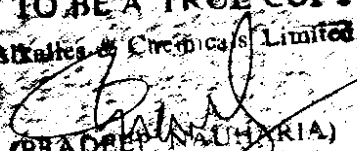


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Punjab Alkalies & Chemicals Limited
35TH ANNUAL REPORT 2009 - 10

CERTIFIED TO BE A TRUE COPY

By Punjab Alkalies & Chemicals Limited


(PRADEEP NAUMARIA)
Company Secretary &
Gen. Manager (Co. Affairs)

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Punjab Alkalies & Chemicals Limited

BOARD OF DIRECTORS

Dr. S.S. Channy, IAS, Chairman
Dr. A.K. Kundra, IAS (Retd.)
Shri J.S. Saraon
Shri D.C. Mehandru
Shri S.K. Sharma
Shri J.S. Mann
Shri Yogesh Goel
Shri Rajinder Kumar (IDBI Nominee)
Shri O.P. Yadav (IFCI Nominee)
Shri Ajay Kumar Mahajan, Managing Director

COMPANY SECRETARY & GENERAL MANAGER (CO. AFFAIRS)

Shri Pradeep Nauharla

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 35th Annual Report together with the Audited Accounts for the financial year ended 31st March, 2010.

Financial Results

The financial results of the Company for the financial year ended 31st March, 2010 are summarised below :-

	(Rs. in crores)	
	2009-10	2008-09
Sales Turnover & Other Income	169.02	233.78
Total Expenditure excluding Finance Charges and Depreciation	173.97	198.92
Finance Charges	8.08	9.78
Cash Profit / (Loss)	(13.04)	25.08
Depreciation, etc.	11.94	11.87
Net Profit / (Loss) before tax	(24.98)	13.21
Provision for taxation	(2.56)	6.09
Net Profit / (Loss) after tax	(22.41)	7.12

Your Directors report that the fiscal year 2009-10 has been a tough year as the Company's operations came under tremendous pressure due to factors over which the Company had virtually no control. The imbalance in demand and supply in the Chlor-Alkali Industry due to excess capacity and cheaper imports, adversely affected the operations of the Company. This kept the combined realisation of Caustic Soda and related products under strain during the financial year under review. The combined average realisation went down from Rs.29,000 per Electro-Chemical Unit (ECU) in the financial year 2008-09 to Rs.23,600 per ECU during the financial year 2009-10. Lesser production - because of the power restrictions imposed by the Punjab State Electricity Board (PSEB) during the period June - October, 2009 and technical disruptions in the Plant operations, coupled with escalation in the cost of power by 5.79%, further aggravated the situation. These factors, inter-alia, combined to cause a Cash Loss of Rs.13.04 crores and a Net Loss (after tax) of Rs.22.41 crores on a Turnover of Rs.169.02 crores in the financial year under review.

In view of the Loss incurred by the Company, the Directors regret their inability to recommend any dividend for the financial year 2009-10.

Finance and Corporate Debt Restructuring

The Corporate Debt Restructuring (CDR) Empowered Group of CDR Cell had approved a Rework Package of the CDR approved Revised Restructuring Package for the Company, in May and June, 2009, for deferment of repayment of principal long term dues of the Financial Institutions and Banks for enabling the Company to meet the fund requirements for the essential capital and other expenditure in the Plant of the Company. The CDR Empowered Group has further modified the said Revised Restructuring Package in June and July, 2010, for further deferment of repayment of outstanding principal long term dues of the Financial Institutions and Banks (two Quarters deferment), which shall be repayable within the CDR approved terminal date and funding of 90% of interest which had fallen due on 1st April, 2010 and 1st July, 2010, with a marginal increase in the rate of interest.

During the financial year under review, despite the Rework Package approved by the CDR Empowered Group of CDR Cell, the liquidity remained under strain due to the Net Loss (after tax) of Rs.22.41 crores in the said financial year.

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

Current Operations and Outlook

The operations of the Company during the first Four Months ended 31st July, 2010 of the financial year 2010-11, continued to reel under the pressure of the preceding year's conditions. During the said period the capacity utilisation of the plant was 77.70%. The combined average realisation in this period was Rs.25,300 per ECU as against Rs.25,600 per ECU during the corresponding period in the financial year 2009-10. The upward revision in the basic power tariff by 5.77% w.e.f. 1st April, 2010 by the Punjab State Electricity Regulatory Commission (PSERC), discontinuation of H.T. rebate by the PSERC and increase in the rate of electricity duty from 10% to 13% w.e.f. 1st April, 2010 by the Government of Punjab, with these increases having an aggregate overall annual impact to the tune of approx. Rs.15 crores per annum on the Company on 100% production basis, further adversely affected the operations in the said period. The Company has incurred a Cash Loss of Rs.3.70 crores and a Net Loss of Rs.7.92 crores during the Four Months ended 31st July, 2010.

The Company's endeavor to reduce costs continued. The major cost is on account of Power, which accounts for about 60% of the cost of production. In this regard, the Company is exploring the possibility of purchase of cheaper Power on Energy Exchanges in India. The Company has replaced the Membranes in two Electrolysers of its Plant Unit-I and one Electrolyser of its Plant Unit-II and got the Anodes and Cathodes recoated in one Electrolyser of its Plant Unit-II, at a cost of about Rs.4.13 crores. The Company is also getting the Anodes and Cathodes recoated in one Electrolyser of its Plant Unit-II at a cost of about Rs.1.36 crores. These will result in reduction in power consumption per unit of Caustic Soda Lye and increase in capacity utilisation.

The Chlor-Alkali Industry is passing through a crucial phase and the Company's performance in the current year will depend upon the actual market scenario. Your Directors are optimistic of improvement in the performance of the Company in the days to come.

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. A Safety Audit of the Plant was got conducted during the financial year 2009-10 from the National Safety Council and its recommendations are being implemented. An Environmental Audit of the Plant was also got conducted during the financial year 2009-10 from M/s. Mantec Consultants Private Limited and their recommendations are being implemented. The Punjab Pollution Control Board has directed many industrial units in Punjab including the Company to implement Zero Discharge of Effluents and the Company has initiated necessary steps in this regard.

The Company strives to make its Plant energy efficient. The Company has, in December, 2009, been awarded a Trophy, a Certificate of Merit and an Award of Rs.1.00 lac by the Punjab Energy Development Agency for securing the First Position in the category of Energy Intensive Industries in the State Level Energy Conservation Award Competition, for the Company's efforts in the field of Energy Conservation during the year 2008. 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 2010-11 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.

During the financial year ended 31st March, 2010, 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 2009-10 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 2009-10 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 Shri S.S. Rajput, IAS as its Nominee Director on the Board of Directors of the Company in place of Shri Karan Avtar Singh, IAS w.e.f. 21st August, 2009 and thereafter Shri Anurag Agarwal, IAS as its Nominee Director on the Board of Directors of the Company in place of Shri S.S. Rajput, IAS w.e.f. 8th March, 2010.

The IFCI Limited has nominated Shri O.P. Yadav as its Nominee on the Board of Directors of the Company in place of Shri Rattan Singh and had advised the Company to co-opt him on the Board of Directors. Shri Rattan Singh resigned as a Director of the Company w.e.f. 26th September, 2009. Accordingly, the Board has appointed Shri O.P. Yadav as Additional Director of the Company on 26th September, 2009. Shri O.P. Yadav 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 O.P. Yadav as Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation.

The Board has appointed Shri Jagtar Singh Mann as Additional Director of the Company on 12th August, 2010. Shri Jagtar Singh Mann 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 Jagtar Singh Mann as Director

of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation. Dr. A.K. Kundra, IAS (Retd.) and Shri S.K. Sharma retire by rotation at the ensuing Annual General Meeting. Dr. A.K. Kundra being eligible offers himself for re-appointment. Shri S.K. Sharma has indicated his unwillingness to offer himself for re-appointment in view of his other pre-occupations.

The Directors place on record their appreciation of the valuable contribution made by Shri Karan Avtar Singh, IAS, Shri S.S. Rajput, IAS, Shri Rattan Singh and Shri S.K. Sharma.

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 31st March, 2010, 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 of the Company at the end of the financial year and of the loss of the Company for the year under review;
- (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;
- (iv) The Directors have prepared the annual accounts for the financial year ended 31st March, 2010 on a 'going concern' basis.

Auditors

M/s. S. Tandon & Associates, Chartered Accountants and M/s. A.K. Sood & Associates, Chartered Accountants, Auditors of the Company retire on the conclusion of the ensuing Annual General Meeting and being eligible they have indicated their willingness to be re-appointed.

Acknowledgements

The Directors wish to thank the Central and State Governments, Financial Institutions, Punjab State Industrial Development Corporation Limited, erstwhile Punjab State Electricity Board, Punjab State Power Corporation Limited, Company's Bankers and Business Constituents for their continued cooperation and support to the Company.

The Directors also wish to express their appreciation of the valuable services rendered by the employees of the Company at all levels.

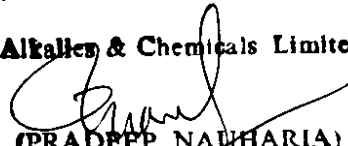
For and on behalf of the Board

Place: Chandigarh
Date : August 12, 2010

Sd/-
(DR. S.S. CHANNY)
Chairman

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For Punjab Alkalies & Chemicals Limited


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

Punjab Alkalies & Chemicals Limited

ANNEXURE – I TO THE DIRECTORS' REPORT

Disclosure of particulars with respect to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as required under 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 31st March, 2010.

Energy Consumption and Conservation

	2009-10	2008-09
A. Power and Fuel Consumption		
1. Electricity		
(a) Purchased		
Units (lacs KWH)	1961.99	2228.65
Total Amount (Rs. in lacs)	9326.97	10025.75
Rate / Unit (Rs.)	4.75	4.50
(b) Own Generation	Nil	Nil
2. Coal	Nil	Nil
3. Furnace Oil/LDO/HSD		
Quantity (K. litres)	3709.50	3743.41
Total Amount (Rs. in lacs)	869.74	897.43
Average Rate (Rs. per K.litre)	23446.22	23973.50
4. Others	Nil	Nil
B. Consumption per Unit of Caustic Soda Produced		
1. Electricity (KWH)		
— Caustic Soda Lye	2670	2632
— Additional Consumption for conversion to Caustic Soda Flakes	100	108
2. Furnace Oil/LDO/HSD(ltrs.)		
— For Caustic Soda Lye	42.20	42.07
— Additional Consumption for conversion to Caustic Soda Flakes	77	58

Keeping in view the costing pattern adopted by the Company, per unit energy consumption for by-products cannot be separated from Caustic Soda Lye figures.

The marginal increase in electricity consumption per unit of Caustic Soda Lye over that of previous financial year is due to ageing of Membranes. But for certain energy conservation measures adopted by the Company, the increase would have been higher.

The Company has replaced the Membranes in two Electrolysers of its Plant Unit-I and one Electrolyser of its Plant Unit-II and got the Anodes and Cathodes recoated in one Electrolyser of its Plant Unit-II, at a cost of about Rs.4.13 crores. The Company is also getting the Anodes and Cathodes recoated in one Electrolyser of its Plant Unit-II at a cost of about Rs.1.36 crores. These will result in reduction in power consumption per unit of Caustic Soda Lye and increase in capacity utilisation.

Research and Development

The main focus of the Research & Development effort of the Company continued to be on energy conservation and pollution control.

Expenses incurred on R & D are booked under respective general accounting heads and no amounts can therefore be quantified separately under the head of R & D expenses.

Technology Absorption, Adaptation and Innovation

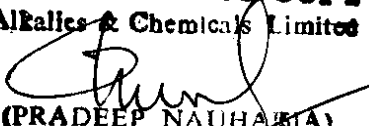
The know-how for the Company's 100 TPD Membrane Cell Caustic Soda Plant has been fully absorbed. The know-how for the Company's Mercury Cell to 200 TPD Membrane Cell Converted Caustic Soda Plant has also been fully absorbed.

Total foreign exchange utilised during the accounting year is Rs.320.19 lacs on account of imported Stores & Spares and Membranes.

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For Punjab Alkalies & Chemicals Limited

Place: Chandigarh
Date : August 12, 2010


(PRADEEP NAUHASIA)
Company Secretary &
Gen. Manager (Co. Affairs)

For and on behalf of the Board

Sd/-
(DR. S.S. CHANNY)
Chairman

ANNEXURE - II TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT FOR THE FINANCIAL YEAR 2009-10

Caustic Soda Industry in India

There are around 34 Caustic Soda Units in operation in India at present with a total operational installed capacity of about 32 lac M.T. per annum. The production of Caustic Soda results in co-production of 1 M.T. of Caustic Soda and 0.886 M.T. of Chlorine – collectively representing 1 Electro-Chemical Unit (ECU).

The products of this industry are used in diverse sectors of Chemical and other industries. The profitability of a Caustic Soda manufacturer depends upon the ability of the combined ECU prices to offer a margin over the total cost of production.

During the financial year under review, the Caustic Soda Industry witnessed an imbalance in the demand and supply because of increase in the installed capacity and import of Caustic Soda at cheaper rates. The Caustic Soda Industry's capacity utilisation has been 73% in the financial year under review as against 75% during the financial year 2008-09.

Performance

During the financial year under review, the Company's operations came under severe pressure due to factors over which the Company had virtually no control viz. imbalance in demand and supply in the Chlor-Alkali Industry due to excess capacity and cheaper imports; strained combined average realisation per ECU; lesser production - because of the power restrictions imposed by the Punjab State Electricity Board in the period June-October, 2009 and technical disruptions in the Plant operations; and escalation in the cost of power. The capacity utilisation of the Company's plant was 74% in the financial year 2009-10 as against the industry average of 73% during the said financial year. The Caustic Soda Lye production was 73362 M.T. during the financial year under review as against 84551 M.T. in the preceding financial year. The Sales Turnover during the financial year 2009-10 was Rs.169.02 crores. The combined average realisation was Rs.23,600 per Electro-Chemical Unit (ECU) during the financial year under review as against Rs.29,000 per ECU during the preceding financial year. These factors, inter-alia, combined to lead to a Net Loss (after tax) of Rs.22.41 crores in the financial year 2009-10.

Marketing

The product-wise Sales of the Company are given below:

Product	Sales	
	Quantity	Value (Rs. in crores)
Caustic Soda Lye	66801 M.T.	130.03
Caustic Soda Flakes	3735 M.T.	8.19
Liquid Chlorine	49354 M.T.	15.19
Hydrochloric Acid	47203 M.T.	7.31
Sodium Hypochlorite	11834 M.T.	3.11
Hydrogen Gas	21.27 Lacs NM ³	3.05

The combined average sales realisation of all the products has been Rs.23,600 per M.T. of Caustic Soda in the financial year 2009-10 as against Rs.29,000 during the financial year 2008-09.

Opportunities

The Company's two Caustic Soda Plants are located in its Works Complex at Naya Nangal, District Ropar, Punjab in close vicinity of a State Highway and around 12 Kms. from the Bhakra Left Bank Power Generating Station and about 2.5 Kms. from Sutlej River. The Company has locational advantages of availability of uninterrupted Power supply – a major input, perennial source of water, skilled labour and close proximity to road/rail and the presence of several end-user Units in industries like paper, fertilizers, soaps and detergents, etc. in its natural marketing vicinity. The Company is supplying Hydrogen Gas to one Hydrogen Compressing & Bottling Unit situated near the Work's Complex of the Company and is also utilising Hydrogen as a fuel, which result in a considerable improvement of utilisation of its bye-product Hydrogen Gas. GAIL (India) Limited is planning to extend its Gas Pipe-line upto Nangal, which will open up the prospects of availability of Natural Gas for setting up a Gas based Power Plant at Nangal.

Punjab Alkalies & Chemicals Limited

Threats

The Chlor-Alkali Industry is a power-intensive industry and the power costs of the Company constitute about 60% of its total production cost. Every increase of 10 paise per KWH in power tariff burdens the cost of production by about Rs.265 per ton of Caustic Soda and the Company annually by about Rs.2.60 crores on 100% production basis. The possibility of power tariff hike by the Punjab State Electricity Regulatory Commission (PSERC) for the power supplied by the Punjab State Power Corporation Limited, the burden of which may not be absorbed by the market, constitutes a threat. The expansion of installed capacities in the domestic caustic industry, import of Caustic Soda Lye at cheaper prices and increase in input costs are also possible threats.

Outlook

The situation of imbalance in demand and supply in the Chlor-Alkali Industry is likely to improve. The demand from consuming industries is expected to increase. The levy of anti-dumping duty by the Government of India would be able to reduce unhealthy competition from abroad. The Company is optimistic about a better performance in the days to come.

Risks and Concerns

The major areas of concern for the Company are hike in power tariff, expansion of installed capacities in the domestic caustic industry, cheaper imports of Caustic Soda, installation of Chemical Recovery Plants in Paper Units and increase in input costs.

Internal Control Systems

The Company has adequate internal control systems commensurate with its size and nature of its business. The internal control is supplemented by internal audits conducted by the Internal Auditors of the Company. The reports of the Internal Auditors are reviewed by the Management and the Audit Committee of the Board of Directors. The adequacy of the internal control systems is also examined by the Statutory Auditors of the Company.

Human Resources

The Company considers its human resources to be a key thrust area. The Company has always stood by its commitment of harnessing and developing 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 Company had 482 employees as on 31st March, 2010.

Cautionary Statement

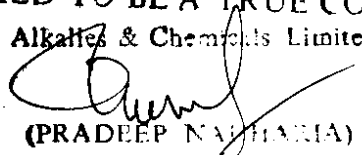
The statements in this Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting global and domestic demand-supply, finished goods prices, power and raw materials costs and availability, changes in Government regulations, tax regimes, economic developments within India and other factors such as litigation and industrial relations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

For and on behalf of the Board

Place: Chandigarh
Date : August 12, 2010

Sd/-
(DR. S.S. CHANNY)
Chairman

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For Punjab Alkalies & Chemicals Limited


(PRADEEP NATHANIA)
Company Secretary &
Gen. Manager (Co. Affairs)

CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2009-10

1. Brief Statement on the Company's philosophy on Code of Governance

The Company believes in good Corporate Governance and has been practising it for the conduct of its business and for meeting its obligations towards its stakeholders.

The Company had modified its corporate practices in the financial year 2001-02 so as to bring them in line with the requirements of Clause 49 of the Listing Agreements with the Stock Exchanges. The Company had further modified its corporate practices so as to bring them in consonance with the requirements of the revised Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited.

2. Board of Directors

The Board of Directors as on 12th August, 2010 comprises of 10 Directors. The Company has a Non-Executive Chairman and 6 Independent Directors. The Company has a Managing Director and 9 Non-Executive Directors.

The names and categories of the Directors on the Board, their attendance at the Board Meetings during the financial year and at the last Annual General Meeting, as also the number of Directorships held by them in other Companies and memberships of the Committees of the Board of the Companies in which they are Directors are given below:-

Name	Date of Appointment	Date of Cessation	Category	Attendance at Board Meetings during 2009-10 (1.4.2009 to 31.3.2010)	Attendance at last AGM on 26.9.2009	No. of Directorships in other Companies		Memberships of the Committees of the Board of all the Companies*	
						Chairman	Director	Chairman	Member
Dr. S.S. Channy, IAS, Chairman (PSIDC Nominee)	31.3.2008	-	NE&NI	5	Yes	1	4	-	-
Shri Ajay Kumar Mahajan, Managing Director (PSIDC Nominee)	-As Director: 30.7.2007 -As Managing Director: 1.8.2007	-	E&NI	6	Yes	4	5	-	3
Shri J.S. Saraon	30.11.1987	-	NE&I	6	Yes	-	-	1	1
Shri S.K. Sharma	24.9.1997	-	NE&I	6	No	-	2	1	2
Shri D.C. Mehandru	26.6.2002	-	NE&I	6	Yes	-	-	-	1
Dr. A. K. Kundra, IAS. (Retd.)	13.12.2004	-	NE&I	4	No	-	4	1	2
Shri Rattan Singh (IFCI Nominee)	22.5.2008	26.9.2009	NE&I	3	No	N.A.	N.A.	N.A.	N.A.
Shri Rajinder Kumar (IDBI Nominee)	3.6.2008	-	NE&I	3	No	-	-	-	1
Shri Karan A. Singh, IAS (PSIDC Nominee)	29.7.2008	21.8.2009	NE&NI	1	N.A.	N.A.	N.A.	N.A.	N.A.
Shri S.S. Rajput, IAS (PSIDC Nominee)	21.8.2009	8.3.2010	NE&NI	1	No	N.A.	N.A.	N.A.	N.A.
Shri O.P. Yadav (IFCI Nominee)	26.9.2009	-	NE&I	2	N.A.	-	-	-	-
Shri Anurag Agarwal, IAS (PSIDC Nominee)	8.3.2010	-	NE&NI	-	N.A.	5	2	-	-
Shri J.S. Mann (PSIDC Officer)	12.8.2010	-	NE&NI	N.A.	N.A.	3	5	-	-

* Includes only Audit Committee and Shareholders/Investors Grievance Committee.

NE&NI - Non-Executive Non-Independent Director PSIDC - Punjab State Industrial Development Corporation Limited (Promoter-holding 44.26% of the Subscribed Capital)

NE&I - Non-Executive Independent Director

E&NI - Executive Non-Independent Director IDBI - IDBI Bank Limited (Lender)

IFCI - IFCI Limited (Lender)

Six Board Meetings were held during the financial year 2009-10 as against the minimum requirement of four meetings in a year. The dates on which the Board Meetings were held are given below :

27th May, 2009, 29th June, 2009, 29th July, 2009, 26th September, 2009, 29th October, 2009 and 29th January, 2010.

During the financial year 2009-10, the Company had paid (a) Rs.25,000/- as Arbitrator's Fee to Dr. A.K. Kundra, IAS (Retd.), Director for an arbitration case and (b) Rs.7,500/- as Arbitrator's Fee to Dr. S.S. Channy, IAS, Chairman and Director for an arbitration case. The Non-Executive Directors had no other pecuniary relationship or transactions with the Company in their personal capacity during the financial year 2009-10 other than receiving Sitting Fees and/or reimbursement of expenses, if any, incurred for attending the meetings of the Company.