



## BOARD OF DIRECTORS

Mr. Anil Kumar Jain	<i>Director</i>
Mr. Kamal Mitra	<i>Director</i>
Mr. P. N. Shah	<i>Director</i>
Mr. R. Anand	<i>Director</i>
Mr. S. K. Agrawal	<i>Chairman</i>

## AUDITORS

B. K. Shroff & Co.,  
Chartered Accountants,  
3/7-B, Asaf Ali Road,  
New Delhi - 110 002

## 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 20<sup>th</sup> Annual General Meeting of **PRANAVADITYA SPINNING MILLS LIMITED** will be held on 31<sup>st</sup> July, 2010 at 11.45 a.m., at the Registered Office of the Company at Village Alte, Taluka Hatkanangale, Dist. Kolhapur 416 109, Maharashtra to transact the following business:

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Accounts for the financial year ended 31<sup>st</sup> March 2010, 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.
4. To appoint Auditors and fix their remuneration.

### SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modification the following resolution as Special Resolution.

**"RESOLVED THAT** in supersession of the earlier resolution passed at the Annual General Meeting held on 20<sup>th</sup> September 1997 and pursuant to the provisions of Section 293 (1) (d) and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its consent to the Board of Directors for borrowing any sum or sums of money from time to time from any one or more of the Company's Bankers and / or some or any one or more

persons, firms, bodies corporate, or Financial Institutions whether by way of cash credit, advance or deposits, loans or bills discounting or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets and properties whether movable or stock-in-trade (including raw materials, stores, spare parts and components in stock or in transit) and work-in-progress or all or any of the undertaking of the Company notwithstanding that the moneys to be borrowed together with the money's already borrowed by the Company's (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose but, so however that the total amount up to which the monies may be borrowed shall not exceed the sum of Rs. 100 Crore (Rupees One Hundred Crore) exclusive of interest and that the Board of Directors be and is hereby further authorized to execute such deeds of debentures and debentures trust deeds or mortgage, charge, hypothecation, lien, promissory notes, deposit, receipts, and other deeds and instruments or writings as they may consider proper and containing such conditions and covenants as the Board of Directors may think fit."

**By Order of the Board**

**Place : Mumbai**  
**Date : 1<sup>st</sup> June, 2010**

**Kamal Mitra**  
**Director**

Additional information As required in terms of Para IV (G) of clause 49 of the Listing Agreement

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

Mr. Anil Jain has rich experience in Textiles and Finance, has been associated with the Company since 31<sup>st</sup> July 2007.

**Outside Directorship:** a) Margo Finance Ltd. (Formerly Indocount Finance Ltd.) b) Kanco Enterprises Ltd. c) Indo Count Industries Ltd.

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

Mr P.N. Shah is a Chartered Accountant by profession, has been on the Board of the Company since 31<sup>st</sup> 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	Share Transfer Committee	Investors' Grievances Committee	Remuneration Committee
Indo Count Industries Ltd.	Chairman	Chairman	—
Margo Finance Ltd.	Chairman	—	—
Pranavaditya Spinning Mills Ltd.	Chairman	Chairman	—
Kanco Enterprises Ltd.	—	—	Member

#### Committee Chairmanship/Membership:

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



**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 from 23-07-2010 to 31-07-2010 (both days inclusive).
4. Members/Proxies should bring the attendance slip duly filled in for attending the aforesaid meeting.
5. 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 – 40430200  
Fax No : 022 – 28475207

6. MEMBERS ARE ADVISED TO SEND ALL SHARE TRANSFERS AND RELATED CORRESPONDENCE TO THE REGISTRAR AND SHARE TRANSFER AGENT AT THE ABOVE ADDRESS.
7. Members/Proxies should bring the attendance slip duly filled in for attending the aforesaid meeting.
8. 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 : 1<sup>st</sup> June, 2010**

**Kamal Mitra**  
**Director**

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

**Item No. 5**

In order to part finance the proposed expansion program and for general corporate purposes, working capital requirements, strategic investments etc., it may be necessary for the Company to borrow long term funds from time to time. The present borrowing limit of Rs 50 Crore fixed by the shareholders at its meeting held on 20-09-1997, will be inadequate and therefore, it is proposed to increase the borrowing limit to Rs 100 Crore, excluding the temporary loans obtained in the ordinary course of business and interest.

As per the provisions of section 293 (1) (d) of the Indian Companies Act, 1956, the borrowing limit can be increased with the consent of the shareholders, by an Ordinary Resolution, and hence the resolution at item No. 5 of the Notice.

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

**By Order of the Board**

**Place : Mumbai**  
**Date : 1<sup>st</sup> June, 2010**

**Kamal Mitra**  
**Director**



DIRECTORS' REPORT

To  
The Members

**PRANAVADITYA SPINNING MILLS LIMITED**

Your directors have pleasure in presenting the TWENTIETH ANNUAL REPORT and the audited statement of accounts for the year ended 31<sup>st</sup> March 2010.

**FINANCIAL RESULTS**

(Rs. in lacs)

Particulars	Current Year	Previous Year
Gross sales (including export incentive)	3,271.42	2,546.02
Profit/(loss) before Depreciation, interest and Taxation	432.12	(10.64)
Less: Interest	22.94	27.64
: Depreciation	193.36	194.38
<b>Profit/(Loss) before Taxation</b>	<b>215.84</b>	<b>(232.66)</b>
Provision for Taxation (Including Deferred Tax Asset)	(9.46)	605.86
<b>Net Profit/(loss) after taxation but before extra ordinary items</b>	<b>206.38</b>	<b>373.20</b>
Balance Brought Forward	(275.72)	(648.92)
<b>Net Profit/(Loss) carried forward to Balance Sheet</b>	<b>(69.34)</b>	<b>(275.72)</b>

**Performance Review**

During the year under review, the Company earned an operating profit of Rs. 432.12 lac against operating loss of Rs 10.64 lac during the previous year. The Company has recorded Gross Sales of Rs 3,271.42 lac as against Rs 2,546.02 lac during the previous year registering a growth of about 28% over previous year. This performance of your Company is encouraging despite steep increase in the cost of Cotton, power and labour etc.

**BIFR**

As on 31-03-2010, the Company has complied with all the stipulations laid down by BIFR while sanctioning the Draft Rehabilitation Scheme (DRS). Further proceedings are pending before BIFR.

**Business Outlook**

The domestic textile market has better prospects. During the year under review, the Company has ventured into Export Market and hopes to procure sizeable export orders in the years to come. Consequent to withdrawal of DEPB and Duty Draw back incentives by the Government, the margin on export business may get impacted.

Of late, the prices of raw cotton and yarn have started scaling up, which augurs well for the industry.

Considering the better prospectus for the Textile business, your Company has increased production capacities. Subject to availability of Term Finance it is further proposes to increase spindlage during next financial year.

**Dividend**

With a view conserve the resources for growth opportunities, the Directors do not recommend dividend for the year.

**Management Discussion And Analysis**

**Textile Division**

**Industry structure and developments**

The Indian spinning industry enjoys a predominant position in the domestic and international yarn trade. With about 41 mn. spindles, this segment of the textile industry, is still expanding and modernizing itself. Being the single largest beneficiary under the Technology Upgradation Scheme of the Government of India, the textile industry has bright future.

Most of the Textile Mills are in the organized sector with medium and large scale units. Considering the advantage of good raw material base, alongwith availability of skilled manpower, the spinning units are efficiently run and thus compete very well in terms of cost of production with the global players.

During the year under review, besides, catering the ever growing domestic market, your Company has exported about 6% of its Sales.

Your company has been in the carded yarn business and has established a name in the domestic market. The facilities at the unit have been streamlined and aligned to produce the best quality of yarns at competitive costs. The unit has moved in to higher value addition by producing finer counts of carded yarn.

**Opportunities and threats**

Due to general economic slow down globally, the domestic market had also faced slump in demand for cotton yarn. Despite this, during the year under review, the sales grew by about 28% over that of the previous year.

Looking at the potential growth of Cotton Yarn Market, Company proposes to undertake expansion to optimize its Production. Steps will be taken at appropriate time to enhance the capacity to take advantage of this opportunity.

Export of Cotton during the year under review has given spiraling impact on the prices of Cotton and Yarn. However, the Government has taken corrective steps to discourage the export of Cotton by withdrawing the DEPB/Duty Drawback incentives of the Exporters. Cost of the other major input like power and labour have also risen sharply exerting pressure on the production cost.



### Risks and concerns

Cotton production depends on the vagaries of monsoon. Procurement of raw material at right prices is the key to yarn prices remaining cost competitive.

As a unit under the BIFR fold, the company has not been able to raise adequate finance for its working capital requirements.

### Outlook

There is spurt in demand both in domestic and international markets, of late, and as a result, yarn prices have started looking up. This probably signals end of the sluggish phase of demand conditions. Overall outlook continues to be promising.

### Segment

The company is engaged only in 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 safeguarding and protecting company's assets against loss. The internal auditors check the controls periodically and their report is reviewed by the management and the Audit Committee from time to time. The management feels that the system of internal controls is adequate considering the size of operations of the company.

### Human Resources

During the year, labour relations continued to be cordial.

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:

- a) that in the preparation of the accounts for the financial year ended on 31<sup>st</sup> March 2010, the applicable accounting standards have been followed and there are no material departures.
- b) that the Directors 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 the company at the end of the financial year and of the profit of the company for the year under review.

- c) 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.
- d) that the Directors' have prepared the Annual Accounts ended on 31<sup>st</sup> March 2010 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.

Mr. S. K. Agrawal has been appointed as Director on the Board of the Company with effect from 25-06-2009.

Mr. H. N. Udani ceased to be a Director from the Board of the Company with effect from 25-06-2009.

### Auditors

M/s. B K Shroff and Co., Chartered Accountants retire at the end of forthcoming Annual General Meeting and are eligible for reappointment as auditors.

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 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  
Date: 1<sup>st</sup> June, 2010

**Kamal Mitra**  
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 31<sup>st</sup> March 2010.

### A. CONSERVATION OF ENERGY

#### Form - A

Form for Disclosure of particulars with respect to conservation of energy

Particulars	Current Year	Previous Year
a) Power and Fuel		
<b>ELECTRICITY</b>		
a) Purchased (Units)	<b>89,54,884</b>	83,66,274
Total amount Rs in lac	<b>444.38</b>	373.82
Rate/unit Rs	<b>4.96</b>	4.47
b) Own generation:		
i) through diesel generator		
Unit	Nil	Nil
Unit/liter of diesel oil	Nil	Nil
Cost per unit	NA	NA
ii) Furnace oil		
Quantity (KL)	—	—
Amount Rs in Lac	—	—
Average Rate (Rs)	—	—
b) Electricity consumption per unit of production of yarn per Kg.	<b>3.66</b>	4.15

### B. TECHNOLOGY ABSORPTION

Form - B

Technology Absorption, Adaptation and Innovation

1. **Specific areas in which R & D was carried by the Company – NIL**

2. **Benefit derived from above R & D activities – NIL**

3. **Future plan of action – NIL**

4. **Expenditure on R & D**

(i) Separate account for R&D expenses is not maintained.

(ii) Expenditure is charged to profit and loss account like other heads.

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 :

Majority of the Company's product is sold in the local market.

2) Total foreign exchange used and earned.

(Rs. in Lac)

Particulars	2009-2010	2008-2009
Used	<b>4.54</b>	—
Earned (FOB value of export goods)	<b>190.31</b>	—

On behalf of Board of Directors

Place: Mumbai

Date: 1<sup>st</sup> June, 2010

Kamal Mitra

Director

**Corporate ethics****1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE****Philosophy**

The Company continues to focus on good Corporate Governance and its primary objective is to create and adhere to a corporate culture of conscience, and consciousness, integrity, transparency, accountability for efficient and ethical conduct of business for meeting its objective towards shareholders and other stakeholders. The company is committed to achieving the highest standard of Corporate Governance.

**Status of Compliance**

Our Company has been able to make significant compliance with the revised provisions of Clause 49 of the Listing Agreement.

**2. BOARD OF DIRECTORS****a) Composition of the Board**

The Company has presently 5 directors and the Chairman is a Non-Executive Director. Other four are also Non-Executive Directors and of these three are Independent Directors.

The Board of Directors meet at least 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 31<sup>st</sup> March 2010, 6 Board Meetings were held on the following dates viz. 25-05-2009, 25-06-2009, 31-07-2009, 30-10-2009, 28-01-2010, 27-02-2010.

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

The 19<sup>th</sup> Annual General Meeting was held on 29<sup>th</sup> September 2009.

**c) Directors attendance record and directorship held as under:**

Name of the Director	Designation	Category	During the period No. of Board Meetings		Whether attended last AGM	Directorship in other Public limited companies incorporated in India	Overall Committee Membership/ Chairmanship across Directorship	
			Held	Attended			Chairman	Member
<b>NON EXECUTIVE</b>								
Mr H N Udani **	Chairman	Promoter	6	1	NA	—	—	—
Mr. S K Agarwal ##	Director	Independent	6	4	NA	1	1	—
Mr Anil Kumar Jain	Director	Promoter	6	6	Yes	3	2	6
Mr Kamal Mitra	Director	Non-Independent	6	3	Yes	1	—	4
Mr P N Shah	Director	Independent	6	6	No	6	4	6
Mr R Anand	Director	Independent	6	5	No	4	1	6

\*\* Resigned since 25-06-2009

##Appointed since 25-06-2009

□ Comprises only Statutory Committees

The Board has laid down and adopted Code of Conduct for all Board Members and Senior Management personnel of the Company.

No remuneration, other than sitting fees has been paid for attending the Board/Committee meeting. Details of sitting fees paid to the Directors are as under :-



Name of the Director	Sitting Fees Amount Rs.	Name of the Director	Sitting Fees Amount Rs.
Mr P N Shah	16,500/-	Mr Anil Kumar Jain	8,500/-
Mr R Anand	14,000/-	Mr Kamal Mitra	6,500/-
Mr Sushil Kumar Agrawal	12,000/-	Mr H N Udani	2,500/-

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 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 the Board.

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

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results for the company and its operating divisions or business segments.
- Minutes of Meetings of Audit Committee and other committees of the Board.
- The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the company, or substantial nonpayment for goods sold by the company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

**e) Independent Audit Committee:**

The Company has constituted 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:-





- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - o Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956
  - o Changes, if any, in accounting policies and practices and reasons for the same
  - o Major accounting entries involving estimates based on the exercise of judgment by management
  - o Significant adjustments made in the financial statements arising out of audit findings
  - o Compliance with listing and other legal requirements relating to financial statements
  - o Disclosure of any related party transactions
  - o Qualifications in the draft Audit Report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee comprises 4 Non-executive, independent directors viz. Mr. S.K. Agarwal, Mr Kamal Mitra, Mr R Anand and Mr P N Shah, Director of the Company.

The Audit Committee meetings are attended by Internal Auditors. Statutory/Cost Auditors are invited as and when required by the Committee.

The Chairman of the Committee Mr. S K Agarwal, a Non-Executive Director, is a Chartered Accountant by profession.