



Indo Count Industries Limited - 21st Annual Report 2009-2010

BOARD OF DIRECTORS

Mr. C. P. Ravindranath (EXIM Bank Nominee)
Mr. Dilip J. Thakkar
Mr. Jagdish Prasad Mohta (upto 30-10-2009)
Mr. Kamal Mitra
Mr. P. N. Shah
Mr. Prem Malik (w.e.f. 30-10-2009)
Mr. R. Anand
Mr. R. G. Kelkar (Union Bank of India Nominee w.e.f. 30-09-2009)
Mr. Sushil Kumar Jiwarajka

CHAIRMAN AND MANAGING DIRECTOR

Mr. Anil Kumar Jain

JT. MANAGING DIRECTOR

Mr. R. N. Gupta

COMPANY SECRETARY

Mr. Shirish S. Sule

AUDITORS

B. K. Shroff and Co.
Chartered Accountants
3/7-B, Asaf Ali Road
New Delhi - 110 002

BANKERS

Canara Bank
Union Bank of India
Bank of India
Bank of Baroda

REGISTERED OFFICE

Village Alte : Taluka : Hatkanangale, P.B. No 3
Dist. Kolhapur 416 109, Maharashtra

SPINNING AND ELECTRONIC UNITS

D-1, MIDC Industrial Area, Gokul Shirgaon
Kolhapur - 416 234, Maharashtra

HOME TEXTILE AND

CONSUMER DURABLE GOODS UNITS

T-2, Kagal - Hatkanangle, Five Star MIDC Area
At post : Talandge, Taluka : Hatkanangale
Kolhapur - 416 216, Maharashtra

HEAD OFFICE

301, Arcadia
Nariman Point
Mumbai - 400 021

DELHI OFFICE

705, Pragati Tower
26, Rajendra Place
New Delhi - 110 008

KOLKATA OFFICE

1-B, Janki Shah Road
Hastings, Kolkata - 700 022

THANE OFFICE

Gala No. 23-25
Vardhaman Industrial Complex
Gokul Nagar
Thane (W) - 400 601

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NOTICE

NOTICE is hereby given that the 21st Annual General Meeting of **INDO COUNT INDUSTRIES LIMITED** will be held on Saturday, the 31st July, 2010 at 11.00 a.m., at the Registered Office of the Company at Village Alte, Taluka Hatkanangale, Dist. Kolhapur 416 109, Maharashtra to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Accounts for the financial year ended 31st March 2010 and the Report of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr R N Gupta, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr P N Shah, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr Kamal Mitra, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.
6. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Sec 260 of the Companies Act, 1956, and other applicable provisions, if any, for the time being in force, Mr. Prem Malik be and is hereby appointed as the Director of the Company, whose term of office shall be determined to retire by rotation."

By Order of the Board

Place : Mumbai
Date : 1st June, 2010

Shirish S. Sule
Company Secretary

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 AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The proxy form should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the aforesaid Meeting.

2. Register of Members and the Share Transfer Books of the Company will remain closed from 23-07-2010 to 31-07-2010 (both days inclusive).

3. Members are requested to:

- (i) intimate, changes, if any, in their Registered Addresses immediately;
- (ii) intimate about consolidation of folios if shareholdings are under multiple folios;
- (iii) intimate for duplicate dividend warrants if they have not encashed their warrants for the previous year;

Pursuant to the provisions of section 205C of the Companies Act, 1956, all unpaid dividend upto financial year ended 2001-02 have been transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Once the unpaid amount is transferred to the IEPF, no claims shall lie against the IEPF or the Company in respect of individual amounts which were unclaimed or unpaid.

- (vi) quote ledger Folio No./DPID/Client ID in all their correspondence; to the Company's Registrar & Transfer Agent:-

Link Intime India Pvt Ltd.

A-40, Naraina Industrial Area, Phase-II,
2nd Floor, Near Batra Banquet Hall,
New Delhi - 110 028.

Phone: +91-011-41410592, 41410593 &
41410594 • Fax : +91-011-41410591

4. MEMBERS ARE ADVISED TO SEND ALL SHARE TRANSFERS AND RELATED CORRESPONDENCE TO THE REGISTRAR AND SHARE TRANSFER AGENT AT THE ABOVE ADDRESS.
5. Members/Proxies should bring the attendance slip duly filled in for attending the aforesaid meeting.
6. Shareholders intending to require information about accounts to be explained in the Meeting are requested to inform the Company at least 7 days in advance of the Annual General Meeting.

By Order of the Board

Place : Mumbai
Date : 1st June, 2010

Shirish S. Sule
Company Secretary



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EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

Item No. 6

Mr. Prem Malik was appointed as an Additional Director of the Company on 30th October, 2009. Pursuant to Sec 260 of the Companies Act, 1956, Mr. Malik continues to hold office till the conclusion of the ensuing Annual General Meeting. The Company has received a written request from a member, under Sec 257 of the Companies Act, 1956, proposing Mr. Malik's candidature for the office of Director of the Company.

The Board recommends the shareholders to pass the resolution.

None of the Directors except Mr. Malik is in any way concerned or interested in the Resolution.

Additional information: As required in terms of Para IV (G) of Clause 49 of the Listing Agreement - Brief Profile of Directors with respect to Appointment / Reappointment :

1) Mr R N Gupta (Re-appointment)

Mr R N Gupta is a B. Text and has rich experience in textile industry for more than 43 years. Mr. Gupta has been associated with the Company since inception and has been on the Board of the Company since 27th November, 1995.

Outside Directorship: Nil

Committee Chairmanship/Membership:

Name of the Company	Audit Committee	Investors' Grievances Committee	Share Transfer Committee
Indo Count Industries Ltd.	Member	Member	Member

2) Mr P.N Shah (Re-appointment)

Mr P.N Shah is a Chartered Accountant by profession. Mr. Shah has been on the Board of the Company since 30th September, 1992.

Outside Directorship : a) P I Industries Ltd, b)Secure Meters Ltd., c) Taparia Tools Ltd., d) Lipi Data Systems Ltd., e) Wolkem India Ltd., f) LIC Mutual Fund Trustee Company Pvt. Ltd., g) Pranavdaitya Spinning Mills Ltd.

Committee Membership/Chairmanship :

Name of the Company	Audit Committee	Remuneration Committee
Indo Count Industries Ltd	Chairman	Member
P.I Industries Ltd	Chairman	Member
Lipi Data Systems Ltd	Chairman	Member
Taparia Tools Ltd	Member	Member
Pranavadiya Spinning Mills Ltd	Member	—
Secure Meters Ltd	Chairman	Member

3) Mr Kamal Mitra (Re-appointment)

Mr Kamal Mitra, holds a Bachelor Degree in Textile Engineering and has rich experience for more than 31 years in the textile industry. Mr. Mitra has been associated with the Company since December, 2003 and has been appointed on the Board of the Company since 27th September, 2007.

Outside Directorship: Pranavadiya Spinning Mills Ltd.

Committee Chairmanship/Membership:

Name of the Company	Audit Committee	Investors' Grievances Committee	Share Transfer Committee
Indo Count Industries Ltd.	—	Member	Member
Pranavadiya Spinning Mills Ltd.	* Chairman	Member	—

* upto 25-06-2009 and Member thereafter.

4) Mr Prem Malik (Appointment)

Mr. Malik is an M.A. (Master of Arts) and possesses rich experience in the Textile field and has been on the Board of the Company since 30-10-2009.

Outside Directorship : a) Spentex Industries Ltd., b) GTN Textile Industries Ltd., c) Gyscoal Alloys Ltd., d) Smilesville Care Pvt Ltd., e) Alder Trading Co. Pvt Ltd., f) CLC Textiles Park Pvt. Ltd., g) Cotton Association of India, h) Cotton Textiles Export Promotion Council, i) Synthetic and Rayon Export Promotions Council of India (SRTEPC), j) Bombay Textile Research Association (BTRA).

Committee Chairmanship/Membership:

Name of the Company	Audit Committee
GTN Textiles Ltd.	Member
Spentex Industries Ltd.	Member

By Order of the Board

Place : Mumbai
Date : 1st June, 2010

Shirish S. Sule
Company Secretary



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DIRECTORS' REPORT

To
The Members

INDO COUNT INDUSTRIES LIMITED

Your Directors have pleasure in presenting the Twenty First ANNUAL REPORT and the Audited Statement of accounts of the year ended 31st March 2010.

FINANCIAL RESULTS

(Rs. in Crore)

Particulars	Current Year	Previous Year
TOTAL INCOME	396.99	290.23
Gross Operating Profit (before exceptional items)	28.92	37.15
Less : Interest	27.32	21.43
Profit/(loss) before Depreciation, Taxation and exceptional items	1.60	15.72
Less : Depreciation	18.09	18.53
Profit/(loss) Before Tax	(16.49)	(2.81)
Exceptional item – Exchange gain/(loss)	(11.52)	(67.72)
Provision for Taxation	9.40	18.02
Net Profit/(loss) After Taxation	(18.61)	(52.51)
Balance Brought Forward	(15.67)	(11.99)
Less: Transfer from General Reserve	0.00	48.83
Surplus/(deficit) Carried to Balance Sheet	(34.28)	(15.67)

Performance Review

Company as a Whole

During the year under review, the Company has earned a total income of Rs 396.99 crore as against Rs 290.23 crore during the previous year registering a growth of about 37%

Textile Division

During the year under review, this Division has recorded a sales turnover of Rs. 349.24 crore as against Rs. 278.58 crore in the previous year, registering about 25% growth.

The operating profit of the Division remained moderate, despite sharp appreciation in the cost of basic inputs like Cotton, Yarn, Power, Labour etc.

At this back drop, we are privileged to inform you that during the year under review, your Company was conferred with the following prestigious awards by an apex Textile Institution in India viz. TEXPROCIL :-

1. Silver Trophy for Second highest Exports of other Cotton Made- Ups and
2. Bronze Trophy for Third highest Exports of Bed Linen/ Bed Sheets/Quilts.

Electronic/Consumer durable goods Division

During the year under review Electronic Division has scaled up its operations since August 2009 and has registered a sales turnover of Rs 47.75 Crore as against Rs 11.65 Crore during the previous year, registering an excellent growth of 312%.

Business Outlook

Textile Division

Stiff competition from China, prevailing in the Export market had made Indian Exports to strive more to keep their presence in the International market. However, Indian Textile Exporter will have a sharp edge over Chinese Market, as China's problems are surging raw material prices, high labour costs. The Global economy is improving, in general, which influenced the markets of USA and Europe, and these markets are on the recovery path. Management hopes that the recessionary trend will not last long and there is promising future for the Indian Textile Industry.

Costs of the major inputs have continued to escalate, exerting pressure on the margins, coupled with steep appreciation of Indian Rupee. Of late price realization of Yarn and Made Ups have started improving.

Steep rise in the Exports of cotton has caused price spiral in raw cotton and Yarn this year. Considering phenomenal increase in the costs of Raw Material and in order to boost the local sale of Yarn, the Government of India has withdrawn facility of DEPB and Duty Drawback on exports of Cotton Yarn (both for grey and dyed) with effect from 21-04-2010 and 29-04-2010, respectively, which might impact the margins of the Company in the days to come.

Your Company's Products are well accepted in the Export Market. Your Company has become a fully integrated unit having facilities from Spinning to Finished ready to use consumer goods, which is expected to create substantial value addition. Your Company believes that its scale of operations and integration across the Textile chain will, in future, offer significant advantages in both cost and revenue.



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The demand for the Company's products, both from domestic and international markets is growing. The management hopes that Marketing initiatives across the world have both de-risked your Company as well as contributed healthy order book, which will enable your Company to carve out a niche market for its products in the coming years. To take advantage of this growing domestic/international markets, your Company is also planning to establish Office/Showroom/warehouses in and outside India, which would help to dent new markets for the Company's Product.

To conclude, Indo Count withstand good preparatory dispositions and determination to stay on the forefront of global competition game in reaping benefits of the opportunities.

Electronic Division

The Consumer durable goods/Electronic Goods industry has witnessed a phenomenal growth over the past few years which can be attributed to the increasing effect of state of the art electronic devices in the market. The introduction of new technology has resulted in lower prices affordable to the masses.

Dividend

Due to losses, the Directors regret their inability to recommend dividend for the year.

Management & Discussion Analysis

Report of MDA is given in Annexure B forming part of this Report.

Segment

The Company is engaged in the manufacture and export of cotton yarn, grey knitted fabrics and cotton made ups, which are governed by the same set of risks and returns and as such are in the same segment.

The performance of the Electronic/consumer durable goods Division is reported as a separate segment.

Segment reporting as per AS 17 has been complied with.

Accounts

The Company has recognized in its books of accounts Deferred Tax Asset arising on account of tax effects of timing differences between the income tax and book depreciation. Your Directors expect that adequate profits will accrue in the future years from Company's business which will utilize the deferred tax asset fully.

Internal control systems and their adequacy

The Company has in place an elaborate internal control system to ensure proper authorization and accounting of transactions as also for safeguarding and protecting Company's assets against loss. The internal auditors check the controls periodically and their report is reviewed by the management and the Audit Committee from time to time. The management feels that the system of internal controls is adequate considering the size of operations of the Company.

Human Resources

During the year, labour relations continued to be cordial.

Development of employee skills and imparting knowledge on social compliance audits, quality assurance are very important to the business, for which training is conducted regularly.

Particulars of employees in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, are not given, as none of the employees qualify for such disclosure.

Corporate Governance

The Corporate Governance report together with a certificate from the Company's Auditors confirming compliance of guidelines are made part of this Report as per Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

Directors' Responsibility Statement

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

- a) that in the preparation of the accounts for the financial year ended on 31st March 2010, the applicable Accounting Standards have been followed and there are no material departures.
- b) that the Directors have selected such accounting policies and applied them consistently and made judgments 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 and of the loss of the Company for the year under review.
- c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting



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records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- d) that the Directors have prepared the Annual Accounts ended on 31st March 2010, on a 'going concern' basis.

Directors

In accordance with the provisions of the Companies Act, 1956, Mr. R N Gupta, Mr. P N Shah, and Mr. Kamal Mitra retire by rotation and being eligible, offer themselves for reappointment.

Mr. R G Kelkar, Nominee of Union Bank of India, joined the Board of the Company with effect from 30-09-2009. Mr. Prem Malik has been appointed as an additional Director on the Board of the Company with effect from 30-10-2009.

Auditors

M/s. B K Shroff and Co., Chartered Accountants retire at the end of this Annual General Meeting and are eligible for reappointment as auditors.

The observations of Auditors on MTM losses on outstanding derivative contracts, as referred in Auditors' Report are suitably explained in the Notes on Accounts. It is pertinent to mention that these losses are notional until they are crystallized on due dates.

Your Directors feel that the Company can meet its obligations arising out of these contracts.

Cost Auditor

Pursuant to the directives of the Central Government under the provisions of Section 233B of the Companies Act, 1956, and subject to the approval of the Central Government, M/s S N Bawadekar & Co., Cost Accountants, Mumbai, have been appointed as Cost Auditor to conduct cost audit relating to the products manufactured by your Company.

Company's Subsidiary

Pursuant to the provisions of Section 212 of the Companies Act, 1956, information on Company's Subsidiary viz. Pranavaditya Spinning Mills Ltd., has been attached forming part of Annual Report of the Company.

Conservation of Energy, Technology Absorption & Foreign Exchange Earning & Outgo

Statement required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure "A" forming part of this Report.

Acknowledgements

Your Directors are grateful to the customers, suppliers, banks, financial institutions and employees for their co-operation and assistance during the year under review.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could influence the Company's operations include economic developments outside the country, global demand and supply conditions in the industry, input prices, changes in government regulations, tax laws and other factors such as litigation and industrial relations.

On behalf of Board of Directors

Place: Mumbai

Date: 1st June 2010

Anil Kumar Jain

Chairman and Managing Director



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ANNEXURE A

Information Under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and Forming part of the Directors' Report for the financial year ended on 31st March 2010.

A. CONSERVATION OF ENERGY

Form - A

Form for Disclosure of particulars with respect to conservation of energy

Particulars	Current Year	Previous Year
a) Power and Fuel		
ELECTRICITY		
a) Purchased (Units)	562,75,068	488,95,160
Total amount – Rs	24,89,56,566	20,75,56,563
Rate/unit – Rs	4.42	4.24
b) Own generation:		
i) through diesel generator		
Unit	120,209	—
Unit/liter of diesel oil	3.28	—
Cost per unit – Rs	11.98	—
ii) Furnace oil		
Quantity (KL)	—	—
Amount Rs in Lac	—	—
Average Rate (Rs)	—	—
b) Electricity consumption per unit of production of :-		
i) yarn per kg	4.73	6.26
ii) Fabric processed per kg	3.56	3.68

(ii) Recurring - Expenditure has been shown under different heads in Profit & Loss Account amounting to Rs 10.10 lac. Total Research & Development expenditure as a percentage of total turnover – 0.03 %

2. Technology absorption, adaptation and innovation

The Company has not imported any technology since inception.

C. FOREIGN EXCHANGE EARNINGS AND OUT-GO

1) Activity related to initiatives taken to increase export markets for products and services and export - plans.

Since inception, the Company has been a predominant exporter of its production and net foreign exchange earner.

2) Total foreign exchange used and earned
(Rs. in Crore)

Particulars	2009-2010	2008-2009
Used	9.28	4.31
Earned (FOB value of export goods)	290.89	225.06

On behalf of Board of Directors

Place: Mumbai
Date: 1st June 2010

Anil Kumar Jain

Chairman and Managing Director

B. TECHNOLOGY ABSORPTION

Form - B

Technology Absorption, Adaptation and Innovation

- Specific areas in which R & D was carried by the Company - **NIL**
- Benefit derived from above R & D activities – **NIL**
- Future plan of action – **NIL**
- Expenditure on R & D - **NIL**
 - Capital – Rs Nil



ANNEXURE B

MANAGEMENT DISCUSSION AND ANALYSIS REPORT FORMING PART OF DIRECTORS' REPORT

Textile Division

Industry structure and developments

The number of Integrated textile units in the country has remained around 200 for a long time. These are in the organized sector and engaged in the complete value chain right from spinning to finishing of fabrics. Of this, about 10% is in the made up segment, rest being in the clothing segment.

Integrated mills score over others in terms of attracting large buyers as also investors who want to take exposure into and grow with the sector.

Integrated mills have their presence in domestic and export markets. Some have strong local brands.

State of the art integrated manufacturing facilities are one of the key strengths of the Company. Your Company has Integrated facilities and controls the complete value chain, having spinning, weaving, and fabric processing, cut/sew and designing facilities. Presently, majority of its production is exported. Your Company has plans to enter into domestic market either through its own brand or in partnership with existing channels. The management hopes to initiate this process at appropriate time, by establishing Office/Showroom/Warehouses domestically as well as Internationally.

Opportunities and Threats

Being predominantly export based, the Company's products are exposed to global economic conditions.

The joint efforts put in by the government of developed and developing (G20) countries to pull the global economy out of recession have resulted in restoration of consumer and business confidence. Hitherto, US and European countries accounted for about 65% of the global demand for home textile products. Your Directors hope that the global economic recession is on ending phase, economic recovery would be faster and Indian textile exports will soon spring back to normal level and further growth.

The initiatives taken by the Government of India to help exporters are laudable and need to be continued to remain competitive in the global market.

Risks and Concerns

Majority of the Indo Count's exports are denominated in US \$. Fluctuation in the exchange rate impacts both the top line and margins of the business. However, your Company has robust system and policy to monitor the risks arising out of Foreign Currency fluctuation.

Outlook

From the reports available in public domain, it is believed that the global economic recovery is on its way. It is only hoped that the growth momentum gathers steam soon and fast. Indian textile industry is generally competitive and considering the positive business conditions developing, outlook for cotton textiles appears to be good.

Electronic Division

Industry structure and developments

The consumer electronics industry is occupied by few branded Indian and multi national companies. Though the products are under common VAT system, non uniform tariff structure in different states and fiscal concessions granted by some state governments to local investment, have impact on the product pricing. Competition in this industry is therefore skewed.

In the retail segment, some private brands have been investing to get visibility and have established market share for their products.

Opportunities and Threats

The technology in consumer electronic products has been fast changing. Continuous Investment is required to adapt to the change and keep abreast with the technological development.

Your Company has plans to invest in up – gradation of facilities and manpower skills to meet the challenges.

The new product offerings in the market place have spooked interest in the consumers. Product differentiation, affordable pricing and easy financing methods have ensured reach of these products to the interior parts of the country and the OEM/ODM units have larger role to play in the business growth. Considering the nearness to market, the logistics and handling of fragile/bulky goods, regional units such as yours, are preferred by these brands.

Risks and concerns

The business of electronic manufacturing services units depends on the outsourcing requirement of the brand owners and is seasonal.

Your Company has developed expertise in providing complete end to end solution to the customers by offering logistic handling services, warehousing facilities, etc.

Outlook

The Company has established itself as a reliable electronic manufacturing services unit. Retail revolution has created new markets and the Directors believe there will be adequate opportunities for your Company to exist and expand the business.



CORPORATE GOVERNANCE WITH RESPECT TO ANNUAL REPORT

Corporate ethics

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Philosophy

Your Company is of firm view that good Corporate Governance in the year of continuing globalization and implementation of economic reforms, is the need of time and this alone can meet the aspiration of various sections of the society closely associated with the corporate world. Therefore, since its inception, the Company has been practicing good Corporate Governance, by constituting Board, Audit, Project Management and Remuneration Committees with independent professional members disclosing periodically adequate and true information to the Board/Committee, discussing Company's affairs in open, impartial and transparent manner and ensuing decision making, keeping in mind the interests of stakeholders and other business associates.

Your Company is committed to adopt best Corporate Governance practice mandated through Regulatory Authorities. Further, your Company recognizes that good Corporate Governance practices can alone act as a tool to guarantee long term economic profits, achieves sustained growth in business, enhance the shareholder value and to ensure continuation of belief and the trust reposed in the Corporate sector.

Status of Compliance

Your Company has been able to make significant compliance with the revised provisions of Clause 49 of the Listing Agreement.

2. BOARD OF DIRECTOR

a) Composition of the Board

Chairman & Managing Director along with the Joint Managing Director look after the day to day affairs of the Company. The Board of Directors monitor Company's performance and approve, review policies/ strategies and evaluate the management performance. The Board ensures legal and ethical conduct of business and accurate financial reporting.

The Company presently has Ten Directors of whom Chairman & Managing Director (CMD), Joint Managing Director (Jt. MD), and Director (Works) are Executive Directors.

Promoter is the Chairman and Executive Director and Joint Managing Director (Jt. MD) and Director (Works) are Non-Promoter Executive Directors.

Of the remaining Seven Directors, five are independent Directors who are professionals/ industrialist with experience in taxation, accounts, finance and general corporate management and one is a nominee of EXIM Bank of India and other is the nominee of Union Bank of India.

The Board of Directors meet at least once a quarter to review the Company's performance and financial results and more often, if considered necessary, to transact other important business.

b) Number of Board Meetings:

During the current accounting year ended 31st March 2010, 6 Board meetings were held on the following dates viz. 25-05-2009, 25-06-2009, 31-07-2009, 30-10-2009, 28-01-2010 and 27-02-2010.

The maximum interval between any two Board Meetings was less than 4 months as stipulated in Clause 49 of the Listing Agreement.

The 20th Annual General Meeting was held on 29th September 2009.



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c) Directors Attendance record and Directorship held as under:

Name of the Director	Designation	Category	During the period No. of Board Meetings		Whether attended last AGM	Directorship in other Public limited companies incorporated in India	Overall Committee Membership/ Chairmanship across Directorship	
EXECUTIVE			Held	Attended			Chairman	Member
Mr Anil Kumar Jain	Chairman & Managing Director	Promoter	6	6	Yes	3	2	6
Mr R N Gupta	Jt. Managing Director	Non-Independent	6	6	Yes	—	—	3
Mr Deepak M Pradhan # #	Director (Marketing)	Non-Independent	6	2	NA	—	—	—
Mr Kamal Mitra	Director (Works)	Non-Independent	6	4	Yes	1	—	4
NON EXECUTIVE								
Mr P N Shah	Director	Independent	6	6	No	6	4	2
Mr R Anand	Director	Independent	6	5	No	4	—	4
Mr Sushilkumar Jiwarajka	Director	Independent	6	4	No	6	—	—
Mr R G Kelkar @@	UBI Nominee	Independent	6	3	NA	—	—	—
Mr Dilip Thakkar	Director	Independent	6	5	No	13	4	5
Mr Jagdish P Mohta **	Director	Independent	6	1	No	—	—	—
Mr C P Ravindranth	EXIM Nominee	Independent	6	6	NA	2	—	—
Mr Prem Malik \$\$	Director	Independent	6	2	NA	3	—	2

Resigned since 25-06-2009, ** Resigned since 30-10-2009, @@ Nominated by UBI since 30-09-2009

\$\$ Appointed as an additional Director since 30-10-2009, □ Comprises only Statutory Committees

The Board has laid down and adopted Code of Conduct for all Board Members and Senior Management personnel of the Company at its meeting held on 31st January 2006.

No remuneration, other than sitting fees has been paid for attending the Board/Committee meeting. Details of sitting fees paid to the Directors are as under :-

Name of the Director	Sitting Fees Rs.	Name of the Director	Sitting Fees Rs.
Mr P N Shah	65,000/-	Mr J.P. Mohta	5,000/-
Mr R Anand	60,000/-	Mr C.P. Ravindranath (EXIM Bank Nominee)	30,000/-
Mr Sushil Kumar Jiwarajka	20,000/-	Mr R G Kelkar (Union Bank of India Nominee)	15,000/-
Mr Dilip J Thakkar	35,000/-	Mr Prem Malik	10,000/-

Chairmanship/Membership of every Director is within limits specified.

d) Information supplied to the Board:

A detailed agenda is sent to each Director sufficiently in advance of Board and Committee meetings. At every Board meeting the Chairman briefs the members on the overall performance of the Company.

Apart from the matters statutorily requiring the Board approval, all major decisions related to investments, capital expenditure, modernization programs, mobilization of resources and planning thereof are considered by the Board.

As per SEBI's code of Corporate Governance, the following information is regularly placed before the Board:-