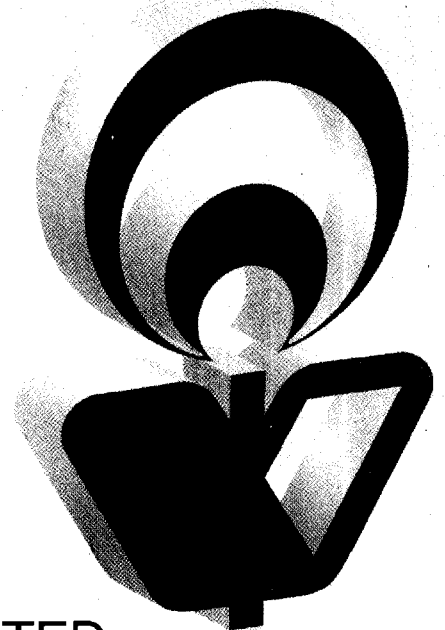


Annual Report 2004-05

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VARDHMAN ACRYLICS LIMITED

Vardhman Acrylics Limited

BOARD OF DIRECTORS

Mr. Shri Paul Oswal	Chairman
Mr. Sachit Jain	
Mr. Munish Chandra Gupta	
Mr. Sanjit Paul Singh	
Mr. Toshiyuki Kobashi	
Mr. Haruyasu Chihaya	
Mr. Darshan Lal Sharma	
Mr. Sudeshkumar Ganpatrai Gulati	Nominee of IDBI
Mr. Bal Krishan Choudhary	President & Executive Director

GENERAL MANAGER (COMMERCIAL)

Mr. K.C. Bansal

COMPANY SECRETARY

Mr. Sanjay Gupta

REGISTERED & CORPORATE OFFICE

Vardhman Premises, Chandigarh Road
Ludhiana - 141 010
Fax : (0161) 2601048, 2602710 & 2642616
E-mail: secretarial.lud@vardhman.com
Web site: www.vardhman.com
Phones : (0161) 2662543 - 47

AUDITORS

M/s. S.S. Kothari Mehta & Co.
Chartered Accountants
New Delhi

BUSINESS OFFICE

5th Floor, Sagar Plaza Building
19, Laxmi Nagar District Centre
Vikas Marg, New Delhi - 110 092

BANKERS

State Bank of Patiala
ICICI Bank Limited

WORKS

755, GIDC, Jhagadia Mega Estate
Jhagadia - 393 110
Distt. Bharuch (Gujarat)

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NOTICE

NOTICE is hereby given that the FIFTEENTH ANNUAL GENERAL MEETING of the Members of the Company will be held on Saturday, the 27th day of August, 2005 at 12.30 p.m. at Registered Office of the Company situated at Vardhman Premises, Chandigarh Road, Ludhiana, to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2005 and Profit & Loss Account for the year ended on that date together with the Report of Auditors and Directors thereon.
2. a) To appoint a Director in place of Mr. Shri Paul Oswal, who retires by rotation in accordance with Article 126 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.
b) To appoint a Director in place of Mr. Toshiyuki Kobashi, who retires by rotation in accordance with Article 126 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.
3. To appoint Auditors for the year 2005-2006 and to fix their remuneration.

SPECIAL BUSINESS:

4. 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 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Haruyasu Chihaya, who was appointed by the Board of Directors as an Additional Director of the Company under Section 260 of the Companies Act, 1956, to hold office upto the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of the Director, be and is hereby appointed as a Director, liable to retire by rotation under the Articles of Association of the Company."

By Order of the Board

Place : New Delhi
Dated : 3rd June, 2005

(Sanjay Gupta)
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE

EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. A BLANK PROXY FORM IS ENCLOSED.

2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item No. 4 of the Notice is annexed hereto and the information pursuant to Corporate Governance Clause of the Listing Agreement(s) regarding the directors seeking appointment/re-appointment in the Annual General Meeting, as proposed in Item Nos. 2 and 4 of the Notice, is also being annexed hereto separately and both form part of the Notice.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 1st August, 2005 to 27th August, 2005 (both days inclusive).
4. Members desiring any information as regards Accounts are requested to write to the Company at its Registered Office at least 10 days before the date of Annual General Meeting so as to enable the Management to keep the information ready.
5. The copies of relevant documents can be inspected at the Registered Office of the Company on any working day between 10.30 a.m. to 12.30 p.m.
6. Members are requested to bring their copy of Annual Report alongwith them to the Annual General Meeting.

ANNEXURE TO THE NOTICE:

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

ITEM NO. 4 OF THE SPECIAL BUSINESS:

The Board of Directors of the Company in its meeting held on 03.06.2005 appointed Mr. Haruyasu Chihaya as an Additional Director of the Company pursuant to Article 121 of the Articles of Association of the Company. In terms of Section 260 of the Companies Act, 1956, read with Article 121 of the Articles of Association of the Company, Mr. Haruyasu Chihaya will hold office of Additional Director upto the ensuing Annual General Meeting. The Company has received a notice from a Member under Section 257 of the Companies Act, 1956, signifying his intention to propose the candidature of Mr. Haruyasu Chihaya as a Director of the Company.

Memorandum of Interest:

None of the Directors except Mr. Haruyasu Chihaya, the appointee himself, is concerned or interested in this resolution.

By Order of the Board

Place : New Delhi
Dated : 3rd June, 2005

(Sanjay Gupta)
Company Secretary

Information pursuant to Corporate Governance Clause of the Listing Agreement(s) regarding the Directors seeking appointment/re-appointment in the Annual General Meeting

Name of the Director	Mr. Shri Paul Oswal	Mr. Toshiyuki Kobashi	Mr. Haruyasu Chihaya
Date of Birth	08.04.1942	19.10.1942	11.09.1959
Date of Appointment	24.12.1990	06.01.1997	03.06.2005
Expertise in specific functional area	Rich Business experience of about 35 years in the Textiles Industry	Expertise in Polymer Science, Technology & Engineering	About 25 year experience in Textile trading
Qualification	M.Com (Gold Medalist)	Doctor of Technology	University Graduate
Directorships of Other Companies	<ol style="list-style-type: none"> 1. Mahavir Spinning Mills Limited 2. Vardhman Spinning & General Mills Limited 3. Vardhman Threads Limited 4. VMT Spinning Company Limited 5. Adinath Investment & Trading Company 6. Devakar Investment & Trading Company Private Limited 7. Anklesh Investments Private Limited 8. Srestha Holdings Limited 9. Vardhman Textile Processors Private Limited 10. Santon Finance & Investment Company Limited 11. Flamingo Finance & Investment Company Limited 12. Ramaniya Finance & Investment Company Limited 13. Marshall Investment & Trading Company Private Limited 14. Pradeep Mercantile Company Private Limited 15. Plaza Trading Company Private Limited 16. The Ludhiana Industries Power Company Limited 17. Syracuse Investment & Trading Company Private Limited 18. Vardhman Yarns & Threads Limited 19. Nimbua Greenfield (Punjab) Limited 	Nil	<ol style="list-style-type: none"> 1. Shanghai Xinhong Textile Company Limited 2. Shanghai Xinyuanhong Yarn Dyeing Company Limited 3. Shanghai Senko Interior Company Limited
Chairman/Member of Committees of Other Companies	Chairman-Audit Committee Vardhman Threads Limited	Nil	Nil



DIRECTORS' REPORT

Dear Members,

The Directors of your Company have pleasure in presenting their Fifteenth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2005.

1. FINANCIAL RESULTS:

The financial results for the year are as under:

	(Rs. in Lacs)	
	2004-05	2003-04
Sales (Gross)	20,493.46	18,931.28
Profit before Depreciation, Interest & Tax (PBDIT)	4,281.57	3,062.04
Interest & Financial Expenses	793.34	1,066.83
Profit before Depreciation & Tax (PBDT)	3,488.23	1,995.21
Depreciation	1,107.82	1,102.87
Profit before Tax	2,380.41	892.34
Provision for Tax		
- Current	187.05	69.00
- Deferred	232.22	—
Profit after Tax	1,961.14	823.34
Appropriations:		
Transfer to General Reserve	1,000.00	—
Balance carried to Balance Sheet	895.05	(66.42)
Total	1,895.05	(66.42)
Earnings per share (Rs.)	1.81	0.76

2. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

a) ACRYLIC FIBRE INDUSTRY – GLOBAL PERSPECTIVE:

The global mill demand of acrylic fibre in the year 2004 has been estimated to be 2.75 million MT approx., an increase of 2.2% approx. over the mill demand of the year 2003. The growth in demand was led by increase in Chinese demand with other Asian countries also showing marginal to healthy growth. The demand in Europe witnessed reduction with North American demand remaining stable. The restructuring of acrylic fibre production capacity, being witnessed since the year 2002, continued in the year 2004 also. More than 0.375 million MT per annum acrylic fibre production capacity has been shutdown mainly in Europe, US and Japan from year 2002 to 2004 with further 0.150 million MT expected to be shutdown in the year 2005. In its place, creation of fresh production capacity and relocation of shutdown capacities are taking place in China, Thailand, Egypt, India and other Asian countries.

With dismantling of textile quota regime in January 2005, shift in manufacturing base of garments and apparels to low cost countries shall be accelerated. This shift along with increasing uncompetitive cost position of acrylic

fibre producers in the developed countries may mean continuation of rationalization and geographical relocation of acrylic fibre production capacity over next 1-2 years.

The acrylic fibre industry structure is better today, than it was a few years back. The average capacity utilization has improved to over 92% approx. in the year 2004. To a large extent, capacity rationalization has led to this robust utilization level.

The global demand growth of acrylic fibre is likely to be upto 2% per annum over the next few years. However, the shift of acrylic fibre mill demand away from developed countries is likely to be very significant in the next few years. Asia and Africa/Middle East shall account for more than two third of the mill demand of acrylic fibre by the year 2010. China has grown from 14% of world acrylic fibre mill demand in the year 1990 to 40% in 2004 and is likely to be more than 50% in 2010. The capacity utilization rates are likely to be healthy in the coming years too.

The spread available to acrylic fibre producers was better during the year 2004 compared to previous 2-3 years due to improvement in demand and higher capacity utilization rates.

The Acrylonitrile (AN), major raw material of acrylic fibre industry, is a petro-derivative. The unprecedented increase in the prices of crude oil and tight availability of propylene (major building block of AN) impacted AN prices during the financial year. AN prices remained higher than long term average prices almost over the entire year, with the prices climbing sharply in third quarter of the financial year. The AN demand growth of over 3% during the year and turnarounds (both planned and unplanned) also contributed to the higher prices. The availability and prices of AN in the coming years shall be impacted by multiple factors, out of which three major factors are; crude oil prices, availability of propylene and fresh AN capacity creation.

The prices of acrylic fibre in the coming years shall be impacted by a number of factors besides AN availability and prices. Some of the important factors are exchange rate of Chinese currency, overall economic growth in developed countries, inter fibre competition and prices of both natural and manmade fibres, world climate pattern etc.

b) ACRYLIC FIBRE INDUSTRY – INDIAN PERSPECTIVE:

The apparent consumption of acrylic fibre in the FY 2004-05 grew by more than 3% in India over the previous year. The Indian acrylic fibre industry was able to maintain its exports levels to over 20000 MT in the year. The exports of acrylic yarn from India also grew. The



Vardhman Acrylics Limited

capacity utilization of domestic acrylic fibre industry improved to levels beyond 90%. The spread available to domestic fibre producers was better during the year due to demand growth, relatively higher international spread on acrylic fibre and upward movement of AN prices over a larger part of the year. Acrylic fibre prices dropped in the last quarter of the year, which could be a seasonal phenomenon witnessed earlier also.

c) FINANCIAL ANALYSIS & REVIEW OF OPERATIONS:

● PRODUCTION & SALES REVIEW:

The total production of acrylic fibre during the year under consideration was 16146.44 MT as against 16587.34 MT in the previous year and that of Acrylic Tow was 2259.75 MT as against 2044.91 MT in the previous year. Your Company has achieved a Sales (Gross) of Rs. 20,493.46 lacs as against Rs. 18,931.28 lacs in the previous year. After providing for depreciation of Rs. 1,107.82 lacs (previous year Rs. 1,102.87 lacs) and provision for current tax of Rs. 187.05 lacs (previous year Rs. 69.00 lacs) & deferred tax of Rs. 232.22 lacs (previous year Rs. Nil), profit after tax of the Company is Rs. 1,961.14 lacs as against Rs. 823.34 lacs in the previous year.

● RESOURCE UTILISATION:

i) Fixed Assets:

The gross fixed assets (including work-in-progress) as at 31st March, 2005 were Rs. 23,483.94 lacs as compared to Rs. 23,402.36 lacs in the previous year.

ii) Current Assets:

The net current assets as on 31st March, 2005 were Rs. 2,914.03 lacs as against Rs. 1,398.73 lacs in the previous year. Inventory level was at Rs. 3,140.26 lacs as against Rs. 3,009.50 lacs in the previous year.

● FINANCIAL CONDITIONS & LIQUIDITY:

Liquidity & Capital Resources:

	(Rs. in Lacs)	
	2004-2005	2003-2004
Cash & cash equivalents		
Beginning of the year	32.43	49.29
End of the year	7.77	32.44
Net cash provided/(used) by		
Operating Activities	2,521.41	3,642.88
Investing Activities	(87.54)	(146.38)
Financing Activities	(2,458.53)	(3,513.35)

d) BUSINESS OUTLOOK:

There have been few important developments that can have profound influence on the health of acrylic fibre

and acrylic spinning industry in the country.

1. The acrylic fibre industry of the country has started exporting acrylic fibre. Exports in the year 2004-05 have been of the order of 15% of the country's production.
2. The acrylic spinning industry has also kept pace by exploring international acrylic yarn market. And it seems if the Government policy remains favourable, the industry may achieve higher level of success in the coming period.
3. The structure of use of acrylic fibre in the country is also becoming more diversified. Rather than limiting only to knitwear or hosiery applications, which apparently have been able to replace wool, the non-apparel applications like mink blankets, upholstery, furnishings etc. are catching up. This is quite in line with the international experience.
4. The dismantling of textile quota in the beginning of this year is likely to give impetus to demand for finished products, which also may augur for medium and long-term growth in the demand of acrylic fibre in India.

However, few factors that do have a negative influence, though temporarily, must be kept in mind. The continued higher prices of acrylonitrile have led to squeeze in the spread for acrylic fibre internationally.

Though there are expectations for acrylonitrile prices to soften in the world, yet this narrowing down of spread and a decline in price expectations is likely to have an adverse effect on the prices of fibre. We hope it will level off soon so that normal equilibrium could be restored.

e) INTERNAL CONTROL SYSTEM:

The internal audit in the organization is designed to measure efficiency, adequacy and effectiveness of controls in the organization as an independent and objective appraisal. The Audit Committee of the Board is apprised of all significant issues, which come up during internal audit.

The internal control systems, business processes, procedures and MIS are designed with abundant care and are reviewed and monitored continuously. The Company has an adequate and well laid-out internal control system.

f) MANAGEMENT PERCEPTION OF RISK & CONCERNS:

The price movement of crude oil and propylene availability shall influence AN prices, the major raw material of the Company. The Chinese demand of acrylic fibre and exchange rates shall also influence world acrylic fibre outlook. Other international factors such as; world



economic growth rate, climatic pattern and inter fibre competition may also be of influence. On domestic front; the economic growth, climatic pattern specially winter season span and temperatures, prices of other fibres (both natural and synthetic fibres), agriculture production levels and incomes shall be important influencing factors.

g) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS:

Your company continued to make efforts to further strengthen positive work environment and mutual trust between the Organization and its personnel at all levels. The emphasis on development of human resource continued so that personnel at all levels could realize their potential and contribute to the organizational objectives. The industrial relations remained harmonious and peaceful during the year.

During the year, the Company employed over 325 persons.

3. DIRECTORS:

Mr. Shri Paul Oswal & Mr. Toshiyuki Kobashi, Directors of your Company, retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

During the year, Marubeni Corporation, Japan withdrew the nomination of Mr. Yojiro Ito from the Board of Directors of the Company and nominated Mr. Haruyasu Chihaya on the Board in his place. The Board places on record its appreciation for the services rendered by Mr. Yojiro Ito during his tenure as a Director of the Company.

4. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- i) in the preparation of the annual accounts, the applicable Accounting Standards have been followed;
- ii) appropriate accounting policies have been selected and applied consistently, and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii) proper and sufficient care has been taken 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; and
- iv) the annual accounts have been prepared on a going concern basis.

5. CORPORATE GOVERNANCE:

The Company has in place a system of Corporate Governance. A separate report on Corporate Governance forming part of the Annual Report of the Company is annexed hereto. A certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Corporate Governance Clause of the Listing Agreement is annexed to the report on Corporate Governance.

6. AUDITORS:

M/s. S.S. Kothari Mehta & Company, Chartered Accountants, New Delhi, retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

7. AUDITORS' REPORT:

The Auditors' Report on the Accounts is self-explanatory and requires no comments.

8. PERSONNEL:

None of the employees has received a salary of Rs. 24.00 lacs per annum or Rs. 2.00 lacs per month or more during the financial year 2004-2005.

9. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:

The optimal utilisation of energy remained a major focus area and a number of steps were taken in this direction. The information required under Section 217(1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, with respect to these matters is annexed hereto and forms part of this report.

10. ACKNOWLEDGEMENT:

Your Directors are pleased to place on record their sincere gratitude to the Government Authorities, Financial Institutions & Bankers for their continued and valuable co-operation and support to the Company.

Your Directors express their deep appreciation for the devoted and sincere efforts put in by the members of the team at all levels of operations in the Company during the year. The Company feels confident of continued co-operation and efforts from them in future also.

For and on behalf of the Board

**Place : New Delhi
Dated : 3rd June, 2005**

**(S.P. Oswal)
Chairman**



Vardhman Acrylics Limited

ANNEXURE TO THE DIRECTORS' REPORT

INFORMATION AS PER SECTION 217(1) (e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2005

I. CONSERVATION OF ENERGY:

Energy conservation measures taken during the period under report are as under:

- Optimization of Utility distribution system in Polymerization process has yielded major savings in power and steam.
- Variable Frequency Drives installed in various process and utility equipments.
- System installed to effectively utilize the heat of compression from Air compressor discharge for air dryer application.

FORM-A:

A) POWER AND FUEL CONSUMPTION:

PARTICULARS	UNIT	2004-2005	2003-2004
-------------	------	-----------	-----------

1. Electricity:

a) Purchased:			
Units	(KWH in lacs)	Nil	Nil
Total amount	(Rs. in lacs)	Nil	Nil
Rate per unit	(Rs./KWH)	Nil	Nil

b) Own Generation:

i) Through Diesel Generator	(KWH in lacs)	9.10	13.27
Unit per Litre of Diesel Oil	(KWH)	3.67	3.65
Cost/Unit	(Rs./KWH)	7.07	6.10

ii) Through Turbines	(KWH in lacs)	274.70	281.18
Unit per Kg. of Coal	(KWH/KG)	1.37	1.45
Total Cost	(Rs. in lacs)	410.23	426.78
Cost/Unit	(Rs./KWH)	1.49	1.52

2. Coal (used in Boiler for generation of Steam):

Quantity	(MT)	31316	29118
Total Cost	(Rs. in lacs)	641.64	640.17
Average Rate	(Rs. per MT)	2049	2199

3. Furnace oil (used in Boiler for generation of Steam):

Quantity	(K. Ltrs)	291	491
Total Cost	(Rs. in lacs)	32.67	49.42
Average Rate	(Rs. per ltr)	11.24	10.06

B) CONSUMPTION PER UNIT OF PRODUCTION:

Acrylic Fibre/Acrylic Tow:

Electricity	(KWH/KG)	1.54	1.58
Coal (used in Boiler for generation of Steam)	(MT/MT)	1.70	1.56
Furnace Oil (used in Boiler for generation of steam)	(K.Ltrs/MT)	0.02	0.03

II. TECHNOLOGY ABSORPTION:

Efforts made in Technology Absorption are furnished in Form-B as under :-

FORM-B:

A. RESEARCH AND DEVELOPMENT (R&D):

(i) **Specific areas in which R&D is carried out by the Company:**
The Company has a well equipped laboratory with modern testing facilities for maintaining product quality as well as undertaking R&D activities.

(ii) **Benefits derived as a result of the above R&D**
R&D activities are being carried out for development of new products, improvement in the production process, quality upgradation of products, cost reduction, increase in productivity and improvement in environment.

(iii) Future plan of action:

Management is committed to strengthen R&D efforts to improve competitiveness through continuous improvement efforts in cost position, quality upgradation and development of new products and applications.

(iv) Expenditure on R & D:

	(Rs. in lacs)	2004-2005	2003-2004
Non-Recurring		4.11	—
Percentage of turnover		0.02	—

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

(i) Efforts made towards technology absorption, adaptation & innovation:

During the year, the efforts on Technology absorption focused on optimization of process parameters, efficient utilization of inputs and product development. Few specific efforts were :-

- a) High Kilotex Tow developed.
- b) Consistency in Semi dull staple fibre productivity and quality achieved
- c) Special dyeability staple fibre & tow developed.

(ii) Benefits derived as a result of the above efforts :

- Customer satisfaction by way of continuous improvement in quality and widening of the product range.
- Improvement in productivity
- Higher plant availability
- Higher capacity utilization consistently.

(iii) Particulars of technology imported during the last 5 years (reckoned from the beginning of the financial year):

a) Technology imported	NIL
b) Year of import	NA
c) Has technology been fully absorbed?	NA
d) If not fully absorbed, areas where this has not taken place, reasons therefore, and future plans of action	NA

III. FOREIGN EXCHANGE EARNINGS AND OUTGO:

	(Rs. in lacs)	2004-2005	2003-2004
Foreign Exchange earned (FOB)	Nil		4.98
Foreign Exchange used (on accrual basis)	7,840.97		7,487.96



CORPORATE GOVERNANCE REPORT

This Report on Corporate Governance forms part of the Annual Report. It assumes a great deal of importance in the business life of the Company. The Company's goal is to find creative and productive ways of delighting its stakeholders i.e. investors, customers & associates, while fulfilling the role of a responsible corporate representative committed to best practices. This section besides being in compliance of the provisions of Listing Agreement gives an insight into the process of functioning of the Company.

1. COMPANY'S PHILOSOPHY:

- ❖ Faith in bright future of Indian textiles and hence continued expansion in areas "which we know best".
- ❖ Total customer focus in all operational areas.
- ❖ Products to be of best available quality for premium market segments through Total Quality Management (TQM) and zero defect implementation.
- ❖ Global orientation.
- ❖ Integrated diversification/product range expansion.
- ❖ World class manufacturing facilities with most modern R&D and process technology.
- ❖ Faith in individual potential and respect for human values.
- ❖ Encouraging innovation for constant improvement to achieve excellence in all functional areas.
- ❖ Accepting change as a way of life.
- ❖ Appreciating our role as a responsible corporate citizen.

2. BOARD OF DIRECTORS:

- (a) **Composition :** The Board of Directors comprises of a Non-Executive Chairman, a President & Executive Director, a Nominee Director and six Non-Executive Directors. Out of the total strength of 9 directors, 6 directors are independent, thus it meets the stipulated requirements of the Listing Agreement.
- (b) **Board Meetings:** During the financial year 2004-2005, the Board met 4 times on 30.04.2004, 30.07.2004, 25.10.2004 & 22.01.2005.

The composition of Board, attendance and Directorships/Committee memberships of the Directors of the Company, during the financial year 2004-05, is given as follows:-

Name of Director	Designation & Category	No. of Board Meetings attended	Attendance at last AGM	Total No. of Directorships in public ltd. companies	Total No. of of Committee Memberships	Total No. of Board Chairman-ships	Total No. of Committee Chairman-ships
Mr. S.P. Oswal	Non-Executive Chairman	4	Yes	12	1	6	1
Mr. B.K. Choudhary	President & Executive Director	3	No	3	4	—	—
Mr. Sachit Jain	Non-Executive Director	1	Yes	11	3	1	—
Mr. D.L. Sharma	Non-Executive, Independent Director	4	Yes	7	4	—	—
Mr. S.G. Gulati (Nominee IDBI)	Non-Executive, Independent Director	4	No	1	1	—	—
Mr. S.P. Singh	Non-Executive, Independent Director	3	Yes	1	1	—	1
Mr. M.C. Gupta	Non-Executive, Independent Director	4	No	2	2	1	2
Mr. Yojiro Ito	Non-Executive, Independent Director	—	No	10	5	—	—
Mr. Toshiyuki Kobashi	Non-Executive, Independent Director	—	No	1	—	—	—