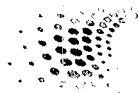
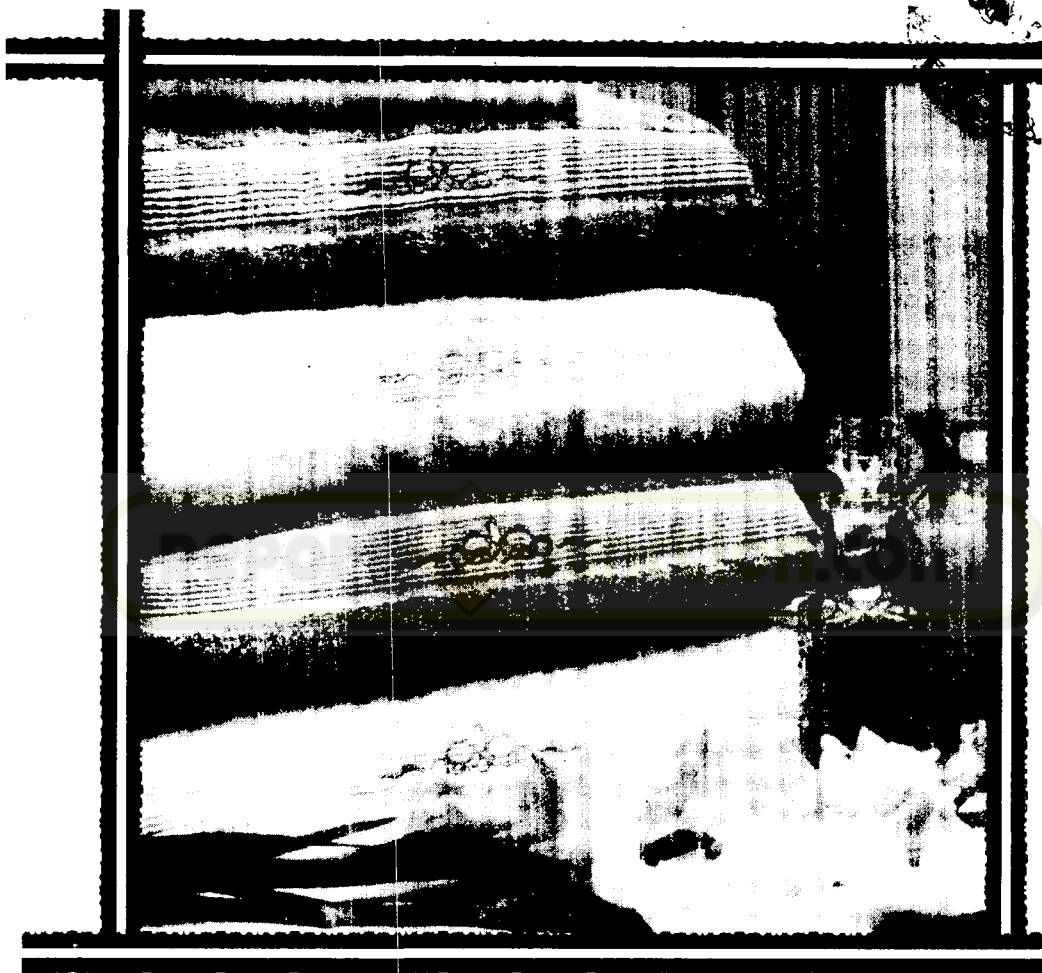


Annual Report 2007-2008



Vanasthali



Vanasthali Textile Industries Ltd.

BOARD OF DIRECTORS

Mr. Rajendra Goenka	Chairman / Director
Mr. Sunil Goenka	Jt. Managing Director
Mr. Harivats Sharaff	Whole Time Director
Mr. Yogesh Gupta	Director
Mr. Surender Kr. Jindal	Director
Mr. Abhishek Modi	Director
Mr. K. M. Mathur	(IDBI Nominee) Director

AUDITORS

M/s Rakesh Raj & Associates
Chartered Accountants,
D-28, South Extension, Part-I
New Delhi - 110049

BANKERS

Allahabad Bank
Federal Bank
Oriental Bank of Commerce
State Bank of Bikaner & Jaipur

WORKS & REGISTERED OFFICE

F-3-5, RIICO Industrial Complex, Vigyan Nagar
Shahjahanpur - 301706. Dist - Alwar (Rajsthan)

HEAD OFFICE

220, Udyog Vihar, Phase-IV
Gurgaon-122015

REGISTRAR AND SHARE TRANSFER AGENT

Beetal Financial & Computer Services (P) Limited
"Beetal House", 3rd Floor,
99, Madangir, Behind Local Shopping Centre,
Near Dada Mansukh Das Mandir,
New Delhi-110 062

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NOTICE

NOTICE is hereby given that the Seventeenth Annual General Meeting of the members of the company is to be held on Friday the 26th day of September, 2008 at 10:00 A.M. at F-3-5 RICO Industrial Complex, Vigyan Nagar, Shahjahanpur Distt, Alwar, Rajasthan, to transact the following businesses as:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited balance sheet of the company as on 31st March, 2008 and the profit and loss account for the year ended on that date together with the reports of the Board of Directors and Auditors' thereon.
2. To appoint a director in place of Mr. Surender Kr. Jindal, who retires by rotation, and being eligible offers himself for the reappointment.
3. To appoint a director in place of Mr. Abhishek Modi, who retires by rotation, and being eligible offers himself for the reappointment.
4. To appoint statutory auditors of the company and to fix their remuneration and in this connection to consider and if thought fit, to pass, with or without modification (s) the following resolution as an

Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 224 (1) of the Companies Act, 1956 M/s Rakesh Raj & Associates, Chartered Accountants, be and is hereby, reappointed as the auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the company at such a remuneration as may be mutually agreed upon between the Board of Directors and the Auditors, plus reimbursement of service tax, out of pocket, travelling and living expenses.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary resolution:
"RESOLVED THAT in pursuance to the provisions of the Companies Act and all other provisions of Articles of Association of the Company, Mr. Rajendra Goenka be and is hereby appointed as the Chairman of the Company w.e.f. 30th October 2007."
"RESOLVED FURTHER THAT the Board of Directors reserves the power and right to vary /amend the terms of the appointment whenever it deems fit."
6. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary resolution:
"RESOLVED THAT in pursuance of Section 198, 269, 309, 310, 311, Schedule XIII and all other applicable provisions if any of the Company Act, 1956(including any modifications, amendments, re-enactments thereon, from time to time) and the enabling provisions of Articles of Association of the Company and subject to approval of the members by passing an ordinary resolution and subject to the approval from Company Law Board, if any required, Mr. Sunil Goenka be and is hereby appointed as Joint Managing Director of the Company

w.e.f. from 30th October 2007, for a term not exceeding three years, without any remuneration, subject to retirement by rotation under applicable provisions of The Companies Act,1956."

"RESOLVED FURTHER THAT the Board of Directors reserves the power and right to vary /amend the terms of the appointment (subject to Section 268 of The Companies Act, 1956) whenever it deems fit."

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

"RESOLVED THAT Mr. Harivats Sharaff, for whom notice has been received under section 257 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT in pursuance of the provisions of Section 198, 269, 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and subject to all such approvals / consents including approval from Company Law Board, if any, Mr. Harivats Sharaff, be and is hereby appointed as the Whole Time Director of the Company, w.e.f. 30th January, 2008, subject to retirement by rotation and that he shall be paid remuneration in accordance with Part II of Schedule XIII of the Companies Act, 1956 and in case of no profit or inadequate profit Mr. Harivats Sharaff shall be paid remuneration by way of salary, perquisites and other allowance not exceeding the ceiling limit as specified in Section II of the Part II of Schedule XIII of the Companies Act, 1956 as under:

1. SALARY: Salary of Rs. 31,500/- per month.
2. PERQUISITES: Perquisites shall be allowed in addition to both salary and commission or special allowance. However, it shall be restricted to an amount equal to the annual salary. Perquisites are classified as follows:
 - i) **Housing / House Rent Allowance**
The Expenditure incurred by the Company will be subject to a ceiling of 60% of salary
 - ii) **Gas, Electricity, Water and Furnishing**
The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962.
 - iii) **Medical Reimbursement**
Expenses incurred for self and family.
 - iv) **Leave and Leave Travel Concession**
Leave as per Rules of the Company including encashment of leave, Leave Travel Commission for self and family once in a year incurred in accordance with the Rules of the Company.
 - v) **Club Fees**
Fees of clubs subject to a maximum of two clubs.
 - vi) **Personal Accident Insurance**
Personal Accident Insurance of an amount the annual premium of which does not exceed Rs. 4000/- And such other perquisites as Board has and will

approve and the Board of Directors will also have liberty and power to fix, after and vary the remuneration so payable in such manner as the Board may deem fit and are acceptable to him within the limits specified in Schedule XIII of the Companies Act, 1956.

MINIMUM REMUNERATION

In the event of loss or absence of adequate profits, the remuneration aforesaid shall be the minimum remuneration. Any excess over the limits prescribed under the Companies Act, 1956 shall become payable with the approval of the Central Government wherever so required."

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

"RESOLVED THAT Mr. Yogesh Gupta be and is hereby appointed as a director of the company, liable to retire by rotation."

By order of the Board
For **VANASTHALI TEXTILE IND. LTD.**

Sd/-

RITU AGARWAL

DY. COMPANY SECRETARY

Date : 30.06.2008

Place : Gurgaon

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING MAY APPOINT ANY PERSON AS HIS/HER PROXY TO ATTEND AND VOTE ON POLL AT THIS ANNUAL GENERAL MEETING ON HIS/HER BEHALF AND THE PROXY SO APPOINTED NEED NOT BE THE MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- 2. The Register of Members and Share Transfer Books of the Company will remain closed from 24.09.08 to 26.09.08 (both days inclusive).
- 3. The Explanatory Statement under Section 173(2) of the Companies Act, 1956 with respect to the special business is annexed herewith.
- 4. The member are requested to bring their copy of the annual Report to the meeting, as the additional copies would not be available at the venue of the meeting.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACTS, 1956

ITEM NO. 5

Mr. Rajendra Goenka, is an industrialist and has promoted Texport Syndicate Group. He has a vast experience of more than 33 years in the field of readymade garments, chemicals, etc. He has been appointed as the Director of the company in the last Annual General Meeting of the company. And subsequently in the meeting of the Board held on 30th January, 2008, he has been designated to the position of the chairman of the company.

Your approval is now sought to approve the appointment of Mr. Rajendra Goenka in the interest of the company.

Except Mr. Rajendra Goenka himself, no other director is deemed to be interested in the resolution.

ITEM NO. 6

Mr. Sunil Goenka, is an industrialist and has a rich experience of more than seventeen years in the field of production and marketing of readymade garments. He has been appointed as the Director of the company in the last Annual General Meeting of the company.

Your Directors in the Board Meeting held on 30th January, 2008 had decided to designate him as the Joint Managing Director of the company for a period of three years commencing from 30.01.2008.

Your approval is now sought to approve the appointment of Mr. Sunil Goenka in the interest of the company.

Except Mr. Sunil Goenka himself, no other director is deemed to be interested in the resolution.

ITEM NO. 7

Consequent to change in management in the company, it is felt imperative that an experienced person having exposure of production and marketing in textile business should be included in the Board and should take care of the day to day activities carried out in the Company.

Board of Directors in their meeting held on 30th January, 2008, appointed Mr. Harivats Sharaff as an Additional Director of your Company in terms of Section 260 of the Companies Act, 1956 and Article 92 of the Articles of Association of your Company. He was subsequently appointed as Whole Time Director of your Company in the same meeting, for the period of three years commencing from 30th January, 2008.

Your consent is now sought to approve the appointment and remuneration of Mr. Harivats Sharaff in compliance with Schedule XIII of the Companies Act, 1956.

Except Mr. Harivats Sharaff himself, no other director is deemed to be interested in the resolution.

ITEM NO. 8

Mr. Yogesh Gupta, a Cost Accountant and Company Secretary, had been working as the Director (Finance) & Company Secretary of the Company, was looking after the Finance, Accounts and Legal activities of the company for the past 14 years.

After his resignation from the office of the Director (Finance) & Co. Secy., it was felt necessary to keep such an experienced person in the interest of your company.

Consequently the Board of Directors in the same meeting held on 30th January, 2008 appointed him as an Additional Director of your Company in terms of Section 260 of the Companies Act, 1956 and Article 92 of the Articles of Association of your Company.

Your consent is now sought to approve the appointment of Mr. Yogesh Gupta as the director of the company in its interest.

None of the directors except Mr. Yogesh Gupta himself is interested or concerned in the resolution.

Your directors recommend the resolution to be passed.

By order of the Board
For **VANASTHALI TEXTILE IND. LTD.**

Sd/-

RITU AGARWAL

DY. COMPANY SECRETARY

Date : 30.06.2008

Place : Gurgaon

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Seventeenth Annual Report together with the audited statements of accounts for the financial year ended 31st March, 2008.

FINANCIAL RESULTS

Your Company's financial performance during the financial year 2007-2008 is summarised below:-

(Rs. in lacs)

Particulars	For the Year Ended 31.3.08	For the Year Ended 31.3.07
Sales (Gross)	9989.62	10477.94
Profit before Depreciation,		
Interest & Tax (PBDIT)	721.98	1220.05
Less : Interest	566.36	459.37
: Depreciation	865.47	632.18
Profit before Tax (PBT)	(709.85)	128.50
Provision for Tax:		
Current	7.25	22.75
Previous Year	0.30	6.66
Deferred	380.50	58.68
Profit after Tax (PAT)	(1097.90)	40.41
Add: Profit for the earlier years	1001.5	961.09
Profit available for appropriations	(96.40)	1001.50
Less: Prior Period Expenses	—	—
Less: Depreciation for Prior Period	—	—
Proposed Dividend	—	—
Transfer to General Reserve	—	—
Balance carried to Balance Sheet	(96.40)	1001.50

OPERATIONS

During the year, the Company, due to falling prices in the international market, increase in the price of yarn (the Company's major raw material), major rise in the prices of petro - based products, thereby increasing the power cost and adverse foreign exchange fluctuation has suffered a loss of Rs.1097.90 Lacs only. The turnover has decreased from Rs. 10477.94 Lacs in the financial year 2006 - 2007 to Rs. 9989.62 Lacs during the current financial year 2007 - 2008, which is 4.66 % less than the previous financial year. The company has earned a gross profit of Rs. 721.98 Lacs for the Year 2007 - 2008, which is less by Rs. 498.07 Lacs as against a gross profit of Rs.1220.05 Lacs in the year 2006 - 2007.

Company's different varieties of towels namely bath, beach, hand and face towels have been exported to the countries of Europe, United States, Australia, New Zealand, Japan, South Africa and other countries.

DIVIDEND

Your directors are unable to recommend any dividend for the year ended 31st March, 2008.

FUTURE PROSPECTS

The long-term outlook for terry towel is encouraging. The Company continued it's emphasis on technology upgradation, modernization, product and market development. It's quality is well established and accepted in the international market.

Now, the Company is focussing on value added products such as embroidered terry towels, micro-cotton towels, tufted towels etc. which are fetching higher price realisation. The Company has implemented expansion projects involving an expenditure of approximately 44 crores which has been financed by way of Term Loans of 33.50 crores from IDBI, Oriental Bank of Commerce and Federal Bank under TUF scheme. During this expansion, 24 looms with an additional capacity of 2314 MT have been installed and commercial production on these looms commenced in phases. The devaluation of US Dollar against rupee by almost 12% in the last year has been a serious concern for the entire exporters community. However, the Govt. of India has also shown its concern and has come out with certain benefits for the exporters by way of concessions in interest rates and increase in DEPB/Duty Drawback rates which will ease out the operations to some extent. The company has also got the unit debonded from the EOU status as per the guidelines laid down in the Foreign Trade Policy and the Excise/Customs Act and now the unit is entitled to get better export incentives as compared to the benefits available under EOU Scheme. The power plant for captive consumption has also been installed and commercial production is likely to start by July end. The benefit of this plant will also accrue in the current year. The US \$ has appreciated against rupee by 7% in the current year there by benefiting the exporter's community. The Company's increased capacity and product diversification shall result in improving the bottom line and it is hoped that barring unforeseen circumstances, the Company will perform better during the Current Financial year.

FIXED DEPOSITS

During the year under review, your company has not accepted any fixed deposit within the meaning of Section 58A of the Companies Act, 1956 and the rules made thereto.

LISTING

The equity shares of your company are currently listed on Bombay Stock Exchange. During the period under review, there were some major changes in the Listing Agreement. The Company has made its endeavor to comply with all its mandatory and non-mandatory requirements.

INDUSTRIAL RELATIONS

Cordial and harmonious industrial relations prevailed throughout the year, which contributed towards good performance in all the areas of the business of the Company.

DIRECTORS

During the year under review, Mr. Rajesh Modi and Mr. Hemant Mansinghka have resigned from the position of the Managing Director and Director of the company, respectively. The Board records its immense gratitude to the valuable services rendered by them during their tenure in the company.

Mr. Yogesh Gupta has resigned from the position of the Director (Finance) & Co. Secy. of the company in the meeting of the Board held on 30.01.2008 and subsequently in the same meeting he has been appointed as an Additional Director of the company.

During the year, Mr. Harivats Sharaff has been appointed as an Additional Director of the company in the meeting of the Board held on 30.01.2008 and in the same meeting he has been designated to the position of a Whole Time Director of the company. The Board recommends his appointment.

DIRECTORS' RESPONSIBILITY STATEMENT AS PER SECTION 217(2AA) OF COMPANIES ACT, 1956

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) that in the preparation of the annual accounts for the financial year ended 31st March 2008, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year and of the Profit and Loss Account for the year under review;
- (iii) that the directors had 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 had prepared the accounts for the financial year ended 31st March 2008 on a going concern basis.

PARTICULARS OF EMPLOYEES

None of the employees of the company were drawing emoluments more than what has been specified under section 217(2A) of the Companies Act, 1956 read with amended Companies (Particulars of Employees) Rules, 1975.

CORPORATE GOVERNANCE

The Company is strongly committed towards its philosophy of Corporate Governance. The Company has already constituted several committees of directors to assist the Board in good Corporate Governance. The Corporate Governance Report along with the Auditors certificate regarding compliance of the conditions of the Corporate Governance as stipulated in Clause 49 of the Listing Agreement of the Stock Exchange is attached herewith.

AUDITORS

M/s Rakesh Raj & Associates, Chartered Accountants, D - 28, South Extension, Part - 1, New Delhi - 110049 hold office upto the conclusion of the ensuing Annual General Meeting and being eligible and available, offer themselves for reappointment.

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

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure & Particulars in the report of board of directors) Rules, 1988, relating to conservation of energy and technology, absorption are given by way of Annexure to this report. As regards to the information in respect of foreign exchange earnings and outgo, the same has been given in the notes to accounts forming part of the Accounts for the year ended 31st March 2008.

ACKNOWLEDGEMENT

Your Directors wish to place on record sincere gratitude to the co-operation and assistance extended by the Government authorities, Financial Institutions, Banks, Suppliers, Agents and Buyers. Your Directors also wish to place on record their deep sense of appreciation for the sincere and dedicated services rendered by the employees of the company.

For and on behalf of the Board of Directors

Date : 30.06.2008
Place : Gurgaon

RAJENDRA GOENKA
CHAIRMAN

ANNEXURE TO THE DIRECTORS' REPORT**A. Conservation of energy :**

The Company is making all around efforts for the conservation of energy. The company is installing coal fired Boiler which has lead to savings in fuel consumption. Investment has been proposed in installation of coal-based High Pressure Boiler and Turbine which is expected not only to save fuel cost but also to reduce the per unit cost of generation of electricity.

The impact of the above measures will be felt during the current year.

Total energy consumption per unit of production as per Form A:

FORM-A

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

A. Power and Fuel Consumption :**1. Electricity**

a) Purchased

Unit (kwh)

Total Amount (Rs.)

Rate/Unit (Rs.)

b) Own Generation

Through D.G. Unit (Kwh) Diesel

Through D.G. Unit (Kwh) Furnace Oil

Unit/Ltr. of Diesel Oil (Kwh)

Unit/Ltr. of Furnace Oil (Kwh)

Cost/Unit (Rs.)

2. Coal/Pet Coke (For Boiler)

Quantity (Tonnes)

Total Cost (Rs.)

Average Rate (Rs. Per Kg)

3. Husk/Rice husk/Ground Nut (For Boiler)

Quantity (Tonnes)

Total Cost (Rs.)

Average Rate (Rs. Per Kg)

4. Diesel (For Boiler)

Quantity (Litres)

Total Cost (Rs.)

Average Rate (Rs. Per Litre)

5. Furnace Oil (For Boiler)

Quantity (Litres)

Total Cost (Rs.)

Average Rate (Rs. Per Litre)

6. Consumption per unit of production

Products : Terry Towels

— Electricity (Kwh/Kg)

	2007-2008	2006-2007
	4,365,702	3,986,676
	20,559,216	18,234,015
	4.71	4.57
	10,073,889	92,04,198
	NIL	67,758
	3.5	3.65
	NIL	2.62
	8.55	7.33
	4,319.78	4,133.22
	22,018,302	2,01,41,630
	5.10	4.87
	NIL	NIL
	NIL	NIL
	NIL	NIL
	NIL	NIL
	NIL	NIL
	NIL	NIL
	506,830	3,85,960
	11,357,504	57,81,325
	22.44	14.98
	3.73	4.14

FORM B

(Form for disclosure of particulars with respect to absorption)

Research and Development (R&D)**Technology absorption, adaptation and innovation****1. Efforts in brief**

- The Company has no specific Research & Development activities. However, the company has well equipped quality control department to check the quality of product manufactured.
- 2. Benefits derived as a result of the above.
 - The Company has taken regular in house efforts to improve the quality of the product. The Company is in the process of setting up a Coal based co-generation turbine power plant for electricity generation. It will also produce steam required in the processing section. This will result in lower cost of power generation.
 - Better quantity and quality products are achieved. The installation of coal fired boiler has resulted in considerable cost savings.
- 3. Imported technology
 - No technology has been imported except for technologically advanced equipments

REPORT ON CORPORATE GOVERNANCE

INTRODUCTION

Your Company is committed to the principles of good Corporate Governance as it is crucial to the very existence of the Company since it builds confidence and trust, which eventually leads to a more stable and sustained resource flows and long-term partnership with its investors and other stakeholders. Further it results in the control of the Company in a regulated manner, aiming to achieve transparent, accountable and fair management. The detailed report on implementation by the Company, of the revised Corporate Governance Code as incorporated in Clause 49 of the Listing Agreement with the Stock Exchange, for the financial year 2007-2008 is set out below: -

CORPORATE GOVERNANCE - PHILOSOPHY

Corporate Governance is an integral element of the company's value system, management ethos and other business practice. It is about working ethically and finding a balance between economic and social goals. It includes the ability to function profitably while obeying laws, rules and regulations. Good Corporate practices stem from the Company's culture and mind set and Your Company initiatives are based on:-

1. Comply and satisfy the spirit of the law.
2. Commitment towards excellence and consumer satisfaction.
3. Commitment to maximizing long term value for shareholders. Management is the trustee of the shareholders' capital and not the owner.
4. Be transparent and maintain a high degree of disclosure levels. Communicate externally, in a truthful manner, about how the Company is run internally.
5. Commitment to Corporate conduct and citizenship.
6. Concern for environment and sustainable development.

The spirit of Corporate Governance has prevailed in the Company and has influenced its decisions and policies long before the guidelines became mandatory. The Company believes that all its actions must serve the underlying goal of enhancing overall shareholder value on a sustained basis.

A. BOARD OF DIRECTORS - COMPOSITION AND CATEGORY

The Company's policy is to maintain the optimum combination of Executive and Non Executive Directors to preserve and maintain the independence of the Board and to ensure adequate separation of governance and management functions of the Board. The Board of Directors of the Company consists of persons with considerable professional expertise and experience in the field of business industry, finance, management, legal and marketing. The Board of Directors of Vanasthali Textile Industries Limited as on 31.03.2008 comprises of 8 directors, of which three are executive and five are non - executive thereby meeting the requirements of Clause 49(I) (A) of the Listing Agreement. The board has constituted various committees viz. Audit Committee, Remuneration Committee, Finance Committee, Project Management Committee, Shareholders Grievance Committee & Share Transfer Committee. The Board functions either as a full Board or through Committees. The Board and Committee meet at regular intervals. There is no pecuniary relationship or transaction of the non-executive directors with the Company.

The composition of Directors and the attendance at the Board Meetings during the year and the last Annual General Meeting are stated in the Table below:-

Directors	Category	Meetings held during the tenure of Director	Meetings attended	Attendance at the last A.G.M. (29th September 2007)	No. of Directorship in other Companies#	No. of Membership/ Chairmanship held in Other Companies Member Chairman	
1 Mr. Rajesh Modi ¹	Director	4	4	Absent	Absent	--	--
2 Mr. S. P. Chadha ²	Independent/ Non-executive	2	2	--	--	--	--
3 Mr. Sanjay Kumar Khaitan ²	Independent/ Non-executive	2	0	--	--	--	--
4 Mr. Hemant Mansinghka ²	Independent/ Non-executive	4	1	Absent	1	--	--
5 Mr. K. M. Mathur	Independent/ Nominee Director (IDBI)	4	3	Absent	--	3	--
6 Mr. Yogesh Gupta ¹	Director	4	4	Present	--	4	--
7 Mr. Rajendra Goenka ³	Promoter/ Chairman /Executive Director ²	2	Absent	1	8	--	--

8	Mr. Sunil Goenka ³	Promoter/Jt.M.D./ Executive Director	2	1	Absent	1	9	--
9	Mr. Surender Kumar Jindal ³	Independent/Non-Executive Director	2	2	Absent	3	2	--
10	Mr. Abhishek Modi ³	Independent/Non-Executive Director	2	1	Absent	1	6	--
11	Mr. Harivats Sharaff ³	Whole Time Director/ Executive Director	1	1	--	1	2	--

Excludes directorship held in Private Companies.

¹ Mr. Rajesh Modi has resigned from the position of the Managing Director of the company during the year. In the Board Meeting held on 30th January, 2008, Mr. Yogesh Gupta resigned from the position of the Director (Finance) & Co. Secy. of the company and subsequently in the same meeting of the Board he has been appointed as an Additional Director of the company.

² Persons ceased to be member of the Board of Directors of the Company:-

1. Mr. S. P. Chadha and Mr. Sanjay Kumar Khaitan on 31st July, 2007
2. Mr. Hemant Mansinghka on 30th January, 2008

³ Persons appointed as a member of the Board of Directors of the Company in the meeting of the Board:-

1. Mr. Rajendra Goenka, Mr. Sunil Goenka, Mr. Surender Kr. Jindal and Mr. Abhishek Modi on 31st July, 2007
2. Mr. Harivats Sharaff on 30th January, 2008

The Board of the Company held as many as four meetings in the previous year. The meetings were held on 30th April 2007, 31st July 2007, 30th October 2007 and 30th January 2008.

In compliance with requirements of Clause 49 (IV)(E)(v), the shareholding of the Non-Executive Directors in the Company as on 31st March, 2008 is stated as follows:

SL. NO.	NAME OF DIRECTOR	NO. OF SHARES HELD
1.	Mr. S. P. Chadha	1500
2.	Mr. Sanjay Kumar Khaitan	110
3.	Mr. Yogesh Gupta	100
4.	Mr. Hemant Mansinghka	NIL
5.	Mr. K. M. Mathur	NIL
6.	Mr. Surender Kr. Jindal	NIL
7.	Mr. Abhishek Modi	NIL

All information required to be disclosed as per Clause 49 of the Listing Agreements with the Stock Exchange have been placed before the Board.

COMMITTEES OF DIRECTORS

The following sub-committees of the Board of Directors of the Company have been constituted.

AUDIT COMMITTEE

(a) Terms of reference and composition, meeting and attendance of the members of the committee

Terms of reference

The role and terms of reference covers areas mentioned under clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, beside other terms as may be referred by the Board of Directors, which broadly includes: -

To oversee the Company's financial reporting process and financial information disclosure to ensure that the financial statements are correct, sufficient & credible, to review with the management, the annual financial statements before submission to the Board, external and Internal Audit Reports, the adequacy of internal control systems, to review the adequacy and effectiveness of accounting & financial controls of the Company, compliance with the Company's Policies and applicable laws and regulations and recommending the appointment and removal of external auditors, fixation of Audit Terms, compliances with accounting standards and Listing Agreement entered into with the Stock Exchange and other legal requirements concerning financial statements and related party transactions, if any, to review the Company's financial and risk management policies and discuss with the Internal Auditor any significant findings for follow-up thereon, looking into the reasons for substantial defaults, if any, in payment to the, shareholders(in case of declared dividends)and creditors and reviewing any other areas which may be specified as role of the Audit Committee under amendments, if any, from time to time, to the Listing Agreements, Companies Act and other Statutes.

The minutes of the Committee were placed before the members of the Board, discussed and taken note of.

Composition

The Audit Committee comprises of Mr. Surender Kr. Jindal, Mr. K.M. Mathur and Mr. Yogesh Gupta as its members. Ms. Ritu Agarwal, Dy. Company Secretary of the company shall act as the secretary of the Committee. Statutory Auditors, Internal Auditors are permanent invitees to the Audit Committee.

Mr. S. P. Chadha and Mr. Hemant Mansinghka, resigned from the membership of the committee at the meeting of the committee held on 31st July, 2007 and 30th January, 2008 respectively and on their places Mr. Yogesh Gupta and Mr. Surender Kr. Jindal were appointed as the members of the committee.

Meeting and attendance during the year

Four meeting of the Audit Committee were held during the financial year 2007-2008 on the following dates: -
30th April 2007, 31st July 2007, 30th October 2007 and 30th January 2008

The attendance of each member of the Committee is given below: -

Sl. No.	Name of Directors	No. of Meetings attended
1	Mr. S. P. Chadha*	2
2	Mr. Hemant Mansinghka*	2
3	Mr. K. M. Mathur	3
4	Mr. Surender Kr. Jindal**	1

* Persons ceased to be member of the Committee of the Company:-

1. Mr. S. P. Chadha on 31st July, 2007
2. Mr. Hemant Mansinghka on 30th January, 2008

** Persons appointed as a member of the committee of the Company:-

1. Mr. Surender Kr. Jindal on 30th January, 2008

REMUNERATION COMMITTEE

The Board has constituted the Remuneration Committee on 20th April 2002 to determine, on behalf of the Board and shareholders, the Company's policy to formulate and recommend, the remuneration of Directors. It shall consider the remuneration packages for the executive directors including pension rights and compensation rights.

It consists of Mr. Yogesh Gupta, Mr. K. M. Mathur & Mr. Abhishek Modi, Non - Executive Directors as the members of the Committee. The Committee shall choose one among themselves as the Chairman of the meeting. Ms. Ritu Agarwal, Dy. Company Secretary of the company shall act as the secretary of the Committee.

Non - Executive Directors at present are not paid any commission over and above the sitting fees.

Remuneration paid to directors during 2007-2008.

Sl. No	Name	Position	Sitting Fee	Salary/ Perquisites	Commission	Total
1	Mr. Rajendra Goenka	Chairman / Director	-	-	-	-
2	Mr. Sunil Goenka	Jt. Managing Director	-	-	-	-
3	Mr. Harivats Sharaff	Whole Time Director	-	1,00,800	-	1,00,800
4	Mr. Yogesh Gupta	Director	--	3,69,075	-	3,69,075
5	Mr. Rajesh Modi	Managing Director	-	9,86,538	-	9,86,538
6	Mr. Hemant Mansinghka	Director	3,000	-	-	3,000
7	Mr. S. P. Chadha	Director	6,000	-	-	6,000
8	Mr. K. M. Mathur	(IDBI Nominee) Director	9,000	-	-	9,000
9	Mr. Surender Kr. Jindal	Director	5,000	-	-	5,000
10	Mr. Abhishek Modi	Director	2,000	-	-	2,000

FINANCE COMMITTEE

The Board of Directors has constituted a Finance Committee to consider and approve the availment of loan on behalf of the Company. Since it is not possible for the Board to meet every time for the availment of the loan, therefore the Board decided to constitute Finance Committee which was given power to approve the financial transactions. The committee comprises of Mr. Rajendra Goenka, Mr. Harivats Sharaff and Mr. Yogesh Gupta as its members. Ms. Ritu Agarwal, Dy. Company Secretary of the company shall act as the secretary of the Committee.

Mr. S.P. Chadha and Mr. Hemant Mansinghka, resigned from the membership of the committee at the meeting held on 31st July, 2007 and 30th January, 2008 respectively and in their place, Mr. Rajendra Goenka and Mr. Harivats Sharaff were appointed as the members of the committee.

PROJECT MANAGEMENT COMMITTEE

Since the Company has undergone major expansion during the Financial Year 2007-08, therefore the Company has constituted a Project Management Committee for the transparent, efficient and accountable progress of the project. The Project Management Committee comprises of two Non - Executive Independent Directors and one Nominee Director viz. Mr. Yogesh Gupta, Mr. Abhishek Modi and Mr. K. M. Mathur.