

35th

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NNUAL

REPORT

2008-2009

APM INDUSTRIES LIMITED

APM INDUSTRIES LIMITED

BOARD OF DIRECTORS

R K RAJGARHIA
Chairman & Managing Director

R L TOSHNIWAL

K R GUPTA

S G RAJGARHIA

R R BAGRI

H R SHARMA
Executive Director

AUDITORS

Chaturvedi & Co.

BANKERS

Punjab National Bank
State Bank of Bikaner & Jaipur

HEAD OFFICE

2-Brabourne Road
Kolkata - 700 001

CORPORATE OFFICE

910, Chiranjiv Tower,
43, Nehru Place,
New Delhi - 110 019

COMPANY SECRETARY

F C GOEL

REGISTERED OFFICE & WORKS

SP-147, RIICO Industrial Area
Bhiwadi Dist. Alwar
(Rajasthan) - 301019

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NOTICE TO THE MEMBERS

NOTICE is hereby given that the 35th Annual General Meeting of the Members of APM Industries Limited will be held on **Saturday, the 26th day of September, 2009 at 11.30 A.M.,** at the Registered Office & Works of the Company at SP-147, RIICO Industrial Area, Bhiwadi, Dist. Alwar (Rajasthan) to transact the following business: -

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2009, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri R R Bagri, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s Chaturvedi & Co., Chartered Accountants, who are eligible for re-appointment as Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

4. To consider, and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT subject to the provisions of Section 198, 269, 309 and Schedule - XIII and other applicable provisions of the Companies Act, 1956 approval of the members of the company be and is hereby accorded to the re-appointment of Shri R K Rajgarhia, as Chairman & Managing Director of the Company for a period of five (5) years w.e.f. August 1, 2009 upon the terms and conditions set out below:-"

- A) Basic Salary: Rs.1,25,000 (Rupees one lac twenty five thousand only) per month w.e.f. August 1, 2009 in the grade of Rs.1,25,000 – Rs.10,000 – Rs.1,65,000.
- B) Commission: 1% on the net profit of the Company computed in the manner laid down in the Companies Act, 1956.
- C) Perquisites & Allowances: In addition, he shall be entitled to the following perquisites and allowances:-
 - i) House Rent Allowance @ 60% of salary per month.
 - ii) Provision of furnishings and expenses pertaining to supply of Gas, Electricity, Water and other utilities including repair will be borne/reimbursed by the Company.
 - iii) Expenses pertaining to services of a guard/watchmen, a gardener and a servant employed at his residence shall be borne/reimbursed by the Company.
 - iv) Medical expenses actually incurred for self, wife and dependent subject to the condition that the total cost to the company shall not exceed one month's salary per year or three month's salary in a period of 3 years.
 - v) Reimbursement of actual travelling expenses for self and family for proceeding on leave once in a year to and from any place in India or outside India.

- vi) Reimbursement of membership fees in respect of Clubs will be subject to maximum of two Clubs.
- vii) Personal Accident Insurance Premium subject to limit of Rs.5,000/- per annum.
- viii) Free use of the Company's car with driver for company's work as well as for personal purposes.
- ix) Telephone at residence at company's cost.
- x) Gratuity @ half month's basic salary for each completed year of services.
- xi) Leave and leave encashment as per rules of the company.

- D) Minimum remuneration: In the event of loss or inadequacy of profit in any financial year during the tenure of Shri R K Rajgarhia as Chairman & Managing Director, he shall be entitled to receive and be paid the remuneration by way of salary, perquisites and other allowances not exceeding the ceiling limits as specified under Part II, Section II of Schedule XIII of the Companies Act, 1956 for a period of three years from the date of appointment.

"RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorized to take such steps as may be necessary, proper and expedient to give effect to this resolution".

5. To consider, and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT the members of the company do hereby accord their approval under section 314 (1) and other applicable provision of the Companies act, 1956, to the promotion of Shri Ajay Rajgarhia, Son of Shri R K Rajgarhia, Chairman & Managing Director of the company, who holds an office of profit in the company, for holding and continuing to hold the office or place of profit as Vice President (Business Development) or such other designation as the management may assign in due course under a contract of service and at such remuneration as the Board of Directors may fix subject to a maximum remuneration not exceeding Rs.50,000 per month inclusive of basic salary, allowances, perquisites and other benefits in whatsoever form given".

"FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to vary the terms of appointment including remuneration in due course without approval of the members provided that the total remuneration including all perquisites and allowances accruing from such office of profit shall not exceed Rs.50,000 per month".

Registered Office:
SP-147, RIICO Industrial Area,
Bhiwadi, Dist. Alwar (Rajasthan)

By Order of the Board

New Delhi
July 31, 2009

F C GOEL
Company Secretary

APM INDUSTRIES LIMITED**NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LATER THAN FORTY EIGHT (48) HOURS BEFORE THE MEETING.
2. Explanatory statement as required Under Section 173(2) of the Companies Act, 1956 in respect of Item No.4 & 5 is Annexed.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from **September 16, 2009 (Wednesday)** to **September 23, 2009 (Wednesday)** (both days inclusive).
4. Pursuant to Section 205C by the Companies (Amendment) Act, 1999 the Company has already transferred all unclaimed dividends upto the Financial Year 2000 – 2001 to the General Revenue Account of the Central Government and the amount of dividend for the financial year ended 31st March, 2002 and thereafter, which remain unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government on due dates.

Members, who have not encashed the dividend warrants, so far for the financial year ended 31st March, 2002 or any subsequent financial years are requested to make their claims. **It may also be noted that once the unclaimed dividend is transferred to the Government, no claims shall lie in respect of such amount.**
5. The Company's share capital had been dematerialized under ISIN "INE170D01017", with both the Depository i.e. NSDL and CDSL. Shareholders who have not been dematerialized their shares may opt the same accordingly.

ANNEXURE TO THE NOTICE**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956****Item No.4**

Shri R K Rajgarhia was appointed as Chairman & Managing Director of the Company w.e.f. August 1, 2004 for a period of five years which term expired on July 31, 2009. The Board of Directors have re-appointed Shri R K Rajgarhia as Chairman & Managing Director of the Company for a further period of five years w.e.f. August 1, 2009, and approved the payment of remuneration as recommended by Remuneration Committee and as proposed in the resolution, subject to the approval of shareholders.

Under Section 309 of the Companies Act, 1956, this appointment requires members' approval by way of an ordinary resolution. However, in terms of Schedule XIII to provide for minimum remuneration in the event of loss or inadequacy of profits in any financial year, a special resolution is required to be passed by the members approving payment of remuneration for a period of 3 years. The proposed special resolution combines both for appointment and payment of minimum remuneration.

The information required to be given as per paragraph 1(B) of Section II of Part II of Schedule XIII of the Companies Act, 1956 in the context of above appointment is given below:

i) GENERAL INFORMATION

1. Nature of industry
The company's activities can be classified under the Textile Industry, manufacturing man made fibres Spun yarns.
2. Date of commencement of commercial production
The commercial production commenced in January 15, 1981.
3. In case of new companies, expected date of commencement of activities – Not applicable
4. The financial performance for the year ended March 31, 2009

	(Rs. In lacs)
Net sales	18290.00
Net profit	106.00
EPS	2.45
5. Export performance and net foreign exchange collaboration
Export turnover marginally decreased from previous year i.e. Rs.2,035 Lacs to Rs.1,996 Lacs.
6. Foreign investments or collaborators, if any – Not applicable

ii) INFORMATION ABOUT THE APPOINTEE

1. Background details
Shri R K Rajgarhia, aged 71 years, is a successful industrialist having over 49 years of experience in the field of textile industry. He is the promoter director of the company and holding post of Chairman & Managing Director. He is looking after overall activities of the company.
2. Past remuneration
The remuneration paid to him during the Financial Year 2008-09 is Rs.17.57 lacs.
3. Recognition or awards
No such awards
4. Job profile and his suitability
Shri R K Rajgarhia is looking after the overall activities of the company and management. Considering his skill, your Board is of the opinion that the service of Shri R K Rajgarhia as Chairman and Managing Director is required to be availed for allround growth and development of the company.
5. Remuneration proposed
The remuneration proposed to be paid to Shri R K Rajgarhia is set out in the resolution.

APM INDUSTRIES LIMITED

6. Comparative remuneration profile with respect to industry.

No such data is available with the company. But the Board is of the view that the remuneration paid/to be paid by the company is totally in line with the performance made by the company under his dedicated services.

7. Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any

Shri R K Rajgarhia's pecuniary relationship is limited to the remuneration receives in the capacity of Chairman & Managing Director.

He is related to Shri Ajay Rajgarhia, Vice President (Business Development) as father.

iii) **OTHER INFORMATION:**

1. Reason of loss or inadequate profits

For the present the profit of the company are adequate to pay the remuneration as proposed. However, there could be events or external factors beyond the control of the company which would influence company's profitability. Hence it is necessary to provide for minimum remuneration to adequately compensate the Chairman & Managing Director in case of any such eventuality.

2. Steps taken or proposed to be taken for improvement

The profit of the company during the year is adequate and it is expected that the company will perform satisfactorily in the coming years.

3. Expected increase in productivity and profits in measurable terms

The sales increased by 11.63% from Rs.16,482 lacs to Rs.18,399 lacs. Net profit was higher by 51.43% over the previous year.

ii) **DISCLOSURES:**

The remuneration package is already explained in the foregoing paragraph. The report on Corporate Governance which forms part of this annual Report also gives various details related to remuneration and contract of service as required.

The appointment and the remuneration have been approved by the Remuneration Committee and the Board of Directors in their respective meetings held on 31.07.2009.

None of the Director's except Shri R K Rajgarhia and Shri S G Rajgarhia is interested or concerned in the said resolution.

The Board recommends the proposed resolution for your approval.

Item No.5

Shri Ajay Rajgarhia, aged about 42 years, is having specialization in the field of finance as he is M.B.A. from William E Simon Graduate School of Business Management University of Rochester, USA. He is the Son of Shri R K Rajgarhia, the Chairman & Managing Director. He was appointed as Vice President (Business Development) from 01.07.1995 by the Board of Directors. He has been contributing tremendous efforts towards development of exports and further expansion. The Board of Directors in their meeting held on 31.07.2009 decided to increase his remuneration w.e.f. October 1, 2009 and seek members' approval by way of special resolution as required by section 314 (1) of the Companies Act, 1956 for paying him upto Rs.50,000 per month.

The proposed special resolution is for the same. Your directors recommend passing of the resolution with requisite majority.

None of the Directors except Shri R K Rajgarhia is concerned or interested in the resolution.

Item No.2

Details of the Director seeking reappointment in the forthcoming Annual General Meeting.

BRIEF RESUME OF DIRECTOR OFFERING FOR REAPPOINTMENT

Name of the Director	: Shri R R Bagri
Date of Birth	: 01.04.1944
Date of appointment	: 24.01.2003
Qualification	: B.E. (Civil & Mech.) and M.S. (San) from New York, USA.
Expertise in specific functional area	: Shri R R Bagri is a qualified engineer. He is at present Managing Director of M/s Clear Water Limited and he has varied experience of more than 42 years.
List of other Directorship held	: Clear Water Limited APM Industries Limited Kajaria Ceramics Limited Faridabad Papers Mills Limited Bagri Udyog Pvt. Limited
Chairman/member of the Committee of the Board of Directors of the Company	: – Audit Committee – Member – Share holder / Investors – Grievance Committee-Member – Remuneration Committee-Member
Chairman/member of the committee of Directors of other companies.	: Kajaria Ceramics Limited - Remuneration Committee

Registered Office:
SP-147, RIICO Industrial Area,
Bhiwadi, Dist. Alwar (Rajasthan)

New Delhi
July 31, 2009

By Order of the Board

F C GOEL
Company Secretary

APM INDUSTRIES LIMITED**DIRECTORS' REPORT****TO THE MEMBERS**

Your Directors have pleasure in presenting the 35th Annual Report and Audited Accounts for the year ended on March 31, 2009.

FINANCIAL RESULTS

	(Rs. In lacs)	
	<u>2008-2009</u>	<u>2007-2008</u>
Gross Turnover	<u>18399</u>	<u>16482</u>
Gross Profit	<u>599</u>	<u>497</u>
Less: -		
• Depreciation	<u>439</u>	<u>430</u>
• Provision for Tax		
- Current Tax	<u>23</u>	<u>9</u>
- Deferred Tax	<u>31</u>	<u>(7)</u>
- Mat credit entitlement	<u>-</u>	<u>(5)</u>
Profit after tax	<u>106</u>	<u>70</u>
Add: -		
• Balance brought forward	<u>2611</u>	<u>2541</u>
Surplus available for appropriation	<u>2717</u>	<u>2611</u>
Appropriations: -		
• Balance carried forward	<u>2717</u>	<u>2611</u>

OPERATIONS

Your Company has shown satisfactory results during the year under review. The sales increased by 11.63% from Rs.16,482 lacs to Rs.18,399 lacs. Net profit was higher by 51.43% over the previous year.

EXPORTS

Your Company's export turnover marginally decreased from previous year i.e. Rs.2,035 Lacs to Rs.1,996 Lacs. The company hopes to increase export turnover in the current year.

EXPANSION AND MODERNIZATION

The Company continues to modernize its Plant and Machinery under Technology Upgradation Fund Scheme (TUFS). The company proposes to install some balancing equipments which would help in producing higher value added products. The production capacity will also be increased from 48320 spindles to 49280 Spindles during the current year.

PROSPECTS

The Company expects to improve both sales and profitability in the current year as a result of expansion-cum-modernization programme and expected better market conditions.

DIVIDEND

In view of the need to conserve financial resources, no dividend has been recommended by the Board of Directors.

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

The prescribed details as required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, are annexed as **Annexure - I** to this Report.

PARTICULARS OF EMPLOYEES

The statement showing particulars of the employees as required under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 (as amended), is not given as no employee was in receipt of remuneration equal to or exceeding Rs.24,00,000/- (Rupees Twenty Four Lacs only) per annum, if employed for the full year or Rs.2,00,000/- (Rupees Two Lacs only) per month, if employed for a part of the year.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance of Section 217(2AA) of the Companies Act, 1956, your Directors confirm:

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed.
2. That they 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 or loss of the Company for that period.
3. That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That they have prepared the annual accounts on a going concern basis.

DIRECTORS

Shri R R Bagri is liable to retire by rotation and being eligible, offers himself for re-appointment. A brief resume is given in the Notice to the Annual General Meeting. Your Directors recommend his re-appointment at the ensuing Annual General Meeting.

AUDITORS AND THEIR OBSERVATIONS

M/s Chaturvedi & Co., Chartered Accountants, the auditors of the Company, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a certificate from the Auditors to the effect that their reappointment, if made, would be in accordance with the section 224(1B) of the Companies Act, 1956. The Board recommends their reappointment.

The Auditors' observations in their Report are self-explanatory and, therefore, do not call for any further comments.

CORPORATE GOVERNANCE

A separate report on Corporate Governance and a certificate from the Auditors of the company regarding compliance of the conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges are annexed as **Annexure-II** to this report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management discussion and analysis on the matters relating to the business performance, as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges, is given as a separate statement in the Annual Report.

APPRECIATION

Your Directors gratefully acknowledge the whole hearted support given by the Customers, suppliers, shareholders, employees, governments, financial institutions, banks, and we look forward to their continued cooperation and best wishes in our endeavour to steer your company towards greater heights.

For and on behalf of the Board

New Delhi
July 31, 2009

R K RAJGARHIA
Chairman & Managing Director

ANNEXURE - I TO DIRECTORS' REPORT**PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.****A. CONSERVATION OF ENERGY****Energy Conservation Measures taken:**

The Company has taken following Energy Conservation Measures to save the Energy.

1. Installation of Power Capacitors at specific machine's motors and 200 KVR additional capacitors at automatic power factor improvement panel by which the power factor improved from 0.97 to 0.99.
2. Replacement of 02 Nos. 7.5 HP Pumps with 01 No. 10 HP pump in one autoclave machine.
3. Replacement of 06 Nos. mono block pumps of Effluent Treatment Plant with Energy efficient pumps.
4. Conversion of Direct On Line starter to Star Delta in Ring frame variators of unit-II.

5. Replacement of 02 Nos. 30 HP Submersible pumps of Tube well to 20 HP Energy efficient submersible pumps
6. Installation of Electronic Chock in place of copper ballast in staff colony.

B. RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

Efforts made in R&D and Technology Absorption are given in Form 'B'.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and export plans have been discussed under the head 'Exports' in Director's Report.

The information in respect of Foreign Exchange earning and outgo is contained in Item 12 (f) & (g) in Schedule - 18 annexed to the Balance Sheet.

FORM 'A'**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSUMPTION OF ENERGY**

		Unit	2008-2009	2007-2008
A	POWER AND FUEL CONSUMPTION			
1	Electricity			
	Purchased unit	Unit in lacs	440.78	435.79
	Total amount	Rs. In lacs	1844.57	1868.14
	Rate	Rs./Unit	4.18	4.29
2	Own Generation			
a)	Through Diesel Generator	Unit in lacs	0.99	4.51
	Unit per Litre of Diesel	Unit	3.29	3.64
	Cost	Rs./Unit	9.44	8.02
b)	Through HFO Generator	Unit in lacs	6.33	20.02
	Unit per Litre of Diesel/HFO	Unit	3.83	4.05
	Cost	Rs./Unit	4.49	5.85
3	Coal (Grade B, C, D & E)/ Petcock			
	Quantity	MT	2284.83	2281.65
	Total cost	Rs. in lacs	174.74	132.50
	Average rate	Rs./MT	7647.65	5807.29
4.	Diesel			
	Quantity	Ltrs. In lacs	0.67	1.45
	Total cost	Rs. In lacs	20.27	41.65
	Average rate	Rs./Ltr.	30.42	28.63
5.	Furnace Oil			
	Quantity	Ltrs. In lacs	1.29	4.73
	Total cost	Rs. In lacs	24.58	106.67
	Average rate	Rs./Ltr.	19.04	22.43
B	CONSUMPTION PER UNIT OF PRODUCTION*			
	Electricity		337.00	365.00
	Coal B, C, D & E Grade/Pet coke		17.17	18.08

* Production unit, per 100 kgs.

FORM 'B'**RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION****A. Research & Development:****Specific areas in which R&D carried out by the company:**

* The Company has been giving special emphasis on development of new products and cost reduction. The Company has developed new products for exporters of yarn, fabrics, furnishings and Readymade garments, keeping in touch with latest trend of fabrics & ready made garment exports. The company has also developed new varieties of yarn for direct export to various countries as well as for domestic markets.

Benefits derived as a result of R&D:

* Product improvement, cost reduction and improvement in customer satisfaction.

Future course of action:

* To develop new varieties and shades as per market requirements.

Expenditure on R&D:

* No specific expenditure exclusively on R&D has been incurred.

B. Technology Absorption, Adaptation and Innovation:**Efforts made:**

* The indigenous technology available is continuously being upgraded.

Benefit derived:

* Improvement in the overall performance of the company.

Particulars of imported technology:

* Not applicable

For and on behalf of the Board

New Delhi
July 31, 2008

R K RAJGARHIA
Chairman & Managing Director

APM INDUSTRIES LIMITED**ANNEXURE – II TO DIRECTORS' REPORT****CORPORATE GOVERNANCE****1. Company's philosophy on Code of Governance**

The Company strongly believes in fair, efficient and transparent business operations, fairness to all stakeholders in the Company, proper disclosure of relevant financial and non-financial information and enhancing shareholder value on a continuing basis

2. Board of Directors

As on March 31, 2009, the Board is comprised of 6 Members. The composition of the Board of Directors meets with the requirements of Listing Agreement. None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees across all the companies in which they are Directors.

During the year 2008 – 09 five Board meetings were held on 28.05.2008, 20.06.2008, 31.07.2008, 31.10.2008 and 30.01.2009

The composition of the Board of Directors and the attendance at the Board meeting during the year are as under: -

Sl. No.	Name of the Directors	Category of Directors	No. of Board Meetings		No. of Director Ships in other public companies	Committee		Last AGM Attended
			Held	Attended		Member-Ships	Chairman-Ships	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Shri R K Rajgarhia	Chairman & Managing Director	5	5	4	-	1	Yes
2	Shri R L Toshniwal	Non Executive & Independent	5	1	4	-	1	No
3	Shri K R Gupta	Non Executive & Independent	5	5	1	1	5	Yes
4	Shri S G Rajgarhia	Non Executive	5	5	5	2	2	Yes
5	Shri R R Bagri	Non Executive & Independent	5	5	3	3	-	Yes
6	Shri H R Sharma	Executive	5	5	-	1	-	Yes

The non-executive directors, except Shri S G Rajgarhia do not have any material pecuniary relationship with the company. Shri S G Rajgarhia's pecuniary relationship to the company is limited to the extent of his shareholding in it and the sitting fees received by him. He may also be deemed to have some pecuniary interest with respect to transactions of sale and purchase of materials with the Companies in which he is a director, brief details of which are disclosed in the notes to the financial statements under the head "related party disclosures" under Schedule 18 of the Annual Report.

Shareholding of non-executive directors in the company as on the date of report is:

Name of the Director	No. of shares	Percentage
Shri S G Rajgarhia	114770	2.66

3. Audit Committee

The terms of reference of the Audit Committee, cover areas specified under Clause 49 of the Listing Agreement, such as:-

- To review the operating results and the internal audit reports.
- To suggest internal control measures after discussion with the internal auditors and to oversee their implementation.
- To review the annual financial statements with the management.
- To recommend appointment of auditors and to fix their remuneration.
- And other matters as provided in the clause 49.

During the year 2008 – 09 five Audit Committee meetings were held on 28.05.2008, 20.06.2008, 31.07.2008, 31.10.2008 and 30.01.2009.

The constitution of the committee and the attendance of the members are as under:-

Sl.No.	Name	Category	No. of Meetings	
			Held	Attended
1	Shri K R Gupta	Non Executive & Independent	5	5
2	Shri S G Rajgarhia	Non Executive	5	5
3	Shri R R Bagri	Non Executive & Independent	5	5

Shri K R Gupta, is the Chairman of the Committee. The Company Secretary acts as the Secretary of the Committee.

4. Remuneration Committee

The remuneration committee was constituted in the year 2008 comprising of Shri K R Gupta (Chairman), Shri R R Bagri and Shri R L Toshniwal, all being independent and non-executive directors. The committee met once on 30.01.2009 to approve the remuneration of Shri R K Rajgarhia.

The non-executive directors are paid sitting fees for the Board and Committee meetings attended by them. The non-executive directors are not paid remuneration in any other form.

The details of remuneration paid to Chairman & Managing Director and Executive Director during 2008 – 2009 are as under:-

Sl. No.	Name of the Directors	Salary	Perquisites and other benefits	Total
1	Shri R K Rajgarhia	17,57,416	-	17,57,416
2	Shri H R Sharma	12,56,746	9,360	12,66,106

The details of sitting fee paid to the other Directors during 2008 – 2009 are as under :-

Sl. No.	Name of the Directors	Sitting Fee	Total
1	Shri R L Toshniwal	3,000	3,000
2	Shri K R Gupta	63,500	63,500
3	Shri S G Rajgarhia	53,000	53,000
4	Shri R R Bagri	63,500	63,500

5. Shareholders/Investors Grievance Committee

The Shareholders/Investors Grievance Committee of Directors is headed by Shri K R Gupta, Non-Executive & Independent Director. The other members of the Committee are Shri R R Bagri and Shri H R Sharma.

Name and designation of Compliance Officer - Shri V K Singhal, Dy. Company Secretary.

13 Shareholders' complaints were received during the year 2008 – 2009 and all of them have been resolved.

There were no pending share transfers as on 31.03.2009.

6. General Body Meeting

Location and time, where last three Annual General Meetings were held and particulars of special resolution, if any are as under.

Year	Location	Date	Time
2008	SP-147 RIICO Industrial Area,	30.09.2008	11.30 A.M.
2007	Bhiwadi	29.09.2007	11.30 A.M.
2006	Dist. Alwar (Rajasthan)	30.09.2006	11.30 A.M.

No resolutions have been put through postal ballot so far. Similarly, there are no resolutions, which are required to be put through postal ballot at this Annual General Meeting.

7. Code of Conduct

The company has formulated and implemented a Code of Conduct for Board Members and senior management of the company. Requisite annual affirmations of compliance with the respective Codes have been made by the Directors and Senior Management of the company.

8. CEO/CFO Certification

Shri R K Rajgarhia, Chairman & Managing Director and Shri H R Sharma, Executive Director have given the above certificate pertaining to financial year 2008 – 09 to the Board of Directors which was taken note of at the Board meeting.

9. Disclosures

- There are no materially significant related party transactions, which may have potential conflict with the interests of the Company at large.
- The company's financial statements are prepared as per the Accounting Standards and the accounting principles generally accepted in India.
- The risk assessment and minimization is an on going process within the company. The company has laid down the procedures to inform Board members about the risk assessment and minimization procedures. The audit committee/board reviews the risk assessment and control process in the company periodically.
- The company has not raised any money through Public Issue, Rights Issue or Preferential Issue etc.
- There have been no penalties/strictures imposed on the Company by Stock Exchange(s) or SEBI or any other statutory authority for non-compliance of any matter relating to capital markets, during the last three years.
- There is no pecuniary relationship or transaction with the Non-Executive independent Directors.
- The management discussion and analysis report is given as a separate statement in the Annual Reports and forms part of the Directors Report.

10. Compliance with mandatory/Non-mandatory Requirements

The company has complied with all the applicable mandatory requirements given in the listing agreement.

11. Means of Communication

The quarterly Financial Statements are normally published in Financial Express (Delhi Edition) and Seema Sandesh (Jaipur Edition).

12. General Shareholder Information

A. Annual General Meeting: -

Date : September 26, 2009 (Saturday)
Time : 11.30 A.M.
Venue : SP - 147 RIICO Industrial Area, Bhiwadi Dist. Alwar (Rajasthan)

B. Financial Calendar for 2009-10

Adoption of Quarterly Results Ended	In the Month of
30 th June, 2009	July, 2009
30 th September, 2009	October, 2009
31 st December, 2009	January, 2010
31 st March, 2010 (Audited Annual Accounts)	April, 2010 (June 2010)