

ANNUAL REPORT 2009-2010

AI CHAMPDANY INDUSTRIES LIMITED

AI CHAMPDANY INDUSTRIES LIMITED

BOARD OF DIRECTORS

Mr. G. J. Wadhwa, Chairman
 Mr. Harbhajan Singh
 Mr. S. M. Palia
 Mr. S. K. Mehera
 Mr. D. J. Wadhwa
 Dr. G. Goswami
 Mr. N. Das
 Mr. B. Wadhwa
 Mr. N Pujara (Executive Director-Mktg.)

Mr. B. K. Chowdhury
Sr. General Manager (Accounts)
& Company Secretary

AUDITORS

D P Sen & Co.
Chartered Accountants

BANKERS

Bank of Baroda
 Allahabad Bank
 Export-Import Bank of India
 ING Vysya Bank Ltd.
 IndusInd Bank Ltd.

REGISTERED OFFICE

25, Princep Street
 Kolkata-700 072

SHARE DEPARTMENT

25, Princep Street
 Kolkata-700 072
Phone: 2237 7880/85
Fax: 033-2236 3754/033-2225 0221
E-mail: cil@ho.champdany.co.in
Website: www.jute-world.com

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WORKS						100% Export Oriented Units
Wellington Jute Mill Rishra, Hooghly West Bengal Pin :712 248	Anglo India Jute Mill 1, West Ghosh Para Road Jagatdal 24,Parganas (N) West Bengal Pin:743 125	Fine Yarn Unit 1, West Ghosh Para Road. Jagatdal 24,Parganas(N) West Bengal Pin : 743 125	Flax Unit 1.West Ghosh Para Road Jagatdal 24,Parganas(N) West Bengal Pin : 743 125	Kankinara Unit Bhutnath Kolay Raod P.O. Kankinara 24 Parganas (N) West Bengal Pin:743 126		Weaving Unit Rishra Dist : Hooghly West Bengal Pin : 712 248
Weaving Unit P.O. Konnagar Naity Road Barabahera West Bengal Pin : 712 246	Beldanga Unit P.O.Beldanga Murshidabad West Bengal Pin : 742 101	Libra Carpet Choudwar Dist : Cuttack Orissa Pin : 754 025	Weaving Unit 39,Shalimar Road Howrah(South) West Bengal Pin:711 103	Yarn Unit Rishra Dist Hooghly West Bengal Pin :712 248	Yarn Unit Choudwar Dist. Cuttack Orrisa Pin : 754 025	Weaving Unit Narayanpur Dist : 24 Pgs.(N) West Bengal Pin : 700 136
						Yarn Unit Konnagar Naity Road, Barabahera Dist : Hooghly West Bengal Pin : 712 246

AI CHAMPDANY INDUSTRIES LIMITED

DIRECTORS' REPORT

TO THE SHAREHOLDERS

Your Directors have pleasure in presenting their report alongwith Audited Financial Results of the Company for the year ended 31st March 2010.

	(Rs. in lacs)	
	Year ended 31st March, 2010	Year ended 31st March, 2009
Total Income	24613.75	30906.86
Profit before Interest, Depreciation, Exceptional items (net) and Tax	1601.45	1924.87
Less:		
Interest	676.21	728.61
Depreciation	769.01	845.84
Exceptional items (net)	83.36	165.40
Profit Before Tax	72.87	185.02
Provision for Tax:		
- Current Tax	14.84	22.35
- Deferred Tax Liability/ (Asset)	(23.96)	(165.15)
- Fringe Benefit Tax	-	10.44
Profit After Tax	81.99	317.38
Add: Profit brought forward from the Previous year	457.83	495.01
Adjustment relating to earlier years (taxes)	(524.60)	(36.55)
Amount available for appropriation	15.22	775.84
Dividend on Preference Shares	-	15.40
Tax on Dividend	-	2.61
Transfer to Capital Redemption Reserve	-	50.00
Transfer to General Reserve	-	250.00
Balance carried over to next year	15.22	457.83

DIVIDEND:

In view of inadequacy of profits, your Directors are constrained by not recommending any dividend on Preference as well as on Equity Shares.

ALTERATION & AMENDMENT OF AUTHORISED SHARE CAPITAL CLAUSE

In terms of the resolution passed by the shareholders by postal ballot on 15.01.2010 the authorised share capital clause 5 of the Memorandum of Association of the Company was altered and amended as follows.

The Authorised Share Capital of the Company is Rs. 35,00,00,000 (Rupees Thirty Five Crore) divided into 4,00,00,000 (Four Crores) Equity Shares of Rs. 5 each, 30,00,000 (Thirty Lacs) 7% Cumulative Preference Shares of Rs. 10 each and such Preference Shares shall confer the right to a fixed cumulative preferential dividend at the rate of 7 percent per annum on the capital for the time being paid up thereon and 2,40,00,000 (Two Crores Forty Lacs) 2% Cumulative Preference Shares of Rs. 5 each and such Preference shares shall confer the right to a fixed cumulative preferential dividend at the rate of 2 percent per annum on the capital for the time being paid up thereon. Both Preference Shares shall rank as regards capital in priority to the Equity Shares but shall not confer the right to any further participation in profits or assets, and upon any increase of capital, the company is to be at liberty to issue any new shares with any preferential, deferred, qualified or special rights, privileges or conditions attached thereto. The rights for the time being attached to the Preference Shares in the initial capital or to any shares having preferential, deferred, qualified or special rights, privileges or conditions attached thereto may be altered or dealt with in accordance with the provisions of the accompanying Articles of Association, but not otherwise.

RIGHT ISSUE OF NON-CONVERTIBLE 2% CUMULATIVE PREFERENCE SHARES OF RS.5/- EACH

In terms of the Memorandum of Information dated 15.02.2010 sent to all the Equity Shareholders 22533000 nos. of Non-convertible 2% Cumulative Preference Shares of face value Rs.5/- each were offered in right basis in the ratio of 1:1 to the equity shareholders of the company as on 12.02.2010, the record date fixed for the purpose. The issue was opened for subscription from 25.02.2010 to 24.03.2010. Against the above issue, the company received valid applications for 12414353 nos of shares and accordingly 12414353 nos of Non-convertible 2% Cumulative Preference Shares of Rs.5 each were allotted to the allottees on 30.03.2010. The shares requested for allotment in electronic

form were credited to the Depository Account of the shareholders on 13.04.2010 by CDSL and 14.04.2010 by NSDL and wherever the shares were requested in physical form necessary share certificates despatched to the respective shareholders by Registered Post on 14.04.2010. The proceeds of the right issue of Non-convertible 2% Cumulative Preference Shares have been utilized by the company as per the terms of the issue.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is presented in separate Section and forming part of the Directors' Report.

CORPORATE GOVERNANCE:

The Company has implemented the procedures and adopted practices in conformity with the Code of Corporate Governance as prescribed by SEBI. The Corporate Governance Report and a certificate from the Auditors of the Company certifying compliance with the conditions of Corporate Governance are attached hereto and form part of the Directors' Report.

BOARD OF DIRECTORS:

As per the provisions contained in the Companies Act, 1956 and the Articles of Association of the Company Mr. Harbhajan Singh, Mr. N. Pujara and Mr. B. Wadhwa, Directors retire by rotation and being eligible, offer themselves for re-appointment.

The brief resume/details relating to Directors seeking re-appointment are furnished in the Annexure to the notice of the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanation received from the day to day operating management, your Directors make the following statements pursuant to Sub-Section (2AA) of Section 217 of the Companies Act, 1956.

- (i) that in the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 and for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) that the annual accounts have been prepared on a going concern basis.

LEGAL MATTER :

Company's two foreign Shareholders - Blancatex AG and Aldgate International SA have filed two separate petitions under section 397 and 398 of the Companies Act, 1956 before Company Law Board (CLB) primarily challenging the transfer of Rampur Texpro Unit to Champdany Constructions Ltd., Company's wholly owned subsidiary and proposed transfer of Shalimar Unit to AIC Properties Ltd. another wholly owned subsidiary of the Company. The CLB has passed an interim order dated 12.01.2010 against the Company restraining it from acting in furtherance to the resolution for transfer of Shalimar Unit during the pendency of the proceedings. The said order also restrains Champdany Constructions Ltd from transferring or creating any third party interest in the fixed assets of the Rampur Texpro Unit.

The Company is contending the petitions as without any merit as the transfer of the Rampur Texpro Unit and proposed transfer of Shalimar Unit have been approved by the majority Shareholders of the Company.

In the pending proceedings, the two Shareholders have sought disclosure of certain documents including board minutes and notes etc. the Company has strongly contested the said claim. CLB in its last order dated 17.05.2010 has partly allowed the said application and has directed the company to disclose board minutes relating to incorporation of Subsidiary Companies for diversifying into the construction and/or real estate business and expenditure and income that may be generated from Rampur Texpro Unit and Shalimar Unit. The Company is planning to file an appeal against the said order before the High Court of Calcutta.

In the pending proceeding before CLB, Champdany Constructions Ltd. had also filed an application for modification of the interim order, which has been rejected by the CLB vide its order dated 17.05.2010.

AUDITORS:

M/s. D. P. Sen & Co., auditors of the Company, hold office until conclusion of the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

SUBSIDIARY:

As required under the provisions of Section 212 of the Companies Act, 1956, the audited accounts together with Directors' Report and Auditor's Report of the subsidiary Companies namely, Landale & Clark Limited, West Bengal Multifiber Jute Park Ltd, Champdany Constructions Limited and AIC Properties Ltd, are appended to and form part of the Annual Report.

CONSOLIDATED FINANCIAL STATEMENT:

In compliance with the requirements of Accounting Standards (AS-21) prescribed by the Institute of Chartered Accountants of India, on Consolidated Financial Statement, this Annual Report also includes Consolidated Financial Statement.

AUDITOR'S REPORT:

Observations of the auditors in their report vide para D (I) (i) to D (I) (vi), have been adequately dealt with in the Notes 24 to 27 (c) in Schedule 17 of the accounts which are explained hereunder seriatim.

- (i) The commodity hedging contracts are accounted on the date of their settlement and realised gain/loss in respect of only settled contracts are recognised in the Profit and Loss Account, alongwith underlying transaction. This is in accordance with principles of prudence.
- (ii) In respect of Loss on Account of Fire at the company's Wellington Jute Mill on 22nd April, 2006, the company has not made any adjustment in the books as the claim is pending settlement with the Arbitrator. The company recognises Insurance claims on receipt/assessment basis of related claim from Insurance Authorities.
- (iii) The company is providing Gratuity liability on accrual basis for all of its units from financial year 2007-08 and only in respect of one unit i.e. Jagatdal, it was accounted on Cash Basis for the intervening period of 1996-97 to 2006-07 as explained in Note No. 26 in Schedule 17 to the Accounts.
- (iv) Remission of Taxes by Sales Tax : The matter is pending settlement with Authorities and will be adjusted on reaching finality. Meanwhile it has been adequately explained in the Note 27(a) of Schedule 17, which is an integral part of Annual Account.
- (v) There is a long standing advance of Rs. 26.93 lacs which is pending since takeover of the company from BIFR and recoverable against the demand of erstwhile promoter on finality of the court cases.
- (vi) Landale & Clark Ltd. was inherited as a part of acquisition of Anglo-India Jute Mills Co Ltd. through BIFR as Subsidiary Company. Major portions of Assets are in Bangladesh.

PARTICULARS AS PER SECTION 217 OF THE COMPANIES ACT, 1956:

The provision of Section 217(2A) of the Companies Act, 1956 read with rule there under was not applicable to the Company, since there was no employee in the service of the Company drawing remuneration in excess of the prescribed limit.

Additional information required under Section 217(1)(e) of the Companies Act, 1956 on conservation of energy, technology absorption and foreign exchange earnings and outgo, is set out in a separate statement attached this report and forms part of it.

INDUSTRIAL RELATIONS:

Industrial Relations in all units and branches of the Company remained generally cordial and peaceful throughout the year, except Industry wide strike in West Bengal Jute Industry from December 14, 2009 to February 12, 2010 and Units under suspension of work etc as mentioned in Management Discussion & Analysis Report annexed herewith.

ACKNOWLEDGEMENTS:

Your Directors take this opportunity to place on record their appreciation of the continuous support, encouragement and co-operation received from Export-Import Bank of India, the Government of West Bengal, Company's Bankers, customers, employees, shareholders and other business associates.

Place : Kolkata
Date : 30 May, 2010

On behalf of the Board

B. Wadhwa
N. Pujara } Directors

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. Industry Structure and Development :

During the year, the Jute Industry witnessed an industry wide strike from 14th Dec 2009 to 12th Feb 2010 resulting in loss of production for 61 days thereby adversely affecting the entire jute Industry and the terms of settlement with Workers Unions has also resulted in a steep hike in wage cost of nearly 20% without any corresponding benefit in the productivity and such continuous steep increases in wage cost without any linkage with productivity is a cause of concern for everyone connected with the Industry.

The Demand for Jute goods was also affected because of partial dilution of the Jute Packaging Materials (Compulsory use of packaging Commodities) Act, 1987 (JPMA) by the Government of India due to disruption in supply of Jute Bags during the strike period. After end of strike, the Industry body is continuing its efforts with the Government of India for restoration of JPMA to the pre-strike level of 100% Packaging for Food grains & Sugar & it is hoped that as in the past the Government may favourably consider the same in the interest of farmers, workers, environment etc.

B. Opportunities/Threats, Risks & Concerns :

❖ Opportunities

Jute being natural & environmental friendly fibre, opportunities has to be created by the Industry through R&D and modernization of equipments so as to produce diversified & substitute products which are Cost Competitive compared to other similar products available in the market or have potential for newer applications. Your Company having created R&D facility & infrastructure over a long period of time for development of these products is focusing more on such products & endeavouring to create opportunities in this segment of the Industry wherever feasible.

❖ Threats/Risks & Concerns

- Continuous increase in Raw Jute Prices which has reached at an all time high level of Rs.3,500/- per quintal for Standard TD-4 variety.
- Frequent strikes in the Jute Industry causing erosion in regular demand of finished goods, which in the long term would have an adverse impact on the Industry.
- Steep increase in Wage Cost resulting from tripartite settlement in February 2010 without any linkage to productivity.
- Threat of dilution in the Jute Packaging Materials (Compulsory use for Packaging Commodities) Act, 1987.
- High Volatility in the foreign currencies & credit risk crisis in developed countries.

C. Outlook :

Raw Jute prices have reached to a record level of Rs.3,500/- per quintal for Standard Variety TD-4 and the increasing trend of rising raw Jute prices since last year seems to have encouraged farmers to go for an higher cultivation of Jute this year. Barring unforeseen circumstances it is therefore expected that there could be about 20% to 25% increase in Raw Jute production in the ensuing crop season compared to last season and that may have some softening effect on the Raw Jute prices which have been rising unabated. The Union Government has also announced about 15% increase in Minimum Support Price (MSP) for raw Jute for the ensuing season and this step is also expected to encourage farmers to step up investment in the Jute Cultivation although the current ruling market Price is much above the MSP.

On the domestic demand side of finished goods there is an expectation of good orders of B-Twill Bags for food packaging from the Government whereas on the export side of late there has been sign of revival in the demand particularly for jute yarn.

As in the earlier years your Company is continuously making efforts to plan its manufacturing capacity & product mix in such a way so that these could be structured as per market requirement from time to time in the shortest possible time frame. Simultaneously the Company is also making constant endeavours to restructure some of its closed units so as to not only save on their overhead Costs which is being continuously incurred but to also derive some return out of such Assets as may be feasible.

D. Internal Control System & Adequacy:

The Company has a proper internal control system in place of all across its operations. Internal audit work has been assigned to a professional firm of Chartered Accountants and they have expressed their satisfaction about the adequacy of internal control systems and procedures followed by the Company. The audit committee reviews the observations of the internal auditors and implementation aspects on a regular basis.

E. Financial & Operating Performance:

During the year under review, production and sales/related income was 45586 MT and Rs. 24476 lacs respectively compared to 56678 MT and Rs. 30660 lacs respectively in the previous year. Export Sales (CIF) was Rs. 4688 lacs compared to Rs. 14509 lacs in previous year.

The performance was affected due to loss of production for 61 days because of industry wide strike in the Jute Industry from 14.12.2009 to 12.02.2010 and suspension of work at 100% EOU (Yarn) and (Weaving) Units located at Rishra from 30.08.2009 to 08.12.2009 and from 06.09.2009 to 11.12.2009 respectively.

On 17.12.2009 the company got its 100% EOU (yarn) located at Rishra debonded from EOU scheme and accordingly the said unit has become the Domestic Tariff Area (DTA) Unit.

As in the past your Company continued its focus on modernization, expansion and diversification hence during the year a sum of Rs. 699 lacs was added to the block.

F. Material Development in Human Resources/Industrial Relations Front:

The Company continues to rationalize its workforce and put emphasis on providing quality training under Company's programme.

Shalimar Unit at Howrah remained closed since 18.05.2005, has now been permanently closed with due process of law. Operations at Yarn Unit and Libra Carpet Unit located at Choudwar, District. Cuttack, Orissa and 100% EOU Yarn Unit at Konnagar, West Bengal also continued to be under suspension.

There was an Industry wide strike in West Bengal Jute Industry from December 14, 2009 to February 12, 2010.

G. Cautionary Statement:

Certain statements in this report may be construed as forward looking statements which have been made as required by laws and regulations, as applicable. There are several factors, which would be beyond the control of management and as such, may affect the actual results, which could be different from that as envisaged.

**Auditor's Certificate on Compliance with the conditions of
Corporate Governance Under Clause 49 of the Listing Agreement**

To the Members of AI Champdany Industries Limited

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

The compliance of conditions of the Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

For and on behalf of
D. P. Sen & Co.
Chartered Accountants

S. K. Nayak
Partner
Membership No: 58711

Kolkata
Dated: May 30, 2010

AI CHAMPDANY INDUSTRIES LIMITED

Corporate Governance Report for the year ended 31st March, 2010.

The detailed report on Corporate Governance and process including compliance by the Company with the provisions of Clause 49 of the Listing Agreement is set out below:

1. Company's Philosophy on Code of Governance:

The Board of Directors and Management are committed to maximizing shareholder value on a sustained basis. The Company considers good Corporate Governance to be a pre-requisite for meeting the objective of shareholders' wealth maximization. Good Governance practices in the Company include adoption of best Board practices, respect and protection of minority views and interests and institutionalization of a fair and transparent reporting system.

2. Board of Directors:

During the year under review, the strength of the Board of Directors was 9 (nine) comprising of 3 promoters non-executive Directors (including a non-executive Chairman), 5 non-executive independent Directors and 1 Executive Director.

During the financial year ended 31st March, 2010, five Board meetings were held on 29th May, 2009, 28th June, 2009, 31st July, 2009, 30th October, 2009 and 30th January, 2010. The maximum gap between any two meetings was less than 4 months.

The composition of the Board of Directors, the attendance of each Director at the Board meetings and at the last Annual General Meeting (AGM) and also the number of other Directorships or Committee of which he is a Member/Chairman are as under:

Name of the Director	Category	Attendance		No. of other Directorships and Committee Memberships / Chairmanships		
		Board Meetings	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
Mr. G. J. Wadhwa	Promoter Non-Executive Chairman	4	No	3	Nil	Nil
Mr. S. M. Palia	Independent Non-executive	1	No	6	4	3
Mr. S K Mehera	Independent Non-executive	5	Yes	3	Nil	Nil
Mr. Harbhajan Singh	Independent Non-executive	4	Yes	6	Nil	Nil
Dr. G. Goswami	Independent Non-executive	5	Yes	7	4	Nil
Mr. D. J. Wadhwa	Promoter Non-Executive	4	No	1	Nil	Nil
Mr. N. Das	Independent Non-executive	5	Yes	4	2	2
Mr. N. Pujara	Executive Director (Mktg.)	4	Yes	14	Nil	3
Mr. B. Wadhwa	Promoter Non-Executive	5	Yes	11	Nil	Nil

The brief resume/details relating to Directors seeking re-appointment are furnished in the Annexure to the Notice of the ensuing Annual General Meeting.

3 Audit Committee:

The Board of Directors has set up an Audit Committee under the provisions of Section 292(A) of the Companies Act, 1956, and for compliance of Corporate Governance Code under Clause 49 of the Listing Agreement. The terms of reference of Audit Committee are determined by the Board from time to time. The role and composition of the Audit Committee are as follows:

- Overseeing Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:
 - Ø Any changes in accounting policies and practices.
 - Ø Major accounting entries based on exercise of judgment by management.
 - Ø Qualifications in draft audit report.
 - Ø Significant adjustments arising out of audit.
 - Ø The going concern assumption.
 - Ø Compliance with Accounting Standards.
 - Ø Compliance with stock exchange and legal requirements concerning financial statements.
 - Ø Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of Company at large.
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors, any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussions with external auditors before the audit commencement, nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.

The Audit Committee consisted three non-executive independent Directors and one non-executive promoter Director as follows:

- | | | |
|------|-----------------------|---|
| i) | Mr. Harbhajan Singh - | Chairman (non-executive independent Director) |
| ii) | Mr. S. K. Mehera - | Member (non-executive independent Director) |
| iii) | Dr. G. Goswami - | Member (non-executive independent Director) |
| iv) | Mr. D. J. Wadhwa - | Member (non-executive promoter Director) |

The Company Secretary acts as the Secretary to the Audit Committee. The Statutory Auditors and Internal Auditors are invitees to the meetings of the Audit Committee.

During the financial year ended 31st March, 2010, five Audit Committee meetings were held on 29th May, 2009, 28th June, 2009, 31st July, 2009, 30th October, 2009 and 30th January, 2010. Mr. Harbhajan Singh attended four meetings, Mr. S. K. Mehera attended five meetings, Dr. G. Goswami attended five meetings, Mr. D. J. Wadhwa attended four meetings.

The minutes of the Audit Committee meetings are noted by the Board of Directors at the subsequent Board meetings.

4. Remuneration Committee:

The Remuneration Committee of the Board comprises three Independent Directors, namely Mr. S. K. Mehera, Dr. G. Goswami and Mr. N. Das.

The Remuneration Committee has been constituted to review / approve / recommend remuneration of the Executive Director/whole time Director, based on their performance.

There was no meeting during the year.

No remuneration is paid to non-executive Directors except sitting fees for attending the meetings of the Board of Directors or Committees thereof. However, the remuneration of the Executive Director is decided by the Board of Directors subject to approval of the shareholders.

5. **Details of Remuneration and Sitting Fees:**

The details of sitting fees and remuneration paid to the Directors during the financial year 2009-10 are as under:
(Amount in Rs.)

Name of the Director	Meeting Fees			Remuneration	Total
	Audit Committee	Board	Other Committees*		
Mr. G. J. Wadhwa	-	30,000	-	—	30,000
Mr. S. M. Palia	-	7,500	-	—	7,500
Mr. S. K. Mehera	37,500	37,500	15,000	—	90,000
Mr. Harbhajan Singh	30,000	30,000	-	—	60,000
Dr. G. Goswami	37,500	37,500	15,000	—	90,000
Mr. D. J. Wadhwa	30,000	30,000	-	—	60,000
Mr. N. Das	-	37,500	-	—	37,500
Mr. N. Pujara	-	-	-	15,96,823	15,96,823
Mr. B. Wadhwa	-	37,500	7,500	-	45,000
Total	1,35,000	2,47,500	37,500	15,96,823**	20,16,823

* for attending Committee of Directors and Investors' Grievance Committee meetings.

** The remuneration consists of salary of Rs. 12,00,000/- contribution to Provident and Superannuation Fund Rs. 3,00,000/- and other benefits Rs. 96,823/-. Tenure of appointment: 5 years from 1st January, 2008. As per terms of appointment, the Company and Executive Director have the right to terminate the appointment by giving three months prior notice in writing to the other. There is no provision for payment of severance fee under the resolution governing the appointment of the Executive Director.

6. **Investors' Grievances Committee.**

The Board has set up an Investors' Grievances Committee consisting of one independent non-executive Director and one promoter non-executive Director as under:

- i) Dr. G. Goswami — Chairman (Independent non-executive Director)
- ii) Mr. B. Wadhwa — Member (Promoter non-executive Director)

During the financial year ended 31st March, 2010, one Investors' Grievances Committee meeting was held on 30th January, 2010.

The details of the position of the shareholders' complaints are as under:

- a) Number of complaints received from Stock Exchange/SEBI — 1
- b) Number of complaints non-resolved/non-action taken — 2
- c) Number of pending share transfer as on 31st March, 2010 — NIL

Investors' grievances are resolved expeditiously.

Mr. B.K. Chowdhury Company Secretary has been designated as Compliance Officer.

7. **General Body Meeting:**

Location and time where the last three Annual General Meeting were held.

Financial Year	Location of Meeting	Date	Time
2006-2007	'Bharatiya Bhasha Parishad' 36A, Shakespeare Sarani, Kolkata-700 017	31 st August, 2007	11.00 A.M.
2007-2008	'Bharatiya Bhasha Parishad' 36A, Shakespeare Sarani, Kolkata-700 017	29 th July, 2008	10.00 A.M.
2008-2009	'Bharatiya Bhasha Parishad' 36A, Shakespeare Sarani, Kolkata-700 017	31 st July, 2009	2.00 P.M.

No Special Resolution was passed in the previous three Annual General Meeting.