

**JSL** JAYBHARAT SAREES LIMITED



Report Junction.com

20TH ANNUAL REPORT 2004 - 2005



**JAYBHARAT SAREES LIMITED****BOARD OF DIRECTORS**Shri Saurabh Tayal – *Chairman*Shri Raman Aggarwal- *Managing Director*

Shri Gaurav Thakur

Shri Akhilesh Kumar Vora

Shri Rajshekhar S.Ganiger

Shri Anil Kumar Dubey

Shri Subhash Chandra Nigam

Shri C.K.Porwal

Shri Farinda Bihari Rai

Shri Pravin Sharma

Shri Sanjay Nimbalkar

**PRINCIPAL BANKER**

Bank of Rajasthan Ltd.

**AUDITORS**

M/s Sanjay &amp; Vijay Associates

Chartered Accountants

**REGISTERED OFFICE**

Village Salvav ,Taluka Pardi

Near Vapi, Valsad, Gujarat

**CORPORATE OFFICE**

396, Veer Savarkar Marg,

Opp. Siddhivinayak Temple,

Prabhadevi,

Mumbai 400025.

**PLANTS**

Bhilad &amp; Vapi, Gujarat

Silvassa (U.T.of D.N.H.)

**CONTENTS**

Notice .....	2
Directors' Report .....	5
Corporate Governance Disclosure .....	8
Management Discussion and Analysis Report .....	13
Auditors' Report .....	15
Balance Sheet .....	18
Profit & Loss Account .....	19
Schedules & Notes .....	20
Notes on Accounts .....	23
Additional Information .....	25
Cash Flow Statement .....	26
Consolidated Financial Statement .....	27

**ANNUAL GENERAL MEETING** on Tuesday, 14<sup>th</sup> June 2005, at 12.30 p.m.,  
at Village Salvav, Taluka Pardi, Vapi ,Gujrat

**ANNUAL REPORT 2004-2005****NOTICE**

NOTICE IS HEREBY GIVEN that the 20<sup>th</sup> Annual General Meeting of the Members of JAYBHARAT SAREES LIMITED will be held at the Registered Office of the Company i.e. Village Salvav Taluka Pardi Near Vapi Dist Valsad – 396 191 at 12.30 p.m. on Tuesday the 14<sup>th</sup> June 2005 to transact the following business:

**ORDINARY BUSINESS**

1. To receive ,consider and adopt the Company's Balance Sheet as at 31<sup>st</sup> March 2005 and Profit and Loss Account for the year ended on that date and Reports of Directors and Auditors thereon.
2. To declare a dividend for the year 2004-05.
3. To appoint a Director in place of Shri Anil Kumar Dubey, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Rajshekhar S. Ganiger, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Pravin Sharma, who retires by rotation and, being eligible, offers himself for re-appointment.
6. To re-appoint M/s. Sanjay & Vijay Associates, Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix the Auditors' remuneration.

**SPECIAL BUSINESS**

To consider and, if thought fit, to pass with or without modifications the following resolutions **AS ORDINARY RESOLUTIONS :**

7. **"RESOLVED THAT** Shri Saurabh Tayal , who was appointed by the Board as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 on the 21<sup>st</sup> January 2005 and whose tenure of office comes to an end at this Annual General Meeting, be and is hereby appointed as Director of the Company, liable to retire by rotation."
8. **"RESOLVED THAT** Shri Raman Aggarwal , who was appointed by the Board as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 on the 21<sup>st</sup> January 2005 and whose tenure of office comes to an end at this Annual General Meeting, be and is hereby appointed as Director of the Company, liable to retire by rotation."
9. **"RESOLVED THAT** Shri C.K.Porwal , who was appointed by the Board as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 on the 21<sup>st</sup> January 2005 and whose tenure of office comes to an end at this Annual General Meeting, be and is hereby appointed as Director of the Company, liable to retire by rotation."
10. **RESOLVED THAT** Pursuant to section 198,269,309,310 and 311 and schedule XIII and other applicable provisions , if any , of the Companies Act,1956 the Company hereby approves the appointment made by the Board of Directors of the Company of Shri Raman Aggarwal as Managing Director w.e.f. 21<sup>st</sup> January ,2005 for a period of 3 years , upon the terms and conditions as set out in the Agreement executed on 21<sup>st</sup> January ,2005.
11. **"RESOLVED THAT :** pursuant to the recommendation of the Board of Directors in this behalf and pursuant further to Article 116 of Articles of Association and subject to the consent and other approvals, if any, a sum of Rs. 9,18,81,000/- standing to the credit of Profit and Loss Account be and is hereby capitalized and aforesaid sum of Rs 9,18,81,000/- be applied for allotment of bonus shares to person whose name appear on the Register of members on a date to be specified by Board of Directors in the proportion of Nine such new equity shares for every One existing equity shares held by such persons respectively on the said date, upon the footing they become entitled thereto for all purpose as capital.

**RESOLVED FURTHER THAT** any of such new shares which on an exact distribution in the proportion aforesaid, would fall to be allotted in fractions be allotted in the name of Director of the Company upon trust to sell the same and divide the net proceeds amongst the shareholders entitled to such fractions pro-rata in accordance with their rights ; and such new equity shares ,as and when issued and fully paid , shall rank parri pasu with the existing issued equity shares. Such equity shares shall carry the right to receive dividend pro-rata.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to settle any question or difficulty whatsoever in regard to the issue and allotment of the aforesaid bonus shares including any fractional entitlement of members in such manner as it may think necessary or expedient."

To consider and, if thought fit, to pass with or without modifications the following resolution **AS ORDINARY RESOLUTION :**

**JAYBHARAT SAREES LIMITED**

12. **RESOLVED THAT** pursuant to the provisions of Section 81 (IA) and other applicable provisions if any of the Companies Act, 1956 and subject to the approval of SEBI, RBI etc. and subject to such other approvals as may be necessary, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to issue Equity/Redeemable Preference Shares cumulative/non cumulative and/or shares not having voting rights (if permitted by law what so ever name called), Debentures secured or unsecured (Fully/Partly/Non Convertible and with or without interest), Bonds etc., with or without Detachable warrants of the aggregate value as may be decided by the Board of Directors of the Company with or without offering to the existing shareholders of the Company on Rights basis and/or to any Financial Institutions, Body Corporate or Persons by way of Private subscriptions and/or by a Public Issue to NRIs and to the general public and/or to employees of the Company, on such terms and conditions as to total amount of issue, Rate of Interest, Nominal Value, Convertibility, Time of conversion, Premium/Discount on issue, Premium on Conversion into shares, Nature of security, Disposal of un-subscribed portion, right to retain the excess subscription, Right of entitlement of Equity Shares if issued before full conversion of Debentures, Premium on Redemption, Period of Redemption and such other terms and conditions as the Board of Directors may deem fit".

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and to execute all such documents and writings, as it may consider necessary, (under the common seal of the company if required and proper for the purpose of giving effect to the above Resolution)"

**NOTES :**

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business is annexed hereto under item no 7 to 12 and forms an integral part of this notice.
2. A SHAREHOLDER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANOTHER PERSON (WHETHER A SHAREHOLDER OR NOT) AS HIS/HER PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. A PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING AND SHALL BE ENTITLED TO VOTE ONLY UPON A POLL.
3. The instrument(s) appointing the Proxy, if any, shall be delivered at the Registered Office of the Company not less than forty eight (48) hours before the commencement of the Meeting and the instrument of proxy shall be treated as invalid in case of default.
4. The Register of Members and Share Transfer Register of the Company will remain closed from Friday, the 10<sup>th</sup> June 2005 to Tuesday, the 14<sup>th</sup> June 2005 (both days inclusive) to comply with Annual Book Closure requirements.
5. All documents and agreements referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, except holidays, between 10.00 A.M. and 1.00 P.M., up to the date of Annual General Meeting.
6. Members holding shares under multiple folios in the identical order of names are requested to consolidate their holdings into one folio.

**For and on Behalf of the Board of Directors**

Place: Mumbai

Date : 27<sup>th</sup> April 2005

**Saurabh Tayal**  
Chairman

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM NO. 7 :**

Shri Saurabh Tayal was appointed as an Additional Director by the Board on the 21st January 2005 under Section on 260 of the Companies Act, 1956. He holds office till the conclusion of this Annual General Meeting. The Company has received a Notice alongwith the requisite deposit amount from a member, under Section 257 of the Act, signifying his intention to propose the candidature of Shri Saurabh Tayal for the office of the Director of the Company.

The Board recommends the passing of this resolution. None of the Directors except Shri Saurabh Tayal is interested in this resolution.

**ITEM NO. 8 :**

Shri Raman Aggarwal was appointed as an Additional Director by the Board on 21st January 2005 under Section 260 of the Companies Act, 1956. He holds office till the conclusion of this Annual General Meeting. The Company has received a Notice along with the requisite deposit amount from a member, under Section 257 of the Act, signifying his intention to propose the candidature of Shri Raman Aggarwal for the office of the Director of the Company.

**ANNUAL REPORT 2004-2005**

The Board recommends the passing of this resolution. None of the Directors except Shri Raman Aggarwal is interested in the resolution.

**ITEM NO. 9 :**

Shri C.K. Porwal was appointed as an Additional Director by the Board on 21st January 2005 under Section 260 of the Companies Act, 1956. He holds office till the conclusion of this Annual General Meeting. The Company has received a Notice along with the requisite deposit amount from a member, under Section 257 of the Act, signifying his intention to propose the candidature of Shri C.K. Porwal for the office of the Director of the Company.

The Board recommends the passing of this resolution. None of the Directors except Shri C.K. Porwal is interested in the resolution.

**ITEM NO.10 :**

Shri Raman Aggarwal was appointed as Managing Director by the Board on 21<sup>st</sup> January, 2005 pursuant to section 198,269,308,309,310 and 311 and schedule XIII of the Companies Act 1956 subject to the approval of members in the General Meeting for a period of 3 years upon terms and conditions as set out in the Agreement dated 21<sup>st</sup> January,2005.

Broad terms and conditions of his appointment are as follows :

A. Salary : Rs. 10000/- P.M.

B. Perquisites : As per Company's Rules, subject to the ceilings prescribed under schedule XIII of the Companies Act ,1956.

The Board recommends the passing of this resolution. None of the Directors except Shri Raman Aggarwal is interested in the resolution.

**ITEM NO. 11:**

The Company has to the credit of its Profit and Loss account the sum of Rs 926.10 lacs as at 31<sup>st</sup> march 2005 .The Directors propose to capitalize a sum of Rs. 9,18,81,000 out of this to be applied for the issue of 91,88,100 new equity shares of Rs 10 /- each credited as fully paid up as bonus shares. Article 116 of the company's Articles of Association authorizes the capitalization and the issue of the bonus shares by the company in the manner proposed .The proposed resolution is intended to give effect to the above proposal . New equity shares will be issued and allotted as bonus equity shares in the proportion of Nine such new equity shares credited as fully paid up for every one of existing equity shares as proposed in the resolution. The said bonus equity shares shall rank pari passu in all respects with the existing equity shares except that new equity shares would not entitle for any dividend that may be declared before allotment thereof. The fraction entitlement if any of the respective members will be settled in the manner indicated in the resolution.

The proposed issue of bonus shares will be in compliance with applicable guidelines issued by Security Exchange Board of India in this respect. The bonus shares will be allotted to such members of the company whose name appear in the register of members of the company as on the date to be decided by the Board of Directors. Requisite application will also be made to various Stock Exchanges where the existing shares of the Company are already listed for permission to deal in such bonus shares.

The Directors recommend the Resolution for members' approval.

All the directors are deemed to be interested or concerned in this resolution to the extent of their shareholding.

**ITEM NO.12:**

The Company is regularly taking up and implementing various expansion plans for increase in the Knitting , Spinning , and Processing capacities as also modernization /balancing /debottlenecking of existing facilities in the wake of technological innovations and fast changing trends in fashions . In order to finance these activities, the company may be required to issue further Equity shares to persons other than members of the Company. Section 81 (1) of the Companies Act ,1956 ,inter alia , provides that whenever the Company propose to increase its Subscribed Capital , it shall be first offer such shares to the members of the Company. However, the Company may offer such further shares to non members if a special resolution to that effect has been passed by the members at a general meeting. The special resolution seeks to give , to the Board ,powers to issue securities in one or more trenches and at such time or times and such price or prices as the Board may , in its absolute discretion deem fit. The Board recommends the passing of these Resolutions.

None of the Directors is interested in the proposed Resolutions except of new shares that might be allotted to them in their capacity as shareholders.

**For and on Behalf of the Board of Directors**

Place:Mumbai

Date : 27<sup>th</sup> April 2005

**Saurabh Tayal**  
Chairman



**JAYBHARAT SAREES LIMITED****DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting the 20<sup>th</sup> Annual Report and the audited Statements of Accounts of your Company for the financial year ended 31<sup>st</sup> March 2005.

**FINANCIAL RESULTS**

	2004-2005 (Rs. In lacs)	2003-2004 (Rs. In lacs)
Sales	7525.45	601.27
Other Income	0.00	0.43
Profit before Depreciation, Interest and Tax	1036.72	105.05
Interest & Finance Charges	0.04	0.01
Depreciation	9.27	9.85
Provision for Tax & Deferred Tax	100.25	11.49
Profit (Loss) for the year	927.16	83.73
Net Profit (Loss)	927.16	83.73
Profit / (Loss) brought forward from Previous Year	92.45	8.72
Profit / (Loss) carried to Balance Sheet	1025.79	92.45

**Note :** Previous year figures have been regrouped / rearranged wherever necessary

**DIVIDEND**

The Directors are pleased to recommend a dividend of Rs.2.00 per equity share. The dividend on new equity shares allotted during the year, will be paid on pro rata basis. The dividend (including tax payable by the Company) will absorb Rs.22.50 lacs.

**BONUS SHARES**

During the year Equity Capital has gone up from Rs. 24.90 lacs to Rs. 102.09 lacs consequent upon issue of 771900 bonus Equity Shares in the ratio 31:10 on 26th October, 2004 out of free reserves and further the Company has to the credit of its Profit and Loss account the sum of Rs 926.10 lacs as at 31<sup>st</sup> march 2005. The Directors propose to capitalize a sum of Rs. 9,18,81,000 out of this to be applied for the issue of 91,88,100 new equity shares of Rs 10/- each credited as fully paid up as bonus shares. New equity shares will be issued and allotted as bonus equity shares in the proportion of Nine such new equity shares credited as fully paid up for every one of existing equity shares as proposed in the resolution. The said bonus equity shares shall rank pari passu in all respects with the existing equity shares except that new equity shares would not entitle for any dividend that may be declared before allotment thereof. The proposed issue of bonus shares will be in compliance with applicable guidelines issued by Securities and Exchange Board of India in this respect.

**OPERATIONS**

The Company has achieved a sales turnover of Rs.7525.45 Lacs in F. Y. 2005 as against Rs.601.27 Lacs in F. Y. 2004. Cash accruals have increased to Rs.936.43 Lacs from Rs.93.58 Lacs in F. Y. 2004. The net profits has gone up to Rs.927.16 lacs in F. Y. 2005 from Rs.83.73 Lacs in F. Y. 2004. The P.B.D.I.T. has increased to Rs.1036.72 Lacs in F. Y. 2005 from Rs.105.05 Lacs in F. Y. 2004.

**ACQUISITION OF SHARES OF ASAHI FIBRES LTD.**

During the year under review, the Company has entered into Share Purchase Agreement on 8<sup>th</sup> January, 2005 with promoters of Asahi Fibres Ltd., (herein after referred as "AFL") which is a 100% EOU sick Industrial Unit engaged in manufacturing, coarse cotton yarn for purchase of 20,12,770 Equity Shares @ Rs. 0.50 each constituting 33.31% of paid capital of AFL. As the result of this the Company has given an open offer to the shareholders of AFL. for purchase of 12,08,511 equity shares @ Re. 1/- each constituting 20% of paid up equity capital of the Company. The offer is going to be completed shortly.

The unit of AFL is located at Vapi Gujrat and has facilities for manufacturing open end cotton yarn. The purpose behind taking over AFL is to increase production capacity and and to achieve economies of large scale production. This will in turn help your company in strengthening its market presence within the existing line of business.

**ACQUISITION OF PULGAON COTTON MILLS LTD.**

During the year under review your Company has also purchased 100% equity of Pulgaon Cotton Mills Ltd. which was a subsidiary of Maharashtra State Textile Corporation Ltd. The unit is situated at Village Pulgaon Dist. Vardha. Presently, the production and other commercial activities of the unit are suspended. As a condition of purchase the unit is to be restarted with sufficient modernization and new machinery. Accordingly, your company is in process of installing 25000 spindles with new machinery as defined in the TUFs Scheme of Government of India.

**ANNUAL REPORT 2004-2005****FUTURE PLANS**

The Company proposes to expand its presence in the textile value chain through the proposed project under the Technology Upgradation Fund Scheme (TUFs) of Government of India. The Project envisages setting up spinning facilities for 75600 spindles for the manufacture of cotton yarn and 10700 TPA manufacturing facility for processing of knitted fabrics at village salvav, Taluka Pardi, Vapi, Gujarat and is estimated to cost Rs. 26945 lacs. The Capital expenditure is proposed to be funded at a debt : equity ratio of 65:35 comprising debt of Rs. 17514 lacs and equity infusion of Rs. 9431 lacs. The project would commence commercial production from September, 2006.

**DIRECTORS**

During the year, Shri Rajan Aggarwal, Shri Anil Anand Rao and Shri Suresh Dattu Patil resigned from the Directorship of the Company. Your Directors place on record their appreciation of the services rendered by the Directors concerned. Shri Saurabh Tayal, Shri Raman Aggarwal & Shri C.K. Porwal was appointed as Additional Director of the Company during the year.

Shri Anil Kumar Dubey and Shri Rajshekhar Ganiger and Shri Pravin Sharma, Directors, retire by rotation and, being eligible, offer themselves for re-appointment.

**PARTICULARS OF EMPLOYEES**

There were no employees drawing remuneration of Rs.24,00,000/- or more per annum employed throughout the year or Rs.2,00,000/- or more, per month employed for a part of the year.

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (i) that in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March 2005, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit or Loss of the Company for the year under review;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- (iv) that the Directors had prepared the accounts for the financial year ended 31<sup>st</sup> March 2005 on a 'going concern' basis.

**ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars required 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, regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the Annexure forming part of this Report.

**LISTING AGREEMENT**

Your Company is committed to good corporate governance practice. Under clause 49 of the listing agreement, your Directors are pleased to inform that Company has implemented all the major stipulations prescribed under clause 49 of the listing agreement with the Stock Exchange. A certificate from the Statutory Auditors of the Company in line with clause 49 is annexed to and forms part of the Director's Report.

**AUDITOR'S REPORT**

The remarks made by the Auditors in their Report have been suitably dealt within the schedules and notes and therefore, do not call for any further clarification.

**AUDITORS**

M/s. Sanjay & Vijay Associates, Chartered Accountants, the Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

**ACKNOWLEDGEMENT**

Your Directors place on record their appreciation of the assistance and support extended by Banks, Consultants, Solicitors, Shareholders and Employees of the Company.

For and on Behalf of the Board of Directors

Place : Mumbai  
Date : 27<sup>th</sup> April 2005

**Saurabh Tayal**  
Chairman



**JAYBHARAT SAREES LIMITED****ANNEXURE TO THE DIRECTORS' REPORT :**

Information as per Section 217(1)(e), of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year 2003 - 2004

**I. CONSERVATION OF ENERGY****a) Energy conservation measures taken :**

The Company has been making concerted efforts for enhancement in capacity utilisation, cost competitiveness and quality through systematic process monitoring and adherence to technological norms. Sophisticated instruments are used for regulation and adjustment as per parameters. Efforts are also made for upgradation of the quality of the Plant Operation. Utilities are being combined for effective energy conservation.

**b) Additional Investments and Proposals being implemented for reduction of consumption of energy :**

The Company, as a matter of policy, has a regular and ongoing programme for investments in energy saving devices. Studies are being made to reduce energy consumption and make suitable investments in this area, if necessary.

**c) Impact of the measures (a) & (b) above for reduction of energy consumption and consequential impact on the cost of production of goods :**

The Company has economised considerably the cost of power despite steep hike in the tariffs and is constantly exploring avenues for cost saving as an on-going process.

**d) TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION AS PER FORM A OF THE RULES IN RESPECT OF INDUSTRIES SPECIFIED IN THE SCHEDULE THEREOF**

	Year ended 31.03.2005	Year ended 31.03.2004
<b>A. Power and Fuel Consumption in respect of :</b>		
<b>1. Electricity</b>		
(a) Purchased		
1. Units (KWH in Lacs)	63.18	0.00
2. Total amount (Rs. in lacs)	105	0.00
3. Rate per unit (Rs/unit)	6.41	0.00
(b) Own Generation		
(Through Diesel Generator/Furnace Oil)		
1. Units (KWH in Lacs)	50.86	5.40
2. Units per litre of fuel	3.64	3.62
3. Cost per unit (Rs/unit)	5.61	5.58
<b>2. Coal</b>	—	—
<b>3. Furnace Oil</b>	—	—
Others/Internal Generation	—	—
<b>B. Consumption per unit of production</b>		
(Product : Yarn & Fabric)		
1. Electricity (KWH/Tonne)	0.00	934.72
2. Coal (Kgs.)	—	—
3. Furnace Oil (Ltrs.)	—	—
4. Steam (Tonnes)	—	—

Note Since the Company manufactures different qualities of fabrics/yarns with product-mix changing significantly, there are no specific norms for per unit of production.

**ANNUAL REPORT 2004-2005****CORPORATE GOVERNANCE DISCLOSURE**

The Company's Shares are listed on Mumbai Stock Exchange in India. As required by clause 49 of the Listing Agreement with the Stock Exchanges, a report on Corporate Governance in accordance with the SEBI prescribed format is given below :

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

The main goal of Corporate Governance is maximization of shareholder's value and protection of the interests of all the stakeholders. It includes the policies and procedures adopted by the company in achieving its objective in relation to its shareholders, employees, customers, and suppliers, regulatory authorities and society at large.

The Company has ensured that the directors of the Company are subject to their duties, obligations and responsibilities to the best interest of the company, to give direction and remain accountable to their shareholders and other beneficiaries for their actions. The responsibilities of the Board includes setting out the company's strategic aims, providing the leadership to put them into effect, supervision of the management of the business and reporting to the shareholders on their stewardship.

It is a recognized philosophy of the company that effective and good Corporate Governance is a must, not only in order to gain credibility and trust, but also as a part of strategic management for the survival, consolidation and growth.

**2. Board of Directors**

The Board of Directors consists of 11 Directors.

During the year 2004-2005, the Board met 6 times on the following dates namely 20<sup>th</sup> April 2004, 29<sup>th</sup> June 2004, 30<sup>th</sup> July 2004, 26<sup>th</sup> October 2004, 21<sup>st</sup> January, 2005 and 21<sup>st</sup> March, 2005

The maximum time-gap between any two meetings was not more than three calendar months.

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

Name	Category	Attendance Particulars		Number of other directorships and Total Committee membership/Chairmanships		
		Board Meetings	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
Shri Saurabh Tayal (appointed as Additional Director w.e.f. 21.01.05)	NEC	1	Yes	2	1	1
Shri Raman Aggarwal (appointed as Additional Director w.e.f. 21.01.05)	MD	1	NO	1	Nil	Nil
Shri Anil Rao (Resigned as Director w.e.f. 21.1.05)	ID	1	No	1	Nil	Nil
Shri Gaurav Thakur	D	5	No	1	Nil	Nil
Shri Rajan Aggarwal (resigned w.e.f. 21.1.05)	NEC	4	Yes	1	Nil	Nil
Shri Akhilesh Kumar Vora	ID	1	No	Nil	Nil	Nil
Shri Rajshekhar S. Ganiger	ID	4	No	1	Nil	Nil
Shri Anil Kumar Dubey	ID	4	Yes	1	Nil	Nil
Shri Subhash C. Nigam	ID	2	No	Nil	Nil	Nil
Shri Suresh Dattu Patil (Resigned as Director w.e.f. 21.1.05)	ID	Nil	No	Nil	Nil	Nil
Shri Farindra Bihari Rai	ID	3	No	1	Nil	Nil
Shri Pravin Sharma	ID	3	No	1	Nil	Nil
Shri Sanjay Nimbalkar (Appointed as Director w.e.f. 30/07/2004)	ID	Nil	No	1	Nil	Nil
Shri C. K. Porwal (appointed as Additional Director w.e.f. 21.01.05)	ID	1	No	Nil	Nil	Nil

NEC = Non-Executive Chairman, MD = Managing Director, ID = Independent Director.

None of the Directors is a member in more than ten committees and acts as a Chairman in more than five committees across all companies in which he is a Director.