

SOLITAIRE MACHINE TOOLS LTD.

15th Annual Report



2000-2001

SOLITAIRE MACHINES TOOLS LTD.**Key Financial Indicators for Last Five Years**

Expenses	2002-03	2003-04	2004-05	2005-06	2006-07
Sales	29,2223,444.00	57,011,508.00	66,740,696.00	62,856,813.00	79,310,398.00
Raw Material Cost	12,570,321.00	23,446,198.00	21,973,151.00	25,137,696.00	30,259,875.00
Payment to Employees & Directors	3,020,753.00	3,709,876.00	5,019,820.00	5,111,858.00	6,564,640.00
Manufacturing & Other Expense	7,525,927.00	10,640,938.00	10,612,181.00	11,620,514.00	15,979,600.00
Depreciation	2,880,318.00	3,108,941.00	3,645,813.00	3,968,218.00	4,460,294.00
Net Profit after taxation	1,234,618.00	3,698,659.00	5,701,295.00	8,153,194.00	10,101,301.00

BOARD OF DIRECTORS

Mr. P.J. SHETH (Chairman)
Ms. SHILPA TANEJA
Mr. A.J. KOTHARI
Dr. AMITA SANDIP SHAH
Mr. A.J. SHETH (Managing Director)
Mr. H.J. BADANI (Managing Director)

AUDITORS

AJMER A JMER & ASSOCIATES
CHARTERED ACCOUNTANTS
MUMBAI.

BANKER

UTI BANK LTD,
VARDHAMAN COMPLEX, OPP. G.E.B
RACE COURSE CIRCLE (NORTH),
VADODARA – 390 007.

REGISTERED OFFICE

107, ARUN CHAMBERS,
TARDEO ROAD,
MUMBAI – 400 034.

Tel : 022 2351 3012 / 2352 0363

Fax : 022 2351 6853

PLANT 1:

292, DHARAMSINH DESAI MARG
CHHANI ROAD, VADODARA – 390 002.

Tel : 0265 277 2415 / 277 3585

Fax : 0265 277 1927

Email : solitaire@satyam.net.in

PLANT 2:

A- 24/25 , KRISHNA INDUSTRIAL ESTATE,
GORWA, VADODARA.– 390 016

Tel : 0265 297 2877

SHARE TRANSFER AGENT

INTIME SPECTRUM REGISTRY LIMITED,
C-13, PANNALAL SILK MILL COMPOUND,
L. B. S. MARG, BHANDUP (WEST)
MUMBAI – 400 078.

NOTICE

NOTICE is hereby given that the Annual General Meeting of the Members of the **SOLITAIRE MACHINE TOOLS LIMITED** will be held on Saturday, the June 23, 2007 at 10.00 a.m. at Senate Room, Status Restaurant, 208, Regent Chambers, Nariman Point, Mumbai- 400 021 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance sheet as on March 31, 2007 and Profit and Loss Account for the year ended on that date and Directors' Report and Auditors' Report thereon.
2. To declare dividend for the financial Year 2006-07.
3. To appoint a director in place of Mr. Prafull J. Sheth, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

5. **To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution.**

"RESOLVED THAT pursuant to section 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the said Act as amended from time to time, the consent of the Members be and is hereby accorded to the increase in the remuneration payable to Mr. Ashok J Sheth as Managing Director of the Company for the remaining term of his appointment as Managing Director of the company w. e. f. April 1, 2007 upon and subject to the terms and conditions including the remuneration proposed to be paid and provided to him as contained in the agreement to be entered between the Company and Mr. Ashok J Sheth, a draft whereof is placed before the meeting and for the purpose of identification is superscribed by the Chairman hereof.

RESOLVED FURTHER THAT in the event of loss, absence or inadequacy of profits in any financial year of the Company, the remuneration payable to Mr. Ashok J. Sheth shall be as specified in the Explanatory Statement enclosed herewith.

RESOLVED FURTHER THAT Mr. Ashok J Sheth subject to the provisions of Section 255 of the Companies Act, 1956 shall not be liable to retire by rotation during his tenure as Managing Director of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such act, deeds, matters and things as may be considered necessary, desirable or expedient for the purpose of giving effect to this Resolution."

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

"RESOLVED THAT pursuant to section 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the said Act as amended from time to time, the consent of the Members be and is hereby accorded to the increase in the remuneration payable to Mr. Hemendra Badani as Managing Director of the Company for the remaining term of his appointment as Managing Director of the company w. e. f. April 1, 2007 upon and subject to the terms and conditions including the remuneration proposed to be paid and provided to him as contained in the agreement to be entered between the Company and Mr. Hemendra Badani, a draft whereof is placed before the meeting and for the purpose of identification is superscribed by the Chairman hereof.

RESOLVED FURTHER THAT in the event of loss, absence or inadequacy of profits in any financial year of the Company, the remuneration payable to Mr. Hemendra Badani shall be as specified in the Explanatory Statement enclosed herewith.

RESOLVED FURTHER THAT

Mr. Hemendra Badani subject to the provisions of Section 255 of the Companies Act, 1956 shall not be liable to retire by rotation during his tenure as Managing Director of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such act, deeds, matters and things as may be considered necessary, desirable or expedient for the purpose of giving effect to this Resolution."

For SOLITAIRE MACHINE TOOLS LIMITED

Sd/-
P.J. Sheth
Chairman

Regd. Office:
107, Arun Chambers
Tardeo Road
Mumbai – 400 034

Place: Vadodara
Date: April 28, 2007

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Members are requested to advise immediately any change in their address to the Company's Registered Office or M/s Intime Spectrum Registry Ltd., Mumbai, quoting their registered folio number. Shareholders holding shares in dematerialized form shall address their communication to their respective depository participant only.
3. All communication in respect to the shares be addressed to share transfer agent "M/s. Intime Spectrum Registry Limited." C13, Pannalal silk Mills Compound, L B S Marg, Bhandup (West), Mumbai-400078.
4. The Register of Members and Share transfer Books will remain closed from Saturday, the June 9, 2007 to Saturday, June 16, 2007 (both days inclusive).
5. Any queries regarding Accounts should be communicated in writing at the Registered office of the company at least seven days in advance before the date of Annual General Meeting.
6. The Company's shares are listed at Mumbai and Vadodara Stock Exchanges.
7. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the Special Business to the transacted at the meeting is annexed to this notice.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**Item No. 5:**

In accordance with the provisions of Section 311 of the Companies Act, 1956 read with Schedule XIII, the increase in the remuneration payable to Mr. Ashok J Sheth as Managing Director requires shareholders approval by passing ordinary resolution at the ensuing Annual General Meeting. The following are the information required to be disclosed in accordance with Schedule XIII.

Mr. Ashok J Sheth, whose previous appointment as Managing Director ended on 31st December, 2003 was re-appointed for five years as Managing Director by the Board of Directors on 16th February, 2004. Mr. Ashok J. Sheth is a qualified Mechanical Engineer with 38 years of experience in the machine tools industry with international exposure. The remuneration as finalized at the previous re-appointment is inadequate by today's standard and requires revision for the remaining term of the Managing Director.

The terms of revised remuneration payable to Mr. Ashok J. Sheth as Managing Director is as follows:

- i) Salary: scale of Rs. 40,000.00 – 80,000.00 per month; with authority to the Board of directors to fix salary within scales from time to time. The annual increment will be merit based and takes into account the performance of the Company.
- ii) Commission: The Managing Director shall be entitled to the commission upto 3% of the Net Profit, based on the discretion of the Board of Directors.
- iii) Perquisites and allowances:
 - (a) In addition to the salary payable, the Managing Director shall be entitled to perquisites and allowance like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowances together with reimbursement of expenses or allowance for utilities such as gas, electricity, water, furnishing, repairs, society charges, property tax, medical reimbursement, medical/ accident insurance, leave travel concession for himself and his family; club fees and other perquisites and allowances in accordance with rules of the Company or as may be agreed by the Board of Directors and the Managing Director; such perquisites and allowances will be subject to a maximum of twice the annual salary of the Managing Director.
 - (b) For the purposes of calculating the above ceiling, perquisites and allowances shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost. Provision for the use of Company's car for official duties and telephone at residence shall not be included in the computation of perquisites and allowance for the purpose of calculating the said ceiling.
 - (c) Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, to the extent these either singly or together are not taxable under the Income Tax Act, gratuity payables as per rules of the Company and encashment of leave at the end of the tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.
- iv) Minimum Remuneration: Notwithstanding anything to the contrary herein contained, if in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites and allowances as specified above.
- v) The terms and conditions of the said appointment and/or agreement may be altered and varied from time to time by the Board as it may, in its discretion, deem fit within the maximum amount payable to the Managing Director in accordance with Schedule XIII to the Act or any amendments made hereinafter in this regard.

- vi) The Agreement may be terminated by either party giving the other party three months notice, or the Company paying three months salary in lieu of the notice.
- vii) If at any time the Managing Director ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Managing Director of the Company.
- viii) The Managing Director shall not be entitled to supplement his earnings under this Agreement with any buying or selling commission. He shall not also become interested or otherwise concerned directly or through his wife and / or minor children in any selling agency of the Company, without the prior approval of the Central Government.

Item No. 6:

In accordance with the provisions of Section 311 of the Companies Act, 1956 read with Schedule XIII, the increase in the remuneration payable to Mr. Hemendra Badani as Managing Director requires shareholders approval by passing ordinary resolution at the ensuing Annual General Meeting. The following are the information required to be disclosed in accordance with Schedule XIII.

Mr. Hemendra Badani, whose previous appointment as Managing Director ended on 31st December, 2003 was re-appointed for five years as Managing Director by the Board of Directors on 16th February, 2004. Mr. Hemendra Badani has been actively involved with the operations at plant at Vadodara having exposure in the finance and administration. The remuneration as finalized at the previous re-appointment is inadequate by today's standard and requires revision for the remaining term of the Managing Director.

The terms of revised remuneration payable to Mr. Hemendra Badani as Managing Director is as follows:

- i] Salary: scale of Rs. 40,000.00 – 80,000.00 per month; with authority to the Board of directors to fix salary within scales from time to time. The annual increment will be merit based and takes into account the performance of the Company.
- ii] Commission: The Managing Director shall be entitled to the commission upto 3% of the Net Profit; based on the discretion of the Board of Directors.
- iii] Perquisites and allowances:
- iv] In addition to the salary payable, the Managing Director shall be entitled to perquisites and allowance like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowances together with reimbursement of expenses or allowance for utilities such as gas, electricity, water, furnishing, repairs, society charges, property tax, medical reimbursement, medical/ accident insurance, leave travel concession for himself and his family; club fees and other perquisites and allowances in accordance with rules of the Company or as may be agreed by the Board of Directors and the Managing Director; such perquisites and allowances will be subject to a maximum of twice the annual salary of the Managing Director.

- (a) For the purposes of calculating the above ceiling, perquisites and allowances shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost.

- (b) Provision for the use of Company's car for official duties and telephone at residence shall not be included in the computation of perquisites and allowance for the purpose of calculating the said ceiling.

- (c) Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, to the extent these either singly or together are not taxable under the Income Tax Act, gratuity payables as per rules of the Company and encashment of leave at the end of the tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

iv) Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, if in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites and allowances as specified above.

- v] The terms and conditions of the said appointment and/or agreement may be altered and varied from time to time by the Board as it may, in its discretion, deem fit within the maximum amount payable to the Managing Director in accordance with Schedule XIII to the Act or any amendments made hereinafter in this regard.

- vi] The Agreement may be terminated by either party giving the other party three months notice, or the Company paying three months salary in lieu of the notice.

- vii] If at any time the Managing Director ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Managing Director of the Company.

- viii] The Managing Director shall not be entitled to supplement his earnings under this Agreement with any buying or selling commission. He shall not also become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company, without the prior approval of the Central Government.

For SOLITAIRE MACHINE TOOLS LIMITED

Sd/-
P.J. Sheth
Chairman

Regd. Office:
107, Arun Chambers
Tardeo Road
Mumbai – 400 034

Place: Vadodara
Date: April 28, 2007

DIRECTORS' REPORT**TO THE MEMBERS:**

Your Directors have pleasure in presenting Annual Report of your company together with the Audited Accounts for the year ended March 31, 2007.

FINANCIAL RESULTS:

The financial results of the company for the year under review are summarized below:

	(Rs.in Lacs) Year Ended March 31, 2007	(Rs. In Lacs) Year Ended March 31, 2006
Sales-Net	702.62	545.08
Other Income	12.57	7.26
Increase/(Decrease) in stocks	32.55	23.24
Cash Profit Before Depreciation & Taxation	188.94	156.89
Less : Depreciation	44.60	39.68
: Taxation	45.00	45.00
: Fringe Benefit Tax	1.54	0.95
Add/Less: Deferred Tax	2.75	10.27
Net Profit after Tax	101.01	81.53
Add: Profit brought Forward from Previous year	185.84	139.20
Profit available for appropriation	286.84	220.73
Proposed Dividend	27.25	22.71
Corporate Tax on Proposed Dividend	4.59	3.19
Transfer to General Reserve	10.00	9.00
Balance Carried to Balance Sheet	245.01	185.84

DIVIDEND:

Your directors recommend dividend of Rs. 0.60 per share (6%) on 4542176 equity shares of Rs. 10/- each for the year ended March 31, 2007 subject to members' approval.

OPERATIONS:

As would be evident from the above results, the company's Net Profit has grown by over 20%. The sales have also grown up by 28%.

The above growth is because of the capital investment made during the year, including setting up of Plant No.2 and the additional equipment purchased.

Effect of this investment will be more visible during the year 2007-2008.

Plant No-1 has been dedicated to the manufacture of No-2 size machines, which comprise of the major demand.

Plant No-2 is dedicated to the manufacture of No-1 size and No-3 size machines and also for rebuilding and retrofitting of machines.

The company exhibited two new products at the Imtex-2007 held at Bangalore during January 2007. The No-3 machine developed by the company was exhibited and was sold at the exhibition itself. In fact the company has received several enquiries and a couple of firm orders for the same.

The Groove Grinding machine developed for engine valves was exhibited and sold at the exhibition. The company has received firm orders for six machines subsequently.

The company's order books are full for production upto December 2007. Several live enquiries are in process for the orders for 2008 production.

The export enquiries have also multiplied and it is expected that about 10% of the production will be exported during the current year.

The company plans to add some balancing equipment during the current year. The company is setting up a product design center to improve the existing products and add new products related to grinding technology.

The company personnel have contributed handsomely during the year and will continue to do so. The company is very happy with the progress made by several ancillary industries and expect them to grow further with the growth of the company.

The company is thankful to its customers for the confidence they have placed in the company's product and promises to maintain and meet the individual customers requirements.

The Directors are confident that present state of growth will continue in the forthcoming year.

U. S. OPERATIONS:

Your directors reported last year that "The company proposes to buy out J.B.S Machinery Corporation in U.S.A as a 100% wholly owned subsidiary." This transaction has been completed.

DIRECTORS:

Mr. D. J. Sheth ceased to be director of the company w. e. f. June 3, 2006 on defeat of the resolution for his re-appointment at the previous Annual general Meeting of the company. Consequently, Ms. Swati Badani ceased to be Alternate Director to Mr. D. J. Sheth w. e. f. June 3, 2006. Mr. Niranjana B. Amin resigned as Director w. e. f. July 31, 2006.

Mr. P. J. Sheth, Chairman of the Company is liable to retire by rotation and being eligible, offer himself for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956.

The Directors state that-

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) the directors had selected such accounting policies and applied them consistently and made judgment 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 covered under this Report and of the profit of the Company for the year;
- (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- (iv) the directors had prepared the annual accounts on a going concern basis.

Corporate Governance

Report on Corporate Governance and Management Discussion and Analysis Reports along with Certificate of the Company Secretary in Practice pursuant to clause 49 of the Listing Agreement with the Stock Exchanges has been included in the report. Your company has been practising the principle of good Corporate Governance over the years. The Board of Directors supports the broad principles of Corporate Governance. In addition to the basic governance issues, the Board lays strong emphasis on transparency, accountability and integrity.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO:

AUDITORS

M/s Ajmera Ajmera & Associates, Chartered Accountants, Mumbai hold their office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The members are requested to re-appoint them as Auditors of the Company till the conclusion of the next Annual General Meeting.

FIXED DEPOSIT:

During the financial year under consideration, the Company had not accepted nor renewed any deposit from public within the meaning of Section 58-A of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES:

None of the employees are drawing salary whose particulars are to be included in the Directors' Report as required u/s 217(2A) of the Companies Act, 1956.

PERSONNEL & INDUSTRIAL RELATIONS:

Relations with all employees were cordial and congenial atmosphere prevailed. Your Directors acknowledge the committed efforts of the employees at all levels.

INSURANCE

Your Company continued to cover all assets mainly; plant & machinery, building, materials, furniture & fixtures, employees for the possible risks like fire, flood, public liability, break-down, terrorism, earthquake and accidents.

ACKNOWLEDGEMENT:

Your Directors' acknowledge the co-operation received from various Government agencies, Bank, Customers and Suppliers during the year.

BY ORDER OF THE BOARD

P.J.SHETH
Chairman

Place: Vadodara

Date: April 28, 2007

MANAGEMENT DISCUSSION AND ANALYSIS

1. Industry Structure and Development:

The Company is part of the industry broadly known as Capital Goods. The Capital Goods Industry consists of various products in different segments. The Company is part of Capital Goods Industry known as Machine Tools Industry catering to various segments like Steel, Auto Ancillaries Bearings etc. Being part of Capital Goods Industry, fortunes of company is directly linked to the growth and progress of the industry to which it caters. The other relevant factors having bearing on the industry are government policies, import export policies, and incentive for investment available to the industries. The Company makes Centreless Grinders.

2. Opportunities and Threats:

The growth opportunity for the machine tools industry is in direct proportion to the industrial growth of the country. During the last few years, the phenomenal growth in Automobiles Industry has largely contributed to the growth of machine tools industry and opportunity lies in the further growth anticipated in the Automobiles Industry as several multinational car manufacturer shift their production base to India. Another potential growth opportunity lies in outsourcing of Automobile ancillary products from India, which has tremendous growth potential in the coming years.

The major threat to the growth in India is basically from the slow down of the economy. However, the specialized nature of the product and quick after sales service requirement will counter the aforesaid threat to a large extent.

3. Segment wise Performance

Presently, company is dealing in single segment activity namely Machine Tools.

4. Outlook:

The long-term outlook for the industry is optimistic based upon the product innovation and cutting age technology for sustaining growth. The export market especially to U.S.A. has growth potential upon revival of economic activity in U.S.A. The domestic demand is on the increase and barring unexpected development, the outlook for the current year is encouraging. The Company's order book is full for production upto December 2007.

5. Internal Control Systems and Their Adequacy:

Considering the size and nature of the business, presently adequate internal control systems are in place. However, as and when company achieves further growth and higher level of operations, company will review the internal control system to match with changed requirement.

The company has proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against unauthorized use or disposition and that transaction are authorized and recorded correctly.

The company has constituted Audit Committee consisting of non-executive and independent Directors to look into various aspects of Accounts. The company has a clearly defined organization structure in place.

6. The Financial and Operational Performance:

The financial statement is in confirmation with the provisions of the Companies Act, 1956 and applicable accounting standard recommended by the Institute of Chartered Accountants of India. The financial statement reflects the genuine desire for the transparency and best judgment for the estimates made on prudent and reasonable bases to correctly reflect the true and fair affairs of the company. The turnover and other income of the company during the year have increased to Rs. 747.75 from Rs. 575.59 lacs during the previous year. The net profit after taxation during the year has been Rs. 101.01 lacs in comparison to Rs. 81.53 lacs in the previous year.

7. Human Resource Development:

The company believes that the main strength of any organisation is its people. It is the people who build the system and create a climate to suit the growth and excellence in the company. The industrial relations, during the year were cordial.

8. Cautionary statement:

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions 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 make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors.

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company believes that Corporate Governance is a powerful tool to serve the long-term interest of all the shareholders, creditors, customers, employees and other stakeholders. Corporate Governance strengthens Investors and Creditors trust and ensures a long-term partnership that helps in fulfilling quest for achieving significant growth and profits. Your Company is committed to benchmarking itself with good governance and operates with transparency, professionalism, good conduct and value based systems.

2. BOARD OF DIRECTORS:

The present strength of Board of Directors is 6 (Six), whose composition and category is given below:

- * Two - Promoter, Executive Directors
- * Two - Independent Directors
- * Two - Promoter, Non- Executive Directors

(A) THE CONSTITUTION OF THE BOARD AS ON MARCH 31, 2007

The Composition of the Board of Directors and also the number of other Directorship or Committees of which they are member/ Chairman are as given below:

Directors	Category	No. of other Directorship		No. of other Committee positions	
		Public	Private	Member	Chairman
Mr. P J Sheth	Promoter Non-Executive	2	1	--	--
Mr. A J Sheth	Promoter Executive	--	--	--	--
Mr. H J Badani	Promoter Executive	--	2	--	--
Ms. Shilpa Taneja	Promoter Non-Executive	1	1	--	--
Mr. A J Kothari	Independent	1	--	--	--
Ms. Amita S Shah	Independent	--	--	--	--

(B) BOARD PROCEDURE

The Board of the Company met (4) times during the year-ended 31.03.2007. Notice and Agenda were circulated in advance of each meeting of the Board of Directors. The Chairman briefed the Board at every meeting on the overall performance of the Company. The Board mainly deliberated on the following subjects:

- Strategy and Business Plans
- Operations and Capital Expenditures
- Reports of various committees
- Finance and Banking operations
- Adoption of Quarterly/Half yearly/ Annual Results
- Compliance with Statutory/ Regulatory requirements and review of major Legal Issues
- Significant Labour Issues