NINETEENTH

ANNUAL REPORT

2009-10

PATSPIN

NINETEENTH

ANNUAL REPORT

2009-10

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 (upto 12th April, 2010)
Keisuke Oba	Alternate to Y Ikezoe (w.e.f 13th May, 2010)
T Pius Joseph	Nominee of KSIDC
P C Seksaria	Director (upto 26.03.2010)
Umang Patodia	Managing Director

Deputy Company Secretary Abhilash N A

Bankers & Financial Institutions

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

NOTICE is hereby given that the **NINETEENTH** Annual General Meeting of **PATSPIN INDIA LIMITED** will be held at Bharat Hotel (BTH), Durbar Hall Road, Kochi – 682 016 at 10.30 a.m on Saturday, the 31st day of July 2010 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2010 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.B.K Patodia, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri.Y .Ikezoe, 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.

By order of the Board
for **PATSPIN INDIA LIMITED**

Place : Kochi
Date : 13th May 2010

ABHILASH N. A
Deputy Company Secretary

NOTES:-

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL 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 The Company has already notified Closure of Register of Members and Share Transfer Books thereof from Saturday, the 24th July, 2010 to Saturday, the 31st July, 2010 (both days inclusive).

3. 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.

4. Pursuant to Section 205A(5) of the Companies Act, 1956, as amended with effect from 31st October, 1998, dividends for the Financial Year ended 31st March, 1996 and thereafter, which remain unpaid or unclaimed for a period of 7 years from the date of transfer of the same under sub-section (1) of said Section will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government established under Section 205C of the Act. In compliance of the said provisions of the act , all unclaimed dividends for the Financial Year upto 31st March 2002 have been transferred by the Company to the IEPF.

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, 2003 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
31.3.2003	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.

5. 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 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; E-Mail: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 COMPANIES ACT, 1956
(In pursuance of Clause 49 of the Listing Agreement)

Name of Director	Shri. B.K. Patodia	Shri. Y. Ikezoe
Date of Birth	01.01.1945	19.06.1959
Date of appointment	20.09.1991	28.10.2006
Qualifications	B.E.	Textile Engineer
Expertise in specific functional area	Over 38 years of experience in Textile Industry, yarn marketing and cotton trade. He was the Chairman of the Indian Cotton Mills Federation(ICMF) and Southern India Mills Association (SIMA). He is also an Executive Member of the Cotton Textile Export Promotion Council, Mumbai. Currently, he is the Chairman & Managing Director of GTN Textiles Limited, the flagship company of the GTN Group.	Over 25 years of experience in Textile Industry, Yarn Marketing and he is the Managing Director of M/s ITOCHU Textiles Materials (Asia) Limited, Hongkong. Financial Collaborator and promoter of the Company along with GTN Textiles Limited and Kerala State Industrial Development Corporation Limited
Shareholding in the Company	34350 equity shares of Rs 10 each.	Nil

Details of other Directorship:-

Name of Director	Name of the Company	Position held	Committee type	Membership status
Shri. B.K Patodia	GTN Textiles Limited	CMD	None	None
	GTN Enterprises Limited	Chairman	None	None
	Hindustan Polyamides & Fibres Limited	Director	None	None
	India Thermit Corporation Limited	Director	None	None
	Hind Rectifiers Limited	Director	None	None
Shri. Y.Ikezoe	ITOCHU Textile Prominent(Asia), Limited, Hongkong (formerly known as ITOCHU Textile Materials (Asia) Limited)	Mg.Director	None	None

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

Place : Kochi
Date : 13th May 2010

ABHILASH N. A
Deputy Company Secretary

DIRECTORS' REPORT

To the Members,

Your Directors present the **NINETEENTH** Annual Report together with the Audited Statements of Account for the year ended 31st March, 2010.

FINANCIAL RESULTS

(Rs. in lacs)

	Year ended	
	31.3.2010	31.3.2009
INCOME		
Net sales / Income from operations	30254	21220
Other Operating Income (Insurance Claim)	100	—
Variation in Stock	(1082)	1060
Total	29272	22280
EXPENDITURE		
a) Cost of materials	19105	15233
b) Staff Cost	1388	1384
c) Power Cost	2502	2224
d) Other expenditure	2827	2915
Total	25822	21756
OPERATING PROFIT	3450	524
Interest	2061	2270
Profit before depreciation and taxation	1389	(1746)
Depreciation	2000	1872
PROFIT BEFORE TAX	(611)	(3618)
Provision for current tax	—	—
Provision for deferred tax (write back)	205	(1031)
Provision for Fringe benefit tax	—	16
PROFIT AFTER TAX	(406)	(2603)
Surplus Brought forward from previous year	(2097)	—
Transferred from General Reserve	—	506
Profit / (Loss)balance carried forward to Balance Sheet	(2503)	(2097)

DIVIDEND

As explained in detail under Performance Review, your company has incurred loss for the year under review, and hence the Board is unable to recommend a Dividend.

PERFORMANCE REVIEW

The first half of the year under review continued to be adversely affected by the global economic downturn following financial turmoil which had emanated from the developed countries. However, the second half witnessed revival in consumer demand for textile products in domestic as well as export markets. This helped your company to steadily increase its capacity utilization, leading to improvement in financial performance as well. Easing of power situation in Tamil Nadu as well as Kerala also enabled the company to increase production, though by paying higher charges. It is pertinent to mention here that during the previous year, your company's operations were badly affected due to severe power shortage as well, as mentioned in the Directors' Report.

With higher plant capacity already in place post substantial expansion cum modernization plans implemented under Technology Upgradation Fund Scheme, your company's turnover spurted to Rs.302.54 crores from Rs.212.20 crores in the previous year. There has been substantial improvement in operating profit at Rs.34.50 crores as against Rs.5.24 crores during previous year. However, as working of the first half of the year was adversely affected as mentioned earlier, the year under review registered a substantially lower net loss of Rs.6.11 crores as against Rs.36.18 crores of the previous year, after providing Rs.20 crores of depreciation for the year.

In the current financial year 2010-11, besides recovery in global economic environment, domestic demand for textile products has been very strong giving the much needed positive thrust to the textile industry.

From 1st April 2010, Tamil Nadu & Kerala State Electricity Boards have put certain restrictions on power consumption and also levied fuel surcharge, which has led to increase in power cost. Besides, the government has done away with certain incentives available to Textile Industry i.e. 7.67% DEPB, 4% Duty Draw Back and 2% interest subvention. Inspite of above, due to improved market conditions and higher sales realization, your company is hopeful of showing better performance in the year 2010-11 as well.

ISSUE OF NON CUMULATIVE REDEEMABLE PREFERENCE SHARES

The Shareholders at the previous Annual General Meeting had unanimously approved issue of Redeemable Preference Shares of Rs.100/- each aggregating Rs.700 Lakhs, in one or more tranches to the promoters and its associates pursuant to the Debt Realignment proposal approved by the Banks and Financial Institution with the Company.

Your Directors are glad to report that the Share Issue Committee of the Board of Directors had allotted 3.50 Lakhs 5% Non Cumulative Redeemable Preference Shares aggregating Rs.350 Lakhs under series 1 on 31.07.2009

and 1.00 lakh 5% Non Cumulative Redeemable Preference Shares aggregating Rs.100 lakhs under series II on 8.2.2010. These shares shall carry a dividend @5% per annum on non cumulative, in nature, and shall redeem at the end of 12th year from the date of allotment, or earlier but not earlier than 30.07.2014 and 7.2.2015 respectively at the option of the Board/Committee of the Board of Directors of the company.

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.

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 had no unclaimed deposits outstanding as at the close of the financial year.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956, and the Company's Articles of Association, Shri. B K Patodia and Shri Y. Ikezoe, Directors, retire from Office by rotation and are eligible for re-appointment.

Shri P.C Seksaria had resigned from the Board with effect from 26.03.2010. The Board places on record its profound appreciation for his valuable contribution during his tenure as a Director.

Shri T. Okui, Alternate Director to Shri Y. Ikezoe had resigned from the Board effective from 12.04.2010 and Shri K. Oba was nominated in his place with effect from 13.05.2010. The Board places on record its profound appreciation to Shri T. Okui for his valuable contribution during his tenure as a Director.

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.

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

For and on behalf of the Board

Place : Kochi,
Date : 13th May, 2010

B K PATODIA
Chairman

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:

Sl. No	Name	Age yrs.	Designation	Nature of Duties	Remuneration (Rs.lacs)	Qualification	Experience held	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	40	Managing Director	Management of the affairs of the Company	53.28	Bachelor of Commerce	19 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.
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 : 13th May, 2010

B K PATODIA
Chairman

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

a) energy conservation measures taken.

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.

b) additional investments and proposals, if any, being implemented for reduction of consumption of energy

c) impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

d) Total energy consumption and energy consumption per unit of production as prescribed in Form–A given below

		Year ended 31.3.2010	Year ended 31.3.2009
I.	**Power and fuel consumption**		
	1 Electricity		
	a) Purchased (Units in lacs) [Windmill units consumed 135.91 (previous year 122.39)]	678.52	585.50
	Total amount (Rs. in lacs)	3002.14	2,581.37
	Rate per unit (Rs.)	4.42	4.41
	b) Own generation		
	i) Through Diesel Generator (units in lacs)	2.32	10.75
	Total amount (Rs. in lacs)	18.97	92.68
	Units per liter of diesel oil	6.38	3.55
	Cost per unit (Rs.)	8.18	8.62
	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
II.	**Consumption per unit of production**		
	a) Electricity – Units per Kg. Yarn	4.89	6.61
	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.14142.73 lacs (Previous year Rs.15936.61 lacs) (including shipping freight realisation and agents commission) Used: Rs.8313.31 lacs (Previous year Rs.2048.67 lacs)

For and on behalf of the Board

Place : Kochi,
Date : 13th May, 2010

B K PATODIA
Chairman

REPORT ON CORPORATE GOVERNANCE

1) Company's Philosophy on Code of Corporate Governance

The Company firmly believes in and has consistently endeavored to practice 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 is headed by a Non-Executive Chairman, Shri B K Patodia and comprises eminent persons with considerable professional experience in diverse fields. Over 87% of the Board consists of Non – Executive Directors.

As on 31st March, 2010, the Board comprised of four Independent Directors constituting 50% of the total Board strength.

Composition and category of Directors is as follows:

Category	Name of Directors
Promoter / Executive Director	Shri Umang Patodia
	Shri B. K. Patodia
	Shri. Y. Ikezoe (Nominee of Itochu Corporation)
	Shri T. Pius Joseph (Nominee of KSIDC)
Promoter / Non-Executive Director	Shri P. C. Seksaria (upto 26.03.2010)
	Shri T. Okui (alternate Director to Shri Y. Ikezoe) (upto 12.04.2010)
	Shri Keisuke Oba (Alternate Director to Shri Y. Ikezoe) (w.e.f 13.05.2010)
Independent Directors	Shri N. K. Bafna
	Shri B. L. Singhal
	Shri R. Rajagopalan
	Shri Rajen K Mariwala

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

Director	Attendance particulars		No. of other Directorships and Committee memberships / Chairmanships			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.N K Bafna	4	Yes	3	5	2	None
Shri.B L Singhal	4	Yes	8	6	3	None
Shri.R Rajagopalan	4	No	4	6	4	None
Shri.Rajen K Mariwala	1	No	7	2	None	None
Shri.T Okui [Itochu Nominee]	2	No	1	None	None	None
Shri.T Pius Joseph [KSIDC nominee]	4	No	2	None	None	None
Shri.P.C Seksaria (upto 26.03.2010	4	Yes	1	None	None	None
Shri.Umang Patodia	4	Yes	4	None	None	Related to Shri.B K Patodia

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)	7th June, 2009	9	8
2)	30th July, 2009	9	7
3)	26th October, 2009	9	8
4)	29th January, 2010	9	8

3) Audit Committee

As on 31st March, 2010, the Audit Committee comprises of Shri N.K Bafna, Chairman, Shri. B L Singhal, Shri. R Rajagopalan, Shri P C Seksaria (upto 26.03.2010) and also Shri Umang Patodia, Managing Director (w.e.f. 29.03.2010).

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.

Shri Abhilash N.A, Deputy 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 / Internal Auditor, fixation of audit fee and also approval for payment for any other services, etc. The Audit Committee shall also review conditions stipulated in Clause 49 II(D)(12A) of the listing agreement prior to appointment of Chief Financial Officer (CFO).

During the year, the Committee met Four times. Attendances of each Member at the Audit Committee meetings held during the year are as follows:

Sl.No.	Name of the Member	Status	No. of meetings attended
1)	Shri.N K Bafna	Chairman & Independent Director	4
2)	Shri B.L Singhal	Independent Director	4
3)	Shri.R Rajagopalan	Independent Director	4
4)	Shri P.C Seksaria (upto 26.03.2010)	Non Executive Promoter Director	4
5)	Shri Umang Patodia (from 29.03.2010 onwards)	Managing Director	Nil

The details of the meetings are as under:-

Sl.No.	Date	Committee Strength	No. of Directors present
1)	6th June, 2009	4	4
2)	30th July, 2009	4	4
3)	26th October, 2009	4	4
4)	29th January, 2010	4	4

At the Annual general Meeting of the company held on 31st July 2009, the Chairman of the Audit Committee, Shri N K Bafna was present.

The Managing Director, Chief Financial Officer, Internal Auditors, Statutory Auditors and other Executives as considered as appropriate, also attend the Audit Committee Meetings.

i) Internal Audit and Control:

M/s.Varma & Varma, Chartered Accountants, Kochi, Internal Auditors carried out audit of the company except Ponneri Units, which is being carried out by M/s.V. C. Tirupati, Chartered Accountants, Coimbatore. Internal Audit Plan and their remuneration are being approved by the Audit Committee. The reports and findings of the Internal Auditors, and the Internal Control Systems, are periodically reviewed by the Audit Committee.

ii) 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 as amended up to date. The

Board has designated Shri Abhilash N.A, Deputy Company Secretary as Compliance Officer of the Company.

iii) 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 N.K Bafna , and Shri. R. Rajagopalan.

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, 2010 to Managing Director, was as follows:-

Shri.Umang Patodia : Rs.40.75 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.

The details of payment of sitting fees are as follows;

Meeting	Amount (in Rs.)
Board	7500
Committee	5000

The Fees paid for the year ended 31st March, 2010 to the Directors are as follows:

Name of the Non-Executive Director	Sitting fee (Rs.)
Shri.B K Patodia	35000
Shri.N K Bafna	85000
Shri.B L Singhal	80000
Shri.R Rajagopalan	60000
Shri.P C Seksaria	80000
Shri.T Pius Joseph	30000
Shri Rajen K Mariwala	7500
ITOCHU Corporation, Japan (on behalf of their nominee)	15000

There were no other pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company. The Company has not granted any stock option to any of its Directors.

5) Shareholders' / Investors' Grievance Committee

Shareholders' / Investors' Grievance Committee comprises of Shri. B L Singhal, Chairman (Independent Director), Shri.N K Bafna (Independent Director), Shri.P C Seksaria (upto 26.03.2010) and Shri Umang Patodia(from 29.03.2010).

The Committee reviews redressing of shareholders and investors complaints like transfer of shares, non-receipt of Balance Sheet, non-receipt of declared Dividends, etc besides complaints from SEBI, Stock Exchanges, Court and various Investor forums. The Committee also oversees the performance of Registrar and Transfer Agents and recommend measures for overall improvement in the quality of investors services.

During the year, the Committee met Four times, details of which are as under:-

Sl. No.	Date	Committee Strength	No. of Directors present
1)	6th June, 2009	3	3
2)	30th July, 2009	3	3
3)	26th October, 2009	3	3
4)	29th January, 2010	3	3

Shri Abhilash N.A, Deputy Company Secretary is the Compliance Officer.