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**Punjab Alkalies & Chemicals Limited**  
**33RD ANNUAL REPORT 2007 - 08**

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## Punjab Alkalies & Chemicals Limited

### NOTICE

Notice is hereby given that the **33rd Annual General Meeting** of the Members of **Punjab Alkalies & Chemicals Limited** will be held in **National Institute of Technical Teachers' Training and Research Auditorium, NITTTR Complex, Sector 26, Chandigarh** on **Saturday, the 27th September, 2008 at 10.30 hours** to transact the following business:-

#### As Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2008 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Dr. A.K. Kundra, IAS (Retd.), who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri S.K. Sharma, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors for the current year and to fix their remuneration and in this connection, to consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution :  
"RESOLVED that M/s. S. Tandon & Associates, Chartered Accountants, Chandigarh and M/s. A.K. Sood & Associates, Chartered Accountants, Chandigarh, be and are hereby re-appointed Auditors of the Company from the conclusion of this meeting until the conclusion of the next Annual General Meeting and that their remuneration be fixed by the Board of Directors of the Company."

#### As Special Business

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

"RESOLVED that Shri Rattan Singh, who was appointed an Additional Director of the Company by the Board of Directors and who ceases to hold office under Section 260 of the Companies Act, 1956 on the date of this Annual General Meeting, and in respect of whom the Company has received notices in writing from some members pursuant to Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation."

6. 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 Sections 269, 198 and 309 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, approval be and is hereby accorded to the appointment of Shri Ajay Kumar Mahajan as Managing Director of the Company for the period of five years with effect from 1st August, 2007, at the remuneration set out hereunder:

1. Salary : Nil
2. Perquisites/Benefits :
  - (a) Motor Car : (i) Company's Car with Driver for official use.  
(ii) Use of Company's Car for personal purposes upto 6000 Kms. per year on payment of Rs.100/- per month.
  - (b) Telephone : Telephone at residence.
  - (c) Mobile Phone : Mobile Phone for official use.
  - (d) Travelling Expenses : Travelling Expenses, Travelling Allowance and Daily Allowance as per Rules of the Company.
  - (e) Entertainment Expenses : Actual expenses for entertainment of Company's guests.

RESOLVED FURTHER that in the event of the Company having no profits or having inadequate profits in any financial year, the aforesaid remuneration shall also be paid as the minimum remuneration to the extent the same does not exceed the limits specified in Paragraphs 1(A) and 2 of Section II of Part II of Schedule XIII of the Companies Act, 1956.



RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things as may be necessary to give effect to this resolution."

By Order of the Board of Directors

Registered Office:  
S.C.O.125-127,  
Sector 17-B,  
Chandigarh-160 017  
Dated : July 30, 2008

Sd/-  
(PRADEEP NAUHARIA)  
Company Secretary &  
Gen. Manager (Co. Affairs)

#### 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 A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY (BLANK FORM ENCLOSED) DULY STAMPED, COMPLETED AND SIGNED SHOULD, HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of business at item Nos. 5 and 6 is annexed. The relevant details of the Directors proposed to be appointed/re-appointed at the Annual General Meeting, pursuant to Clause 49 of the Listing Agreement, are also annexed.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 13th September, 2008 to 27th September, 2008 (both days inclusive).
4. Members who have not yet paid the Allotment Money on their new equity shares are requested to remit the same together with interest thereon.
5. The unclaimed Dividends for the years 1989-90, 1990-91, 1991-92, 1992-93, 1993-94 and 1994-95 have been transferred to the General Revenue Account of the Central Government in terms of Section 205A of the Companies Act, 1956. Members who have not claimed their Dividends for the said years are requested to claim the same from the Registrar of Companies, Punjab, H.P. & Chandigarh, 286, Defence Colony, Garha Road, Jalandhar City - 144 001. The unclaimed Dividends for the years 1995-96 and 1996-97 have been transferred to the Investor Education and Protection Fund established by the Central Government in terms of Section 205A read with Section 205C of the Companies Act, 1956.
6. Members are requested to notify immediately changes, if any, in their registered address to the Company specifying full address in Block Capitals with PIN Code of the Post Office.
7. Members are requested to bring with them the attendance slip sent with the Annual Report duly completed and signed and hand it over at the entrance.
8. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
9. Members are requested to bring their copy of the Annual Report alongwith them to the Annual General Meeting.

#### EXPLANATORY STATEMENT

(Pursuant to Section 173(2), of the Companies Act, 1956)

##### ITEM NO. 5

The IFCI Limited (IFCI) had nominated Shri Rattan Singh as its nominee on the Board of Directors of the Company and had advised the Company to co-opt him on the Board of Directors. Accordingly, Shri Rattan Singh was appointed an Additional Director of the Company on 22nd May, 2008 by the Board of Directors. Under the provisions of Section 260 of the Companies Act, 1956 he holds office till the date of the ensuing Annual General Meeting. He is however eligible for reappointment. The Company has received notices in writing from some members pursuant to Section 257 of the Companies Act, 1956, signifying their intention to propose at the ensuing Annual General Meeting, his appointment as a Director.

Shri Rattan Singh has done B.Com. (Hons.) and is a Chartered Accountant and CAIIB. He is working as General Manager in IFCI Limited. He has 24 years of rich experience. The Directors consider it desirable that the Company should continue to avail itself of his services.

The Directors recommend the Resolution for the approval of the members.

None of the Directors, is in any way, concerned or interested in the Resolution excepting Shri Rattan Singh.

##### ITEM NO. 6

The Punjab State Industrial Development Corporation Limited (PSIDC) had nominated Shri Ajay Kumar Mahajan as a Director on the Board of Directors of the Company with effect from 30th July, 2007. The Board of Directors of the Company in its meeting held on 1st August, 2007 had pursuant to the provisions of Section 269 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and

## Punjab Alkalies & Chemicals Limited

subject to the approval of the Shareholders, appointed Shri Ajay Kumar Mahajan as Managing Director of the Company for a period of five years with effect from 1st August, 2007 at the remuneration to be decided later within the limits specified in Schedule XIII of the Companies Act, 1956. The Shareholders of the Company in the 32nd Annual General Meeting held on 29th September, 2007 had pursuant to the provisions of Section 269 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, accorded their approval to the appointment of Shri Ajay Kumar Mahajan, as Managing Director of the Company for a period of five years with effect from 1st August, 2007 at the remuneration to be decided later within the limits specified in Schedule XIII of the Companies Act, 1956.

The Remuneration Committee of the Board of Directors of the Company in its meeting held on 25th January, 2008 and the Board of Directors of the Company in its meeting held on 25th January, 2008 had resolved that pursuant to the provisions of Sections 269, 198 and 309 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Shareholders, the appointment of Shri Ajay Kumar Mahajan as Managing Director of the Company for the period of five years with effect from 1st August, 2007 shall be at the remuneration set out hereunder:

1. Salary : Nil
2. Perquisites/Benefits :
  - (a) Motor Car :
    - (i) Company's Car with Driver for official use.
    - (ii) Use of Company's Car for personal purposes upto 6000-Kms. per year on payment of Rs.100/- per month.
  - (b) Telephone : Telephone at residence.
  - (c) Mobile Phone : Mobile Phone for official use.
  - (d) Travelling Expenses : Travelling Expenses, Travelling Allowance and Daily Allowance as per Rules of the Company.
  - (e) Entertainment Expenses : Actual expenses for entertainment of Company's guests.

The Remuneration Committee in its said meeting held on 25th January, 2008 and the Board in its said meeting held on 25th January, 2008 had further resolved that in the event of the Company having no profits or having inadequate profits in any financial year, the aforesaid remuneration shall also be paid as the minimum remuneration to the extent the same does not exceed the limits specified in Paragraphs 1(A) and 2 of Section II of Part II of Schedule XIII of the Companies Act, 1956.

Shri Ajay Kumar Mahajan has done M. Pharma., LL.B. and Diploma in Marketing Management from the Panjab University, Chandigarh. He has about 28 years of rich managerial experience to his credit.

The approval of the members is sought for appointment of Shri Ajay Kumar Mahajan as Managing Director of the Company for a period of five years with effect from 1st August, 2007 and the remuneration (including the minimum remuneration) paid/payable to him.

Copies of the relevant documents are available for inspection by the members at the Registered Office of the Company during business hours on any working day and will also be available at the meeting.

The Directors recommend the Resolution for the approval of the members.

None of the Directors, is in any way, concerned or interested in the Resolution excepting Shri Ajay Kumar Mahajan to the extent of remuneration paid/payable to him.

This Explanatory Statement together with accompanying notice is and should also be treated as an abstract of the terms and memorandum of interest under Section 302 of the Companies Act, 1956.

By Order of the Board of Directors

Registered Office:  
S.C.O.125-127,  
Sector 17-B,  
Chandigarh-160 017  
Dated : July 30, 2008

Sd/-  
(PRADEEP NAUHARIA)  
Company Secretary &  
Gen. Manager (Co. Affairs)

## ANNEXURE TO NOTICE

Details of the Directors proposed to be appointed/re-appointed at the 33rd Annual General Meeting on 27th September, 2008  
(Pursuant to Clause 49 of the Listing Agreement)

Name of the Director	Dr. A.K. Kundra, IAS (Retd.)	Shri S.K. Sharma	Shri Rattan Singh	Shri Ajay Kumar Mahajan, Managing Director
Date of Birth	15th April, 1943	14th June, 1948	30th December, 1960	7th May, 1957
Date of Appointment	13th December, 2004	24th September, 1997	22nd May, 2008	As Director: 30th July, 2007 As Managing Director: 1st August, 2007
Qualifications	M.A. (Economics), Ph.D.	B.E. (Mech.)	B. Com. (Hons.), F.C.A., CAIIB	M. Pharma., LL.B., Dip. Marketing Management
Expertise in specific functional areas	General Management and Administration	Finance and Project Management	Finance and General Management	Project and General Management
Directorships of other Companies as on 30th July, 2008	<u>Director</u> GAIL (India) Limited Geoit Credits Private Limited Central Mine Planning and Design Institute Limited		<u>Managing Director</u> North India Technical Consultancy Organisation Limited  <u>Director</u> IFCI Infrastructure Development Limited Nijer Agro Foods Limited Malva Cotton Spinning Mills Limited Rana Polycot Limited	<u>Chairman &amp; Director</u> Capsugel India Limited Cheema Spintex Limited Satis Synthetics Limited Supreme Yarns Limited  <u>Director</u> Piccadilly Sugar & Allied Industries Limited Rama Industries Limited Swaraj Automotives Limited Vishal Paper Tech India Limited Indian Acrylics Limited Milk Specialities Limited
Chairmanships/Memberships of the Committees of the Board of Companies as on 30th July, 2008	<u>Punjab Alkalies &amp; Chemicals Limited</u> Remuneration Committee - Chairman Management Review Committee - Member  <u>GAIL (India) Limited</u> Audit Committee - Chairman  <u>Geoit Credits Private Limited</u> Audit Committee - Member	<u>Punjab Alkalies &amp; Chemicals Limited</u> Shareholders/Investors - Chairman Grievance Committee - Member Audit Committee - Member Share Transfer Committee - Member Committee Captive Power Generation Project Committee - Member PACL Corporate Planning Committee - Member	<u>Punjab Alkalies &amp; Chemicals Limited</u> Remuneration Committee - Member  <u>Malva Cotton Spinning Mills Limited</u> Audit Committee - Member  <u>Nijer Agro Foods Limited</u> Audit Committee - Member  <u>Rana Polycot Limited</u> Audit Committee - Member	<u>Punjab Alkalies &amp; Chemicals Limited</u> Share Transfer Committee - Chairman Captive Power Generation Project Committee - Chairman PACL Corporate Planning Committee - Chairman PACL Corporate Office Building Committee - Chairman Shareholders/Investors Grievance Committee - Member Management Review Committee - Member  <u>Rama Industries Limited</u> Audit Committee - Member  <u>Cheema Spintex Limited</u> Project Monitoring Committee - Member  <u>Indian Acrylics Limited</u> Shareholders/Investors Grievance Committee - Member Remuneration Committee Sub-Committee (For Clause 41 of Listing Agreement) - Member
Number of Equity Shares of the Company held	600	Nil	Nil	Nil

(iv)

DP Id.\* : \_\_\_\_\_

Folio No. : \_\_\_\_\_

Client Id.\* : \_\_\_\_\_

No. of Shares : \_\_\_\_\_



**Punjab Alkalies & Chemicals Limited**

Registered Office : S.C.O. 125-127, Sector 17-B, Chandigarh-160 017

**PROXY FORM**

I/We \_\_\_\_\_ of \_\_\_\_\_  
in the district of \_\_\_\_\_  
being a member/  
members of Punjab Alkalies & Chemicals Limited hereby appoint \_\_\_\_\_  
of \_\_\_\_\_  
in the district of \_\_\_\_\_ or failing him  
of \_\_\_\_\_  
in the district of \_\_\_\_\_  
as my/our proxy to vote for me/us on my/our behalf at the 33rd Annual General Meeting of the Company to be held  
on 27th day of September, 2008 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2008

Signature \_\_\_\_\_

Revenue  
Stamp  
15 Paise

Address \_\_\_\_\_

- Notes :**
1. The Proxy need NOT be a member.
  2. The Proxy Form duly signed across revenue stamp should reach the Company's Registered Office at least 48 hours before the time of the meeting.
  - \* Applicable in case of members holding shares in electronic form.



**Punjab Alkalies & Chemicals Limited**

Registered Office : S.C.O. 125-127, Sector 17-B, Chandigarh-160 017

**ATTENDANCE SLIP**

I hereby record my presence at the 33rd Annual General Meeting of Punjab Alkalies & Chemicals Limited in the National Institute of Technical Teachers' Training and Research Auditorium, NITTR Complex, Sector 26, Chandigarh on Saturday, the 27th day of September, 2008 at 10.30 hours.

1. Full Name of the Member : \_\_\_\_\_  
(in Block Letters)
- \*2. Full Name of the Proxy : \_\_\_\_\_  
(in Block Letters)
3. Ledger Folio No. : \_\_\_\_\_ / DP Id.\*\* : \_\_\_\_\_ Client Id.\*\* : \_\_\_\_\_
4. Number of shares held : \_\_\_\_\_
5. Signature of the Member/Proxy attending : \_\_\_\_\_

\* To be filled in if the Proxy attends instead of the Member(s)

\*\* Applicable in case of members holding shares in electronic form.

To be used only when Member First Named is not attending :

Please give full name of the first holder

Mr./Mrs./Miss \_\_\_\_\_

- Notes :**
1. Members attending the meeting must fill in this attendance slip and hand it over at the Entrance of the venue of the Meeting.
  2. Members are requested to bring their copy of the Annual Report for the Meeting.

## Punjab Alkalies & Chemicals Limited

### BOARD OF DIRECTORS

Dr. S.S. Channy, IAS, Chairman  
Shri Karan A. Singh, IAS  
Dr. A.K. Kundra, IAS (Retd.)  
Shri S.K. Sharma  
Shri J.S. Saraon  
Shri D.C. Mehandru  
Shri Rajinder Kumar (IDBI Nominee)  
Shri Rattan Singh (IFCI Nominee)  
Shri Ajay Kumar Mahajan, Managing Director

### COMPANY SECRETARY & GENERAL MANAGER (CO. AFFAIRS)

Shri Pradeep Nauharua

### BANKERS

Punjab National Bank  
Punjab & Sind Bank

### AUDITORS

M/s. S. Tandon & Associates,  
Chartered Accountants,  
S.C.O. 201-203, 3rd Floor, Sector 34-A,  
Chandigarh - 160 022

M/s. A.K. Sood & Associates,  
Chartered Accountants,  
S.C.O. 126-127, 2nd Floor, Sector 8-C,  
Chandigarh - 160 008

### INTERNAL AUDITORS

M/s. D.K. Singla & Associates,  
Chartered Accountants,  
S.C.O. 1126-27, Sector 22-B,  
Chandigarh-160 022

### REGISTERED OFFICE

S.C.O. 125-127, Sector 17-B,  
Chandigarh-160 017

### WORKS

Nangal-Una Road,  
Naya Nangal-140 126  
Distt. Ropar, Punjab





## DIRECTORS' REPORT

Your Directors submit their 33<sup>rd</sup> Annual Report together with the Audited Accounts for the financial year ended 31<sup>st</sup> March, 2008.

### Financial Results

Your Directors report that the Company has shown encouraging performance during the financial year ended 31<sup>st</sup> March, 2008. The financial results of the Company for the financial year ended 31<sup>st</sup> March, 2008 are summarised below :-

	(Rs. in crores)	
	2007-08	2006-07
Sales Turnover & Other Income	235.40	238.33
Total Expenditure excluding Finance Charges and Depreciation	204.02	209.80
Profit before Finance Charges and Depreciation	31.38	28.53
Finance Charges	11.40	12.58
Cash Profit	19.98	15.95
Depreciation, etc.	12.79	13.59
Profit before tax	7.19	2.36
Provision for taxation	3.25	1.37
Profit after tax	3.94	0.99

Members would be happy to note that your Company has posted a Net Profit (before tax) of Rs.7.19 crores in the financial year 2007-08 as against preceding financial year's Net Profit (before tax) of Rs.2.36 crores, mainly due to increase in the combined average realisation from Rs.24,600 per Electro-Chemical Unit (ECU) in the financial year 2006-07 to Rs.25,300 per ECU in the financial year 2007-08. The Sales Turnover of your Company during the financial year under review was Rs.235.40 crores. The Profit before Finance Charges and Depreciation at Rs.31.38 crores was higher as compared to Rs.28.53 crores in the preceding financial year. During the financial year under review, the Net Profit (after tax) was Rs.3.94 crores as against Rs.0.99 crore in the financial year 2006-07.

Your Directors believe that the results would have been better but for increase in cost of raw materials.

In view of the accumulated losses of the Company, the Directors regret their inability to recommend any dividend for the financial year 2007-08.

### Finance and Corporate Debt Restructuring

The Revised Restructuring Package sanctioned for the Company by the Corporate Debt Restructuring (CDR) Empowered Group of CDR Cell, under which the debt liabilities of the Company had been restructured, had resulted in reduction in rate of interest and reschedulement of repayment of debts.

During the financial year under review, the liquidity continued to remain under strain due to Net Loss in the First Quarter of the financial year 2007-08 and increase in power tariff by the Punjab State Electricity Board (PSEB) w.e.f. 1<sup>st</sup> September, 2007. The said hike in power tariff was subsequently rolled back by PSEB in April, 2008 with the additional payments made to PSEB being adjustable in 12 monthly installments in their monthly bills from April, 2008.

During the financial year under review, the Company did not raise funds by way of fixed deposits.

### Current Operations and Outlook

Your Company has done extremely well in the First Quarter ended 30<sup>th</sup> June, 2008 of the financial year 2008-09. The average capacity utilisation of the Plant in the Quarter ended 30<sup>th</sup> June, 2008 was 95% as compared to 91% in the corresponding period in the preceding financial year. The combined average realisation during this period increased to Rs.30,800 per ECU – an increase of Rs.5,500 per ECU over the combined average realisation during the financial year 2007-08. These resulted in a Net Profit (before Tax) of Rs.10.52 crores on a Sales Turnover of Rs. 69.08 crores against a Net Loss of Rs.1.63 crores on a Sales Turnover of Rs.52.39 crores during the corresponding period in the preceding financial year and a Net Profit (before Tax) of Rs.7.19 crores on a Turnover of Rs. 235.40 crores in the financial year 2007-08. These results would have been still better but for an upward revision in power tariff by 7% w.e.f. 1<sup>st</sup> April, 2008 by the Punjab State Electricity Board. The annual impact of this increase on the Company's profitability would be to the tune of approx. Rs.7.50 crores on 100% production basis. However, inspite of this increase in power cost, your Company hopes to post an excellent performance in the financial year 2008-09.

# Punjab Alkalies & Chemicals Limited

## Environment and Energy Conservation

The Company's endeavor has always been to run its operations in an environment-friendly manner. The Company is fully committed to take all possible measures towards maintaining safety and good house keeping in its Plants. The Company has installed a Third Tower in the Waste Air Dechlorination (Sodium Hypochlorite) Unit as a pollution control measure. The Company has also installed a Hydrogen Gas Holder in its Plant Unit-I as a plant safety measure. A preliminary Safety Audit of the Plant was got conducted during the financial year 2007-08 from the Regional Labour Institute, Kanpur. The final Safety Audit was got conducted in May, 2008.

The Company strives to make its Plant energy efficient. The information required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is given in Annexure-I forming a part of this report.

## Listing

The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited. The Annual listing fee for the year 2008-09 has been paid to the Bombay Stock Exchange Limited.

## Human Resources

The Company continues to place great value on its human resources. The process of training and development of human resources continued. The industrial relations remained cordial during the financial year under review. The management entered into a wage agreement with the workmen in September, 2007, valid from 1<sup>st</sup> January, 2006 to 31<sup>st</sup> December, 2008.

During the financial year ended 31<sup>st</sup> March, 2008, there was no employee of the Company whose particulars need to be included in this report under Section 217(2A) of the Companies Act, 1956.

## Corporate Governance

The Management Discussion and Analysis Report for the financial year 2007-08 required in terms of Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited is annexed herewith as Annexure – II forming a part of this report. The Corporate Governance Report for the financial year 2007-08 and Auditors' Certificate regarding compliance of conditions of Corporate Governance, required in terms of Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited are also annexed.

## Directors

The Punjab State Industrial Development Corporation Limited (PSIDC) nominated Dr. S.S. Channy, IAS as Director and Chairman of the Company vice Shri A.R. Talwar, IAS w.e.f. 31<sup>st</sup> March, 2008. The Directors place on record their appreciation of the valuable guidance provided by Shri A.R. Talwar, IAS.

The PSIDC nominated Shri Karan Avtar Singh, IAS as its Nominee Director on the Board of Directors of the Company in place of Shri Anurag Verma, IAS w.e.f. 29<sup>th</sup> July, 2008.

The Industrial Development Bank of India Limited has withdrawn the nomination of Shri P. M. Mukherjee as its Nominee Director and nominated Shri Rajinder Kumar as a Director of the Company w.e.f. 3<sup>rd</sup> June, 2008.

The IFCI Limited has nominated Shri Rattan Singh as its Nominee on the Board of Directors of the Company in place of Shri Naresh Saluja and had advised the Company to co-opt him on the Board of Directors. Shri Naresh Saluja resigned as a Director of the Company w.e.f. 22<sup>nd</sup> May, 2008. Accordingly, the Board has appointed Shri Rattan Singh as Additional Director of the Company on 22<sup>nd</sup> May, 2008. Shri Rattan Singh holds office till the date of the ensuing Annual General Meeting. Notices in writing have been received from some members under Section 257 of the Companies Act, 1956, signifying their intention to propose at the ensuing Annual General Meeting the appointment of Shri Rattan Singh as Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation.

The Directors place on record their appreciation of the valuable contribution made by Shri Anurag Verma, Shri P.M. Mukherjee and Shri Naresh Saluja.

Dr. A.K. Kundra, IAS (Retd.) and Shri S.K. Sharma retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

## Audit Committee

The Audit Committee of the Board comprises of Shri J.S. Saraon, Shri D.C. Mehandru, Shri S.K. Sharma and Shri Rajinder Kumar with Shri J.S. Saraon as its Chairman.

## Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

- (i) In the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2008, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (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