

2007-08
18TH ANNUAL REPORT

PRANAVADITYA SPINNING MILLS LTD.



18th Annual Report 2007-2008

BOARD OF DIRECTORS

Mr. Harkishon N. Udani	<i>Chairman</i>
Mr. Anil Kumar Jain	<i>Director</i>
Mr. P. N. Shah	<i>Director</i>
Mr. R. Anand	<i>Director</i>
Mr. Kamal Mitra	<i>Director</i>

AUDITORS

M/s. Vinod Vasa & Associates
Chartered Accountants,
Jumna Building,
292, Tilak Marg, Dhobi Talao,
Mumbai - 400 002.

SHARE TRANSFER AGENTS

Bigshare Services Pvt. Ltd.,
E-2 & 3, Ansa Industrial Estate,
Saki Vihar Road,
Saki Naka, Andheri (East),
Mumbai - 400 072.
Tel.: 022-4043 0200

CORPORATE OFFICE

301, Arcadia,
Nariman Point,
Mumbai - 400 021.

REGISTERED OFFICE AND WORKS

Village : Alte
Taluka : Hatkanangale
District : Kolhapur
Maharashtra : 416 109.

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NOTICE

NOTICE is hereby given that the 18th Annual General Meeting of **PRANAVADITYA SPINNING MILLS LIMITED** will be held on Saturday the 27th September, 2008 at 4.30 p.m. at the Registered Office of the Company at Village Alte, Hatkanangale Taluka, Kolhapur District, Maharashtra 41 6109 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited accounts for the financial year ended 31st March, 2008 and the Report of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Anil Kumar Jain, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. P. N. Shah, who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 260 and other applicable provisions of the Companies Act, 1956, Mr. Kamal Mitra, be and is hereby appointed as a Director of the Company, whose term of office shall be liable to retire by rotation."

5. To consider and if thought fit to pass with or without modifications, the following resolution as an Ordinary Resolution

"RESOLVED THAT in terms of provisions of section 224 (2) (b) and 225 and other applicable provisions, if any, of the Companies Act, 1956, M/s. B. K. Shroff & Co., Chartered Accountants be are hereby appointed as auditors of the Company in place of retiring auditors viz. M/s. Vinod Vasa & Associates, Chartered Accountants, to hold office from 18th Annual General Meeting i.e. 27th September, 2008 till the next Annual General Meeting, on such remuneration to be fixed by the Board of Directors."

By Order of the Board

Place: Mumbai
Date : 21st August, 2008

Anil Kumar Jain
Director

ADDITIONAL INFORMATION: As required in terms of para VI(A) of clause 49 of the listing agreement

Brief profile of Mr. Anil Kumar Jain, who retires by rotation and is eligible for re-appointment

Mr. Anil Kumar Jain, B.Com. and has rich experience in textile industry and business administration for more than 30 years. Mr. Jain has been associated with the Company since 31st July, 2007.

Outside Directorship: a) Indocount Finance Ltd., b) Kanco Enterprises Ltd., c) Indo Count Industries Ltd., d) Rini Investment & Finance Pvt. Ltd., e) Indo Count Textiles Ventures Pvt. Ltd.

Committee Chairmanship/Membership: Member of Share Transfer Committee of Indo Count Industries Ltd. and Pranavaditya Spinning Mills Ltd. Also member of Shareholders and Investors Grievances Committee and Audit Committee of Pranavaditya Spinning Mills Ltd.

Brief profile of Mr. P. N. Shah, who retires by rotation and is eligible for re-appointment

Mr. P. N. Shah, is a Chartered Account is specialized in accounting, audit and taxation. Mr. Shah has been on the Board of the Company since 31st July, 2007.

Outside Directorship: a) P. I. Industries Ltd. b) Secure Meters Ltd. c) Taparia Tools Ltd. d) Lipi Data Systems Ltd. e) Wolkem India Ltd. f) LIC Mutual Fund Trustee Company Pvt. Ltd. g) Indo Count Industries Ltd.

Committee Chairmanship/Membership:

Name of the Company	Audit Committee	Remuneration Committee
P I Industries Ltd.	Chairman	Member
Secure Meters Ltd.	Chairman	Member
Taparia Tools Ltd.	Member	Member
Indo Count Industries Ltd.	Chairman	Member
Lipi Data Systems Ltd.	Chairman	Chairman
Pranavaditya Spinning Mills Ltd.	Chairman	

By Order of the Board

Place: Mumbai
Date : 21st August, 2008

Anil Kumar Jain
Director



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

Item No. 4

Mr. Kamal Mitra was appointed as an additional director of the Company on 27-07-2007. Pursuant to the provisions of section 260 of the Companies Act, 1956, and article 117 of the Articles of Association of the Company, the term of office of Mr. Mitra will be upto the ensuing Annual General Meeting of the Company. The Company has received a notice in writing from a member under section 257 of the Companies Act, 1956, signifying his intention to propose the appointment of Mr. Mitra as Director of the Company.

The Board commends the resolution for approval of the shareholders.

Except Mr. Mitra, none of the Directors is in any way concerned or interested in this resolution.

ITEM NO. 5

The Company has received a notice in writing from the retiring Auditors viz. M/s. Vinod Vasa & Associates, Chartered Accountants intimating their inability to continue as auditors of the Company.

On the recommendation of the Audit Committee, the Board of Directors have proposed the appointment of M/s. B K Shroff & Co., Chartered Accountants as auditors for approval of shareholders. The Company has received a certificate from M/s. B K Shroff & Co., Chartered Accountants, to the effect that their appointment, if made, would be within the limits prescribed under Sec. 224 (1B) of the Companies Act, 1956.

The Board of Directors at their meeting held on 21st August, 2008 have considered the proposal for appointment of M/s B K Shroff & Co., Chartered Accountants, for approval of shareholders in place of outgoing auditors viz. M/s Vinod Vasa & Associates, Chartered Accountants.

The Board commends the resolution for the approval of shareholders.

By Order of the Board

Place: Mumbai

Date : 21st August, 2008

Anil Kumar Jain

Director

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 AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The proxy form should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the aforesaid meeting.

2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of special business to be transacted at the aforesaid meeting is annexed hereto.
3. Register of Members and the Share Transfer Books of the Company will remain closed on 1st October 2008.
4. Members are requested to:
 - (i) intimate, changes, if any, in their Registered Addresses immediately;
 - (ii) intimate about consolidation of folios if shareholdings are under multiple folios;
 - (iii) quote ledger Folio No./DPID/Client ID in all their correspondence; to the Company's Registrar & Transfer Agent:-

M/s Big Share Services Pvt. Ltd.

E-2/3 Ansa industrial Estate,
Saki Vihar Road,
Saki Naka, Andheri (East),
Mumbai - 400 072.
Telephone Nos. : 022 - 4043 0200
Fax No. : 022 - 2847 5207

5. MEMBERS ARE ADVISED TO SEND ALL SHARE TRANSFERS AND RELATED CORRESPONDENCE TO THE REGISTRAR AND SHARE TRANSFER AGENT AT THE ABOVE ADDRESS.
6. Members/Proxies should bring the attendance slip duly filled in for attending the aforesaid meeting.
7. Shareholders intending to require information about accounts to be explained in the Meeting are requested to inform the Company at least 7 days in advance of the Annual General Meeting.

By Order of the Board

Place: Mumbai

Date : 21st August, 2008

Anil Kumar Jain

Director



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DIRECTORS' REPORT

To

The Members

PRANAVADITYA SPINNING MILLS LIMITED

Your directors have pleasure in presenting the **EIGHTEENTH ANNUAL REPORT** and the audited statement of accounts of the year ended 31st March, 2008.

FINANCIAL RESULTS

(Rs. in lac)

Particulars	Current Year 01-04-2007 to 31-03-2008	Previous Year 01-04-2006 to 31-03-2007
Gross Sales	1,880.09	2,849.05
Profit/(Loss) before depreciation, Interest and tax and other write offs	94.90	73.16
Less: Interest	70.06	81.42
Depreciation	218.35	218.90
	(193.51)	(227.16)
Add: Prior year expenditure/Income net	(9.78)	(13.69)
Net Loss for the year before taxation	(203.28)	(240.85)
Provision for taxation (including of earlier years)	2.35	2.36
Net Loss after tax but before extra ordinary items	(205.63)	(243.21)
Less: Extra ordinary items	1,520.47	0.00
Net Profit after extra ordinary items	1,318.84	(243.21)
Balance brought forward	(1,944.80)	(1,701.59)
Loss carried over to Balance Sheet	(629.96)	(1,944.80)

PERFORMANCE REVIEW

The turnover for the year under review was Rs. 1880.09 lacs (previous year Rs. 2849.05). The operating profit and margin was at Rs. 94.90 lac and 5% of sales respectively (previous year Rs. 73.16 lac and 3%). Due to inadequate working capital, the company had to undertake job work for about 4 months, thus affecting the turnover. With infusion of fresh working funds by co promoters, the operations improved in the second half of the year under review. However, increased cost of basic inputs like raw material, power, etc. has continued to keep pressure on the margins of the business.

DIVIDEND

In view of the continued losses, the directors regret their inability to propose any dividend.

BUSINESS OUTLOOK

As per the order of BIFR, in August 2007, M/s Indo Count Industries Ltd. (ICIL), who lent financial and management support to revival of the company, were inducted as co-promoters. Since then, the performance of the unit has shown marked improvement.

The Management is making all efforts to turn around the company and the Directors hope that the performance of the Company will further improve in future.

Though in the short term, the negative factors are expected to have a bearing on the profit margin of cotton textile companies, the long term business prospects look promising.

MANAGEMENT DISCUSSION AND ANALYSIS

Report on MDA is given in Annexure 'B' forming part of this Report.

IMPLEMENTATION OF SANCTIONED SCHEME OF BIFR

In accordance with the Sanctioned Scheme,

- (i) The company paid Rs. 15.08 crores towards OTS with the company's bankers against debt aggregating Rs. 18.48 crores due to them out of the funds infused by the co promoters, M/s. Indo Count Industries Ltd. (ICIL)
- (ii) the share capital of the company has been restructured as follows:
 - (a) the issued and paid up share capital of Rs. 12 crores standing as at 31-03-2007 has been written down to Rs. 1.20 crores by issuing 1 (one) fresh equity share of Rs. 10/- each for every 10 shares of Rs. 10/- shares on the record date i.e. 17-11-2007 fixed by the Board of Directors.
 - (b) Moneys aggregating Rs. 15.08 crores infused by the ICIL has been allotted with 15,08,000 equity shares of Rs.10/- each for cash at par
 - (c) 2,961,280 equity shares of Rs. 10/- each aggregating Rs. 2.96 crores have been issued and allotted to the ICIL by conversion of unsecured loans acquired by them on assignment from the existing lenders.

With the abovementioned issue and allotment of equity shares to ICIL on 13-08-2008, your company has become a subsidiary of ICIL.

Pursuant to the capital restructuring and the adjustments effected as per the sanctioned scheme, net worth of the Company has turned positive.

SEGMENT

The company is engaged in only one segment i.e. textiles.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company has in place an elaborate internal control system to ensure proper authorization and accounting of transactions as also for protecting company's assets against loss. The existing internal control system is being further strengthened by an extensive programme of internal audits.

HUMAN RESOURCES

During the year, labour relations continued to be cordial.

Your company has been imparting training to the workers, to improve their working skills and to create awareness about safety measures in the plant premises.



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Particulars of employees in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, are not given, as none of the employees qualify for such disclosure.

CORPORATE GOVERNANCE

The corporate governance report together with a certificate from the Company's auditors confirming compliance of guidelines are made part of this Report as per clause 49 of the listing agreement entered into with the stock exchanges.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- that in the preparation of the accounts for the financial year ended on 31st March, 2008, the applicable accounting standards have been followed and there are no material departures.
- that the Directors have 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 of the company for the year under review.
- that the Directors 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 the company and for preventing and detecting fraud and other irregularities.
- that the Directors have prepared the annual accounts ended on 31st March, 2008 on a 'going concern' basis.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956, Mr. Anil Kumar Jain and Mr. P. N. Shah, retire by rotation and being eligible, offer themselves for reappointment.

AUDITORS

M/s. Vinod Vasa & Associates, Chartered Accountants retire at the end of this Annual General Meeting and have expressed their unwillingness to continue as auditors.

The company has received notice from M/s. B. K. Shroff & Co., Chartered Accountants as auditors of the company from the ensuing Annual General Meeting till the next Annual General Meeting. A resolution for appointment of new auditors has been included in the notice convening the 18th Annual General Meeting for the shareholders' approval.

The observations of Auditors as referred in Auditors' Report are suitably explained in the Notes on Accounts and therefore do not call for any further comments.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING & OUTGO

Statement required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure "A" forming part of this Report.

ACKNOWLEDGEMENTS

Your directors are grateful to the customers, suppliers, banks and employees for their co-operation and assistance during the year under review.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could influence the Company's operations include economic developments outside the country, global demand and supply conditions in the industry, input prices, changes in government regulations, tax laws and other factors such as litigation and industrial relations.

On behalf of Board of Directors

Place : Mumbai
Dated : 21st August, 2008

Anil Kumar Jain
Director

ANNEXURE - A

Information Under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and Forming part of the Directors' Report for the financial year ended on 31st March, 2008

A. CONSERVATION OF ENERGY

Form - A

Form for Disclosure of particulars with respect to conservation of energy

Particulars	Current Year 2007-2008	Previous Year 2006-2007
a) Power and Fuel		
ELECTRICITY		
a) Purchased (Units)	8,042,130	9,019,130
Total amount (Rs.)	345.78	375.67
Rate/unit (Rs.)	4.30	4.16
b) Own generation:		
i) through diesel generator		
Unit	25,620	149,850
Unit/liter of diesel oil	3.66	3.29
Cost per unit	9.37	10.64
ii) Furnace oil		
Quantity (KL)	—	—
Amount Rs. in Lakhs	—	—
Average Rate (Rs)	—	—
b) Consumption per Unit of Production:		
Production of Yarn (M.T.)	2,473.87	3,426.23
Electricity per M.T. of production	3,261.19	2,676.11



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B. TECHNOLOGY ABSORPTION

Form - B

Technology Absorption, Adaptation and Innovation

1. Research and Development (R & D)

A. Specific areas in which R & D was carried out by the company:

1. Introduce of new product "Siro Spun Yarn"
2. Electronic yarn clearer and contamination clearer (Keisokki Yarn clearer) were installed on Autoconer to improve yarn quality with controlled contamination.
3. Changed machine layout in preparatory section to improve HOK.
4. Installation of suitable capacitors on all the machines consuming more power to save power and improve power factor.
5. Optimizing the process parameters and machine utilization.
6. Quality improvement by upgrading the key machineries in manufacturing process.

Benefits derived from the above R and D.

1. With the introduction new market Siro Spun yarn. The company has good reputation in market.
2. Improved product quality & reduction in contamination level.
3. Achieved improved level of efficiency by changing plant layout.
4. Reduced good amount of power consumption and improved power factor.

Expenditure in R and D

No system of separate maintenance of accounts have been developed.

The expenditure is merged with other heads of expenses.

C. Future action plan:

The above activities shall continue and more efforts will be made in this direction.

2. Technology absorption, adaptation and innovation

The Company has not imported any technology since inception.

C. FOREIGN EXCHANGE EARNINGS AND OUT-GO

- 1) Activity related to initiatives taken to increase export markets for products and services and export – The company's produce is entirely sold in the local market only.
- 2) Total foreign exchange used and earned.

(Rs. in Lakh)

Particulars	2007-2008	2006-2007
Used	—	—
Earned (FOB value of export goods)	—	—

On behalf of Board of Directors

Place: Mumbai
Dated: 21st August, 2008

Anil Kumar Jain
Director

ANNEXURE - B

MANAGEMENT DISCUSSION AND ANALYSIS REPORT FORMING PART OF DIRECTORS' REPORT

Industry structure and developments

The textile industry plays a vital role in the Indian economy in terms of Industrial Production, employment and export earnings. It contributes about 5% to GDP of India. It is also the country's second largest employment provider.

Indian textile industry is a mix of organized and unorganized sectors, with a strong presence in spinning activity. Spindleage in India have been continuously being upgraded through investment under the Textile Upgradation Fund Scheme (TUFS).

Opportunities and threats

There is a good demand for carded and combed yarn of good quality in the local market. Your company has been continuously improving the quality of yarn and has created goodwill for its products. Unit is located near Ichalkaranji, a leading weaving and processing centre in Maharashtra, which is a major market for yarn. Besides, the unit also caters to demand from weaving units in Kolhapur and other prime textile centres like Ludhiana, Tirupur, etc.

To remain competitive in the market, it is essential that the quality of yarn is continuously improved by upgradation in technology. The plant and machinery at your company's has been refurbished and overhauled due to which the yarn quality and capacity utilization have improved.

RISKS AND CONCERNS

Cotton being an agricultural product depends on the vagaries of monsoon. Procurement of quality cotton at right time is very important to remain cost competitive. Volatile commodity market, increasing power cost and higher interest rates are of serious concern which would impact the margins.

Your company is reviewing the risks affecting the business continuously and has been taking effecting steps to tackle these concerns.

OUTLOOK

In the long term, the outlook for spinning industry is promising.



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CORPORATE GOVERNANCE WITH RESPECT TO ANNUAL REPORT

Corporate ethics

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Philosophy

Corporate Governance refer to a combination of laws, regulations, procedures, implicit rules and voluntary practices that enable the Companies to perform efficiently and thereby maximize long term value for shareholders, while respecting the aspects of multiple stakeholders. Our Company has been practicing the principles of good corporate governance not on account of regulatory requirements but on account of sound management practices for enhancing customer satisfaction and value for shareholders.

The Company's philosophy on the Corporate Governance enshrines the goal of achieving the highest levels of transparency, accountability and equity in all spheres of its operations and in all its dealings with the shareholders, employees, the Government and other parties.

2. BOARD OF DIRECTORS

a) Composition of the Board:

The Company presently has 5 directors and the Chairman is a, non executive Director. Other four Directors are also non-executive Director and of these two are independent directors.

The Board of Directors meet atleast once a quarter to review the Company's performance and financial results and more often, if considered necessary, to transact other important business.

b) Number of Board meetings:

During the current accounting year ended 31st March, 2008, 6 Board meetings were held on the following dates viz 30th April, 2007, 31st July, 2007, 30th October, 2007, 13th December 2007, 31st January, 2008 and 27th February, 2008.

The maximum interval between any two Board meeting was less than 4 months as stipulated in clause 49 of the Listing Agreement.

The 17th Annual General Meeting was held on 27th September, 2007.

The Attendance of each Directors in these meetings is as under:

c) Directors' attendance record and directorships held:

Name of the Director	Designation	Category	During the period No. Board meetings		Whether attended last AGM	Directorship in other public limited companies Incorporated in India	Overall Committee Membership/Chairmanship across Directorship	
			Held	Attended			Chairmanship	Memberships
Mr. Harkishon Udani	Chairman	Promoter	6	5	Yes	—	1	1
Mr. Anil Kumar Jain *	Director	Promoter	6	4	Yes	3	1	1
Mr. P. N. Shah *	Director	Independent	6	4	Yes	7	5	7
Mr. R. Anand *	Director	Independent	6	4	No	4	1	1
Mr. Kamal Mitra **	Director	Independent	6	2	NA	—	—	—

* Appointed with effect from 31-07-2007 ** Appointed with effect from 27-09-2007.

Mr. Suman B. Shah resigned from directorship with effect from 24th July, 2007. Mr. Yeshwant R. Shah and Mr. Mahendra S. Shah have resigned from the directorship at the annual general meeting held on 27-07-2007.

Mr. Ashok Halsinge resigned from the directorship at the Board meeting held on 27-09-2007.

No remuneration, other than sitting fees has been paid for attending the Board/Committee meetings, Chairmanship/Membership of every Director is within limits specified.

d) Information supplied to the Board:

A detailed Agenda is sent to each Director sufficiently in advance of Board and Committee meetings. At every Board meeting



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the Chairman briefs the members on the overall performance of the Company.

Apart from the matters statutorily requiring the Board approval, all major decisions related to investments, capital expenditure, modernization programs, mobilization of resources and planning thereof are considered by Board.

As per SEBI's code for Corporate Governance, the following information is regularly placed before the Board:-

- Annual operating plans, budgets and their updates, if any, alongwith comparison of actuals with budget
- Capital budget and any update
- Cash flow statements
- Quarterly results of the operating division
- Minutes of meetings of Audit Committee and other committees of the Board
- Recruitment and remuneration of senior officials just below the Board including appointment and removal of chief financial officer and company secretary
- Material show cause/demand/prosecution/penalty notices received
- Fatal/serious accident, dangerous occurrence or effluent/pollution problem
- Material default in financial obligations to and by the company or substantial outstanding against sale of goods.
- Other issue including orders/judgements, strictures passed on the Company which involves claim of substantial nature and have negative implications on the Company.
- Details of Joint ventures or collaboration agreements
- Substantial payments towards goodwill/brand equity/ intellectual property
- Labour problem, significant development in Human Resource/Industrial Relations front like signing of wage agreement, implementation of VRS etc.
- Sale of investment, assets, subsidiaries which is not in the normal course
- Quarterly forex exposure, coverage of risk on adverse exchange fluctuation
- Non compliance of regulations/listing requirements and shareholders service

e) Independent Audit Committee:

The Company has constituted an Audit Committee in accordance with the requirements of clause 49 of the Listing Agreement with qualified, independent and non executive members of the Board of Directors of the Company. The broad terms of reference of the Audit Committee are:-

- a) To review the overall financial reporting process and disclosure of financial information

- b) To review the annual accounting/financial statements, policies and practice.
- c) To appraise the adequacy of proper internal control and internal audit systems
- d) To review the company's financials and risk management policies
- e) To recommend the appointment and removal of external auditors

The Audit Committee comprises 3 Non executive, Directors Director viz. Mr. P. N. Shah, Mr. Harkishon Udani and Mr. Anil Kumar Jain.

The Chairman of the Committee Mr. P. N. Shah, a Non-Executive Director, is a Chartered Accountant, by profession.

4 Audit Committee meetings were held during the current financial year ended 31st March, 2008 on the following dates viz held on the following dates viz 30th April, 2007, 31st July, 2007, 30th October, 2007 and 31st January, 2008. The attendance of each member is as under:-

Name of the Member	Position	Meetings attended
Mr. P. N. Shah	Chairman	3
Mr. Harkishon Udani	Member	3
Mr. Anil Kumar Jain	Member	2

f) Remuneration Committee:

Constitution of a Remuneration Committee is non-mandatory in nature, hence the same will be reconstituted as and when required.

No remuneration, other than sitting fees for attending the Board/Committee meetings, is paid to the Non Executive Directors.

g) Investors' grievance committee/shareholders' committee:

The Board has constituted the "Shareholder/Investor Grievances Committee in accordance with the requirements of the Clause 49 of the Listing agreements. The objective of the Committee is to attend to the investors' complaints pertaining to transfer/transmission/ demat/remat of shares, non receipt of dividend warrants/share certificates, issue of duplicate certificates, etc. and any other matters related thereto.

The Committee functions under the Chairmanship of Mr. Anil Kumar Jain. The other members are Mr. P. N. Shah and Mr. Harkishon Udani. The Committee meets once in a Quarter.

i) Share Transfer Committee:

The Board has also constituted Share Transfer Committee comprising three directors viz. Mr. Anil Kumar Jain, Mr. Harkishon Udani and Mr. Kamal Mitra and committee is chaired by Mr. Anil Kumar Jain.

The Share Transfer Committee (STC) meets every fortnight to dispose of the business placed before it.



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3. MANAGEMENT

a) Management Discussion and Analysis:

Management Discussion and Analysis forms part of this Annual Report.

b) Disclosure by management to the Board:

All details relating to financial and commercial transactions where Directors may have a potential interest are disclosed to the Board, and the interested Directors neither participate in the discussion, nor do they vote on such matters.

4. SHAREHOLDERS

a) Annual General Meetings:

Details of General Meetings of the Shareholders are under:-

Year	AGM/EGM	Location	Date	Time
2004-05	AGM	Village Alte, Tal. Hatkanangale Dist. Kolhapur - 416 109.	29-09-2005	4.00 p.m
2005-06	AGM	— do —	22 -09-2006	4.00 p.m.
2006-07	AGM	— do —	27-09-2007	4.00 p.m.

b) Disclosure:

Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the company at large:

There is no material transaction with any related party which may have potential conflict with the interests of the Company at large. However, the Company has annexed to the accounts, a list of related parties as per the Accounting Standard 18 and the transactions entered into with them.

Details of non-compliance by the company, penalties, strictures imposed on the company by stock exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years:

Neither any non-compliance with any of the legal provisions of law has been made by the Company nor has any penalty, stricture has been imposed by the stock exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years.

c) Means of communication:

The company is publishing its financial results in leading newspapers viz. Free Press Journal, (Mumbai edition) and Navshakti (Regional language daily), on a quarterly basis. The results are also displayed on the corporate website indocount.com/financials.htm and also on SEBI's EDIFAR website.

The Annual Report is posted to every shareholder of the Company.

The company has not made any presentation to the institutions, investors/analysts.

d) General shareholders' information:

Annual General Meeting:

Day, Date, Time and : Saturday the 27th September, 2008 at 4.30 p.m.

Venue : Village Alte, Taluka Hatkanangale, Dist. Kolhapur - 416 109.

Financial Calendar for 2008-09:

Financial reporting for the June : Thursday the 31st July, 2008
2008 Quarter Results

Financial reporting for September : Friday the 31st October, 2008
2008 half yearly Results

Financial reporting for December : Friday the 31st January, 2009
2008 Quarter Results

Financial reporting for the March : Tuesday the 30th June, 2009.
2009 Annual Results

Book Closure Date:

1st October 2008.

Listing on the Stock Exchanges:

The equity shares of the Company are listed on the Bombay stock exchange. The Company has paid the listing fees to The Bombay stock exchanges for the period 1st April, 2008 to 31st March, 2009.

The Stock Exchange, Mumbai

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001.

Scrip Code 531172

Code in respect of Company's shares traded in a DEMAT form for both NSDL & CDSL **ISIN-INES69D01010**

5. STOCK PRICE DATA FOR THE PERIOD FROM 01-04-2007 TO 31-03-2008

Month	High (Rs.)	Low (Rs.)	Volume
April 2007	3.53	2.53	200,053
May 2007	2.76	2.02	64,603
June 2007	2.48	1.97	96,009