

## **NINETEENTH ANNUAL REPORT 2004-2005**



***CENTRAL INDIA POLYESTERS LIMITED***



## COMPANY INFORMATION

### NINETEENTH ANNUAL GENERAL MEETING

Thursday the 15<sup>th</sup> day of September, 2005 at 11.00 a.m. at the Company's Officers Club, Village Dahali, Mouda Ramtek Road, Tehsil Mouda – 441 104. District Nagpur, Maharashtra.

### BOARD OF DIRECTORS

I.F. Sheth	-	Chairman
V.V. Kolte	-	Managing Director
V.N. Nadkarni	-	Director
U.P.S. Gill	-	Director
U.P. Singh	-	Nominee Director of IDBI

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### COMPANY SECRETARY

G.B.B. Babuji

### AUDITORS

Shah Baheti Chandak & co.  
Chartered Accountants

### BANKERS

State Bank of India  
HDFC Bank Limited

### REGISTERED OFFICE AND WORKS

Village Dahali,  
Mouda Ramtek Road,  
Tehsil Mouda – 441 104.  
District Nagpur, Maharashtra.  
Tel No : 07115-281218-22  
Fax No : 07115-281240, 281226

### REGISTRARS & TRANSFER AGENTS

Karvy Computershare Private Limited  
"Karvy House", 46, Avenue 4, Street No. 1  
Banjara Hills  
Hyderabad 500 034

Tel No : 040-23320666/23320711  
Fax No : 040-23323058  
Website : www.karvy.com



## NOTICE

**NOTICE** is hereby given that the Nineteenth Annual General Meeting of the members of **Central India Polyesters Limited** will be held on Thursday, the 15<sup>th</sup> September, 2005 at 11.00 a.m. at the Officers' Club of the Company at Village Dahali, Mouda Ramtek Road, Tehsil Mouda – 441 104, District Nagpur, Maharashtra, to transact the following business:

**ORDINARY BUSINESS :**

1. To consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2005, the Profit and Loss Account of the Company for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri V.N. Nadkarni, who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution** :

"RESOLVED THAT pursuant to Section 224A and other applicable provisions, if any, of the Companies Act, 1956, Messrs. Shah Baheti Chandak & Co., Chartered Accountants, the retiring Auditors of the Company, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting of the Company upon such remuneration, in addition to the reimbursement of travelling and other out-of-pocket expenses incurred incidental to their functions, as may be agreed to between the Board of Directors of the Company and the Auditors and that the Board of Directors be and is hereby authorised to fix the remuneration as aforesaid."

**SPECIAL BUSINESS:**

- 4 To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 293(1)(e) and all other applicable provisions of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors to contribute to any institute, body, trust, society, association of persons, funds for any charitable or other purposes, not directly related to the business of the Company or the welfare of the employees, a sum not exceeding rupees thirty lacs in any year notwithstanding the limits laid down in Section 293(1)(e) of the Companies Act, 1956."

By Order of the Board  
For **Central India Polyesters Limited**

**G. B. B. Babuji**  
Company Secretary

Mumbai,  
Date : 16th May, 2005

**Registered Office:**

Village Dahali  
Mouda Ramtek Road  
Tehsil Mouda – 441 104  
District Nagpur, Maharashtra

## NOTES

- 1 **A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself on a poll and the proxy need not be a member of the Company. The proxy form in order to be effective should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of 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 annexed hereto.
- 3 Members are requested to bring their copy of the Annual Report to the Meeting.
- 4 Members/Proxies should fill in the Attendance Slip for attending the Meeting.
- 5 In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 6 Members who hold shares in dematerialised form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio numbers in the attendance slip for attending the Meeting.
- 7 All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days, except Saturdays between 11.00 a.m. and 1.00 p.m., upto the date of the Annual General Meeting.
- 8 **The Register of Members and Share Transfer Books shall remain closed from Monday, the 12<sup>th</sup> September, 2005 to Thursday, the 15<sup>th</sup> September, 2005 (both days inclusive).**
- 9 The Company's shares have been notified by SEBI for compulsory trading in **demat form only for all investors with effect from 17<sup>th</sup> January, 2000**. Hence, members are requested to dematerialise their holdings.



- 10 Corporate Members are requested to send a duly certified copy of the Board Resolution authorising their representative to attend and vote at the Annual General Meeting.
- 11 Queries on the Annual Report and Operations of the Company, if any, may please be sent to the Company seven days prior to the date of the Meeting so that the answers may be made available at the Meeting.
- 12 Consequent upon the introduction of Section 109A of the Companies Act, 1956, a member is entitled to the facility of **nomination** in respect of shares held by him in physical form by nominating a person to whom the said shares *vest in the event of death of the member*. Members desirous of making **nominations** are requested to send their requests in Form 2B (which will be made available on request) to the Share Transfer Agent, Karvy Computershare Private Limited.
- 13 Members are requested to **consolidate their holdings** if the shares are registered in the same name or in the same order of names but in several Folios.
- 14 **Re-appointment of Director :**  
At the ensuing Annual General Meeting, Shri V.N. Nadkarni, retires by rotation, and being eligible, offers himself for re-appointment. The information or details pertaining to Shri V.N. Nadkarni to be provided in terms of Clause 49 of the Listing Agreement with the Stock Exchanges are furnished in the Report on Corporate Governance published in this Annual Report.

#### Explanatory Statement

pursuant to Section 173(2) of the Companies Act, 1956

#### Item No.4:

As per provisions of Section 293(1)(e) of the Companies Act, 1956, the Board of Directors of a public company, except with the consent of such public company in general meeting, shall not contribute to any charitable and other funds not directly relating to the business of the Company or the welfare of the employees in excess of Rs. 50,000/- or 5% of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Companies Act, 1956, during the three financial years, immediately preceding, whichever is greater.

Acknowledging the Company's increased responsibility towards social, philanthropic and other causes of public utility, it is proposed to seek approval of the Members to contribute to appropriate charitable and other funds, in any year, a sum not exceeding rupees thirty lacs notwithstanding the limits laid down under Section 293(1)(e) of the Companies Act, 1956.

The Ordinary Resolution is accordingly recommended for approval of the Members.

None of the Directors of the Company is, in any way, concerned or interested in the resolution.

By Order of the Board  
For Central India Polyesters Limited

G. B. B. Babuji  
Company Secretary

Mumbai,  
Date : 16th May, 2005

**Registered Office:**  
Village Dahali  
Mouda Ramtek Road  
Tehsil Mouda – 441 104  
District Nagpur, Maharashtra



## DIRECTORS' REPORT

Dear Shareholders,

Your Directors present the Nineteenth Annual Report and the Audited Statement of Accounts of the Company for the financial year ended 31<sup>st</sup> March, 2005.

### Financial Results

	(Rs. in lacs)	
	For the year ended 31 <sup>st</sup> March, 2005	For the year ended 31 <sup>st</sup> March, 2004
Gross Sales	42,505.35	35,300.78
Less: Excise Duty	8,441.79	7,713.58
Net Sales	34,063.56	27,587.20
Gross Profit before Interest, depreciation and write off	1,831.64	3,548.58
Less: Interest	-	-
Depreciation	1,707.10	2,868.92
Miscellaneous Expenditure written off	-	13.58
Net Profit for the year	124.54	666.08

### Dividend

Your Directors regret their inability to propose any dividend in view of the accumulated losses of the Company.

### Management's Discussion and Analysis

#### Financial Performance

During the year under review, the Plant's production was at 46608 MT of PFY as against 38384 MT of the previous year registering an increase of 21.43%. Sale of yarn was 47429 MT as against the previous year's sale of 38337 MT, an increase of 23.72%. The gross turnover for the year was Rs. 42505 lacs as against the previous year figure at Rs. 35301 lacs. The increase in PFY operations was augmented by toll conversion of two Spinning Lines.

Consequent to enhancement of PFY production, Chips production was lower at 6455 MT as against 11662 MT in the previous financial year. Sale of Chips was lower at Rs 1203 lacs as against Rs 3984 lacs during the previous financial year.

Profit for the year was Rs 125 lacs as against a profit of Rs 666 lacs in the previous financial year. The operating margin of the Company was lower despite increase in volume of operations and better cost management, due to lower selling prices on account of stiff competition and substantial increase in the prices of raw materials.

#### Product wise performance

The Company operated at full capacity during the year and continuously aimed at increase in value addition through induction of specialty products and had progressed in Micro Deniers, Black Dope Dyed yarn, Coloured Yarns such as Golden and Florida Grey, which are well received in the market. The Company hopes to improve its volume and profit margins with the regular introduction and consolidation of such new product variations.

### Industry structure and developments

The major producers of PFY in India are Reliance Industries Limited and Indo Rama Synthetics Limited. The other producers having 5% to 10% market share are Recron Synthetics Limited, Century Enka Limited, Sanghi Polyester Limited and Modern Syntex Limited. Many texturisers have integrated backwards to consolidate margins by importing Chips. The domestic PFY industry now has a large surplus capacity.

### Opportunities and Threats

WTO has removed the Quota restrictions thereby widening the Global Market, which would afford competitive Indian Textile manufactures to grow in their export trade with the potential growth of about 12% per annum. This opportunity would be fully explored by your Company.

The reduction in cotton yarn duties and cotton availability would act as a limiting factor to the Indian PFY market scenario. As a result of the above, PFY prices would continue to be subdued. The prices of raw materials have increased about 30% during the year. Due to stiff competitive market conditions, PFY manufacturers could only recover a small part of such increase.

### Outlook

The PFY capacity is poised to substantially increase with the major manufacturers increasing their capacity. The raw material prices are expected to remain high at least over the first half year before additional capacities of PTA & MEG go on stream. Cotton yarn with the advantage of Duty differential is likely to erode a portion of PFY market.

The above factors would result in volume, price and margin pressures during the current year. Your Company's endeavour to tide over the situation is to operate at its full capacity, enhance product variations with value addition and further improve upon the operational efficiencies and cost management. Towards this direction the Company has implemented 6-Sigma Management Tool for improving quality and profitability. Also 'Automated Packing' is being implemented for no touch packing and better product performance.

### Risk and Concerns

The market scenario, additional capacities from the Major Manufacturers with latest technology, cost and locational advantage of the Small Manufacturers, increase in raw material prices are the likely risks and concerns for your Company.

### Internal Control System and its adequacy

The Company is following a proper and adequate system of internal controls in respect of all its activities including safeguarding and protecting its assets against loss from unauthorized use or disposition. Further all transactions entered into by the Company are duly authorized, recorded and reported correctly.

The Company is using the advanced ERP (Enterprise Resource Planning) tool, namely SAP duly customized, and incorporating comprehensive structure of authorization controls. The internal control system is supplemented by exhaustive scope covered by the internal auditors and ISO auditors, periodical review by the management and documented policies, guidelines and procedures.



The internal control system is designed to ensure that the financial and other records are reliable for preparing financial statements and other data and for maintaining proper accounting records of assets.

#### **Material developments in Human Resources / Industrial Relations front**

The Company continued to impart training to its personnel on various aspects for over all improvement and efficacy. The training encompassed Operational Areas in terms of Knowledge and Skills, Safety and Disaster Management, Motivational and Personality Development as well as ISO and Six Sigma. The Company has well-structured programs and Modules in place towards this goal.

The Company has implemented a Key Result Area oriented performance appraisal scheme and a performance linked incentive scheme.

The relationship with the workers/employees remained cordial. During the year, the Company concluded the long-term Wage Settlement with its workmen covering the period from 1<sup>st</sup> February 2003 to 31<sup>st</sup> January 2007.

The number of persons employed in the Company at the closing of the financial year was 462.

#### **Directors**

Shri V.N. Nadkarni, Director, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment. The Company has received the requisite Form 'DD-A' from Shri Nadkarni, in terms of Companies (Disqualification of Directors under 274(1)(g) of the Companies Act, 1956) Rules, 2003, confirming his eligibility for such re-appointment. The Board recommends the re-appointment of Shri V.N. Nadkarni at the ensuing Annual General Meeting.

#### **Directors' Responsibility Statement**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (i) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2005, the applicable accounting standards have been followed;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the annual accounts on a "going concern" basis.

#### **Fixed Deposits**

The Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 and the rules made thereunder.

#### **Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo**

Information in accordance with the provisions of 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 is given in the Annexure forming part of this report.

#### **Personnel**

None of the employees of the Company are in receipt of remuneration prescribed under Section 217 2(A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

#### **Auditors & Auditors' Report**

The Statutory Auditors Messrs. Shah Baheti Chandak & Company, retire at the conclusion of the ensuing Annual General Meeting. The Company has received a consent letter from them to the effect that their appointment, if made, would be within the prescribed limit under Section 224 (1B) of the Companies Act, 1956 and also that they are not otherwise disqualified within the meaning of sub-section (3) and (4) of Section 226 of the Companies Act, 1956, for such appointment. The Notes to Accounts referred to in the Auditors' Report are self-explanatory and, therefore, do not call for any further comments.

#### **Corporate Governance**

The Company has taken adequate steps to ensure that the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreements of the Stock Exchanges are complied with. A separate section on Corporate Governance and a Certificate of the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, form part of the Annual Report.

#### **Acknowledgements**

Your Directors place on record their appreciation of the assistance and support extended by all financial institutions, banks, government authorities, suppliers, service providers, customers and shareholders. Your Directors express their appreciation for the dedicated and sincere services rendered by all the employees of the Company.

**For and on behalf of the Board**

**I. F. Sheth**  
Chairman

Mumbai,  
Date : 16th May, 2005



**ANNEXURE TO DIRECTORS' REPORT**

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS') RULES, 1988 :

(d) Total energy consumption and consumption per unit of production as per Form A – attached hereto.

**FORM - A**

Form of disclosure of particulars with respect to Conservation of Energy

**A) CONSERVATION OF ENERGY:****(a) Energy conservation measures taken during the year 2004-2005:****S.No. Details**

1. Optimisation of cooling towers during winter season
2. Use of efficient Air Compressors for Intermingling Air
3. Use of recycled water in plant
4. Optimisation of Return Air Fans operations by modifying the SOP (Standard Operating Procedures).
5. Optimisation of Chemical Lab AHU
6. Optimisation of FO steam heating system
7. Re-engineering of Process Cooling Water Pump
8. Use of dual Pressure for doffing guns in the take up

**(b) Additional investments and proposals for reduction in consumption of energy:****S.No. Details**

1. Optimisation of pumps & motors in the Plant.
2. Swapping of old VAHP with new one
3. Switching off one UPS module
4. Installation of Steam operated pumps for Condensate transfer
5. Installation of Electrical energy management system.
6. Optimum utilisation of Centrifugal air compressors
7. Use of Filter water in Cooling Towers.

**(c) Impact of measures at (a) and (b) for reduction on energy consumption and consequent impact on the cost of production of goods.**

The measures taken in (a) above resulted in saving of Rs 33.75 Lacs and the measures taken in (b) would result in saving of Rs 69.75 lacs.

	Current Year (2004-05)	Previous Year (2003-04)
<b>(A) POWER &amp; FUEL CONSUMPTION :</b>		
<b>1. ELECTRICITY :</b>		
(a) Purchased		
Units-Kwh	35312750	31772410
Total amount (Rs lacs)	1082.61	928.49
Rate/Unit (Rs/Kwh)	3.07	2.92
(b) Own generation		
Through Diesel		
Generator Units-Kwh	158410	26658
Units-Kwh per Ltr of diesel	3.23	3.34
Cost/Unit (Rs/Kwh)	7.72	6.54
<b>2. COAL (FOR STEAM GENERATION) :</b>		
Quantity (Mt)	10029	7960
Total Amount (Rs lacs)	162.89	116.30
Average rate (Rs/Mt)	1624	1461
<b>3. FURNACE OIL :</b>		
Quantity (Mt)	2970.041	2845.700
Total Amount (Rs lacs)	352.94	336.36
Average rate (Rs/Mt)	11883	11820
<b>(B) CONSUMPTION PER UNIT OF PRODUCTION :</b>		
Production - POY / Chips / FDY (MT)	53055	50046
Electricity (Units/Mt)	668.57	635.39
Furnace Oil (Mt/Mt)	0.0560	0.0569
Coal (Mt/Mt)	0.1890	0.1591
Production - Processed Yarn		-
Electricity (Units/Mt)		-

**B) TECHNOLOGY ABSORPTION**

Efforts made in technology absorption – as per Form B given below:

**FORM – B****Form for disclosure of particulars with respect to Technology Absorption****1. Research and Development:****a. The specific areas in which Research & Development was carried out by the Company are:-**

- i. Installation of Inter mingling jets
- ii. Disposal of waste finish oil.
- iii. Extension of existing product range of POY
- iv. Optimization of the process parameters for increasing productivity and better performance in spinning and texturing process.
- v. Changes to operating condition of the spin finish oil and designing of cooling coil system
- vi. Changes to the packing system for damage free transportation
- vii. Changes on spin packs to improve spinning performance.

**b. Benefits derived from successfully completed Research & Development projects:**

- i. Improvement in POY quality and run-ability at high speeds in downstream process.
- ii. New products Range with value addition
- iii. Improvement in process stability and product performance

iv. Reduction in Packing Cost.

v. Reduction in breaks and improvement in Quality

**c. Future Plan of Action:**

- i. Capacity enhancement in Value added products
- ii. Further de-bottlenecking of CP plant for enhancing the capacity to 170 TPD from current level of 133 TPD
- iii. Production of specialty flat yarns on draw winder.

**d. Expenditure on Research and Development:**

R&D activities are carried out for development of cost effective additives / product development / Process development by concerned departments in collaboration with Reliance Technology Center. No separate accounts are kept since it is difficult to identify costs solely attributable to R&D activities.

**2. Technology Absorption, Adaptation and Innovations:**

The Company has continuous interaction with the collaborators as well as equipment manufacturers on new developments.

**C) FOREIGN EXCHANGE EARNINGS & OUTGO**

(a) Activities relating to exports, initiatives to increase exports, development of new export markets for products and services and export plans : Not applicable.

(b) Total Foreign Exchange used and earned:

- i) Total foreign exchange earned : Nil
- ii) Total foreign exchange used : Rs.677.86 lacs

**CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of Central India Polyesters Ltd.

We have examined the compliance of the conditions of Corporate Governance by Central India Polyesters Limited, for the year ended on 31<sup>st</sup> March 2005, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and representations made by the Directors and the Management;

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance note issued by the Institute of Chartered Accountants of India, we have to state that as on 31<sup>st</sup> March 2005 there were no investor grievances remaining unattended/pending for a period exceeding one month against the Company as per the records maintained by the Registrars & Share Transfer Agents of the Company.

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

For **Shah Baheti Chandak & Co.,**  
Chartered Accountants

**Manoj Agrawal**  
Partner

Membership No. 104546

Mumbai,  
Date : 16<sup>th</sup> May, 2005





## REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges on Corporate Governance, the Company admits, hereunder, a report on the matters mentioned in the said Clause and the practice followed by the Company:

### 1. Company's Philosophy on Code of Governance

Philosophy of Central India Polyester Limited (CIPL) on corporate governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations and all interactions with its stakeholders, including the shareholders, employees, the government and the lenders.

CIPL is committed to achieving the highest standards of corporate governance.

CIPL believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value, over a sustained period of time.

### 2. Board of Directors

The Board of Directors consists of 5 Directors out of whom one is a Managing Director and four are Non-Executive Directors. Out of four Non-Executive Directors, one is a Nominee Director representing Industrial Development Bank of India. All the Non-Executive Directors are independent Directors.

During the year 2004-05, the Board met four times on the following dates, namely, 14<sup>th</sup> May, 2004, 16<sup>th</sup> July, 2004, 20<sup>th</sup> October, 2004 and 18<sup>th</sup> January, 2005.

The maximum time gap between any two meetings was not more than four months.

The Company holds minimum of four Board Meetings in each year after the end of each quarter. Besides, additional Board Meetings may be convened at any time to address the specific needs of the Company. The Board may also approve permitted urgent matters by passing resolutions by circulation.

Agenda papers are circulated to the Directors in advance, in the defined Agenda format. All material information is incorporated in the Agenda papers to facilitate meaningful, informed and focussed discussions at the meeting. Where it is not practicable to attach any document to the Agenda, the same is placed on the table at the meeting with specific reference to this effect in the Agenda.

In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted. Sensitive subject matters may be discussed at the meeting without written material being circulated in advance or at the meeting.

The Company Secretary records the minutes of the proceedings of each Board and Committee Meetings. Draft minutes are circulated to all the members of the Board/Committee. The minutes of proceedings of a meeting are entered in the Minutes Book within 30 days from the conclusion of the meeting.

The Company Secretary while preparing the Agenda, notes on Agenda, minutes etc. of the meeting(s) and holding and conducting the meetings, is responsible for and is required to ensure adherence to all the applicable provisions of law including the Companies Act, 1956 and

the Secretarial Standards recommended by the Institute of Company Secretaries of India, New Delhi.

The following table gives details of Directors, attendance of Directors at the Board Meetings and at the last Annual General Meeting, number of membership held by Directors in the Board / Committees of various companies:-

Name	Category	Attendance Particulars		No. of other directorships and all committee memberships/ chairmanships		
		Board Meetings	Last AGM	Other Directorships*	Committee Memberships	Committee Chairmanships
I.F. Sheth	C.NE & ID	3	Yes	27	10	5
Vinay V. Kolte	MD	3	Yes	None	1	None
V.N. Nadkarni	NE & ID	4	No	7	7	3
U.P.S. Gill	NE & ID	4	Yes	None	3	None
U.P. Singh	NE & ID*	4	Yes	1	2	None

C: Chairman;

MD: Managing Director;

NE & ID: Non-Executive and Independent Director

#Nominee Director – Industrial Development Bank of India (IDBI)

\* includes Private Limited Companies.

None of the directors is a member in more than ten committees and acts as a chairman in more than five committees across all companies in which he is a director.

Brief Resume of the Director being re-appointed at the ensuing Annual General Meeting, nature of his expertise in specific functional areas and names of companies in which he hold directorship and the membership of the committees of the Board are furnished hereunder:

**Shri V.N. Nadkarni** has been a Director of the Company since 4<sup>th</sup> April, 1987. He was the Chairman of the State Bank of India and held various positions in banking. He has vast knowledge and experience in the field of finance and banking and has contributed immensely in the deliberations of the Board.

He is a Director on the Boards of Clariant (India) Limited, Vajra Granites Limited, Rallis India Limited, Indo-Gulf Fertilisers Limited, Schrader Duncan Limited, Borosil Glass Works Limited and Goldiam International Limited. He is the Chairman of the Audit Committee of Clariant (India) Limited, Rallis India Limited and Indo-Gulf Fertilisers Limited. He is a member of the Audit Committee of Schrader Duncan Limited, Borosil Glass Works Limited and Goldiam International Limited. He is a member of the Shareholders'/Investors' Grievance Committee Meeting of Clariant (India) Limited.

### 3. Audit Committee

The Audit Committee constituted by the Board of Directors consists of 3 (three) independent Directors, namely, Shri I.F. Sheth, Shri U.P.S. Gill and Shri U.P. Singh. Shri I.F. Sheth is the Chairman of the Audit Committee. The constitution of Audit Committee also meets with the requirements of Section 292A of the Companies Act, 1956.