



MALWA COTTON SPINNING MILLS LIMITED

THE MANAGEMENT

BOARD OF DIRECTORS	:	MR.JANGI LAL OSWAL Chairman-cum-Managing Director MR.SANJAY KUMAR SUROYA (Nominee of IDBI) MR.RISHI OSWAL MR.RAHUL OSWAL MR.G.BANSAL MR.SURINDER KUMAR VIG MR.NEM CHAND JAIN MR.T.HARI KRISHNAN
AUDITORS	:	S.C.Vasudeva & Co., New Delhi
BANKERS	:	Punjab National Bank State Bank of India Vijaya Bank The Jammu & Kashmir Bank Ltd. IDBI Bank IFCI Ltd.
REGISTERED OFFICE	:	Industrial Area - 'A', Ludhiana - 141 003
WORKS	:	i) Village Harigarh, Raikot Road, Barnala (Punjab) ii) Village Patlian, Paonta Sahib (Himachal Pradesh) iii) Village Harian, Kohara-Machhiwara Road, Distt. Ludhiana (Punjab)

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MALWA COTTON SPINNING MILLS LIMITED

NOTICE

Notice is hereby given that the THIRTYFOURTH ANNUAL GENERAL MEETING of the Members of Malwa Cotton Spinning Mills Limited will be held in the premises of Oswal Knit India Ltd, 230 Industrial Area-A, Ludhiana on Saturday, the 25th September, 2010 at 9.30 AM to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010, Profit and Loss Account for the year ended on that date together with the Report of Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Rishi Oswal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Rahul Oswal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors for the year 2010-11 and fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED THAT the consent of the Company be and is hereby accorded to the Board of Directors of the Company in terms of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgage and/or charge the movable and immovable properties of the Company both present and future situated at Delhi, Dehradun, Kanpur, Bhilwara and Kolkata which are mortgaged in favour of Punjab National Bank (PNB), State Bank of India (SBI), IFCI Ltd (IFCI), IDBI Bank Ltd (IDBI), Vijaya Bank (VB), The Jammu & Kashmir Bank Ltd (JKB) and Small Industrial Development Bank of India (SIDBI) and/or the whole or any part of the undertaking(s) of the Company together with the power to take over management of the business and concern of the Company in certain events of defaults (whether such power is contained in the documents creating the mortgage/charge or otherwise) in favour of the following:

PNB, SBI, IFCI, IDBI, VB, JKB and SIDBI to secure their restructured Fund Based and Non-Fund Based Working Capital Facilities of Rs.107.50 Crore and

Export Bills Limit of Rs.45.00 Crore their existing Term Loans & Working Capital Term Loans & fresh Term Loans/FITL/WCTL for Rs.172.48 Crore on 1st Pari-Passu Charge basis together with interest at respective rates, additional interest, liquidated damages, compound interest, commitment charges, of the Loan Agreement(s) as amended from time to time."

"RESOLVED FURTHER THAT the mortgage/charge created/to be created and/or all agreements/documents executed/to be executed and all acts done in terms of above resolution by and with the authority of the Board of Directors are hereby confirmed and ratified."

By order of the Board

Place : Ludhiana
Dated : 28.05.2010

DINESH GUPTA
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING, THE BLANK PROXY FORM IS ENCLOSED.
2. The information pursuant to Corporate Governance Clause of the Listing Agreement(s) regarding the directors seeking appointment/re-appointment in the Annual General Meeting as proposed in Item No. 2 & 3 of the Notice is also being annexed hereto respectively and forms part of the Notice.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from 24.09.2010 to 25.09.2010 (both days inclusive).
4. Members holding shares in physical form are requested to notify the change in their addresses, if any, to the Registrar & Transfer Agent/Company immediately quoting their Folio Number(s). However, members holding shares in electronic mode may notify the change in the address, if any, to their respective Depository Participants.
5. Members desiring any information, as regards Accounts are requested to write to the Company at its Registered Office at least 10 days before the date of Annual General Meeting so as to enable the management to keep the Information ready.



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6. The copies of relevant documents can be inspected at the Registered Office of the company on any working day between 10.30 AM to 12.30 PM.
7. Members are requested to bring their copy of Annual Report along with them at the Annual General Meeting.
8. INFORMATION REQUIRED PURSUANT TO CORPORATE GOVERNANCE CLAUSE OF THE LISTING AGREEMENT(S) REGARDING THE DIRECTORS RE-APPOINTMENT IN THE ANNUAL GENERAL MEETING AS PROPOSED IN ITEM NO.2 AND 3 OF THE NOTICE IS AS UNDER :

Mr. Rishi Oswal

Rishi Oswal is the Director of the Company. He has experience of over 16 years in the textile and apparel industry. He is a commerce graduate. He is the Managing Director of Malwa Industries Ltd and is with the company since its incorporation and involved in strategic planning and mapping the future growth of Malwa Industries Limited. His date of Birth is 26.11.1972 and date of appointment is 29.07.1994. He holds the position of Managing Director/Director on the board of the following companies:

Malwa Industries Ltd.

Oswal Multimedia K.I.D. Ltd.

Malwa Capital and Finance Ltd.

Jangi Growth Fund Pvt.Ltd.

Neelam Growth Fund Pvt. Ltd.

Rishi Growth Fund Pvt. Ltd.

Oswal Dreamz Ltd.

Malwa Corp. Ltd.

Oswal Corp. Ltd.

Sunnycott Holdings Ltd.,Cyprus

Third Dimension Apparels LLC,Jordon

Emmetre Tintolavanderie Industrial S.R.I.,Italy

Malwa Millennium Designs Ltd.

Mr Rahul Oswal

Rahul Oswal is the director of the company. He has experience of 14 years in textile and apparel business. He is a commerce graduate. His date of birth is 07.01.1974 and date of appointment is 29.07.1994. He holds the position of Executive Director/Director on the board of the following companies:

Malwa Industries Ltd.

Oswal Multimedia K.I.D. Ltd.

Malwa Corp. Ltd.

Oswal Corp. Ltd.

Oswal Exim Trade Ltd.

Oswal Dreamz Ltd.

By order of the Board

Place : Ludhiana

DINESH GUPTA

Dated : 28.05.2010

Company Secretary

ANNEXURE TO THE NOTICE

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

ITEM NO.5 OF THE SPECIAL BUSINESS

The members are informed that your company has approached its lenders for restructuring of term loan/ Working capital facility under CDR mechanism through PNB (Monitoring Institution). The CDR Cell, Mumbai has approved the proposal for restructuring and the Banks/lenders (i.e. PNB, SBI, IFCL, IDBI,VB, J & K Bank and SIDBI) asked the company to create charge on restructured fund based/non-fund based/short term loan facility of Rs.107.50 crore, export bills limits of Rs.45 crore, working capital term loan facility of Rs.25 crore & existing WCTL of Rs. 21.29 crore and FITL facility of Rs. 36.52 crore, SIDBI for its Term loan of Rs.2 crore, IFCL for its Term loan of Rs.70.28 crore, IDBI for its Term loan of Rs.16.37 crore & SBI for its Term loan of Rs.1.02 crore. It needs to create/modify charge on all the immovable properties of the company to secure their credit facility(ies)/Term loans. Accordingly, members' approval is solicited for the same pursuant to section 293(1)(a) of the Companies Act, 1956.

MEMORANDUM OF INTEREST

None of the Directors is interested in this resolution.

Regd. Office
Industrial Area 'A'
Ludhiana

Dated : 28.05.2010

By order of the Board

DINESH GUPTA

Company Secretary



DIRECTORS' REPORT

Dear Members,

The Directors of your Company are pleased to present their 34th Annual Report on the business of the Company together with the Audited Accounts of the Company for the year ended 31st March, 2010.

(Rs. Lac)

FINANCIAL RESULTS	2009-10	2008-09
Profit/(Loss) before financial expenses & depreciation	1707.08	(477.89)
Financial expenses	2855.33	3007.71
Depreciation	581.22	738.07
Profit/(Loss) before tax	(1729.47)	(4223.67)
Profit/(Loss) for the year after tax adjustments	(1724.98)	(4371.88)

YEAR IN RETROSPECT

The company has recorded profit/(loss) before depreciation, interest & tax of Rs.1707.08 lac as compared to previous year Rs. (477.89) lac.

Indian textile industry is passing through difficult period due to global recession, reductions in inventories by global retail giants, less export orders, higher price of raw materials like cotton and infrastructure bottlenecks such as power, transportation and higher financial cost etc. Due to global financial meltdown, growth of the Indian textile industry was adversely affected and sustainability is the need of the hour in the times of adversity. Exporters were finding it difficult to convert inquiries into orders as they have been adversely hit by rising raw material prices and the rupee appreciation.

The Board is pleased to inform that the restructuring proposal sanctioned under Corporate Debt Restructuring is implemented, but there was delay in the release of additional funds as per restructuring scheme. Profitability of your company has improved in comparison to previous year, but capacity utilization and production has decreased due to delay in release of funds as per scheme, power cuts, labour shortage and adverse textile scenario.

During the year, the company has achieved total production of 205 lac kgs for all types of yarns compared to previous year's production of 222 lac kgs. The cotton yarn production was 114 lac kgs against 121 lac kgs in the previous year and other yarns production was 91 lac kgs against 101 lac kgs in the previous year. Thread production was 34 lac kgs against 40 lac kgs in the previous year.

TURNOVER

During the year, your company has recorded gross sales of Rs.43241 lac against Rs. 45890 lac in the previous year. The company has achieved yarn sale of Rs. 23344 lac, Thread sale of Rs.10850 lac and others of Rs.9047 lac in the current year ending 31st March, 2010 against sale of yarn Rs. 25245 lac, Thread Rs.11226 lac and others Rs.9419 lac respectively in the previous year. Export of yarn was at Rs. 4312 lac (CIF) against Rs.9371 lac (CIF) in the previous year.

BARNALA UNIT

The Barnala unit has achieved production of 111.37 lac kgs of Yarn and capacity utilization of 85% in the current year. The plant is equipped with latest technology machines to meet the demand of domestic as well as international markets.

PAONTA SAHIB UNIT

The Paonta Sahib unit was operating at capacity utilization of 86 % and had production of 81.65 lac kgs of yarns.

MACHHIWARA UNIT

The company's strength lies in value added products. The unit had achieved production of 34 lac kgs of value added products during the year.

The capacity utilisation of Worsted unit was 35% and is below the optimum level due to seasonality of the products, shortage of labour, power, tight liquidity and low demand. The unit had achieved production of 11.97 lac kgs of yarn.

FIXED DEPOSITS

The Company has not accepted/renewed any deposits from the public during the year under review under section 58A of the Companies Act, 1956.

INDUSTRIAL RELATIONS

Your company has cordial relations with employees and no man-day was lost during the year. The company is very thankful to its employees for the wholehearted support in achieving optimum level of efficiency.

COMPLIANCE OF LISTING AGREEMENT

The equity shares of the Company are listed at The Bombay Stock Exchange and National Stock Exchange. The Company has paid annual listing fee up to 31st March, 2011.



CORPORATE GOVERNANCE

As per Clause 49 of the Listing agreement, a separate Report on Corporate Governance together with Management Discussion and Analysis and certificate from Company's Auditors is annexed and forms part of the report.

AUDITORS

M/s. S.C.Vasudeva & Co., auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and being eligible, offered themselves for re-appointment.

AUDITORS' REPORT

The Auditors' Report on the Accounts is self-explanatory and required no comments except i) non-disclosure of segment results separately in respect of sewing thread segment in accordance with Accounting Standard (AS)-17. Results of the operations of the sewing thread segment is compiled to the extent it could be computed from the books of account, however results of the textile segment (yarn & sewing thread) is disclosed as per Accounting Standard (AS)-17. ii) the company is confident of recovery of debtors in respect of which balances were not confirmed and therefore, no provision has been made for doubtful debts in respect of these debtors as doubtful amount can not be ascertained at this stage.

DIRECTORS' RESPONSIBILITY STATEMENT

Directors' Responsibility Statement pursuant to the provision of section 217(2AA) of the Companies Act, 1956 is attached as per Annexure 'C' and forms part of the report.

DIRECTORS

Sh. Rishi Oswal and Rahul Oswal retire at the ensuing Annual General Meeting and are eligible for appointment as Directors subject to retirement by rotation. They offer themselves for the re-appointment.

Sh.Rattan Singh, nominee of IFCI Ltd ceased to be Director of the company. The Board places on record its appreciation for the services rendered during his tenure as Director of the Company.

Sh. T.Hari Krishnan, nominee of IFCI Ltd, was appointed as Director on the Board of the company. He is welcome on the board.

Sh.Satish Kumar Mohla, nominee of PNB ceased to be Director of the company. The Board places on record its appreciation for the services rendered during his tenure as Director of the Company.

Sh. Nem Chand Jain, nominee of PNB, was appointed as Director on the Board of the company. He is welcome on the board.

ACKNOWLEDGEMENT

The Board of Directors place on record its appreciation for the valuable assistance, support and guidance extended to the company by the Financial Institutions and Banks. The company also acknowledges the support and co-operation received from dealers, retailers and agents for promoting various products of the company. The Board also wish to express its deep gratitude for the continued support from its shareholders and the employees and appreciate the co-operation and unstinted support extended to the company.

DISCLOSURE OF PARTICULARS

Statement of particulars of employees pursuant to Section 217(2A) of the Companies Act, 1956 is attached as per Annexure 'A'

Information as per the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 relating to conservation of energy, technology absorption, foreign exchange earning and outgo is given in Annexure 'B' forming part of this Report.



MALWA COTTON SPINNING MILLS LIMITED

ANNEXURE 'A' TO THE DIRECTORS' REPORT

PARTICULARS OF EMPLOYEES

Statement of Particulars of Employees under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and Forming Part of Directors' Report for the year ended 31.03.2010.

Name	Age	Date of Employment	Qualification	No. of years Experience	Designation & Nature of Duties	Remuneration (Rs.Lac)	Last Employment held	Designation with last employer	Period of Service with last employer (Years)
Mr.Jangi Lal Oswal	58	09.04.1980	B.A. IInd Year	39	Chairman-cum- Managing Director	25.94	Oswal Woollen Mills Limited	Commercial Manager	9

1. The appointment of Mr. Jangi Lal Oswal is on contractual basis.
2. Mr. Jangi Lal Oswal is related to Mr. Rishi Oswal and Mr. Rahul Oswal, Directors of the Company.
3. The remuneration includes salary, cash allowances/and perquisite value of other non cash perquisites.

For and on behalf of the Board

JANGI LAL OSWAL
Chairman-cum-Managing Director

Place : Ludhiana
Dated : 28.05.2010

ANNEXURE 'B' TO THE DIRECTORS' REPORT

INFORMATION AS PER SECTION 217(1)(e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

I. CONSERVATION OF ENERGY

The company continues to accord high priority to energy conservation.

- a) Some of the initiatives undertaken for conservation of energy
 - Use of energy efficient motors and modernization of various machines.
 - Improvement in power factors by providing capacitor on different load centers.
 - Electronic Soft start units with Power Saving features installed at various machines.
 - Installation of flat belt, flat pulley & FRP fans at humidification plant.
 - Energy efficient lighting system and modernize mechanical devices.
- b) Further proposed and investment for reduction of energy consumption.
 - Modernization/replacement of obsolete plant & machinery.
- c) Overall impact of measures of above resulting in energy saving.
 - Not ascertainable precisely.
- d) Total energy consumption and energy consumption per unit of production as per Form A in respect of industries specified in the schedule.

FORM A

(Disclosure of particulars with respect to conservation of energy)

A. POWER AND FUEL CONSUMPTION

		2009-10	2008-09
1. Electricity			
a) Purchased			
Units	Lac Units	927.47	974.71
Total Amount	Rs. Lac	3971.12	3958.24
Rate/Unit	Rs.	4.28	4.08
b) Own generation			
Through diesel Generator			
Units	Lac Units	31.55	16.79
Unit/Litre		3.39	3.39
Rate/Unit	Rs.	8.73	8.90



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Steam

Quantity	Tonnes	82043.46	82374.27
Total Cost	Rs.Lac	668.16	791.78
Rate/Per Ton	Rs./Tonne	814.39	961.19

B CONSUMPTION PER UNIT OF PRODUCTION

Electricity	Per Tonne in unit	4678.26	4469.05
Steam	Per kg of Fibre/Yarn Dyed	13.04	12.52

II. TECHNOLOGY ABSORPTION

Efforts are being made in Technology Absorption as per Form B.

FORM - B

RESEARCH AND DEVELOPMENT (R&D)

- Continuous efforts are being made for developing new products and to improve the existing products.
- With the ongoing efforts by R&D, benefits derived are -
 - Improvement in quality of its products.
 - Development of specialized yarn
 - Consistency in work performance.
- Future plan of action
The company is doing R&D on continuous basis to improve the quality of existing products and introduction of new products.
- Expenditure on R & D

	2009-10	(Rs. Lac) 2008-09
a) Capital	0.00	0.56
b) Recurring	69.60	71.63
c) Total	69.60	72.19
d) Total R & D Expenditure as a percentage of turnover	0.16%	0.16%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- Efforts in brief, made towards technology absorption, adaptation and innovation.
 - Absorption and adaptation of new indigenous technology are being made.
- Benefit derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.
 - Not ascertainable.
- Information regarding technology imported during the last 5 years : Nil

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

- Activities relating to exports; initiatives taken to increase exports; development of new export market for products and services; and export plans.
- Total Foreign Exchange earned and used :

	2009-10	(Rs.Lac) 2008-09
Foreign Exchange earned (FOB)	4212.97	9077.80
Foreign Exchange used (CIF)	517.65	396.55

ANNEXURE 'C' TO THE DIRECTORS' REPORT

Directors' Responsibility Statement

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

- That in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- That the directors had 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 that period.
- That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- That the directors have prepared the annual accounts on a going concern basis.

For and on behalf of the Board

Place : Ludhiana
Dated : 28.05.2010

JANGI LAL OSWAL
Chairman-cum-Managing Director

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****Industry Structure and Developments**

The Indian Textile industry is highly fragmented sector. Industry is fully vertically integrated across the whole value chain and interconnected with various operations. Textile Industry comprises small-scale, medium-scale, large-scale, non-integrated, spinning, weaving, finishing, and apparel-making firms and enterprises. The organized Mill Sector comprises of spinning Mills, and Composite Mills where spinning, weaving, and processing activities are done.

India is the largest producer of Jute, the 2nd largest producer of Silk, the 3rd largest producer of Cotton and Cellulosic Fibre/Yarn and 5th largest producer of Synthetic Fibers/Yarn.

The textile industry is one of the leading sectors in the Indian economy as it contributes nearly 14 percent to the total industrial production. The textile industry in India is claimed to be the biggest revenue earners in terms of foreign exchange among all other industrial sectors in India.

Opportunities & Threats

Indian textile industry has made a distinct position globally, alluring the globe towards the 'World of Indian textiles'. This has happened mainly due to high availability of skilled economical labour, availability of all kinds of fibers like silk, cotton, wool and even high quality synthetic fibers and flexibility of the readymade garment industry in terms of sizes, fabric variety, quantity, quality and cost. Most of the international brands have started procuring most of their fabrics from India.

The textile industry is facing tough competition from other developing countries, especially China. Continuous Quality Improvement is need of the hour as there are different demand patterns all over the world. The industry has to make balance between price and quality, the demand & supply and to comply with environmental Laws.

Future Outlook

Growth rate of Domestic Textile Industry is 6-8% per annum. The Indian textile industry has large, potential domestic and international Market. The Increased Disposable Income and Purchasing Power of Indian Customer open new market opportunities. Market is gradually shifting towards Branded Readymade Garment. Also, emerging Retail Industry and Malls provide huge opportunities for the Apparel, Handicraft and other segments of the industry. The industry is capable to cater global needs as well as domestic needs.

India has great advantage in Spinning Sector and has a presence in all process of operation and value chain.

Risks & Concerns

The Indian textile Industry is highly dependent on Cotton. Lack of Technological Development affects the productivity and other activities in whole value chain. Weak Infrastructure resulted in higher transportation time and transaction time at Ports. The industry, as compared to other countries, is at disadvantage due to power shortage, higher power cost & interest costs etc. The cost of power for the Indian textile industry has been found to be the highest among the competitors. Red-tapism is also hindrance in the development of textile industry.

Reducing- borrowing costs, power tariff, freight charges and also reducing the transaction costs will infuse efficiency into the entire production chain. Though situation has improved in the last couple of years, but still there is enough scope for improvement. Proper raw material management can also go a long way in improving the efficiency of the existing production chain. Managing all this will require putting

in place a well carved out strategy to face the global market.

Internal Control System and their adequacy

The company has a proper and adequate system of internal control commensurate with the size of the Company. The Company is also having Internal Audit Department, which ensures adherence to all internal control policies and procedures.

The Audit Committee of Board of Directors continuously reviews the adequacy of internal controls.

Financial/operational Performance (Rs. Lac)

Particulars	2009-10	2008-09
Turnover & Other Income	43763	45955
PBDIT	1707	(478)
Interest & Financial Charges	2855	3008
Depreciation	581	738
Profit/(Loss) before Tax	(1729)	(4224)
Profit/(Loss) after Tax	(1725)	(4372)
Earning Per Share (Rs.)	(29.54)	(69.78)

Human Resources/Industrial Relations

Human resource is the most significant and valuable asset of the Company. Industrial relations at all units of the company remained cordial and peaceful during the year. Every member of the company contributes to the company's growth and reputation.

For and on behalf of the Board

Place : Ludhiana
Dated : 28.05.2010

Jangi Lal Oswal
Chairman Cum Managing Director

REPORT ON CORPORATE GOVERNANCE

This report on Corporate Governance forms part of the Annual Report. Your Company is striving to adopt the best practices of Corporate Governance. This section, besides being in compliance of the mandatory Listing Agreement, gives an insight into the process of functioning of the company.

1. Company's Philosophy

- Quality People
- Product Quality a way of life
- Integrated diversification/product range expansion
- Faith in individual potential and respect for human values
- Accepting change as a way of life.

2. Board of Directors
(a) Board Meeting:

During the financial year 2009-2010, the Board met nine times on the following dates

- | | | |
|-----------------------|----------------------|----------------------|
| - 11th April, 2009 | - 20th June, 2009 | - 30th June, 2009 |
| - 27th July, 2009 | - 31st July, 2009 | - 31st October, 2009 |
| - 30th December, 2009 | - 30th January, 2010 | - 29th March, 2010 |

(b) Composition:

The Board of Directors comprises of a Chairman and Managing Director and seven Non-Executive Directors including Nominee Directors. Five are Independent Directors out of Board strength of Eight Directors. The composition of Board is in conformity with Clause 49 of the Listing Agreements entered into with the Stock Exchanges and exceeds the percentages prescribed in the said Agreements.

The composition of the Board of Directors and their attendance at the Board Meetings during the year and at last Annual General Meeting of the Company as also the number of other Directorship/Chairmanship in Indian Public Limited Companies is given as follows:-

S. No.	Name of the Directors	Category	Number of Board Meetings held	Number of Board Meetings attended	Attendance at last AGM	No. of directorship held in other companies	No. of Board Committee membership held in other companies	No. of Board Chairmanship held in other companies
1	Mr.Jangi Lal Oswal Chairman-cum-Managing Director	Non-Independent, Executive	9	9	No	6	-	1
2	Mr.Rishi Oswal	Non-Independent, Non-Executive	9	1	No	7	-	-
3	Mr.Rahul Oswal	Non-Independent, Non-Executive	9	7	Yes	6	-	-
4	Mr.G. Bansal	Non-Executive, Independent	9	6	Yes	-	-	-
5	Mr.Sanjay Kumar Suroya	Nominee of IDBI, Non-Executive, Independent	9	7	No	1	-	-
6	Mr.S.K.Mohla *	Nominee of PNB, Non-Executive, Independent	5	1	No	-	-	-
7	Mr.Nem Chand Jain*	Nominee of PNB, Non-Executive, Independent	4	2	-	-	-	-
8	Mr.Rattan Singh**	Nominee of IFCI, Non-Executive, Independent	5	3	No	1	-	-
9	Mr.Surinder Kumar Vig	Non-Executive Independent	9	9	No	-	-	-
10	Mr.T.Hari Krishnan**	Nominee of IFCI, Non-Executive, Independent	4	4	No	-	-	-

Mr.Rishi Oswal and Mr.Rahul Oswal are related to Mr.Jangi Lal Oswal. None of the other Directors is related to any other Director of the Company.

* Mr.Nem Chand Jain was appointed as nominee of PNB in place of Mr. S K. Mohla w.e.f. 31.10.2009

** Mr.T.Hari Krishnan was appointed as nominee of IFCI Ltd. in place of Mr. Rattan Singh w.e.f. 31.10.2009

3. AUDIT COMMITTEE

The Audit Committee comprises of five Non-Executive Independent Directors, namely Mr. G. Bansal, Chairman, Mr.T.Hari Krishnan, Mr.Sanjay Kumar Suroya, Mr. Nem Chand Jain and Mr.Surinder Kumar Vig. All the members of audit committee possess financial/accounting experience. The composition of audit committee meets the requirement of Section 292A of the Companies Act, 1956 and clause 49 of the Listing Agreement. Mr.Dinesh Gupta is the secretary to the Audit Committee. The terms of reference of the Audit Committee are, as contained in section 292A of the Companies Act, 1956, and also as contained in Corporate Governance Clause of the Listing Agreement.

The Audit Committee met four times during the financial year 2009-10 on the following dates:-

- 30th June, 2009 - 31st July, 2009
- 31st October, 2009 - 30th January, 2010

The attendance of present and past members of the Audit Committee during the financial year 2009-10:-

Name	No. of meeting attendend
Mr.Sanjay Kumar Suroya	3
Mr.G.Bansal	4
Mr.T.Hari Krishnan*	2
Mr.Surinder Kumar Vig	4
Mr.Rattan Singh#	2
Mr.Nem Chand Jain**	-

* Appointed as member of Audit Committee w.e.f. 31.10.2009.

Ceased to be member of the Audit Committee w.e.f. 31.10.2009.

** Appointed as member of Audit Committee w.e.f. 29.03.2010.

4. DIRECTORS'REMUNERATION:

The Company pays remuneration to Chairman and Managing Director as approved by the Board of Directors and the members of the Company in the Extraordinary General Meeting held on 29th April, 2008.

i) Chairman and Managing Director: (Rs. Lac)

Name	Designation	Salary and allowances	Other Perks	Contribution to Provident & other fund	Gross Salary
Mr.Jangi Lal Oswal	Chairman-cum-Mg. Director	24.00	-	1.94	25.94

ii) Non-Executive Directors:

Non-Executive Directors have not been paid any remuneration except sitting fees for attending Board and Committee Meetings.

Detail of sitting fee paid to Non-executive Directors during the financial year 2009-10 was as below:-

Name of Non-Executive Directors	Sitting Fee (Rs.)
Mr.Sanjay Kumar Suroya	10000.00
Mr.Nem Chand Jain	2000.00
Mr.Satish Kumar Mohla	1000.00
Mr.G.Bansal	10000.00
Mr.Rishi Oswal	1000.00
Mr.Rahul Oswal	7000.00
Mr.Rattan Singh	5000.00
Mr.Surinder Kumar Vig	13000.00
Mr.T.Hari Krishnan	6000.00
Total	55000.00

5. SHAREHOLDING OF DIRECTORS AS ON 31.03.2010

The shareholdings of Directors in the Equity Share of the Company is given as follows:-

Name of Director	Number of Shares held
Mr.Jangi Lal Oswal	6090
Mr.Surinder Kumar Vig	11098

6. SHAREHOLDERS/INVESTORS GRIEVANCES COMMITTEE:

To look into the redressal of investors 'complaints on various issues, the company constituted a Shareholders/Investors Grievances Committee. The members of the committee are Mr.Rahul Oswal, Mr.G.Bansal and Mr.Surinder Kumar Vig. The Chairman of Committee is Mr Rahul Oswal, a Non- Executive Director. During the year, a meeting of the Committee was held on 31.10.2009 and same was attended by Mr.Rahul Oswal and Mr.G. Bansal. Mr.Dinesh Gupta, Company Secretary of the Company, is the Compliance Officer for this Committee.

During the year 2009-10, the Company has received 14 complaints. The complaints are related to non-receipt of Annual Reports, non receipt of dividend, dematerialisation of shares etc. All the complaints have been duly resolved by the company. No complaint was pending as on 31st March, 2010.

7. GENERAL BODY MEETINGS:

i) General Meeting

a) Annual General Meeting

Details of Meeting	Date of Meeting	Time of Meeting	Venue of Meeting
2006-07	29.09.2007	9.30 AM	In the premises of Mohan Dai Oswal Cancer Treatment & Research Foundation, G.T. Road, Sherpur, Ludhiana.
2007-08	25.09.2008		
2008-09	26.09.2009		

A Special Resolution was passed in the last Annual General Meeting. The resolution was passed with requisite majority.

b) Extraordinary General Meeting

An Extraordinary General Meeting was held on 5th May, 2009, and Special Resolution was passed for Preferential Allotment of Equity Shares Warrants to the Promoters. The resolution was passed with requisite majority.

ii) Postal Ballot

No postal Ballot was conducted during the year.

8. DISCLOSURES:

There was no material/significant transaction with the directors or the management and their relatives etc. that has any potential conflict with interest of the Company. Also there has not been any non-compliance by the Company in respect of which penalties or strictures were imposed by the Stock Exchanges or