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# **PARAMOUNT COSMETICS (INDIA) LIMITED**

**TWENTY FOURTH ANNUAL REPORT**

**2008-2009**



## PARAMOUNT COSMETICS (INDIA) LIMITED

### TWENTY FOURTH ANNUAL REPORT 2008-2009

On Wednesday, 30<sup>th</sup> September 2009 at 11.a.m. at -A1/2211, Illrd Phase, GIDC,  
Vapi – 396195, Dist. Valsad, Gujarat

**BOARD OF DIRECTORS**

Mr. B.D. Topiwala, Non-executive Chairman  
Mr. Hitesh B. Topiwala, Managing Director  
Mr. Shishir B. Desai, Director  
Mr. N.K. Bhuta, Director  
Mr. Vishwajeet Mehta, Director

**ISIN : INE143I01013**

**AUDITORS**

R.U. Jain & Co.  
Chartered Accountants,  
Mumbai

**BANKERS**

State Bank of Indore

**REGISTERED OFFICE**

A-1/2211, G.I.D.C. Vapi - 396 195  
Dist. Valsad, Gujarat  
Email: compliance.officer@paramountcosmetics.com.sg

**HEAD OFFICE**

902, Prestige Meridian-1,  
29, M. G. Road  
Bangalore - 560 001  
Ph: +91 80 25320870/71  
Fax: +91 80 25599065  
Email: srishti@paramountcosmetics.com.sg

**REGISTRAR & SHARE TRANSFER AGENTS**

Link Intime India Private Limited  
C-13, Pannalal Silk Mills Compound  
L.B.S. Marg, Bhandup(W),  
Mumbai – 400 078  
Ph No.: 022 25946970  
E-mail: rnt.helpdesk@linkintime.co.in

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**Members are requested to bring their copy of Annual Report at the Annual General Meeting as copies of the Report will not be distributed at the Meeting.**

**DIRECTORS' REPORT**

Your Directors have pleasure in presenting the 24<sup>th</sup> Annual Report of your Company, together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2009.

**FINANCIAL RESULTS**

Your company's performance during the year as compared with that during the previous year is summarized below:

(Figures in Rs. Lakhs)

	Year ended 31.03.2009	Year ended 31.03.2008
Sales and other income	2273.09	1978.86
Gross Profit	834.25	801.07
Less: Depreciation	27.50	22.57
Income Tax	6.43	10.12
Advertisement expenditure written- off	19.29	26.96
Net Profit / (Loss)	70.57	55.22
Add: Profit / (Loss) from previous year brought forward	47.67	-
Prior Period Expenditure (net)	(8.93)	(7.54)
<b>Surplus / (Deficit)</b>	<b>109.32</b>	<b>47.68</b>
Appropriations:	—	-
Balance carried forward to the Balance Sheet	109.32	47.68

**PERFORMANCE DURING THE YEAR**

Sales and other Income of the Company for the year is Rs.2273.08 lakhs as compared to Rs.1978.86 lakhs in the previous year, showing an increase of 15%. Profit before Interest and Depreciation for the current year is Rs.188.74 lakhs which is 18% higher than the preceding year which was Rs.160.09 lakhs. Profit after tax is Rs.70.57 lakhs which is 28% higher than the preceding year which stood at Rs.55.22 lakhs.

**DIVIDEND**

To conserve resources for funding business expenses and future business expansion and growth plans, your directors do not propose any dividend this year.

**DIRECTORS**

Mr. Vishwajeet Mehta was appointed as an additional director by the board of directors at their meeting held on 31<sup>st</sup> July 2009. A brief on Mr. Vishwajeet Mehta is given at the end of this Report as Annexure B.

Mr. B.D. Topiwala retires by rotation and being eligible, offers himself for re-appointment.

During the year under review, Mr. Atul Mehta and Mr. Hemant Bhikubhai Topiwala resigned from the directorship of the Company. The Board appreciated the contribution done by both of these Directors.

**FIXED DEPOSITS**

The Company has not accepted any Fixed Deposits from the Public, during the current year under review.

**PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.**

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed herewith and forms part of this report.

**AUDITORS**

The Statutory auditors of the company, M/s R.U. Jain & Co., Chartered Accountants, retire at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for reappointment and the Company seeks a letter from the auditors to confirm that their re-appointment, if made, would be within limits under Section 224(1-B) of the Companies Act, 1956.

**AUDITORS' REPORT**

Auditor's Report is self-explanatory and therefore, it does not call for any further comments and explanations.

**PARTICULARS OF EMPLOYEES AND DISCLOSURE OF INFORMATION**

Particulars of employees, as required under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 forms part of this report. Any shareholder interested in these details may send a request in writing to the Company.

**CORPORATE GOVERNANCE**

The Company is committed to uphold the highest standards of corporate governance and adhere to the requirements set out by the Securities and Exchange Board of India.



A detailed report on Corporate Governance pursuant to the requirements of Clause 49 of the Listing Agreement forms part of the Annual Report. A certificate from the auditors of the Company, R.U. Jain & Co., Chartered Accountants, confirming compliance of conditions of corporate governance as stipulated under the aforesaid Clause 49 is provided and forms part of the Annual Report.

#### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 2AA of Section 217 of the Companies Act, 1956, your directors state and confirm that :

- i) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) The directors had selected such accounting policies and applied them consistently and made judgments 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 on March 31, 2009 and of the profit of the Company for the year ended March 31, 2009;
- iii) 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;
- iv) The directors had prepared the annual accounts on a going concern basis.

#### ACKNOWLEDGEMENTS

Your directors wish to take this opportunity to express their appreciation & gratitude for the continued support from its Financial Institutions, Bankers, Suppliers and various Government Agencies.

Your Directors also express sincere appreciation for the commitment & dedicated services rendered by each employee of the Company at all levels.

For and on behalf of the Board  
Paramount Cosmetics (India) Limited

Dated: 28th August 2009

Place : Bangalore

(B.D. Topiwala)  
Chairman

### ANNEXURE TO THE DIRECTORS' REPORT

#### ANNEXURE A

Information as per Section 217 (1) (e) read with Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2009 :

#### I. CONSERVATION OF ENERGY

- a) Energy Conservation measures taken:  
As the Company is not engaged in major manufacturing activities, it has very limited scope for energy conservation. However, the Company is conscious of energy saving and continues to take appropriate steps, wherever feasible.
- b) Additional Investment and proposal, if any, being implemented for reduction of Energy.  
No Investment was made during the year under review.
- c) Impact of the measures at (a) & (b) above for reduction of energy consumption and consequent impact on the production of goods: N.A.
- d) Total consumption and energy consumption per unit of production as per form "A" of the Annexure to the rules in respect of Industries specified in the Schedule thereto.

Not applicable.

#### 2.(A) TECHNOLOGY ABSORPTION RESEARCH & DEVELOPMENT (R&D)

- |  |      |
|--|------|
| (a) Specified area in which R & D carried out by the Company | N.A. |
| (b) Benefits derived as a result of R & D                    | N.A. |
| (c) Future plan of action                                    | N.A. |
| (d) Expenditure on R & D                                     | Nil  |

#### (B) TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

- |   |      |
|---|------|
| a) Efforts, in brief, made towards technology absorption, adoption and innovation | N.A. |
| b) Benefit derived as a result of above efforts.                                  | N.A. |

#### (C) IN CASE OF IMPORTED TECHNOLOGY

- |   |   |
|---|---|
| (a) Technology imported during the year | No new technology has been imported during the year |
| (b) Year of Import                      | Not Applicable                                      |

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- (e) Has Technology fully absorbed Not Applicable
- (d) If not fully absorbed, reasons thereof and future plan. Not Applicable

**3. FOREIGN EXCHANGE EARNINGS AND OUTGO**

- (a) Activity relating to Exports; Travel, purchase and sales Initiative taken to increase export, development of new markets for products and services and export plan. N.A.
- (b) Total Foreign Exchange Used and earned:  
Value of Import on CIF basis Rs.55,87,014/-  
Foreign Exchange used: Rs.99,825/-  
Foreign Exchange earned: Rs.45,90,750/-

**ANNEXURE B****Brief on Mr. Vishwajeet Mehta**

Mr. Vishwajeet Mehta has a vast experience of more than 28 years in the cosmetic industry in the field of supply chain management, sales and distribution, channel partner network management, operations, logistics management and commercial aspects of the cosmetic industry.

Mr. Vishwajeet Mehta is a Bachelor of Commerce.

In accordance with Section 260 of the Companies Act, 1956 read alongwith Article 113 of the Articles of Association of the Company, Mr. Vishwajeet Mehta was appointed as an Additional Director in the capacity of Non-executive Independent Director with effect from 31<sup>st</sup> July 2009. His experience in the cosmetic industry and expert knowledge will definitely provide strategic input to enhance the growth of the Company.

**CERTIFICATE TO THE BOARD BY MANAGING DIRECTOR OF THE COMPANY**

(in terms of Clause 49 (V) of Listing Agreement)

To,  
The Board of Directors  
Paramount Cosmetics (India) Limited

- a. I have reviewed financial statements and the cash flow statement of the Company for the year ended 31<sup>st</sup> March, 2009 and declare that to the best of my knowledge and belief:
- I. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - II. These statements together present a true and fair view of the company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year 2008-09 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. I accept responsibility for establishing and maintaining internal controls and that I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- d. I have indicated to the Auditors and the Audit Committee:
- I. significant changes in internal control during the year 2008-09;
  - II. significant change in accounting policies during the year 2008-09 and the same have been disclosed in the notes to the financial statements; and
  - III. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

(Hitesh Topiwala)

Managing Director

Place : Bangalore  
Date : 28 August 2009

**Declaration regarding compliance with the code of conduct and ethics policy of the Company By Board Members and Senior Management Personnel**

This is to confirm that the Company has adopted Code of Conduct and Ethics Policy for the Board of Directors and Associates of the Company. declare that the Board of Directors and Senior Management Personnel have affirmed compliance with the code of Conduct and Ethics Policy of the Company.

(B D Topiwala)

Chairman

Place : Bangalore  
Date : 28th August 2009



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Economy, Industry Structure and Development

The world economy was severely impacted by the US financial crisis. A slow down was witnessed in most sectors. This year also witnessed high volatility in prices of chemicals, packaging materials, etc.

The market for Indian traditional cosmetic products like bindis, kumkum and kajal is very large. This is largely scattered among the unbranded products from unorganized sectors. In the organized sector, Shilpa is one of the leading brands and commands immense brand equity among the consumers. The brand has high recall and there are loyal customers for the brand.

The Indian cosmetic Industry has witnessed rapid growth in the last couple of years, growing at a CAGR of around 7.5% between 2006 and 2008. With improving purchasing power and increasing fashion consciousness, the industry is expected to maintain the growth momentum (with marginal slowdown due to economic slowdown) during next coming year. It is projected to grow at a CAGR of around 7% during the forecast period of 2009 to 2012. (A recent research report by RNCOS)

### Developments in the company during the year:

The Indian traditional cosmetic products of the Company are doing well in the market and the Company has plans to introduce a new range of products shortly.

During the year the Company has implemented an integrated ERP system. All the departments, operations and sales depots of the Company will be under this integrated platform. This will result in increase of effectiveness and efficiency. This will result in more effective and efficient sales and marketing management, supply chain management and right SKU placement at right place resulting in better business volume and cost reduction.

The Company has developed new products in the men and women personnel care range and cosmetic range. These products will be launched through a very strong sales and distribution network of the Company and through channel partners during the second half of 2009-10. Post this product launch the Company is looking forward to a noteworthy growth in business volume.

With the objective of cost reduction in mind, the Company has started outsourcing production of certain components of cosmetic packing. As the result of the outsourcing has been encouraging, the Company plans to outsource manufacture of its range of products to selected suppliers under product licensing arrangement so as to enable the management to focus on sales and distribution.

The manufacture of the traditional cosmetics is also going to undergo changes. The Company has planned to initiate a plan to automise the production. This will result in better quality products at lower costs. The automisation project of the Company is expected to be operational by the end of the year 2009-10.

### Financial Analysis

#### a. Sales and other income

The Sales and other income of your Company for the year was Rs. 2273.08 lakhs as against Rs.1978.86 lakhs in the previous year, showing an outstanding growth of 15% over the previous year.

#### b. Material Costs

The trading and manufacturing expenses for the year were Rs. 1471.57 lakhs as against Rs.1116.61 lakhs in the previous year. The material costs have increased by 32% due to increase in the costs of various basic materials.

#### c. Employment Costs

The expenses pertaining to employment costs have also increased from Rs.241.87 lakhs in the previous year to Rs.283.10 lakhs showing an increase of 17%. The main reasons attributing to increase in employment costs are expansion of team and increase in salary and wages.

#### d. Operational and other expenses

During the year under review, the operational and other expenses, as compared to the year 2007-08, have decreased by 6% from Rs.381.46 lakhs to Rs.356.95 in 2008-09.

#### e. Interest

The interest paid has increased from Rs.72.18 lakhs in the previous year to Rs.84.24 lakhs in the current year showing an increase of 17% over the last year. The interest cost has gone up due to more utilization of short-term facilities.

#### f. Depreciation

The depreciation for the year was Rs. 27.50 lakhs as against Rs.22.57 lakhs in the previous year showing an increase of 22% due to addition of fixed assets in terms of building, ERP software and others.



**g. Profit Before tax**

Profit before tax (PBT) stood at Rs. 76.99 lakhs as against Rs. 65.34 lakhs in the previous year, showing an increase of Rs.11.65 lakhs i.e., 18%. The increase in the PBT was mainly due to an increase in the sales turnover.

**h. Profit After tax**

Profit after tax (PAT) stood at Rs. 70.57 lakhs as against Rs. 55.22 lakhs in the previous year, showing an increase of Rs.15.36 lakhs i.e., 28%.

**Opportunities and Threats****Opportunities**

'Shilpa' brand is mainly known for its plain bindis. Consumers of the Bindi category buy both design and plain bindis. For frequent and daily use, consumers prefer branded well known plain bindis while on social occasions, they go in for the designer bindis. 'Shilpa' has the brand equity to leverage and the move towards premium designer bindis which will only increase the brand's visibility and equity.

The cosmetics industry, traditionally believed to target women, has a new target segment: Men. No longer do cosmetics represent a 'women only' market. Many players are coming up with personal care and skin care products for men also. The men's personal care segment is estimated to be worth Rs 790 crore (As reported by Hindu Business Line). Our Company is launching a new Men's range of products to tap into this market segment.

The personal care and skin care products which were considered to be for the upper class of the society have now become common for the middle class. This is mainly due to an increase in the purchasing power. Also, the awareness for skin care and personal care has increased in the consumer's mind.

Of the Rs 7,000 crore cosmetics and toiletries industry, the market size of the skin-care segment alone is estimated at Rs 1,000 crore (as reported by ASSOCHAM). The Company has planned to launch several personal care products in the coming year.

**Threats**

The main threat to our brands of traditional cosmetics is from the spurious products dumped in the market by the unorganized sector using our brand names, especially 'Shilpa'. Another threat to 'Shilpa' can be due to the change in consumer behavior.

Even with the apparent growth of the cosmetic industry during the past four decades, there are currently many growing cosmetic companies competing in the market. Additionally, there are also market leaders that dominate the cosmetic industry. Consequently, it creates stiff and intensifying competition especially to those smaller companies as market leaders are putting pressure on these smaller cosmetic companies.

**Outlook**

It is believed that India's GDP will continue to grow robustly in the future, notwithstanding the current and short term blips. FMCG categories have very good potential to grow, as the current per capita consumption levels are still low, compared even to some other Developing and Emerging economies like China, Indonesia, Thailand, etc. Increased per capita income will also provide opportunities to consumers for brand experiences. Significant upward trends due to global triggers could cause unit prices of products to rise and consequently slow down market growth. Your Company will continue to focus on both development and expansion of markets and share gains as appropriate to secure competitive growth. Underlying volume growth is a key requirement to deliver this. Managing margins through judicious pricing and sustained efficiencies and cost saving will receive constant attention.

**Risks and Concerns**

Major risks identified are systematically addressed through mitigating actions on a continuing basis. Some of the risks relate to economic volatility, competitive intensity and slower market growth. In order to ensure long term corporate success, it is essential to identify, analyze and find solutions for these risks.

One of the key risks faced by the Company is an increase in the imitation / fake products and brands which can hamper our growth. However, the Company is well aware of these risks and challenges and has put in place mechanisms to mitigate the same.

**Internal Control Systems**

The Company has an Internal Audit and control system, manned and managed by qualified and experienced people. Company's internal control systems are well commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and cover all the offices, factories and key areas of business.

Significant audit observations and follow up actions thereon are reported to the Audit Committee. Audit Committee reviews the adequacy and effectiveness of the Company's internal control and monitors the implementation of audit recommendations including those relating to strengthening of the Company's systems.

**Cautionary Statement**

Statements in this Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.



## Corporate Governance Report for the year 2008-09

(as required under Clause 49 of the Listing Agreements entered into with the Bombay Stock Exchange)

### 1. The Company's Corporate Governance Philosophy

The Company believes in adopting the best practices in the areas of Corporate Governance. Even in a fiercely competitive business environment, the Management and Employees of the Company are committed to uphold the core values of transparency, integrity, honesty and accountability which are fundamental to the Company.

During the year, the Company has fine-tuned its corporate practices so as to bring them in line with the revised Clause 49 of the listing agreements. The Company's mission is to constantly review its systems and procedures to achieve the highest level of corporate governance. The Company has adopted the Code of Conduct for all Employees.

The Company will continue to focus its resources, strengths and strategies for creation and safeguarding of shareholders' wealth and at the same time protect the interests of all its shareholders. The aim of the Corporate Governance is not merely a matter of creating checks and balances, but it is about creating an outperforming organization.

### 2. Board of Directors

The Company has a Non-Executive Chairman and the number of Independent Directors is half of the total number of Directors. The number of Non-Executive Directors (NEDs) is more than 50% of the total number of Directors.

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49), across all the companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting is given below:

Mr. Hitesh Topiwala was appointed as the Managing Director of the Company on 1<sup>st</sup> August 2005 for a tenure of 5 years. His tenure expires on 31<sup>st</sup> July 2010.

Name of the Director	Category	No. of meetings attended
Mr. Hitesh Topiwala, Managing Director	Promoter Executive	5
Mr. B.D. Topiwala, Chairman	Promoter Non-Independent	5
Mr. Hemant Topiwala (Resigned w.e.f 29 <sup>th</sup> January 2009)	Promoter Executive	4
Mr. Shishir Desai	Independent Non-executive	5
Mr. Atul Mehta (Resigned w.e.f 20 <sup>th</sup> January 2009)	Independent Non-executive	4
Mr. N.K. Bhuta	Independent Non-executive	5

The last Annual General Meeting of the Company was held on 30<sup>th</sup> September 2008. It was attended by Mr. Hitesh Topiwala and Mr. Atul Mehta.

The Board met five times during the year. The dates of the Board Meetings are as follows:

30<sup>th</sup> April 2008

31<sup>st</sup> July 2008

28<sup>th</sup> August 2008

31<sup>st</sup> October 2008

30<sup>th</sup> January 2009

### 3. Audit Committee

The Audit Committee was composed as follows:

Mr. Atul Mehta – Chairman

Mr. Shishir Desai

Mr. N.K. Bhuta



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However, due to Mr. Atul Mehta's resignation on 20<sup>th</sup> January 2009, the Company re-constituted the Audit Committee on 30<sup>th</sup> January 2009. The scope of the activities of the Audit Committee alongwith its composition, powers, role and terms of reference are as set out in Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956.

The Composition of the Audit Committee is as follows:

Mr. N.K. Bhuta – Chairman

Mr. Shishir Desai

Mr. B.D. Topiwala

The Audit Committee met four times during the year on 30<sup>th</sup> April 2008, 31<sup>st</sup> July 2008, 31<sup>st</sup> October 2008 and 30<sup>th</sup> January 2009. All the members attended these meetings.

#### 4. Remuneration Committee

The Company has constituted a Remuneration Committee on 30<sup>th</sup> January 2009. The scope of the activities of the Remuneration Committee alongwith its composition, powers, role and terms of reference are as set out in Clause 49 of the Listing Agreements with the Stock Exchanges read with Schedule XIII of the Companies Act, 1956.

The Composition of the Remuneration Committee is as follows:

Mr. N.K. Bhuta – Chairman

Mr. Shishir Desai

Mr. B.D. Topiwala

The Remuneration Committee has not met during this financial year.

The Directors of the Company are paid only Sitting Fees. The details of fees paid for the year ended 31<sup>st</sup> March 2009 are as follows:

Name of the Director	Sitting Fees per meeting	No. of meetings attended	Total Fees
Mr. Hitesh Topiwala, Managing Director	Rs.5,000	5	Rs. 25,000
Mr. B.D. Topiwala, Chairman	Rs.5,000	5	Rs. 25,000
Mr. Hemant Topiwala	Rs.5,000	4	Rs. 20,000
Mr. Shishir Desai	Rs.5,000	5	Rs. 25,000
Mr. Atul Mehta	Rs.5,000	4	Rs. 20,000
Mr. N.K. Bhuta	Rs.5,000	5	Rs. 25,000

#### 5. Shareholders / Investor Grievance Committee:

The Shareholders / Investor Grievance Committee was composed as follows:

Mr. Atul Mehta – Chairman

Mr. Shishir Desai

Mr. N.K. Bhuta

However, due to Mr. Atul Mehta's resignation on 20<sup>th</sup> January 2009, the Company re-constituted the Shareholders / Investor Grievance Committee on 30<sup>th</sup> January 2009. The scope of activities of the Committee is to look into investor complaints, approve the transfer / transmission of shares, approve issue of duplicate shares, etc.

The composition of the Committee is as follows:

Mr. N.K. Bhuta – Chairman

Mr. Shishir Desai

Mr. B.D. Topiwala

The Committee met 18 times during the last financial year. The meetings were held on 31<sup>st</sup> May 2008, 30<sup>th</sup> June 2008, 15<sup>th</sup> July 2008, 30<sup>th</sup> July 2008, 14<sup>th</sup> August 2008, 30<sup>th</sup> August 2008, 15<sup>th</sup> September 2008, 25<sup>th</sup> September 2008, 15<sup>th</sup> October 2008, 15<sup>th</sup> November 2008, 29<sup>th</sup> November 2008, 15<sup>th</sup> December 2008, 31<sup>st</sup> December 2008, 15<sup>th</sup> January 2009, 31<sup>st</sup> January 2009, 28<sup>th</sup> February 2009, 16<sup>th</sup> March 2009 and 31<sup>st</sup> March 2009. All the members



attended these meetings.

The Company Secretary is the Compliance Officer of the Company.

Investor Complaints status as on 31<sup>st</sup> March 2009:

Number of complaints received during the year	35
Number of complaints pending	Nil
Number of complaints resolved	35
Number of complaints not resolved to the satisfaction of the investor	Nil

## 6. General Body Meetings

Details of last three Annual General Meetings of the Company are as follows:

Date	Time	Location
30 <sup>th</sup> September 2008	11 a.m.	A-1/2211, G.I.D.C. Vapi – 396195, Dist – Valsad, Gujarat
29 <sup>th</sup> September 2007	11 a.m.	A-1/2211, G.I.D.C. Vapi – 396195, Dist – Valsad, Gujarat
30 <sup>th</sup> September 2006	11 a.m.	A-1/2211, G.I.D.C. Vapi – 396195, Dist – Valsad, Gujarat

## 7. Disclosures:

During the year there are no materially significant related party transactions which have potential conflict with the interest of the Company at large.

The Company has complied with the requirements of the Stock Exchange, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchange, SEBI or other statutory authorities relating to the above.

The Company has adopted a Whistle Blower Policy and has established the necessary mechanism in line with clause 7 of the Annexure I D to Clause 49 of the Listing Agreement with the Stock Exchanges, for employees to report concerns about unethical behavior. No personnel has been denied access to the Chairman of the Audit Committee.

## 8. Means of Communication

The Annual, Half-yearly and quarterly results as required under Clause 41 of the Listing Agreement are published in English and Gujarati in the Indian Express and the Financial Express respectively.

The Management Discussion & Analysis Report forms a part of the Directors' Report. All matters pertaining to industry structure and developments, opportunities and threats, segment/product wise performance, outlook, risks and concerns, internal control and systems, etc. are discussed in the said report.

## 9. General Shareholder Information

**AGM: Date, time and venue –** Wednesday, 30th September 2008 at 11 a.m.

A-1/2211, G.I.D.C. Vapi – 396195,

Dist – Valsad, Gujarat

**Financial Calendar –** Year ending: March 31, 2009

AGM: 30<sup>th</sup> September

**Date of Book Closure –** September 21, 2009 to September 25, 2009

(Both days inclusive)

**Listing on Stock Exchanges –** Bombay Stock Exchange Limited

Phiroze Jeejeebhoy Towers,

Dalal Street,

Mumbai - 400 001

**Stock Codes/Symbols –** 507970