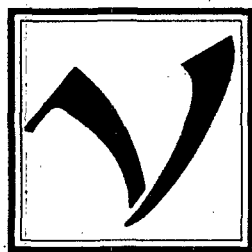


VIDHI



Manufacturers Of Food Colours

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Vidhi Dyestuffs Manufacturing Limited

**16TH Annual
Report
2008 - 2009**





VIDHI DYESTUFFS MANUFACTURING LIMITED
SIXTEENTH ANNUAL REPORT 2008 - 2009

BOARD OF DIRECTORS

DIRECTORS

- : SHRI BIPIN M. MANEK
Chairman & Managing Director
- : SHRI NARESH L. MODI
- : SMT. PRAVINA B. MANEK
- : SHRI VIJAY K. ATRE
- : SHRI PRAFULCHANDRAA. SHAH
- : SHRI CHETAN P. BAVISHI
- : SHRI NIREN D. DESAI
- : SHRI MIHIR B. MANEK

AUDITORS

- : M/s. BHUTA SHAH & CO.
Chartered Accountants

BANKERS

- : VIJAYA BANK
- : BANK OF INDIA

REGISTERED OFFICE

- : E/27, COMMERCE CENTRE,
78, TARDEO ROAD,
MUMBAI - 400 034.

FACTORY

- : 59-B, MIDC,
DHATAV, ROHA,
DIST. RAIGAD,
MAHARASHTRA.

**REGISTRAR & SHARE
TRANSFER AGENT**

- : SHAREX DYNAMIC (INDIA) PVT. LTD.
BRANCH OFFICE :
UNIT 1, LUTHRA INDUSTRIAL PREMISES,
ANDHERI KURLA ROAD,
SAFEED POOL, ANDHERI (EAST),
MUMBAI - 400 072.
TEL. NO. : 2851 5606 / 5644

NOTICE

To,

The Members

VIDHI DYESTUFFS MANUFACTURING LIMITED

Notice is hereby given that the **Sixteenth Annual General Meeting** of the Shareholders of **VIDHI DYESTUFFS MANUFACTURING LIMITED** will be held on Wednesday, the 30th September 2009 at 5.00 P.M. at E/27, Commerce Centre, 78, Tardeo Road, Mumbai - 400034 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at the 31st March 2009 and the Profit & Loss Account of the Company for the year ended on that date, together with the Report of Directors and the Auditors thereon.
2. To re-appoint Mr. Niren D. Desai as Director, who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint Mr. Prafulchandra A. Shah as Director, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 23rd September 2009 to Wednesday, the 30th September 2009 (both days inclusive).
3. Members are requested to:
 - (i) Immediately intimate change of address, if any, to the Company/Registrar and Share Transfer Agent quoting reference to their Registered Folio Number.
 - (ii) Members are requested to send all share transfer lodgments (Physical mode) / correspondence to the Registrar and Share Transfer Agent at the following address upto the date of book closure:
M/s Sharex Dynamic (India) Private Limited
 Unit No. 1, Luthra Ind. Premises, Andheri-Kurla Road, Safed Pool,
 Andheri (East), Mumbai- 400 072 Tel No: 2851 5606, 2851 5644 Fax No: 2851 2885
 - (iii) Write to the Company at least 7 days before the date of the meeting, in case they desire any information as regards the Audited Accounts for the financial year ended 31st March 2009, so as to enable the Company to keep the information ready.
 - (iv) Quote Registered Folio Number or DP ID/ Client ID in all the correspondence.
 - (v) Furnish bank account details to the R&TA / Depository Participant to prevent fraudulent encashment of dividend warrants.
4. Members/Proxies should bring attendance slips sent herewith duly filled in, for attending the Meeting.
5. The Members are requested to dematerialize their shareholdings with their Depository Participants as the Company's Shares are traded compulsorily under demat mode in the Stock Exchanges.
6. As per the provisions of the Companies Act, 1956 facility for making nominations is available for shareholders in respect of the physical shares held by them. Nomination forms can be obtained from the Company's Registered Office.
7. Consequent upon amendment to Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of refund pertaining to share application money out of public issue remaining unpaid or unclaimed for a period of seven years from the date of transfer to Refund Account of the Company has been transferred to the Investor Education and Protection Fund set up by the Government of India and no payments shall be made in respect of any such claims by the Fund.
 Members who have not yet encashed their dividend warrant(s) for the financial year ended 31st March 2002, 31st March 2003, 31st March 2004 and 31st March 2005 are requested to make their claims to the Company accordingly, without any delay.
8. Members, who are holding Shares in identical order of names in more than one Folio, are requested to apply to the Company / Share Transfer Agents along with the relevant Share Certificates for consolidation of such Foliros in one Folio.
9. Mr. Niren Desai and Mr. Prafulchandra Shah, Directors retires by rotation, being eligible, offers themselves for re-appointment:



VIDHI DYESTUFFS MANUFACTURING LIMITED

10. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the Meeting.

By Order of the Board

For Vidhi Dyestuffs Manufacturing Limited

Bipin M. Manek

Chairman & Managing Director

Place: - Mumbai

Date: - 30th June 2009

Annexure to items 2 and 3 of the Notice

Details of Directors seeking re-appointment at the forthcoming Annual General Meeting (in pursuance of revised Clause 49 of the Listing Agreement).

Name of the Director	Niren Dinkarra Desai	Prafulchandra Anantlal Shah
Date of Birth	12 th December 1956	13 th November 1933
Date of Appointment on the Board	10 th May 2005	6 th January 2003
Qualifications	B.E. Mechanical	B.E. Mechanical B.E. Electrical
Experience	30 yeas rich experience in the field of Industrial Hardware & Machine Tools.	50 years rich experience in the field of Industrial Construction Project Works.
Shareholding in the Company	NIL	NIL
List of Directorships held in other Companies	NIL	NIL
Committee Membership	Vidhi Dyestuffs Mfgs. Ltd. (Audit Committee and Remuneration Committee)	Vidhi Dyestuffs Mfgs. Ltd. (Audit Committee and Remuneration Committee)

For Vidhi Dyestuffs Manufacturing Limited

Bipin M. Manek

Chairman & Managing Director

Place: - Mumbai

Date: - 30th June 2009



DIRECTORS' REPORT

To,
The Members,

VIDHI DYESTUFFS MANUFACTURING LIMITED

Your Directors have pleasure in presenting 16th Annual Report together with the Audited Statement of Accounts for the financial year ended 31st March 2009.

FINANCIAL RESULTS

	Current Year 2008-09 Rupees Lakhs	Previous year 2007-08 Rupees Lakhs
Profit for the year before providing for Depreciation	347.54	239.63
Less : Depreciation	96.09	89.49
Profit after Depreciation	251.45	150.14
Less : Provision for Taxation		
Current Year	104.64	60.10
Earlier year	6.25	19.03
Deferred Tax	(21.71)	(10.95)
	89.18	68.18
Profit After Tax	162.27	81.96
Add : Profit brought forward from Previous year	1,126.95	1,044.99
	1,289.22	1,126.95

APPROPRIATION :

Interim Dividend	-	-
Corporate Dividend Tax	-	-
Transfer to General Reserve	-	-

OPERATIONS:

During the year under review your Company has achieved a turnover of Rs.3928.94 Lakhs as compared to Rs.3068.90 Lakhs of previous year registering a growth of 28.30%. The net profit after tax has also gone up from Rs. 81.96 Lakhs to Rs. 162.26 Lakhs recorded an increase of 97.97% as compared to previous year.

The Company has manufactured 994.147 M. Tons of Food colors against 988.84 M. Tons in the previous year.

Your company has increased its export market share on account of persistent marketing efforts and with the help of well-patronized customers' world over.

Your Directors assure to strive for a bright future for your Company.

DIVIDEND:

In order to conserve resources, your Directors do not recommend any dividend for the year 2008-2009.

DIRECTORS:-

In accordance with the requirements of the Companies Act 1956 and Articles of Association of the Company:

Shri Niren D. Desai retires at the ensuing Annual General Meeting and being eligible, offers himself, for re-appointment as a Director.

Shri. Prafulchandra A. Shah retires at the ensuing Annual General Meeting and being eligible, offers himself, for reappointment as a Director.

Your Directors recommend their reappointment as Directors.

Shri Mitesh D. Manek resigned as Director of the Company w.e.f. 1st July 2008.



VIDHI DYESTUFFS MANUFACTURING LIMITED**AUDITORS:**

M/s. Bhuta Shah & Co, Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting however, being eligible, offer themselves for re-appointment as the Statutory Auditors of the Company at remuneration to be decided by the Board of Directors. The Company has received a letter from them to that effect that their re-appointment, if made, would be within the prescribed limits under section 224 (1B) of the Companies Act, 1956

AUDITORS REPORT:

There are no qualifications contained in the Auditor's Report and therefore no further explanation is required to be provided.

The notes to the accounts are referred in the auditors report are also self - explanatory and, therefore do not call for any further comments.

CORPORATE GOVERNANCE:

As per the Listing Agreements with the Stock Exchanges, the Company has successfully implemented and complied with all the requirements of the Code of Corporate Governance and a separate section forming part of the Annual Report along with a Certificate from the Statutory Auditors confirming compliance of the conditions of Corporate Governance.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report as mandated under the Code of Corporate Governance, is enclosed as a part of the Annual Report.

FIXED DEPOSIT:

The Company has not accepted Fixed Deposits from public during the year under review.

PARTICULARS OF THE EMPLOYEES:

There are no employees to whom the disclosure requirements u/s.217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended apply.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ADAPTATION, INNOVATION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information as per Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report to the Board of Directors) Rules, 1988 is given in Annexure forming part of this report.

POLLUTION CONTROL:

The Company is environment conscious and the products manufactured by the Company require the consent from Maharashtra Pollution Control Board (MPCB) for manufacturing. The Company's plant situated at Roha has provided full-fledge facilities to control pollution under Water Act and Air Act. Your Company has taken necessary approval and consent from the MPCB. Further your Company is also member of Common Effluent Treatment Plant (CETP), which is situated at Roha.

INSURANCE:

All the properties and insurable interest of the Company are adequately insured.

DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the confirmation and explanations obtained by them, your Directors make the following statement in terms of Section 217 (2AA) of the Companies Act, 1956.

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities to the best of their knowledge and ability;
- iv) the Directors have prepared the Annual Accounts on a going concern basis.

ACKNOWLEDGEMENTS:

Your Director takes this opportunity to place on record their deep sense of gratitude and appreciation to the Banks, Financial Institution, Central and State Government Authorities for their guidance and support. Your Directors are also grateful to the customers, suppliers and business associates of the Company for their continued co- operation and support. Your Directors also wish to record their appreciation for the employees for their commitment, dedication and hard work put by them at all levels in contributing to the Company's growth. Your Directors are also deeply grateful to the shareholders of the Company for their confidence shown in them.

For and on behalf of the Board

Bipin M. Manek

(Chairman & Managing Director)

Place: Mumbai

Dated: 30th June 2009



ANNEXURE TO THE DIRECTORS REPORT

Disclosure of particulars with respect to conservation of energy, technology absorption, adaptation, innovation and foreign exchange earnings and outgo as required under the companies (Disclosure of particulars in the board of Director's Report) Rules 1988.

1) CONSERVATION OF ENERGY**A) Details of power and fuel consumption:**

		Current Year	Previous year
a. Electricity			
Purchased and consumed	: UNITS	15,91,169	14, 62,320
	: TOTALAMOUNT	77,91,160	67, 91,740
	: RATE PER UNIT	4.90	4.64
b. Furnace Oil	: LITRES	1,67,148	6, 36,074
	: TOTALAMOUNT	37,69,502	1, 15, 28,338
	: RATE PER LITRE	22.55	18.12
c. Coal	: KILOGRAM	17,82,221	* 8,01,598
	: TOTALAMOUNT	78,11,484	*36,27,501
	: RATE PER KGS.	4.38	* 4.53

B) Details of consumption per unit of production

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Electricity	: UNITS	1.60	1.55
Energy Charges:-			
(Furnace Oil / Coal)	: LITRES / KILOGRAM	11.65	*15.33
(* Coal Part of the year)			

2) TECHNICAL ABSORPTION, ADAPTATION & INNOVATION :

1. No technology has been imported by the company.
2. Efforts are being made to further improve quality of the products.

The Company strives to achieve innovations in its Business operations.

3) FOREIGN EXCHANGE EARNINGS AND OUTGO :

The company's total exports sales during the year under review have amounted to Rs.36.30 Crores.

		(Rs. In Lakhs)
FOB VALUE OF EXPORTS	3368.33	2834.78
EXPENDITURE IN FOREIGN EXCHANGE	1248.12	1052.94

For and on behalf of the Board

Place: Mumbai

Dated: 30th June 2009

Bipin M. Manek

(Chairman & Managing Director)



VIDHI DYESTUFFS MANUFACTURING LIMITED

CORPORATE GOVERNANCE

In this dynamic environment shareholders across the globe evince keen interest in the performance of the companies and thus good Corporate Governance is of paramount importance for the companies seeking to distinguish themselves in the global footprint.

The detailed report on Corporate Governance as per the format prescribed by SEBI and incorporated in clause 49 of the listing agreement is set out below. In this report, we confirm the compliance of Corporate Governance criteria as required under clause 49 of the Listing Agreement.

(A) MANDATORY REQUIREMENTS

1) COMPANY PHILOSOPHY: -

The Company's Corporate Governance philosophy encompasses not only regulatory and legal requirements such as forms of listing agreement with the Stock Exchange but also several voluntary practices at superior level of business ethics, effective supervision and enhancement of shareholder value. Transparency, fairness, disclosures and accountability- the four pillars of Corporate Governance have always been central to the working of your Company.

2) BOARD OF DIRECTORS:

Your Company is managed and guided by a professional board comprising of 8 Directors out of which 4 are Independent Directors.

Composition of the Board of Directors, number of other Directorships and Chairmanships/Memberships of Committees of each Director in other Companies as on 31st March 2009.

Sr. No.	Name of the Director(s)	Category	No. of Other Directorship in Public/Pvt. Limited Companies	No. of other Committees* as	
				Chairman	Member
1	Mr. Bipin M. Manek	Executive-Chairman & Managing Director, Promoter	1	NIL	NIL
2	Mr. Naresh L. Modi	Non-Executive, Promoter	NIL	NIL	NIL
3	Mrs. Pravina B. Manek	Non-Executive, Promoter	NIL	NIL	NIL
4	Mr. Vijay K. Atre	Non-Executive, Independent	NIL	NIL	NIL
5	Mr. Prafulchandra A. Shah	Non-Executive, Independent	NIL	NIL	NIL
6	Mr. Chetan P. Bavishi	Non-Executive, Independent	NIL	NIL	NIL
7	Mr. Mitesh D. Manek (Resigned w.e.f. 1 st July 2008)	Executive	1	NIL	NIL
8	Mr. Niren D. Desai	Non-Executive, Independent	NIL	NIL	NIL
9	Mr. Mihir B. Manek	Executive	1	NIL	NIL

For the purpose of considering the number of directorships and Committee positions, all public limited companies, whether listed or not, have been included and all other Companies including private limited companies, foreign companies and companies under Section 25 of the Companies Act, 1956, have been excluded and the Committees other than Audit Committee and Shareholder's/ Investor's Grievance Committee have been excluded.

None of the above-referred Independent Directors have any material pecuniary relationship or transaction with the Company, its Promoters or with its Management, which would affect the independence or judgment of the Directors.

The Company has also not entered into any materially significant transactions with its Promoters, Directors or their relatives or with the Management etc., that may have potential conflict with the interest of the Company at large.

Re-appointment of Directors:

Shri Niren D. Desai retires at the ensuing Annual General Meeting and being eligible, offers himself, for re-appointment as Director.

Shri Prafulchandra A. retires at the ensuing Annual General Meeting and being eligible, offers himself, for re-appointment as Director.

Details of the Directors seeking appointment/reappointment at the forthcoming Annual General Meeting:

Name	Age	Educational Qualification	Experience	
Mr. Niren D. Desai	52 Years	B.E. Mechanical	30 years rich experience in the field of Industrial Hardware & Machine Tools.	Mr. Niren D. Desai has been Director of the Company from 10 th May 2005. He is due to retire by rotation at the forth coming Annual General Meeting and being eligible offers himself for re-appointment
Mr. Prafulchandra A. Shah.	77 Years	B.E. Mechanical B.E. Electrical	50 years rich experience in the field of Industrial Construction Project Works.	Mr. Prafulchandra A. Shah has been the Director of the Company from 5 th January 2003. He is due to retire by rotation at the forth coming Annual General Meeting and being eligible offers himself for re-appointment



Shareholding of Non Executive Directors as on 31st March 2009

Sr. No.	Name of Director	No. of Shares held	% of Shareholding
1.	Mrs. Pravina B. Manek	1,03,67,000	20.76
2.	Mr. Naresh L. Modi	52,94,667	10.60
3.	Mr. Vijay K. Atre	25,000	0.05
4.	Mr. Prafulchandra A. Shah	-	-
5.	Mr. Chetan P. Bavishi	-	-
6.	Mr. Niren D. Desai	-	-

Attendance Record of the Directors:

The meetings of the Board of Directors are normally held at the Registered Office of the Company. The Board meets at least once in a quarter to review the quarterly performance and financial results.

During the Financial Year 2008-2009, Five Meetings of Board of Directors were held on the following days:

15th May 2008, 30th June 2008, 31st July 2008, 31st October 2008 and 30th January 2009

Annual General Meeting for the financial year ended 31st March 2008 was held on 30th September 2008.

The Board of Directors has not passed any resolution through Circular Resolution during the current financial year.

The Attendance of Directors at the Board Meetings and Annual General Meetings were as under:

Financial Year 2008-2009

Directors	Number of Board Meetings		Attendances at the last Annual General Meetings
	Held	Attended	
Mr. Bipin M. Manek	5	5	Yes
Mr. Naresh L. Modi	5	5	Yes
Mrs. Pravina B. Manek	5	5	Yes
Mr. Vijay K. Atre	5	5	Yes
Mr. Prafulchandra A. Shah	5	5	Yes
Mr. Chetan P. Bavishi	5	5	Yes
Mr. Mitesh D. Manek	2	2	Yes*
(resigned as Director w.e.f. 1 st July 2008)			
Mr. Niren D. Desai	5	5	Yes
Mr. Mihir B. Manek	5	5	Yes

* Mr. Mitesh Manek was present at the last Annual General meeting as a Member of the Company.

Agenda for each Board Meeting was sent along with notes on agenda items at least 7 days in advance to all the Directors. At the Board meetings of the Company the Directors are being provided information stipulated in clause 49 of the Listing Agreement. The Board has a formal schedule of matters reserved for its consideration, which includes review of the Company's performance. The Company has designed the required information system for this purpose.

Matters discussed at these Board Meetings relate to among others, review of annual plan, quarterly results of the Company, Minutes of Meetings of Audit Committee, observations of the Audit Committee, statutory compliances by the Company, sale and purchase of investments etc.

Chief Executive Officer (CEO) / Chief Financial Officer (CFO) Certification

Declaration by the Managing Director and Chief Financial Officer under Clause 49 (1) (D) of the Listing Agreement regarding adherence to the code of conduct is forming part of the Report on Corporate Governance.

In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures.

Code of Conduct

In compliances with the regulatory requirements and effective implementation of corporate governance practices, the Company has adopted the following codes of governance in accordance with the applicable regulations of Securities and Exchange Board of India: -

- Code of Conduct for prevention of Insider Trading; or regulating the dealings of the Directors and Employees of the Company possessing or likely to possess price sensitive information, in the securities of the Company;
- Code of Conduct for Board of Directors and Senior Management

3) AUDIT COMMITTEE:

The composition, procedure, role / function of the Audit Committee are in accordance with the requirements of the Listing Agreement.

A. Role & Function:

- Overview the Company's financial reporting process and its financial statements.
- Recommending to the Board, the appointment, reappointment and, if required the replacement or removal of Statutory Auditor and fixation of audit of fees.
- Approval of payment to Statutory Auditors' for any services rendered by them.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:



VIDHI DYESTUFFS MANUFACTURING LIMITED

- a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2A) of section 217 of the Companies Act, 1956;
 - b) Changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions;
 - g) Qualification in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
 - Reviewing, with the management, performance of statutory and internal auditors, adequacy of internal control systems.
 - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, reporting structure coverage and frequency of internal audit.
 - Discussion with internal auditors any significant findings and follow up there on.
 - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
 - Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - To looking to the reasons for substantial defaults in the payment of the depositors, debenture holders, shareholders and creditors.
 - Carrying out any other function as is mentioned in terms of reference to the Audit Committee.
- Reviewing periodically the financial results adequacy of internal audit functions etc.
- Examine accounting policies, taxation matters and disclosure aspects as stipulated under various legislations.
 - Investigate any other matters referred to by the Boards.

B. Composition:

The Audit Committee consists of Five Directors, out of which, 3 are Independent, Non-Executive Directors, 1 is Promoter, Non-Executive Director and 1 is Executive Director.

Mr. Vijay K. Atre	Chairman	Non-Executive, Independent
Mr. Prafulchandra A. Shah	Member	Non-Executive, Independent
Mr. Niren D. Desai	Member	Non-Executive, Independent
Mrs. Pravina B Manek	Member	Non-Executive
Mr. Mitesh D. Manek*	Member	Executive
Mr. Mihir B. Manek**	Member	Executive

*Up to 30th June 2008, ** From 1st July 2008.

C. Meetings & Attendance:

The Members of the Audit Committee met five times during the year.

The Meetings were held on 15th May 2008, 30th June 2008, 31st July 2008, 31st October 2008 and 30th January 2009 the details of which are as follows.

Name	Non-Executive/Independent	Numbers of Meetings	
		Held	Attended
Mr. Vijay K. Atre	Chairman, Non-Executive, Independent	5	5
Mr. Prafulchandra A. Shah	Non-Executive, Independent	5	5
Mr. Niren D. Desai	Non-Executive, Independent	5	5
Mrs. Pravina B. Manek	Non-Executive	5	5
Mr. Mitesh D. Manek *	Executive	2	2
Mr. Mihir B. Manek**	Executive	3	3

* Up to 30th June, 2008, ** From 1st July, 2008.

All the members of the Audit committee are financially literate and have accounting or related financial management expertise.

The Chairman of the Audit Committee was present at 15th Annual General Meeting held on 30th September 2008.

4) REMUNERATION COMMITTEE

The Remuneration committee is constituted to formulate and recommend to the Board from time to time a compensation structure for Managing Director/Whole-time Director of the Company.

a) Brief description of terms of reference:

- To review, assess and recommend the appointment and remuneration of Whole-time Director/Managing Director.
- To review the remuneration package including the retirement benefits payable to the Directors, periodically and recommend suitable revision/increments, whenever required to the Board.

