



**WELSPUN SYNTEX LIMITED**

**27<sup>th</sup>**  
**ANNUAL REPORT**  
**2009-2010**

# WELSPUN SYNTEX LIMITED

## COMPANY INFORMATION

<b>Board of Directors</b>	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	
<b>Company Secretary</b>	Mr. Nilesh Javker	Asst. Company Secretary
<b>Auditors</b>	MGB & Co., Chartered Accountants	
<b>Bankers</b>	Bank of Baroda, State Bank of Bikaner & Jaipur	
<b>Registered Office</b>	Survey No. 394 (P), Village Saily, Silvassa, Union Territory of Dadra & Nagar Haveli	
<b>Corporate Office</b>	9th Floor, Trade World, "B" Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013. Website : <a href="http://www.Welspunsyntex.Com">www.Welspunsyntex.Com</a>	
<b>Factory</b>	— Survey No. 394 (P), Village Saily, Silvassa, Union Territory of Dadra & Nagar Haveli. — Plot No. 14/15, Dewan Industrial Estate, Palghar, District Thane, Maharashtra.	
<b>Listing of Shares</b>	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 27th 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 Thursday, 30<sup>th</sup> September, 2010 at 11 a.m. to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31 March, 2010 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. Raj Kumar Jain, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. M. K. Tandon, who retires by rotation, and being eligible, offers himself for re-appointment.

### 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."

5. To consider and if thought fit to pass with or without modification(s), following resolution as an Ordinary Resolution:

**"RESOLVED THAT** Pursuant to Section 198, 269, 309 and other applicable provisions of and Schedule XIII to the Companies Act, 1956, and subject to the approval of Central Government if required, Mr. Rajesh R. Mandawewala, be and is hereby appointed as a Managing director of the Company for a period of five years with effect from 1st June, 2010 on an aggregate remuneration of Rs. 15,00,000/- per annum inclusive of all perquisites and benefits plus Commission @ 1% per annum of the net profit computed in the manner laid down under Section 349 and Section 350 of the Companies Act, 1956".

**"RESOLVED FURTHER THAT** contribution to provident fund, superannuation fund or annuity fund and gratuity as may be payable under the provisions of the relevant Acts and to the extent exempt under

Income Tax Act and encashment of leave at the end of tenure shall not be computed in the aforesaid ceiling for perquisites and allowances."

**"RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to issue letter of appointment, a draft whereof is placed before this meeting and do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for the purpose of giving effect to this Resolution."

**"RESOLVED FURTHER THAT** where in any financial year closing after 31 March, 2010, the Company has no profits or its profits are inadequate, the Company do pay to Mr. Rajesh R. Mandawewala remuneration by way of salary, perquisites and benefits not exceeding Rs. 15,00,000/- per annum as minimum remuneration."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised to alter and vary the terms and conditions to the said appointment to the extent the Board may consider appropriate and as may be agreed to between the Board and Mr. Rajesh R. Mandawewala."

### 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.
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 Tuesday, 28<sup>th</sup> September, 2010 to Thursday, 30<sup>th</sup> September, 2010 (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.

**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 any way concerned or interested in the said resolution.

**ITEM NO. 5**

Shri R. R. Mandawewala was reappointed as Managing Director of the Company with effect from 01/06/2005 on aggregate remuneration of Rs.15,00,000/- p.a. including all perquisites plus one per cent commission on the net profits of the Company computed in the manner laid down under Section 349 and 350 of the Companies Act, 1956 and hold office upto 31st May, 2010.

Board of Directors at their meeting held on 11 May, 2010 reappointed him for a further period of five years

with effect from 1st June, 2010 on the remuneration as mentioned above subject to the approval of shareholders. Remuneration Committee at their meeting held on 11 May, 2010 recommended payment of the said remuneration.

Shri R.R. Mandawewala monitors all units of the Company on day to day basis and regularly visits plants and oversees production.

A copy of draft of letter pertaining to his appointment is kept open for inspection of members at the registered office of the Company on any working day of the Company between 11.00 a.m. and 1.00 p.m. upto the date of this Annual General Meeting.

The above may also be treated as an abstract of the draft agreement proposed to be entered into between the Company and Shri R. R. Mandawewala pursuant to Section 302 of the Companies Act, 1956.

None of the Directors of the Company except Shri R. R. Mandawewala himself is in any way concerned or interested in the said resolution.

By Order of the Board of Directors

Place : Mumbai  
Date : 11 May, 2010

**R.R. Mandawewala**  
*Managing Director*



## DIRECTORS' REPORT

To,

The Members,

### WELSPUN SYNTEX LIMITED

Your Directors are pleased to present the Twenty-seventh Annual Report together with Audited Statement of Accounts of the Company for the year ended 31 March, 2010.

### FINANCIAL RESULTS AND APPROPRIATIONS

(Rs. in Lacs)

	2009-2010	2008-2009
Gross Profit before Depreciation and Finance Expenses	2711.86	1522.81
Less: Finance Expenses	933.23	1047.13
Depreciation	1065.89	1185.49
Profit/(Loss) before tax	712.74	(709.81)
Provision for tax – Current Tax	121.13	Nil
MAT credit entitlement	(121.13)	Nil
Earlier Tax	Nil	4.42
Fringe Benefit Tax	Nil	11.32
Profit/ (Loss) after tax	712.74	(725.55)
Profit/ (Loss) brought forward	(1028.95)	(290.36)
Less: Transfer to Fixed Assets	Nil	13.04
Balance carried to Balance Sheet	(316.21)	(1028.95)

In view of accumulated losses, no dividend is recommended.

### OPERATIONS

During the year under review, Net sales / services and Gross Profit before Interest and Depreciation were of Rs. 36112.18 Lacs and Rs.2711.86 Lacs respectively as compared to Rs. 31400.50 Lacs and Rs. 1522.81 Lacs respectively for the previous year. Turnover of the Company and Gross Profits is thus increased by 15% and 78% respectively over the previous year.

Exports during the financial year 2009-10 were of Rs.7038.27 Lacs as compared to Rs. 5471.99 Lacs during the previous year, registering increase by 28%.

Performance is improved due to

- 1) Cost effective steps taken by the management.
- 2) Stability in price of raw materials,
- 3) Change in product mix, suiting marketing conditions
- 4) De-bottlenecking for profitable varieties by installing Double density texturised machine, precision cone winders, High Bulk TFO machine, new attachments, etc.
- 5) Increase in production at both plants
- 6) Increase in demand of Polyester due to increase in prices of cotton
- 7) Thrust on Exports ( 30% of total volume )
- 8) Engaging Over-seas technicians to develop new products & improve plant efficiencies

### DIRECTORS' RESPONSIBILITY STATEMENT

- i. In the preparation of the annual accounts, applicable accounting standards have been followed, with proper disclosure of any departures.
- ii. 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 31 March, 2010 and of the profit or loss 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 this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. That the directors have prepared the accounts on a going concern basis.

### DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri Raj Kumar Jain and Shri M. K. Tandon, the directors of the Company retire by rotation at the 27th 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 4(f) referring to Note no. 10 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 to Banks and debenture holders 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   M. L. Mittal**  
*Managing Director   Director*

Mumbai, 11 May, 2010



## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY STRUCTURE, SCENARIO AND DEVELOPMENT

2009 was a year where India saw some stability after a rather downcast 2008, the Industrial and manufacturing sector has rebounded sharply from the rock bottom hit in end of 2008.

After a slump following the global economic slowdown, the Indian textile industry is back on the growth path. Production of Polyester Filament Yarn/POY/Text Yarn has increased to 9,60,835 Tonnes during April 09 to Nov 09 from 8,53,351 Tonnes during the previous period of nine months ended Nov 08, registering growth of 12.60% per annum.

The textiles industry, which is a major contributor to export earnings, has shown a 5% growth in December and 7% in January against a negative growth of 15% during the April-November period of 2009.

The global cotton production is expected to be reduced by 5%, says an International Cotton Advisory Committee, cotton production is expected to come down in China. The total production of cotton would slip to 25 million bales the year 2009-10 as against 29 million bales produced during the last season due to drought and floods in all the major cotton producing states.

The overall textile demand is expected to grow at 5.8 per cent over 2008-09 to 2013-14. Share of polyester in fabrics will grow from 45 per cent in 2008-09 to 49 per cent in 2013-14, as polyester demand is expected to grow at a relatively higher rate of 7.0-7.5 per cent CAGR during the period. We expect price competitiveness of polyester to improve vis-à-vis cotton, which will drive the growth in polyester demand.

Within the polyester category, demand for polyester filament yarn (PFY) is expected to be the highest,

### OPPORTUNITY AND THREATS

Increasing trends in Crude, PTA, and mainly CPL. CPL continues to be a cause of worry as the trend expected to continue till May'10.

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 speciality high quality yarns specially Conventionally dyed & dope-dyed yarns, constant development of new products to strengthen its position in domestic as well as International markets, stepping up production of high contributing Nylon grey & dyed yarns, etc.

### PRODUCT WISE PERFORMANCE

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

Gross annual turnover of POY were of Rs. 7012.71 Lacs as compared to Rs. 6113.91 Lacs of previous year and of Texturised Yarn/Dyed yarn were of Rs. 30605.50 Lacs as compared to Rs. 26640.03 Lacs to previous year.

### OUTLOOK

Global production of Cotton is continuously decreasing and

as a result prices of cotton yarn are continuously rising. Increase in cotton yarn prices has pushed demand for polyester yarn.

Increase in supply position of polyester chips in India has pushed chips prices under pressure. Capacity of chips production is expected to go up and then chips price may remain under pressure for next two years.

In view of the above scenario, performance of the Company is expected to be improved.

### RISKS AND 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. 36112.18 Lacs as against Rs. 31400.50 Lacs in the previous year. The Company has earned net profits of Rs.712.74 Lacs as against net losses of Rs. 725.55 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 with an introduction of PMS module.

Industrial relations during the year were cordial.

For and on behalf of the Board of Directors

**R.R. Mandawewala** **M. L. Mittal**  
Managing Director Director

Mumbai, 11 May, 2010



**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 2010.

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

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

Name	Designation/ Nature of duties	Remuneration received	Educational Qualification	Experience in years	Date of Com- mencement 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 2009-2010	Previous Period 2008-2009
<b>A POWER AND FUEL CONSUMPTION</b>		
<b>1 Electricity</b>		
(a) Purchased		
Units (In '000S)	72339.99	68878.13
Total Amount (Rs.in Lacs)	2956.27	2666.95
Rate / Unit (Rs.)	4.09	3.87
(b) Own Generation		
(i) Through Diesel / Gas Generator		
Units (In '000S)	1720.66	1843.38
Total amount (Rs. in Lacs)	135.87	161.84
Rate / Unit (Rs.)	7.90	8.78
(ii) Through Steam Turbine / Generator	Nil	Nil
2 Coal (used in Boiler)		
Units (In '000S)	2803.53	2715.69
Total Amount (Rs.in Lacs)	99.64	113.15
Rate / Unit (Rs.)	3.55	4.17
3 Furnace Oil		
Quantity (K.Ltrs.)	Nil	Nil
Total amount (Rs.in Lacs)	Nil	Nil
Average Rate (K.Ltrs.)	Nil	Nil
4 Others / Internal Generation	Nil	Nil

**B CONSUMPTION PER UNIT OF PRODUCTION**

	Standards	Current Year	Previous Year
Products (With Details)			
Unit	—	Kg.	Kg.
Electricity	—	5.68	5.52
Furnace Oil	—	Nil	Nil
Coal (Specify Quality)		0.19	0.23
Others (Specify)		Nil	Nil

**FORM B**

**(SEE RULE 2)**

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

<b>Research and Development (R&amp;D)</b>	
01 Specific area in which R&D is carried out by the Company.	— NIL
02 Benefit derived as a result of the above R&D	— NA
03 Future Plan of Action	— —
04 Expenditure on R&D	— NIL
05 Capital	— NIL
a) Recurring	— NIL
b) Total	— NIL
c) Total R&D expenditure as a percentage of total turnover	— NIL
Technology absorption, adaptation and Innovation	— —
01 Efforts in brief made towards technology absorption, adaptation and innovation	Making POY dope dyed 240/144sd Texturising on muratec m/c to make 300/288 Plying on intermingler m/c to make more than 900 denier
02 Benefits derived as a result to the above efforts, etc Product improvement, cost reduction, product development, imports substitution	— New product development in polyester for making value added product
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:	— NIL
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 services and export plans	— We could add 5 new Countries and more than 30 new Customers in the last one year
2) Total foreign exchange used and earned	
Used :	— Rs.3684.84 Lacs
Earned :	— Rs.6671.84 Lacs





## CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED MARCH 31, 2010

### 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	Cate-gory	No. of Other Director-ship in Public Limited Companies	Member-ship in Committee of Other Companies	No. of Board Meetings Attended (01/04/09 to 31/03/10)	Atten-dance at last AGM
1.	Mr. B. K. Goenka	P,S,NE,C	14	5M	Nil	No
2.	Mr. R. R. Mandawewala	P, MD	12	1C/3M	4	No
3.	Mr. Murarilal Mittal	NE	11	5M	4	No
4.	Mr. Raj Kumar Jain	I	2	1C/1M	5	Yes
5.	Mr. Atul Desai	I, S	5	2C/5M	5	No
6.	Mr. M. K. Tandon	I	2	6C/1M	4	No

**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 2009-10 i.e. 30.05.2009, 30.06.2009, 30.07.2009, 24.10.2009 and 29.01.2010.

#### 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 31.03.2010

- 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 30.05.2009, 30.06.2009, 30.07.2009, 24.10.2009 and 29.01.2010. The details of Attendance of Members of audit committee are as follows:

Sr. No.	Name of the Member	Designation	Number of Meetings Attended (01/04/2009 to 31/03/2010)
1.	Raj Kumar Jain	Chairman	5
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 : Nilesh Javker  
of Compliance Officer – Asst. 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.

Three meetings of share transfer and Investors' Grievance Committees were held on 30.07.2009, 30.10.2009 and 30.01.2010.

During the Year under review total 12 Investor complaints were received. Break-up of number of complaints received under different category is given hereunder.

- Non Receipt of Share Certificates – 8
- Non-receipt of Rejected DRF – 3
- Others (SEBI) – 1

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 31 March, 2010 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

During the year 2009-10, no Remuneration Committee meeting was held.

#### Terms of Reference

To recommend payment of Remuneration to Managing Director from time to time.

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

	<b>Mr. R. R. Mandawewala (Managing Director)</b>
	<b>Amount (Rs.)</b>
BASIC	12,00,000
HRA	3,00,000
CAR ALLOWANCE	NIL
BONUS/EXGRATIA	NIL
LTA	NIL
TELEPHONE	NIL
MEDICAL	NIL
COMMISSION	NIL
LEAVE SALARY	NIL
TOTAL	15,00,000
NOTICE PERIOD	3 MONTHS
SERVICE CONTRACT*	UPTO 31.05.2010
STOCK OPTION	NIL
SEVERANCE FEES	NIL

\* Board of Directors has reappointed Shri R.R. Mandawewala at their meeting held on 11.05.2010, for a further period of five years w.e.f. 1.06.2010, subject to the approval of shareholder and the Central Government.

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

<b>Name of Director</b>	<b>Sitting Fees Paid for attending meeting of Board of Directors /Audit Committee/Remuneration Committee/ Finance Committee/ Share Transfer and Investor Grievance Committee</b>
Mr Raj Kumar Jain	Rs. 58,000/-
Mr Atul Desai	Rs. 49,000/-
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:

<b>Financial Year</b>	<b>Date</b>	<b>Time</b>	<b>Location</b>
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)
2008-09	30/09/2009	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:

<b>Financial Year</b>	<b>Date</b>	<b>Special Resolution passed</b>
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
2008-09	30/09/2009	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.