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**35th**  
**ANNUAL REPORT**  
**2007-08**

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***Paushak***

**PAUSHAK LIMITED**

ALEMBIC ROAD, VADODARA-390 003.

## PAUSHAK LIMITED

(Formerly known as Darshak Limited)

### Board of Directors

Mr. Chirayu R. Amin  
*Chairman*

Mrs. Malika C. Amin

Mr. Udit C. Amin

Mr. Amit M. Goradia

Mr. R. M. Kapadia

Mr. A. M. Kamdar

Mr. Arun Patel  
(w.e.f. 22.01.2008)

Mr. Umesh Kapre  
(Upto 22.01.2008)

Mr. Manish Mistry  
*Company Secretary*

### Statutory Auditors

K. S. Aiyar & Co.  
Chartered Accountants  
Laxmi Estate No. F - 07/08,  
Shakti Mills Lane,  
Off. Dr. E. Moses Road,  
Mahalaxmi, Mumbai - 400 011

### Bankers

IDBI Limited

### Registered Office

Alembic Road,  
Vadodara - 390 003

### Manufacturing Facilities

Panelav, Tal. Halol,  
Dist. Panchmahal - 389 350. Gujarat

### Registrar and Transfer Agent

M/s. Intime Spectrum Registry Ltd.  
308, 1st Floor, Jaldhara Complex,  
Opp. Manisha Society,  
Off. Old Padra Road, Vadodara - 390 015  
Tel.: (0265) 2250241 / 3249857  
Email: [Vadodara@intimespectrum.com](mailto:Vadodara@intimespectrum.com)

### Stock Exchange

Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001.

## NOTICE

NOTICE is hereby given that the Thirty-Fifth Annual General Meeting of **Paushak Limited** will be held at "Sanskriti", Alembic Corporate Conference Center, Opp. Pragati Sahakari Bank Limited, Alembic Colony, Vadodara-390 003, on Friday, the **5th September, 2008** at 4.00 p.m. to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet and Profit & Loss Account of the Company for the year ended on 31st March, 2008 and the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. C. R. Amin who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. J.R.S. Patel & Co., Chartered Accountants, Vadodara as Auditors of the Company to hold office from the conclusion of this meeting upto the conclusion of next Annual General Meeting in place of retiring Auditors M/s K. S. Aiyar & Co., Chartered Accountants, Mumbai, who have expressed their unwillingness to be re-appointed and to fix their remuneration.

**SPECIAL BUSINESS**

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:  

"RESOLVED THAT Mr. A. M. Kamdar, who retires by rotation and does not seek appointment, be not re-appointed as Director and the resultant vacancy be not filled up for the time being".
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in modification of earlier resolutions passed by the members under section 293(1)(d) of the Companies Act, 1956 in respect of borrowing limits of the company, the consent of the Company, be and is hereby accorded to the Board of Directors under Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, or any modification or re-enactment thereof, to borrow for and on behalf of the Company, any sum or sums of moneys from time to time notwithstanding that the money or moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed in the aggregate for the time being the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes, provided however, that the total amount upto which moneys so borrowed and/or to be borrowed shall not, at any time, exceed Rs. 40 crores (Rupees Forty crores only)".

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

"RESOLVED THAT pursuant to Section 314 and any other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company, be and is hereby accorded to the holding and continuing to hold an office or place of profit under the Company by Ms. Y. R. Amin, relative of Mr. C. R. Amin and Mrs. M. C. Amin, Directors, who is appointed by the Board of Directors as a Marketing Consultant on consultancy fees of Rs. 30,000/- per month on such terms and conditions as mentioned in the explanatory statement to this resolution".

**NOTES:**

1. **ANY MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The Proxy Form, duly completed, must reach the Registered Office of the Company not later than forty-eight hours before the time of holding the meeting.
3. The Register of Members and Transfer books of the Company will remain closed from Monday, the 1st September, 2008 to Friday, the 5th September, 2008 (both days inclusive) for the purpose of Annual General Meeting.
4. The Explanatory Statement setting out all material facts concerning items 4, 5 & 6 as required under Section 173 of the Companies Act, 1956 is annexed hereto.
5. All documents referred to in the Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company between 10.30 a.m. and 12.30 p.m. on any working day up to the date of the Annual General Meeting.

**PAUSHAK LIMITED**

6. All the work related to Share-registry in terms of both - physical and electronic are being conducted by Company's R&T Agents **M/s. Intime Spectrum Registry Limited**, 308, 1st Floor, Jaldhara Complex, Opp. Manisha Society, Off. Old Padra Road, Vadodara – 390 015. Tel: (0265) 2250241, 3249857, Telefax: (0265) 2250246, Email: vadodara@intimespectrum.com. Shareholders are requested to send their communication to the aforesaid address.
7. The Company has received notice under section 224(2)(b) of the Companies Act, 1956 from the present Auditors M/s. K. S. Aiyar & Co., Chartered Accountants, Mumbai, expressing their unwillingness to be re-appointed at the ensuing Annual General Meeting. The Board hereby vide Item No. 3 of this Notice proposes for your approval, the appointment of M/s. J.R.S. Patel & Co., Chartered Accountants, Vadodara as Auditors of the Company in place of present Auditors to hold office from the conclusion of this Meeting upto the next Annual General Meeting of the Company.

**Explanatory Statement as required under Section 173 of the Companies Act, 1956****Item No. 4**

Mr. A. M. Kamdar, Director of the Company, who retires by rotation at the ensuing Annual General Meeting has expressed his desire not to seek re-appointment due to his pre-occupations.

The Board places on record its appreciation for the valuable services rendered by him during his tenure as Director of the Company.

The Board recommends the resolution for your approval.

Except Mr. A. M. Kamdar, no other Director of the Company is concerned or interested in this resolution.

**Item No. 5**

Considering the requirements of the funds of the Company, it is expedient to increase the borrowing powers of the Company.

Hence, it is proposed to seek shareholders' approval for increase in borrowing powers of the Board to Rs. 40 crores over and above its paid up capital and free reserves.

In accordance with the provisions of Section 293(1)(d) of the Companies Act, 1956, borrowings other than temporary loans from bankers together with borrowings already made may exceed the aggregate of paid up capital and free reserves of the Company but only with the approval of the Shareholders by way of an Ordinary Resolution. Accordingly, the shareholders' approval is sought by way of this ordinary resolution.

The Board of Directors recommends the resolution for approval of the shareholders.

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

**Item No. 6**

Ms. Y. R. Amin is an MBA from Boston University, USA. She has rich experience in business management over two decades. Taking into consideration her knowledge and vast experience, she was appointed as Marketing Consultant of the Company w.e.f. 1st August, 2007 for a period of 3 years. As a Marketing Consultant, she is drawing retainership fees of Rs. 30,000/- (Rupees Thirty Thousand only) per month.

Mr. C. R. Amin and Mrs. M. C. Amin, Directors of the Company are relatives of Ms. Y. R. Amin and hence, Ms. Y. R. Amin is deemed to hold an office or place of profit under Section 314 of the Companies Act, 1956. Therefore, approval of the members by way of Special Resolution is required. The Board of Directors recommends the shareholders to accord their consent to Ms. Y. R. Amin for her continuing to hold the office or place of profit under the Company as Marketing Consultant.

Mr. C. R. Amin and Mrs. M. C. Amin, being relatives are deemed to be concerned or interested in the said resolution. None of the other Directors is in any way concerned or interested in the resolution.

Registered Office:  
Alembic Road,  
Vadodara - 390 003.  
Date: 28th April, 2008

By Order of the Board

Manish Mistry  
Company Secretary

## DIRECTORS' REPORT

To

The Members,

Your Directors present the 35th Annual Report on the working of the Company with the Audited Accounts for the year ended on 31st March, 2008.

## 1. Financial Results :

Particulars	Year ended on 31 <sup>st</sup> March, 2008	Year ended on 31 <sup>st</sup> March, 2007
<i>Profit for the year before Interest, Depreciation, Non-recurring income, expenses and Tax</i>	<b>2,91,66,430</b>	5,26,00,184
<b>Adding thereto :</b>		
Profit on Sale of Investments	<b>2,97,42,733</b>	0.00
Deducting therefrom:		
Interest	<b>62,12,834</b>	79,55,582
Depreciation	<b>1,37,61,523</b>	86,58,082
<b>Profit/(Loss) for the year before Taxes</b>	<b>3,89,34,806</b>	3,59,86,520
Less: Provision for Deferred Tax Liabilities / (Asset)	<b>27,06,957</b>	6,52,652
Less: Provision for Income Tax, FBT & Wealth Tax	<b>49,56,940</b>	1,11,63,230
<b>Profit/(Loss) after Taxes</b>	<b>3,12,70,909</b>	2,41,70,638
Add: Profit/(Loss) brought forward from last year	<b>3,03,35,433</b>	3,68,48,945
<b>Balance available for appropriation</b>	<b>6,16,06,342</b>	6,10,19,583
<b>Less: APPROPRIATIONS</b>		
Capital Redemption Reserve	-	3,00,00,000
Dividend on Preference Shares - Arrears	-	0.00
Dividend on Preference Shares - Current Year	-	6,00,000
Dividend Tax on Dividend on Preference Shares	-	84,150
<b>Surplus carried to Balance Sheet</b>	<b>6,16,06,342</b>	3,03,35,433

**Dividend:**

In absence of adequate distributable profit during the year under review and to conserve resources for long-term growth of the Company, your Directors do not recommend dividend on Equity Shares for the year ended on 31st March, 2008.

## 2. Operations:

The Gross Profit (before interest, depreciation, non-recurring income, expenses and tax) was Rs. 291.66 lacs for the year under review as compared to Rs. 526.00 lacs for the previous year. The Company made a net profit of Rs. 312.71 lacs for the year under review as compared to net profit of Rs. 241.70 lacs for the previous year. The Company's Gross Sales including export incentives were Rs. 2228.05 lacs for the year under review as compared to Rs. 2174.33 lacs for the previous year ended on 31st March, 2007.

## 3. Management Discussion and Analysis:

Management Discussion and Analysis as required under the Listing Agreements with the Stock Exchanges is enclosed at Annexure "A" to this report.

## 4. Corporate Governance:

Your Company complied with the provisions of Corporate Governance as envisaged in the Listing Agreements. A separate report on Corporate Governance is attached as a part of the Annual Report, along with the Auditor's Certificate on the compliance.

## 5. Research &amp; Development:

Research & Development is carried out for improvements in the production and quality of products. The Company is also exploring opportunities to develop and introduce new products.

**PAUSHAK LIMITED****6. Safety, Health & Environment:**

The Company continues to maintain high standards of safety. It is ensured that all safety rules and statutory requirements are complied during production, storage, handling and transportation of products to prevent any accident. Mock-drills of on-site emergency plans are carried out periodically. The Company maintained emission within the specified limits of standard. The preservation of Environment and Pollution Control are among the top priorities of your Company.

**7. Fixed Deposits:**

The Company has not accepted any deposits during the year. The fixed deposits including loans from shareholders of the Company as on 31st March, 2008 amounted to Rs. 12,000/-. All these deposits from 2 depositors are matured unclaimed deposits. In absence of any instructions from the depositors, the said deposits have not been renewed on due dates.

**8. Particulars of employees:**

No employee of the Company is covered under Section 217(2A) of the Companies Act, 1956, as amended read with the Companies (Particulars of Employees) Rules, 1975.

**9. Energy, Technology and Foreign Exchange:**

Information pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988, is given in the Annexure - "B" hereto and forms part of this Report.

**10. Directors:**

As per the provisions of the Companies Act, 1956, Mr. C. R. Amin, Director of the Company, retires by rotation and is eligible for re-appointment.

Mr. A. M. Kamdar, Director of the Company, who retires by rotation at the ensuing Annual General Meeting has expressed his desire not to seek re-appointment due to his pre-occupations. The Board places on record its appreciation for the valuable services rendered by Mr. A. M. Kamdar during his tenure as Director of the Company.

During the current year, Mr. Umesh Kapre had resigned as Director. The Board places on record its appreciation of the services rendered by Mr. Umesh Kapre as Director of the Company. The Board has appointed Mr. Arun Patel as Director to fill casual vacancy of Mr. Umesh Kapre with effect from 22.01.2008.

**11. Auditors:**

M/s. K. S. Aiyar & Co., Chartered Accountants, the Statutory Auditors of the Company will be retiring at the conclusion of the ensuing Annual General Meeting and have expressed their unwillingness to be re-appointed at the ensuing Annual General Meeting. The Audit Committee and Board of Directors of the Company respectively at their meeting held on 28.04.2008 proposed, subject to approval of the shareholders, the appointment of M/s. J.R.S. Patel & Co., Chartered Accountants, Vadodara as Statutory Auditors of the Company in place of present Auditors to hold office from the conclusion of ensuing Annual General Meeting upto the next Annual General Meeting of the Company. M/s. J.R.S. Patel & Co., Chartered Accountants, Vadodara have given their consent confirming that their appointment, if made, would be within the limits specified u/s 224(1B) of the Companies Act, 1956.

**12. Directors' Responsibility Statement:**

In terms of the provisions of Companies Act, 1956, the Directors state that:

- i) In preparation of the Annual Accounts for the year, the applicable Accounting Standards have been followed.
- ii) Accounting policies as listed in Schedule U to the financial statements have been selected and consistently applied and reasonable and prudent judgements have been made so as to give true and fair view of the state of affairs of the Company as on 31st March, 2008 and profit of the Company for the accounting year ended on that date.
- iii) Proper and sufficient care for maintenance of adequate accounting records has been taken in accordance with the provisions of the Act so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.
- iv) The Annual Accounts have been prepared on going concern basis.

**13. Acknowledgement:**

Your Directors wish to place on record their sincere appreciation for the support received from the Company's bankers, Government Authorities, Valuable Customers, Vendors, Depositors and the Shareholders.

**Registered Office :**

Alembic Road,  
Vadodara - 390 003.  
Date : 28th April, 2008

On behalf of Board of Directors

Chirayu R. Amin  
Chairman

## Annexure 'A' to Directors' Report.

## MANAGEMENT DISCUSSION AND ANALYSIS

**(A) Industry Structure and Development:**

The financial year of 2007-08 was full of ups & down, both from competition and with regard to the new initiatives taken by the management. Initiatives have begun in promoting products to international customers by participating in large international chemical meets; new customers include large MNC'S including those from Japan & Europe. A modern pilot plant facility has been started to cater to the increasing demand of customers. Output capacity increased for existing facility to cater customers' needs.

**(B) Opportunities, Threats, Risks, Concern and Outlook:**

Your company's ability to focus on "Customers Need" has helped to increase market share. However, due to stiff competition in pricing, we have to be more cost effective and service oriented. While referring our ability to compete globally we have embarked on developing very specialized molecules based on phosgene chemistry. This will boost our profits in the coming year.

Investments were made in our R & D facilities, which will result in producing many new products.

Safety and environment has always been on priority. As a responsible company, regular audits are conducted and investments continued to be made in training people and in the infrastructure.

**(C) Financial Performance:**

The total income of the Company for the year under review was Rs. 2228.05 lacs as compared to income of Rs. 2174.33 lacs for the previous year ended on 31st March, 2007. The Gross Profit (before interest, depreciation, non-recurring income, expenses and tax) was Rs. 291.66 lacs for the year under review as compared to Rs. 526.00 lacs for the previous year. The Company made a net profit of Rs. 312.71 lacs for the year under review as compared to net profit of Rs. 241.70 lacs for the previous year. Export sales for the year under review were Rs. 1023.68 lacs as compared to Rs. 865.51 lacs for the previous year ended on 31st March, 2007.

**(D) Internal control systems and adequacy:**

Your Company maintains a system of well-established policies and procedure for internal control of operations and activities of the Company. The Company has appointed M/s. K. C. Mehta & Co., Chartered Accountants, Vadodara as Internal Auditors.

**(E) Human Resources Interventions in 2007-08:**

Your Company regards its human resources amongst its most valuable assets and proactively reviews and evolves policies and processes to attract and retain the efficient people. Your organization has continued to attract best talent in strategically critical area of competence. The concept of Cross Functional Teams has been reinforced and institutionalized. Need based changes in the organizational changes were effected to facilitate speedy exertion of business processes.

## Annexure "B" to Directors' Report

Particulars required under The Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

**(A) Conservation of Energy:****(a) The energy conservation measures taken:**

The Company continues its efforts to improve methods of energy conservation and utilization.

(i) Replaced F.O. Boiler with solid fired Boiler and fuel saving per annum approximate Rs. 100 Lacs.

**(b) Additional investment and proposals, if any, being implemented for reduction in the consumption of energy.**

(i) Proposal for energy audit.

(ii) Proposal for steam audit and condensate re-cycling system.

(iii) Proposal for Existing Khosla make 75HP reciprocating Air Compressor to be replaced with screw type Air Compressor.

(iv) Proposal for Existing Freon Gas based Chilled brine plants to be replaced with Ammonia based Chilled brine plant.

(v) Existing Vacuum Ejector system to be replaced with water ring vacuum pumps.

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

To lower down the cost of utility per Kg. of product substantially, utility losses at each and every operation were strictly monitored.

**(d) Total Energy consumption and energy consumption per unit of production.**

As per Form "A" enclosed herewith.



## PAUSHAK LIMITED

## FORM "A"

Form for disclosure of particulars with respect to conservation of energy:

		2007-08	2006-07
<b>(A) Power and Fuel consumption</b>			
1. <b>Electricity:</b>			
(a) Purchased Units (KWH)	35,90,867	29,70,877	
Total Amount (Rs.)	1,92,84,614	1,57,39,700	
Average Rate (Rs./ Unit)	5.37	5.30	
(b) Own Generation (KWH)	13,700	8,100	
2. <b>Bio-Mass Briquettes*</b>			
Quantity (Kgs.)	3,22,696	-	
Total Amount (Rs.)	11,56,548	-	
Average Rate (Rs./Kg)	3.58	-	
3. <b>Furnace Oil:</b>			
Quantity (Kgs.)	7,07,037	8,26,551	
Total Amount (Rs.)	1,57,35,549	1,42,90,457	
Average Rate (Rs./Kg)	22.26	17.29	
4. <b>L.D.O. (Ltr.)</b>			
Total Amount (Rs.)	7,605	19,461	
Average Rate (Rs./Lit.)	2,29,741	4,96,078	
	30.21	25.49	

\* The boiler can be run on any solid fuel like Coal, lignite, Biomass, wood etc. The fuel - Bio-Mass Briquettes which the company is using are environmental friendly, generating less Carbon Dioxide, thus reducing Global warming. All fossil fuels generate more Carbon dioxide compared to Biomass fuels.

**(B) Consumption per unit of Production:**

In view of number of products, with different sizes, shapes and other parameters, being manufactured by the Company, it is not feasible to give information on consumption of fuel per unit of production.

## FORM "B"

Form for disclosure of particulars with respect to technology absorption.

**(A) Research and Development (R & D) :**

- (1) Specific areas in which R & D carried out by the Company.
  - (i) To compete with competitors internationally, R&D has put in concentrated efforts to improve the quality & yield of existing products and technologies to make them more viable.
    - a) Trichlorocarbaniide:- Reaction time is reduced.
    - b) 4-CPI:- Reaction time cycle is reduced.
    - c) Benzylchloroformate:- Time cycle is reduced and batch size was increased.
    - d) Vinyl chloroformate (VCF):- Recovery of Mercuric chloride.
    - e) Diethyl carbamoyl chloride:- Time cycle improvement.
  - (ii) R&D work has been carried out for some new product range of better market
    - f) 4-Nitrophenyl chloroformate (4-NPCF).
    - g) N-Benzyloxy carbonyl - L - Valine (CBZ-L-Valine).
    - h) 3-[Tris(trimethylsiloxy)silyl]propyl vinylcarbamate (Tris-VC).
    - i) Propargyl -N-Butyl Carbamate (NBPC).
    - j) N-Methyl piperazine carbamoyl chloride (NMPCC.HCl).
    - k) Phenyl chloroformate (PCF).
    - l) 1-(3-hydroxyphenyl)-3,3-dimethylurea (HDPM).
    - m) 3-(2,6-dichlorophenyl)-5-methylisoxazole-4-carbonyl chloride (DCMIC).
    - n) 3-(3,4-dichlorophenyl)-1,1-dimethyl-urea (Diuron).
    - o) Trichlorocarbaniide (TCC)- New route is developed using 3,4-DCPI.
- (2) Future plan of action:  
The Company will continue to identify new products and work on the same through its Research & Development Infrastructure.

**(B) Technology Absorption, Adaptation and Innovation:**

- (1) Efforts in brief were made towards technology absorption, adaptation and innovation:
  - (i) To improve upon the operational suitability during processing, many innovative ideas were introduced as a result of various brain storming sessions.
- (2) Benefits derived as a result of the above efforts:
  - (i) By adopting the above technologies, there will be reduction in raw material cost of technical products.
  - (ii) Process time reduced; hence production has further gone up even with existing facilities.
- (3) Information regarding technology imported during last 5 years.  
Not Applicable



## Report on Corporate Governance

## 1. Company's Philosophy

The Company strongly believes in adopting the best practices in the areas of Corporate Governance. The Company's policy and practices are aimed at efficient conduct of business and effectively meeting its obligation to shareholders. The Company will continue to focus its resources, strengths and strategies for enhancement of the long term shareholders' value while at the same time protecting the interest of other stakeholders.

## 2. Board of Directors

## • Composition of the Board

The Company's Board meets the requirement of composition of the Board under Corporate Governance. The Board consists of 7 (Seven) Directors and all of them are non-executive directors. Moreover, four Directors are independent Directors.

## • Number of Board Meetings held and the dates of the Board Meetings

During the financial year ended 31st March, 2008, 4 (Four) Board Meetings were held. The dates on which the said meetings were held are as follows:

1. 25th May 2007
2. 31st July 2007
3. 17th October 2007
4. 22nd January 2008

## • Attendance of each Director at the Board Meetings and the last AGM

Name of Director	Category	No. of other Directorships held (excluding Directorships in foreign & private companies)	No. of other board committees of which member / chairman#	No. of Board Meetings Attended	Attendance at the last AGM
Mr. C. R. Amin	Chairman & N.E.D.	7	1 (as Chairman)	4 of 4	Yes
Mrs. M. C. Amin	N.E.D.	3	2 (as member)	3 of 4	Yes
Mr. Udit C. Amin	N.E.D.	Nil	Nil	3 of 4	Yes
Mr. Amit Goradia	N.E.D. (I)	Nil	1	3 of 4	Yes
Mr. R. M. Kapadia	N.E.D. (I)	1	2	4 of 4	Yes
Mr. A. M. Kamdar	N.E.D. (I)	3	1	4 of 4	Yes
Mr. Umesh Kapre (upto 22.01.2008)	N.E.D. (I)	Nil	Nil	3 of 4	Yes
Mr. Arun Patel* (w.e.f. 22.01.2008)	N.E.D. (I)	Nil	Nil	1 of 4	N.A.

# The committees include the committees of Paushak Limited.

N.E.D. - Non-Executive Director

N.E.D. (I) - Non-Executive & Independent Director

\* Mr. Arun Patel was appointed as Director w.e.f 22nd January, 2008 to fill the casual vacancy caused by the resignation of Mr. Umesh Kapre.

## Code of Conduct

Pursuant to Clause 49.I.D.(i) of the Listing Agreement, the Board has laid down the Code of Conduct for all the members of the Board and senior management of the Company. The same has been posted on the website of the company. Further, the company has received confirmation from all the members of Board and senior management regarding compliance of the code for the year ended 31st March, 2008.

## 3. Audit Committee

## • Composition &amp; Terms of Reference

At present the Audit Committee comprises of Mr. R. M. Kapadia, Mrs. M. C. Amin, Mr. Amit Goradia and Mr. Ajay Kamdar. Mr. R. M. Kapadia, a Non-executive Independent Director is Chairman of the Audit Committee.

Three Directors in the Audit Committee are Non-Executive Independent Directors. The terms of reference of the Committee are wide enough covering the matters specified for Audit Committee under the Listing Agreements. The Statutory Auditors, Internal Auditors and other senior management personnel are invited to attend the meetings of the Audit Committee. The Company Secretary acts as Secretary of the Committee. Mr. R. M. Kapadia, Chairman of the Audit Committee was present at the last Annual General Meeting held on 31st August, 2007.

**PAUSHAK LIMITED**

- Meetings and the attendance during the year:**

There were four meetings of the Audit Committee during the year. The attendance of each Member of the Committee is given below:

Name of Director	Category of Director	No. of meetings attended
Mr. R. M. Kapadia	Chairman, Non-executive - Independent	4 of 4
Mrs. M. C. Amin	Non-executive	3 of 4
Mr. Amit Goradia	Non-executive - Independent	3 of 4
Mr. A. M. Kamdar	Non-executive - Independent	4 of 4

**4. Remuneration Committee**

The Company does not have a Remuneration Committee of Directors.

- Details of Remuneration paid to Directors

**Non-Executive Directors**

The Non-executive Directors were paid the sitting fees for attending Board / Committee Meetings at Rs. 2,000/- per meeting.

Name of Directors	Sitting fees for Board Meetings	Sitting fees for Committee Meetings
Mr. C. R. Amin	8,000	22,000
Mrs. M. C. Amin	6,000	28,000
Mr. Udit C. Amin	6,000	Nil
Mr. Amit Goradia	6,000	6,000
Mr. R. M. Kapadia	8,000	30,000
Mr. A. M. Kamdar	8,000	8,000
Mr. Umesh Kapre	6,000	Nil
Mr. Arun Patel	2,000	Nil

**Executive Directors**

The Company does not have any executive director.

**5. Shareholders' / Investors' committee**

At present Shareholders' / Investors' committee comprises of Mr. C. R. Amin, Mrs. M. C. Amin and Mr. R. M. Kapadia. Mr. C. R. Amin is Chairman of the Shareholders' / Investors' Committee. Generally, the Meeting of Shareholders' / Investors' Committee is held every month, in which transfers, transmission, issuance of duplicate certificates etc. are approved. The Secretary or the Directors are also authorised by the Board to approve transfers and therefore, transfers are approved by him on fortnightly basis. Hence, no transfers remain pending for more than 15 days.