

# PRIMA PLASTICS LIMITED

## BOARD OF DIRECTORS

Shri Bhaskar M. Parekh (Executive Chairman)  
Shri Mulchand S. Chheda  
Shri Krishnakant V. Chitalia  
Shri Rasiklal M. Doshi  
Shri Dilip M. Parekh (Managing Director)

## BANKERS

Corporation Bank  
Bank of India

## AUDITORS

M/s. G. P. Kapadia & Co.  
Chartered Accountants

## REGISTRAR & SHARE TRANSFER AGENTS

M/s. Bigshare Services Pvt. Ltd.  
E-2, Ansa Indl. Estate, Saki Vihar Road, Andheri (E),  
Mumbai – 400 072.

## REGISTERED OFFICE

98/4 Prima House, Daman Industrial Estate,  
Kadaiya, Nani Daman, Daman (U.T.), Pin - 396 210.

## CORPORATE OFFICE

41, National House, Saki-Vihar Road,  
Andheri (East), Mumbai - 400 072.

## WORKS

Moulded Furniture Division:

- 98/4, Prima House, Daman Industrial Estate,  
Kadaiya, Nani Daman, Daman (U.T.), Pin - 396 210.
- Door No.X/588-Q, Kinfra SIP, Survey No.508 (Part),  
Block No.32, Nellad P.O., Mazhuvannur Village,  
Ernakulam District, Kerala – 686 721.

Aluminium Composite Panel Division:

- 85/1, Prima House, Daman Industrial Estate,  
Kadaiya, Nani Daman, Daman (U.T.), Pin - 396 210.

## MARKETING DEPOTS

Jammu, Kanpur, Rohtak, Secunderabad, Coimbatore & Zirakpur  
(Punjab)

## MARKETING OFFICE

New Delhi

## 16TH ANNUAL GENERAL MEETING

Date : August 28, 2010  
Time : 10.30 a.m.  
Venue : Hotel Sandy Resorts,  
Devka Beach,  
Nani Daman,  
Daman (U.T.), Pin - 396 210

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## NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of the Members of PRIMA PLASTICS LIMITED will be held at Hotel Sandy Resorts, Devka Beach, Nani Daman, Daman (U.T.), Pin - 396 210 on August 28, 2010 at 10.30 a.m. to transact the following businesses:

### ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at March 31, 2010, the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on Equity Shares for the year ended March 31, 2010.
3. To appoint a Director in place of Shri Mulchand S. Chheda, who retires by rotation and being eligible, offers him for reappointment.
4. To appoint M/s. G. P. Kapadia & Co., the retiring Auditors of the Company, as Statutory Auditors, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, on such remuneration as may be decided by the Board of Directors.

### Registered Office:

98/4, Prima House,  
Daman Industrial Estate,  
Kadaiya, Nani Daman  
Daman (U.T.), Pin - 396 210.

By Order of the Board of Directors

Mumbai  
May 29, 2010

**Bhaskar M. Parekh**  
Chairman

**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 him and the proxy need not be a member of the Company. The Proxy form should be lodged with the Company at the Registered Office at least 48 hours before the time of the meeting.
2. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution authorizing their representative to attend and vote at the meeting.
3. The Register of Members and the Share Transfer Book of the Company will remain closed from Monday, August 23, 2010 to Saturday, August 28, 2010, (both days inclusive) for the purpose of determining the eligibility of the Members entitled to Dividend.
4. The Board of Directors in their Meeting held on May 29, 2010 have recommended a dividend of Rupee 1/- per share on equity share of Rs.10/- each, which if approved at the Annual General Meeting, will be paid on or before 30th day from the date of declaration to those members, whose name is appear in the Register of Members on August 28, 2010.
5. All documents referred to in the Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays and holidays, between 11.00 a.m. to 1.00 p.m. up to the date of the Annual General Meeting.
6. The members are requested to:
  - (a) Bring their copy of Annual Report and the attendance slips at the Meeting.
  - (b) Members desiring any information as regards the accounts are requested to write to the Company at least 10 days prior to the date of meeting to enable the Management to keep the information ready at the meeting.
7. Shareholders holding shares in dematerialized form should intimate change of their address, request for making nomination etc., if any, to their Depository Participant. Members who are holding shares in physical form are requested to notify regarding change in address, Bank particulars, ECS details etc. if any, to the Company's Share Transfer Agent, M/s. Bigshare Services Pvt. Ltd., Unit: Prima Plastics Ltd., E-2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (East), Mumbai – 400 072 quoting their folio number.  
 "Our Registrar & Transfer Agent, M/s. Bigshare Services Private Limited has advance tool to interact with shareholders. Please login into iBoss (www.bigshareonline.com) and help them to serve you better."
8. Brief profile of the Directors seeking reappointment at the forthcoming AGM.

**DETAILS OF DIRECTOR SEEKING REAPPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING  
(Pursuant to Clause 49 of the Listing Agreement)**

Name of Director	<b>Shri Mulchand S. Chheda</b>
Age	71 years
Date of appointment	05-12-1994
Qualification	B.Com
Expertise in specific area	Mr. Chheda is a Promoter of Prince Group. He joined family business of Grocery shop and expanded it to a well known business house in Plastic furniture, Household goods, Crates, Real Estate. He has more than 50 years experience in Plastic Business.
Other Directorships in Public Limited Co.	None
Number of Shares held	Nil

By Order of the Board of Directors

**Bhaskar M. Parekh**  
Chairman

Mumbai,  
May 29, 2010

**Registered Office:**

98/4, Prima House,  
Daman Industrial Estate,  
Kadaiya, Nani Daman, Daman (U.T.), Pin - 396 210.

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 16th Annual Report together with the Audited Statement of Accounts of the Company for the year ended March 31, 2010.

(Rs. In Lacs)

<b>FINANCIAL RESULTS</b>	<b>2009-2010</b>	<b>2008-2009</b>
Gross Income	<b>7,044.72</b>	6,191.39
Profit before Interest, Depreciation and Tax	<b>556.05</b>	103.45
Less : Interest	<b>35.89</b>	73.70
Less : Depreciation	<b>154.62</b>	156.99
Profit/(Loss) before Taxation	<b>365.54</b>	(127.24)
Less : Current Tax	<b>63.00</b>	NIL
Less: Fringe Benefit tax	<b>NIL</b>	3.40
Profit /(Loss) after Tax	<b>302.54</b>	(130.64)
Add : Balance b/f from previous year	<b>1,587.81</b>	1,718.45
Balance available for appropriation	<b>1,890.35</b>	1,587.81
Appropriation :		
Proposed Dividend	<b>110.00</b>	NIL
Dividend Tax	<b>18.69</b>	NIL
Transfer to General Reserve	<b>50.00</b>	NIL
Balance c/f to Balance Sheet	<b>1,711.66</b>	1587.81

### DIVIDEND

The Company has performed better during the year, therefore, your Directors are pleased to recommend a Dividend of Rs.1/- per equity share (10%), which is subject to consideration and approval of the shareholders at the ensuing Annual General Meeting of the Company. The total outflow on account of Equity Dividend will be Rs.128.69 lacs including corporate tax on dividend.

### GENERAL RESERVES

Your Directors have proposed to carry a sum of Rs.50 lacs to the General Reserve Account out of the profits available.

### OPERATIONAL PERFORMANCE

The fiscal year under review would be marked as an important year for the Indian industries, which has shown the growth mainly driven by domestic demand in spite of the global slowdown. The Industry in general benefited by financial stimulus package given by the Government of India.

Your company too achieved higher net sales in moulded furniture segment of Rs.4751.32 lacs as against Rs.3500.76 lacs in the last year. The growth in sales in percentage terms achieved is 36%.

The Exports were higher at Rs.794.94 lacs as compared to Rs.465.84 lacs in last year. The growth in export in percentage term achieved is 71%. The moulded furniture division has earned a profit before interest of Rs.507.53 lacs as compared to loss of Rs.44.40 lacs in last year.

The company's ACP Division did not perform to its expectation; mainly due to lack of demand in commercial segment of Real Estate. The company has scale down its operations looking to the weak recovery of its dues from the segment sales. The company is taking number of steps to re-focus the marketing module to establish the product in different market of this segment.

Overall the company's performance is satisfactory and registered a net profit of Rs.302.54 lacs after tax.

### MANAGEMENT'S DISCUSSION & ANALYSIS REPORT

A detailed review of the progress and the future outlook of the company and its business, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange is presented in a separate section forming part of the Annual Report.

### DIRECTORS

Shri Mulchand S. Chheda retires by rotation and being eligible, offers himself for reappointment at the ensuing Annual General Meeting. Brief resume of Shri Mulchand S. Chheda and nature of his experience is given in the Section on Notice elsewhere in the Annual Report.

### BUSINESS OUTLOOK

The recovery in Economy & Growth in demand of all products appears well founded and the medium and long term outlook seems stable. We are well placed to take the advantage from the sustained growth of our economy. Our priorities are focused on diversifying geographical area within & outside India for our moulded furniture division.

The construction business is transforming from unorganized individual builders to Big Corporate Houses and will be more matured and professional in years to come. Apart from institutional sale, the ACP division has vast potential in retail segments of exterior & interior business throughout India.

**JOINT VENTURE**

The Joint Venture Company viz – 'Prima Dee-Lite Plastics Pvt. Ltd. has achieved turnover of INR 1314.93 (lacs) in the calendar year 2009 as compared to INR 1172.67 (lacs) in the previous calendar year and earned a profit of INR 346.61 (lacs) against INR 49.41 (lacs) in the previous calendar year. The JV Company is set to declare a handsome dividend for its performance of calendar year 2009.

**DIRECTORS' RESPONSIBILITY STATEMENT**

As stipulated in Section 217(2AA) of the Companies Act, 1956, the Board of Directors of the company hereby state and confirm that :

- I. In the preparation of the annual accounts for the year ended March 31, 2010, the applicable accounting standards read with requirements set out under Schedule VI to the Company Act, 1956, have been followed and there has been no material departure;
- II. 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 as at March 31, 2010 and of the profit of the Company for the year ended on that date;
- III. 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; and
- IV. The annual accounts for the financial year ended March 31, 2010 have been prepared on a going concern basis.

**AUDITORS & AUDITOR'S REPORT**

M/s. G.P. Kapadia & Co., Chartered Accountants, Mumbai, Statutory Auditors of the Company, holds office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

The Company has received letter from them to the effect that their reappointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such reappointment within the meaning of the Section 226 of the said Act.

The observations made in the Auditors' Report, read together with the relevant notes thereon are self-explanatory and hence, do not call for any comments under section 217 of the Companies Act, 1956.

**PARTICULARS OF EMPLOYEES**

The Company does not have any employee drawing remuneration as stipulated under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

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

Additional information regarding the conservation of energy, technology absorption and foreign exchange earnings and outgo as required under section 217(1)(e) of the Companies Act, 1956 is set out in a separate statement attached to this report and forms part of it.

**FIXED DEPOSITS**

The Company has not accepted any Fixed Deposit covered under Section 58A of the Companies Act, 1956 from the Members or the Public during the year.

**CORPORATE GOVERNANCE**

The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

The requisite Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is attached to this Report.

**APPRECIATION**

The Board would like to express their appreciation for assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. The board also wishes to place on record their deep sense of appreciation for the committed services by the executives, staff and workers of the Company.

For and on behalf of the Board

Mumbai,  
May 29, 2010

**Bhaskar M Parekh**  
Chairman

## ANNEXURE TO DIRECTORS' REPORT

Additional information given as required under the Companies (Disclosures of Particulars in the report of Board of Directors) Rules, 1988.

### ENERGY CONSERVATION

The company continues to emphasize on energy conservation at the stage of selections of plant, equipment to optimize energy consumption and by installing necessary power saving equipments.

Energy cost is one of important cost of operation and all necessary steps are taken to achieve better energy and avoid wastage of energy.

### RESEARCH & DEVELOPMENT

The Company has in-house design department to develop new and innovative product and improving existing products. The designed department is directly working in the supervision and guidance of the Managing Director. The Company further plans to develop and introduce new range of products in the current year.

### TECHNICAL ABSORPTION, ADAPTATION & INNOVATION

The Company has not imported any technology or processes know how. The Machines and moulds used for manufacturing products are regularly upgraded to cater variety products in line with the market trend and demand. The new investments are made in new technology upgraded machines & moulds.

As a result the Company able to give new & innovative designed product and has created strong demand of its products in export market.

### II. FOREIGN EXCHANGE EARNING AND OUTGO:

- 1) Activities relating to exports, initiative taken to increase exports; development of new exports market for products and services; and export plans:-

The Company's products are well established in the exports market and repeated orders are received year after years from its existing foreign clients. The Company has won 12 export awards from "PLEXCONCIL" of India in last 13 years, during the year, the Company has exported worth Rs.794.94 lacs (Rs.465.84 lacs last year) which itself speaks of its performance on export front.

- 2) Total foreign exchange used and earned.

(Rs.)

	2009-2010	2008-2009
Foreign Exchange earned (FOB) – (Finished Goods)	72,746,223	42,437,626
Foreign Exchange earned (Capital Goods)	5,17,000	855,000
Foreign Exchange used	65,439,668	68,627,057

For and on behalf of the Board

Mumbai  
May 29, 2010

**Bhaskar M. Parekh**  
Chairman

## MANAGEMENT'S DISCUSSION & ANALYSIS REPORT

### MOULDED FURNITURE

#### Overview:

The financial year 2009-10 was challenging for the global economy but Indian economy was back on track and grew over 7% with strong Industrial recovery is the key strength behind the higher growth and Indian consumers have surprised the world by step up spending with their rising income.

With the softening of prices of crude oil, prices of polymer product have also started softening. Further availability of polymer products were ease with new capacity addition in Gulf Countries. Overall the Indian moulded furniture industry was benefited with market sentiment, government stimulus package, change in Indian consumers habit, demand of the products etc.

#### OUTLOOK

The moulded furniture has its own advantages against traditional furniture and the industry is offering new & innovative design, colour & models to the consumers, the demand for the products will be rising particularly in growing economy.

The Exports Prospects are encouraging and there are demand from several under developed & developing countries. The overall income is raising world over due to globalization of economy and jobs avenues in Middle East / Gulf Countries. The company foresee a better export opportunities in the coming year.

The pricing of polymer is widely expected to remain stable and availability will be further ease with a capacity expansion of Polymers in Middle East, Gulf, China & other Asian Countries.

#### OPPORTUNITY

Your company has established its brand image as quality products and value for money, resulting in customer satisfaction. The company foresees opportunity to tap the different region of India by setting up units to fetch local market.

The exports of the company rose by 71% from its immediate previous year. The company is also looking to set up manufacturing units in under-developed/developing countries to take advantage of logistic.

#### THREAT

With the rise in demand & overall industrial sentiment, the industry is witnessing many new entrants with low capital base & to serve the local market. The new small players are prone to un-ethical practices in a temporary phase.

### ALUMINIUM COMPOSITE PANEL

#### Overview

The global recession in various countries have impacted badly to their real estate business and triggered panic amongst investors resulting in low demand, and lack of fresh commitment by investors.

The Indian real estate has partially recovered in Financial Year 2009-10. The residential segment shown recovery because of overall shortage of residential unit in the country but the sluggish demand continued in commercial & Mall segment due to excess supply in past 2-3 years. The segment is slowly picking up and it is expected to further grow resulting in demand of Aluminium Composite Panel.

#### OPPORTUNITY

The Aluminium Composite Panel has wide usage in interior as well as exterior of building & other structure. The retail business has high demand for the product and growing due to shift of liking and modern look of ACP.

#### THREAT

The China is a major supplier of ACP globally and has influence in the market with excess supply and moderate price.

The real estate industry is known for excessive credit time.

#### Performance Highlight

##### Moulded Furniture:

The company has achieved a growth in sales of 36% from the previous year and earned a new profit before interest Rs.507.53 lacs against loss of Rs. 44.40 lacs in the previous year.

##### Exports:

The exports from the company has shown impressive results and higher by 71% when compared from immediate previous year.

##### Raw Material:

The overall raw material prices were stable with ample supply available to cater the demand. The prices were moved within range of 20% in line with prices of crude oil.

##### Aluminium Composite Panel:

In institutional segment of ACP, where the company has taken the maximum exposure is showing sign of slow recovery and expected to improve in the coming year.

The company also has taken necessary effective steps for starting retail business with dealer / distributor's network throughout the India. It is expected that once implemented, the profit of your company will improve substantially.

##### Raw Material:

The main raw material for ACP division is Coated Aluminum Coil and prices of the Aluminium are driven by global market. At present the prices are within the reasonable range.

The Company mainly sources, its raw material needs for imports from China & other leading countries.



**Performance of Joint Venture :**

Prima Dee-lite Plastics Pvt. Ltd., a Joint Venture company set up at Cameroon with a local partner to produce and sale Plastic Moulded Articles in and around Cameroon and neighbouring countries. The turnover from the calendar year 2009 was Rs.1,314.93 (lacs) as compared to Rs.1,172.67 (lacs) for the previous calendar year. The profit for the year after depreciation and tax was Rs346.61 (lacs) as compared to Rs.49.41(lacs) in the previous year. The J.V. Company has paid interest of Rs.41.15 (lacs) on unsecured loan granted by the Company.

In view of encouraging results, the JV Partners were looking for other products of high growth.

**Risk Management:**

The company is exposed to risks from market fluctuations of foreign exchange, commodity prices, business risk etc. The risks outlined below are not exhaustive and for information only. The Board and the Audit Committee periodically review the risk management procedures.

**Foreign Exchange Risk:**

The company exposed to volatility in the Exchange Rate. The company makes payment in foreign currency for import of machinery and other item including raw materials. Considering the nature of business of the company, except hedge no other way is available to the company and hence the volatility in foreign currency rates in consistently addressed by ensuring adequate cover by way forward contract. The company does not enter into any derivate transaction as a matter of policy.

**Commodity Price Rise:**

The company is exposed to the risk of price fluctuation on raw materials as well as finished goods in all its product. The company manages these risks in input their inventory management, input through buyer credit etc. However impact on price risk on finished goods are minimal due to its brand image and marketing network.

**Business Risk**

The company developed new products to meet the growing demand and customers need. Although the competition in the market may be increasing, your company is able to control the same by strategic planning and improved manufacturing process. Besides the continues R&D activities undertaken by the company contribute to minimization of the risk.

**Risk Element in Individual Business**

Apart from the risks on account of foreign exchange and commodity price, both the business of the Company are exposed to certain operating business risk, which are managed by regular monitoring and collective actions.

The identified risk are reviewed and evaluated on continues basis and suitable strategies are framed to mitigate the same. The implementation of various strategies to control the said risk is monitored regularly. The Board reviews the Risk Management process periodically.

**Environment & Safety:**

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires the conduct of all operations in such manner so as to ensure safety of all concerned compliance of statutory and industrial requirements for environment protection and conservation of natural resources to the extent possible.

**Internal Control System and their Adequacy:**

The company has comprehensive system of internal controls to safeguard the company's assets against loss from unauthorized use and ensure proper authorization of financial transactions.

The Company's accounting process is based on uniform accounting guideline that sets out accounting policies and significant processes and deadlines on a company wide basis. There are binding directives for internal reconciliations and other accounting operations. The Company maintains a system of internal controls designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the reliability of financial controls, and compliance with laws and regulations.

The management duly considers and takes appropriate action on the recommendations made by the statutory auditors and the Audit Committee of the Board of Directors.

**Human Resource:**

Your company firmly believes that its employees are the key to achievement of the Company's objectives and strategies. The Company provides employees with a fair and equitable work environment and support to develop their capabilities and to take responsibility. To meet the human resource needs of expansion and diversification plans, executives have been inducted at different levels. With the competition in all spheres of industry reaching unprecedented levels, companies are continuously reinvesting themselves in a bid to gain competitive advantage. With rapidly changing business environment, the Company needs to upgrade existing skills set and meet new challenges.

**Cautionary Statement:**

Any statement made in this report relating to Company's perception of future outlook, objectives, expectations etc. may be considered as forward looking within the meaning of applicable laws and regulations which may differ from the actual results, based on circumstances.

For and on behalf of the Board

Mumbai  
May 29, 2010

**Bhaskar M. Parekh**  
Chairman



## CORPORATE GOVERNANCE

### (a) Company's Philosophy

Corporate Governance essentially is a set of standards, which aims to improve the company's efficiency, effectiveness and social responsibility. The concept emphasizes on transparency, accountability, independence and integrity of the management, with focus on public interest in particular.

The company's Corporate Governance philosophy encompasses not only regulatory and legal requirements, such as the terms of listing agreement with stock exchanges, but also several voluntary practices at a superior level of business ethics, effective supervision and enhancement of shareholders' value.

Traditional views of governance as a regulatory and compliance requirement have given way to adoption of governance tailored to the specific needs of the Company. Clause 49 has set the benchmark compliance rules for a listed company and the baseline for governance standards.

It is our endeavor to achieve higher standards and provide oversight and guidance to management in strategy implementation and risk management and fulfillment of stated goals and objectives.

Corporate governance is a journey for constantly improving sustainable value creation and is an upward moving target.

The company believes that timely disclosures, transparent accounting policies and a strong and independent Board go a long way in protecting shareholders trust while maximizing long-term corporate value.

### (b) Board of Directors

#### Composition

The Company has an Executive Chairman and the number of Independent Directors exceeds one-half of the total number of Directors.

The number of Independent Directors is 3 as against the stipulated one half of the total number of Directors. All Independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board thereby ensuring the best interest of stakeholders and the Company.

None of the Directors on the Board are Members of more than ten Committees or Chairman of more than five Committees across all the companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2010 have been made by the Directors.

### Board Meetings

#### A. Institutionalised decision making process

The Board of Directors oversees the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, Management policies and their effectiveness and ensures that the long term interests of the stake holders are being served. The Chairman and Managing Director is assisted by the Senior Managerial Personnel in overseeing the functional matters of the Company.

The Board has constituted 5 Standing Committees, namely Audit Committee, Investors Grievance Committee, Remuneration Committee, Management Committee and Share Transfer Committee. The Board constitutes additional functional committees, from time to time, depending on these business needs.

#### B. Scheduling and selection of Agenda Items for Board Meetings

A minimum of four Board Meetings are held every year. Dates for the Board Meetings in the ensuing quarter are decided well in advance and communicated to the Directors. The Agenda along with the explanatory notes are sent in advance to the Directors. Additional meetings of the Board are held when deemed necessary to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by circular meeting.

The meetings of the Board are generally held at Mumbai and are scheduled well in advance. The Board Agenda is circulated to the Directors in advance.

#### C. Distribution of Board Agenda Material

Agenda and Notes on Agenda are circulated to the Directors, in advance, in the defined Agenda format. All material information is incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the Agenda, the same is tabled before the meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are considered.

#### D. Recording Minutes of proceedings at Board and Committee Meetings

The Company records the minutes of the proceedings of each Board and Committee meeting. Draft minutes are circulated to all the members of the Board/Committee for their comments. The final minutes are entered in the Minutes Book within 30 days from conclusion of the meeting and are signed by the Chairman of the meeting/Chairman of the next meeting.

## E. Post Meeting Follow-up Mechanism

The Company has an effective post meeting follow up, review and reporting process mechanism for the decisions taken by the Board/ Committees. The important decisions taken at the Board/Committee meetings are communicated to the concerned Functional Heads promptly. Action Taken Report on decisions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/ Committee for noting by the Board/Committee members.

During the year under review, five Board Meetings of Directors were held on:

June 30, 2009, July 30, 2009, October 29, 2009, January 27, 2010 & March 27, 2010.

### Board's Responsibilities

The Board's mandate is to oversee the company's strategic direction, review and monitor performance, ensure regulatory compliance and safeguard the interests of stakeholders.

### Role of Independent Directors

For a Director to be considered independent, the Board determines that the Director does not have any direct or indirect material pecuniary relationship with the Company. The Board has adopted guidelines which are in line with the applicable legal requirements.

### Constitution of Board of Directors and Related Information

The composition of directors and their attendance at the Board Meetings during the year and the last Annual General Meeting and also number of other directorships / membership of committees are as follows:

Name of Director	Position	Board Meetings attended during the year	Attendance at last AGM	Directorships in other companies incorporated in India
Shri Bhaskar M. Parekh	Executive Chairman	5	present	Nil
Shri Dilip M. Parekh	Managing Director	5	Present	Nil
Shri Mulchand S. Chheda	Independent Non-Executive Director	4	Present	4
Shri Rasiklal M. Doshi	Independent Non-Executive Director	4	Present	6
Shri Krishnakant V. Chitalia	Independent Non-Executive Director	4	Present	2
None of the Directors on the Board are Members of more than ten Committees or Chairman of more than five Committees across all the companies in which they are Directors.				

### Shareholdings of Non-Executive Directors as on March 31, 2010 are as under:

Name	No. of Ordinary shares held	% of Paid-up Capital
Mr. Krishnakant V. Chitalia	5,295	0.05
Mr. Mulchand S. Chheda	0	0.00
Mr. Rasiklal M. Doshi	7,000	0.06

### Details of Director(s):

In compliance with Clause 49 IV (G) of Listing Agreement, brief resume, expertise and details of other directorships, membership in committees of directors of other companies and shareholding in the company of the Directors proposed to be reappointed are attached along with the Notice to the ensuing Annual General Meeting.

### Code of Conduct

The Board has laid down a Code of Conduct for all Board members and senior management of the company.

The Code of Business Conduct and Ethics for Directors and management personnel ('the Code'), as recommended by the Corporate Governance and Stakeholders' Interface Committee and adopted by the Board, is a comprehensive Code applicable to all Directors and management personnel. The Code while laying down, in detail, the standards of business conduct, ethics and governance, centers around the following theme:

"The Company's Board of Directors and Management Personnel are responsible for and are committed to setting the standards of conduct contained in this Code and for updating these standards, as appropriate, to ensure their continuing relevance, effectiveness and responsiveness to the needs of local and international investors and all other stakeholders as also to reflect corporate, legal and regulatory developments. The Code should be adhered to in letter and in spirit.

All Board members and senior management personnel have affirmed compliance with the Code on an annual basis.