (1) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all moneys which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.

(2) The liability of such person shall cease if and when the company shall have received payment in full of all such money in respect of the shares.

34. (1) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

(2) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.

(3) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the shares.

35. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

CONVERSION OF SHARES INTO STOCK

36. The company may, by ordinary resolution,-

- (1) convert any paid-up shares into stock; and
- (2) reconvert any stock into paid-up shares of any denomination.

37. The holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit :

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

38. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privileges or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privileges or advantage.

39. Such of the regulations of the company (other than those relating to share warrants), as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stockholder" respectively.

SHARE WARRANTS

40. The company may issue share warrants subject to, and in accordance with, the provisions of sections 114 and 115 of the Act and accordingly the Board may in its discretion, with respect to any share which is fully paid up, on applications in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the person signing the application, and on receiving the certificate (if any) of the share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.

41. (1) The bearer of a share warrant may at any time deposit the warrant at the office of the company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the company, and of attending, and voting and exercising the other privileges of a member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares included in the deposited warrant.

(2) Not more than one person shall be recognized as depositor of the share warrant.

(3) The company shall, on two days' written notice, return the deposited share warrant to the depositor.

42. (1) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the company, or attend, or vote or exercise any other privilege of a member at a meeting of the company or be entitled to receive any notices from the company.
- (2) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holder of the shares included in the warrant, and he shall be a member of the company.
43. The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

ALTERATION OF CAPITAL

44. The Company may from time to time, by ordinary resolution, increase the authorized share capital by such sum to be divided into shares of such amount, as may be specified in the resolution.
45. The Company may, by ordinary resolution-
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (b) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum, subject, nevertheless, to the provisions of clause (d) of sub-section (10) of section 94;
 - (c) cancel any shares which at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
46. The company may, by special resolution, reduce in any manner and with, and subject to any incident authorized, and consent required by law-
- (a) its share capital;
 - (b) any capital redemption reserve account; or
 - (c) any share premium account.

GENERAL MEETINGS

47. All general meetings other than annual general meeting shall be called extraordinary general meetings.
48. The Board may whenever it thinks fit, call an extraordinary general meeting.

PROCEEDINGS AT GENERAL MEETINGS

49. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Five members entitled to vote and present in person shall be a quorum for a general meeting.
50. The Chairman, if any, of the Board shall preside as chairman at every general meeting of the Company.
51. If there is no such chairman, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairman of the

meeting, the directors present shall elect one of their member to be Chairman of the meeting.

52. If at any meeting no Director is willing to act as Chairman or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their member to be Chairman of the meeting.

53. (1) The Chairman may with the consent of any meeting at which a quorum is present and shall, if so direct, by the meeting, adjourn the meeting from time to time and place to place.

(2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(3) It shall not be necessary to give any notice of an adjournment or business to be transacted at an adjourned meeting.

54. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, shall be entitled to second or casting vote.

55. Any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

VOTES OF MEMBERS

56. Subject to any rights or restrictions for the time being attached to any class or classes of shares-

(a) on a show of hands, every member present in person shall have one vote, and

(b) on a poll, the voting rights of members, shall be as laid down in Section 87 of the Act.

57. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose seniority shall be determined by an order in which the names stand in the register of members.

58. A member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by the committee or other legal guardian, and any such committee or guardian may on a poll, vote by proxy.

59. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

60. (1) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote nor disallowed at such meeting shall be valid for all purposes.

(2) Any such objection made in due time shall be referred to the Chairman of the meeting whose decision shall be final and conclusive.

61. The instrument appointing a proxy and the power of attorney or other authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting at which the person named in the instrument proposes to vote; and in default the instrument of proxy shall not be treated as valid.

62. An instrument appointing a proxy shall be in either of the forms in Schedule IX to the Act or a form as near thereto as circumstances admit.

63. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given.:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

BOARD OF DIRECTORS

64. (1) Unless otherwise determined by a general meeting the number of Directors shall not be less than three or more than twelve. The first Directors of the Company are :

1. Shri Chirayu Ramanbhai Amin
2. Shrimati Kapnadak Suniti
3. Shri Ranjitbhai Rambhai Patel
4. Shri Chandrakant Chhotalal Shah
5. Shri Nanubhai Dahyabhai Patel

(2) Subject to the provisions of Section 255 of the Act, the Directors of the Company shall be entitled at any time and from time to time to determine and designate one third of Directors as Non-retiring Directors and Directors so designated shall not be liable to retire by rotation nor shall they be counted for the purpose of determining the Directors liable to retire by rotation.

65. Each Director shall be paid out of the funds of the Company, sitting fees of such amount as may be prescribed under the Companies Act or the rules made thereunder from time to time for each meeting of the Board of Directors or of a Committee of the Board of Directors attended by him. In addition to the remuneration payable as above, the Company shall pay to any Director who is not a bonafide resident of the place where a meeting is held and who shall come to such place for the purpose of attending a meeting such sum, as allowance, as the Board may consider fair compensation for travelling, hotel and other expenses incurred by him, in attending and returning from meetings of the Board of Directors or any Committee thereof or general meetings of the Company.

66. If any Director be called upon to perform extra services or special exertions or efforts the company shall pay a fixed sum of Rs. 500/- per day as special remuneration for such extra services or special exertions or efforts and such remuneration may be in addition to his remuneration otherwise provided. In addition to the remuneration payable as above, the company shall pay to any Director such sum, as an allowance as the Board may consider fair compensation for travelling, hotel and other expenses so incurred by him in connection with such special to extra service relating to the business of the company.

67. In addition to the fees, allowances and expenses payable to Directors, the Company shall pay every year to the Board of Directors of the Company as remuneration, a sum, calculated at the rate of 3% in the net profits of the Company for that year if the company has no Managing Director in that year, or a sum calculated at the rate 1% on the net profit of the company for the year if the company has a Managing Director in that year, and such net profits for the year shall be calculated in the manner referred to in Section 189(1) of the Act. The amount so ascertained and payable by the company to the Board of Directors in such manner and proportion as the board of directors may absolutely determine.

68. Notwithstanding anything contained in Articles 65, 66 and 67 hereof, the Directors may at any time and from time to time at their absolute discretion resolve, (without being bound to do so) for the sake of commercial expediency, to waive or forego a part or whole of the remuneration payable to one or more of them under the foregoing articles 65, 66 and 67.

69. The Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement of any Director who has held any salaried or other office or place of profit with the Company or to his widow or dependents and may make contributions to any fund such as provident fund etc. and pay premiums for the purchase or provisions of any such gratuity, pension or allowance.

MANAGING AND WHOLE-TIME DIRECTORS

70. (i) Subject to the provisions of the Act, the Directors may from time to time appoint one or more of their body to be the Managing Director or Managing Directors of the Company either for a fixed term not exceeding 5 years at a time or without any limitation as to period for which he or they is or are to hold such office, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.

(ii) Subject to the provisions of the Act and of these Articles, a Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Director (including the Managing Director) as are not subject to retirement by rotation shall exceed 1/3 of the total number of Directors for the time being then such Managing Director or Managing Directors, as the Directors shall from time to time select, shall be liable to retire by rotation to the extent that the Directors not liable to retirement by rotation shall not exceed 1/3 of the total number of Directors.

(iii) Subject to the provisions of the Act, the remuneration of a Managing Director shall (subject to the provisions of any contract between him and the company) from time to time be determined by the Company in general meeting or so far as the Act may allow by the Directors and may be by way of fixed salary or commission on profit of the Company.

(iv) Subject to the provisions of the Act, the Directors may from time to time entrust to and confer upon a Managing Director, for the time being, such of

the powers exercisable under these presents by the Directors as they may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient and they may confer such powers, either collateral with or to the exclusion of and in substitution for, all or any of the powers of the Directors, in that behalf, and may from time to time revoke, withdraw, alter to vary all or any of such powers.

(v) The Directors may appoint whole-time Directors. All the provisions of the preceding sub-clause (i) to (iv) shall also apply to whole-time Directors, if so appointed by the Board of Directors.

(vi) The company in general meeting may, subject to the provisions of the Act, from time to time appoint any Director as a Managing Director or whole-time Director of the Company and may exercise all the powers conferred by the Articles on the Directors in regard to the appointment and remuneration of Managing Directors.

71. No Director would be required to hold any shares as qualification shares.

72. The Board may pay all expenses incurred in getting up and registering the company.

73. The company may exercise the powers conferred by section 50 of the Act with regard to having an official seal for use abroad and such powers shall be vested in the Board.

74. The company may exercise the powers conferred on it by sections 157 and 158 of the Act with regard to the keeping of the foreign register, and the Board may (subject to the provisions of those sections), make and vary such regulations as it may think fit respecting the keeping of any such register.

75. All cheques, promissory notes, drafts, hundies, bills of exchange and other negotiable instruments and all receipts for money paid to the company shall be signed, drawn, accepted, endorsed or otherwise executed as the case may be by such person and in such manner as the Board shall from time to time by a resolution determine.

76. Every Director present at any meeting of the board or of a committee thereof shall sign his name in a book to be kept for that purpose.

77. (1) The board shall have power at any time, and from time to time to appoint a person as an additional director, provided that the number of directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.

(2) Such person shall hold office only up to the date of the next annual general meeting of the company, but, shall be eligible for appointment by the company as a director at that meeting subject to he provisions of the Act.

PROCEEDINGS OF BOARD

78. Board of Directors may meet for the purpose of dispatch of business, adjourn and otherwise regulate its meeting as it thinks fit. The Chairman of the Board of Directors may at any time summon meeting of the Board.

79. (1) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
(2) In case of an equality of votes, the chairman of the Board, if any, shall have a second or casting vote.

80. The continuing directors may act notwithstanding any vacancy in the Board but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum or for summoning a general meeting of the company, but for no other purpose.

81. (1) The Board may elect a chairman of its meetings and determine the period for which he is to hold office.
(2) If no such chairman is elected or if at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their member to be chairman of the meeting.

82. (1) The board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
(2) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

83. (1) A committee may elect a chairman of its meetings.
(2) If no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their member to be chairman of the meeting.

84. (1) A committee may meet and adjourn as it thinks proper.
(2) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the chairman shall have a second or casting vote.

85. All acts done by any meeting of the Board or of a committee thereof by any person acting as a director, shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

86. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee, thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be as valid and effectual as it had been passed at a meeting of the Board or committee, duly convened and held.

MANAGER OR SECRETARY

87. (1) A manager or secretary may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit and any manager or secretary so appointed may be removed by the Board.

(2) A director may be appointed as manager or secretary.

88. A provision of the Act or these regulations requiring or authorizing a thing to be done by or to a director and the manager or secretary shall not be satisfied by its being by or to the same person acting both as director and as, or in place of the manager or secretary.

THE SEAL

89. The Directors shall provide a Common Seal of the purpose of the Company, and shall have the power from time to time to destroy the same and substitute a new Seal in lieu thereof and shall provide for the safe custody of the Seal for the time being and the Seal shall never be used except by the authority of the Directors or Committee of Directors previously given. Every deed or other instrument to which the Seal of the Company is required to be affixed shall unless the same is executed by a duly constituted attorney of the Company be signed at least by one Director and countersigned by some other person appointed by the Board for the purpose, provided nevertheless the certificates of shares or debentures may be sealed and signed in the manner provided in article 7.

DIVIDENDS AND RESERVE

90. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

91. The Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.

92. (1) The Board may before recommending any dividend, set aside out of the profits of the company such sums as it thinks proper as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.

(2) The Board may also carry forward any profits which it may think prudent not to divide without setting them aside as a reserve.

93. (1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.

94. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.

95. Any dividend interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or in the case of joint-holders, to the registered address of that one of the joint-holders who is first named on the register of members or to such person and to such address as the holder or joint holders may in writing direct.

96. Any one of two or more joint holders of a share may give effectual receipts for any dividends, bonuses or other moneys payable in respect of such shares.

97. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

98. No dividend shall bear interest against the company.

98.A. Unclaimed dividend will not be forfeited and in case of such unclaimed dividends, the procedure as prescribed under the provisions of Section 205-A of the Companies Act, will be followed.

INTEREST OUT OF CAPITAL

99. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or building or the provisions of any plant, which cannot be made profitable for a length of period, the Company may pay interest on so much of the share capital as is for the time being paid-up for the period, at the rate and subject to the conditions and restrictions of the Act, and may charge the same to the capital as part of the cost of construction of the work or building or the provisions of the plant.

CAPITALISATION OF PROFITS

100. (1) The company in general meeting may, upon the recommendation of the Board, resolve-

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause (3) either in or towards :

- (i) paying up any amounts for the time being unpaid on any shares held by such members respectively;
 - (ii) paying up in full, unissued shares or debentures of the company to be allotted and distributed credited as fully paid up to and amongst such members in the proportions aforesaid; or
 - (iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause(ii).
- (3) A share premium account and a capital redemption reserve fund may for the purposes of this regulation, only be applied, in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares.
- (4) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
101. (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall -
- (a) make all appropriations and applications of the undivided profit resolved to be capitalised thereby, and all allotments and issues of fully paid shares or debentures, if any; and
 - (b) generally do all acts and things required to give effect thereto.
- (2) The Board shall have full power -
- (a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares or debentures becoming distributable in fractions, and also.
 - (b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid up of any further shares or debentures to which they may be entitled upon such capitalisation or (as the case may require) for the payment by the company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares.
- (3) Any agreement made under such authority shall be effective and binding on all such members.

WINDING UP

102. (1) If the company shall be wound up the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
- (2) For the purpose aforesaid the liquidator may set value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (3) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

103. Every officer or agent for the time being of the company shall be identified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under section 633 of the Act in which relief is granted to him by the Court.

104. No Member shall be entitled to visit or inspect any works of the Company without the permission of the Directors or to require discovery of or any information respecting any detail of the company's trading or any matter which is or may be in nature of a trade secret, mystery of trade, business of the company, proceedings of the meetings of the Board of Directors of the Company, administrative matters, accounts and financial matters, secret process or any other matter which may relate to the conduct of the business of the company and which in the opinion of the Directors it will be inexpedient or prejudicial in the interest of the company to disclose or divulge and such decision of the Board of Directors shall be final, binding and conclusive on the Member or Members of the company, and the company shall not be compelled by any member, to disclose such information in any matter or proceedings whatsoever.

XV - MATERIAL DOCUMENTS FOR INSPECTION

1. Memorandum and Articles of Association of the Company as amended from time to time.
2. Certificate of Incorporation of the Company.
3. Scheme of amalgamation of erstwhile Paushak Limited with erstwhile Darshak Limited.
4. The Order of the Hon'ble High Court of Gujarat sanctioning the Scheme of Amalgamation.
5. Copies of Annual Report of Paushak Limited (Formerly Darshak Limited) for the year ended 31st March, 2005.

XVI - DECLARATION

NO STATEMENT MADE IN THIS INFORMATION MEMORANDUM SHALL CONTRAVENE ANY OF THE PROVISIONS OF THE COMPANIES ACT, 1956 AND THE RULES MADE THEREUNDER. ALL THE LEGAL REQUIREMENTS AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC., ISSUED BY SEBI, GOVERNMENT OR ANY OTHER COMPETENT AUTHORITY IN RESPECT OF LISTING OF SECURITIES HAVE BEEN DULY COMPLIED WITH.

ALL THE INFORMATION CONTAINED IN THIS DOCUMENT ARE TRUE AND CORRECT.

Signed on behalf of the Board of Directors
For Paushak Limited

Place: Vadodara
Date: 8th February, 2006

Name: _____ **R. M. KAPADIA**
Designation: **Director**