



Quality Assured Company
ISO-9001:2000



*Pasupati
Acrylon Ltd.*

ANNUAL REPORT 2007-2008

PASUPATI ACRYLON LIMITED

BOARD OF DIRECTORS

(As on 30.07.2008)

Managing Director

Shri Vineet Jain

Directors

Shri M.M. Kohli

Shri Ravinder Kapur

Shri S. Sathyamoorthy

Shri Rajeev Sonkar (PICUP Nominee)

Shri Dinesh Sharma (IFCI Nominee)

Shri S.C. Malik (Director Finance)

Auditors

M/s. B.K. Shroff & Co.
New Delhi

Bankers

Allahabad Bank
State Bank of Patiala
UCO Bank
Bank of Maharashtra
State Bank of Travancore
Bank of Baroda
Canara Bank

Regd. Office & Works

Thakurdwara
Kashipur Road
Distt. Moradabad (U.P.)- 244 601
Ph: 0591-2241352-55, 2241263
05947-275506, Fax: 0591-2241262
Email: works@pasupatiacrylon.com

Corporate Office

M-14, Connaught Circus,
(Middle Circle)
New Delhi-110 001
Ph: 011-23415125, 23416682, 51517661
Fax: 011-23411684
Email: delhi@pasupatiacrylon.com

Registrar & Share Transfer Agents

MCS Ltd.
Sri Venkatesh Bhavan
W-40, Okhla Industrial Area
Phase-II, New Delhi-110 020
Ph: 011-41406149 Fax: 011-41406148
Email: admin@mcsdel.com



NOTICE

Notice is hereby given that the 25th Annual General Meeting of the members of Pasupati Acrylon Ltd., will be held on Saturday the 20th day of September, 2008 at the plant premises of Pasupati Acrylon Ltd., Village Thakurdwara, Kashipur Road, Distt. Moradabad (U.P.) at 10.30 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit & Loss Account of the company for the year ended March 31, 2008, the Balance Sheet as on date, Auditors' Report thereon and the Director's Report.
2. To appoint a Director in place of Shri M. M. Kohli who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri S. C. Malik, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modification, the following resolution:

As Ordinary Resolution

5. "RESOLVED THAT the consent of the company be and is hereby accorded to the Board of Directors in terms of section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to create mortgage and/or charge by way of 2nd charge on pari-passu basis with other term lending institutions on all the immovable properties of the company, wherever situate, both present and future, in favour of consortium of banks namely Allahabad Bank, State Bank of Patiala, UCO Bank, Bank of Baroda, State Bank of Travancore, Canara Bank and Bank of Maharashtra to secure the borrowings in the form of Working Capital facility whether fund based or non fund based together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, premia on prepayment, costs, charges, expenses and other monies, if any, payable by the Company in terms of the loan agreement/ other documents to be finalized and executed between the company and the Lenders as above and containing 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 and the Lenders.

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to finalise documents for creation of mortgage and/or charge and to do all such acts, deeds,

matters and things and execute all such documents, instruments and writings as may be required for giving effect to the resolution".

By order of the Board
PASUPATI ACRYLON LIMITED

(Rakesh Mundra)
Company Secretary

Place : New Delhi
Dated : 30th July, 2008
Registered Office
Thakurdwara
Kashipur Road
Distt. Moradabad
Uttar Pradesh-244601.

NOTES:-

1. (a) A member entitled to attend and vote, is entitled to appoint a proxy to attend and vote on his behalf and such a proxy need not be a member.
(b) Proxies in order to be effective must be received at the Registered office of the Company, not less than 48 hours before the Annual General Meeting.
(c) Members/proxies should bring the Attendance Slip duly filled in for attending the meeting.
2. Information relating to item No. 2 & 3 as required under clause 49 of the Listing Agreement with the Stock Exchanges is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 12th day of September 2008 to 20th day of September 2008 (both days inclusive).
4. Members who hold shares in de-materialised form are requested to bring their client ID and DP ID numbers for facilitating identification for attendance at the meeting.
5. Members who are holding shares in identical names under more than one Folio are requested to write to the Company to consolidate their shareholdings under one Folio. The members are also requested to notify to the Company any change in their address.
6. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days between 11.00 a.m. and 1.00 p.m.
7. The members can contact/write to the Company at its Corporate Office at M-14, Connaught Circus (Middle Circle), New Delhi-110001 in addition to its Registered Office.
8. Members needing any information are requested to write to the company at its above said Corporate Office at least 7 days in advance of the Annual General Meeting, so as to enable the management to keep the information ready at the meeting.
9. Member(s) are advised to avail of nomination facilities pursuant to Section 109A of the Companies (Amendment) Act, 1999. They may nominate a person in the prescribed manner i.e. by sending Form 2B (enclosed with the Annual Report), under Rule 4CCC and 5D duly filled and signed by the Member(s) to whom his/her shares shall vest in the event of his/her death. They may send the nomination form to the Company at its Corporate Office directly.



ANNEXURE TO THE NOTICE

Brief resume and other information, in respect of the Directors seeking re-appointments at the Annual General Meeting, as required under Clause 49(vi) of the Listing Agreement with the Stock Exchanges are given herein under:

ITEM NOS. 2,3

Name of Director	Mr. M.M. Kohli	Mr. S.C. Malik
Date of Birth	04.06.1930	10.01.1950
Date of Appointment	01.02.1989	01.10.1994
Experience in specific Functional Area	A retired IAS officer of 1952 batch was the Ex-Secretary to Ministry of Energy, Government of India. He has also held various senior positions in the state as well as at the central Government and has varied experience in specialties function and general management.	A Fellow Member of the Institute of Chartered Accountants of India, has been in the service of your company since 1990 and had held senior positions in Finance and Accounts departments of your company, prior to his appointment as whole time Director (Finance).
Qualification	M.A. (Eco.)	B.Com (Hons), F.C.A
Directorship in other public Limited Companies	Nil	Nil
Member / Chairman of committee of the Board of the public limited Companies on which he is a Director	Except members in Audit Committee and Remuneration Committee of Pasupati Acrylon Limited, Shri Kohli does not occupy Committee membership in any other public limited company.	Except member in Share Transfer-cum-Shareholders Grievance Committee and Audit Committee of Pasupati Acrylon Limited, Shri Malik does not occupy Committee membership in any other public limited company.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO.5

Section 293 (1) (a) of the Companies Act, 1956 provides *inter alia* that the Board of Directors of a public Company shall not, without the consent of such company in General Meeting sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, the whole or substantially the whole of any such undertaking

Your company is availing working capital facilities of Rs.9996 lacs from a consortium of banks. The said facilities will be secured on pari passu basis by way of mortgage/charge on the immovable properties of the company by deposit of title deeds by constructive delivery on 2nd charge basis in favour of Allahabad bank acting for self and other working capital lenders to secure due repayment.

Mortgaging/charging by the company of its immovable properties in favour of the lenders as aforesaid may be regarded as disposal of the whole or substantially the whole of the said undertakings of the company and accordingly, consent of the Members of the company is sought for creation of mortgages/charges as set out in the Resolution No.5

Your directors recommend the resolution for your approval.

None of the directors is in any way interested or concerned in this resolution.

By order of the Board
PASUPATI ACRYLON LIMITED

(Rakesh Mundra)
Company Secretary

Place : New Delhi
Dated: 30th July, 2008
Registered Office
Thakurdwara
Kashipur Road
Distt. Moradabad
Uttar Pradesh-244601



DIRECTORS' REPORT

To the Members

Your Directors have pleasure in presenting Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2008.

Financial Results

Salient financial results during the year under review as compared to the previous year are mentioned below:-

	2007-2008	2006-2007
Sales (Gross) & Other Income	360.08	345.18
Profit before Interest & Depreciation	15.09	12.98
Financial Charges	8.72	8.23
Depreciation	10.37	10.63
Profit/(Loss) before Taxes	(4.00)	(5.88)
Payment/Provision for Taxes	0.21	0.21
Extra-ordinary Income	0.00	0.95
Profit/(Loss) after Taxes	(4.21)	(5.14)

(Rs. in Crores)

In the absence of divisible surplus, your Directors are unable to recommend any dividend for the year.

Operations

The Company has recorded a production of 30447 MT and Sale of 30788 MT during the year under review as against 32213 MT and 31539 MT respectively during the previous year. The decrease in volume mainly due to drop in exports. The Gross Turnover during the year was Rs.35540 Lacs as against Rs.33886 Lacs.

The Industry has been facing problem of lower gross margins due to sustained rise in raw material prices, which is going up on account of surge in crude oil prices.

The inverted duty structure as reported last year is continuing due to which CENVAT credit is being accumulated, resulting in a strain on the cash flow. The Industry has represented to the Government to set right this anomaly. Government's response is awaited.

Management Discussion and Analysis

a) Industry Structure and Developments

The Company achieved marginally higher operating profit as compared to the previous year. A strong rupee also helped the company to achieve better results. During the year Acrylonitrile prices increased substantially due to the increase in crude oil prices. The Industry is finding it difficult to pass on the increase in raw material prices to the market due to keen competition from Cotton Yarn and Polyester.

As reported earlier the Company is in the process of expanding the plant capacity from the present 30000 MT to 42000 MT, which will contribute to lower cost of production on account of economies of scale.

b) Opportunities and Threat

The Company is dependent on imported raw materials to a large extent and any increase in crude oil price and foreign exchange fluctuation adversely affects the prospects of the Company.

Acrylic fibre competes with the Cotton and Polyester fibre. As such fluctuation in the prices of cotton and polyester affect the market prices and demand for Acrylic.

c) Segment-wise / Product wise performance.

The company has only one segment i.e. Acrylic Fibre.

d) Risk and Concern

As mentioned above the price of Polyester fibre and Cotton will continue to influence consumption and capacity utilization of Acrylic Fibre. While cotton prices depend to a large extent on out-put and consumption trends, the price of polyester fibre is influenced by cotton price. Cost of input of polyester fibre and capacity utilization of the industry, the price movement of crude oil, demand and availability of propylene and capacity utilization of acrylonitrile (ACN) producers are the factors impacting the A C N prices and consequently acrylic fibre cost of production. In the Indian context, besides the factors mentioned above, agricultural income general economic scenario, wholesale and consumer price level, impact of trade agreements with other countries and trade blocks etc. are some of the factors to be watched carefully.

Future Outlook

As mentioned above raw material prices continue to remain high on account of rise in crude oil and gas prices, consequently the margin remain under pressure.

In a period of uncertainty your management is making serious efforts for more efficient performance and achieve operating efficiencies, to improve the situation.



DIRECTORS' REPORT (Contd.)

Expansion of Capacity

As reported last year your Company is in the process to enhance production capacity from 30000 MTPA to 42000 MTPA.

The expanded production will add to the capabilities of the company to withstand the competition from domestic as well as international manufacturers.

ISO Certification

Your Company is an ISO 9001:2000, accredited by Bureau of Indian Standard, Rooid Voor Accreditatie, Nederland. This certification indicates our commitments in meeting global quality and standards.

Fixed Deposits

The outstanding public deposits at the end of the year under review amounted to Rs.41.88 lacs. There was no default in repayment of deposits or interest thereon on the due dates and there was no overdue/unclaimed deposit at the end of the year.

Directors

Shri M M Kohli and Shri S C Malik Directors retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Directors' Responsibility Statement Pursuant to Section 217 (2AA) of The Companies Act, 1956.

Your Directors hereby confirm that:-

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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;
- 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;
- the directors had prepared the annual accounts on a going concern basis.

Human Resources/Industrial Relations

The Company valued, human resources as its most valuable assets, among all other assets of the company. It has been the policy of the company to develop their potential by providing opportunities and facilitates within the organization. The company continues to have very cordial and harmonious relations with its employees.

Internal Control System And Adequacy

Your company has been maintaining a well-established procedure for internal control system. For the purpose of financial control, company is adequately staffed with experienced and qualified personnel at all levels who play an important role in implementing and monitoring the statutory and internal policy control environment. There has been a review conducted on regular interval by the internal auditors about the financial and operating control at various locations of the company and any, significant findings are reviewed by the Audit Committee of the Board of Directors.

Employees

Information under Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, is appended herewith.

Corporate Governance

The company has complied with the Corporate Governance code as stipulated under the listing agreement executed with the Stock Exchanges. A separate section on Corporate Governance, along with a certificate from the auditors of the company confirming the compliance is annexed and forms part of this Report.

Cost Audit

The reports of Mr.Satnam Singh Saggu, Cost Accountants, in respect of the Cost Accounts of the company for the year ended 31st March 2008 will be submitted to the Central Government in due course.

Auditors and their Report

M/s.B.K.Shroff & Co., Chartered Accountants, New Delhi retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment. The Company has received certificates from them under Section 224(1-B) of the Companies Act, 1956.

Auditors have reported that except nominee directors other Directors are disqualified to be appointed as director of any other public company as the company had not redeemed its debentures on due date and as the default continued for more than 1 year upto 31st March 2004. In this regard your Directors would like to state that based on legal opinion obtained by the Company 'Privately placed debentures' can not be construed to be 'debentures' for the purpose of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956. Moreover, as reported in the earlier years that the Company's debts have been restructured under Corporate Debt Restructuring Scheme and the Company is meeting its entire obligation as regards to payment of interest and principal to all lenders including debenture holders. Therefore, default, if any is only a technical default.

Energy, Technology & Foreign Exchange

A statement giving details of conservation of energy, technology absorption and foreign exchange earning and outgo in terms of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto and form part of this Report.

Acknowledgement

Your Directors wish to place on record their deep appreciation of the continued support and co-operation received from Financial Institutions, Banks, Shareholders, the State and Central Government.

Your Directors also wish to place on record their appreciation of the devoted services of the Company's employees, which has significantly contributed to the Company's progress.

**DIRECTORS' REPORT (Contd.)****ANNEXURE TO DIRECTORS' REPORT**

Statement of particulars Under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rule, 1975 forming part of Directors' Report for the year ended 31.03.2008.

Sl. No.	Name of employee	Age	Qualification	Exp. (yrs.)	Date of Employment	Designation	Remuneration	Last Employment held & Designation
Employed through the Financial year and in receipt of remuneration aggregating not less than Rs.24,00,000/- per annum								
1.	Vineet Jain	39	BBA (London)	18	01.01.1990	Managing Director	Rs.38,74,115/-	—

Notes :

- Perquisites have been valued in terms of actual expenditure incurred by the Company in providing the benefits to the employee except in the case of certain expenses where the actual amount of expenditure cannot be ascertained with reasonable accuracy, notional amount as per Income Tax Rules has been added. Actuarial valuation based contribution /Provision with respect to gratuity and leave encashment have not been included as these are for the Company as a whole..
- The employment contractual.

For and on behalf of the Board

Place : New Delhi
Dated : 30th May 2008

Vineet Jain
Chairman

(Additional Information in terms of Notification No.1029 of 16.12.1988 issued by the Department of Company Affairs)

[A] Conservation of Energy

(a) Energy conservation measures taken during the period under report are as under:

- Variable frequency drives were provided on FD and SA of fans of Boiler No.1 to reduce power Load.
 - Two nos. Variable frequency drive were in utility cooling tower fans to control the temperature of cooling water and save electrical power.
 - Condensate pump Start / Stop was controlled through level switch to avoid over flow of condensate.
 - High efficiency Vapour Absorption Chiller was installed to reduce specific steam consumption per tone of refrigeration.
- (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy.
- Super Vacuum Column and its allied equipments were installed in DMF Recovery to reduce specific heat consumption.
- (c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production goods.
On account of above measures there would be substantial saving.
- (d) The total energy consumption per unit of production as per Form-A is annexed herewith.

[B] Technology Absorption

Efforts made towards technology absorption are given as per Form-B is annexed herewith.

[C] Foreign Exchange Earnings & Outgo

(a) Activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and export plan.

Your company has exported fibre for Rs.5.79 crores (FOB) as compared to Rs. 8.57 crores during the pervious financial year, due to sluggish demand. Continuous efforts are being made to improve export performance.

(b) Total Foreign Exchange Used & Earned

		(Rs.in lacs)	
Foreign Exchange Used		2007-08	2006-07
i)	Travelling	17.03	22.75
ii	Interest	212.64 *	221.76 *
iii)	Other Charges	1.76	6.05
iv)	Commission on export sales	2.89	3.19
v)	CIF Value of Imports		
-	Raw Material	21837.45	21599.97
-	Stores and spares	89.47	130.28
-	Capital Goods	-	74.75
Foreign Exchange Earned:			
-	FOB Value of Exports	578.50	856.80

* Includes amount capitalized

**DIRECTORS' REPORT (Contd.)****FORM - A**
(See Rule-2)**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY****(A) POWER AND FUEL CONSUMPTION**

		Year Ending March 31, 2008	Year Ending March 31, 2007
1. Electricity			
a) Purchased			
Units (in lacs)	KWH	—	—
Total Amount	Rs./Lacs	—	—
Rate Per Unit	Rs./KWH	—	—
b) Own Generation			
(i) Through Diesel Generator Units (in lacs)	KWH	2.09	5.46
Unit Per Ltr. of Diesel Oil	KWH/Litre	2.99	3.12
Cost/Unit	Rs./KWH	9.69	9.51
(ii) Through Turbines			
Units (in lacs)	KWH	364.81	379.80
Total Cost	Rs./Lacs	1404.37	1311.76
Cost/Unit	Rs./KW	3.85	3.45
2. Coal			
Quality of Coal & where used	'B', 'C' & 'D' grade Coal used in Boiler for generation of Steam		
Quantity - Units	MT	77607	76341
Total Cost	Rs./Lacs	2989.74	2821.91
Average Rate	Rs./MT	3852.41	3696.45
3. Furnace Oil			
Quantity - Units	LTR	—	—
Total Cost	Rs./Lacs	—	—
Average Rate	Rs./MT	—	—
4. Husk			
Quantity - Units	MT	1806.69	1383.46
Total Cost	Rs./Lacs	40.95	22.40
Average Rate	Rs./MT	2266.67	1619.13
5. Others Internal Generation			
Pith			
Quantity - Units	MT	-	5763.83
Total Cost	Rs./Lacs	-	49.29
Rate/Unit	Rs./MT	-	855.16
(B) Consumption Per Unit Of Production			
Products	Acrylic Fibre/Tow/Tops		
Electricity	MW/MT	1.20	1.20
Fuel Oil	K.Ltr/MT	-	0.01
Coal (B, C & D Grade coal used In Boiler for generation of Steam)	MT/MT	2.55	2.37
Pith	MT/MT	-	0.18
Husk	MT/MT	0.06	0.04

**DIRECTORS' REPORT (Contd.)****FORM - B**
(See Rule-2)**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION****(A) Research & Development (R&D)****1. Specific Areas in which R&D Carried out by the Company:**

- Development work on Low Pill Fibre
- Development work on high dye pick-up Acrylic Fiber
- Development work on anti-bacterial Acrylic Fibre.
- Development work on Super high Shrinkage Fibre

2. Benefits Derived as a Result of the above R&D:

- Speciality Acrylic Fibre development work will lead to other field of acrylic fibre application.

3. Future Plan of Action:

- To improve Acrylic Fibre Quality in different categories

4. Expenditure on R&D

	2007-2008	(Rs.in lacs) 2006-2007
a) Capital	—	—
b) Recurring	9.85	9.53
c) Total	9.85	9.53
d) Total R&D expenditure as a percentage of total turnover	0.03%	0.03%

(B) Technology Absorption, Adaptation and Innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation - No
2. Benefits derived as a result of the above efforts, eg. Product improvement, cost reduction, product development, import substitution etc. - N.A.
3. Particulars of imported technology in the last five years:
 - (a) Technology imported : NA
 - (b) Year of Import : NA
 - (c) Has technology been fully absorbed : NA
 - (d) If not fully absorbed, reason for & future action plan : NA

AUDITORS, CERTIFICATE ON CORPORATE GOVERNANCE**UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES**

We have examined the compliance of conditions of Corporate Governance by M/S. PASUPATI ACRYLON LIMITED for the year ended on 31st March 2008, as stipulated in clause 49 of the Listing Agreement of the said company with Stock exchange(s).

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

In our opinion and to the best of our information and according to the explanations given to us, we report as under: -

- (i) As the Company's delisting application to Kolkatta stock exchange is pending no listing fees has been paid for years, 2005-06, 2006-07 & 2007-08.

Subject to the above, we certify that the company has complied with the conditions of Corporate Governance as mentioned in the above-mentioned listing agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that the Registrar and share Transfer Agent of the Company has certified that there was no investors grievances complaints pending against the company as at the year end.

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

For B. K. SHROFF & CO.,
Chartered Accountants
O.P. Shroff
Partner

Place : New Delhi
Dated : 30th May 2008

Membership No. 6329
www.reportjunction.com



CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2007-08

Corporate Governance

As required under Clause 49 of the Listing Agreement of the stock exchange(s).

1) Company's Philosophy

Corporate Governance refers to set of policies, principles, laws, regulations and procedures etc. Our company has made the requisite compliance under Corporate Governance. Over the years the company has been disclosing information concerning the performance and future prospects of the company in its Director's Report. As required under Clause 49 of the Listing Agreement with Stock Exchanges, following disclosures are set out towards achievements of good Corporate Governance.

2) Board of Directors

The Board of Directors consists of three promoter directors (one managing director and two nominee directors of PICUP), one whole time director (finance) and four non-executive directors (including one nominee director of IFCI Ltd). The company has a non-executive chairman.

The Company did not have any material pecuniary relationships with the non-executive directors during the year under review except payment of sitting fee for attending the Board/Committee Meeting(s).

The remuneration of, executive/non-executive directors is decided by the Board of Directors.

During the year, five Board Meetings were held on 23.05.2007, 28.05.2007, 30.07.2007, 31.10.2007 and 31.01.2008.

None of the Directors of the Board is member of more than ten committees and they do not act as Chairman of more than five committees across all companies in which they are directors.

The composition of Directors and the attendance at the Board Meetings during the year and the last Annual General Meeting and also number of other directorships and Committee Memberships are given below:

Sl. No.	Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM	No. of other Directorships	No. of Member of other Committees	Chairmanship of other Committee(s)	Note No.
1	Mr. Sudhir Garg (PICUP Nominee)	Chairman & Non-executive Director	1	No	3 @	1	-	B C D
2	Mr. Prabhat Gupta (PICUP Nominee)	Non-executive Director	1	No	4	-	-	B C D
3	Mr. Vineet Jain	Managing Director	5	Yes	-	-	-	A
4	Mr. M.M. Kohli	Non-executive Director	4	No	-	-	-	B
5	Mr. Ravinder Kapur	Non-executive Director	3	Yes	-	-	-	B
6	Mr. R.K. Gupta (PICUP Nominee)	Non-executive Director	2	No	5 @	1	-	B D C
7	Mr. Sanjay Behari (IFCI Nominee)	Non-executive Director	3	No	2	-	-	B
8	Mr. S. Sathyamoorthy	Non-Executive Director	3	No	-	-	-	B
9	Mr. S.C. Malik	Director (Finance)	5	Yes	-	-	-	

@ Information furnished as on 31st March 2007 as resigned during the year.

A. Promoter Directors.

B. Non-executive and independent Directors.

C. Nomination of Shri Sudhir Garg, Managing Director of PICUP, was withdrawn w.e.f. 20.06.2007 and in his place Shri Prabhat Gupta, Dy. General Manager (T) of PICUP has been nominated as nominee Director of the Board and also Shri R.K. Gupta, Sr. Manager (T), PICUP resigned on 4.3.08 as Nominee Director vide letter No. PRJ/4(2)/624/07-08.

D. Promoter Director pursuant to assisted sector agreement between the company and PICUP. However, pursuant to clause 49(1), they are being treated as Independent Director being Nominee of Financial Institutions.

3. Audit Committee

The Audit Committee of the Company met five times in a year. One meeting was held before finalization of annual accounts and one in every six months. During the financial year ended March 31, 2008, the Audit Committee met on the following dates: 23.05.2007, 28.05.2007, 30.07.2007, 31.10.2007 and 31.01.2008.

Terms of reference of the Audit Committee are as per the guidelines set out in the listing agreements with the Stock Exchanges and also as per Section 292A of the Companies Act. It interalia also include the overview of the Company's financial reporting processes, review of the half yearly and annual financial statements, the adequacy of internal control systems, the financial and risk management policies etc.