





## GUJARAT POLY-AVX ELECTRONICS LIMITED

### TWENTY FIRST ANNUAL REPORT 2009-2010

#### ANNUAL GENERAL MEETING

On Saturday, the 31st July, 2010  
at B-17/18, Gandhinagar Electronic Estate,  
Gandhinagar, Gujarat at 1.00 p.m.

As a measure of economy, copies of the  
Annual Report will not be distributed at the Annual  
General Meeting. Shareholders are requested  
to kindly bring their copies to the meeting.

#### Board of Directors

**Mr. T. R. Kilachand** (*Chairman*)

**Mr. P. T. Kilachand**

**Mr. A. H. Mehta** (*Executive Director-Finance & Legal*)

**Mr. Chandrakant Khushaldas**

**Brig. K. Balasubramaniam**

**Mr. A.B.Shah** (*GLIC Nominee*)

**Mr. R. K. Jani** (*GLIC Nominee*)

#### Company Secretary

Mr. J. M. Shah

#### Bankers

Bank of Baroda

#### Contents

	Page
Notice	3
Directors' Report	4
Management Discussion	6
Corporate Governance Report	7
Auditors' Report	12
Annexure to the Auditors' Report	13
Balance Sheet	14
Profit and Loss Account	15
Cash Flow Statement	16
Schedules to Accounts	17
Notes forming part of the Accounts	21
General Business Profile	26
Attendance Slip & Proxy	

#### Auditors

**Messrs. C. C. Chokshi & Co.**  
(*Chartered Accountants*)

#### Solicitors and Legal Advisers

**Crawford Bayley & Co.**

#### Registered Office and Works

B-17/18, Gandhinagar Electronic Estate,  
Gandhinagar 382 024, Gujarat.

#### Corporate Office

7, Jamshedji Tata Road  
Churchgate Reclamation  
Mumbai 400 020.

## NOTICE

Notice is hereby given that the Twenty First Annual General Meeting of the Members of GUJARAT POLY-AVX ELECTRONICS LIMITED will be held at B-17/18, Gandhinagar Electronic Estate, Gandhinagar, Gujarat on Saturday, the 31<sup>st</sup> July, 2010 at 1.00 p.m. to transact the following business:

1. To receive, consider and adopt the Directors' Report and Audited Balance Sheet as at 31<sup>st</sup> March, 2010 and Profit and Loss Account for the year ended 31<sup>st</sup> March, 2010.
2. To appoint a Director in place of Mr. Tanil R. Kilachand who retires by rotation, but being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. A.B.Shah who retires by rotation, but being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass with or without modification/s, the following resolution as an Ordinary Resolution for appointing Auditors for the current year.

"RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, Messrs. C.C.Chokshi & Company, Chartered Accountants, Ahmedabad, be and are hereby appointed as Auditors of the Company from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company.

Further Resolved that the Board of Directors be and is hereby authorised to fix the remuneration of the Auditors and reimbursement of travelling and all other out of pocket expenses incurred in connection with the audit.

By Order of the Board of Directors  
J.M.SHAH  
Company Secretary

### Registered Office:

Plot No. B-17/18,  
Gandhinagar Electronic Estate  
Gandhinagar 382024  
Gujarat.  
Dated: 29th May, 2010

### NOTES :

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER. The Proxies to be effective, should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
- (b) The Register of Members and the Share Transfer Books of the Company has remained closed from Tuesday, 18<sup>th</sup> May, 2010 to Tuesday, 25<sup>th</sup> May, 2010 (both days inclusive).
- (c) Members holding shares in the dematerialized mode are requested to intimate changes in their address, if any, to their Depository Participants and Members holding shares in physical form are requested to intimate the change of address, if any, immediately to the Registrar & Share Transfer Agents at Sharepro Services (India) Pvt. Ltd., 13AB, Samhita Warehousing Complex, 2<sup>nd</sup> Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (E), Mumbai 400 072.  
Telephone: 022-28215168 / 022-67720300  
Fax : 022-28375646  
Email : [sharepro@vsnl.com](mailto:sharepro@vsnl.com)

(d) The Company's securities are listed on the following Stock Exchange :

Name & Address of the Stock Exchange	Nature of Security
Bombay Stock Exchange Limited Jeejeebhoy Towers Dalal Street Mumbai 400 023.	85,50,000 Equity Shares of Rs.10/- each

The Company has paid Annual Listing fees for 2009-10 to the above Stock Exchange.

**(e) Members who have not yet exchanged the Share Certificates, are requested to exchange their Old Share Certificates with New Share Certificates, with the Company.**

Information as required under Clause49(IV)(G)(i) of the Listing Agreement, in respect of Directors being re-appointed/appointed.

Name of Director	Mr. Tanil.R.Kilachand	Mr.A.B.Shah
Age	73 years	51 years
Qualification	B.A from Cambridge University in History and Law M.B.A in Business Administration from Harvard Business School	B.E Mechanical
Date of Appointment	11.03.1992	31.10.2002
Expertise	He has over 46 years of experience in industry, management, implementation of projects etc. He has been associated with various Chambers of Commerce and was the President of Indian Merchants' Chamber. He has been associated with various Charitable trusts and is Director/ Chairman of several Companies	Working with Financial institution since 1983. Appraising and analysing projects technically and financially. He has vast experience in the field of engineering.
Other Directorship in Public Companies (excluding Private Companies) as on 31 <sup>st</sup> March, 2010.	Polychem Ltd. & Ginnars and Pressers Limited	Gujarat State Machine Tools Corp. Ltd, Gujarat Thermis Biosyn Ltd, Gujarat Lease Financing Ltd and Gujarat Gold Coin Ceramics Ltd
No of equity shares held	49,602	—

By Order of the Board of Directors

J.M.SHAH  
Company Secretary

### Registered Office:

Plot No. B-17/18,  
Gandhinagar Electronic Estate  
Gandhinagar 382024, Gujarat.  
Dated : 29th May, 2010



**DIRECTORS' REPORT TO THE MEMBERS**

Your Directors present the Twenty First Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2010.

**1. PRODUCTION ACTIVITIES**

During the Financial Year 2009-10 your Company recorded a Production of 1372.13 Lac pcs in comparison to 967.15 Lac pcs in Financial Year 2008-09, an increase of 42 %.

**2. SALES**

The total sales during the Financial Year 2009-10 is Rs.757.49 Lacs against sales of Rs. 681.64.Lacs in last Financial Year , an increase of 11%. The market slow down was dominant in the first 3 Quarters and signs of improvement have been observed in Quarter –IV. Due to change in product Mix the Average Selling Price recorded were lower than last year. Major sales recorded were in the Industrial & Instrumentation, Telecommunication & Automotive segments.

**3. FINANCIAL RESULTS**

The Company's operations for the year has resulted into profit of Rs. 2841.47 Lacs after interest write back of Rs. 2893.19 Lacs (Previous year loss of Rs.40.62 Lacs). Before interest and depreciation & tax there is surplus of Rs.100.49 Lacs (Previous year : Rs.134.65 Lacs).

In view of the accumulated loss, your Directors have not been able to recommend any Dividend for the year 2009-10.

**4. FINANCE**

The Company has not received any additional loans from the financial institutions during the year ended 31st March, 2010.

**5. FIXED DEPOSITS**

The Company has not received any deposits from Public during the year.

**6. PARTICULARS OF EMPLOYEES**

Provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 are not applicable to the Company.

**7. PROCEEDINGS BEFORE THE AAIFR / BIFR**

In compliance with the Order of the Appellate Authority for Industrial & Financial Reconstruction (AAIFR) dated 27<sup>th</sup> March, 2002, the Company has substantially fulfilled its obligations as per the directions of AAIFR, as depicted hereunder:

- 1) The company has converted Rs.75 lacs into equity shares of cash value of Rs.10/- each.
- 2) The company also converted Rs.981.50 lacs into 0.5% non-cumulative preference shares;
- 3) And balance dues of Rs.861.41 lacs under One Time Settlement (OTS) to term lenders has been already paid in full.

However, the company has still to pay to Bank of Baroda balance towards FITL – I Rs.28 lacs and towards FITL – II Rs.59 lacs.

The Board for Industrial & Financial Reconstruction (BIFR) vide its Order dated 28.04.2009 had directed that the Company shall implement the provision of Sanctioned Scheme and redeem the non-cumulative Preference shares. The Company thereafter, as legally advised, filed an appeal before AAIFR, against the said Order, inter alia praying for stay in respect of the same which was granted vide AAIFR order dated 23.07.2009. Next hearing in the said appeal is scheduled on 23.07.2010.

The BIFR vide their order dated 28.04.2010, has directed the Company to inform them the development in appeal pending in AAIFR against BIFR order dated 28.04.2009, with a copy to ICICI (MA). The BIFR has fixed the next hearing on 1.09.2010.

**8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO ETC.**

As required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1968, the Report of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo etc. is given in Annexure-I forming part of this report.

**9. DIRECTORS**

Mr. Tanil R. Kilachand and Mr. A.B.Shah retire from office by rotation but being eligible, offer themselves for reappointment.

**10. AUDIT COMMITTEE**

Your Company has set-up an Audit Committee of Directors as mandated by section 292(A) of the Companies Act, 1956 as amended. Mr.Chandrakant Khushaldas,Brig.K.Balasubramaniam and Mr.T.R.Kilachand are the members of the Audit Committee.

**11. DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors confirm that :

- (i) in the preparation of the annual accounts, applicable accounting standards have been followed, with proper disclosure of any departures;
- (ii) the accounting policies are consistently applied and reasonable, prudent judgement and estimates are made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) that the Directors have prepared the annual accounts on a going concern basis.

**12. CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Listing Agreement a separate report on Corporate Governance and a certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance are annexed to the Directors' Report.

**13. AUDITORS' REMARKS**

As regards the remarks in the Auditors' Report, please refer to the Notes on Accounts which are self-explanatory.

**14. APPOINTMENT OF AUDITORS**

You are requested to appoint Auditors. The retiring Auditors M/s.C.C.Chokshi & Co., Chartered Accountants, Ahmedabad are eligible for re-appointment.

**15. ACKNOWLEDGEMENT**

Your Directors express their sincere thanks to the Central and State Government authorities, including Gujarat Industrial Investment Corporation Ltd., Bank and Financial Institutions and the Collaborators Kyocera-AVX Corpn of USA.

Sincere thanks are also due to the Management team, the staff and workers for their valuable contribution during this critical period of the Company.

On behalf of the Board of Directors,

**T. R. KILACHAND**  
Chairman

**Registered Office :**  
Plot No. B-17/18  
Gandhinagar Electronic Estate  
Gandhinagar 382 024  
GUJARAT.

Dated : 29<sup>th</sup> May, 2010.

**ANNEXURE I**

**A. CONSERVATION OF ENERGY**

- a) Energy conservation steps taken :
  - i) Preventive maintenance programme has led to reduction of energy consumption with better productivity.
  - ii) Effective supervision and control for optimum energy usage in plant.
- b) Additional Investments & Proposals being implemented
  - i) Maintenance schedule monitoring for effective use of the machinery.
  - ii) Monitoring the effective use of utilities.
- c) Impact of measures at (a) & (b) above:  
The above implementation have resulted to achieve better productivity and reduced energy cost.
- d) Power & Fuel Consumption : Not Applicable

**B. TECHNOLOGY ABSORPTION  
FORM - B**

**1. SPECIFIC AREAS IN WHICH R & D CARRIED OUT BY THE COMPANY**

- i) Effective control of manufacturing processes to reduce the consumption of Raw materials .
- ii) Continuous development of jigs and fixtures/tools locally.
- iii) Continued development of imported spares

**2. BENEFITS DERIVED AS A RESULT OF ABOVE R & D**

- i) As a result of above improved the process and reduced down time of m/cs.
- ii) Consistent manufacturing process

**3. FUTURE PLAN OF ACTION**

- i) Continuous indigenization of machine toolings, jigs & fixtures and raw materials.
- ii) To develop jigs & fixtures to increase the product range.
- iii) Continue the development of products similar to our present range of products.

**4. EXPENDITURE OF R & D**

Negligible

**TECHNOLOGY-ABSORPTION, ADAPTATION & INNOVATION**

- (1) (a) Technology Absorption  
Technology Absorption is complete in the areas commissioned
- (b) Adaptation  
As part of continuous quality improvement, alteration of process conditions and parameters are being undertaken on a regular basis.
- (c) Innovation

Systems adopted have led to improvement in the process

**(2) BENEFITS**

- i) Increase in product range .
- ii) Reduction in down time and improve the processes of the equipment.

**(3) IMPORTED TECHNOLOGY**

No additional import of Technology in the Financial Year 2009-10.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

- i) Total Foreign Exchange used : Refer note 17(f) of Schedule 15 (B)
- ii) Total Foreign Exchange earned : Rs. NIL



## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **Overview**

Your Company was established in the year 1989 in collaboration with AVX LTD, USA, a world leader in passive components to manufacture Multilayer Ceramic Capacitors in Radial, Axial, Surface Mount Devices (SMD's) Configuration & subsequently Singlelayer (Disc) Ceramic Capacitors. This state of the art facility was set up in the Electronic Estate in GANDHINAGAR, GUJARAT & is now one of the largest manufacturer of Ceramic Capacitors in India.

### **Industrial Structure and Development**

Ceramic Capacitors are classified under Passive Electronic Components which are the basic building blocks of any Electronic System. These parts are supplied to a cross section of Original Equipments Manufacturers (OEM's) in the following segments.

- (1) Computer & Computer Peripherals
- (2) Instrumentation and Industrial Electronics
- (3) Consumer Electronics
- (4) Defence
- (5) Telecommunications
- (6) Dealers
- (7) Electronic Manufacturing Services (EMS)

Ceramic Capacitors manufactured, by your Company, are supplied to Original Equipment Manufacturers (OEM's) in the rapidly growing electronic industry.

### **Opportunities and Threats**

- Due to their wide range and miniature size Ceramic Capacitors are the most commonly used component.
- The Electronic Industry as a whole is one of the fastest growing industry in India where our Capacitors find applications.
- These capacitors find large scale usage by the EMS industry employing automatic and sophisticated Assemble lines.
- Our capacitors are also marketed through a wide Dealer Network
- Of late your Company has also started Trading in other types of Capacitors used by our existing customers.
- The volatility in the metal prices as well as in other raw materials have a major impact on the bottom lines.
- Our products are fiercely competitive particularly against the imported Chinese products.
- It is very easy to import components as the customs duty is NIL

### **Risks & Concerns**

- With the advent of EMS has led to competitive pricing as customers have access to global sourcing.
- Kit culture continues to be popular in India particularly in the new Technology areas.
- The overall market slow down was dominant in the first 3 Quarters of the Financial Year 2009-10 and has shown signs of revival in Quarter IV effecting our growth plans.

### **Performance by Sector and Products**

As discussed about the advent of EMS has led to Automation in volumes leading to change in our product mix from Leaded Devices to SMDs. This change in product mix has resulted in low ASP's overall during the Financial Year 2009-10. Due to Market slowdown we have, for the first time in many years, recorded a decline in the Instrumentation and Industrial Electronics Segment. However a positive growth is particularly evident in the Automotive & Telecommunication segments.

Accordingly, the sales recorded during the Financial Year 2009-10 was Rs.757.49 Lacs against Rs.681.64 Lacs in the previous year and the production recorded was 1372.13 Lacs pcs against 967.15 Lacs pcs previous year an increase of 42%.

### **Outlook**

With the above possibilities, the Directors are hopeful of increasing the Sales Turnover of the Company.

The Company is cautiously optimistic about the growth prospects for the current Financial Year.

### **Internal Control System and their Adequacy**

Gujarat Poly-AVX Electronics Ltd has adequate system of internal controls to ensure all assets are safeguarded and protected against loss from unauthorised use or disposition and that transactions are authorised, recorded and reported correctly.

Your Company has nominated Internal Auditors who evaluate all financial and operating system control of the company. The Internal Auditors also review the internal controls to ensure Accounts of the Company are maintained and transactions are in accordance with the prevailing laws and regulations.

Internal Audit findings and recommendations are reviewed by the top management and the Audit Committee of the Board. The Committee reviews the quarterly, half yearly and annual financial statements before these are submitted to the Board and ensures compliance of internal control system.

### **FINANCIAL PERFORMANCE**

#### **Reserves & Surplus**

During the year under review there has been no changes in the capital reserves of the company which stands at Rs.29,75,000/-

#### **Secured Loans**

As per Appellate Authority for Industrial & Financial Reconstruction (AAIFR) Order dated 27<sup>th</sup> March, 2002, the Company has paid in full one time settlement (OTS) dues including interest to Term Lenders including Bank of Baroda. Board for Industrial & Financial Reconstruction has approved restructured payment of Funded Interest Term Loan – I and Funded Interest Term Loan – II of Bank of Baroda.

#### **Fixed Assets (Net Block)**

The Net Block as on 31.3.2010 is Rs.362 Lacs compared to Rs.487 Lacs for previous year. The net block has gone down due to depreciation / adjustment for the year.

#### **Investments**

The Company has not made any investments during the year.

#### **Net Current Assets**

The net current assets of the Company have decreased from Rs.423.31 Lacs to Rs.359.20 Lacs.

#### **Results of operations**

The revenue during the year has increased from Rs. 681.64 Lacs to Rs. 757.49 Lacs mainly due to growth in the sale to Automotive, Telecom etc. There is a profit of Rs.2841.47 Lacs after write back of Rs.2893.19 lacs for the year against loss of Rs.40.62 Lacs in the previous year. Provisions for the interest and financial charges are Rs. 24.44 lacs compared to Rs.45.23 Lacs during the previous year.

Payment to and provision for employees amounts to 17.80 % of sales compared to 17.94 % in the previous year. Depreciation amounts to 16.87% of sales during the year compared to 18.86% in the previous year.

The Company cannot recommend dividend due to accumulated losses.

#### **Material Development in Human Resources**

Your company's strength lies in our human resources and total employee involvement and has played a very important role in our company's growth. Emphasis is placed on effective communication, continuous on going training and regular upgradation of each individual's performance / skills. The company empower every employee to be leader in its stride towards total quality.

## **CORPORATE GOVERNANCE REPORT**

The Securities and Exchange Board of India (SEBI) ushered in a formal code of corporate governance (hereafter the code) through clause 49 in the listing agreement executed by the Company with a stock exchange. Clause 49 lays down several corporate governance practices which listed companies are required to adopt. The code has been periodically upgraded to ensure the adoption of best corporate governance practices by the corporates. While most of the practices laid down in clause 49 require mandatory compliance, few are recommendatory in nature. This report sets out the compliance status of the Company with the requirements of corporate governance, as set out in clause 49, for the financial year 2009-2010.

### **Company's Philosophy on Corporate Governance:**

The Philosophy on Corporate Governance aims at attainment of the highest level of transparency, accountability and equity in the functioning of the Company vis-à-vis interactions with employees, shareholders, creditors and customers. The objective of the Company is not only to meet the statutory requirements of the code but also go well beyond it by instituting such systems and procedures as are required in accordance with the latest global trend of making management completely transparent and institutionally sound.

### **1. Board of Directors**

The Company has 7 Directors including a Non-Executive Chairman. There are 6 Non-Executive Directors out of which 2 are Independent Directors. Board of Directors is responsible for management of the Company's business. The Board's role, functions, responsibility and accountability are clearly defined.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Chairmanships/Memberships held by them in other companies is given below. Other directorships do not include alternate directorships, directorships of private limited companies, Section 25 companies and of companies incorporated outside India. Chairmanship/Membership of Board Committees includes only Audit and Shareholders'/Investors' Grievance Committees.

The table below provides the composition of the Board of Directors as on 31.03.2010.

### **FY 2009-10 (April '09 to March '10)**

Name of the Director	Attendance Particulars			Sitting fees  Rs.	No. of other Directorship and Committee Membership/ Chairmanship	
	Category	Board Meetings	Last AGM held on 3.08.09		Other Directorship in Public Limited Companies	Committee Membership/ Chairmanship
Mr. T.R.Kilachand	Chairman	3	No	6,000/-	2	2
	NED					
Mr. P.T.Kilachand	NED	2	Yes	4,000/-	3	1
Brig.K.Balasubramaniam	NED(I)	3	Yes	6,000/-	—	—
Mr.C.Khushaldas	NED(I)	4	Yes	8,000/-	1	—
Mr. A.B.Shah						
(Nominee of GIIC)	NED	1	Yes	2,000/-	4	2
Mr. R.K.Jani						
(Nominee of GIIC)	NED	3	No	6,000/-	—	—
Mr. A.H.Mehta	ED	3	No	—	—	—

### **Notes:**

1. NED – Non-Executive Director.
2. NED (I) – Non-Executive and Independent Director.
3. ED – Executive Director
4. Mr.Tanil R. Kilachand and Mr.Parthiv T. Kilachand, are related. No other directors are related

### **Number of Board Meetings held and dates on which held**

Four Board Meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows:

29<sup>th</sup> May, 2009, 3<sup>rd</sup> August, 2009, 30<sup>th</sup> October, 2009 and 27<sup>th</sup> January, 2010.



## 2. Audit Committee

- The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement with the Stock Exchange read with Section 292A of the Companies Act, 1956. Terms of reference of the Audit Committee are broadly include overseeing financial report processes, reviewing with the management the financial statements and adequacy of internal control systems, reviewing the adequacy of internal audit function and discussion with internal auditors on any significant findings and follow-up thereon.
- Minutes of meetings of the Audit Committee are circulated to members of the Committee and the Board is kept apprised.
- Composition and Attendance

During the year under review, Four meetings of the Audit Committee were held on the following dates and the attendance of each member of the Committee is given below:

- 29<sup>th</sup> May, 2009, 3<sup>rd</sup> August, 2009, 30<sup>th</sup> October, 2009 and 27<sup>th</sup> January, 2010

Name of the Director	Designation	Category	Committee Meetings	
			Held during the tenure	Attended
Mr. Chandrakant Khushaldas	Chairman	Non-Executive Independent Director	4	4
Brig. K.Balasubramaniam	Member	Non-Executive Independent Director	4	3
Mr.T.R.Kilachand	Member	Non-Executive	4	3

The majority of the members of the Audit Committee are independent and have knowledge of finance, accounts, company law and telecom industry as a whole. The quorum for audit committee meeting is minimum of two members.

The Company Secretary acts as the Secretary to the Committee.

### Details of number of Shares and Convertible instruments held by Non-Executive Directors

Except Mr.T.R.Kilachand and Mr.P.T.Kilachand who hold 49,602 and 17,682 Equity Shares of Rs.10/- each of the Company respectively, no other Non-Executive Director holds any shares or Convertible instruments of the Company.

## 3. Adoption of Non-mandatory requirement of Clause 49

The Company complies with the following non-mandatory requirements stipulated under Clause 49.

### Remuneration Committee:

Terms of reference

The Terms of Reference of Remuneration Committee include recommending to the Board of Directors specific remuneration packages for Executive Director and management staff.

The composition of the remuneration committee as on 31st March, 2010 was as under:

Sr.No.	Name of the Director	Designation
1.	Mr. Chandrakant Khushaldas	Chairman
2.	Brig. K.Balasubramaniam	Member
3.	Mr. P.T.Kilachand	Member

All the above Directors are Non-Executive and the Chairman is an Independent Director.

No Remuneration Committee meeting was held during the year 1.04.2009 to 31.03.2010.

## 4. Shareholders'/Investors' Grievance Committee

The following Directors are the members of the said Committee:-

Sr.No.	Name of the Director	No. of Meeting(s)	
		Held	Attended
1.	Mr. T.R.Kilachand - Chairman	18	17
2.	Mr. P.T.Kilachand - Non-Executive Director	18	18
3.	Mr. A.H.Mehta - Executive Director	18	17

The Committee would look into the redressal of the shareholders' complaints in respect of all matters including transfer or credit of shares to demat accounts, non-receipt of Notices/Annual Reports, non-receipt of Share Certificates etc.

Share Transfer formalities are attended to at least once a fortnight.

Mr. J.M.Shah, Company Secretary provided secretarial support to the Committee and was also the designated Compliance Officer of the Company.

Twelve complaints were received during the year and were solved. There are no complaints pending from the shareholders as on 31.3.2010.