



WELSPUN SYNTEX LIMITED



25th
ANNUAL REPORT
2007 – 2008





WELSPUN SYNTEX LIMITED





WELSPUN SYNTEX LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. G.R.GOENKA

CHAIRMAN

Mr. B.K.GOENKA

VICE CHAIRMAN

Mr. R.R.MANDAWEWALA

MANAGING DIRECTOR

Mr. MURARILAL MITTAL

Mr. B. A. KALE

WHOLETIME DIRECTOR & CEO

Dr. ANIL KANE

NOMINEE IDBI

Mr. G.J. PRASAD (Upto 31st January 2008)

Mr. ATUL DESAI

Mr. RAJ KUMAR JAIN

Mr. M.K. TANDON

COMPANY SECRETARY

Mr. K.N.KAPASI

AUDITORS

MGB & CO., CHARTERED ACCOUNTANTS

BANKERS

BANK OF BARODA, STATE BANK OF BIKANER & JAIPUR

REGISTERED OFFICE

SURVEY NO.394 (P), VILLAGE SAILY, SILVASSA,
UNION TERRITORY OF DADRA & NAGAR HAVELI

CORPORATE OFFICE

KAMANI WADI, 1ST FLOOR, 542, JAGANNATH SHANKAR
SHETH ROAD, CHIRA BAZAR, MUMBAI – 400 002.
EMAIL : welspun@bom5.vsnl.net.in
WEBSITE : www.welspunsyntex.com

FACTORY

SURVEY NO.394 (P), VILLAGE SAILY, SILVASSA,
UNION TERRITORY OF DADRA & NAGAR HAVELI

PLOT NO.14/15, DEWAN INDUSTRIAL ESTATE,
PALGHAR, DISTRICT THANE, MAHARASHTRA

LISTING OF SHARES

BOMBAY STOCK EXCHANGE LTD., MUMBAI
Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai 400 001





WELSPUN SYNTEX LIMITED

WELSPUN SYNTEX LIMITED

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DIRECTORS' REPORT

To,
The Members,

WELSPUN SYNTAX LIMITED

Your Directors are pleased to present the Twenty-fifth Annual Report together with Audited Statement of Accounts of the Company for the year ended 31st March 2008.

FINANCIAL RESULTS AND APPROPRIATIONS:

	(Rs. in lacs)	
	2007-2008	2006-2007
Gross Profit/Loss before Depreciation, Provision for Impairment loss & Finance Expenses	1823.23	1489.82
Less: Finance Expenses	953.69	761.58
Depreciation	1148.62	993.76
Provision for Impairment loss	0	5731.55
Profit/Loss before tax	(279.08)	(5997.07)
Provision for tax – Current Tax	0	0
Deferred Tax	0	0
Fringe Benefit Tax	11.27	6.77
Profit/ Loss after tax	(290.35)	(6003.84)
Profit/ Loss brought forward	(4428.58)	1801.85
Adjusted as per High Court Order (From Capital Reduction Account)	4428.58	0
Transferred to Capital Redemption Reserve	0	226.59
Balance carried to Balance Sheet	(290.35)	(4428.58)

In view of losses during the year, no dividend is recommended.

OPERATIONS

During the year under review, sales / services and Gross Profit/ Loss before Interest and Depreciation were of Rs. 27978.04 Lacs and Rs. 1823.23 Lacs respectively as compared to Rs. 26762.59 Lacs and Rs.1489.82 Lacs respectively for the previous year.

Raw material prices increased drastically as compared to previous year. This was due to volatility in Crude oil prices. However, yarn market could not sustain higher prices domestically as well as internationally. This affected contribution adversely.

FOB value of exports during the financial year 2007-08 were of Rs. 5111.97 Lacs as compared to Rs. 6498.04 Lacs during the previous year.

EXPANSION

The Company has completed its minor expansion at the cost of Rs. 2519.94 Lacs. The Company added texturising machines, Mono Tex, TFO, Boiler and constructed Godown at its plant at Rakholi/ Palghar.

The above project was partly financed by way of Term Loan of Rs. 1824.00 Lacs & balance by way of Internal Accruals. The Company has applied for eligibility of TUFF loan for Rs. 1700 Lacs. In view of the above expansion, the profitability of the Company is expected to be increased.

REDUCTION OF SHARE CAPITAL

Paid up equity share capital of the Company were reduced from 9,45,80,109 Equity shares of Rs. 10/- each fully paid to 2,36,45,027 Equity shares of Rs. 10/- each fully paid up pursuant to resolution passed by the shareholders and confirmation order received from Hon'ble High Court of Bombay dated 8th February 2008. Dealing of reduced shares were permitted by Bombay Stock Exchange w.e.f.17th April 2008.

DIRECTORS RESPONSIBILITY STATEMENT

- In the preparation of the annual accounts, applicable accounting standards have been followed, with proper disclosure of any departures.
- The accounting policies are consistently applied and reasonable, prudent judgment and estimates are made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March 2008 and of the profit or loss of the Company for that period.
- That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- That the directors have prepared the accounts on a going concern basis.

DIRECTORS

IFCI Ltd has withdrawn nomination of Shri G.J.Prasad from the office of Directorship with effect from 31st January 2008 since the Company has paid entire outstanding of IFCI Ltd. by taking loan of State Bank of Bikaner & Jaipur.

The Board appreciated services rendered by him during the tenure of his office of Director.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri G R Goenka, Shri B K Goenka & Shri Atul Desai retire by rotation at the 25th Annual General Meeting and being eligible have offered themselves for reappointment.

Board has recommended their re-appointments.

AUDIT COMMITTEE

Constitution of Audit Committee is mentioned in Corporate Governance Report as enclosed.

PUBLIC DEPOSITS

The Company has not accepted deposits during the year within the meaning of Section 58A of the Companies Act, 1956 read with The Companies (Acceptance of Deposit) Rules, 1975.

AUDITORS

Your Company's Auditors, M/s. MGB & Co, Chartered Accountants retire at the ensuing Annual General Meeting and being eligible, have given their consent to act as Auditors of the Company. Members are requested to consider their reappointment as the Auditors of the Company for the current year and to fix their remuneration.

CORPORATE GOVERNANCE

A separate report on Corporate Governance is annexed hereto as a part of this Report. Management Discussion and Analysis Statement is separately given in the Annual Report. A certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as prescribed under Clause 49 of the Listing Agreement is attached to this report.

AUDITORS' REPORT

Please refer to Auditors' Observations/ qualifications and state as under:

- i) Para 5 (f) (ii) of the Auditors' Report regarding Freehold Land of Rs. 150.72 Lacs for which the Company holds no title, we state that the Company is in the process of executing document to transfer Land to the name of the Company. The Company is in possession of Land without any interference for more than 12 years in respect of Rakholi land and is thus deemed to be the absolute owner thereof.
- ii) Para 5 (f) (i) of the Auditors' Report relating to Depreciation on impaired assets not provided with reference to the residual useful life of assets as per AS-6 "Depreciation Accounting" resulted in under statement of depreciation and loss thereof amount unascertained, we state that the Company shall revise depreciation not provided with reference to the residual useful life of the assets impaired as per AS-6 during the current year.
- iii) Para (i) (a) of the Annexure and state that we have given sufficient description of all individual assets in fixed Assets Register and based thereon the assets are easily identifiable.
- iv) Para (ix) (a) of the Annexure and state that delay in payment of statutory dues in few cases is due to administrative difficulty.
- v) Para (xi) of the Annexure and state that default in repayment of installments/ interests was due to cash crunch.

References drawn by the auditors in their report other than mentioned above are self-explanatory.

SUBSIDIARY COMPANY

Welspun Plastics Private Limited is ceased to be subsidiary company with effect from 30th March 2008. Therefore Annual Report of Welspun Plastics Private Limited is not attached. The consolidated financial statement together with Auditors Report in accordance with the applicable Accounting Standards issued by the ICAI is attached herewith and form part of the Report.

THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

In terms of the above Rules, your Directors are pleased to give the particulars as prescribed therein in the Annexure, which forms a part of the Directors' Report.

PARTICULARS OF EMPLOYEES

There were no employees covered under the purview of the Section 217 (2A) of the Companies Act, 1956 and the Rule framed thereunder.

APPRECIATION

Your Directors take this opportunity to express gratitude for valuable assistance and co-operation extended to the Company by Financial Institutions, Employees, Commercial Banks and other authorities.

For and on behalf of the Board of Directors

R.R.Mandawewala
Managing Director

B.A.Kale
Wholtime Director and CEO

Place : Mumbai
Date : 30.06.2008



MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE, SCENARIO & DEVELOPMENT

Gross Domestic Product is projected to grow @ 8.7% in 2007-2008 as compared to high growth of 9.4 % & 9.6 % in the previous two year.

The industrial sector witnessed a slowdown in the first nine months of the financial year 2007-08. The growth of 9 % in industry and infrastructure sector during April-December 2007, when viewed against the backdrop of the robust growth witnessed in the preceding four years, suggests that there is a certain degree of moderation in the momentum of the industrial sector. The industries like textiles (except jute textiles), automotives, paper, non-metallic mineral products and metal products slowed down visibly during the period.

The total production of blended and non cotton yarn production was up 6.35% at 617.7 million kg (580.8 million (kg) over previous year. Demand for yarn from weavers has somewhat slackened and yarn prices during the review period have shown a fall mainly because of domestic market has an excessive supply since the yarn originally meant for exports were increasingly offloaded into the domestic market due to difficulties in exports.

Surge in prices of crude oil increased the prices of feedstock and the exporters are reluctant to book orders in view of volatility in the prices of crude oil.

World economy has been showing signs of recession with global financial market facing unprecedented crisis through the sub prime mortgages in the US. A slowdown in the US economy would impact India but not to the same extent as it might for other emerging economies.

OPPORTUNITY AND THREATS

The global surge in the Crude oil prices caused increase in price of Polyester chips, the raw materials, which has impacted margins of profits. If Crude oil maintains the current trend, Polyester chips prices can be expected to be volatile.

The Company's sound business strategy is to concentrate on specially high quality yarns, expansion & constant development of new products to strengthen its position in domestic as well as International markets.

PRODUCT WISE PERFORMANCE

The Company manufactures Partially Oriented Yarn (POY), Texturised yarn/ Dyed yarn.

Gross annual turnover of POY were of Rs. 5177.52 Lacs as compared to Rs. 8710.68 Lacs of previous year and of Texturised Yarn/Dyed yarn were of Rs. 24201.95 Lacs as compared to Rs. 19268.86 Lacs to previous year.

OUTLOOK

The Company has installed texturised machines, TFO, Mono splitting machines during the year 2007-08. This will increase production capacity and reduce cost of production.

RISKS & CONCERNS

Additional capacities being generated for production of PTY, FDY, Dyed yarn in India and dumping of textiles products from China cause pressure on sales and margin.

However, the Company expects to mitigate the impact of risks

and concerns since the Company concentrates on Specialty yarns, High quality and development of new products constantly.

ADEQUACY OF INTERNAL CONTROL SYSTEM

Welspun has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transaction are authorised, recorded and reported correctly.

The Company has internal audit system, which covers cost saving aspects, system and procedure improvement. Such reports are regularly reviewed by the management and corrective measures are timely taken for improving efficiency.

DISCUSSION ON FINANCIAL PERFORMANCE

Sales and profit

During the year, sales and services were of Rs.279.78 Crores as against Rs.267.63 Crores in the previous year. The Company has incurred net losses of Rs.2.90 Crores as against losses of Rs.60.04 Crores during the previous year. Discussion on Financial Performance is inserted in Directors' Report.

Share Capital

Paid up Equity share capital has been reduced from Rs. 94.58 Crores to Rs. 23.64 Crores. The reduced amount of Rs. 70.93 Crores is partly adjusted against debit balance in profit & loss account of Rs. 44.28 Crores & the balance of Rs. 26.65 Crores are added to Capital Reserve.

Fixed Asset

The Company has installed Mono Tex, Murata machines, Alidhara Draw texturising machines, Air texturised machines, TFO, Boiler and also constructed godown in order to store finished goods / raw materials.

The Company has replaced boiler on furnace oil basis to boiler on Coal basis to reduce cost of production.

Additions to fixed assets were of Rs. 15.45 Crores during the year 2007-08.

Term Loan

The Company has obtained Term Loan of Rs. 18.19 Crores from Banks to finance its minor expansion at the cost of Rs. 25.20 crores.

The Company has obtained Term Loan of Rs. 22.40 Crores from State Bank of Bikaner & Jaipur to take over the entire loan from IFCI Ltd and earned discount of Rs. 3.87 Crores on swapping of said Term Loan of IFCI Ltd.

HUMAN RESOURCES

During the year under review, your Company continued its concern for development of its personnel through various training programmes. Besides, Management has laid special emphasis on strengthening HR activities for all levels in the Organization.

Industrial relations during the year were cordial.



FORM A
(SEE RULE 2)

**FORM FOR DISCLOSURE OF PARTICULARS
WITH RESPECT TO CONSERVATION OF ENERGY**

	Current Year 2007-2008	Previous Period 2006-2007
A. POWER AND FUEL CONSUMPTION		
1 ELECTRICITY		
(a) Purchased		
Units (In '000S)	72078.66	70935.93
Total Amount (Rs.in Lacs)	2309.41	2102.73
Rate / Unit (Rs.)	3.20	2.96
(b) Own Generation		
(i) Through Diesel / Gas Generator		
Units (In '000S)	954.35	957.81
Units per Ltr.Of Diesel Oil	3.56	3.69
Cost / Unit (Rs.)	7.92	8.12
(ii) Through Steam Turbine / Generator	Nil	Nil
2 Coal (used - Boiler)		
Units (In '000S)	483.06	Nil
Total Amount (Rs. in Lacs)	19.35	Nil
Rate / Unit (Rs.)	4.01	Nil
3. Furnace Oil		
Quantity (K.Ltrs.)	1029.11	391.30
Total amount (Rs.in Lacs)	202.94	74.05
Average Rate (K.Ltrs.)	19719.80	18924.97
4. Others / Internal Generation	Nil	Nil

B. CONSUMPTION PER UNIT OF PRODUCTION

	Standards	Current Year	Previous Year
PRODUCTS (With Details)			
UNITS	—	Kg.	Kg.
ELECTRICITY	—	4.99	5.00
FURNACE OIL	—	0.44	0.18
COAL (Specify Quality)	—	0.04	Nil
OTHERS (Specify)	—	Nil	Nil

FORM B
(SEE RULE 2)

**FORM FOR DISCLOSURE OF PARTICULARS WITH
RESPECT TO ABSORPTION**

Research and Development (R&D)

- | | |
|--|--|
| 01 Specific area in which R&D is Carried Out by the Company. | - polyester mother yarn |
| 02 Benefit derived as a result of the above R&D | - Rise in productivity & Quality improvement |
| 03 Future Plan of Action | - - |
| 04 Expenditure on R&D | - - |
| 05 Capital | - - |
| a) Recurring | - - |
| b) Total | - - |
| c) Total R&D expenditure as a percentage of total turnover. | - - |

Technology absorption, adaptation and Innovation

- | | |
|--|---|
| 01 Efforts in brief made towards technology | - New straight profile hole arrangement spinneret
24 kg doff in place of 12 kg
Winder parameter setting & parallism |
| 02 Benefits derived as a result to the above efforts, etc Product improvement, cost reduction, product development, imports substitution. | - productivity increase 16.67%
Runnability improved in splitting
higher % age of zero break yarn
2 kg weight per package in place of 1kg |
| 03 In case of imported technology (imported during the last 5 year reckoned from the beginning of the financial year), Following information may be furnished: | - |
| a) Technology imported | - |
| b) Year of import | - |
| c) Has technology been fully absorbed? | - |
| d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action. | - |

Foreign exchange earnings and outgo:

- | | |
|---|--|
| 1) Activities relating to exports, initiatives taken to increase exports development of new export markets for products, services and export plans. | - We have been successful in developing and establishing new customers in market like USA, Canada, Mexico, Turkey, Egypt, Argentina, Venezuela and Peru. |
| (2) Total foreign exchange used and earned | |
| Used : | - Rs.3219.75 Lacs |
| Earned : | - Rs.5111.97 Lacs |

CORPORATE GOVERNANCE REPORT FOR THE YEAR FROM APRIL 1, 2007 TO MARCH 31, 2008

Annexure to the Directors' Report

A. COMPANY'S PHILOSOPHY

Welspun Syntex Limited believes that for a company to succeed on a sustained basis, it must maintain global standards of corporate conduct towards its employees, shareholders, consumers and society.

The primary objective is to create and adhere to a corporate culture of conscience and consciousness, transparency and openness.

B. BOARD OF DIRECTORS

(i) Composition

Present strength of the Board of Directors is 9. Details of composition of the existing Board of Directors are given below:

Sr. No	Name of the Director	Category	No. of Other Directorship In Public Limited Companies	Membership in Board Committee of Others Companies	No. of Board Meetings Attended (01/04/07 to 31/03/08)	Attendance at last AGM
1.	Mr. G.R. Goenka	P, NE, S, C	3	Nil	Nil	No
2.	Mr. B. K. Goenka	P, S, NE	12	2M	1	No
3.	Mr. R. R. Mandawewala	P, MD	14	1C/3M	4	No
4.	Mr. Murarilal Mittal	NE	11	1C/3M	5	No
5.	Dr. Anil Kane (Nominee of IDBI)	I, N	2	Nil	4	No
6.	Mr. Raj Kumar Jain	I	2	1C/1M	4	Yes
7.	Mr. Atul Desai	I, S	3	1C/3M	5	No
8.	Mr. M. K. Tandon	I	2	2C/1M	5	No
9.	Mr. B. A. Kale	E	Nil	Nil	5	Yes
10.	Mr. G. J. Prasad* (Nominee of IFCI)	I, N	3	1M	3	No

*IFCI Limited has withdrawn nomination of Shri G J Prasad from directorship w.e.f. 31.01.2008.

NOTE: For the purpose of counting Membership in Board Committee of other Companies, Chairmanship/Membership of the Audit Committee, Remuneration Committee and the Share Transfer and Investor Grievance Committee alone are considered.

Abbreviations:

P = Promoter, E = Executive Director, NE = Non Executive Director, I = Independent Non Executive, N = Nominee Director, S = Shareholders, C = Chairman, M = Member, MD = Managing Director.

(ii) Details of Date of Board Meeting - Five meetings of the Board of Directors were held during the financial year 2007-08 i.e. 02.05.2007, 29.06.2007, 27.07.2007, 31.10.2007 and 31.01.2008.

C. COMMITTEES OF THE BOARD

The Committee constituted by the Board as on date are mentioned below:

1. AUDIT COMMITTEE

The Audit Committee consists of the following 3 Independent Non-Executive Directors as on 31.03.2008

- | | | |
|-------------------|---|----------|
| a. Raj Kumar Jain | - | Chairman |
| b. Atul Desai | - | Member |
| c. M. K. Tandon | - | Member |
| d. G. J. Prasad | - | Member |

The Secretary of the Company also acts as a Secretary to the Committee.

Terms of Reference:

The terms of reference stipulated by the Board of Directors to the Audit Committee are as contained under clause 49 of the Listing Agreement.

Five meetings of Audit Committee of Board of Directors were held on 02.05.2007, 29.06.2007, 27.07.2007, 31.10.2007 and 31.01.2008. The details of Attendance of Members of audit committee are as follows:

Sr. No.	Name of the Member	Designation	Number of Meetings Attended (01/04/2007 to 31/03/2008)
1.	Raj Kumar Jain	Chairman	4
2.	Atul Desai	Member	5
3.	M. K. Tandon	Member	5
4.	G. J. Prasad	Member	3

2. SHARE TRANSFER AND INVESTOR GRIEVANCE COMMITTEE

- | | | |
|----------------------|---|----------|
| a. Atul Desai | - | Chairman |
| b. B. K. Goenka | - | Member |
| c. R. R. Mandawewala | - | Member |
| d. Murarilal Mittal | - | Member |

Terms of Reference:

Approval of Share Transfer deeds, transmission, transposition and issue of share certificates including duplicate, split, sub divide or consolidated and all related matters, to look into redressing of share holders and investors complaints.

Name and designation of Compliance Officer:
K.N.Kapasi - Company Secretary

99.85% of the shares of the Company are in Dematerialised form. The Company has not received any transfer deed for transfer of shares during the financial year. Hence there is no need to convene any Share Transfer and Investor Grievance Committee meeting during the Financial year 2007-08.

During the Year under review total 19 Investor complaints were received. Break-up of number of complaints received under different category is given hereunder.

- | | | |
|---|---|---|
| 1. Non Receipt of Share Certificates after transfer | - | 4 |
| 2. Non receipt of Demat credit / Remat certificates | - | 8 |
| 3. Non-receipt of Rejected DRF | - | 3 |
| 4. Non-receipt of Exchange Certificate | - | 1 |
| 5. Non-receipt of Allotment of share certificates | - | 3 |

All the complaints received during the year under review were solved within the time limit to the satisfaction of the investors/ shareholders and no complaint is pending as at 31st March 2008 for a period over 30 days.

The dematerialized shares are directly transferred to the beneficiaries by the depositories.

3. REMUNERATION COMMITTEE

Remuneration Committee of the Board of Directors of the Company consists of the following members.

- | | | |
|--------------------------|---|----------|
| 1. Mr. Raj Kumar Jain | - | Chairman |
| 2. Mr. Atul Desai | - | Member |
| 3. Mr. B. K. Goenka | - | Member |
| 4. Mr. R. R. Mandawewala | - | Member |
| 5. Mr. G. J. Prasad | - | Member |

During the year 2007-08, Remuneration Committee meeting was held on 02.05.2007 and the meeting was attended by Mr. Raj Kumar Jain and Mr. Atul Desai, Members of the Committee.

Terms of Reference

To recommend payment of Remuneration to Managing Director and Whole-time Director from time to time.
The details of Remuneration paid/due during the period under review are mentioned below:

	Mr. V L Bhutra (Director - Operations)	Mr. R. R. Mandawewala (Managing Director)	Mr. B A Kale (Wholetime Director & CEO)
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
BASIC	67,405	12,00,000	6,89,140
HRA	26,962	3,00,000	2,75,660
CAR ALLOWANCE	18,199	NIL	2,41,300
BONUS/EXGRATIA	5,615	NIL	NIL
LTA	41,323	NIL	NIL
TELEPHONE	NIL	NIL	5,471
MEDICAL	NIL	NIL	12,500
COMMISSION	NIL	NIL	NIL
LEAVE SALARY	1,71,989	NIL	NIL
TOTAL	3,31,493	15,00,000	12,24,071
NOTICE PERIOD	N.A	3 MONTHS	3 MONTHS
SERVICE CONTRACT	Upto 02.05.2007	Upto 31.05.2010	Upto 01.05.2012
STOCK OPTION	NIL	NIL	NIL
SEVERANCE FEES	NIL	NIL	NIL

The details of sitting fees paid to Non Executive Directors of the Company are given below:

Name of Director	Sitting Fees Paid for attending meeting of Board of Directors /Audit Committee/ Remuneration Committee / Finance Committee / Share Transfer and Investor Grievance Committee
Mr. Raj Kumar Jain	Rs. 39000
Dr. Anil Kane	Rs. 20000
Mr. Atul Desai	Rs. 41000
Mr. M.K. Tandon	Rs. 40000
Mr. G. J. Prasad	Rs. 24000

Remuneration Policy

All fees/compensation if any, paid to non executive directors, including independent directors shall be fixed by the Board of Directors and shall require previous approval of shareholders in general meeting, if required pursuant to Provisions of Companies Act, 1956 and provision of Listing Agreement with Bombay Stock Exchange Limited.

D. GENERAL BODY MEETING

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Location
2004-2005	24/09/2005	3.00 p.m.	Survey No. 394(P), Village Saily, Silvassa (U. T. of Dadra & Nagar Haveli)

Financial Year	Date	Time	Place
2005-2006	14/09/2006	11.30 a.m.	Survey No. 394(P), Village Saily, Silvassa (U. T. of Dadra & Nagar Haveli)
2006-2007	28/09/2007	11.00 a.m.	Survey No. 394(P), Village Saily, Silvassa (U. T. of Dadra & Nagar Haveli)

Special Resolution passed in the previous three Annual General Meetings

Financial Year	Date	Special Resolution Passed
2004-2005	24/09/2005	Re- Appointment of Statutory Auditors under section 224A of the Companies Act, 1956
2005-2006	14/09/2006	Re-Appointment of Statutory Auditors under section 224A of the Companies Act, 1956
2006-2007	28/09/2007	Re-Appointment of Statutory Auditors under section 224A of the Companies Act, 1956

There was no occasion to pass Special Resolution through postal ballot on any of the matters specified under Clause 49 of the Listing Agreement.

Further no such proposal is proposed to be placed for the shareholders approval in the forthcoming Annual General Meeting.

E. DISCLOSURES

Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the company at large.

- Related party transactions: Please refer to the Note no. 16 of schedule 17 of the Annual Report.
- Details of non compliance by the Company, penalties, strictures imposed on the company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital market during the last 3 years: Nil

Details of Compliance of the mandatory and non-mandatory clauses of this clause

- Basis of Related Party transactions** - Complied in Audit Committee meetings and Board Meetings held during the financial year.
- Disclosure of Accounting Treatment** - Accounting standard have been followed except Accounting Standard-6 relating to Depreciation Accounting as mentioned in 5 (f) (ii) of the Auditors' Report.
- Board Disclosures – Risk Management** - The Board of directors at their meeting held on 31st January 2008 reviewed risk assessment and minimization procedure followed by the Company.
- Code of Conduct** – Code of Conduct as approved by the Board of Directors is posted on website of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the Code on an annual basis.
- Proceeds from public issues, right issues, preferential issues etc. – No money is raised through public issue, rights issue or preferential issues.