



WELSPUN SYNTEX LIMITED



26th
ANNUAL REPORT
2008 - 2009

WELSPUN SYNTEX LIMITED

COMPANY INFORMATION

Board of Directors	Mr. B.K. Goenka	Chairman
	Mr. R.R. Mandawewala	Managing Director
	Mr. Murarilal Mittal	
	Mr. Atul Desai	
	Mr. Raj Kumar Jain	
	Mr. M.K. Tandon	
Company Secretary	Mr. Sunil Zore	Asst. Company Secretary
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	9th Floor, Trade World, "B" Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013. 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	The Bombay Stock Exchange Limited, Mumbai Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai 400 001.	

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NOTICE

NOTICE is hereby given that the 26th Annual General Meeting of the Members of Welspun Syntex Limited will be held at the Registered Office of the Company at Survey No. 394(P), Village Saily, Silvassa, Dadra & Nagar Haveli on Wednesday, 30th September, 2009 at 11 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2009 and the Audited Profit and Loss Account for the year ended on that date and the Report of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. R R. Mandawewala, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. M. L. Mittal who retires by rotation, and being eligible, offers himself for re-appointment.
2. An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, relating to the special business to be transacted at the meeting is appended hereto.
3. The Register of Members of the Company shall be closed from Friday, 25th September 2009 to Wednesday, 30th September, 2009 (both days inclusive).
4. All correspondence pertaining to Equity Shares, and Optionally Convertible Cumulative Preference shares should be forwarded to the Company's Registrar and Share Transfer Agent M/s. Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai – 400 078.
5. Members are requested to immediately inform about their change of address or consolidation of folios, if any, to the Company's Share Transfer Agent.

SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to the provisions of section 224 A of the Companies Act, 1956, M/s. MGB & Co., Chartered Accountants be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this meeting to the conclusion of the next Annual General Meeting of the Company on a remuneration as may be agreed upon between the Board of Directors and M/s. MGB & Co.”

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

SPECIAL BUSINESS:

ITEM NO. 4

Since more than 25% of the Company's share capital is held by Institutions /Banks/Insurance companies as specified under section 224A of the Companies Act, 1956, the appointment/re-appointment of Auditors require members' approval by a Special Resolution. Hence, the resolution under this item is proposed for the approval of members by a Special Resolution.

None of the directors of the Company is in any way concerned or interested in the said resolution.

By Order of the Board of Directors

Place : Mumbai
Date : 30th June, 2009

R.R. Mandawewala
Managing Director

DIRECTORS' REPORT

To,
The Members,

WELSPUN SYNTEX LIMITED

Your Directors are pleased to present the Twenty-sixth Annual Report together with Audited Statement of Accounts of the Company for the year ended 31st March 2009.

FINANCIAL RESULTS AND APPROPRIATIONS

(Rs. in Lacs)

	2008-2009	2007-2008
Gross Profit / Loss before Depreciation, Finance Expenses and Exceptional Item	1522.81	1435.96
Less: Finance Expenses	1047.13	953.70
Depreciation	1185.49	1148.62
Profit / Loss before tax & Exceptional Item	(709.81)	(666.36)
Exceptional Item	NIL	387.28
Profit / Loss before tax	(709.81)	(279.08)
Provision for tax – Current Tax	4.43	NIL
Deferred Tax	NIL	NIL
Fringe Benefit Tax	11.32	11.27
Profit / Loss after tax	(725.55)	(290.36)
Profit / Loss brought forward	(290.36)	(4428.58)
Less: Transfer to fixed assets	13.04	NIL
Adjusted as per High Court Order	NIL	4428.58
Balance carried to Balance Sheet	(1028.96)	(290.36)

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

OPERATIONS

During the year under review, Net sales / services and Gross Profit/Loss before Interest, Depreciation and exceptional items were of Rs.31400.49 Lacs and Rs.1522.81 Lacs respectively as compared to Rs.27978.04 Lacs and Rs.1435.96 Lacs respectively for the previous year.

Exports during the financial year 2008-09 were of Rs.4368.32 Lacs as compared to Rs.5111.97 Lacs during the previous year.

Crude Oil prices were volatile till June, 08. Raw material prices, furnace oil and other petro products like dyes and chemicals which are petro based products, therefore increased drastically. Further, increase in cost of borrowing and power tariff also affected margins of profits. Yarn market could not sustain higher prices domestically as well as internationally. This affected contribution adversely. Further, global recession also affected performance of third quarter.

Raw material prices and other petro based products started declining from November, 2008. Further, the Company has taken various cost effective steps and increase maximum utilisation of capacity. Performance, therefore, for the last quarter ended 31-03-2009 was better.

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 2009 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

Shri G. R. Goenka and Shri B. A. Kale resigned from the office of directors with effect from 2nd December, 2008. Board appreciated services rendered by them during the tenure of their office as directors.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri R.R. Mandawewala and Shri M.L. Mittal, the directors of the Company retire by rotation at the 26th 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) Note No. 11 of notes of accounts and 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.
- ii) 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.
- iii) Para (ix) (a) of the Annexure and state that delay in payment of statutory dues in few cases is due to administrative difficulty.
- iv) 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.

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

Information as per Section 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules 1975 forms part of this report.

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

M. L. Mittal
Director

Mumbai, 30 June, 2009

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE, SCENARIO & DEVELOPMENT

Players in the man made fibre industry faced an extremely challenging operating environment in 2008-09 due to rising raw material prices and falling demand. The escalation in raw material (PTA & MEG) costs in the first half of 2008-09, as a result of the sharp rise in crude oil prices, had to be passed on to consumers in the form of higher polyester prices. The inability of the market to absorb this increase in prices led to a fall in demand.

Further, Textile sector has been badly hit by the ongoing global recession, which has resulted in closing of many units. About 50 per cent of the total production of textiles and garments in India is exported, of which 60 per cent is exported to the United States and the European Union countries.

The countries exporters are now focusing more on newer markets, such as Brazil, South Africa, Japan, Russia and Australia shifting from their traditional base in the US and Europe.

Indian exporters of textiles and garments are facing stiff competition from manufacturers in Bangladesh, China, Vietnam and Sri Lanka, which produce goods at much cheaper rates.

India imposed anti-dumping duty on yarns and fabrics imported from China, Thailand and Vietnam to guard domestic industries against cheap imports.

The manufacturing section, reeling under the impact of global financial crises has reported slowdown in production during the first three quarter of the current fiscal.

Production of Polyester Filament yarn for April – November 2008 was 8.4 per cent lower as compared to the same period in the previous year.

The Government in the first stimulus package announced on 7th December 2007-08 had implemented an across the board 4% cut in excise duties. As a result, duties on the entire manmade fibres chain declined by 4 percent.

The Central government has announced \$4 billion for infrastructure projects which would take off in the next couple of month and is expected to create demands.

A spending spree by the Government and strong growth in agriculture and services industry shall help the economy to grow.

With the crash in crude oil prices from USD 147 per barrel in July 2008 to USD 40-45 in March 2009, prices of all petro based products have fallen sharply.

India's domestic demand will help sustains economic growth amid global downturn, which has not hit the country as much as it has impacted other economies.

Filament yarn has shown growth of 10% from December 2008 onwards.

Domestic demand for POY has grown by 5.3 per cent in 2008-09 and is forecast to rise by 6.7 per cent and 7.8 per cent in 2009-10 and 2010-11, respectively. Demand is expected to grow owing to the increasing gap between POY and cotton yarn prices.

OPPORTUNITY AND THREATS

The volatility in the Crude oil prices affect price of Polyester chips, the raw materials. Competition from China, Vietnam and Thailand in Local market affect Textile Industry.

The Company's sound business strategy is to concentrate on specially high quality yarns & 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.6113.91 Lacs as compared to Rs.5177.52 Lacs of previous year and of Texturised Yarn/Dyed yarn were of Rs.26640.03 Lacs as compared to Rs.24201.95 Lacs to previous year.

OUTLOOK

Margin of profit is expected to be improved in view of decrease in crude oil price and various cost effective steps taken by the Company.

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, net sales and services were of Rs.31400.49 Lacs as against Rs.27978.04 Lacs in the previous year. The Company has incurred net losses of Rs.725.55 Lacs as against losses of Rs.290.36 Lacs during the previous year. Discussion on Financial Performance is inserted in Directors' Report.

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.

Industrial relations during the year were cordial.



ANNEXURE 'B'
ANNEXURE TO THE DIRECTORS' REPORT

I. INFORMATION UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2009.

REMUNERATION OF RS. 24,00,000 OR MORE PER ANNUM RECEIVED BY EMPLOYEE THROUGH OUT THE YEAR: NIL

REMUNERATION OF RS. 2,00,000 OR MORE PER MONTH RECEIVED BY EMPLOYEE FOR A PART OF THE YEAR:

Name	Designation/ Nature of duties	Remuneration received	Educational Qualification	Experience in years	Date of Commencement of employment	Age	Last employment before joining the Company
1	2	3	4	5	6	7	8
M D'Souza	Sr. Vice President/ Factory Head	Rs.23,56,959/-	A.M.I.E (Textile)	38 year	01.12.1990	56	Classic Textile, Daman

Notes:

- Gross remuneration comprises salary & allowances.
- The nature of employment is contractual.
- Above mentioned employee is not a relative of any Directors of the Company.

FORM A
(SEE RULE 2)

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

	Current year 2008-2009	Previous period 2007-2008
A. Power and fuel consumption		
1. Electricity		
(a) Purchased		
Units (In '000S)	68878.13	72078.66
Total Amount (Rs.in Lacs)	2666.95	2309.41
Rate / Unit (Rs.)	3.87	3.20
(b) Own Generation		
(i) Through Diesel/Gas Generator		
Units (In '000S)	1843.38	954.35
Units per Ltr.Of Diesel Oil	3.54	3.56
Cost / Unit (Rs.)	8.78	7.92
(ii) Through Steam Turbine/Generator	Nil	Nil
2. Coal (used in Boiler)		
Units (In '000S)	2715.69	483.06
Total Amount (Rs.in Lacs)	113.15	19.35
Rate / Unit (Rs.)	4.17	4.01
3. Furnace Oil		
Quantity (K.Ltrs.)	Nil	1029.11
Total amount (Rs.in Lacs)	Nil	202.94
Average Rate (K.Ltrs.)	Nil	19719.80
4. Others / Internal Generation	Nil	Nil

B. CONSUMPTION PER UNIT OF PRODUCTION

	Standards	Current year	Previous year
Products (With Details)			
Unit	—	Kg.	Kg.
Electricity	—	5.52	5.14
Furnace Oil	—	Nil	0.44
Coal (Specify Quality)	—	0.23	0.04
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 | — Nylon semi dull |
| 02 Benefit derived as a result of the above R&D | — New product for market |
| 03 Future Plan of Action | — Various product in bright trilobal |
| 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 | — Line-3 change over from polyester to nylon, Extruder screw changed, pack body parts Modified & monomer suction hood put |
| 02 Benefits derived as a result to the above efforts, etc Product improvement, cost | — i. In house consumption for nylon dyeing
ii. Better realization compare to polyester
iii. Increase in demand of the product
iv. Less competition |
| 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 and 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.3117.48 Lacs |
| Earned : | — Rs.4368.32 Lacs |

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED MARCH 31, 2009

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 6. 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 Committee of Other Companies	No. of Board Meetings Attended (01/04/08 to 31/03/09)	Attendance at last AGM
1.	Mr. B. K. Goenka	P, NE, C	13	3M	1	No
2.	Mr. R. R. Mandawewala	P, MD	14	1C/2M	3	No
3.	Mr. Murarilal Mittal	NE	14	5M	4	No
4.	Mr. Raj Kumar Jain	I	2	1C/1M	4	Yes
5.	Mr. Atul Desai	I, S	4	3C/4M	5	No
6.	Mr. M. K. Tandon	I	2	3C	4	No
7.	Mr. G.R. Goenka (upto 2-12-2008)	P, NE, S, C	3	Nil	Nil	No
8.	Dr. Anil Kane (Nominee of IDBI) (upto 29-08-2008)	I, N	2	Nil	2	No
9.	Mr. B.A. Kale (upto 2-12-2008)	E	Nil	Nil	3	Yes

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 Director, 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 2008-09 i.e. 30.05.2008, 30.06.2008, 31.07.2008, 30.10.2008 and 31.01.2009.

C. COMMITTEES OF THE BOARD

The Committees 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 31.03.2009

- Raj Kumar Jain - Chairman
- Atul Desai - Member
- M.K. Tandon - 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 30.05.2008, 30.06.2008, 31.07.2008, 30.10.2008 and 31.01.2009. The details of Attendance of Members of audit committee are as follows:

Sr. No.	Name of the Member	Designation	Number of Meetings Attended (01/04/2008 to 31/03/2009)
1.	Raj Kumar Jain	Chairman	4
2.	Atul Desai	Member	5
3.	M.K.Tandon	Member	4

2. SHARE TRANSFER AND INVESTOR GRIEVANCE COMMITTEE

- Atul Desai - Chairman
- B. K. Goenka - Member
- R. R. Mandawewala - Member
- 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 : Sunil Zore
of Compliance Officer - Assistant Company Secretary

99.86% 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.

Four meetings of share transfer and Investors' Grievance Committees were held on 31.05.2008, 30.07.2008, 29.10.2008 and 30.01.2009.

During the Year under review total 20 Investor complaints were received. Break-up of number of complaints received under different category is given hereunder:

- Non Receipt of Share Certificates - 9
- Non receipt of Dividend warrants - 1
- Non receipt of Demat credit / Remat certificates - 5
- Non-receipt of Rejected DRF - 1
- Others - 4

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 2009 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.

- Mr. Raj Kumar Jain - Chairman
- Mr. Atul Desai - Member
- Mr. B. K. Goenka - Member
- Mr. R. R. Mandawewala - Member



During the year 2008-09, no Remuneration Committee meeting was held.

Terms of Reference

To recommend payment of Remuneration to Managing Director and Whole-time Director from time to time.

The details of Remuneration paid/payable during the period under review are mentioned below:

	Mr. R. R. Mandawewala (Managing Director)	Mr. B. A. Kale (Wholetime Director and CEO)
	Amount (Rs.)	Amount (Rs.)
BASIC	12,00,000	5,51,312
HRA	3,00,000	2,20,528
CAR ALLOWANCE	NIL	NIL
BONUS/EXGRATIA	NIL	1,14,623
LTA	NIL	44,732
TELEPHONE	NIL	18,000
MEDICAL	NIL	NIL
COMMISSION	NIL	NIL
LEAVE SALARY	NIL	NIL
TOTAL	15,00,000	9,49,195
NOTICE PERIOD	3 MONTHS	3 MONTHS
SERVICE CONTRACT	Upto 31.05.2010	Upto 02.12.2008
STOCK OPTION	NIL	NIL
SEVERANCE FEES	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. 44,000/-
Dr Anil Kane	Rs. 10,000/-
Mr Atul Desai	Rs. 52,000/-
Mr M.K. Tandon	Rs. 32,000/-

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 of Bombay Stock Exchange Limited.

D. GENERAL BODY MEETING

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Location
2005-06	14/09/2006	11.30 a.m.	Survey No. 394(P), Village Saily, Silvassa (U. T. of Dadra & Nagar Haveli)
2006-07	28/09/2007	11.00 a.m.	Survey No. 394(P), Village Saily, Silvassa (U. T. of Dadra & Nagar Haveli)
2007-08	30/09/2008	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
2005-06	14/09/2006	Re-Appointment of Statutory Auditors under section 224A of the Companies Act, 1956
2006-07	28/09/2007	Re-Appointment of Statutory Auditors under section 224A of the Companies Act, 1956
2007-08	30/09/2008	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. 15 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 standards have been followed
- Board Disclosures – Risk Management** - The Board of directors at their meeting held on 31st January 2009 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.
- Remuneration to Directors -
 - There are no pecuniary relationship or transactions with the non-executive directors vis-a-vis the company.
 - Disclosure relating to the Remuneration paid to Managing Director and Whole-time Director is made under the head Remuneration committee above.
 - The Company pays sitting fees to non-executive directors for attending meetings of the Board of Directors, Audit Committee, Remuneration Committee, Finance committee and Share Transfer and Grievance Committee. Details of the same are mentioned in the report under Remuneration committee above.
 - No. of Shares held by Non – Executive Directors: