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VARDHMAN ACRYLICS LIMITED
19th ANNUAL REPORT 2008-09

BOARD OF DIRECTORS

Mr. Shri Paul Oswal	Chairman
Mr. Sachit Jain	
Mr. Munish Chandra Gupta	
Mr. Sanjit Paul Singh	
Dr. Arvind Kumar Bakhshi	
Mr. Darshan Lal Sharma	
Mr. Surinder Kumar Bansal	
Mr. Bal Krishan Choudhary	Managing Director

VICE-PRESIDENT(COMMERCIAL)

Mr. K.C. Bansal

COMPANY SECRETARY

Mr. Sanjay Gupta

AUDITORS

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

BANKERS

State Bank of Patiala
ICICI Bank Limited

REGISTERED & CORPORATE OFFICE

Vardhman Premises, Chandigarh Road
Ludhiana - 141 010
Phones : (0161) 2228943 - 48
Fax : (0161) 2601048, 2602710 & 2222616
E-mail: secretarial.lud@vardhman.com
Web site: www.vardhman.com

BUSINESS OFFICE

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

WORKS

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

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NOTICE

NOTICE is hereby given that the NINETEENTH ANNUAL GENERAL MEETING of the Members of the Company will be held on Friday, the 24th day of July, 2009 at 12.00 noon 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, 2009 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. M.C. Gupta, 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. D.L. Sharma, 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 2009-2010 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. Surinder Kumar Bansal, 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 : 23rd April, 2009**

**(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 items no. 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 11th July, 2009 to 24th July, 2009.
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 22.01.2009 appointed Mr. Surinder Kumar Bansal 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. Surinder Kumar Bansal 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. Surinder Kumar Bansal as a Director of the Company.

Accordingly, your approval is solicited for his appointment as a director liable to retire by rotation.

Memorandum of Interest:

None of the Directors except Mr. Surinder Kumar Bansal, the appointee himself, is concerned or interested in this resolution.

By Order of the Board

Place : New Delhi
Dated : 23rd April, 2009

(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. M.C. GUPTA	Mr. D.L. Sharma	Mr. S. K. Bansal
Date of Birth	23.07.1938	10.11.1948	15.05.1946
Date of Appointment	17.04.2003	24.12.1990	22.01.2009
Expertise in specific functional area	Industrial promotion, Industrial policy, Corporate Governance, Financial Management, Taxation etc.	Business Executive having experience of 35 years in Textile Industry	35 years experience as a practising Chartered Accountant with specialisation in Auditing, Financial Planning, Taxation etc.
Qualification	M.A. (English), Diploma in Public Administration	B.Sc. (Engg.), M.B.A.	B.Sc., F.C.A. C.F.E., A.I.I.A, A.H.I.A
Directorships of other companies	1. Bhansali Engineering Polymers Ltd. 2. Lumax Industries Ltd.	1. Vardhman Yarns & Threads Ltd. 2. Vardhman Textiles Ltd. 3. VMT Spinning Co. Ltd. 4. VTL Investments Ltd. 5. Sangam Weavers (P) Ltd. 6. Delux Fabrics (P) Ltd. 7. ARCS India Dialysis (P) Ltd.	1. Steel Strips Wheels Ltd. 2. Marudhar Hotels (P) Ltd. 3. Shri Bhavani Power Projects (P) Ltd. 4. Monte Cristo Infrastructure Pvt. Ltd. 5. Chetan Dalal Infrastructure and Management Services Pvt. Ltd. 6. Padmavati Leasing and Credits (P) Ltd. 7. Virat Farms (P) Ltd. 8. Techno Financial Consultants (P) Ltd.
Chairmanships/ Memberships of Committees of other companies	Chairman/Member -Audit Committee 1. Bhansali Engineering Polymers Ltd. 2. Lumax Industries Ltd.	Member-Shareholders/Investors Grievance Committee Vardhman Textiles Limited Member-Audit Committee 1. Vardhman Textiles Limited 2. Vardhman Yarns & Threads Ltd. 3. VMT Spinning Co. Ltd.	Member-Audit Committee Steel Strips Wheels Ltd.
Number of shares held	Nil	Nil	Nil
Relationship with other Directors	Not related to any other Director	Not related to any other Director	Not related to any other Director

DIRECTORS' REPORT

Dear Members,

The Directors of your Company have pleasure in presenting their Nineteenth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2009.

1. Financial Results :

The Financial Results for the year under review vis-à-vis the financial results for the previous year are as under: -

	(Rs. in lacs)	
Particulars	2008-09	2007-08
Sales (Gross)	25,390.06	22,808.57
Profit before Depreciation, Interest & Tax (PBDIT)	2,079.05	3,155.01
Interest & Financial Charges	156.19	269.22
Profit before depreciation & Tax (PBDT)	1,922.86	2,885.79
Depreciation	1,121.06	1,116.77
Profit before Tax	801.80	1,769.02
Provision for Tax		
- Current Tax (including wealth Tax)	91.11	200.73
- Deferred Tax	283.92	1,024.19
- Fringe Benefit Tax	3.30	4.48
- IT adjustment for earlier year	—	(4.39)
Profit after Tax	423.47	544.01
Prior period adjustments (Net)	0.01	—
Net Profit	423.46	544.01
Balance Brought from last year	2,241.24	1,697.23
Total	2,664.70	2,241.24
Appropriations:		
Transfer to General Reserve	—	—
Balance carried to Balance Sheet	2,664.70	2,241.24
Total	2,664.70	2,241.24
Earnings per share (Rs.)	0.39	0.50

2. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

a) ACRYLIC FIBRE INDUSTRY – GLOBAL AND INDIAN PERSPECTIVE:

The global economy faced its worst ever crisis since the last great depression of 1930's. The economic growth of almost all the developed nations plummeted with many countries witnessing contraction in their respective economies. There was severe drop in demand of all commodities across the board. The retail sale, relevant for the products of your Company was also hit very hard in all major markets. The economic meltdown triggered by sub prime lending in US was preceded by crude oil prices touching a level of over USD 145 per barrel in July 08, the highest ever, leading to an unmanageable and unprecedented increase in the prices of all down stream petroproducts including Acrylonitrile, the major raw material of your Company. The prices of almost all other inputs of your Company also touched the highest ever

levels. After such a massive surge, the crude prices dropped sharply to USD 50 per barrel approx. and down stream products tracked this trend within a period of less than 4 months approx. starting from August 2008 as a consequence of the economic meltdown.

The global economic developments impacted almost the entire manufacturing sector world over including acrylic fibre producers. On one hand, the consumption of acrylic fibre witnessed a sharp drop of 18% approx. in the year 2008 globally and a slightly lower level in India. On the other hand, the acrylic fibre producers were caught with normal to high level of inventories of inputs procured at peak price levels. This double whammy has caused serious adverse impact on almost the entire acrylic fibre industry world over including India.

Your Company has been able to restrict the adverse impact comparatively to rather minimal levels by adopting prudent and proactive business strategies.

With drop in demand of acrylic fibre world over, scenario of over capacity only became worse. The acrylic fibre producers world over started looking for larger share of and/or alternative markets so as to sustain their operations. As a result, there has been a surge in imports of acrylic fibre in India in the year 2008 causing serious harm to the Indian acrylic fibre producers already reeling under pressures of reduced consumption. The domestic acrylic fibre industry had to resort to production cuts to cope up with the problems.

In all, the year was one of the toughest for the acrylic fibre industry both globally and in India.

b) FINANCIAL ANALYSIS & REVIEW OF OPERATIONS:

• PRODUCTION & SALES REVIEW:

The total production during the year under consideration was 18045 MT as against 18434 MT in the previous year. Your Company has achieved a turnover of Rs. 25,390.06 lacs against a turnover of Rs. 22,808.57 lacs in the previous year. After providing for depreciation of Rs. 1,121.06 lacs (previous year Rs. 1,116.77 lacs) and provision for current tax (including wealth tax) of Rs. 91.11 lacs (previous year Rs. 200.73 lacs), deferred tax (net of adjustments) of Rs. 283.92 lacs (previous year Rs. 1,024.19 lacs), fringe benefit tax of Rs. 3.30 lacs (previous year Rs. 4.48 lacs) and income tax adjustments for earlier years of Rs. Nil [previous year Rs. (4.39 lacs)], net profit of the Company is Rs. 423.47 lacs as against a net profit of Rs. 544.01 lacs in the previous year.

• RESOURCE UTILISATION:

i) Fixed Assets:

The gross fixed assets (including work-in-progress) as at 31st March, 2009 were Rs. 23,689.14 lacs as compared to Rs. 23,666.93 lacs in the previous year.

ii) Current Assets:

The net current assets as on 31st March, 2009 were

Rs. 4,271.07 lacs as against Rs. 3,749.92 lacs in the previous year. Inventory level was at Rs. 1,907.66 lacs as against Rs. 3,147.65 lacs in the previous year.

• FINANCIAL CONDITIONS & LIQUIDITY:

Liquidity & Capital Resources:

	(Rs. in Lacs)	
	2008-2009	2007-2008
Cash & cash equivalents		
Beginning of the year	68.54	36.71
End of the year	160.37	68.54
Net cash provided/(used) by		
Operating Activities	1,457.68	2,895.16
Investing Activities	(25.95)	(120.43)
Financial Activities	(1,339.90)	(2,742.90)

c) BUSINESS OUTLOOK:

Globally and in India, the governments have initiated many measures aimed to achieve early economic recovery. It is difficult to forecast with a great degree of accuracy on the outcome of these measures at this juncture. The forecasts on when and to what extent the recovery shall take place vary. Some of the very broad indicators in recent weeks suggest optimism but it is too early to draw any definite conclusions.

The Indian economic growth is expected to come down to a level of 5-6% in the FY 2009-10 from heady levels of 8-9% p.a. seen in the last few years. Though it means a drop in economic growth still it is a comparatively better scenario than most other countries, except China.

The stocks in acrylic fibre pipeline came down to very low levels by the beginning of this year. Restocking the pipeline may offer a good opportunity to the industry. The inter fibre substitution witnessed over last few years, due to large difference in the prices of acrylic fibre and polyester fibre, may also slowdown or there may be even some reversal from polyester fibre to acrylic fibre this year as a result of narrowing of the price difference between these two fibres in the recent months. Relative affordability of acrylic fibre compared to wool and also consumers' keenness to look for value in their spending may offer additional opportunities to acrylic fibre industry. All these indicators augur well for the acrylic fibre industry.

On the other hand, the continued gloomy outlook in some of the largest economies of the world, uncertainty on when and how much recovery can be expected, lack of confidence and trust in the financial markets etc. remain serious concerns. The political and economic agenda of the new government, performance of the domestic economy, weather conditions specially the monsoon scenario and the length of the winter season and temperatures are likely to be important influencing factors. The government action to tackle the surge in acrylic fibre imports shall also be crucial for the domestic acrylic fibre industry.

To sum up, the period of high level of uncertainty and difficult conditions is likely to continue in the coming year.

d) INTERNAL CONTROL SYSTEM:

The Company has a comprehensive and sound budgetary control system and MIS in place. The business and manufacturing operations of the Company are continuously monitored and reviewed. The Company reviews its business processes, systems, internal controls and MIS on dynamic basis to proactively respond to changing business environment. The internal audit in the organization is an independent appraisal activity and it measures the efficiency, adequacy and effectiveness of controls systems, compliance with policies and statutory requirements. The findings and recommendations of the internal audit team are reviewed by the Audit Committee of the Board.

e) MANAGEMENT PERCEPTION OF RISK & CONCERNS:

The continued economic gloom, sharp drop in incomes and consumptions in major consuming countries, uncertainty on when and to what extent economic recovery will take place and lack of trust and confidence in financial markets are major concern areas. The economic growth in our country, agriculture income increase and political and economic policies of the new government will be few of the major influencing factors on acrylic fibre industry's performance. The crude oil prices, availability of propylene, demand of polymers and plastics based on propylene and capacity utilization of acrylonitrile industry will influence acrylonitrile prices and the margins of the acrylic fibre industry. The consumption trends of the acrylic fibre will determine the capacity utilization of acrylic fibre industry and the extent of over capacity and prices both globally and in India.

Overall, the uncertainties and risks in the coming year are likely to remain at higher levels in comparative terms.

f) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS:

The efforts to strengthen positive work culture and environment which promotes innovation and excellence as also mutual trust between all the personnel and the Company continued. The emphasis on continuous training of all the personnel to enhance their skills and knowledge has been strengthened. The industrial relations remained harmonious and peaceful during the year.

The Company employed over 300 persons during the year.

3. DIRECTORS:

Mr. M.C. Gupta and Mr. D.L. Sharma, Directors of your Company, retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

During the year, IDBI Bank Ltd. withdrew the nomination of Mr. S.G. Gulati from the Board of Directors of the Company. The Board places on record its appreciation for the services rendered by Mr. Gulati during his tenure as a director of the Company.

Further, the Board of the Company in this meeting held on 22nd January, 2009, has appointed Mr. Surinder Kumar Bansal as an Additional Director of the Company to hold office upto the date of next Annual General Meeting.

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 as at 31st March, 2009 and of the profit of the Company for the year ended on 31st March, 2009;
- 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 lac per annum or Rs. 2.00 lac per month or more during the financial year 2008-2009. Accordingly, no particulars of employees are to be given pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956.

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 appended 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: 23rd APRIL, 2009

(S.P. OSWAL)
CHAIRMAN

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, 2009

I. CONSERVATION OF ENERGY:

Variable Frequency Drives were installed at various equipments as a measure to conserve electrical energy, during the period under report.

FORM-A:**A) POWER AND FUEL CONSUMPTION:**

PARTICULARS	UNIT	2008-2009	2007-2008
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)	8.19	6.12
Unit per Litre of Diesel Oil	(KWH)	2.71	3.70
Cost/Unit	(Rs./KWH)	13.68	8.98
ii) Through Turbines	(KWH in lacs)	249.53	263.09
Unit per Kg. of Coal/Lignite	(KWH/Kg.)	1.29	1.32
Total Cost	(Rs. in lacs)	536.15	548.46
Cost/Unit	(Rs./KWH)	2.15	2.08

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

Quantity	(MT)	28987	29890
Total Cost	(Rs. in lacs)	804.23	822.68
Average Rate	(Rs. per MT)	2,774	2,752

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

Quantity	(K. Ltrs)	205.61	96.67
Total Cost	(Rs. in lacs)	32.65	13.00
Average Rate	(Rs. per Ltr)	15.88	13.44

B) CONSUMPTION PER UNIT OF PRODUCTION:**Acrylic Fibre/Acrylic Tow**

Electricity	(KWH/KG)	1.43	1.46
Coal (used in Boiler for generation of Steam)	(MT/MT)	1.61	1.62
Furnace Oil (used in Boiler for generation of steam)	(K.Ltrs./MT)	0.011	0.005

II. TECHNOLOGY ABSORPTION:

Efforts made in Technology Absorption are furnished as per Form-B of Annexure to the Rules as under :-

FORM-B:**A) RESEARCH AND DEVELOPMENT (R&D)****(i) Specific areas in which R&D is carried out by the Company :**

- Use of newer varieties of Finish Oils.
- Development of high bulk variety in the finer deniers.

- Import substitution of filter media and resin.
- Increased productivity of finer denier tows.

(ii) Benefits derived as a result of the above R&D :

- Cost savings
- Wider products offering and market expansion

(iii) Future plan of action:

- Specialty products development for hand knitting sector.
- Continued efforts on development of anti bacterial and water absorbent fibres.
- Increase in productivity.

(iv) Expenditure on R&D:

(Rs. In lacs)

	2008-09	2007-08
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Non- Recurring	—	—
Percentage of turnover	—	—

B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:**(i) Efforts made towards technology absorption, adaption and innovation**

Efforts for optimization of processes, efficient utilization of inputs, development of newer applications being continued on on-going basis.

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

- Higher operating rates consistently
- Higher plant availability
- Increased customers' satisfaction through supply of consistent quality products

(iii) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:

- Technology imported NIL
- Year of Import NA
- Has technology been fully absorbed? NA
- 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)	
	2008-09	2007-08
Foreign Exchange earned (FOB)	Nil	Nil
Foreign Exchange used (on accrual basis)	6,225.64	2,128.89

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 Managing Director and six Non-Executive Directors. Out of the total strength of eight directors, four directors are independent, thus it meets the stipulated requirement.

(b) **Board Meetings:** During the financial year 2008-2009, the Board met four times on 12.05.2008, 19.07.2008, 24.10.2008 and 22.01.2009.

The composition of the Board of Directors and Directors attendance at the Board Meetings and at last Annual General Meeting of the Company, as also the number of Directorships/Chairmanships held by them in other public limited companies, during the financial year 2008-09 are as follows:-

Name of Director	Designation & Category	Number of Board Meetings attended	Attendance at last AGM	Directorships in other Public Ltd. Companies	Committee Memberships in other Public Ltd. Companies	Board Chairmanships in other Public Ltd. Companies	Committee Chairmanships in other Public Ltd. Companies
Mr. S.P. Oswal	Non-Executive Chairman, Non Independent	3	No	11	—	6	—
Mr. B.K. Choudhary	Managing Director, Non Independent	4	No	1	—	—	—
Mr. Sachit Jain	Non-Executive Director, Non Independent	3	Yes	11	4	1	2
Mr. D.L. Sharma	Non-Executive Director, Non Independent	4	Yes	4	4	—	—
Mr. S.P. Singh	Non-Executive Director, Independent	2	No	—	—	—	—
Mr. M.C. Gupta	Non-Executive Director, Independent	3	No	2	2	1	1
Mr. S.K. Bansal*	Non-Executive Director, Independent	—	No	1	1	—	—
Dr. A.K. Bakhshi	Non-Executive Director, Independent	3	No	—	—	—	—
Mr. S.G. Gulati** (Nominee IDBI)	Non-Executive Director, Independent	2	No	—	—	—	—

* Mr. S.K. Bansal has been appointed as an additional director of the Company on 22.01.2009.

** Mr. S.G. Gulati ceased to be a director of the Company as his nomination stood withdrawn by IDBI Bank Ltd. w.e.f. 01.08.2008.