

**Board of Directors**

D. R. Mehta  
Chairman  
Dr. S. R. Mohnot  
Director  
J. K. Baid  
Director  
Y. S. Choudhary  
Director  
P. C. Surana  
Director  
Himanshu Baid  
Managing Director  
Rishi Baid  
Executive Director

**Company Secretary**

Brahm Prakash

**Key Executives**

V.K. Khera, V P (Operations)  
J.K. Oswal, A V P (Finance)  
P.P. Matta, Sr. G M (Production)  
Hemant Bhalla, Sr. G M (Sales & Marketing )

**Auditors**

M/s Doogar & Associates  
New Delhi

**Bankers**

State Bank of India

**Board Committees**

**Audit Committee**

Dr. S. R. Mohnot, Chairman  
Y. S. Choudhary, Member  
P. C. Surana, Member

**Investors' Grievance Committee**

Dr. S. R. Mohnot, Chairman  
P. C. Surana, Member  
Himanshu Baid, Member

**Remuneration Committee**

D. R. Mehta, Chairman  
Dr. S. R. Mohnot, Member  
Y. S. Choudhary, Member  
P. C. Surana, Member

**Executive Committee**

D. R. Mehta, Chairman  
Dr. S. R. Mohnot, Member  
P. C. Surana, Member  
Himanshu Baid, Member  
Rishi Baid, Member

**Registrar & Transfer Agents**

MAS Services Limited,  
T-34, 2<sup>nd</sup> Floor, Okhla Industrial Area,  
Phase-II, New Delhi-110020

**Registered Office**

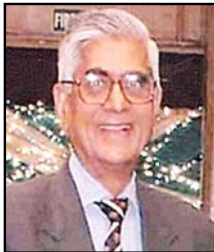
First Floor, 12, Sant Nagar, East of Kailash, New Delhi – 110065  
Ph. 91-11-26481889, 26481893, 26481899  
Fax : 91-11-26481894, 26481839  
E-mail : investorcare@polymedicure.com  
Website : www.polymedicure.com

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**LETTER TO THE SHAREHOLDERS**



Dear Fellow Shareholders,

In 2009-10, Poly Medicure Limited delivered yet another significant performance across financial and operating indicators. I am happy to share with you that various initiatives that the company had undertaken in the last couple of years are now coming to fruition. The Company recorded its highest net sales of Rs.136 crore during the period under review. During the same period, net profit after tax expanded handsomely to Rs.16.42 crore from Rs. 5.92 crore in the previous year registering a growth of 177%. Robust business plans and sound management practices that adapted rapidly to the changing environment and the contribution of our employees have collectively resulted in the Company performing well.

The Company continues to show marked improvement on all financial parameters, surpassing the guidance given by the Company both on revenue and profit. Although the global fiscal environment remained challenging, the Company due to its vast global presence in emerging markets, has been able to face up to the economic storm.

We have continuously introduced new products and nourished our existing products with appropriate focus for growth. We have begun exploring alternative ways to create value and to infuse our products and services with better innovative technology. Going forward, we intend to build our portfolio of products in a way that gives customers multiple reasons to continue their engagement with us.

The Coming years will be even more exciting. The Company will be launching a range of new products both in domestic and overseas markets. There will be challenges but the tremendous spirit

that has always been displayed by employees at all levels in the organization. I believe that we will meet those challenges and enable the Company to retain its position as a major healthcare Company activity participating in the country's prosperity and carrying the banner of India to overseas markets with a sense of great pride.

The Company has been putting a special emphasis on R&D and has been granted patents in many countries. The Company, in future will continue to invest in development of new medical devices through continuous innovations.

Risk has become as integral part of the business activities. It becomes our foremost responsibility to manage it effectively and to ensure that our business activities are beneficial to shareholders and other stakeholders. To mitigate it, we shall continue to focus on rigorous investment discipline, operational excellence and pursuing all opportunities to enhance the underlying performance of our business.

I extend my sincere thanks to my colleagues on the board and shareholders for their commitment, enthusiasm and unstinting efforts and look forward to their continued support as committed stakeholders of the Company.

**D. R. Mehta**  
**Chairman**

New Delhi  
31<sup>st</sup> July, 2010

**NOTICE**

Notice is hereby given that the 15<sup>th</sup> Annual General Meeting (AGM) of the Shareholders of Poly Medicure Ltd. will be held on Tuesday, the 7<sup>th</sup> September, 2010 at 10:00 a.m at NCUI Convention Centre, 3, Khel Gaon Marg, New Delhi-110016 to transact the following business:

**Ordinary Business :**

1. To receive, consider and adopt the Balance Sheet of the Company as at 31<sup>st</sup> March, 2010, the Profit and Loss Account for the year ended on that date together with the Report of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the financial year ended 31<sup>st</sup> March, 2010.
3. To appoint a Director in place of Shri Y.S. Choudhary who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Rishi Baid who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s Doogar & Associates, Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

**Special Business :**

**Item No. 6.** To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 31 of the Companies Act 1956, the Articles of Association of the Company shall be altered as mentioned hereunder:

**(I) By inserting Article 13A after Article 13 and before Article 14:**

**Article 13A:**

- (i) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its securities and to offer securities in dematerialized form pursuant to the Depositories Act, 1996.
- (ii) Every person subscribing to securities offered by the Company shall have the option to receive securities certificate or to hold the securities with the depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the Law, in

respect of any securities in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

If a person opts to hold his securities with the depository, the Company shall intimate such depository the details of allotment of securities, and on the receipt of such information, the depository shall enter in its records the name of the allottee as the beneficiary owner of the security.

- (iii) All securities held by a depository shall be dematerialized and be in fungible form. Nothing contained in sections 153, 153A, 187B, 187C and 372-A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

- (iv) (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

(b) Save as otherwise provided in (a) above, the holder or as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

(c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of depository shall be deemed to be member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

- (v) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the record of the beneficial ownership may be served by such depository or the Company by means of electronic mode or by delivery of floppies or discs.

- (vi) Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of depositories.

- (vii) Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

- (viii) Notwithstanding anything in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to the securities held with a depository.
- (ix) The register and index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the register and index of members and the securities holders for the purpose of this articles.
- (x) For the purpose of this articles :-

“Beneficial Owner” means a person or persons whose name is recorded as such with a depository:

“SEBI” Means the Securities and Exchange Board of India:

“Depository” means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992 and

“Security” means such securities as may be specified by SEBI from time to time

**(II) By inserting Article 61A after Article 61 and before Article 62.**

**Article 61A :** The Chairman of the Board shall preside over every General Meeting of the Company.

**(III) Existing Article 89 shall be altered by substituting the following Article 89 in place the existing Article 89.**

**Article 89 :** All the Directors, excluding the Managing Director, Whole Time Director and/or Special Director shall retire by rotation. One third of such of the directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one third shall retire from office at each Annual General Meeting. A special director appointed by the Board under Article 79 and 80 and/or Managing Director, and Whole Time Director shall not be liable to retire by rotation subject to Section 256 of the Act. The Director to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves be determined by lot.

**Item No. 7.** To consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution:

**“RESOLVED THAT** in suppression of all the resolutions passed earlier in this behalf and pursuant to provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act 1956 (including any statutory modifications or re-enactments thereof), the consent of the Company be and is hereby accorded to borrow any sum or sums of money from time to time, notwithstanding that the money(s) to be borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose provided that the total amount so borrowed shall not, at any time exceed the limit of Rs. 300 (Rs Three Hundred Crore) or equivalent Foreign Currency.”

**Item No. 8.** To consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution:

**“RESOLVED THAT** in suppression of all the resolutions passed earlier in this behalf and pursuant to provisions of Section 293(1)(a) and other applicable provisions, if any of the Companies Act 1956 (including any statutory modifications or re-enactments thereof), the consent of the Company be and is hereby accorded to mortgage and/or create charge, in addition to the mortgages/charges already created or to be created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the movable and/or immovable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company in favour of the lender(s) and agent(s) of lender(s) for securing the borrowing of the Company availed/to be availed by way of term loan/other borrowings (in foreign currency and/or Indian currency) subject to the limits approved under section 293(1)(d) of the Companies Act, 1956 Rs. 300 Crore (Rs.Three Hundred Crore) or equivalent foreign currency, together with interest at the respective agreed rates, additional interest compound interest in case of default, accumulated interest, liquidated damages commitment charges, remuneration of the agents, all other costs, charges and expenses, including any increase as a result of devaluation/revaluation/fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s) or any other document, entered into/to be entered into between the Company and the lender(s) and agent(s)

in respect of the said loans/other borrowings and continuing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or any committee(s) thereof and the lender(s) and agent(s)."

**Item No. 9.** To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

**"RESOLVED THAT** Keyman Insurance Policies bought by the Company on the life of Shri Himanshu Baid, Managing Director and Shri Rishi Baid, Executive Director, valuing Rs. 10,25,382/- (Rs. Ten Lac Twenty Five Thousand Three Hundred Eighty Two) each as on 31<sup>st</sup> March 2010, be assigned to them in recognition of the good work done by them in improving the shareholders' value."

**New Delhi                      By order of the Board of Directors**  
**31<sup>st</sup> July, 2010                      For Poly Medicure Limited**

**Registered Office :**                      **Brahm Prakash**  
First Floor, 12                      **Company Secretary**  
Sant Nagar  
East of Kailash  
New Delhi - 110065

**Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE LODGED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act 1956, relating to the special business to be transacted at the Meeting is annexed hereto
3. The Register of Members and Share Transfer Books will remain closed from 26<sup>th</sup> August, 2010 to 7<sup>th</sup> September, 2010 (both days inclusive).
4. The dividend on Equity Shares, if declared, at the Annual General Meeting will be paid on or after 16<sup>th</sup> September, 2010.
5. The dividend on Equity Shares as recommended by the Board, if approved, at the Annual General Meeting will be paid to those Members whose names appear in the Register of Members as on 7<sup>th</sup> September, 2010. In respect of Shares held in electronic form, the dividend will be paid on the basis of particulars of beneficial ownership, furnished by National Securities Depository Limited and Central Depository Services (India) Limited.
6. The members are requested to bring their copy of the Annual Report.
7. Members/ Proxies should produce the enclosed attendance slip duly filled in and signed accordance with specimen signature registered with the Company for attending the Meeting.
8. Members who hold Shares in physical form are requested to write their Folio Number and those who hold Shares in dematerialized form are requested to write their client ID and DP ID numbers in the attendance slip.
9. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
10. It will be appreciated if the queries, if any, regarding accounts and operations of the Company are sent ten days before the date of Meeting.
11. Members holding Shares in physical form are requested to notify change in their particulars, quoting their folio numbers to the Registrar and Transfer Agent of the Company i.e. MAS Services Limited, T-34, 2<sup>nd</sup> Floor, Okhla Industrial Area, Phase-II, New Delhi-110020 and those who hold shares in D-mat form to their Depository Participant (DP) with whom de-mat account is opened.
12. Since the Company's shares are in compulsory demat trading, to ensure better services and elimination of risk of holding shares in physical form, we request Shareholders holding shares in physical form to dematerialize their shares at the earliest.
13. In terms of Section 205C of the Companies Act, 1956, the Central Government has established "Investor Education and Protection Fund" (IEPF) and any amount of dividend remaining unclaimed/unpaid for a period of seven years from the date it becomes due for the payment should be transferred to this fund. Once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof. Members



wishing to claim dividend, which remain unclaimed, are requested to correspond with the Company at its Registered Office at First Floor, 12, Sant Nagar, East of Kailash, New Delhi – 110065.

14. The brief profile of the Directors proposed to be re-appointed is given in the section on corporate governance.

**New Delhi**                      **By order of the Board of Directors**  
**31<sup>st</sup> July, 2010**                      **For Poly Medicure Limited**

**Registered Office :**                      **Brahm Prakash**  
First Floor, 12                      **Company Secretary**  
Sant Nagar  
East of Kailash  
New Delhi - 110065

**Annexure to Notice :**

Explanatory Statement Pursuant to Section 173 (2) of the Companies Act, 1956 is as under :

**Item No. 6 (I) :** The Shares of the Company are tradable at the Stock Exchange in dematerialized form only. The Company has accordingly entered into Agreements with both the Depositories namely National Securities Depository Ltd. and Central Depository Services (India) Ltd. Although, the Company has provided its shareholders the benefit of dematerialization, it is desirable to amend the Articles of Association of the Company to create an enabling provision.

**Memorandum of Interest :** None of the Directors is interested in the resolution except to the extent of their shareholding in the Company.

**Item No. 6(II) :** It is a usual practice to authorize the Chairman of the Board of Directors to preside over the General Meetings of the Company. In keeping with practice followed by a number of Companies, it has been decided by the Board, to amend the Articles of Association of the Company to enable the Chairman of the Board to act as Chairman of the General Meetings of the Company.

**Memorandum of Interest:** None of the Directors is interested in the matter.

**Item No. 6 (III) :** The existing Article 89 provides that the Managing Director of the Company shall be a Director who shall not be liable to retire by rotation. The Company also has a Wholetime Director whose office is liable to retirement by rotation. The Board

considered the matter and decided that the office of Wholetime Director should also be made such that it is not liable to retirement by rotation. Hence, the existing Article is proposed to be replaced by new Article 89.

**Memorandum of Interest:** None of the Directors is interested in the matter.

**Item No. 7 & 8 :** The business of the Company is expanding and it regularly needs capital expenditure for meeting the requirements of scaling up its production facilities and other expenditure. While the Company is utilizing its internal accruals for meeting such expenditure, it is also necessary for the Company to raise debt for the purpose. The shareholders have already authorized the Board of Directors to raise a sum of Rs. 200 (Rs. Two Hundred) Crore for the requirements of the Company. The Board of Directors feel it would be appropriate to raise this figure to Rs. 300 ( Rs Three Hundred) Crore.

It is also necessary to create security on the assets of the Company in favour of the lenders to raise funds. The resolutions at item No. 7 and 8 are, therefore, recommended by the Board.

**Memorandum of Interest :** None of the Directors is interested in these matters.

**Item No. 9 :** The Company had bought Keyman Insurance policies on the life of Shri Himanshu Baid, Managing Director and Shri Rishi Baid, Executive Director for a sum of Rs. 15,00,000/- ( Rs. Fifteen Lac) each. The surrender value of these policies as on 31<sup>st</sup> March, 2010 was Rs. 10,25,382/- (Rs. Ten Lac Twenty Five Thousand Three Hundred Eighty Two) each. The Board of Directors of the Company at its meeting held on 17<sup>th</sup> March, 2010 decided that these policies may be assigned to them in recognition of the good work done by them which has resulted in improving the shareholders value.

The matter is placed before the Shareholders for their consideration and approval.

**Memorandum of Interest :** None of the Directors, except Shri J.K. Baid, Shri Himanshu Baid and Shri Rishi Baid is interested in the matter.

**New Delhi**                      **By order of the Board of Directors**  
**31<sup>st</sup> July, 2010**                      **For Poly Medicure Limited**

**Registered Office :**                      **Brahm Prakash**  
First Floor, 12                      **Company Secretary**  
Sant Nagar  
East of Kailash  
New Delhi - 110065

**DIRECTORS' REPORT**

To the Members,

The Directors have pleasure in presenting their 15<sup>th</sup> Annual Report together with Audited Statements of Accounts of the Company for the year ended 31<sup>st</sup> March 2010.

**Financial Results**

The standalone financial results of the Company for the financial year ended 31<sup>st</sup> March 2010 were as follows:

(Rs. in Lac)

Particulars	FY. 2009-10	FY. 2008-09
Net Sales	13,600.46	11,222.35
Add: Other Income	52.90	64.48
Total Revenue	13,653.36	11,286.83
Profit before Interest, Depreciation and Taxes	2,943.19	1,791.04
Profit before Tax	1823.25	664.43
Profit after Tax	1642.94	592.55
Profit brought forward from the pervious year	663.64	532.14
Profit available for appropriation	2306.58	1,124.69
Appropriations:		
-Transferred to General Reserve	500.00	300.00
-Proposed Dividend and Dividend Distribution Tax	322.10	161.05
Surplus carried to Balance Sheet	1484.48	663.64

The Company recorded net sales of Rs. 13,600.46 lac. against Rs.11,222.35 lac in the previous year, recording a growth of over 21%. Profits after tax for the year were Rs.1,642.94 lac against Rs 592.55 lac for the previous year. This translates into handsome growth of 177%. The boost in profits was on account of economies achieved due to completion of backward integration project lower forex losses and cost cutting measures taken by the Company.

**Dividend**

Based on the Company's performance, your Directors are pleased to recommend a dividend @

Rs. 2.50 per equity share of Rs. 10 each for the financial year 2009-10, on the expanded capital after 1:1 bonus issue as stated in a later part in this document. The dividend, if approved at the ensuing Annual General Meeting, will be paid to those shareholders whose names appear on the Register of Members of the Company as on 7<sup>th</sup> September, 2010. In respect of shares held in demat form, it will be paid to the Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners. The dividend would involve an outflow of Rs. 275.31 lac towards dividend and Rs.46.79 lac towards dividend distribution tax, resulting in a total outflow of Rs. 322.10 lac.

**Reserves**

The Board of Directors has transferred Rs.500.00 lac to General Reserves out of the amount available for appropriations and balance of Rs.1484.48 lac is to be carried to Balance Sheet.

**Expansion Programme**

The company is in the process of expanding its installed capacity by around 20% in the current financial year, to meet the increased demand at a capital cost of Rs.3000 lac. A sum of Rs 1500 lac is proposed to be raised by way of debt and the balance will be met from internal accruals.

**Development of New Products**

Your Company is continuously endeavouring to launch new products in diagnostic field.

**Subsidiaries**

As a part of its strategy to become a significant global player, the company has acquired/floated subsidiaries in China and USA.

**US Safety Syringes Co., LLC, USA**

The Company is yet to start the business activities.

**Poly Medicure (Laiyang) Co. Ltd, China**

The Company started commercial production during the year and achieved a turnover of Rs. 118.62 lac.

**Joint Venture/Associate**

The company has one Joint Venture in Egypt.



**Ultra for Medical Products, Egypt**

The Company is performing well and has achieved sales of Rs. 2,844.87 lac during the year ended 31<sup>st</sup> December 2009.

**Finance Raising Mechanism**

The Company is moving ahead for its future expansion and in order to meet the fund requirements, the Company has raised a fresh term loan of Rs. 400 lac during the year. Further, the Company is also planning to raise further loan of Rs. 1500 lac, the proposal for which is pending with State Bank of India.

**Credit Rating**

The company continues to have the credit rating from CRISIL which has reaffirmed the credit rating as A-/ stable and P2+ for fund based and non-fund based facility respectively.

**Share Capital**

During the year under review, the following changes were effected in the Share Capital of the Company :

**(i) Increase in Authorised Share Capital :**

The Authorised Share Capital of the Company was increased from Rs. 9 crore to Rs. 15 crore divided into 1,50,00,000 Equity Shares of Rs. 10/- each w.e.f 16<sup>th</sup> March 2010.

**(ii) Issue of Bonus Shares**

The Company had issued Bonus Shares in the ratio of 1(one) Bonus Share for every 1(One) existing Share of Rs. 10 (Ten) each to the existing Shareholder of the Company as on record date i.e. 29<sup>th</sup> March 2010 and allotted 54,00,000 Bonus Shares on 30<sup>th</sup> March 2010 as per the approval received from Bombay Stock Exchange (BSE). However, the Company is yet to receive the approval from Bombay Stock Exchange (BSE) for allotment of 1,06,250 Equity Shares. In view of pending approval, 1,06,250 Equity shares have been shown as Shares Pending Allotment and the same will be issued to all eligible shareholders upon the receipt of said approval from Bombay Stock Exchange (BSE).

**Fixed Deposits**

The Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of Balance Sheet.

**Directors' Responsibility Statement**

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) appropriate accounting policies have been selected and applied them consistently and have 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 as at 31<sup>st</sup> March 2010 and of the Profit of the Company for the year ended on that date;
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts of the Company have been prepared on a "going concern basis".

**Auditors and Auditors' Report**

M/s Doogar & Associates, Chartered Accountants, Auditors of the Company hold office upto the conclusion of ensuing Annual General Meeting. The Company has received a letter from them to the effect that their appointment, if made by the Company for the year 2010-11 will be within the limit prescribed under Section 224(1B) of the Companies Act, 1956.

Notes on accounts referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

**Directors**

Sh. Y. S. Choudhary and Sh. Rishi Baid retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Brief resume of the aforesaid Directors are furnished in the Corporate Governance Report.

**Employee Relations**

Employee relations continued to be cordial throughout the year. Your Directors wish to place on record their sincere appreciation for the excellent spirit with which entire team of the Company worked at all plants and offices and achieved commendable progress.

**Corporate Governance**

Your Company is committed to maintain the best standards of good corporate governance practices and adhere to Corporate Governance Requirements set out by SEBI.

The report on Corporate Governance along with a certificate from Sh. B.K. Sethi, Practicing Company Secretary confirming compliance of conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement of stock exchange, is also annexed and forms part of the Annual Report.

**Management Discussion and Analysis**

The Management Discussion and Analysis Report on the operations of the Company, as required under the Listing Agreement with the Stock Exchange is provided in “**Annexure-I**” forming part of Directors’ Report.

**Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

Particulars with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in “**Annexure II**” and form an integral part of this report.

**Particulars of Employees**

A statement showing the particulars of employees, pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, is annexed as “**Annexure III**”.

**Acknowledgement**

Your Directors wish to place on record their appreciation of the wholehearted support extended by the regulatory and government authorities, Company's shareholders and other stakeholders customers, vendors, bankers and employees at all levels, which is a source of strength for the Company.

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

**D.R. Mehta**  
Chairman

**Himanshu Baid**  
Managing Director

**New Delhi**  
**31<sup>st</sup> July, 2010**