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**THIRTIETH ANNUAL GENERAL MEETING**

on Monday, September 27, 2010 at, 11.30 A.M.  
at Maheshwari Pragati Mandal  
Maheshwari Bhawan,  
603, Girgaon Road, Mumbai - 400 002

As a Measure of economy, copies of the Annual Report not be distributed at the Annual General Meeting.

Shareholders are requested to kindly bring their copies to the meeting.

**CORPORATE INFORMATION**
**BOARD OF DIRECTORS**

**Vishwanath Harlalka** - *Executive Chairman*  
**Deepak Harlalka** - *Managing Director*  
**Ramprasad Poddar** - *Director*  
**Rajendra Kumar Rajgarhia** - *Director*  
**Dinesh Poddar** - *Director*

**REGISTERED OFFICE**

413, Tantia Jogani Industrial Premises  
N. M. Joshi Marg, Near Lodha,  
Lower Parel (East), Mumbai – 400 011

**WORKS**

E - 15, MIDC, Tarapur (Boisar)  
Dist. Thane, Maharashtra

**AUDITORS**

M/s. Vatsaraj & Co.  
Chartered Accountants

**BANKERS**

State Bank of India  
Kotak Mahindra Bank Limited

**REGISTRARS & TRANSFER AGENTS**
**BIGSHARES SERVICES PVT. LTD.**

E-2/3, Ansa Industrial Estate  
Sakivihar Road, Saki Naka  
Andheri (E), Mumbai 400 072



**NOTICE**

**NOTICE** is hereby given that the Thirtieth Annual General Meeting of **GINI SILK MILLS LIMITED** will be held on Monday, 27<sup>th</sup> September, 2010 **at 11.30 A.M., at Maheshwari Pragati Mandal, Maheshwari Bhawan, 603, Girgaon Road, Mumbai – 400002** to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as on 31<sup>st</sup> March, 2010 and Profit and Loss Account for the year ended on that date along with the Reports of the Directors' and Auditors' thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a director in place of Mr. Dinesh Poddar, who retires by rotation, and being eligible, offers him self for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS:**

5. To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution.

**“RESOLVED THAT** pursuant to Section 198, 269, 309, 310, and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the said Act as amended from time to time, Mr. Deepak Harlalka be and is hereby appointed as Managing Director of the Company for the period of three years w.e.f. July 01, 2010, upon and subject to the terms and conditions including the remuneration proposed to be paid and as contained in the agreement to be entered between the Company and Mr. Deepak Harlalka, a draft whereof is placed before the meeting and initialed for the purpose of identification hereof.

**RESOLVED FURTHER THAT** in the event of loss, absence or inadequacy of profits in any financial year of the Company, the remuneration payable to Mr. Deepak Harlalka shall be as specified in the Explanatory Statement enclosed herewith.

**RESOLVED FURTHER THAT** Mr. Deepak Harlalka subject to the provisions of Section 255 of the Companies Act, 1956 shall not be liable to retire by rotation during his tenure as Managing Director of the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all such act, deeds, matters and things as may be considered necessary, desirable or expedient for the purpose of giving effect to this Resolution.”

**Regd. Office:**

413, Tantia Jogani Industrial Premises  
N. M. Joshi Marg, Near Lodha,  
Lower Parel (East)  
Mumbai – 400 011

Place : Mumbai  
Date : 19/08/2010

**By Order of the Board**

**(Vishwanath Harlalka)**  
Executive Chairman

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER TO BE EFFECTIVE, THE PROXY FORM DULY COMPLETED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME TO THE ANNUAL GENERAL MEETING. BLANK PROXY FORM IS ENCLOSED.**
2. The Register of Members and Share transfer Books will remain closed from Saturday, September 18, 2010 to Monday, September 27, 2010 (both days inclusive).
3. The Company has entered into agreement with both the depository's viz. National Securities Depository Ltd. (NSDL) and Central depository Services (India) Ltd. (CDSL) for custody and dematerialization of securities. Members having Physical holdings can avail the depository facilities by approaching any of the depository participants of NSDL or CDSL. For further information, the shareholders may contact directly to the Company's Registrars and Share Transfer Agents, M/s. BIGSHARE SERVICES PRIVATE LIMITED, Mumbai. (Tele. Nos. +91 22 28470652 Fax No. +91 22 28475207). Our Registrar & Transfer Agent M/s Bigshare Services Private Limited recently launched Gen.Next Module **iBoss** the most advanced tool to interact with Shareholders. Please login in to iBoss ([www.bigshareonline.com](http://www.bigshareonline.com)) and help thereto serve you better.
4. Members are requested to note that copies of Annual Report will not be distributed at the Annual General Meeting.
5. Members holding share in multiple folios in physical mode are requested to apply for consolidation to the Registrar & Transfer Agent along with relevant Share Certificates.
6. Pursuant to Section 205A read with Section 205C of the Companies Act, 1956, the dividend amount which remain unpaid/unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are required to be transferred to the Investors Education & Protection Fund of the Central Government. After such transfer, there remains no claim to the members whatsoever on the said amount. Therefore, Members are advised to encash their Dividend warrants immediately.
7. The Company has paid the Annual Listing fees for the financial year 2010-2011.
8. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect to the Special business under Item No. 5 to be transacted at the meeting is annexed to this notice.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956:**
**Item No. 5:**

In accordance with the provisions of Schedule XIII, the appointment of Mr. Deepak Harlalka as Managing Director requires shareholders approval by passing special resolution at the ensuing Annual General Meeting. The following information is required to be disclosed in accordance with Schedule XIII.

**I. GENERAL INFORMATION:**

- a) Nature of Industry: Manufacturing of fabrics & job work of processing fabrics
- b) Date of commencement of commercial production: August 31, 1996
- c) Export performance: Company's total sale is in the domestic market
- d) Foreign investments or collaborations: Not Applicable

**II. INFORMATION ABOUT THE APPOINTEE:**
**a) Background details:**

Mr. Deepak Harlalka, 47 years old is B.Com, by qualification. He was appointed as Director of the Company on 28<sup>th</sup> December, 1992. Mr. Deepak Harlalka whose previous appointment as Managing Director ended on 30<sup>th</sup> June, 2010 was re-appointed as the Managing Director by the Board of Directors for a tenure of three years w.e.f. 1<sup>st</sup> July, 2010. The draft agreement between the Company and Mr. Deepak Harlalka for his reappointment contains interalia the following terms and conditions.

**b) Past remuneration:**

Last drawn salary by the Managing Director was Rs. 15,27,142 p.a. during the financial year 2009-10.

**c) Job profile and his suitability:**

The Managing Director would have the authority to oversee and implement the day-to-day operations of the Company. Managing Director will also be responsible for formulating the policies and strategies in consent with the Board of Directors of the Company. The appointee has clear vision and foresight to work for the prosperity and success of the company. The appointee has immense capacity for hard work, interpersonal skills, extraordinary ability for analytical thinking and positive attitude. Having associated with the company for more than 25 years his contribution to the development of the Company is without match.

**d) Remuneration proposed:**

- i. Salary of Rs. 200,000/ (Rs. Two Lacs Only) per month.

ii. Perquisites and Allowances:

- (a) In addition to the salary, the Managing Director shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, together with reimbursement of expenses or allowances for utilities such as gas, electricity, water furnishing and repairs; medical reimbursement. club fees and leave travel concession for himself and his family, medical insurance and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and the Managing Director. Such perquisites and allowances will be subject to the ceilings as specified in Part II of Schedule XIII.
- (b) For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per Income-tax Rules, wherever applicable; in the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost, Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.
- (c) Company's contribution to Provident Fund and Superannuation or Annuity Fund, to the extent these either singly or together are not taxable under the Income Tax Act, gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure, shall not be included in the computation of limits for the remuneration or perquisites aforesaid.
- (d) The total remuneration including salary, perquisites, allowances (other than exempted perquisites and allowance) and other monetary benefits shall not exceed the maximum ceiling of Rs. 250,000/- per month

iii. Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Managing Director. The Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary perquisites and allowances as specified above.

- iv. The terms and conditions of the said appointment and/or agreement may be altered and varied from time to time by the Board as it may in its discretion deem fit, within the maximum amount payable to Managing Director in

accordance with Schedule XIII to the Companies Act 1956 or any amendments made hereafter in this regard.

- v. The Agreement may be terminated by either party giving the other party six months' notice or the Company paying six months remuneration in lieu of such notice.

- e. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.

The remuneration proposed is reasonable in comparison to the remuneration paid in the industry. The company is a part of the textile industry surrounded by medium and large groups and, which spends huge sums of money on the remuneration of its managerial persons. The product manufactured by the company requires high degree of expertise, knowledge and experience of technical nature. Further the appointee is not only very experienced and key person in charge of the strategic decision making and overall growth and expansion of the company but also founder of the Company with highly respected stature in the industry.

III. OTHER INFORMATION:

- a) Reasons for inadequate profits:

The company has made profits during the current financial year and is paying dividends for last four consequent years. However the profits are inadequate to pay desired remuneration to the appointee.

In accordance with the provisions of Section 309 of the Act, the terms of remuneration specified above are now being placed before the Members in General Meeting for their approval.

The draft Agreement between the Company and Mr. Deepak Harlalka is available for inspection by the members of the Company at the Registered Office of the Company between 11 00 am. and 01.00 p.m. on any working day till the Annual General Meeting of the Company.

Mr. Vishwanath Harlalka and Mr. Deepak Harlalka are concerned or interested in the passing of this resolution. No other directors are concerned or interested in the passing of this resolution.

**Regd. Office:**

413, Tanta Jogani Industrial  
N. M. Joshi Marg, Near Lodha,  
Lower Parel (East)  
Mumbai – 400 011

**By Order of the Board**

**(Vishwanath Harlalka)**  
Executive Chairman

Place : Mumbai

Date : 19/08/2010

## DIRECTOR'S REPORT

Dear Members,  
Your Directors are pleased to present the **Thirtieth** Annual Report on the business and operations of your Company together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2010.

### CORPORATE OVERVIEW

The Company prepares its financial statements in compliance with the requirements of the Companies Act 1956, and the Generally Accepted Accounting Principles (GAAP) in India. Overall the financial statements have been prepared on the historical cost basis.

FINANCIAL RESULTS	( <b>₹ In Lacs</b> )	
	2009-2010	2008-2009
	₹	₹
Net Sales/ Income from operations	3373.36	3158.28
Other Income	363.49	124.91
	3736.85	3283.19
Profit (before interest, depreciation and taxation)	686.65	407.86
Interest	15.20	8.66
Depreciation	46.37	42.53
Provision for		
Fringe Benefit Tax	-	2.60
Current Taxation	125.00	105.00
Deferred Tax	2.23	(0.27)
Net Profit after Tax	497.85	249.34
Add : Balance brought forward	781.59	590.17
From Previous year		
Excess/ Short provision for Tax in respect of earlier Year	6.62	(8.85)
Profit available for appropriation	1286.06	830.66
<b>APPROPRIATIONS</b>		
Proposed Dividend	41.94	41.94
Distribution Tax	7.20	7.13
Profit Carried to Balance Sheet	1236.92	781.59
<b>Total</b>	<b>1286.06</b>	<b>830.66</b>

### DIVIDEND

For the year under review, the Directors have recommend a dividend of ₹ 0.75 per share (₹ 0.75 per shares for the previous year) on the 5592600 Equity shares amounting to ₹ 41,94,450/-

### DIRECTORS:

Mr. Dinesh Poddar, Director of the company is liable to retire by rotation and being eligible, offers himself for re-appointment.

### DIRECTORS RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956.

The Directors state that-

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgment and estimates that are 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 covered under this report and of the profit of the Company for the year
- 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.
- the directors have prepared the annual accounts on a going concern basis.

### CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, the Management Discussion and Analysis, the Corporate Governance Report, together with the Auditor's Certificate on compliance with the conditions of Corporate Governance as laid down, forms part of the Annual Report.

### AUDITORS

M/s. Vatsaraj & Co., Chartered Accountants, Mumbai hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The members are requested to re-appoint them as Auditors of the Company till the conclusion of the next Annual General Meeting.

### FIXED DEPOSITS

The Company has not accepted or renewed any deposits from the public during the year under review within the meaning of Section 58A of the Companies Act, 1956 and rules made there under.

### PARTICULARS OF EMPLOYEES:

There are no employee drawing remuneration exceeding the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (particulars of employees) Rules, 1975 (as amended) and hence no details are required to be annexed to this report.

### ENVIRONMENT AND SAFETY MEASURES

#### i) EFFLUENT CONTROL

Effluent at Process House unit at Tarapur is carefully monitored and treated conforming to the requirements of the State Pollution Control Board.

#### ii) SAFETY

The Process equipments have built-in safety system and all the employees are well trained for safe working of plant operations. Adequate fire protection system is installed for the safety of men, material and machinery.

#### iii) INSURANCE

Your Company continued to cover all assets mainly; plant & machinery, building, materials, stocks, furniture & fixtures against possible risks like fire, flood, terrorism and earthquake.

#### iv) INDUSTRIAL RELATIONS

The industrial relations at the plants of the Company during the year under review continued to be cordial through out the year.

### PARTICULARS REGARDING CONSERVATION OF ENERGY ETC.

Information in accordance with the provisions of section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Directors) Rules, 1988 regarding conservation of energy technology absorption and foreign exchange earnings and outgo is given in the statement annexed hereto forming part of the Report.

### LISTING OF SHARES & SECURITIES

The Company's Shares are listed on the BOMBAY STOCK EXCHANGE LIMITED,

### APPRECIATION:

Your Directors would like to place on record their appreciation for the co-operation and assistance received from the banks, for the utmost confidence reposed in the management by the shareholders and customers during the year under review. Your Directors wish to thank for the services of the executive, staff and workers of the Company at all levels for their dedication, devotion, determination and discipline. The Directors express their profound thanks to the shareholders for their continued support and goodwill and they look forward to the future with confidence.

### FOR AND ON BEHALF OF THE BOARD

**VISHWANATH HARLALKA**

Executive Chairman

Place: Mumbai  
Date : 19/08/2010



**ANNEXURE TO DIRECTORS' REPORT**  
(FORM - A) (See Rule 2)

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY****PART 'A'****POWER & FUEL CONSUMPTION**

	2009-2010	2008-2009
(1) <b>A PURCHASED</b>		
Unit (KWH)	2254030	1871120
Total Amount (₹ Lacs)	106.34	83.02
Rate per unit (₹)	4.71	4.43
<b>B OWN GENERATION</b>		
<i>THOUGH DIESEL GENERATOR :</i>		
Units (KWH)	93041	114709
Units Per Ltr. of Diesel oil	3.50	3.50
Cost per unit (₹)	10.16	11.38
(2) <b>COAL</b>		
<i>QUANTITY (KGS.)</i>	5932879	6169591
Total Cost (Rs. In lacs)	279.24	320.10
Average rate per Kg. (₹)	4.70	5.18
(3) <b>GAS</b>		
<i>QUANTITY (KGS.)</i>	30704	240.35
Total Cost (₹ In lacs)	13.97	12.51
Average rate per Kg. (₹)	45.50	52.06
(4) <b>DIESEL OIL</b>		
Quantity (Ltrs)	26790	34824
Total cost (₹ Lacs)	9.46	13.06
Average Rate Per Ltr. (₹)	35.32	37.51

NOTE : \* in cluding demand charges \*\* including Transport charges

**PART 'B'****CONSUMPTION PER UNIT OF PRODUCTION ENERGY****ENERGY****FABRICS PROCESSING (PER METER)**

	Current Year	Previous Year
Electricity (Kwh.)	0.11.50	0.11.80
Coal (Kgs.)	0.30.00	0.36.00

**A. CONSERVATION OF ENERGY**

The Company's operation involves low energy Consumption Nevertheless energy Conservation measures have already been taken wherever possible. Efforts to conserve and optimise the use of energy through improved operational methods and other means will continue.

**B. TECHNOLOGY AND TECHNICAL ABSORPTION AND ADOPTION****1. TECHNOLOGY ABSORPTION**

The Company's present manufacturing activities are such that the same do not require any specialized Technology, since in India; technical know-how for Textile Industries has been standardized and is being used in the Industry. Besides, the Promoters of the Company are engaged in Textile business since last 3 decades and the business is inherited. In view of the above, the question of technical absorption and adaptation does not arise.

**2. RESEARCH & DEVELOPMENT**

At present the company does not have separate division for carrying out Research and Development work. No expenditure has therefore been earmarked for this activity.

**FOR AND ON BEHALF OF THE BOARD**

Place : Mumbai  
Dated : 19/08/2010

**VISHWANATH HARLALAKA**  
Executive Chairman



## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. Industry Conditions

The Indian Textile Industry is one of the leading textile industries in the world. The textile and apparels sector is a major contributor to the Indian economy in terms of gross domestic product (GDP), industrial production and the country's total export earnings. India earns about 27 per cent of its total foreign exchange through textile exports. Besides, the Indian Textile Industry contributes 14 per cent of the total industrial production of the Country. This sector provides employment of over 35 million people and it is expected that the textile industry will generate new jobs during the ensuing years.

The industry went through a challenging FY 2010, with the global meltdown ravaging economies. The collapse in consumer sentiments, weak exports, noteworthy drop in discretionary spending in textiles/apparels and down trading by the consumers put immense pressure on both the top -line and the bottom-line of textile companies.

#### Opportunities and Challenges

The present global economic scenario throws up opportunities for fundamentally strong companies such as your Company. The inherent strengths, in the form of strong domain expertise, powerful brand positioning, strength and resilience of the brands, fully integrated state of the art production facilities, cutting edge technology and unparalleled product innovation capabilities combined with the deep retail market penetration, provide a highly potent platform to seize the opportunities that are bound to arise during cyclical downturns in the form of newer markets, new segments of customers, new channels of distribution, etc.

### 2. Production & Sales Review:

During the year under review, your company has registered a turnover of ₹ 3373.36 Lakhs as compared to ₹ 3158.28 Lakhs in the previous year.

The production in the Company's Process House at Tarapur (Maharashtra) i.e. Dyeing & printing of textile fabrics was 19567414. Mtrs. as against 17221713 Mtrs. in previous year. The sales revenue from Processing of Fabric increased from ₹1220.84 Lakhs to ₹ 1493.54 Lakhs during the year under review. The sale revenue from sale of fabrics decreased from ₹ 2164.73 lakhs to ₹ 2140.87 lakhs.

#### Outlook:

Industrial scenario in the Textile Sector remained unchanged during the year under review with stagnant domestic market and fierce competition in the international market. The company is, however, confident of sustained growth through a series of initiatives in the areas of product development, technological up gradation and strengthening of distribution network.

### 4. Internal Control Systems and Their Adequacy:

The Company has management, which is much concerned about the adequacy of Internal Control System. It is aware that for a multi-faceted growth of any organization, only the strict overall control & efficient supervision can check all the operations, whether minor or major, and such control are backbone of any commercial establishment or manufacturing units.

The management of your Company has taken appropriate steps by constituting Internal Audit team with well-experienced and hard working personnel under the supervision of Audit Committee of the Board; which frequently checks and reviews functions of various departments and effectiveness of Audit checks and revision of systems and procedures periodically.

In the year under review, the Company initiated a focused policy to evaluate the design effectiveness of existing management controls across all its locations. Under this initiative, the company also undertook steps to implement new control measures in line with global best-in-class practices.

### 5. The Financial and Operational Performance:

The financial statement given in the Report of the Directors for the financial year 2009–2010 is quite satisfactory. It reflects the genuine steps taken by the management for transparency and best judgment for the estimate made to correctly reflect the true & fair affairs of the Company.

### 6. Human Resource Development:

The people of any industry serve as propeller for upliftment of the industry and thus indirectly contribute the National Product and through this to the exchequer of India. The management has always remained conscious of these inter-related factors and maintained a favorable climate during the year to suit the growth and excellence in the Company. The management has always strived to maintain cordial relationship between the staff, workers and management. This attitude created an atmosphere where each and every staff and worker started feeling a sense of 'ONENESS'.

### 7. Cautionary statement:

The Statements in Management Discussion and Analysis Report may contain certain statements that might be considered forward looking. These statements are subject to certain risks and uncertainties. Actual results may differ materially from those expressed in the statements as important factors could influence the company's operations such as Government policies, political and economic development etc.

## CORPORATE GOVERNANCE REPORT

### CORPORATE GOVERNANCE

The Company is fully compliant with the mandatory requirements of Clause 49 of the Listing Agreement formulated by Securities and Exchange Board of India and Stock Exchanges. The Company presents its report on compliance of governance conditions specified in Clause 49 of the Listing Agreement

#### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company believes that Corporate Governance is powerful mediums to sub serve the long-term interest of all the shareholders, creditors, customers, employees and other stakeholders. Corporate Governance strengthens Investors and Creditors trust and ensures a long-term partnership that helps in fulfilling our quest for achieving significant growth and profits. Your Company is committed to benchmarking itself with good governance and operates with transparency, professionalism, good conduct and value based systems.

#### 2. BOARD OF DIRECTORS

The present strength of Board of Directors is 5 (Five), whose composition and category is given below:

- Two - Promoter, Executive Director
- Three - Independent Directors

##### (A) THE CONSTITUTION OF THE BOARD AS ON MARCH 31, 2010

The Composition of the Board of Directors and also the number of other Board of Directors or Board Committees of which they are member/ Chairman are given below:

Directors	Category	No. of other Directorship		No. of other Committee positions	
		Public	Private	Member	Chairman
Vishwanath S. Harlalka	Promoter, Executive	-	4	-	-
Deepak V. Harlalka	Promoter, Executive	2	5	-	-
Ramprasad Poddar	Independent	6	3	-	1
Dineshkumar Poddar	Independent	5	2	4	1
Rajendrakumar Rajgarhia	Independent	4	2	-	1

None of the Directors is a member in more than ten committees and acts as chairman in more than 5 committees across all the companies in which they are Director.

##### (B) BOARD PROCEDURE

Agenda is sent to each Director in advance of Board and Committee meetings to enable the Board discharge its responsibilities effectively; the Managing Director briefs the Board at every meeting on the overall performance of the Company, followed by discussion by the Directors. The Board also reviews:

- Strategy and business plans
- Operations and capital expenditures
- Finance and Banking operations
- Adoption of quarterly/half yearly/ annual results
- Compliance with statutory/ regulatory requirements and review of major legal issues
- Significant labour issues

##### (C) ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST ANNUAL GENERAL MEETING:

During the year ended March 31, 2010, 6 ( Six ) Board Meetings were held on 29th April 2009, 1<sup>st</sup> July, 2009, 17th July, 2009, 31st July, 2009, 30th October 2009, & 29th January 2010

Name of the Directors	Category of Directorship	No. of Board Meeting Attended	Attendance at the Last AGM held on 31.08.2009
Shri. Vishwanath S. Harlalka	Chairman	6	Present
Shri. Deepak V. Harlalka	Managing Director	6	Present
Shri. Ramprasad Poddar	Independent DirectorNon Executive	6	Present
Shri. Dineshkumar Poddar	Independent DirectorNon Executive	6	Present
Shri. Rajendrakumar Rajgarhia	Independent DirectorNon Executive	5	Present



**(D) DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT:**

The brief particulars of the Director of the company, being eligible for re-appointment as Directors, retiring by rotation at the ensuing Annual General Meeting is as follows:

Mr. Dinesh Poddar retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

Mr. Dinesh Poddar, aged 44 years B.Com, MBA, MS (USA) by qualification having 20 years experience in the stock market is suited for the position of Director in the Company.

**3. COMMITTEES OF THE BOARD:**

The Board of Directors has constituted three committees of the Board – (i) The Audit Committee (ii) Remuneration Committee and (iii) Shareholders/Investors Grievance Committee.

**I) AUDIT COMMITTEE:**
**BRIEF DESCRIPTION OF TERMS OF REFERENCE**

The Committee's powers, role and functions are as stipulated in Clause 49 of the Listing Agreement and under Section 292 A of the Companies Act, 1956.

**Composition:**

The Composition of the Audit Committee is as follows:

Sr. No	Members of Audit Committee	Position	No. of Meeting Attended
1	Shri. Ramprasad Poddar	Chairman	5
2	Shri. Dinesh Kumar Poddar	Member	5
3	Shri. Rajendra Kumar Rajgarhia	Member	5

During the year ended 31<sup>st</sup> March, 2010, Five Audit Committee Meetings were held.

**II) REMUNERATION COMMITTEE:**
**BRIEF DESCRIPTION OF TERMS OF REFERENCE**

- Fixation of salary, perquisites etc. of all executive directors of the Company, as and when any new executive director is appointed / existing executive director is re-appointed; and
- Deciding commission payable to executive directors based on performance of the concerned executive director and for this purpose fixes targets for achievements.

**COMPOSITION**

The constitution of the Remuneration Committee is as follows:

1. Shri. Ramprasad Poddar - Chairman
2. Shri. Vishwanath Harlalka - Member
3. Shri. Dinesh Kumar Poddar - Member

During the year ended 31<sup>st</sup> March, 2010, One Remuneration Committee meeting was held on 1<sup>st</sup> July, 2009 to approve the remuneration of Executive Chairman .

The detail of remuneration for the year ended 31<sup>st</sup> March, 2010 paid to the Managing Director during the period is as under:

Director	Salary ₹	Cont. to PF & Other Funds ₹	Perquisites ₹	Total ₹
Shri. Deepak Harlalka	12,00,000	1,44,000	183,142	1,527,142
Shri Vishwanath Harlalka	18,00,000	2,16,000	-	20,16,000

**III) SHAREHOLDERS/ INVESTORS GRIEVANCE COMMITTEE:**
**BRIEF DESCRIPTION OF TERMS OF REFERENCE**

The "Investors Grievance Committee" of the Board, looks into various issues relating to investor grievances and to deal with matters relating to transfers/transmissions of shares, and monitors redressal of complaints from shareholders relating to transfers, non-receipt of balance-sheet, non-receipt of dividends declared, issue of duplicate share certificates, etc.