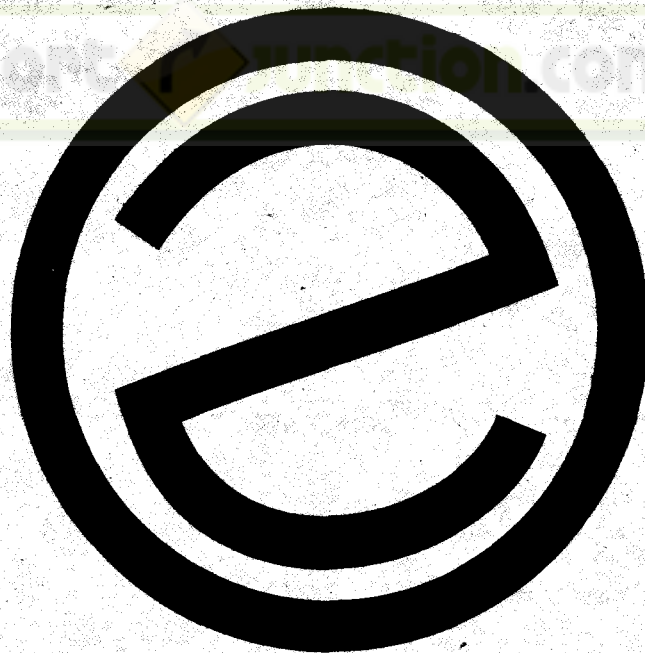




**THE YASH BIRLA GROUP**

# **ZENITH BIRLA (INDIA) LIMITED**



**47th Annual Report 2008 - 2009**

**Zenith Birla (India) Limited**  
47th Annual Report 2008-09



## DIRECTORS

YASH BIRLA	CHAIRMAN
M. S. ARORA	MANAGING DIRECTOR (w.e.f. 27 <sup>th</sup> July, 2009)
D.V. KAPUR	
AUGUSTINE P. KURIAS	
ANIRUDDHA BARWE	
SANJAY BUDHIA	(Till 24 <sup>th</sup> April, 2009)
P. V. R. MURTHY	(Addl. Director w.e.f. 27 <sup>th</sup> July, 2009)

## WORKS

- a) Pipe Division  
KHOPOLI, DIST. RAIGAD,  
MAHARASHTRA - 410203
- b) Tool Division
  - i. 62/63, MIDC AREA,  
SATPUR, NASHIK  
MAHARASHTRA - 422007
  - ii B-15/3/1, MIDC AREA,  
WALLUJ,  
DIST. AURANGABAD,  
MAHARASHTRA - 431133

## AUDITORS

DALAL & SHAH  
Chartered Accountants

## BANKERS

STATE BANK OF INDIA  
PUNJAB NATIONAL BANK  
BANK OF BARODA  
ORIENTAL BANK OF COMMERCE  
BANK OF INDIA

## REGISTRAR AND SHARE TRANSFER AGENTS

BIGSHARE SERVICES PVT. LTD.  
E/2 ANSA INDUSTRIAL ESTATE  
SAKIVIHAR ROAD, SAKI NAKA,  
ANDHERI (E), MUMBAI 400072.  
TEL. : 022-28470652/40430200  
FAX :022-28475207  
E.mail : info@bigshareonline.com

## REGISTERED OFFICE

DALAMAL HOUSE  
1<sup>ST</sup> FLOOR, 206 JAMNALAL BAJAJ MARG,  
NARIMAN POINT, MUMBAI 400021.  
TEL. :022-22821173/66168400  
FAX : 022-22047835

## CONTENTS

Notice.....	1-5
Directors' Report.....	6-9
Management's Discussion & Analysis.....	10-11
Report on Corporate Governance and Certificate.....	12-20
Auditor's Report.....	21-23
Financial Reports of the Company.....	24-45
Financial Reports of Subsidiaries.....	46-57
Consolidated Financial Statements.....	58-76

Members are requested to note that only tea/coffee will be served during the 47th Annual General Meeting to be held on Thursday, 24th September, 2009 at 4.00 p.m. at Sunville Banquets & Conference Hall, Orchid Room, 2<sup>nd</sup> Floor, 9 Dr. A.B. Road, Worli, Mumbai 400018

## NOTICE

**Notice** is hereby given that the Forty Seventh Annual General Meeting of the members of **ZENITH BIRLA (INDIA) LIMITED** will be held on Thursday, the 24<sup>th</sup> day of September, 2009 at 4.00 P.M. at Sunville Banquets & Conference Hall, Orchid Room 2<sup>nd</sup> Floor, 9 Dr. A. B. Road, Worli, Mumbai 400018, to transact the following business:

### Ordinary Business:

1. To consider and adopt the Audited Balance Sheet as at March 31, 2009, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a director in place of Shri A. R. Barwe, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors and fix their remuneration and in this regard 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 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Dalal & Shah, Chartered Accountants, Mumbai, the retiring auditors be and are hereby re-appointed as 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 on such remuneration and reimbursement of out-of-pocket expenses as the Board of Directors may fix in this behalf."

### Special Business:

5. 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 or any statutory modification(s) or re-enactment thereof, Shri P. V. R. Murthy, who was appointed as an Additional Director on 27<sup>th</sup> July, 2009 pursuant to the provisions of Section 260 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company liable to retirement by rotation under the provisions of the Article of Association of the Company."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to such other consent and approvals as may be required including of the Central Government, Shri M.S. Arora, who was appointed as an Executive Director at the Annual General Meeting of the Company held on 14<sup>th</sup> September, 2007 for a period of five years effective from 10<sup>th</sup> July, 2007, be and is hereby appointed as the Managing Director of the Company w.e.f. 27<sup>th</sup> July, 2009 till the expiry of his term i.e. 9<sup>th</sup> July, 2012.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government and such alterations and modifications, if any, that may be effected by the Central Government in granting such approvals, consent of the Company be and is hereby accorded to the payment of enhanced remuneration including salary, allowances perquisites and benefits to Shri M.S. Arora as per the terms and conditions as set out hereunder, with effect from 27<sup>th</sup> August, 2009 till the expiry of his present term i.e. 9<sup>th</sup> July, 2012, notwithstanding that such remuneration is in excess of the limits specified in Part II of Schedule XIII of the Companies Act, 1956:

#### I. SALARY

Shri M. S. Arora shall be entitled to a salary of Rs. 25,20,000/- (Rupees Twenty Five Lakhs Twenty Thousand Only) per annum with such annual increase as may be decided by the Board of Directors from time to time.

#### II PERQUISITES

1. Shri M.S. Arora shall be entitled to perquisites and benefits such as House Rent Allowance, Furnishing Allowance, House Maintenance, gas, electricity, water, Medical Re-imbursement, Leave Travel Concession for self & family, Car Maintenance and Drivers allowance, etc. and any other allowances and perquisites as per the policy / rules of the Company that may be in force, provided that the aggregate value of such allowances and perquisites shall not exceed Rs. 46,78,000/- (Rupees Forty Six Lakhs Seventy Eight Thousand Only) per annum. Allowances and perquisites shall be valued as per the Income Tax Rules, wherever applicable and in the absence of any such Rules, the perquisites shall be evaluated at actual costs to the Company.



2. Shri M.S. Arora shall also be entitled to Company's contribution to Provident Fund, Superannuation Fund, Pension Fund, Gratuity, Encashment of Leave at the end of his tenure as Managing Director, as per the policies/ rules of the Company and the same shall not be included for the purposes of computation of perquisites.

### III COMMISSION

Shri M.S. Arora shall be entitled to commission at the rate not exceeding 3% (three percent) of the Net Profit of the Company calculated under Sections 349 and 350 of the Companies Act, 1956.

**RESOLVED FURTHER THAT** the remuneration as mentioned above be paid to Shri M.S. Arora as minimum remuneration.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to alter, increase or vary the remuneration including salary, allowances, commission, perquisites and benefits, and other terms of appointment of Shri M.S. Arora and vary the terms and conditions of the said appointment and/or agreement in such manner as may be agreed to between the Board of Directors and Shri M.S. Arora from time to time, as deemed expedient or necessary and the terms of agreement shall be suitably modified to give effect to such alteration and/or variation."

By Order of the Board  
For **Zenith Birla (India) Limited**

**M.S. Arora**  
Managing Director

Mumbai  
Date: 27<sup>th</sup> August, 2009

#### 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 AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain close from Thursday, the 17<sup>th</sup> September, 2009 to Thursday, the 24<sup>th</sup> day of September, 2009 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the meeting.
3. The dividend on equity shares for the year ended 31st March, 2009, if declared at this meeting, will be paid:
  - (i) in respect of shares held in electronic form, on the basis of beneficial ownership, at the close of business hours on Wednesday, 16th September, 2009 as per the details furnished by depositories, and
  - (ii) to those members, holding shares in physical form, whose name appear in the Register of Members of the Company on Thursday, 24th September, 2009.
4. Pursuant to Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid/unclaimed dividend, deposits and interest warrants till the end of the financial year ended March 31, 2002, to the Investor Education and Protection Fund (IEPF) established by the Central Government.
5. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send the share certificates to the Company's Registrars and Transfer Agents, M/s. Big Share Services Pvt. Ltd. for consolidation into single folio.
6. Members are requested to promptly notify immediately any change in their addresses and/or the Bank Mandate details to the Company's Registrars and Share Transfer Agents for shares held in physical form and to their respective Depository Participants for shares held in electronic form.
7. Members, who wish to avail ECS Facility for the payment of dividend may send their duly completed form to the Company's Registrar & Share Transfer Agent for the shares held in physical form and to their respective Depository Participant for the shares held in dematerialized form.

## **Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956**

### **Item No. 5**

Shri P. V. R. Murthy was appointed Additional Director on the Board of the Company with effect from 27<sup>th</sup> July, 2009 pursuant to the Section 260 of the Companies Act, 1956 and Article 144 of the Article of Association of the Company and holds office upto the date of this Annual General meeting.

The Company has received notice, along with requisite fee, from a member under Section 257 of the Companies Act, 1956, proposing the candidature of Shri P. V. R. Murthy as a Director of the Company under the provisions of Section 257 of the Act.

A brief resume of Shri P.V.R. Murthy, nature of his expertise, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in Report on Corporate Governance forming part of this Annual Report.

The Board recommends the Ordinary Resolution as set out in item no. 5 of the Notice for members' approval.

None of the Directors, except Shri P. V. R. Murthy is concerned and / or interested in the resolution.

### **Item No. 6**

Shri M. S. Arora was appointed as an Executive Director at the Annual General Meeting of the Company held on 14<sup>th</sup> September, 2007 for a period of five years effective from 10<sup>th</sup> July, 2007 to 9<sup>th</sup> July, 2012.

The Board of Directors of the Company at its meeting held on 27<sup>th</sup> July, 2009 appointed Shri M. S. Arora as the Managing Director of the Company with effect from 27<sup>th</sup> July, 2009 and to hold office till 9<sup>th</sup> July, 2012, subject to the approval of the shareholders and all other applicable approvals. Since 27<sup>th</sup> July, 2009 Shri M.S. Arora as Managing Director received the same remuneration that he was receiving as the Executive Director.

The Remuneration Committee of the Board in its meeting held on 27<sup>th</sup> August, 2009 has recommended revision in remuneration and perquisites payable to Shri M. S. Arora during his tenure as Managing Director w.e.f. 27<sup>th</sup> August, 2009 till the expiry of his term i.e. 9<sup>th</sup> July, 2012.

Shri M. S. Arora, aged 47 years is a qualified BE (Mechanical) from REC, Bhopal. He has more than two decades of experience in the field of Operations, Marketing, Export and General Management. Prior to joining the Company, he was the Chief Operating Officer of Man Industries Ltd. He has also held various senior level positions in Welspun Gujarat Stahl Rohren Ltd., PSL Limited and Voltas Limited. The Company has benefited from his rich and varied experience and continues to do so.

A brief resume of Shri M. S. Arora, the nature of his expertise, is provided in the Report on Corporate Governance forming part of this Annual Report as required under Clause 49 of the Listing Agreement and Schedule XIII.

The appointment of Shri M. S. Arora as Managing Director and revision of his remuneration as mentioned above are subject to the approval of shareholders of the Company and the Central Government. Accordingly, the Directors recommend the resolution set out in Item No. 6 of the convening notice.

None of the Directors, except Shri M. S. Arora is concerned and/ or interested in the proposed resolution.

A copy of the Supplementary Agreement executed between the Company and Shri M. S. Arora which amends the Agreement dated 10<sup>th</sup> July, 2007, in this connection shall be kept at the Registered Office of the Company and shall be open for inspection by the Shareholders on any working day till the date of the Annual General Meeting.

## **INFORMATION PURSUANT TO SCHEDULE XIII OF THE COMPANIES ACT, 1956**

### **I. GENERAL INFORMATION**

#### **1) Nature of Industry :-**

The Company manufactures black welded and galvanized steel pipes and cutting tools. The Company has presently two divisions viz. Pipes Division at Khopoli and Tools Division at Nashik and Aurangabad.

#### **2) Date or expected date of commencement of commercial production :-**

The Company was incorporated on 5<sup>th</sup> August, 1960 and the date of commencement of business is 17<sup>th</sup> August, 1960.

#### **3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:-**

Not applicable





## 4) Financial Performance :-

(Rs. in Lacs)

Financial Year ended	2008-09	2007-08	2006-07
Net Sales	58296	46196	37612
Total Income	58426	47900	40629
Total Expenditure	56349	44329	36868
Profit/(Loss) before Tax	2077	2293	1928
Profit (Loss) after Tax	1537	1921	1666

## 5) Export performance and net foreign exchange collaborations, if any:-

(Rs. in lacs)

Financial Year ended	2008-09	2007-08	2006-07
Foreign Exchange Earnings (FOB value of Export)	25166	15535	9810

## 6) Foreign Investments or collaborators, if any:-

The Company has the following two wholly owned subsidiaries:-

- 1) Zenith (USA) Inc. in U. S. A., and
- 2) Zenith Middle East FZE in U.A.E.

II. INFORMATION ABOUT THE APPOINTEE:

## 1) Background details:-

Shri M. S. Arora, aged 47 years is a qualified BE (Mechanical) from REC, Bhopal. He has more than two decades of experience in the field of Operations, Marketing, Export and General Management. Prior to joining the Company, he was the Chief Operating Officer of Man Industries Ltd. He has also held various senior level positions in Welspun Gujarat Stahl Rohren Ltd., PSL Limited and Voltas Limited. He was appointed as the CEO & Executive Director of the Company w.e.f. 10<sup>th</sup> July, 2007.

## 2) Past Remuneration :-

For the year 2008-09	(Rs. In Lacs)
Salary	16.20
Other Perquisites	36.87
Contribution to P.F.	1.94

## 3) Recognition or awards :-

Shri M.S. Arora, Managing Director, has been instrumental for the Company getting the award for star performer from EEPC for excellent exporter.

## 4) Job Profile and his suitability:-

The Managing Director is entrusted with substantial powers of management in respect of the whole of the affairs of the Company subject to the superintendence, control and direction of the Board of Directors. He will also perform such duties and exercise such powers as have been or may be entrusted to or conferred upon him by the Board from time to time.

Shri M. S. Arora's in-depth knowledge of Company's product lines would be very valuable for the Company in the context of the present global slowdown, depressed market conditions and sluggish demand. With sufficient past experience in successfully managing the affairs of the Company, Shri M. S. Arora is best suited for the position of Managing Director.



5) Remuneration Proposed:-

As per the details contained in the Notice of the Annual General Meeting.

6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person :-

The executive remuneration in the industry has increased manifold in the past few years. Having regard to the type of industry, trends in industry, size of the Company, the responsibilities, academic background and capabilities of Shri M. S. Arora, the proposed remuneration is well within the remuneration payable to Directorial personnel holding similar stature/position in the Industry.

7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:-

Shri M. S. Arora has no pecuniary relationship with the Company, other than his remuneration as Managing Director of the Company. There are no managerial personnel related to Shri M. S. Arora.

III. OTHER INFORMATION

1) Reasons for loss or inadequate profit :-

The performance of the Company is affected due to the continuing global slowdown and it is anticipated that during the financial year 2009-2010, the remuneration of Shri M.S. Arora, as mentioned above, may exceed the ceiling limit of 5% of the net profits of the Company.

2) Steps taken or proposed to be taken for improvement :-

The Company is aggressively pursuing its business plans to move up in value chain by diversifying/expanding into higher technology products used by the Oil/ Gas industry and the Auto component industry. The Company is also in the process of improving its performance by achieving organic & inorganic growth.

3) Expected increase in productivity and profits in measurable terms :-

In the competitive environment, it is difficult to estimate the revenue/profits in measurable terms. As mentioned above, the Company is taking various efforts to increase its productivity and the management is confident of substantial increase in revenue and profits in coming years.

By Order of the Board  
For Zenith Birla (India) Limited

**M. S. Arora**  
Managing Director

Mumbai  
Date: 27<sup>th</sup> August, 2009.

**DIRECTORS' REPORT**

To the Members,

Your Directors have pleasure in presenting the Forty Seventh Annual Report together with the Audited Statements of Accounts of your Company for the period ended 31<sup>st</sup> March, 2009

**I. FINANCIAL RESULTS**

	(Rs.in Crores)	
	Year ended 31.03.2009	Year ended 31.03.2008
<b>Gross Income</b>	<b>628.95</b>	530.65
Less : Excise Duty	<b>44.70</b>	51.64
<b>Net Income</b>	<b>584.25</b>	479.01
Profit/(Loss) Before Interest, Depreciation, Taxation And Expenses In Respect Of Earlier Years	<b>36.78</b>	35.71
Interest and Finance Expenses	<b>11.00</b>	8.11
Profit/(Loss) Before Depreciation, Taxation And Expenses In Respect Of Earlier Years	<b>25.78</b>	27.60
Depreciation	<b>5.01</b>	4.66
Profit/(Loss) for the Year Before Taxation and Expenses in respect of Earlier Years	<b>20.77</b>	22.94
Less: Expenses in respect of earlier years	<b>0.01</b>	0.01
Net Profit/(Loss) Before Tax (PBT)	<b>20.76</b>	22.93
Less: Provision for Taxation :		
Fringe Benefit Tax (FBT)	<b>0.19</b>	0.20
Current Year Tax	<b>5.20</b>	3.52
<b>Profit After Tax (PAT)</b>	<b>15.37</b>	19.21

**2. DIVIDEND**

In view of the good performance of the Company, your Directors are pleased to recommend a dividend of 6% i.e. Rs.0.60 per equity share for the financial year ended 31<sup>st</sup> March, 2009.

**3. FINANCIAL HIGHLIGHTS AND OPERATIONS**

During the year under review the gross turnover of the Company has increased by 18.46 % over the previous year. This increase has been on account of higher export realization and improved performance due to increase in sales specifically in oil & gas, agriculture & irrigation sector and infrastructure sectors.

During the year under review gross turnover increased from 530.65 crores to 628.95 crores. Your Company has managed to maintain its Earnings before Interest & Depreciation in the current year in spite of the recessionary climate which created business uncertainty across the globe. This was felt in the export sales where a huge demand dip was witnessed particularly in US & Middle East markets which contribute significantly to the companies top line.

The Earnings before Depreciation and Income Tax is maintained, in spite of the high interest regime prevailing in financial year 2009.

Profit after Tax for the financial year stands at Rs 15.37 crores as against 19.21 crores in the previous year mainly due to higher tax provisions.

**4. PROPOSED DEMERGER OF INDIAN TOOL MANUFACTURERS, DIVISION OF THE COMPANY AND MERGER OF TUNGABHADRA HOLDINGS PRIVATE LIMITED WITH THE COMPANY**

Your Company is engaged in the manufacturing of ERW welded steel pipes and specializes in a wide range of black and galvanized pipes. The tool division of the Company is engaged in manufacturing HSS cutting tools and is focused towards the auto / engineering segment. The Yash Birla Group has taken a policy decision to focus on its pipes business in Zenith Birla (India) Ltd (ZBIL) and is also considering the realignment of the above auto / engineering businesses from a perspective of future growth.

The Board of Directors at its meetings held on 22nd October, 2008 has approved the Scheme of Arrangement (Scheme) under Section 391 to 394 of the Companies Act, 1956, inter-alia providing for demerger of tool division of the Company and merger of Tungabhadra Holdings Private Limited with the Company.





The Company has received 'In Principle' approval to the Scheme from Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. The Scheme has also been approved in the Court Convened Meeting by the members of the Company. Pending approval of the Scheme by the Hon'ble High Court of Judicature at Bombay, as well as completion of other necessary formalities in this regard, the Balance-Sheet as on 31st March, 2009 and the Profit and Loss Account for the year ended on that date do not reflect the adjustments and effects arising from the Scheme as envisaged, which would be considered as and when the Scheme is approved and implemented.

## **5. EXPORT PERFORMANCE**

Your Company continues to remain a leading exporter of Steel Pipes to USA, Middle East and various other countries. Exports turnover increased by 70 % to Rs. 251.66 crores during the year under review. Your Company continues to remain net earner of the valuable foreign exchange.

## **6. EXPANSION PROJECT**

The Company is implementing the expansion project for which the Company raised resources in 2006.

Benefits of the expansion project has started getting reflected in the financial performance of the Company, albeit gradually. Due to the general slow down in the economy, the Company is closely monitoring the developments in global market scenario. The Company will expedite the completion of the expansion project once the market scenario improves which can help the Company to realise maximum benefit from the expansion project by optimum utilization of resource.

## **7. SUBSIDIARY COMPANY**

The Accounts for the wholly Subsidiary Companies, M/s. Zenith (USA) Inc., and M/s. Zenith Middle East FZE have been received by the Company and a statement pursuant to Section 212 of the Companies Act, 1956, forms part of this Annual Report.

## **8. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

In terms of clause 49 of the Listing Agreement with the Stock Exchange, the Management Discussion and Analysis Report is appended to this report.

## **9. CORPORATE GOVERNANCE**

Your Company will continue to strive to incorporate best of standards for good corporate governance. As a listed company, all required measures are taken to comply with the Agreement with the Stock Exchange and other statutory regulations. A separate report on Corporate Governance along with a Certificate of Compliance from the Auditors forms part of this report.

## **10. DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to Section 217 (2AA) of the Companies Act 1956, the Directors of the Company state as under that:-

1. In the preparation of annual accounts, applicable Accounting Standards have been followed except as mentioned in Note No. 4 (iii) (Annexure A) regarding valuation of finished and process stocks of Tools division as per the method explained therein, which has also been done as per consistent practice. These notes are appearing in the schedule 20 of the accounts.
2. The Directors had selected such accounting policies and applied them consistently and made judgments 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 financial period and of the profit or loss for the period except as mentioned in (i) above.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act 1956, for safeguarding the assets of the Company and for preventing and detecting fraud & other irregularities.
4. The Directors had prepared Annual Accounts on a 'going concern' basis.

## **11. COST AUDIT**

The reports of Cost Auditors in respect of audit of the cost records of the Pipes Division of the Company for the year ended 31st March, 2009 will be submitted to the Central Government in due course.

## **12. AUDITORS REMARKS**

The Notes to the Accounts and the remarks referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

**13. DIRECTORS**

Shri Sanjay Budhia has resigned from the Board w.e.f. 24<sup>th</sup> April, 2009. The Board placed on record its sincere appreciation for the valuable services and guidance rendered during his association with the Company.

The Board at its Meeting held on 27<sup>th</sup> July, 2009 appointed Shri P.V.R. Murthy as Additional Director of the Company effective 27<sup>th</sup> July, 2009. Shri Murthy holds office upto the date of the forthcoming Annual General Meeting (AGM) but is eligible for appointment.

The Board at its Meeting held on 27<sup>th</sup> July, 2009 appointed Shri M. S. Arora as Managing Director of the Company effective 27<sup>th</sup> July, 2009. The appointment of Shri M. S. Arora is subject to the approval of the members at General Meeting and the terms of his remuneration is subject to the approval of the members and Central Government.

In terms of the provisions of the Companies Act, 1956 and the the Articles of Association of the Company, Shri A. R. Barwe retires by rotation at the forthcoming Annual General Meeting and is eligible for reappointment.

Brief resume of the Directors proposed to be appointed/re-appointed including their other directorship are provided in the Report on Corporate Governance.

**14. FIXED DEPOSITS**

During the year under review, the Company has invited fresh Fixed Deposits from its shareholders and general public. As on March 31, 2009, the Company has fixed deposit of Rs.601.92 Lacs. There are no un-paid deposits (other than un-claimed), payable as of 31<sup>st</sup> March, 2009. Also there is no default in payment of interest and repayment of matured deposits.

**15. UN-PAID/UN-CLAIMED DIVIDEND/DEPOSIT**

Unpaid/Un-claimed dividend / deposits have been transferred to the Investors Education and Protection Fund in terms of requirement of Section 205A(5) / 205C of the Companies Act, 1956.

**16. AUDITORS**

M/s.Dalal & Shah, Chartered Accountants retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. The Audit Committee recommends the re-appointment of M/s.Dalal & Shah, Chartered Accountants as Statutory Auditors of the Company.

**17. PARTICULARS OF EMPLOYEES**

As required under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, the names and other particulars of employees receiving remuneration above the prescribed limit are set out in the annexure appended to this report.

**18. PERSONNEL**

Your Directors place on the record their appreciation of the contribution made by the employees at all levels who, through their competence, diligence, solidarity, co-operation and support, have enabled the Company to achieve the desired results during the year.

**19. ACKNOWLEDGEMENTS**

During the financial year under review Industrial Relations continued to remain cordial. Your Directors wishes to place on record their sincere thanks to the continuing commitment and dedication of employees at all levels. The Directors would also like to thank to the various stakeholders such as Banks, Financial Institutions, various State and Central Governmental Authorities, Customers, Vendors and last but not least our valued Shareholders, who are supporting the management for all these years and made possible one of the very few industrial revival, a reality in the history of Corporate India. With best wishes for the coming festival season.

For and on behalf of the Board

Place: Mumbai  
Date: 27<sup>th</sup> August, 2009

**Dr. D. V. Kapur**  
Chairman of the Meeting