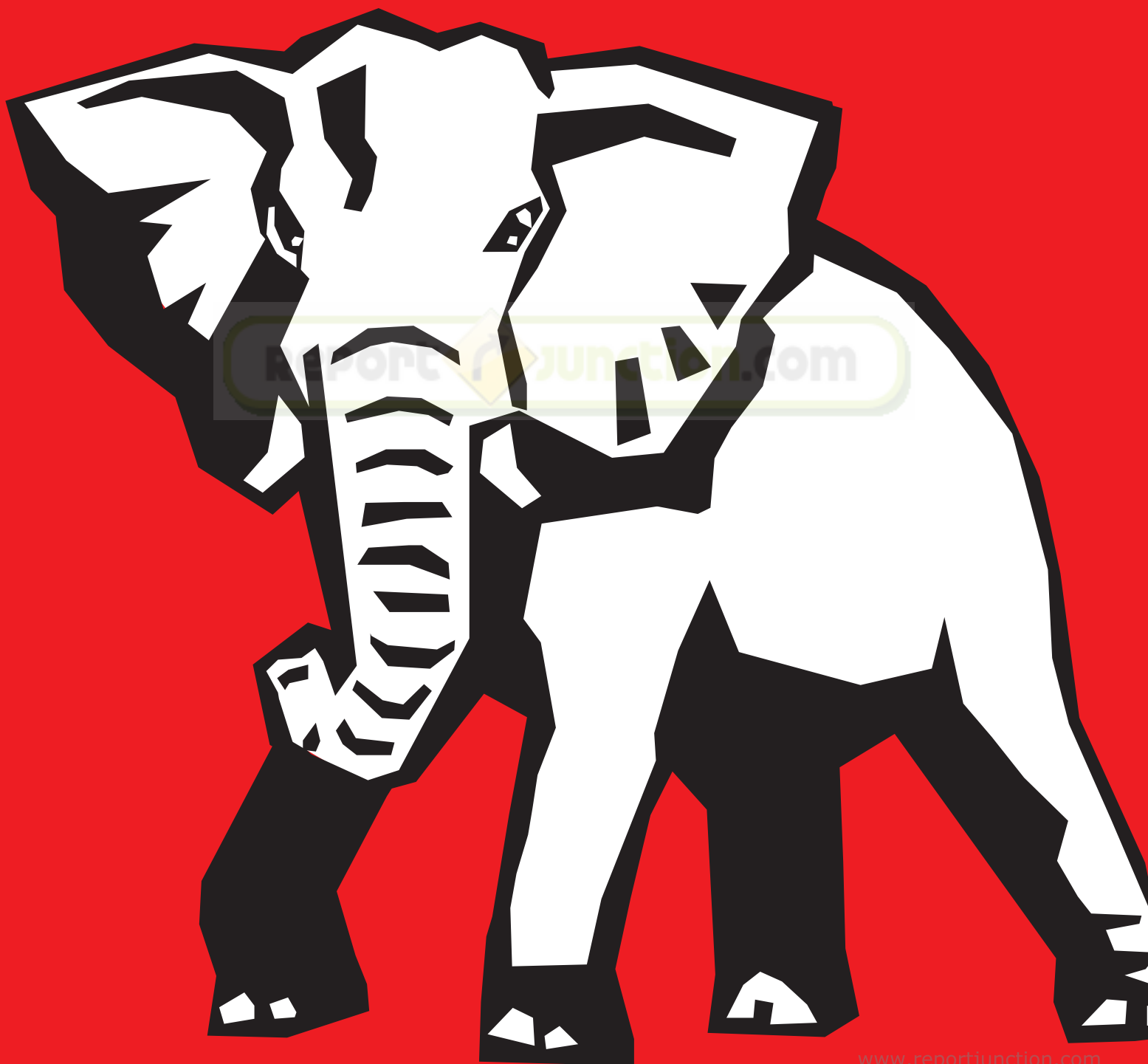




*Mazbooti gazab ki.*

Saurashtra Cement Limited  
52<sup>nd</sup> Annual Report 2009-10





*Mazbooti gazab ki.*

## Saurashtra Cement Limited

### Board of Directors

As on 30.07.2010

Mr. M. N. Mehta

*Chairman*

Mr. Jay M. Mehta

*Executive Vice-Chairman*

Mr. Hemang D. Mehta

Mr. M.N. Rao

Mr. S.V.S Raghavan

Mrs. Savita V. Pittie

Mr. K.N. Bhandari

Mr. B.P. Deshmukh

Mr. Jayant N. Godbole

Mr. Hemnabh Khatau

Mr. Bimal Thakkar

Mr. Devang Gandhi

*Alternate Director to Mr. Hemang D. Mehta*

Mr. Denys Firth

Mr. Alexander Shaik

*Nominee - India Debt Management Pvt. Ltd.*

Mr. Anish Modi

Mr. Chetan Jain

*Alternate Director to Mr. Denys Firth*

Mr. M.S. Gilotra

*Managing Director*

Mr. R.K. Poddar

*Dy. Managing Director*

Mr. V.R. Mohnot

*Director ( Finance ) & Company Secretary*

### BANKERS

**Dena Bank**

**Central Bank of India**

**Rajkot Nagarik Sahakari Bank Ltd.**

### AUDITORS

**Messrs Bansi S. Mehta & Co.**

**Chartered Accountants**

### REGISTERED OFFICE

**Near Railway Station**

**Ranavav 360 560**

**Gujarat.**

### CORPORATE OFFICE:

**N.K. Mehta International House, 2nd Floor**

**178, Backbay Reclamation**

**Mumbai 400 020.**

**SAURASHTRA CEMENT LIMITED**

Registered Office: Near Railway Station, Ranavav - 360 560 (Gujarat)

**NOTICE**

Notice is hereby given that the 52nd Annual General Meeting of the Members of the Company will be held on **Thursday, the 16th September, 2010 at 10:00 a.m.** at the Registered Office of the Company, Near Railway Station, Ranavav - 360 560 (Gujarat), to transact the following business:

**ORDINARY BUSINESS:**

1. To consider and adopt the audited Balance Sheet as at 31st March, 2010, the Profit and Loss Account for the financial year ended 31st March, 2010 and Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Mr. B. P. Deshmukh, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Hemang D. Mehta, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. K. N. Bhandari, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Anish Modi, who retires by rotation, and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Mr. Hemnabh Khatau, who retires by rotation, and being eligible, offers himself for re-appointment.
7. To consider and, if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT M/s. Bansi S. Mehta & Co., Chartered Accountants be and are hereby re-appointed as Statutory Auditors of the Company for audit of accounts for the financial year 2010-2011 and they shall hold office from the conclusion of this Annual General meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration of Rs. 7,00,000/- (Rupees Seven Lacs only) plus service tax and reimbursement of travelling and out of pocket expenses actually incurred."

**SPECIAL BUSINESS:**

8. To consider and if thought fit, to pass with or without modification (s), the following Resolution as an Ordinary Resolution:  
"RESOLVED THAT M/s. Bansi S. Mehta & Co. Chartered Accountants, the Statutory Auditors of the Company be paid pro rata increased remuneration of Rs. 1,25,000/- (Rupees One Lac Twenty Five Thousand only) plus service tax and reimbursement of out of pocket expenses for the audit of the accounts of the Company for the extended 3 months period of the financial year 2010."
9. To consider and if thought fit, to pass with or without modification (s), the following Resolution as an Ordinary Resolution:  
"RESOLVED THAT Mr. Bimal Thakkar who was appointed as an Additional Director of the Company with effect from 29th April, 2009 pursuant to Section 260 of the Companies Act, 1956 and Article 97A of the Articles of Association of the Company and who holds such office upto the date of this Annual General Meeting, be and is hereby appointed as Director of the Company."

By Order of the Board of Directors

Place : Mumbai  
Dated: July 30, 2010

Registered Office:  
Near Railway Station  
Ranavav 360 560, Gujarat.

**V. R. MOHNOT**  
Director (Finance) & Company Secretary

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL AND THAT A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. The Explanatory statement as required under Section 173 of the Companies Act, 1956 setting out material facts in respect of the business under Item Nos. 8 & 9 of Special Business is annexed herewith.
3. Re-appointment of Directors.  
Pursuant to Clause 49 of the Listing Agreement relating to code of Corporate Governance, the profile of directors proposed to be appointed/ re-appointed at the ensuing Annual General Meeting is given in the Corporate Governance Report annexed to the Directors Report.



Mazbooti gazab ki.

4. The documents referred in the resolutions and explanatory statement are available for inspection by the members at the Registered Office of the Company during 10.00 a.m. to 12 noon on any working day till the date of the ensuing Annual General meeting.
5. The Share Transfer Books and Register of Members of the Company shall remain closed from Monday the 13th September, 2010 to Thursday the 16th September, 2010 (both days inclusive) in connection with the Annual General Meeting.
6. Members who have multiple accounts in identical names or joint accounts in same order are requested to send their share certificates to the Registrar and Transfer Agents for consolidation of all such shareholdings into one account to facilitate better service.
7. (a) Members are requested to notify immediately any change of address:
  - i. To their Depository Participants (DPs) in respect of their electronic share accounts; and
  - ii. To the Registrar and Transfer Agents, M/s. Link Intime India Pvt. Ltd., C-13 Pannalal Silk Mills Compound, LBS Road, Bhandup (West), Mumbai 400 078' in respect of their physical share folios, if any.(b) In case the mailing address mentioned on this Annual Report is without the pin code, members are requested to kindly inform the Registrars their PIN CODE immediately.
8. Non-resident Indian Shareholders are requested to inform the Registrars immediately of the change in their residential status, if any.
9. Members desiring any information on the Accounts are requested to write to the Company at least one week before the Annual General meeting so as to enable the Management to keep the information ready and replies will be provided only at the meeting.
10. **Shares of the Company are compulsorily required to be traded in demat form. If you have not demated your shares, you are requested to get the shares dematted at the earliest.**

By Order of the Board of Directors

Place: Mumbai  
Dated: July 30, 2010

Registered Office:

Near Railway Station  
Ranavav 360 560, Gujarat.

**V. R. MOHNOT**

Director (Finance) & Company Secretary

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

##### Item No. 8

M/s. Bansi S. Mehta & Co., Chartered Accountants were appointed as Statutory Auditors of the Company for the audit of the accounts for the financial year 2009-2010 and hold office from the conclusion of last Annual General Meeting till the conclusion of ensuing Annual General Meeting at a remuneration of Rs. 7,00,000/- (Rupees Seven Lacs only) plus service tax and reimbursement of travelling and out of pocket expenses.

The Company had changed its financial year ending December to March and accordingly had extended current financial year from 1st January, 2009 to 31st March, 2010 (15 months). In view of the above, the Statutory Auditors have requested for *pro rata* increase in their remuneration by Rs. 1,25,000/- (Rupees One Lac Twenty Five Thousand only) plus service tax and reimbursement of travelling and out of pocket expenses. The payment of increased remuneration is recommended by the Audit Committee and approved by the Board. The Board commends the resolution for your approval.

##### Item No. 9

Mr. Bimal Thakkar was appointed as an Additional Director (Independent) by the Board at its meeting held on 29th April, 2009 and pursuant to the provisions of Section 260 of the Companies Act, 1956 he holds office as Director upto the date of ensuing Annual General Meeting and eligible for re-appointment. A notice pursuant to Section 257 of the Companies Act, 1956 has been received from a member along with requisite deposit of Rs. 500 (Rupees Five Hundred only) proposing the appointment of Mr. Bimal Thakkar as a Director of the Company.

The profile of Mr. Bimal Thakkar is given in the Corporate Governance.

The Board commends the resolution for your approval.

Except Mr. Bimal Thakkar, no other Director is concerned or interested in this resolution.

By Order of the Board of Directors

Place: Mumbai  
Dated: July 30, 2010

Registered Office:

Near Railway Station  
Ranavav 360 560, Gujarat.

**V. R. MOHNOT**

Director (Finance) & Company Secretary

## DIRECTORS' REPORT

Dear Members,

The Directors present the 52nd Annual Report, Audited Accounts and Auditors Report for the 15 months period ended on the 31st March, 2010.

### CHANGE OF FINANCIAL YEAR

The Company's financial year was extended to end on the 31st of March each year instead of the 31st December each year. As a result, the current financial year is for a period of 15 months i.e. 01.01.2009 to 31.03.2010. The Ministry of Corporate Affairs vide its letter dated 10.5.2010 has approved extension of time for holding the Annual General Meeting.

### FINANCIAL RESULTS

The highlights of the financial results for the Financial year ended 31st March, 2010 (15 months) are given below. However, they are not comparable with the previous Financial year ended 31st December, 2008, which was for 18 months.

(In Million Rupees)

Particulars	Current Financial year 2009-2010 (15 Months)	Previous Financial year 2007-2008 (18 Months)
Sales & Other Receipts	5940.45	7282.06
Profit before interest, depreciation and exceptional items.	1074.76	551.04
Interest	557.89	559.78
Profit/(Loss) before depreciation	516.87	(8.74)
Depreciation	296.58	267.82
Profit/(Loss) before exceptional items and deferred tax assets	220.29	(276.56)
Exceptional Item	68.91	(267.73)
Deferred Tax Assets /Provision for Fringe Benefit Tax	(88.39)	(62.76)
Profit/(Loss) after tax	200.81	(481.53)
Liquidated damages for delayed completion of project	32.00	-
Brought forward Profit/(Loss) from earlier years	(2440.86)	(1959.33)
Amount withdrawn from Revaluation Reserve	87.56	-
Transfer to Capital Reserve	(32.00)	-
Balance of Profit/(Loss) carried forward.	(2152.49)	(2440.86)

### DIVIDEND

In view of the carried forward losses, the Directors have not recommended any dividend for the year.

### INDUSTRY OVERVIEW

During the year under review (15 months ended 31st of March, 2010), cement consumption on All India basis is around 247 million tons compared to 251.97 million tons during the earlier year (18 months ended 31st December, 2008). The installed capacity of the Industry for the current members of CMA has increased by around 31 per cent from 165 million tons in December 2008 to around 216 million tons in March 2010. The total installed capacity in Gujarat has increased by around 17 percent from 19.07 million tons in December 2008 to 22.32 million tons in March 2010.

Cement consumption in Gujarat is 17.8 million tons during the year under review (15 months ended 31st March, 2010) compared to 17.24 million tons during the earlier year (18 months ended of 31st December, 2008). Exports of cement and clinker from Gujarat for the current members of CMA were at 4.47 million tons during the year under review, as against 5.78 million tons during the earlier year (18 months ended 31st December, 2008).

### PERFORMANCE REVIEW

#### Production and Despatches

The production of Clinker for the year under review was 1.61 million tons as against 1.98 million tons in the earlier year of 18 months ended 31st December, 2008. Production of Cement during the year under review was 1.62 million tons as compared to 1.96 million tons in the earlier year of 18 months ended 31st December, 2008. The total sale of cement and clinker during the year under review was 1.87 million tons as compared to 2.13 million tons in the earlier year of 18 months ended 31st December, 2008.

### **Exports and Marketing**

The Company exported 0.43 million tons of cement and clinker during the year under review as compared to 0.52 million tons in the earlier year of 18 months ended 31st December, 2008. The prevailing recessionary trends in the middle east, restricted the export volumes to Middle East.

### **CORPORATE DEBT RESTRUCTURING**

The Company's debt were restructured under the aegis of Corporate Debt Restructuring Scheme of Reserve Bank of India, which was confirmed by Gujarat High Court u/s 391, 394 of the Companies Act, 1956.

### **BIFR**

The Company is Sick Industrial Company, pursuant to Section 3(1)(o) of The Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) and is registered with Board for Industrial and Financial Reconstruction (BIFR).

The Company has submitted draft Rehabilitation Scheme envisaging reliefs and concessions from the secured lenders (in line with sanctioned CDR Scheme) and Govt. of Gujarat, which has been circulated by IFCI (Operating Agency) to the secured lenders and BIFR.

The matter is awaiting consideration by BIFR.

### **PUBLIC DEPOSITS**

The Company has not invited and/or accepted any deposits, during the year.

### **CASH FLOW STATEMENT**

Cash flow statement pursuant to Clause 32 of the listing agreement is attached herewith.

### **SUBSIDIARY COMPANIES**

Subsidiary companies have closed its financial year to end on 31st March in line with the holding company. Accordingly, the Balance Sheet, Profit & Loss Account and the Report of the Board of Directors and Auditors as required under Section 212 of the Companies Act, 1956 in respect of subsidiary companies are attached to this Balance Sheet.

### **CONSOLIDATED FINANCIAL STATEMENT**

As required under Clause 32 of the Listing Agreement with the Stock Exchange, the Consolidated Financial Statement has been prepared by the Company in accordance with the requirements of Accounting Standard 21 'Consolidated Financial Statements' issued by 'The Institute of Chartered Accountants of India'. The Audited Consolidated Financial Statements together with Auditors' Report thereon form part of the Annual Report.

### **DIRECTORS**

Mr. Bimal Thakkar was appointed as Additional Director on the Board w.e.f. 29th April, 2009 and holds office upto the date of ensuing Annual General Meeting and is eligible for re-appointment.

Mr. B. P. Deshmukh, Mr. Hemang D. Mehta, Mr. K. N. Bhandari, Mr. Anish Modi and Mr. Hemnabh Khatau retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

Brief resume of the directors proposed to be re-appointed, nature of their expertise and names of directorships/membership held in other companies, shareholding and trusteeship is provided in Corporate Governance Report attached to this report.

The Directors recommend their re-appointment.

### **LISTING OF EQUITY SHARES**

The Company's equity shares are listed on the Bombay Stock Exchange Ltd (BSE). Listing fees have been paid upto 31st March, 2011.

### **AUDITORS**

M/s. Bansi S. Mehta & Co., Chartered Accountants, the Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received letter from them that the re-appointment, if made, would be within the prescribed limits under Section 224(1)(B) of the Companies Act, 1956.

### **AUDITORS' OBSERVATIONS**

As regards observations in the annexure to the report, the report is self explanatory and gives factual position which does not require further clarifications.

### **TAX AUDIT**

M/s. Bansi S. Mehta & Co., Chartered Accountants have been appointed to carry out the Tax Audit for the Assessment Year 2010-11.

### **INTERNAL AUDIT**

M/s. Pipalia Singhal & Associates, Chartered Accountants, have been appointed to carry out the Internal Audit of the Company for the Financial Year 2010-11.

### **COST AUDITORS**

In pursuance to Order No. 52/58/CAB-98 dated 30th October, 1998 issued under Section 233-B of the Companies Act, 1956, your Directors have appointed M/s.V. J. Talati & Co., as Cost Auditors of the Company for the financial year 2010-11. Certificate of eligibility under Section 224 (1B) has been received.

## **PARTICULARS OF EMPLOYEES**

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are required to be set out in the Annexure to the Directors report. However, as per the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

## **STAFF RELATIONS**

The Company continued to maintain harmonious relations with the staff at all levels.

## **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO**

As required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 the relevant particulars are enclosed in Annexure 1, forming part of the Report.

## **CORPORATE GOVERNANCE**

A separate report on the Compliance with Clause 49 of the Listing Agreement with the Stock Exchanges on Corporate Governance and the Auditors' Certificate on its compliance forms part of this Report.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management Discussion and Analysis on the Operations of the Company is provided in a separate section and forms part of this Report.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors confirm:

- The financial statements have been prepared in conformity with generally accepted accounting principles and appropriate accounting standards. judgements and estimates that are reasonable and prudent.
- The accounting policies selected and applied consistently to give a true and fair view of the financial statements.
- The Company has implemented internal controls to provide reasonable assurances of the reliability of its financial records, proper safeguarding and use of its assets and detection of frauds and irregularities. Such controls are based on established policies and procedures and are implemented by trained, skilled and qualified personnel with an appropriate segregation of duties. The Company's internal auditors conduct regular internal audits, which complement the internal controls.
- The Directors have prepared the annual accounts on a going concern basis.

## **ACKNOWLEDGEMENT**

The Directors wish to thank the Honourable Board of Industrial & Financial Reconstruction (BIFR), the Honourable Appellate Authority for Industrial & Financial Reconstruction (AAIFR), Central Government, Government of Gujarat, Financial Institutions, Bankers, Shareholders, Employees, Stockists, Dealers and all other stakeholders associated with its operations for the co-operation and encouragement extended to the Company.

On behalf of the Board of Directors

Place: Mumbai  
Dated: July 30, 2010

**M. N. MEHTA**  
Chairman

## **ADDENDUM TO DIRECTORS' REPORT**

As per Section 212 of the Companies Act, 1956, the Company is required to attach the directors' report, balance sheet, and profit and loss accounts of the subsidiary companies. The Company had applied to the Government of India seeking an exemption from such an attachment as we present the audited consolidated financial statements in the Annual Report. The Government of India vide its order no. 47/677/2010-CL-III dated 13th August, 2010 has granted exemption from complying with Section 212 (1) of the said Act.

Accordingly, the Annual Report does not contain the financial statements of the subsidiary companies. The financial information of the subsidiary companies as required by the said order, is disclosed on page no. 78 of this Annual Report. The statements of Company's interest in the subsidiaries as at March 31, 2010, prepared in accordance with the provisions of Section 212 of the said Act, are also attached on page no. 77 of this Annual Report.

The Company will make available the Annual Accounts of the subsidiary companies to any member on their request and shall also be kept open for inspection by any member at the Registered office of the Company.

On behalf of the Board of Directors

Place: Mumbai  
Dated: 16th August, 2010

**M. N. MEHTA**  
Chairman



## Annexure to Directors' Report

**DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31.03.2010.**

### A. CONSERVATION OF ENERGY:

- a) Energy Conservation Measures Taken
  1. Variable Frequency Drives (VFD's) installed at:
    - Coal mill bag filter fans – 2 nos of 110 KW each
    - Cooler fan number 6 and 7 – 2 nos. of 110 KW each
    - Bag house reverse air fan – 1 no of 160 KW
  2. Reduction in power consumption of cement mill 5 Main bag house fan by reengineering
  3. Construction of shed for limestone stock pile at Stacker Reclaimer area for fuel consumption reduction (dry feed stock)
- b) Additional investment and proposals, if any, being implemented for reduction of Consumption of Energy.
  1. Reengineering of major fans for improvement in efficiency.
  2. Installation of solid flow meter for flash feeding in cement mill number 5.
- c) Impact of measures at (a) and (b) above for reduction of energy consumption and subsequent impact on the cost of production of goods.  
Nil
- d) Total Energy Consumption and Energy Consumption per unit of production  
Details are given in Form A of the annexure.

### B. TECHNOLOGY ABSORPTION.

Efforts made in Technology are given in prescribed Form B annexed.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- (a) Activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and export plans:  
Quality upgradation and exploring new markets and improving handling and packaging.
- (b) Total Foreign Exchange used and earned:

	<b>Current Year 2009-10 (15 Months) (Rs. In Lacs)</b>	<b>Previous Year 2007-08 (18 Months) (Rs. In Lacs)</b>
Foreign Exchange earned	<b>13235.48</b>	19064.89
Foreign Exchange used	<b>1555.56</b>	4524.43



## FORM - A

(See Rule 2)

Form for disclosure of particulars with respect to conservation of energy)

	Current Year 2009-10 (15 Months)	Previous Year 2007-08 (18 Months)
<b>(A) Power and Fuel Consumption</b>		
<b>1. Electricity</b>		
A. Purchased		
Units (Kwh) Lakhs	22.70	1468.61
Total Amount (Rs. in Lakhs) incl. Fixed Charges	343.27	8850.00
Variable Cost Per Unit in Rupees	6.08	5.36
B. Own Generation		
I) Through Diesel Generator		
Net Units (Kwh) Lakhs	39.86	448.37
Units/Ltr of Furnace oil	3.59	3.79
Variable Total Cost Per Unit In Rupees	7.54	6.37
II) Through Thermal Power Plant		
Net Units (Kwh) Lakhs	1739.28	279.88
Total Amount (Rs. in Lakhs)	4970.62	-
Variable Total Cost Per Unit In Rupees	2.86	5.18
<b>2. Coal and Other Fuels</b>		
Quantity (Million K. Cal)	1315674	1616726
Total Cost (Rs. in Lakhs)	8946.94	14191.84
Average Rate/Million Kcl (Rs.)	680.03	877.81
<b>3. Furnace Oil</b>		
Quantity (K. Ltrs)	1764	12237
Total Amount (Rs. in Lakhs)	339.11	2503.90
Rs. Per Litre	19.22	20.46
<b>(B) Consumption Per Unit of Production</b>		
1. Electricity (Kwh/T of Cement)	104.77	104.84
2. Coal/Lignite Usage in %	13.01	13.63

## FORM - B

### A. RESEARCH AND DEVELOPMENT

#### a) Specific areas in which the Company carried out R & D

Nil

#### b) Benefits derived as a result of above R & D

N.A.

#### c) Future plan of action

- Use of alternative/waste derived fuels for Power generation and Kilns
- Use of VFD's in fan applications
- Improvement in efficiency of fans by reengineering
- Deployment of higher capacity surface miner on top benches at mines.

### B. DETAILS OF TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

#### 1. Efforts, in brief, made towards technology absorption, adaptation and innovation

- Introduction of Surface Miner for raising limestone.
- Installation of automated water spray system in cement mill number 3.
- Installation of VFD's for power savings.

#### 2. Benefits derived as a result of above efforts.

Nil

#### 3. Information regarding technology imported during last 5 years

Company has not imported any technology during last 5 years.

## CORPORATE GOVERNANCE

In compliance with the Corporate Governance requirements as stipulated in Clause 49 of the Listing Agreement executed with the Stock Exchange, the Company's policies on the Corporate Governance and due Compliance report on specific areas wherever applicable for the 15 months period ended 31st March, 2010 is given hereunder:

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Good Corporate Governance aims at achieving high level of efficiency, transparency, accountability, responsibility and fairness in dealings with all stakeholders. The Company's governance philosophy rests on protection of rights and interests of stakeholders, equality in their treatment, disclosure of timely and accurate information, strategic guidance and effective monitoring by the Board. Your Company continuously strives for excellence by adopting best governance and disclosure practices. In this context, your Company has been making significant disclosures on the Board composition and functioning, management thoughts on the performance and outlook from time to time.

### 2. BOARD OF DIRECTORS:

#### (i) Composition (as on 31st March, 2010)

Your Company's Board comprises of 18 (Eighteen) Directors, which include 8 (eight) Independent Directors. The Executive Vice Chairman, Managing Director and Deputy Managing Director looks after the day-to-day business of the Company under the overall supervision and guidance of the Board. The Directors are professionals, have expertise in their respective functional areas and bring a wide range of skills and experience to the Board.

#### (ii) Meetings of the Board of Directors

During the financial year under review, 5 Board Meetings were held on the following dates:

Sr. No.	Date of Board Meeting	Board Strength	No. of Directors present
1.	29.01.2009	16	11
2.	29.04.2009	18	15
3.	23.07.2009	18	12
4.	28.10.2009	18	12
5.	29.01.2010	18	12

#### (iii) Attendance and other Directorships

Attendance of Directors at Board Meetings, last Annual General Meeting (AGM) and number of other Directorships and Chairmanships/Memberships of Committees of each Director in various companies.

The details of Directorship and attendance at Board Meeting and Annual General Meeting are given below.

Sr. No.	Directors	Category of Directorship @	Board Meetings attended	Attendance at the last AGM	No. of other directorship held	No. of Board committees in which Member/Chairman
1.	Mr. M. N. Mehta (Chairman)	NED (P)	3	No	10	-
2.	Mr. Jay M. Mehta (Exec. Vice Chairman)	ED (P)	3	No	15	1
3.	Mr. M. S. Gilotra (Managing Director)	ED	5	Yes	2	1
4.	Mr. Raj K. Poddar (Dy. Managing Director)	ED	5	Yes	2	1
5.	Mr. Hemang D. Mehta	NED (P)	2	No	5	-
6.	Mr. S. V. S. Raghavan	NED (I)	3	No	1	1