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**BOARD OF DIRECTORS****MANAGING DIRECTOR**

Mr. Koji Shiga  
(w.e.f. 01.11.2009)  
Mr. T. Ishiguro  
(till 01.11.2009)

**DIRECTORS**

Mr. A.C. Chakrabortti  
Mr. J.S. Baijal  
Mr. R.K. Bhatnagar  
Mr. K. Sugita  
(Alternate Director to Mr. H. Wakabayashi)  
(w.e.f. 29.01.2010)  
Mr. K. Asai  
Mr. Hiroyuki Wakabayashi  
Mr. Koji Arima  
Mr. Y. Kajita  
(Alternate Director to Mr. Hiroyuki Wakabayashi)  
(till 29.01.2010)  
Mr. E. Seto  
Mr. Taro Nanko  
(Alternate Director to Mr. E. Seto)  
Mr. Takashi Aoyama  
Alternate Director to Mr. Koji Arima  
w.e.f. 29.01.2010)

**COMPANY SECRETARY**

Mr. Lalit Prabhakar

**AUDITORS**

Price Waterhouse  
Chartered Accountants,  
Gurgaon

**REGISTERED OFFICE**

B-1/D-4, Mohan Co-operative  
Industrial Estate  
Mathura Road,  
New Delhi-110044  
Tel. No. : 26953994, 26952308  
Fax : 26953993  
E-mail : DNIN\_CS@denso.co.in

**WORKS**

Noida-Dadri Road, P. O. Tilpatta,  
Tehsil-Dadri, District Gautam Budh Nagar,  
Uttar Pradesh- 203 207  
  
Plot No. 16, Industrial Park-II  
Salempur, Mehdood, Haridwar  
Uttarakhand - 249402

# **DENSO**

## **NOTICE**

Notice is hereby given that the Twenty Fifth Annual General Meeting of the Company shall be held on Tuesday, 31<sup>st</sup> day of August, 2010 at 10.30 a.m. at FICCI Auditorium, Tansen Marg, New Delhi-110001 to transact the following business:

### **ORDINARY BUSINESS :**

1. To receive and adopt the Audited Profit and Loss Account for the year ended March 31, 2010 and the Audited Balance Sheet as at that date together with the reports of the Directors and Auditors thereon.
2. To recommend and declare dividend for the financial year ended 31<sup>st</sup> March, 2010.
3. To appoint Auditors of the Company in place of those retiring and to fix their remuneration. The present Auditors are eligible for re-appointment.
4. To elect Director in place of Mr. H. Wakabayashi who retires by rotation and being eligible offers himself for re-appointment.
5. To elect Director in place of Mr. A.C. Chakrabortti who retires by rotation and being eligible offers himself for re-appointment.

**By Order of the Board**

**Place : New Delhi**  
**Date : July 31, 2010**

**Lalit Prabhakar**  
**Company Secretary**

### **NOTES :**

- (A) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON POLL, VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- (B) The Register of Members of the Company will be closed from 25<sup>th</sup> August, 2010 to 31<sup>st</sup> August, 2010, both days inclusive.
- (C) Members are requested to intimate any change of registered address (including PIN code number) to the Registered Office of the Company, if they are holding shares in physical forms only.
- (D) PLEASE NOTE THAT NO SWEET COUPONS / GIFTS SHALL BE DISTRIBUTED AT THE FORTHCOMING ANNUAL GENERAL MEETING.

**DIRECTORS' REPORT**

Your Directors are pleased to present their Twenty Fifth Annual Report together with the audited statement of accounts for the financial year ended 31<sup>st</sup> March, 2010.

**FINANCIAL RESULTS**

	<b>For the Year Ended 31.03.10 Rs. 000</b>	<b>For the Year Ended 31.03.09 Rs. 000</b>
Gross Sales	800,89,65	601,26,79
Sales (Net of Excise)	736,32,56	530,64,63
Gross Profit (before depreciation and miscellaneous expenditure write-off)	44,10,48	42,38,82
Depreciation & Miscellaneous Expenditure written off	15,92,54	13,76,52
Profit for the year before Taxation	28,17,94	28,62,30
Tax Provision	7,98,86	12,23,02
Deferred Tax	1,30,36	(2,04,31)
Fringe Benefit Tax	-	35,48
Profit after Tax	18,88,72	18,08,11

**MANAGEMENT DISCUSSION AND ANALYSIS :****OPERATIONS :**

The financial year saw the revival of the economy following the positive impact of the economic stimulus. The Auto Industry's growth touched double digit and the average growth rate was 26% in the 4 wheeler and 2 wheeler segment. The two wheeler segment of the industry recorded growth of 22% during the financial year 2009-10 contributing to overall growth of the auto industry. Accordingly, the Gross Sales of the Company grew by 33% as compared to previous year. The Company reversed the trend of decline in profit by embarking upon stringent cost control activities and profit after tax improved from the previous year figure of Rs. 18.08 crores to Rs. 18.88 crores.

Despite increase in Sales, the Company could not increase its profitability due to the following reasons.

1. Sudden upsurge in demand leading to high level of importation leading to cost of consumables

including substantial Foreign Exchange variation and outgo.

2. High input cost of indigeneous materials
3. Pricing pressure.

All the above factors combined to affect the margins which was squeezed to maximum extent.

Despite the above difficulties, the company was able to retain the profit of Rs. 18.88 crores. The company is taking proper steps for improving the working arrangement in the following directions.

1. Enhancement of capacity to meet the future growth requirements.
2. Indigenization of products.
3. Cost reduction processes wherever possible

The Company has also to incur additional cost this year for improving the quality to International Standards and safeguards.

The market leader in the passenger car segment, Maruti Suzuki India Limited (MSIL) consolidated its premier position in the industry. Its latest offering RITZ was voted the car of the year and is one of the most popular models in its segment. The market share of MSIL was 45% and its sales grew by 21%.

Two wheeler industry leader Hero Honda Motors Limited clocked positive growth of 22% and maintained its number one position in the industry with a market share of 60% in the two wheeler segment along with its subsidiary Companies. The market leader's plant at Haridwar is boosting its overall profitability and the Company is availing the tax incentives offered by the government authorities.

All the major international auto players have already established their production facilities in the country and are looking at the Indian auto industry to propel them out of the recession by introduction of new models. All the auto players are emphasizing on the low cost production facilities for surviving in the unique Indian auto market.

Our Company is well equipped to cater to the needs of the Original Equipment Manufacturers (OEMs) who are introducing new models every year.

**NEW FACTORY AT HARIDWAR**

The Company's new factory at Haridwar catering to the two wheeler major – Hero Honda Motors Limited has been completed and is fully operational. The commercial production at the new factory commenced from 2<sup>nd</sup> May, 2009. The Company plans to cater to the

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requirements of its major customer – Hero Honda which is witnessing positive growth and also to avail tax incentives being offered by the government of Uttarakhand.

## **Opportunities and Threats:**

The last quarter of the financial year ended 31 March, 2010 saw robust sales of the OEMs. The market leader Maruti Suzuki in the Four Wheeler segment and Hero Honda in the Two Wheeler segment recorded impressive growth and the Indian economy is on the rebound with the auto industry leading the way. The demand for the Two wheelers and the Four Wheelers is expected to grow significantly as compared to previous year. In order to cater to enhanced demand, the Company is in the process of enhancing its production capacities.

As all the major auto players are looking at the Indian auto market, the competition among the OEMs shall intensify which shall also put the prices of the products of the Company under pressure. In order to offset this, the Company is pursuing aggressive cost control activities and the Company expects to be successful in its endeavors.

Any adverse change in the Government policy is likely to have its own effect.

Despite competition and pressure on the pricing front the Company expects to maintain its competitive edge in the coming years.

## **Segment wise Performance:**

The Company's operating business is organized and managed according to the nature of product, with single Primary Reportable Segment comprising of manufacturing and supply of electrical automotive components.

## **OUTLOOK:**

### **Current Operation**

The Company achieved a Net Sales of Rs.736 crores for the year ended 31<sup>st</sup> March, 2010. This was possible due to higher sales volume of both the Four Wheeler and the Two wheeler products.

The Company expects higher sales for the year 2010-11. By adding to its production capacities, it is expected that the Company shall achieve its sales target for the next year. The Company is facing pressure from its customers on the price front which it hopes to offset by cost control measures.

## **Internal Control Systems:**

The Company maintains a system of internal control, including suitable monitoring procedures. The Internal Auditors regularly conduct a review of the financial and operating controls.

## **Human Resources:**

The Company continued to have cordial and harmonious relations with its employees.

## **Cautionary Note:**

Certain statements in the "Management Discussion and Analysis" section may be forward looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Directors' envisage in terms of the future performance and outlook.

## **FIXED DEPOSITS:**

The Company has not invited or availed Fixed Deposits from the public during the year under review.

## **AUDIT COMMITTEE**

During the year the Audit Committee Meetings were conducted as per the provisions of listing agreement with the Stock Exchange(s). A Committee of Directors (Remuneration Committee) of the Company was constituted on 28<sup>th</sup> July, 2009 for the purpose of appointment/remuneration payable to executive/non-executive directors of the Company and Senior Management personnel of the Company. The details about the functioning of the committee are being enumerated in the Corporate Governance report section which is part of the Annual Report for the year ending March 31, 2010.

## **DIRECTORS:**

The following were the changes in the composition of the Board of Directors of the Company during the financial year 2009-10.

Mr. K. Higuchi resigned from the Board on 26<sup>th</sup> May, 2009. Mr. E. Seto has been appointed as Director on the Board on 26<sup>th</sup> May, 2009. Mr. H. Fujimoto resigned from the Board on 28<sup>th</sup> July, 2009. Mr. Taro Nanko has been appointed as Alternate Director to Mr. E. Seto on the Board on 28<sup>th</sup> July, 2009. Mr. Y. Doi resigned from the Board on 28<sup>th</sup> July, 2009. Mr. T. Kondo resigned from the Board on 28<sup>th</sup> July, 2009. Mr. Koji Shiga was appointed as Dy. Managing Director w.e.f 28<sup>th</sup> July 09 and as Managing Director w.e.f 1<sup>st</sup> November, 2009 in place of Mr. T.Ishiguro who ceased to be Director of the Company w.e.f 1<sup>st</sup> November, 2009. Mr. M. Takao resigned from the Board on 28<sup>th</sup> July, 2009.

Mr. Koji Arima has been appointed as Director on the Board on 11<sup>th</sup> August, 2009. Mr. H. Wakabayashi has been appointed as director on the Board on 11<sup>th</sup> August, 2009. Mr. K. Sugita has been appointed as Alternate Director to Mr. H. Wakabayashi on the Board on 11<sup>th</sup> August, 2009. Mr. Y. Kajita was appointed as Alternate Director to Mr. H. Wakabayashi on the Board on 11<sup>th</sup> August; 2009 and subsequently resigned from the Board on 29<sup>th</sup> January, 2010. Mr. T. Aoyama has been appointed as alternate director to Mr. Koji Arima from 29<sup>th</sup> January, 2010.

## DIVIDEND:

The Directors are pleased to propose dividend of 20% on paid-up value of Equity Shares. This will absorb Rs. 5.57 crores out of current year profits. Tax on dividend declared amounting to Rs. 94.76 lacs shall be paid by the Company and no deduction of tax shall be made from the dividend payable to shareholders. An amount equivalent to 7.5% of the profits have been transferred to General Revenue Account of the Company in terms of the Companies(Transfer of Profit to Reserves) Rules, 1975.

## PARTICULARS OF CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO.

The Statement pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in the Annexure forming part of this Report.

## PERSONNEL

The Statement showing particulars of employees as required under Section 217(2-A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended to date, is enclosed and is part of the Annual Report 2009/10.. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Annual Report is being sent to all the shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

## Directors Responsibility Statement as per Section 217(2AA) of the Companies Act, 1956.

1. The Financial Statement for the year ended 31.03.2010 are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified under section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

2. The Directors of Denso India Ltd. accept the responsibility for the integrity and objective of these Financial Statement as reflected through the consistent application of the Accounting Policies as well as for the estimates made and the judgment exercised relating to matters not concluded by year-end.
3. The Directors believe that the Financial Statements reflect fairly the form and substance of the transactions concluded and reasonably present the Company's financial condition and true and fair view of the results of the operation for the year and the state of affairs of the business as at 31<sup>st</sup> March, 2010.
4. The Company has installed an accounting system and the financial statements have been prepared on a going concern basis along with a system of controls which are reviewed, evaluated and updated on an on going basis.
5. Our internal Auditors have conducted periodic audits to provide reasonable assurance that the established policies and the procedures of the Company have been followed for safeguarding the assets of the Company and for preventing any form of fraud and other irregularities subject to the inherent limitations in any system and procedure and coverage thereof that should be recognized in weighing the assurance provided by any system of internal controls. These have been reviewed periodically at Audit Committee Meetings.
6. The financial statements have been audited by M/s Price Waterhouse, Chartered Accountants, the statutory auditors.

## ACKNOWLEDGEMENTS

Your Directors take this opportunity to thank the customers, vendors, shareholders, the bankers, the Central and State Governments and other agencies for their continued support, co-operation and contribution during the year under review. Your Directors place on record their deep appreciation of the management of Denso Corporation, Japan, Sumitomo Corporation, Japan and ASMO Co. Ltd., Japan and Maruti Suzuki India Limited for their assistance and support during the year. Your Directors wish to place on record their appreciation of the contribution made by the employees at all levels.

For and on behalf of the Board

Place : New Delhi  
Date : May 28, 2010

K. Sugita  
Director

K. Shiga  
Managing Director



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## ANNEXURE TO DIRECTORS' REPORT

INFORMATION REQUIRED UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.

### A. CONSERVATION OF ENERGY

Form A of Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 – Not Applicable.

### B. TECHNOLOGY ABSORPTION

The Company has obtained technical know how for the manufacture of auto components from Denso Corporation, Japan. The process of absorption of the technology is a continuing process.

No expenditure either of Capital or Revenue nature on Research & Development has been incurred during the year under review.

#### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

Efforts made : New models are being developed to help in further localisation by vehicle makers.

Benefits derived: In-house skills are being developed in design, production engineering and endurance testing. Extensive help is also being provided to vendors to upgrade their technology to meet quality requirements.

a) Technology imported: Import of technology for the manufacture of auto electricals

b) Year of import:

Product	Year
Alternators	1984
Regulators	-do-
Starters	-do-
Wiper Motors (with Link)	-do-
AC Generators / Flywheel Magnetos	1988
Ignition coils for two/three wheelers	-do-
CDI Systems for two/three wheelers	-do-
Fan Motor Assembly for Ventilation/Engine Cooling	-do-

c) Has technology been fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.

Not applicable.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company is pursuing its export plans. The exports of the products of the Company have been made to affiliates of Denso Companies around the world.

The Company has identified exports as one of the major areas of growth. However, the global recession has effected the export plans of the Company. However, in the near future, the Company expects to re-focus on this area as and when global demand picks up.

	Rs. Lacs
EARNINGS [On exports of Goods]	425.83
OUTGO [(F.O.B.) On Accrual Basis]:	
- Raw Materials & components (including Trading Goods)	26910.94
- Stores & Spares (FOB)	169.20
- Capital Goods (FOB)	2513.54
- OUTGO [On Cash Basis, Net of TDS]:	
- Royalty	1146.22
- Technical Service Fees and Application cost	748.56
- Travelling, Training & Others	67.08
Total	31555.54

We are one of the major suppliers in our range of products to Maruti Suzuki India Limited for majority of their export designated vehicles.

## Corporate Governance Report :

The Directors are pleased to present Ninth Corporate Governance Report for the financial year 2009-2010. The Securities and Exchange Board of India (SEBI) introduced the Code of Corporate Governance for implementation by the listed Companies vide an amendment to the Listing Agreement.

Corporate Governance relates to number of laws, rules, regulations and voluntary practices to enable companies to have good and efficient financial and human capital, perform to the best of the efficiency resulting in maximization of the long term value in the hands of shareholders at the same time respecting the aspect of multiple stake holders which include the society as well.

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

The Company is committed to achieve highest international standards of Corporate Governance and it is a matter of integral system for our Company. We believe that Corporate Governance is dependent on transparency, maximum disclosures, un-biased monitoring, being fair to all shareholders especially minority shareholders. To ensure a good Corporate Governance, we have a good professional management team and our Board of Directors consist of Professional, Non-Executive, and Independent Directors who effectively monitor the management progress and key corporate decision.

### 2. Board of Directors

As per the requirements of Corporate Governance, the composition of Board of Directors is required to have optimum combination of Non-Executive and Independent Directors along with the Executive Directors.

The Board of Directors of the Company include eminent personalities from all walks of life.

#### (a) Composition of Board of Directors

As of March 31, 2010, the Company's Board of Directors consisted of eight Directors. The Board comprised of one Executive Director, four Non-Executive Directors, and three Independent and Non- Executive Directors. As one third of the Board consists of Independent Directors, the composition of the Board is in accordance with Clause 49.

The Chairman of the Board is Mr. J.S Baijal, an Independent Non-Executive Director thereby

complying with the provisions of the Code of Corporate Governance.

Details of the composition of Board and number of other companies in which Director is a Director or Member /Chairperson of the Committee is as hereunder:

	Name of Director	Number of outside Directorships held	Number of Committee Memberships and Chairmanships held (other Companies)
		(excluding Indian Private Limited Companies, Foreign Companies, section 25 Companies and Alternate Directorships)	
(A) Executive and Non-Independent Directors:			
(1)	Mr. Koji Shiga*	0 (w.e.f. 01.11.2009)	0
(2)	Mr. K. Sugita (Alternate Director to Mr. H. Wakabayashi)	0 (w.e.f. 11.08.2009)	0
(3)	Mr. Takashi Aoyama (Alternate Director to Mr. Koji Arima)	0 (w.e.f. 29.01.2010)	0
(B) Non-Executive and Independent Directors			
(1)	Mr. J.S. Baijal	2	4
(2)	Mr. R.K. Bhatnagar	0	0
(3)	Mr. A.C. Chakrabortti	11	6 (Chairman in 3)
(C) Non-Executive and Non-Independent Directors			
(1)	Mr. Koji Arima*	0 (w.e.f. 11.08.2009)	0
(2)	Mr. Hiroyuki Wakabayashi*	0 (w.e.f. 11.08.2009)	0
(3)	Mr. Keiichi Asai#	2	0
(4)	Mr. Eichi Seto ##	0 (w.e.f. 26.05.2009)	0
(5)	Mr. Taro Nanko (Alternate Director to Mr. Eichi Seto)	1 (w.e.f. 28.07.2009)	0

\* Nominee of Denso Corporation, Japan which owns 47.93% of equity in the Company. [Refer Note 15 on Schedule 18B of attached financial statements for year ended March 31, 2010 regarding appointment of Mr. Koji Shiga as Deputy Managing Director w.e.f. 28th July 2009 (with effect from November 1, 2009 as Managing Director)]

# Nominee of the Maruti Suzuki India Limited, which owns 10.27% equity of the Company.

## Nominee of the Sumitomo Corporation, which owns 10.27% equity in the Company.

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None of the Directors on the Board holds the office of Director in more than 15 Companies nor are they members in Committee of the Board in more than 10 Committees or Chairman of more than 5 Committees. Further, there are no pecuniary relationships or transactions between the Independent Directors and the Company, except for the sitting fees drawn by the Independent Directors for attending the meetings of the Board and Committees thereof.

## (b) Shareholding of Non-Executive Directors

None of the Non-Executive (Including Independent) Directors holds any shares (as own or on behalf of other persons on beneficial basis) in the Company.

## (c) Board Meetings

During the financial year ended 31<sup>st</sup> March, 2010, six meetings of Board of Directors were held. The intervening period between two Board Meetings was well within the maximum time gaps of four months as prescribed under Corporate Governance Norms. The dates on which the said meetings were held are 26<sup>th</sup> May, 2009; 28<sup>th</sup> July, 2009; 1<sup>st</sup> September, 2009; 27<sup>th</sup> October, 2009; 29<sup>th</sup> January, 2010 and 31<sup>st</sup> March, 2010.

## (d) Procedures of Board Meetings

The Board of Directors met for six times during the year as mentioned in the paragraph 2(c) above. The agenda papers were sent to all the Directors well in advance for each meeting and the management presented before the Board all statutory and other important items as recommended by the SEBI Committee. In addition to regular business items, the following items / information are regularly placed before the Board to the extent applicable:

- Annual operational plans and budgets
- Minutes of meetings of the Audit Committee and other Committee's meetings of Board
- Materially important show cause, demands and notices
- Details of quarterly foreign exchange exposures and steps taken by the management to limit the risk of adverse exchange rate movement
- Quarterly Statutory Compliance Report
- Matters related to work force

- Worker productivity report
- Quarterly and Half yearly results of the Company
- Share prices and shareholding pattern of the Company
- Current operation(s) of the Company
- Significant developments in Human Resources/Industrial Relations front like signing of wage agreement.

Name of Director	Number of Board Meetings held during his tenure	Number of Board Meetings attended	Attended last AGM held on 23 <sup>rd</sup> September, 2009
Mr. Koji Shiga (1)	5	4	Yes
Mr. Tatsumi Ishiguro (2)	4	4	Yes
Mr. Takashi Aoyama (3) (Alternate Director to Mr. K. Arima)	2	0	No
Mr. Kazuyasu Sugita (4) & (5) (Alternate Director to Mr. H. Wakabayashi)	6	4	Yes
Mr. J.S. Bajjal	6	6	Yes
Mr. R.K. Bhatnagar	6	6	Yes
Mr. A.C. Chakrabortti	6	6	Yes
Mr. Koji Arima (6)	4	0	No
Mr. Yuzuro Doi (7) (Alternate Director to Mr. T. Kondo)	1	1	No
Mr. Kazuyoshi Higuchi (8)	1	0	No
Mr. Taro Nanko (9) (Alternate Director to Mr. E. Seto)	5	3	Yes
Mr. Hiroto Fujimoto (10) (Alternate Director to Mr. E. Seto)	1	1	No
Mr. Eichi Seto (11)	6	0	No
Mr. Tetsuo Kondo (12)	1	0	No
Mr. Hiroyuki Wakabayashi (13)	4	0	No
Mr. Mitsunori Takao (14)	1	0	No
Mr. Keiichi Asai	6	1	Yes
Mr. Yoshitka Kajita (15) (Alternate Director to Mr. H. Wakabayashi)	3	2	Yes



## (e) Directors' Attendance Record

1. Mr. Koji Shiga has been appointed as Deputy Managing Director on the Board on 28<sup>th</sup> July, 2009 and as a Managing Director from 01<sup>st</sup> November, 2009.
2. Mr. T. Ishiguro resigned from the Board on 01<sup>st</sup> November, 2009.
3. Mr. T. Aoyama has been appointed as Director on the Board on 29<sup>th</sup> January, 2010.
4. Mr. K. Sugita has been appointed as Alternate Director of Mr. Koji Arima on 11<sup>th</sup> August, 2009 and ceased to be his Alternate Director on 29<sup>th</sup> January 2010.
5. Mr. K. Sugita has been appointed as Alternate Director of Mr. H.Wakabayashi on 29<sup>th</sup> January, 2010.
6. Mr. Koji Arima has been appointed as Director on the Board on 11<sup>th</sup> August, 2009.
7. Mr. Y. Doi resigned from the Board on 28<sup>th</sup> July, 2009.
8. Mr. K. Higuchi resigned from the Board on 26<sup>th</sup> May, 2009.
9. Mr. Taro Nanko has been appointed as Alternate Director to Mr. E. Seto on the Board on 28<sup>th</sup> July, 2009.
10. Mr. H. Fujimoto has been appointed as Alternate Director of Mr. E.Seto on the Board on 26<sup>th</sup> May, 2009 and resigned from the Board on 28<sup>th</sup> July, 2009.
11. Mr. E. Seto has been appointed as Director on the Board on 26<sup>th</sup> May, 2009.
12. Mr. T. Kondo resigned from the Board on 28<sup>th</sup> July, 2009.
13. Mr. H.Wakabayashi has been appointed as Director on the Board on 11<sup>th</sup> August, 2009.
14. Mr. M.Takao resigned from the Board on 28<sup>th</sup> July, 2009.
15. Mr. Y.Kajita has been appointed as Alternate Director of Mr. H. Wakabayashi on Board on 11<sup>th</sup> August; and he resigned from the Board on 29<sup>th</sup> January, 2010.

## (f) Details of Directors being appointed and re-appointed (Brief Resume)

A brief resume of the Directors appointed/reappointed during the year is as under:

### Mr. Koji Shiga

Mr. Koji Shiga joined Denso Corporation, Japan in the year 1977 and has served up to year 2009 in the Production Department of Denso Corporation. He

also served Denso Thailand for a period of 9 years, out of which for 4 years he was Deputy Managing Director.

His educational qualification includes a post graduate degree in Mechanical Engineering from the Gifu University, Department of Mechanical Engineering, one of the leading and eminent institutions for Mechanical Engineering studies in Japan.

His total experience in the Production of Auto parts is 32 years. The expertise and the immense experience of Mr. Koji Shiga particularly in the field of Mechanical engineering shall guide us to enhance the value of our product to the ultimate consumer of the vehicle.

### Mr.Takashi Aoyama

Mr. Takashi Aoyama joined Denso Corporation in the year 1986. His educational qualification includes a graduate degree in Mechanical Engineering from the Musashi Industrial University, one of the leading and eminent institutions for Mechanical Engineering studies in Japan.

Mr. Takashi Aoyama has worked in the Production Engineering Department for various affiliates of Denso Corporation, Japan. His total experience in the Production Engineering is 24 years. The expertise and the immense experience of Mr. T. Aoyama particularly in the field of Production Engineering shall guide us for future development of our Company.

### Mr.Kazuyasu Sugita

Mr. Kazuyasu Sugita joined Denso Corporation in the year 1987. His educational qualification includes a graduate degree in Commercial Science from the Waseda University, one of the leading and eminent institutions for Commercial Engineering studies in Japan.

Mr. Kazuyasu Sugita has worked in the Diesel Business Planning Department and Engine Electrical System Business Planning Department from 1987 to 2007 in Denso Corporation, Japan. His total experience in the Business Planning Department. is 22 years. The expertise and the immense experience of Mr. Kazuyasu Sugita particularly in the field of Business Planning shall guide us for future development of our Company.

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## **Mr. Hiroyuki Wakabayashi**

Mr. Hiroyuki Wakabayashi joined Denso Corporation, Japan in the year 1979. His educational qualification includes a degree of Engineering from the Tokyo University, one of the leading and eminent institutions for Engineering professionals in Japan.

Mr. Hiroyuki Wakabayashi has worked in the Production Engineering Department for Denso Corporation for 30 years. The expertise and the immense experience of Mr. H. Wakabayashi in the automotive business development shall be a great boost for the growth of our Company.

## **Mr. Koji Arima**

Mr. Koji Arima joined Denso Corporation, Japan in the year 1981. His educational qualification includes a degree of Engineering from the Tokyo University, one of the leading and eminent institutions for Engineering professionals in Japan.

Mr. Koji Arima has worked in the Production Engineering Department for business of Denso Corporation for 29 years. The expertise and the immense experience of Mr. Koji Arima in the automotive business development shall be a great boost for the growth of our Company.

## **Mr. Eichi Seto**

Mr. Eichi Seto joined Sumitomo Corporation, Japan in the year 1982. His educational qualification includes a degree in Law from the Waseda University, one of the leading and eminent institutions for legal professionals in Japan.

Mr. Eichi Seto has worked in the Motor Vehicles Department for the development of automotive business of Sumitomo Corporation for 27 years. The expertise and the immense experience of Mr. Eichi Seto in the legal and automotive business development shall be a great boost for the growth of our Company.

Mr. Eichi Seto is also Director in the following Companies:

- 1) NKC Conveyor India Pvt. Ltd
- 2) JJ Impex Pvt. Ltd
- 3) Munjal Kiri Industries Pvt. Ltd.

## **Mr. Taro Nanko**

Mr. Taro Nanko joined Sumitomo Corporation, Japan in the year 1990. His educational

qualification includes a degree in Law from the Waseda University, one of the leading and eminent institutions for Legal professionals in Japan.

Mr. Taro Nanko has worked in the Motor Vehicles Department for the development of automotive business of Sumitomo Corporation for 20 years. The expertise and the immense experience of Mr. Taro Nanko in automotive business development shall be a great boost for the growth of our Company.

Mr. Taro Nanko is also Director in the following Companies:

- 1) JJ Impex Pvt. Ltd
- 2) Swaraj Mazda Limited

## **3. Committees of the Board**

### **(A) Audit Committee**

The Audit Committee has been constituted as per Section 292A of the Companies Act, 1956 and the guidelines set out in the Listing Agreement with Stock Exchanges. As on March 31, 2010, the Audit Committee comprises of Mr. A.C.Chakrabortti, Non-Executive and Independent Director who is the Chairman of the Audit Committee, Mr. R.K. Bhatnagar, Non-Executive and Independent Director and Mr. J.S.Baijal, Non-Executive and Independent Director. Mr A.C.Chakrabortti was present in the previous AGM held on September 23, 2009. The members of the Committee have adequate knowledge in the field of finance and accounting. The role and "terms of reference" of the Audit Committee are enumerated below, which are as per the guidelines given in the code of Corporate Governance.

### **Brief Role and Terms of Reference of the Audit Committee:**

- i) The Audit Committee shall meet atleast three times in a year with the gap between two meetings of not more than 6 months.
- ii) The Audit Committee shall meet compulsory before the finalization of Annual Accounts.
- iii) The Audit Committee shall have the power to seek any clarification regarding any financial matter relating to the Books of Accounts of the Company.
- iv) The Audit Committee shall be empowered to review with the management the annual