



Annual Report  
2006-2007

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## BOARD OF DIRECTORS

Mr. Arun Bharat Ram, Chairman

Mr. Ashish Bharat Ram

Mr. Kartikeya Bharat Ram

Mr. Rajat Lakhanpal, Whole Time Director & Company Secretary

Mr. S.P. Agarwala

Mr. K. Ravichandra

Mr. Vinod Kumar Kala

Mr. Mukul Khandelwal

### Auditors

Thakur, Vaidyanath Aiyar & Co., Chartered Accountants, New Delhi

### Bankers

State Bank of Patiala

ICICI Bank Limited

### Registered Office

A-16, Aruna Asaf Ali Marg, Qutab Institutional Area, New Delhi-110 067

w.e.f 1<sup>st</sup> July, 2007 : C-8, Safdarjung Development Area, New Delhi-110 016

### Engineering Plastics Business

Manali Industrial Area, Manali, Chennai- 600 068

### Fishnet Twine Business

Manali Industrial Area, Manali, Chennai- 600 068

## SRF POLYMERS LIMITED

**Regd. Office :** A-16, Aruna Asaf Ali Marg, Qutab Institutional Area, New Delhi-110 067  
**Regd. Office:** w.e.f. 1<sup>st</sup> July, 2007 : C-8, Safdarjung Development Area, New Delhi-110 016  
**Corporate Office:** Block C, Sector-45, Gurgaon-122 003 (Haryana)

### NOTICE

NOTICE is hereby given that the 7<sup>th</sup> Annual General Meeting of SRF Polymers Limited will be held on **Tuesday, the 31<sup>st</sup> July, 2007 at 3.30 p.m.** at Shriram Hall, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi 110 016 to transact the following businesses:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2007 and the Profit & Loss Account for the year ended on that date together with the Reports of the Auditors and Directors thereon.
2. To declare Dividend on equity shares.
3. To appoint a Director in place of Mr. Vinod Kumar Kala, who retires by rotation, and being eligible, offers himself for re-election.
4. To appoint a Director in place of Mr. S.P. Agarwala, who retires by rotation, and being eligible, offers himself for re-election.
5. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED that M/s. Thakur, Vaidyanath Aiyar & Co., Chartered Accountants, New Delhi be and are hereby re-appointed Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual general meeting at a remuneration to be fixed by the Board of Directors and service tax thereon and reimbursement of travelling and other incidental expenses, if any, incurred in connection with the audit."

6. **To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:**

"RESOLVED that in partial modification of Resolution No.7 passed at the Annual General Meeting of the Company held on 30<sup>th</sup> July, 2005 relating to the terms of appointment and remuneration of Mr. Rajat Lakhanpal in the whole-time employment of the Company as Whole-time Director & Company Secretary and in accordance with the provisions of sections 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves of the revision in remuneration payable to the Whole-time Director & Company Secretary of the Company with authority to the Remuneration Committee/ Board of Directors to fix all perquisites and allowances with effect from 1<sup>st</sup> April, 2007, for the remainder of the tenure of his appointment i.e. upto 31<sup>st</sup> March, 2008 on the terms and conditions including remuneration as set out hereinbelow :-

Salary : Rs. 18,490 per month  
 Perquisites & Allowances : Residential accommodation or house rent allowance, personal pay, performance pay, company car and driver/ allowance for driver's salary, medical reimbursement, leave travel concession, club fees, personal accident insurance, as per the rules of the Company and fixed by the Remuneration Committee/ Board of Directors not exceeding Rs. 8.50 lacs per annum.

Remuneration for a part of the year will be computed on pro-rata basis.

RESOLVED FURTHER that all other terms and conditions contained in the aforesaid resolution shall remain unchanged.

By Order of the Board  
 for **SRF POLYMERS LIMITED**



**Rajat Lakhanpal**  
 Whole-time Director &  
 Company Secretary

Place : Gurgaon, Haryana  
 Date : May 18, 2007

#### NOTES:

1. Explanatory Statement as required under section 173(2) of the Companies Act, 1956 is annexed.
2. 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 SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM DULY COMPLETED AND SIGNED SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING. A BLANK PROXY FORM IS ATTACHED HERewith.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, the 12<sup>th</sup> July, 2007 to Friday, the 20<sup>th</sup> July, 2007 (both days inclusive).
4. If dividend, as recommended by the Directors, is declared at the meeting, the payment will be made within thirty days to those Members whose names appear in the Register of Members of the Company as on Friday, the 20<sup>th</sup> July, 2007 after giving effect to all the valid transfers in physical form lodged with the Company and/or its Registrar & Share Transfer Agent on or before Wednesday, the 11<sup>th</sup> July, 2007. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial



ownership as per details furnished by NSDL and CDSL as at the close of their business hours on Wednesday, the 11<sup>th</sup> July, 2007.

5. Members holding shares in physical form are requested to notify change in their address and bank mandate, bank particulars for printing on the dividend warrants, if any, under their signature to M/s. Mas Services Limited, AB-4, Safdarjung Enclave, New Delhi – 110 029, the Registrar & Share Transfer Agent, quoting folio nos. Members holding shares in electronic form may update such detail with their respective Depository Participants.
6. Members seeking any information regarding Accounts should write to the Company at its Corporate Office at Block C, Sector – 45, Gurgaon, 122 003 (Haryana) at least seven days before the meeting so as to enable the management to keep the information ready.
7. Shareholders are advised that those who have not encashed their dividend warrant(s) so far for the previous financial years may send their outdated dividend warrants to M/s Mas Services Limited, AB-4, Safdarjung Enclave, New Delhi 110029 for issue of 'payable at par' cheques/ demand drafts in lieu thereof.

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

##### Item No.3 & 4

Mr. Vinod Kumar Kala and Mr. S.P. Agarwala shall retire by rotation and being eligible, offer themselves for re-appointment. Brief resume of the Directors being re-appointed are as under:

##### Mr. Vinod Kumar Kala

Mr. Vinod Kumar Kala (44) is an IIM Ahmedabad alumnus and was amongst the top ranks in the institute. He is a management strategist with cross-functional expertise in strategic management, organizational transformation, process based management, international sourcing and strategic partnerships. He has incubated and helped in the growth of a number of new businesses in diverse industries such as chemicals, textiles, IT, telecom, energy, environment etc and has more than 20 years of experience. He has global experience of identifying new business opportunities, developing start-up team, finding start-up investments, scaling up and establishing new product markets and strategic alliances.

He is a Director of Emergent Ventures India Pvt. Ltd. which is providing advisory services relating to Clean Development Mechanism (CDM) under United Nations Framework convention on climate change.

He is Chairman of Audit Committee of the Board and a member of Shareholders'/Investors' Grievances Committee and Remuneration Committee of the Board and has no shareholding in the Company.

Directorships in other public companies	Committee Chairmanship/ Membership
Prihtvi Energy Ltd.	None
SRF Polymers Investments Ltd.	None

None of the Directors of the Company other than Mr. Vinod Kumar Kala is concerned or interested in the Resolution.

##### Mr. S.P. Agarwala

Mr. S.P. Agarwala (66) is well-known in the business circles of Delhi. He is a Director of the Company since 2002.

Mr. S.P. Agarwala is a member of the Shareholders'/Investors' Grievance Committee, Remuneration Committee, Audit Committee and the Committee of Directors – Financial Resources of the Board and has no shareholding in the Company.

**Directorships in other public companies**  
SRF Ltd.

**Committee Chairmanship/ Membership**  
Shareholders'/Investors' Grievance Committee  
Audit Committee  
Remuneration Committee

None of the Directors of the Company other than Mr. S.P. Agarwala is concerned or interested in the Resolution.

##### Item No.6

At the Annual General Meeting of the Company held on 30<sup>th</sup> July, 2005, the Members of the Company had approved the appointment and remuneration of Mr. Rajat Lakhanpal, Whole-time Director & Company Secretary. Taking into consideration the rise in cost of living, increase in activities of the Company and the responsibilities cast on him, it is proposed to revise the remuneration of the Whole-time Director & Company Secretary of the Company with effect from 1<sup>st</sup> April, 2007 in the manner and to the extent as given in the resolution. All other terms and conditions his appointment as approved by the members in the said meeting will remain unchanged.

None of the Directors of the Company other than Mr. Rajat Lakhanpal is concerned or interested in the Resolution.

This may also be treated as an abstract of the variation in the terms of appointment and remuneration of Mr. Rajat Lakhanpal, Whole-time Director & Company Secretary, pursuant to Section 302 of the Companies Act, 1956.

##### INSPECTION

The Documents referred to in the Notice shall be open for inspection at the **Corporate Office of the Company** on any working day between 3 P.M. and 5 P.M. and shall also be available at the meeting.

Stock Exchange where Company's securities are listed: -

The Bombay Stock Exchange Ltd.  
Phiroze Jeejeebhoy Towers, Dalal Street  
Mumbai 400 001

Listing fee has been paid to The Bombay Stock Exchange Ltd. upto March, 2008.

The shares of the Company have been delisted from the following Stock Exchanges:

The Delhi Stock Exchange Association Limited	23.01.2007
The Stock Exchange, Ahmedabad	29.11.2006
Madras Stock Exchange Ltd.	29.11.2006

# DIRECTORS' REPORT

To the Members,

The Directors are pleased to present the seventh Annual Report on the business and operations of the Company and the statement of accounts for the year ended 31<sup>st</sup> March, 2007.

## FINANCIAL RESULTS

	(Rs. Crores)	
	2006-07	2005-06
Sales and Other Income	165.10	173.39
Profit Before Interest, Depreciation & Tax (EBIDT)	15.80	13.94
Less: Interest & Finance Charges	7.60	6.95
Profit before Depreciation and Tax (PBDT)	8.20	6.99
Less: Depreciation	2.18	0.96
Profit before Tax (PBT)	6.02	6.03
Less: Provision For Taxes (including provision for deferred tax)	(0.12)	1.24
<b>Net Profit after Tax (PAT)</b>	<b>6.14</b>	<b>4.79</b>
Add: Profit brought forward from previous years	15.07	10.65
<b>Profit available for appropriation</b>	<b>21.21</b>	<b>15.44</b>
<b>Appropriations</b>		
Dividend on Equity shares	0.32	0.32
Corporate tax on dividend	0.05	0.05
Amount transferred to General Reserve	—	—
<b>Profit carried to Balance Sheet</b>	<b>20.84</b>	<b>15.07</b>
<b>Total Appropriation</b>	<b>21.21</b>	<b>15.44</b>

## Equity Dividend

Your Directors recommend a Dividend of 5 % on equity shares, i.e. Re. 0.50 per share for the financial year ended March 31, 2007 for your approval at the ensuing Annual General Meeting.

## Operations Review

Gross Sales decreased by 7.57% to Rs. 170.17 crores from Rs 184.11 crores in the previous year. Operating profit (EBIDTA) increased by 13.34% to Rs 15.80 crores from Rs 13.94 crores. Profit before tax decreased by 0.16% to Rs 6.02 crores from Rs 6.03 crores. However, Profit after Tax grew by 28% to Rs 6.14 crores from Rs 4.79 crores mainly on account of deferred tax asset created.

## Business-wise Review

A detailed business wise review is being given in the Management Discussion and Analysis section of the annual report.

## Subsidiary Company

SRF Polymers Investments Ltd., the wholly-owned subsidiary of the Company made a profit of Rs. 3.18 Crores during the year 2006-07 mainly on account of dividend on shares.

Information in respect of subsidiary together with accounts and reports required under Section 212 of the Companies Act,

1956 are attached, which form part of the annual report and accounts.

During the year, SRF Polymers Investments Ltd. has subscribed to the memorandum and articles of association of SRF Infrastructure Ltd. and Ennore Energy Ltd with main objects to carry out infrastructure development, power generation and other ancillary activities. Both the companies would be closing their accounts in accordance with the provisions of the Companies Act, 1956 and the same would be attached with the annual accounts of your company for the next financial year.

## Safety, Health & Environment

Your company is committed to being proactive to Safety, Health and Environment. Continued safety awareness was maintained through several activities such as training, competitions, awards, etc. where there is high worker participation.

## Directors

Mr. Vinod Kumar Kala and Mr. S.P. Agarwala, Directors retire by rotation and being eligible, offer themselves for re-appointment.

Taking into consideration the rise in cost of living, increase in activities of the company and the responsibility cast on him, the remuneration of Mr. Rajat Lakhanpal, Whole-time Director & Company Secretary is proposed to be revised. A suitable resolution has been included in the Notice of the forthcoming annual general meeting.

## Directors' Responsibility Statement

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956, it is hereby confirmed:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that the Directors have selected such accounting policies and applied them consistently and made judgements 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 profit or loss of the Company for the period under review;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the Directors have prepared the annual accounts for the year ended 31.03.07 on a 'going concern' basis.

The Company is controlled by Arun Bharat Ram Group ("Promoter Group") being a group as defined under the Monopolies and Restrictive Trade Practices Act, 1969. The Promoter Group consists of various individuals and corporate bodies who are in a position to and who jointly exercise control over the Company.





a) Mr. Arun Bharat Ram; b) Dr. Bharat Ram; c) Mr. Ashish Bharat Ram; d) Mr. Kartikeya Bharat Ram; e) Mrs. Shiela Bharat Ram; f) Mrs. Manju Bharat Ram; g) Mrs. Vasvi Bharat Ram; h) Mrs. Radhika Bharat Ram; i) SRF Ltd; j) SRF Transnational Holdings Ltd; k) Skylark Investments & Trading Pvt. Ltd.; l) Narmada Farms Pvt. Ltd.; and m) Bhairav Farms Pvt. Ltd.

### Listing of Shares

Your Company's shares are listed at the Bombay Stock Exchange Ltd.

As the shares of your Company were either not traded or trading was negligible, in Delhi, Madras and Ahmedabad Stock Exchanges, these were delisted from these exchanges during the year.

### Corporate Governance

Certificate of the auditors of your Company regarding compliance with the conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement with the stock exchanges is attached to the report as annexure 1.

In compliance with the requirements of Clause 49(V), a certificate from Whole-time Director & Company Secretary was placed before the Board.

All Board members and senior management personnel had affirmed compliance with the Code of Conduct for Board and Senior Management Personnel. A declaration to this effect duly signed by the Whole-time Director & Company Secretary is enclosed as a part of the Corporate Governance Report. A copy of the Code is also placed at the website of the Company ([www.srfpolymers.com](http://www.srfpolymers.com)).

### Consolidated Financial Statement

In accordance with the Accounting Standard AS-21 & AS-23 on Consolidated Financial Statements, your Directors have pleasure in attaching the Consolidated Financial Statements, which form part of the Annual Report and Accounts.

### Accounts and Audit

The Auditors, M/s Thakur, Vaidyanath, Aiyar & Company, retire at the conclusion of the 7th Annual General Meeting and being eligible, offer themselves for re-appointment. The observations of the Auditors are explained wherever necessary in appropriate notes to the Accounts.

### Management Discussion and Analysis

Management discussion and analysis on matters relating to the business performance, as stipulated in clause 49 of the listing agreement with the stock exchanges, is given as a separate statement in the Annual report.

### Buy-back of Shares

Board of Directors at its meeting held on 8.12.2005 approved buy-back of upto 7 lac shares at a price not exceeding Rs. 275 per share through open market. As per the Public Notice cum Announcement for buyback, the last date for the buyback was 7.12.2006. In accordance with the advice received by the Company, the Promoters were requested to make an application for seeking an exemption from applicability of SEBI (SAST) Regulations in view of increase in their voting rights consequent to the buy-back of shares which was duly made. In the meantime, the period of 12 months from the date of Board resolution elapsed and the Company could not proceed with the buyback.

### Fixed Deposits

Your company continued to accept/renew fixed deposits and maintained a high standard of service. Deposits (including interest) amounting to Rs. 0.21 crores due for repayment on or before 31<sup>st</sup> March, 2007 remained unclaimed by 61 depositors. There have been no defaults in repayment of fixed deposits during the year.

### Particulars of Employees

As required by the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees), Rules, 1975, as amended, the name and other particulars of an employee are set out in the annexure 2 to the Directors' Report.

### Conservation of Energy, Technology Absorption, Foreign Exchange Earnings & Outgo

The prescribed details as required under Section 217 (1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 are set out in the annexure 3 to the Directors' Report.

### Acknowledgements

Your Directors acknowledge with gratitude the co-operation and assistance received from various agencies of the Central Government and the Government of Tamil Nadu and the banks. Your Directors thank the shareholders for their support. Your Directors also place on record their appreciation of the contribution made by employees at all levels.

**For and on behalf of the Board**

Gurgaon, Haryana  
May 18, 2007

**ARUN BHARAT RAM**  
Chairman

# MANAGEMENT DISCUSSION AND ANALYSIS

## INDUSTRY STRUCTURE AND DEVELOPMENTS

### Fishnet Business

During the year 2006-07, in spite of considerable supply of fishnet yarn both from Domestic textile yarn manufacturers and from international sources, the Company could improve its market share considerably and retain its dominant leadership position in Fishnet Twine segment. However, the margins were under severe pressure due to increased raw material cost, compounded by surplus scenario. The industry being unorganized, attempts by few large players for consolidation has still not yielded desired results. While multifilament fishnets have shown some improvement in demand, monofilament fishnets share have shown some declining trend in demand.

In global context, demand supply equation has been stagnant. However, China, India and other South East Asian Countries are expanding their capacities and in the next few years, Asia is likely to emerge as the hub for the Fishnet products world over.

Having understood the changing scenario on the market front, Fishnet Business has already initiated the process of moving away from the networking model to manufacturing model and has successfully installed a state-of-the-art modern Twisting Facility having a twine capacity of 1450 TPA. With this facility, the Company is expected to enhance its twine market share in the premium international market soon. With proven expertise in manufacturing, the Company is expected to improve all the business parameters viz., cost, quality and delivery considerably. With twine facility getting its raw material from SRF Limited's chips and yarn facility, Fishnet business will have a unique and complete value chain for the fishnet product from caprolactum to fishnet twine and this would give a distinct competitive advantage over all other twine manufacturers world wide. This unique strength is expected to enable the business to grow significantly higher than the normal business growth world over.

### Engineering Plastics Business

The Engineering Plastics Business continues to be on the growth path through capacity expansion and increase in sales volume. This is due to the changed conditions in the economy leading to growth in automotive and electrical segment, increased new product sales, reduction in break down hours through autonomous maintenance. It is also expected that a lot of Tier-I manufacturers will look at India as a manufacturing base due to low cost and this will help market grow faster. However some impact of high interest rate might slow down automobile growth but increased per capita consumption should be able to help industry maintain the robust growth. Engineering Plastics continues to enhance its skills in R& D and new product development thereby reducing cost of processing and developing high end grades. The Company has undertaken an expansion programme and is setting up a new state of the art

plant in the State of Uttarakhand. Post commissioning Engineering plastics total compounding capacity will be in excess of 10,000 MTPA.

### Opportunities and Threats

In view of unique value chain and competitive edge over others globally, the Company could enhance its market share in global market including penetration in premium segments. The Company has already started Twine Business with European Customers which would grow further. However, Chinese competition on twine and CIS competition on yarn are still remaining as a major area of concern. However, the product quality from these players being inferior, the Company is expected to establish its lead over these players in the future. Growth in the Engineering Plastics business will be driven by automobile sector. The per capita consumption of nylon is lower than EU or USA and as the economy grows there is a possibility of this gap getting bridged thereby leading to explosive market growth. There is an opportunity to explore other polymers in similar segments. However, with reduction in duties and with various FTA's coming into play there is an increased competition from multinational manufacturers. However the Company has good image in the market and is also increasing its own capacity to ensure that it is able to keep its dominant position.

### Outlook for SRF Polymers

Overall the Company has the potential of growing in both its businesses. The opportunities are clearly there. However, as mentioned earlier the challenges are also great and will have to be dealt with cautiously while determining the growth path.

### Risks and Concerns

The fishnet industry is still fragmented and run by unorganized sectors. The company has already established sales to international customers only through secured mode of payment. In domestic market too, the business group has considerably improved sale through secured mode. Some large and medium sized players are attempting backward integration into twine and this may pose some pressure on twine share. However, the Company would continue its dominant position with sale of fishnet yarn and twine controlling the market through its competitive advantage.

Engineering plastics business is exposed to margin pressures from unorganized players which can be offset by new product development. Also with the growth in market more and more multinational companies are expected to enter India. Engineering plastics business is primarily focused on Indian market and there is a need to increase our exports and also enter other polymers.





### Internal control system and their adequacy

The Company has a proper and adequate system of internal controls to ensure that all assets are safe guarded and protected against loss from unauthorized use or disposition and that transactions are authorized, recorded and reported correctly. An extensive programme of internal audit through reputed external agency and internal audit department, review by management and documented policies, guidelines and procedures supplements the internal control.

The internal control is designed to ensure that financial and other records are reliable for preparing financial and other information and other data and for maintaining accountability of assets.

### Financial and Operating performance

1. The net profit on net sales ratio is 0.04.
2. The current ratio of the Company is 2.02.
3. The Company has a debt equity ratio of 1.45.

### Human Resources

The Company realizes the importance of a competent and motivated manpower in achieving its goals. A systematic

performance appraisal system is used for monitoring the performance of officers and staff at all levels. This exercise brings out achievements and shortcomings and help in taking remedial measure for improving efficiency where necessary.

Industrial relations remained cordial during the period.

### Cautionary Statement

Statements in this management discussion and analysis describing the Company's objectives, projections, outlook estimates and 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 make difference to the Company's operations include global and Indian demand and supply conditions, product prices and raw material cost and availability, cyclical demand and pricing in the company's principal markets, changes in government regulations, tax regimes, economic developments within India and the countries with which the Company conducts businesses, and other factors such as litigations and labour negotiations.

## ANNEXURE-1 TO DIRECTORS' REPORT

### AUDITORS' CERTIFICATE

To the Members of  
**SRF POLYMERS LIMITED**

We have examined the compliance of conditions of Corporate Governance by SRF Polymers Limited, for the year ended on 31<sup>st</sup> March 2007, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us:

We certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated in the above-

mentioned Listing Agreement.

We state that there are no investor grievance(s) pending for a period exceeding one month against the company as per the records maintained by the Shareholders/ Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For and on behalf of  
**THAKUR, VAIDYANATH AIYAR & CO.**  
Chartered Accountants

**V. Rajaraman**  
Partner  
M. No. 2705

New Delhi  
May 18, 2007

**ANNEXURE-2 TO DIRECTORS' REPORT (STATEMENT PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956)**

S. No.	Name	Age	Designation	Remuneration (Rs.)	Qualification	Exp. (Years)	Employment Date	Last Employment
1.	M Shafiullah	49	Vice President (Fish Net Business)	27,09,133	M.E. (Production)	25	19.1.90	Industrial Engineer, Britannia Industries Ltd.

**Notes :**

- 1 Remuneration comprise salary,allowances, perquisites , commission paid and Company's contribution to Provident Fund and Superannuation Fund.
- 2 Appointment is contractual in nature.
- 3 There are no Employees in the services of the Company within the category covered by sub section (a) (iii) of section 217 (2A) of the Companies Act , 1956.
- 4 The above employee is not a relative of any director of the Company.

For and on behalf of the Board

Gurgaon, Haryana  
May 18, 2007

**ARUN BHARAT RAM**  
Chairman

Report Junction.com

**WHOLE-TIME DIRECTOR & COMPANY SECRETARY'S DECLARATION**

I, Rajat Lakhanpal, Whole-time Director & Company Secretary of SRF Polymers Limited declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct for Board and Senior Management Personnel for the year ended 31st March, 2007.

For and on behalf of the Board

Date : 18 May 2007  
Place : Gurgaon, Haryana

**RAJAT LAKHANPAL**  
Whole-time Director & Company Secretary