

9th Annual Report 2002-03

Report



Junction

Kanchan hai to Kitchen hai



KANCHAN®

H O M E A P P L I A N C E S

KANCHAN INTERNATIONAL LIMITED

Board of Directors

Ashok C. Khimavat	–	Chairman
Dinesh C. Khimavat	–	Managing Director
Champalal S. Khimavat	–	Director
Suresh C. Kapadia	–	Director
Krishna R. Doddihal	–	Director
Bharat H. Pipalia	–	Whole Time Director

Audit Committee

Suresh C. Kapadia	–	Chairman
Krishna R. Doddihal	–	Member
Champalal S. Khimavat	–	Member

Auditors

Jayant Salian & Co.
Chartered Accountants
207, Marine Chambers,
New Marine Lines,
Mumbai – 400 020

Bankers

State Bank of India
Mumbai

Registered Office

7, Salooni Apartment,
56th Road, T.P.S., Borivli (W),
Mumbai – 400 092

Corporate Office

1001/1002 Unique Tower, 10th Floor
Off S.V. Road, Gaiwadi Industrial Estate,
Near Kamath's Club, Goregaon (W),
Mumbai – 400 062

Website

www.kanchanappliances.com

Manufacturing Facilities**Unit I**

22-E, GDDIDC,
Somnath Road, Dabhel,
Daman – 396 210

Unit – II

41/42, Somnath Road, Dabhel,
Daman – 396 210

Unit – III

9/10, Somnath Road, Dabhel,
Daman – 396 210

Registrar & Transfer Agent

IIT Corporate Services Ltd.
Proto Prima Chambers, 3rd Floor,
Suren Road, Andheri (E),
Mumbai – 400 093

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NOTICE

Notice is hereby given that the 9th Annual General Meeting of the members of **KANCHAN INTERNATIONAL LIMITED** will be held on Saturday, 27th September 2003 at 11.00 a.m. at Kamats Club, 12, Udyog Nagar, S.V. Road, Goregaon (W), Mumbai 400 062 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the Profit and Loss Account for the year ended on 31st March 2003, the Audited Balance Sheet as at that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Dinesh C. Khimavat who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 163 of the Companies Act, 1956, the Register of Members and Share Transfer Books and all other records and registers required to be maintained at the Registered Office of the Company, be maintained at the Office of the Registrar and Share Transfer Agents, M/s. IIT Corporate Services Ltd., Protoprima Chambers, 3rd Floor, Suren Road, Andheri (E), Mumbai – 400 093, situated within the local limits of Mumbai City."
5. To consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Suresh C. Kapadia be and is hereby appointed as Director of the Company."
6. To consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Champalal S. Khimavat be and is hereby appointed as Director of the Company."
7. To consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Krishna R. Doddihal be and is hereby appointed as Director of the Company."
8. To consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, and limits laid down therein read with Schedule XIII as amended and subject to such other approvals as may be necessary, the approval of the members be and is hereby accorded to the appointment and terms of remuneration of Mr. Dinesh C. Khimavat who has been appointed by the Board of directors as Managing Director of the Company from 1st April 2003 to 31st March 2008, upon the terms and conditions set out in the draft Agreement submitted to this meeting and initialed by the Chairman for the purpose of identification, which Agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or Agreement in such manner as may be agreed to between the Board of Directors and Mr. Dinesh C. Khimavat, provided that the remuneration payable to Mr. Dinesh C. Khimavat shall be within the limits specified in Schedule XIII of the Companies Act, 1956 as amended."
9. To consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, and limits laid down therein read with Schedule XIII as amended and subject to such



other approvals as may be necessary, the approval of the members be and is hereby accorded to the appointment and terms of remuneration of Mr. Bharat H. Pipalia who has been appointed by the Board of directors as Whole Time Director of the Company from 1st April 2003 to 31st March 2008, upon the terms and conditions set out in the draft Agreement submitted to this meeting and initialed by the Chairman for the purpose of identification, which Agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or Agreement in such manner as may be agreed to between the Board of Directors and Mr. Bharat H. Pipalia, provided that the remuneration payable to Mr. Bharat H. Pipalia shall be within the limits specified in Schedule XIII of the Companies Act, 1956 as amended.

By order of the Board

ASHOK C. KHIMAVAT
CHAIRMAN

Place : Mumbai
Date : 31st July 2003

Registered Office:

Kanchan International Limited
7, Salooni Apartment, 56th Road, TPS,
Borivali (W), Mumbai 400 092



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 PROXY NEED NOT BE THE MEMBER OF THE COMPANY AND THE PROXY TO BE EFFECTIVE, SHOULD BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 25th September 2003 to Saturday, 27th September 2003 (Both days inclusive).
3. Members are requested to intimate the change in their address, if any, immediately to the Company at its Corporate Office/Registered Office.
4. Members/ Proxies are requested to bring the Attendance Slip duly filled up for attending the Meeting.
5. The Company has listed its shares at Mumbai, Chennai, and Ahmedabad Stock Exchanges. All the listing fees, till date, have been paid.
6. The related Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business above is annexed.
7. All the documents referred to in the Notice and Explanatory Statement above are open for inspection at the Corporate Office of the Company between 10.30 a.m. to 12.30 p.m. on all working days except Saturdays, Sundays and Public Holidays until the date of the Annual General Meeting or any adjournment(s) thereof.

Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956.

Item No. 4

As per Section 163 of the Companies Act, 1956, Register of Members, Index of Members and copies of all Annual Returns under Section 159 and 160 together with copies of certificates and documents required to be annexed thereto under sections 160 and 161 of the Companies Act, 1956 are to be kept at the Registered Office of the Company.

As per the SEBI circular, the Company has appointed M/s. IIT Corporate Services Ltd., as its Registrar and Share Transfer Agents for both Physical and electronics shares w.e.f. 1st April 2003 and therefore, all above records required to be maintained at the registered office of the Company are to be transferred to Registrar's office.

In order to keep the aforesaid registers etc. at Registrar's Office, a Special Resolution is proposed to be passed.

A copy of the Resolution has been given to the Registrar of Companies, Maharashtra.

None of the Directors of the Company is, in any way, concerned or interested in the said Resolution.

Item No. 5

Mr. Suresh C. Kapadia was appointed as Additional Director in terms of Section 260 of the Companies Act, 1956, and holds office till the date of this Annual General Meeting. Mr. Kapadia is a qualified Chartered Accountant in practice. He has wide experience in the field of Accounts, Finance & Taxation. The Company will benefit immensely from his extensive and diverse experience.

The Company has received a notice and the deposit pursuant to Section 257 of the Companies Act, 1956, from a member of the Company proposing Mr. Suresh C. Kapadia's candidature for the office of Director liable to retire by rotation.

None of the Directors except Mr. Suresh C. Kapadia is concern or interested in this resolution.

Item No. 6

Mr. Champalal S. Khimavat was appointed as Additional Director in terms of Section 260 of the Companies Act, 1956, and holds office till the date of this Annual General Meeting. Mr. Khimavat has wide experience in the field of electricals & non-electricals business. He has over 40 years experience of the retail business. The Company will benefit immensely from his extensive and diverse experience.

The Company has received a notice and the deposit pursuant to Section 257 of the Companies Act, 1956, from a member of the Company proposing Mr. Champalal S. Khimavat's candidature for the office of Director liable to retire by rotation.

None of the Directors except Mr. Champalal S. Khimavat, Mr. Ashok C. Khimavat & Mr. Dinesh C. Khimavat is concern or interested in this resolution.

Item No. 7

Mr. Krishna R. Doddihal was appointed as Additional Director in terms of Section 260 of the Companies Act, 1956, and holds office till the date of this Annual General Meeting. Mr. Doddihal is B.E. (Electricals). He was with Crompton Greaves Ltd. for 36 years as senior executive and has wide experience in the field of engineering. The Company will benefit immensely from his extensive and diverse experience.

The Company has received a notice and the deposit pursuant to Section 257 of the Companies Act, 1956, from a member of the Company proposing Mr. Krishna R. Doddihal's candidature for the office of Director liable to retire by rotation.

None of the Directors except Mr. Krishna R. Doddihal is concern or interested in this resolution.

Item No. 8

At the meetings of the Remuneration Committee and Board of Directors held on 31st March 2003, Mr. Dinesh C. Khimavat was re-appointed as Managing Director of the Company for a period from 1st April 2003 till 31st March 2008. The material terms of the appointment and remuneration payable to Mr. Dinesh C. Khimavat as embodied in the Agreement to be entered into with him upon receipt of approval from the members are as follows:

1. Period: 1st April 2003 to 31st March 2008
2. Remuneration: Rs. 35,000/- per month
3. Perquisites

Perquisites are classified into three categories 'A', 'B' & 'C' as follows:



Part – “A”

This will comprise housing, medical reimbursement, leave travel concession, club fees and other benefits etc. as under: -

- (i) Housing
 - (a) The expenditure by the Company on hiring unfurnished accommodation subject to a ceiling of 60% of the salary.
 - (b) In case the Company owns the accommodation, the Company shall deduct ten percent of the salary of the appointee.
 - (c) In case the Company provides no accommodation, the appointee shall be entitled to house rent allowances subject to the ceiling laid down in (a) above.
- (ii) Payment of gas, electricity, water expenses and furnishing: To be valued as per Income-tax Rules, 1962.
- (iii) Medical/Hospitalization Expenses (within/outside India): Reimbursement of Expenses incurred for self and family in accordance with the rules of the Company.
- (iv) Leave Travel Concession: Leave Travel Concessions for self and family in accordance with the rules of the Company.
- (v) Club Fees: Fees of clubs subject to maximum of two clubs. Admission and life membership fee to be paid as per rules of the Company.
- (vi) Personal Medical/Accident Insurance etc.: Coverage for Personal Medical/Accident Insurance/Key men Insurance or any other coverage as per rules of the Company and annual premium for the same to be paid by the Company.
- (vii) Any other benefits, facilities, allowances and expenses as may be allowed under Company rules/schemes and available to other employees.

NOTE

- (i) For the purpose of perquisites stated hereinabove, ‘family’ means spouse, dependent children and dependent parents of the appointee.
- (ii) Perquisites shall be evaluated as per Income-tax Rules wherever applicable and in the absence of any such rule, perquisites shall be evaluated at actual cost.

Part-“B”

- (i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per rules of the Company and will not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961. Gratuity payable shall be in accordance with the rules of the Company.
- (ii) Earned leave: On full pay and allowances as per the rules of the Company.
- (iii) Encashment of leave at the end of the tenure, if any, will not be included in the computation of the ceiling on perquisites.

Part – ‘C’

Provision of car for use in connection with Company’s business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the appointee.

The amount of the aforesaid perquisites and allowances will be restricted to an amount equal to the annual salary.

4. The appointee shall also be entitled to reimbursement of entertainment expenses actually and properly incurred in the course of legitimate business of the Company.
5. The above remuneration payable to Mr. Dinesh C. Khimavat is subject to the condition that the total remuneration and all the perquisites as mentioned at ‘A’, ‘B’ & ‘C’ above shall not exceed 5% of the net profits individually and 10% of the net profits collectively payable to all the Managing Director/Whole Time Directors as calculated in accordance with Section 198 and 309 of the Act, or any amendment thereto or any other provisions as may be applicable. Where in any financial year the Company has no profits or profits are inadequate, the remuneration payable will be in accordance with the provisions of Sections II of part II of Schedule XIII to the Companies Act, 1956 as may be amended from time to time.
6. The appointee shall, subject to the applicable provisions of the Act (including any statutory modification or re-enactment thereof, for the time being in force), also be eligible for Housing, Education and Medical Loan and other loans or facilities as applicable in accordance with rules of the Company.

The Terms and conditions of appointment and remuneration given herein may be altered and varied from time to time by the Board of Directors of the Company as it may, at its discretion deem fit, so as not to exceed the limits specified in Schedule XIII of the Act (including any statutory modification or re-enactment thereof, for the time being in force), or any amendments made thereto from time to time.

In compliance with the applicable provisions of the companies Act, 1956, Ordinary Resolution in terms as set out in item 8 of the accompanying Notice is now being placed before the members in the General Meeting for their approval.

None of the Directors except Mr. Champalal S. Khimavat, Mr. Ashok C. Khimavat & Mr. Dinesh C. Khimavat is concern or interested in this resolution.

This Explanatory Statement is and should be treated as an abstract under Section 302 of the Companies Act, 1956, of the Agreement to be entered into between the Company and Mr. Dinesh C. Khimavat

Item No. 9

At the meetings of the Remuneration Committee and Board of Directors held on 31st March 2003, Mr. Bharat H. Pipalia was appointed as Whole Time Director of the Company for a period from 1st April 2003 till 31st March 2008. The material terms of the appointment and remuneration payable to Mr. Bharat H. Pipalia as embodied in the Agreement to be entered into with him upon receipt of approval from the members are as follows:

1. Period: 1st April 2003 to 31st March 2008
2. Remuneration: Rs. 25,000/- per month
3. Perquisites

Perquisites are classified into three categories 'A', 'B' & 'C' as follows:

Part – "A"

This will comprise housing, medical reimbursement, leave travel concession, club fees and other benefits etc. as under: -

- (i) Housing
 - (d) The expenditure by the Company on hiring unfurnished accommodation subject to a ceiling of 60% of the salary.
 - (e) In case the Company owns the accommodation, the Company shall deduct ten percent of the salary of the appointee.
 - (f) In case the Company provides no accommodation, the appointee shall be entitled to house rent allowances subject to the ceiling laid down in (a) above.
- (ii) Payment of gas, electricity, water expenses and furnishing: To be valued as per Income-tax Rules, 1962.
- (iii) Medical/Hospitalization Expenses (within/outside India): Reimbursement of Expenses incurred for self and family in accordance with the rules of the Company.
- (iv) Leave Travel Concession: Leave Travel Concessions for self and family in accordance with the rules of the Company.
- (v) Club Fees: Fees of clubs subject to maximum of two clubs. Admission and life membership fee to be paid as per rules of the Company.
- (vi) Personal Medical/Accident Insurance etc.: Coverage for Personal Medical/Accident Insurance/Keymen Insurance or any other coverage as per rules of the Company and annual premium for the same to be paid by the Company.
- (vii) Any other benefits, facilities, allowances and expenses as may be allowed under Company rules/schemes and available to other employees.

NOTE

- (i) For the purpose of perquisites stated hereinabove, 'family' means spouse, dependent children and dependent parents of the appointee.
- (ii) Perquisites shall be evaluated as per Income-tax Rules wherever applicable and in the absence of any such rule, perquisites shall be evaluated at actual cost.

Part-"B"

- (i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per rules of the Company and will not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961. Gratuity payable shall be in accordance with the rules of the Company.
- (ii) Earned leave: On full pay and allowances as per the rules of the Company.
- (iii) Encashment of leave at the end of the tenure, if any, will not be included in the computation of the ceiling on perquisites.

Part – 'C'

Provision of car for use in connection with Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the appointee.

The amount of the aforesaid perquisites and allowances will be restricted to an amount equal to the annual salary.

4. The appointee shall also be entitled to reimbursement of entertainment expenses actually and properly incurred in the coursed of legitimate business of the Company.



5. The above remuneration payable to Mr. Bharat H. Pipalia is subject to the condition that the total remuneration and all the perquisites as mentioned at 'A', 'B' & 'C' above shall not exceed 5% of the net profits individually and 10% of the net profits collectively payable to all the Managing Director/Whole Time Directors as calculated in accordance with Section 198 and 309 of the Act, or any amendment thereto or any other provisions as may be applicable. Where in any financial year the Company has no profits or profits are inadequate, the remuneration payable will be in accordance with the provisions of Sections II of part II of Schedule XIII to the Companies Act, 1956 as may be amended from time to time.
6. The appointee shall, subject to the applicable provisions of the Act (including any statutory modification or re-enactment thereof, for the time being in force), also be eligible for Housing, Education and Medical Loan and other loans or facilities as applicable in accordance with rules of the Company.

The Terms and conditions of appointment and remuneration given herein may be altered and varied from time to time by the Board of Directors of the Company as it may, as its discretion deem fit, so as not to exceed the limits specified in Schedule XIII of the Act (including any statutory modification or re-enactment thereof, for the time being in force), or any amendments made thereto from time to time.

In compliance with the applicable provisions of the companies Act, 1956, Ordinary Resolution in terms as set out in item 10 of the accompanying Notice is now being placed before the members in the General Meeting for their approval.

None of the Directors except Mr. Bharat H. Pipalia is concerned or interested in this resolution.

This Explanatory Statement is and should be treated as an abstract under Section 302 of the Companies Act, 1956, of the Agreement to be entered into between the Company and Mr. Bharat H. Pipalia

By order of the Board

ASHOK C. KHIMAVAT
CHAIRMAN

Place : Mumbai

Date : 31st July 2003

Registered Office:

Kanchan International Limited
7, Salooni Apartment, 56th Road, TPS,
Borivali (W), Mumbai 400 092

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DIRECTORS' REPORT & MANAGEMENT DISCUSSIONS

To,

The Members,

KANCHAN INTERNATIONAL LIMITED

Your Directors have pleasure in presenting the **9th Annual Report** together with the Audited statement of Accounts of the Company for the year ended 31st March 2003.

FINANCIAL RESULTS

The Financial performance of your Company for the year under review is summarized below:

Particulars	Year Ended 31.03.2003	Rs. in Lakhs Year Ended
		31.03.2002
Sales	3584.83	3170.33
Profit before Depreciation, Interest & Taxation	276.88	244.44
Depreciation	31.94	26.71
Interest & Financial Charges	121.72	97.47
Profit before Taxation	123.22	120.26
Provision for Taxation	12.40	12.10
Net Profit after taxation	110.82	108.16
Balance B/F from previous year	119.29	86.13
Profit available for appropriation	230.11	194.29
Transfer to General Reserves	75.00	75.00
Balance carried to Balance Sheet	155.11	119.29

REVIEW OF OPERATIONS

Your Company has achieved sales turnover of Rs. 3584.83 Lacs as compared to Rs. 3170.33 Lacs during the preceding year, registering a growth of 13%. These have been achieved through development of new innovative and value added products. The profit before Depreciation, Interest and Tax has increased to Rs. 276.88 lacs as compared to Rs. 244.44 lacs in the preceding year. The Company has achieved a net profit of Rs. 110.82 lacs as compared to Rs. 108.16 lacs in the preceding year. The Company has taken measures to adopt innovative strategies to increase the turnover and profitability of the Company. The Company is continuing its efforts to improve productivity and curtail costs.

During the year under review, the Company has launched Stainless steel Pressure Cookers & Inner Lid Pressure Cookers. In addition, the Company also commenced marketing of various other products such as Steam Iron, Toasters etc. The Company's plants at Daman has performed satisfactorily during the year and plants II and III continue to be eligible for tax holidays pursuant to section 80 IB of the Income Tax Act, 1956.

DIVIDEND

To be globally competitive, it is imperative that we should conserve our resources for on going modernization of existing projects to have economies of scale. Considering the long term interest of the shareholders, your Directors therefore do not recommend payment of dividend for the year under review and decided to plough back profits to build up resources which will help in increasing the wealth of shareholders.

FUTURE OUTLOOK

The growth in demand for home appliance products continues to rise in tandem with the increase in income and living standards of the people in rural areas of India. Electricity is the force driving the demand for consumer durables particularly in villages, which make up the fastest growing segment. Presently the lack of power is the single largest contributor for the low use of consumer durables in villages. With the interest rate scenario conducive to the growth of development of infrastructure projects and electrification in rural areas of India, it is expected that the demand for home appliance products viz. Pressure Cookers, Mixers, Gas stoves etc. will rise tremendously. To encourage fuel saving & health conscious products, the Government of India has reduced Excise Duty on Pressure Cookers from 16% to 8%, which will further boost the demand in rural as well as urban areas. Your Company is also exploring new markets globally to further improve the sales and profits.

OPPORTUNITIES & THREATS

Opportunities

- Established leadership position in home appliance segment
- The implementation of VAT should help to remove the disadvantage due to activities of unorganized sector.



Threats

- Cheap imports from China and Far East
- Uncertain Monsoon
- A large number of players in the unorganized sector enjoy price advantage either due to tax concessions or SSI status.

RISK & CONCERNS

The industry fortunes are linked to the rural income, which is depending to some extent on agricultural production, government off take and monsoon in the country. The domestic, regional and global macro economic environment directly influences the demand of consumer durable products. Any economic slowdown can adversely impact demand supply dynamics and profitability of all industry players, including Kanchan.

However, the Company's operations have historically shown significant exposure to the resilience to the fluctuations of economic and industry cycles, with demand for most of its key products continue to grow at healthy rates even at times of an overall economic slowdown.

The Company is making investments in attractive new businesses and markets in India. These factors potentially expose Kanchan to any risk of a significant shock to the Indian economy, which may adversely impact the long-term economic fundamentals. Kanchan's continuing focus on exports is a part of its strategy to diversify this risk.

Kanchan has insured its assets and operations against a wide range of risks, as part of its overall risk management strategies. Any adverse movement in the value of the domestic currency may increase the Company's liability on account of its foreign currency denominated loans. The Company's rapidly growing export revenues provide more than adequate cover for the foreign currency loan service requirements.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

We have always believed that transparency, systems and controls are important factors in the success and growth of any organization. Towards this end, the Company has already appointed M/S Singrodia Goyal & Co., Chartered Accountants, who have been given the responsibility of implementing adequate systems and controls for all the activities in the Company, close monitoring thereof and to strengthen and modify the same from time to time to meet the changing requirement of the Company. The deviation from the norms are first informed to the concerned operating person for corrective actions and in case of need, these are brought to the notice of the concerned head of the unit or the department, as the case may be. The internal Auditors constantly look into the areas where there is a possibility of saving in cost and submit their suggestions to the concerned operating departments. All major findings and suggestions are complied and reported to the Audit Committee of the Directors on a quarterly basis or earlier if so required. It operates at all the Plants at Daman and other business locations but centrally controlled from the Corporate office at Mumbai. We believe that we have a sound internal control system in our Company.

MATERIAL DEVELOPMENT ON HUMAN RESOURCES / INDUSTRIAL RELATIONS

The biggest strength of the Company has always been its people. Only with their participation have we managed to achieve a healthy work culture, transparency in working, fair business practice and a passion for efficiency. The Company follows a unique, homegrown philosophy of allowing people to set their own targets and give them the freedom to achieve them: 'I can'. This philosophy has spread across all our employees and has been a constant source of motivation for our people. Further, to enhance their skills and enrich their experience, the Company provides continuous training. This includes workshops, courses, seminars and visit to the Company's plants. Of late, we have also started in-house conferences for various disciplines. Employees from all our offices are invited to participate. It is a useful forum for sharing experiences, ideas, innovations and developmental work undertaken in their respective work places. From the beginning, we have followed a progressive policy of taking keen interest in the well-being and progress of our people. All of this, we believe, has nurtured a strong sense of belonging among our people.

DIRECTORS

The Board of a Company provides leadership and strategic guidance, objective judgment independent of management to the Company and exercise control over the Company, while remaining at all times accountable to the shareholders. To make the Board more effective and broad, the Company has inducted some professionals on the Board of Directors during the year under review. During the year under review, the Company has appointed three new Directors on the Board. Mr. S.C. Kapadia, Mr. K.R. Doddihal & Mr. C.S. Khimavat were appointed as Additional Directors. They hold office upto the date of the ensuing Annual General Meeting of the Company. Notices have been received from the members of the Company proposing candidature of Mr. S.C. Kapadia, Mr. K.R. Doddihal & Mr. C.S. Khimavat for the office of the Directors of the Company. The Directors recommended their appointment.

Mr. Dinesh C. Khimavat, Managing Director of the Company is liable to retire by rotation and being eligible, offers himself for re-appointment.