

17<sup>th</sup> Annual  
Report  
2007 - 2008

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## Board of Directors

B K Patodia	Chairman
N K Bafna	
B L Singhal	
R Rajagopalan	
Rajen K Mariwala	
Y Ikezoe	Nominee of ITOCHU Corporation
T Okui	Alternate to Y Ikezoe
T Pius Joseph	Nominee of KSIDC
A V S Hameed	Nominee of IDBI
P C Seksaria	
Umang Patodia	Managing Director

Asst. Company Secretary A. Anuradha

### Bankers & Financial Institutions

IDBI Bank Limited  
Export-Import Bank of India  
Central Bank of India  
State Bank of India  
State Bank of Travancore  
Oriental Bank of Commerce  
The Karur Vysya Bank Limited  
Canara Bank  
Bank of Maharashtra

**Auditors** M/s. M S Jagannathan & Visvanathan,  
[Chartered Accountants], Coimbatore.

**Legal Advisors** M/s. Menon & Pai, Kochi

**Registered Office** 3rd Floor, Palal Towers, Ravipuram  
M G Road, Ernakulam, Kochi 682 016, India.

**Corporate Office** 43, Mittal Chambers, 228 Nariman Point,  
Mumbai 400 021, India.

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**PATSPIN INDIA LIMITED****NOTICE**

NOTICE is hereby given that the **SEVENTEENTH** Annual General Meeting of **PATSPIN INDIA LIMITED** will be held at Bharat Hotel (BTH), Durbar Hall Road, Kochi - 682 016 at 9.30 a.m on Friday the 25th day, of July 2008 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2008 and the Profit and Loss Account for the year ended on that date together with the Reports of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri. R Rajagopalan, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri. N K Bafna, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

**SPECIAL BUSINESS:**

**5. Delisting of Company's Equity Shares from The Cochin Stock Exchange Limited (CSEL)**

To consider and if thought fit, to pass with or without modification, the following resolution as a special resolution.

"RESOLVED that in terms of SEBI (Delisting of Securities) Guidelines, 2003, as amended, and also Guidelines / Notifications issued / to be issued by SEBI from time to time and subject to the provisions of the Companies Act, 1956 (including any Statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted hereinafter) and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as 'the Board', which term shall deem to include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution), consent is hereby accorded to the Board to de-list Company's Equity Shares from The Cochin Stock Exchange Ltd. (CSEL)".

By Order of the Board  
For **PATSPIN INDIA LIMITED**

Place : Kochi

**A. ANURADHA**

Date : 29th May, 2008

Assistant Company Secretary

**NOTES:-**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF 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 and forms part of the Notice.
3. The Company has already notified Closure of Register of Members and Share Transfer Books thereof from Saturday, the 19th July, 2008 to Friday, the 25th July, 2008 (both days inclusive).
4. Pursuant to Section 205A of the Companies Act, 1956, all Unclaimed Dividend upto Financial Year Ended 31st March, 1995 have been transferred to the General Revenue Account of the Central Government. Shareholders, who have not yet claimed their Dividend Warrants for the said period, are requested to claim the amount from the Registrar of Companies-Kerala, Ernakulam by submitting an application in the prescribed form.
5. Pursuant to Section 205A(5) of the Companies Act, 1956, Dividend for the Financial Year upto 31st March, 1998 have been transferred by the Company to the **Investor Education and Protection Fund (IEPF)**, established by the Central Government pursuant to Section 205C of the Companies Act, 1956. Dividend which remain Unpaid / Unclaimed for a period of 7 (Seven) years will be transferred by the Company to the IEPF pursuant to the said provisions of the Act.

Information in respect of such Unclaimed Dividend when due for transfer to the said Fund with reference to dividend for the financial year ended 31st March, 2001 and thereafter, is given below:

Financial year Ended	Date of declaration of Dividend	Last date for claiming unpaid Dividend	Due date for transfer to IEPF
31.3.2001	20.7.2001	19.7.2008	18.8.2008
31.3.2002	31.7.2002	30.7.2009	28.8.2009
31.3.2003	31.7.2003	30.7.2010	28.8.2010
31.3.2004	30.7.2004	29.7.2011	27.8.2011
31.3.2005	29.7.2005	28.7.2012	27.8.2012
31.3.2006	28.7.2006	27.7.2013	26.8.2013
31.3.2007	26.7.2007	25.7.2014	24.8.2014

Shareholders who have not so far encashed the Dividend Warrant(s) are requested to seek issue of duplicate warrant(s) by writing to the Company. Also note that no claim shall lie against the said Fund or the Company in respect of any amounts which were unclaimed and unpaid after a period of 7 (Seven) years from the date that they first became due for payment and no payment shall be made in respect of any such claim.

6. Consequent upon introduction of Section 109A of the Companies Act, 1956, Shareholders are entitled to make nomination in respect of shares held by them in physical form. Individual Shareholder(s) can avail of the facility of nomination. The nominee shall be a person in whom all rights of transfer and / or amount payable in respect of the shares shall vest in the event of the

**NOTICE (Contd..)**

death of the Shareholder(s). A minor can be a nominee provided the name of the guardian is given in the Nomination form. The facility of nomination is not available to non-individual Shareholders such as Bodies-Corporate, Kartas of Hindu Undivided Families, Partnership Firms, Societies, Trust and holders of Power of Attorney. For further details please contact Company's Secretarial Department. Shareholders desirous of making nominations are requested to send their requests in Form 2B (which will be made available on request) to the Registrar and Share Transfer Agent, M/s.Integrated Enterprises (India) Limited.

**REQUEST TO THE MEMBERS:**

1. Members desiring any information on the accounts at the Annual General Meeting are requested to write to the Company atleast 7 (Seven) days in advance, so as to enable the Company to keep the information ready.
2. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report to the Meeting.

3. Members are requested to inform immediately any change in their address to the Company's Share Transfer Agents.
4. All communications relating to shares are to be addressed to the Company's Share Transfer Agents M/s.Integrated Enterprises (India) Ltd., "Seema", 41/426, Rajaji Road, Near Abad Metro Hotel, Ernakulam - 682 035, Kerala: Tel. No. (0484)2371494/2366099 Fax: (0484) 2384735; email:yesbalu@iepindia.com or shaji@iepindia.com.
5. **MEMBERS ARE REQUESTED TO NOTE THAT THE COMPANY'S EQUITY SHARES ARE COMPULSORILY TRADED IN DEMAT FORM FOR ALL INVESTORS, EFFECTIVE FROM 29TH JANUARY, 2001. MEMBERS ARE REQUESTED TO OPEN DEPOSITORY ACCOUNT IN THEIR NAMES WITH A DEPOSITORY PARTICIPANT TO DEMATERIALISE THEIR HOLDINGS. THIS WOULD BE NECESSARY FOR FACILITATING THE TRANSFERS OF COMPANY'S EQUITY SHARES IN ALL STOCK EXCHANGES CONNECTED TO THE DEPOSITORY SYSTEM.**

**DETAILS OF DIRECTORS RETIRING BY ROTATION AND SEEKING RE-APPOINTMENT / REGULARISATION  
PURSUANT TO SECTION 257 OF THE ACT  
(In pursuance of Clause 49 of the Listing Agreement)**

Name of Director	Shri.R Rajagopalan	Shri.N K Bafna
Date of Birth	21.7.1938	03.07.1939
Date of appointment	27.1.2005	20.06.2000
Qualifications	<ul style="list-style-type: none"> <li>• Fellow member of the Institute of Chartered Accountants of India (ICAI);</li> <li>• Fellow member of the Institute of Company Secretaries of India (ICSI).</li> </ul>	•B.Com, FCA; Law Graduate
Expertise in specific functional area	Retired as Managing Director - Commercial & Secretary with M/s.Widia (India) Ltd. Besides his proficiency in Finance, Accounts and Secretarial Functions, he was part of management team for finalisation of many collaboration tie-ups with Widia GmbH and also with other reputed European and American Companies. He was also associated with various Organisations and was the National President of the Institute of Company Secretaries of India (ICSI); President of Employers' Federation of Southern India (EFSI); Chairman of Taxation and Finance Sub-Committee of Confederation of Indian Industry (CII); Member of Southern Regional Council of CII; Member of Engineering Export Promotion Council (EEPC); Greater Mysore Chamber of Industry (GMCI), etc. etc.	Practising Chartered Accountant and a Senior Partner of M/s.Lodha & Co., Chartered Accountants, Mumbai. Besides his proficiency in Finance and Accounts, he is also an expert in Company Law matters.
Shareholding in the Company	NIL	NIL

**NOTICE** (Contd..)

Details of other Directorship:

Name of Director	Name of the Company	Position held	Committee type	Membership status
Shri. R Rajagopalan	1) GTN Textiles Ltd.	Director	1) Audit 2) Shareholders	Member Chairman
	2) MRO-TEK Limited	Director	1) Audit 2) Shareholders	Chairman Member
	3) Karnavati Engineering Limited	Director	None	None
	4) Saksoft Limited	Director	1) Audit 2) Shareholders	Chairman Chairman
Shri.N K Bafna	1) Prime Textiles Limited	Director	1) Audit 2) Shareholders	Member Chairman
	2) National Collateral Management Service Ltd.	Director	Audit	Chairman
	3) GTN Textiles Limited	Director	1) Audit 2) Shareholders	Member Member

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM No.6:**

Presently, the Company's Equity Shares are listed on the following Stock Exchanges:

- i) Bombay Stock Exchange Limited (BSE)
- ii) National Stock Exchange of India Limited (NSE)
- iii) Cochin Stock Exchange Limited (CSEL)

As part of its cost reduction measures and in line with the Circular issued by SEBI for Voluntary Delisting of Company's Securities, your Company proposes Delisting of its Equity Shares from Cochin Stock Exchange Limited.

SEBI vide Circular SMD/Policy/Cir-7/2003 dated 17th February, 2003 issued Guidelines for Delisting of Securities. Pursuant to Clause 5.2 relating to Delisting of Securities (Voluntary) of a Listed Company, an EXIT opportunity need not be given in cases where securities continue to be listed in a Stock Exchange having nationwide terminals. Your Company's shares are listed and traded with Stock Exchanges having nationwide terminals viz. Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE). Hence, the Company does not intend to give an EXIT opportunity to the Shareholders of this Region.

With the net working facilities of BSE and NSE, the Members of the Company have access to on-line dealings in the Company's Equity Shares across the Country. Trading volumes on Cochin Stock Exchange in the Company's Shares are very low. Further, the Company's Equity shares are compulsory traded in demat form for all investors and hence Investors including the members located in the said Region are dealing with the securities of the Company only with BSE and NSE. The proposed Delisting of the Company's Equity Shares from Cochin Stock Exchange will not therefore, adversely affect any Investor including the members located in this Region. Company's Equity Shares will continue to be listed on BSE and NSE.

Your Directors recommend Members approval by way of a Special Resolution for Delisting Company's Equity Shares from Cochin Stock Exchange.

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

By Order of the Board  
For **PATSPIN INDIA LIMITED**

Place : Kochi

Date : 29th May, 2008

**A.ANURADHA**  
Assistant Company Secretary

## DIRECTORS' REPORT

**To the Members,**

Your Directors have pleasure in presenting the **SEVENTEENTH** Annual Report together with the Audited Statements of Account for the year ended 31st March, 2008.

### FINANCIAL RESULTS

	Year ended 31.3.2008 (Rs. in lacs)	Year ended 31.3.2007 (Rs. in lacs)
<b>INCOME</b>		
Net sales / Income from operations	15649	13828
Variation in Stock	624	(87)
Total	16273	13741
<b>EXPENDITURE</b>		
a) Cost of materials	10607	8471
b) Staff Cost	945	623
c) Power Cost	1441	1171
d) Other expenditure	1943	1670
Total	14936	11935
<b>OPERATING PROFIT</b>	1337	1806
Interest	953	482
Profit before depreciation and taxation	384	1324
Depreciation	1267	906
<b>PROFIT BEFORE TAX</b>	(883)	418
Provision for current tax	—	25
Provision for deferred tax	(494)	192
Provision for Fringe benefit tax	11	9
<b>PROFIT AFTER TAX</b>	(400)	192
Balance Brought forward from previous year	332	357
Profit available for appropriations	(68)	549
<b>APPROPRIATIONS</b>		
Proposed Dividend on Equity	—	186
Corporate Dividend Tax	—	32
Surplus carried to Balance Sheet	(68)	332
	(68)	549

### DIVIDEND

In view of lower cash generation and losses incurred, the Board of Directors are recommending not to declare any dividend for the financial year, under review.

### PERFORMANCE REVIEW

During the financial year under review, sales have increased from Rs.137.11 crores to Rs.153.59 crores mainly on account of commissioning of 30,000 spindles at the unit in Ponneri, Tamil Nadu under TUF Scheme in Feb. 2008. The operating profit and cash profit, however, have been substantially lower due to the following factors:

- Financial year 2007-08 has been a difficult year for the textile industry in general and for export oriented companies in particular due to rapid appreciation of Rupee against Dollar.
- At Company's Palakkad Unit, there was lower capacity utilization during the long term agreement negotiation with the workmen, which was finalized during the year, towards which company had to incur substantial amounts under Voluntary Retirement Scheme. Further, this unit was debonded on 31st January, 2008, converting it from EOU to DTA necessitating considerable one time payment of Custom Duty, etc. All these one time costs, wherever applicable, has been charged off in the year under review. However, debonding will be beneficial to the Company in future, since it will be eligible for export benefits available to DTA Units.
- Even though Company's new Plant at Ponneri was commissioned in February, 2008, the capacity utilization was lower due to frequent power interruptions in Tamil Nadu and also lack of availability of appropriate work force.

We are glad to report that most of these initial difficulties have been overcome and currently the first phase of 30,000 spindles at Ponneri is fully operative. We are also glad to inform that further expansion of this unit by 32,400 spindles and TFO twisting and gassing capacities is progressing well and will be completed during the current financial year. With this, the total capacity of the unit will go upto 62,400 spindles, as per the scheme. As planned, modernization at Palakkad Unit is almost over and installation of 4 Wind Mills in Tamil Nadu with a total capacity of 5.8 MW also has been completed.

Under TUF schemes with an outlay of Rs.273.36 crores, company has already incurred a capital expenditure of Rs.186.53 crores as on 31st March, 2008.

We are hopeful that once all these schemes are fully operational during the current year 2008-09, we expect substantial improvement in sales and performance.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:-

- (a) in the preparation of the annual accounts, the applicable Accounting Standards have been followed and that there are no material departures;
- (b) they have, 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 your Company at the end of the financial year and of the profit of the Company for that period;
- (c) they have taken proper and sufficient care, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities.
- (d) they have prepared the annual accounts on a going concern basis.

**DIRECTORS' REPORT (Contd..)****CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT**

A report on Corporate Governance is attached to this Report as also a Management Discussion and Analysis Statement.

**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 on the date of the Balance Sheet.

**DIRECTORS**

Your Board with deep sorrow took note of the sad demise of Barrister Shri. P K Kurian, Ex-Director on 2.1.2008. The Board places on record its profound appreciation for his valuable contribution as a Director and Legal Advisor of the Company for about 2 decades.

In accordance with the provisions of the Companies Act, 1956, and the Company's Articles of Association, Shri. R Rajagopalan and Shri. N K Bafna, Directors, retire from Office by rotation and are eligible for re-appointment.

**AUDITORS**

M/s. M S Jagannathan & Visvanathan, Chartered Accountants, Coimbatore, Auditors of the Company will retire at the forthcoming Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

**DELISTING OF COMPANY'S EQUITY SHARES FROM COCHIN STOCK EXCHANGE LIMITED**

As part of its cost reduction measures and in line with the Circular issued by SEBI for Voluntary Delisting of Company's Securities, your Board has proposed Delisting of its Equity Shares from Cochin Stock Exchange Limited.

**PERSONNEL & INDUSTRIAL RELATIONS**

Industrial Relations were cordial and satisfactory. A statement showing the particulars of Employees referred to in sub section (2A) of Section 217 of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is given in Annexure I, forming Part of this Report.

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

The information required under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are set out in Annexure II, attached hereto and forms part of this Report.

**ACKNOWLEDGEMENT**

Your Directors place on record their gratitude to IDBI Bank Limited, Export-Import Bank of India, Central Bank of India, State Bank of India, State Bank of Travancore, Oriental Bank of Commerce, The Karur Vysya Bank Limited, Bank of Maharashtra and Canara Bank and the concerned Departments of the State and Central Government, Employees and Shareholders for their valuable assistance, support and co-operation to the Company.

For and on behalf of the Board

**B K PATODIA**  
Chairman

Place : Kochi,  
Date : 29th May, 2008

**ANNEXURE I TO THE DIRECTORS' REPORT**

Particulars of Employees as required under Sub-section (2A) of the Companies Act, 1956 and the Rules made there under forming part of the Directors Report:

Sr. No.	Name	Age (Years)	Designation	Nature of Duties	Remuneration (Rs. in lacs)	Qualification	Experience	Date of Job Commencement	Last employment
A	Employees who worked throughout the accounting year and whose remuneration aggregating Rs. 24,00,000/- or more per year								
	Shri Umang Patodia	39	Managing Director	Management of the affairs of the company	56.03	Bachelor of Commerce	18 years	4.8.1994	GTN Textiles Limited
B	Employees who worked during part of accounting year and whose remuneration aggregating Rs. 2,00,000/- or more per month.								
	— None —								

**Notes**

1. Nature of Employment : Contractual
2. The remuneration includes salary, Company's Contribution to Provident Fund and Superannuation funds, Gratuity fund, Medical Expenses and Leave Travel Assistance and other perquisites evaluated as per Income Tax Rules wherever necessary.
3. Shri.Umang Patodia is related to Shri. B K Patodia, Chairman of the company.

For and on behalf of the Board

Place Kochi,  
Date 29th May, 2008

**B K PATODIA**  
Chairman

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

Information as per Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report.

**A. Conservation of Energy**

The Company is making all round efforts for the conservation of energy. To reduce the energy cost, energy efficient equipments were used and the effect of the same has been felt.

Total energy consumption and energy consumption per unit of production as prescribed in Form-A

	Year ended 31.03.2008	Year ended 31.03.2007
<b>I. Power and fuel consumption</b>		
1. Electricity		
a) Purchased (Units in lacs)	373.53	306.58
Total amount (Rs. in lacs)	1,412.89	1,125.15
Rate per unit (Rs.)	3.78	3.67
b) Own generation		
i) Through Diesel Generator (units in lacs)		
Total amount (Rs. in lacs)	18.45	5.34
Units per liter of diesel oil	3.67	3.79
Cost per unit (Rs.)	8.25	8.63
ii) Through steam turbine / generator		
Units	Nil	Nil
Unit per liter of fuel oil / gas	Nil	Nil
Cost per unit (Rs.)	Nil	Nil
2. Coal	Nil	Nil
3. Furnace Oil	Nil	Nil
4. Others/internal generation	Nil	Nil
<b>II. Consumption per unit of production</b>		
a) Electricity – Units per Kg. Yarn	7.19	7.53
b) Furnace Oil	Nil	Nil
c) Coal	Nil	Nil
d) Others	Nil	Nil

**B. Technology Absorption**

Efforts made in Technology Absorption as per Form B:

Indigenous technology alone is used and Research and Development are carried out by a separate Textile Research Association for Textile Units situated in Southern Region (SITRA).

**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 plans

The company is presently exporting yarn and knitted fabric. Steps are being taken to explore new markets and product development.

- b) Total Foreign Exchange earned and used excluding capital goods, components & Spares:

Earned: Rs.13616.35 lacs (Previous year Rs.11980.29 lacs) (including shipping freight realisation and agents commission)

Used: Rs.2412.60 lacs (Previous year Rs.2734.63 lacs)

For and on behalf of the Board

**B K PATODIA**

Chairman

Place : Kochi,

Date : 29th May, 2008

## REPORT ON CORPORATE GOVERNANCE

### 1) Company's Philosophy on Code of Corporate Governance

The Company firmly believes in and has consistently endeavoured to practise good Corporate Governance. The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, professionalism and accountability, in all facets of its operations, and in all its interactions with its stake holders, including shareholders, employees, the government and lenders.

### 2) Board of Directors

The Board of Directors consists of 10 Directors

**Composition and category of Directors is as follows:**

Category	Name of Directors
Promoter / Executive Director	● Shri. Umang Patodia
Promoter / Non-Executive Directors	● Shri. B K Patodia
	● Shri. Y Ikezoe (Nominee of Itochu Corporation)
	Shri. T Okui (Alternate Director to Shri. Y Ikezoe)
	● Shri. T Pius Joseph (Nominee of KSIDC)
	● Shri. P C Seksaria
Independent Directors	● Shri. N K Bafna
	● Shri. B L Singhal
	● Shri. R Rajagopalan
	● Shri. Rajen K Mariwala
	● Shri. A V S Hameed (Nominee of IDBI)

**Attendance of Directors at Board Meetings, last Annual General Meeting and Number of Other Directorships and Chairmanships / Memberships of Committees of each Directors in various Companies:**

Name of the Director	Attendance Particulars		No. of other Directorships and Committee Member / Chairmanship			Relationship Interse Directors
	Board Meetings	Last AGM	Other Directorship including Pvt. Ltd. Cos.	Other Committee Membership #	Other Committee Chairmanship #	
Shri. B K Patodia	4	Yes	10	None	None	Related to Shri. Umang Patodia
Shri. T Okui [Itochu Nominee]	1	No	2	None	None	
Shri. T Pius Joseph [KSIDC nominee]	4	Yes	2	None	None	
Shri. N K Bafna	3	Yes	3	5	2	
Shri. B L Singhal	4	Yes	9	6	3	
Shri. R Rajagopalan	4	Yes	4	6	4	Related to Shri. B K Patodia
Shri. A V S Hameed [IDBI Nominee]	4	Yes	-	None	None	
Shri. Rajen K Mariwala	1	No	7	2	None	
Shri. P C Seksaria	4	Yes	1	None	None	
Shri. Umang Patodia	4	Yes	4	2	None	

# In accordance with Clause 49 of the Listing Agreement, Membership / Chairmanship of only the Audit Committees and Shareholders Investors Grievance Committees of all Public Limited Companies have been considered.

#### Number of Board meetings held and the dates on which held;

Four Board meetings were held during the year. The maximum time gap between any such Two meetings was not more than 3 calendar months.

The details of the Board Meetings are as under:-

Sl. No.	Date	Board Strength	No. of Directors present
1)	8th May, 2007	10	9
2)	25th July, 2007	10	8
3)	31st October, 2007	10	8
4)	31st January, 2008	10	8

**REPORT ON CORPORATE GOVERNANCE** (Contd..)**3) Audit Committee**

The Audit Committee comprises of Four Independent Directors namely; Shri. B L Singhal, Chairman; Shri. R Rajagopalan; Shri. A V S Hameed (Nominee of IDBI) and Shri. N K Bafna. All the Members of the Audit Committee possess financial / accounting expertise. The composition of the Audit Committee meets the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

Smt. A Anuradha, Assistant Company Secretary is the Secretary of the Audit Committee.

The composition, role, functions and powers of the Audit Committee are in line with the requirements of applicable laws and regulations.

The Audit Committee shall oversee financial reporting process and disclosures, review annual financial statements, management discussion and analysis of financial condition and results of operation, review adequacy of internal audit function, management letters/ letters of internal control weakness issued by the statutory auditors, internal audit report relating to internal control weakness, related party transactions, review financial and risk management policies, to look into the reasons for substantial defaults in the payment to depositors, debenture / shareholders and creditors, oversee compliance with stock exchange and legal requirements concerning financial statements, review auditors qualifications (draft), compliance with Accounting Standards, recommending the appointment and renewal of external Auditors / Chief internal auditor, fixation of audit fee and also approval for payment for any other services, etc.

During the year, the Committee met Four times. Attendance of each Member at the Audit Committee meetings held during the year:

Sl.No.	Name of the Member	Status	No. of meetings attended
1)	Shri. B L Singhal	Chairman & Independent Director	4
2)	Shri. N K Bafna	Independent Director	3
3)	Shri. R Rajagopalan	Independent Director	4
4)	Shri. A V S Hameed	Independent Director (Nominee of IDBI)	4

The details of the meetings are as under:-

Sl. No.	Date	Committee Strength	No. of Directors present
1)	7th May, 2007	4	4
2)	25th July, 2007	4	4
3)	30th October, 2007	4	3
4)	30th January, 2008	4	4

**i) Prevention of Insider Trading:**

The Audit Committee also monitors implementation and compliance of the Company's Code of Conduct for prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992. The Board has designated Smt. A Anuradha, Assistant Company Secretary as the Compliance Officer.

**ii) Risk Management:**

The Company has laid down procedures to inform the Board Members about the risk assessment and minimization procedures. The Designated Officials submit quarterly reports which are reviewed periodically by the Management Committee to ensure effective risk management.

**4) Remuneration Committee**

The Remuneration Committee of the Board of Directors comprises of 3 Independent Non-Executive Directors namely; Shri. B L Singhal, Chairman; Shri. R Rajagopalan and Shri. A V S Hameed (Nominee of IDBI).

The Remuneration Committee has to recommend / review the remuneration package of the Managing Director. The remuneration policy is in consonance with the existing industry practice and also with the provisions of Companies Act.

**Details of the remuneration paid to Managing Director for the Year:**

The aggregate of salary and perquisites paid for the year ended 31st March, 2008 to Managing Director, was as follows:-

Shri. Umang Patodia : Rs. 42.37 lacs.

Besides this, the Managing Director was also entitled to Company's contribution to Provident Fund, Superannuation or Annuity Fund, to the extent not taxable and Gratuity and encashment of leave at the end of tenure, as per the Rules of the Company.

**Remuneration paid to Non-Executive Directors:**

No Remuneration is paid to Non-Executive Directors except sitting fees for attending the meeting of the Board and Committees thereof.