



AJANTA SOYA LIMITED

NOTICE

NOTICE is hereby given that the 15th Annual General Meeting of the Members of the Company will be held on Saturday, 30th September, 2006 at 11.30 A.M. at the Registered Office and Works of the Company at SP-916, RIICO Industrial Area, Phase III, Bhiwadi 301 019, Distt. Alwar, Rajasthan to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2006 and Profit and Loss Account for the year ended on that date together with the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr Bishan Goyal who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr Harsh Chander Kansal who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting and to authorize the Board to fix their remuneration.

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 Sections 198, 269 and 309 read with Schedule XIII of the Companies Act, 1956 and the Articles of the Association of the Company, and other applicable provisions, if any, the consent of the members be and is hereby given for appointment of Mr Gagan Goyal as a Whole Time Director of the Company for a period of three years with effect from 1st May, 2006 at a gross monthly remuneration not exceeding Rs. 15,000 (Rupees fifteen thousand only) whether paid as salary, allowance(s), perquisites or a combination thereof provided that the following perquisites will not be included in the aforesaid remuneration:

- a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961;
- b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- c. Encashment of leave at the end of tenure.

Provided further that payment/re-imbursement of telephone and/or mobile phone(s) bills, conveyance, fuel expenses or other out of pocket expenses incurred in course of the official duties will not be included in the aforesaid remuneration.

RESOLVED FURTHER THAT in the event of loss, absence or inadequacy of profits, the aforesaid remuneration shall be the minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any committee/sub-committee of the Board) be and is hereby authorised to assign and delegate, from time to time, such work, duties, power and authorities to the Whole Time Director as it may deem fit and proper.

RESOLVED FURTHER THAT the Board of Directors and the Remuneration Committee of the Company be and are hereby severally authorised to fix such remuneration and to work out various components of the remuneration package as it may deem fit and proper within the overall limits of the remuneration as approved above.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any committee/sub-committee of the Board) be and is hereby authorised to take all necessary steps to give effect to the aforesaid resolution."

6. 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 Sections 198, 269 and 309 read with Schedule XIII of the Companies Act, 1956 and the Articles of the Association of the Company, and other applicable provisions, if any, consent of the Members be and is hereby given for increase in remuneration of Mr Sushil Goyal, Managing Director of the Company with effect from 1st October, 2006 for the remaining period of his current term as the Managing Director of the Company in the following manner:



AJANTA SOYA LIMITED

- (i) Gross monthly remuneration not exceeding Rs. 50,000 (Rupees fifty thousand only) whether paid as salary, allowance(s), perquisites or a combination thereof;
provided that the following perquisites will not be included in the aforesaid remuneration:
- Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961;
 - Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
 - Encashment of leave at the end of tenure.
- (ii) payment/re-imbursement of telephone and/or mobile phone(s) bills, conveyance, fuel expenses or other out of pocket expenses incurred in course of the official duties will not be included in the aforesaid remuneration.

RESOLVED FURTHER THAT in the event of loss, absence or inadequacy of profits, the aforesaid remuneration shall be the minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any committee/sub-committee of the Board) be and is hereby authorised to assign and delegate, from time to time, such work, duties, power and authorities to the Managing Director as it may deem fit and proper.

RESOLVED FURTHER THAT the Board of Directors and the Remuneration Committee of the Company be and are hereby severally authorised to fix such remuneration and to work out various components of the remuneration package as it may deem fit and proper within the overall limits of the remuneration as approved above.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any committee/sub-committee of the Board) be and is hereby authorised to take all necessary steps to give effect to the aforesaid resolution."

For and on Behalf of the Board
For AJANTA SOYA LTD

Date : 25th August, 2006
Place : New Delhi

Sd/-
SUSHIL GOYAL
Managing Director

NOTES:

- Appointment of Proxy:** A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The proxy form in order to be effective must be deposited with the Company not less than 48 hours before the time fixed for commencement of the Meeting.
- Corporate Members:** Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.
- Members/Proxies attending the meeting are requested to bring their copy of Annual Report to the Meeting.
- Queries at the AGM:** Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least seven days prior to the date of AGM to enable the management to compile the relevant information to reply the same in the meeting.
- Book Closure:** The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 25th September, 2006 to Saturday, 30th September, 2006 (both days inclusive) for the purpose of the AGM.
- Members are requested to notify any change in their address/ mandate/ bank details immediately to the share transfer Agent of the Company- M/s Skyline Financial Services Pvt Ltd.
- Inspection of Documents:** Documents referred to in the Notice etc., are open for inspection at the registered office of the Company at all working days except Saturdays between 11 A.M. and 2 P.M. up to the date of Annual General Meeting.



AJANTA SOYA LIMITED

H. Explanatory Statement: Explanatory Statement as required under section 173(2) of the Companies Act, 1956, in respect of Special Business under item no. 5 and 6 enclosed herewith.

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

ITEM NO. 5:

Mr Gagan Goyal was appointed as the Whole Time Director of the Company in the Board meeting held on 29th April, 2006 w.e.f. 1st May, 2006. His Appointment as Whole Time Director is subject to the approval of members of the Company. Mr Gagan Goyal is BBA by qualification and has good experience in Marketing & Finance. He is involved in Marketing and finance related matters of the Company.

Brief details of Mr Gagan Goyal is given in the report on Corporate Governance, which is enclosed with the Directors' Report. The Board of Directors and the Remuneration Committee have already approved the appointment and remuneration respectively. The members' approval is required by way of an ordinary resolution in this regard.

None of the directors of the Company except Mr Sushil Goyal, Mr Bishan Goyal and Mr Gagan Goyal himself is concerned or interested in the proposed resolution.

ITEM NO. 6:

Mr Sushil Goyal has been the Managing Director of the Company since last eight years. He was re-appointed as Managing Director of the Company w.e.f. 27th July, 2003 for a further period of 5 years. Considering his valuable contributions to the Company, it is proposed to increase the remuneration payable to Mr Sushil Goyal, Managing Director. The enhanced remuneration will be payable with effect from 1st October, 2006 till the date of expiry of his current term as Managing Director i.e., 26th July, 2008. The Remuneration Committee has already approved and recommended the proposed enhancement of remuneration.

Members' approval is required by way of a ordinary resolution for the proposed increase in remuneration.

None of the directors of the Company except Mr Gagan Goyal, Mr Bishan Goyal and Mr Sushil Goyal himself is concerned or interested in the proposed resolution.

For and on Behalf of the Board
For **AJANTA SOYA LTD**

Date : 25th August, 2006
Place : New Delhi

Sd/-
SUSHIL GOYAL
Managing Director



AJANTA SOYA LIMITED

DIRECTORS' REPORT

Dear Members

Your Directors have pleasure in presenting the Annual Report of your Company together with the Audited Annual Accounts for the financial year ended 31st March, 2006.

FINANCIAL HIGHLIGHTS

(Amount in Lacs)

Particulars	Year ended 31/03/2006	Year ended 31/03/2005
Net Sales		
a) Vanaspati/Refined/Raw Oil	22,007.62	19888.26
b) Rice	-	814.50
c) Copper	-	1495.22
d) Shares/Securities	0.39	-
Other Income	14.77	15.81
Increase/ (Decrease) in Stocks	360.64	(48.03)
Total Income	22,373.22	22165.76
Total Expenditure	22,314.66	22109.54
Extraordinary Items	(1.52)	(0.35)
Profit before tax	67.04	55.87
Provision for tax	(2.30)	(23.93)
Profit after tax	64.74	31.94
Transfer to Reserve	-	-
Paid-up Share Capital	1189.66	1189.66
Reserves and Surplus (excluding revaluation reserve)	696.78	542.05

YEAR IN RETROSPECT

During the year under review, total income of the Company was Rs. 22373.22 lacs as against Rs. 22165.76 lacs in the previous year. The Company was able to earn a profit after tax of Rs. 64.74 lacs for the year as against a profit of Rs. 31.94. Your Directors are putting in their best efforts to improve the performance of the Company.

During the year, the company has suspended its operations in Rice and Copper segments and concentrated on the Vanaspati/ Refined oil business segment. The detailed Management Discussion & Analysis Report is attached hereto with the Director's Report and should be read as part of this Directors Report.

ISSUE OF WARRANT

During the financial year the Board of Directors of the Company in its meeting held on 25th October, 2005 issued 23,00,000 warrants to strategic investors with an option/entitlement of conversion into/exchange with the equity shares of the Company within a period of 18 months from the date of issue of warrants. No Option of conversion of warrants into equity shares has been exercised till date.

MATERIAL CHANGES ETC.

Loan from the Managing Director: the Company has taken unsecured loan from Mr Sushil Goyal, Managing Director of the Company for business purposes. Except this there are no material changes and commitments affecting the financial position of the Company, which have occurred from the end of the financial year ended 31st March 2006.

DIVIDEND

The Board of Directors of your Company have decided to retain and plough back the profits into the business of the Company, thus no dividend is being recommended for this year.

CORPORATE GOVERNANCE

A Report on Corporate Governance is attached as a part of this Directors Report along with the Auditors' Certificate on compliance of Clause 49 of the Listing Agreement.



AJANTA SOYA LIMITED

PUBLIC DEPOSITS

During the year under report, your Company did not accept any deposits from the public in terms of the provisions of section 58A of the Companies Act, 1956.

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

- a. **Conservation of Energy:** The Company is continuously making sincere efforts towards conservation of energy. Information as required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure A, forming part of this report.
- b. **Technology Absorption:** The Company is taking care of latest developments and advancements in technology and all steps are being taken to adopt the same. In this direction, the Company has installed an petcoke based Indcon Heater, converted old boiler to pet coke based boiler, heating system (raw material), chilling plant and installed machinery to increase hydrogenation capacity in its factory premises at Bhiwadi, during the year under review. The Company is using indigenous technology which is well established in the Country and no foreign technology/ know how was purchased. The Company has spent Rs. 186350/- in the internal laboratory of the company for the quality testing of raw material purchased and finished vanaspati/refined oil prepared.
- c. **Export Activities:** The Company has suspended its operations in Rice business segment and there was no export made by the Company during in the previous financial year.

d. **Foreign Exchange Earnings and Outgo:** (Amount in Rs Lacs)

	2005-06	2004-05
Total Foreign Exchange Inflow	NIL	814.50
Total Foreign Exchange outflow	1913.41	3191.84
i. Traveling expenses	3.81	0.66
ii. Purchase of Oil	1851.25	1605.34
iii. Purchase of Copper	58.35	1414.85
iv. Freight on Rice Export	-	170.99

PARTICULARS OF EMPLOYEES

During the financial year under review, none of the Company's employees was in receipt of remuneration as prescribed under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and hence no particulars are required to be disclosed in this Report.

DIRECTORS

Mr Gagan Goyal was appointed as a Whole Time Director of the Company with effect from 1st May, 2006 for a period of three years. His appointment is subject to the approval of the members of the Company. His appointment as an ordinary Director of the Company is placed before the Members for consideration. The Board recommends the resolution for adoption by the members.

Mr Bishan Goyal and Mr Harsh Chander Kansal, Directors retire by rotation and being eligible offer themselves for re-appointment. Directors recommend their re-appointment.

AUDITORS

M/s Tas Associates, Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. A certificate under section 224(1) of the Companies Act, 1956 regarding their eligibility for the proposed re-appointment has been obtained from them. Your Directors recommend their re-appointment.

AUDITORS' REPORT

Comments made by the Statutory Auditors in the Auditors' Report are self-explanatory and do not require any further clarification.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of the provisions of section 217(2AA) of the Companies Act, 1956, and to the best of their knowledge and belief and according to the information and explanations obtained by them and save as mentioned elsewhere in this Report, the attached Annual Accounts and the Auditors' Report thereon, your Directors confirm that:



AJANTA SOYA LIMITED

- a. in preparation of the annual accounts, the applicable accounting standards have been followed;
- b. the Directors have 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 as at 31st March, 2006 and of the profit of the Company for the year ended on that date;
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. the Directors have prepared the Annual Accounts on a going concern basis.

STOCK EXCHANGE LISTING

The shares of the Company are listed on the Bombay Stock Exchange and Calcutta Stock Exchange. Company's application for de-listing of its shares is still pending with the Calcutta Stock Exchange.

The listing fee for the financial year 2006-07 has already been paid to the Bombay Stock Exchange. However, the same has not been paid to the Calcutta Stock Exchange in view of pending de-listing application with the Calcutta Stock Exchange. The Company has postponed its proposal for listing of its shares on the National Stock Exchange.

ACKNOWLEDGEMENT

Your Directors take this opportunity to place on record their sincere appreciation for the co-operation and assistance the Company has received from Banks and various Government Departments. The Board also places on record its appreciation of the devoted services of the employees, support and co-operation extended by the valued business associates and the continuous patronage of the customers of the Company.

For and on Behalf of the Board
For AJANTA SOYA LTD

Place : New Delhi
Date : 25th August, 2006

Sd/-
(SUSHIL GOYAL)
Chairman & Managing Director



AJANTA SOYA LIMITED

ANNEXURE - A

TABLE A

Form for Disclosure of Particulars with respected to Conservation of Energy

A. POWER AND FUEL CONSUMPTION

1. Electricity

(a) Purchased

	Current Year	Previous Year
Unit	6233320	4684590
Total amount	23697054	20856059
Rate/unit	4.63	4.45

(b) Own generation

(i) Through diesel generator

Unit	153975	167482
Units per ltr. of HSD oil	3.09	0.51
Cost/unit	9.06	10.96

(ii) Through steam turbine/generator

Units	—	—
Units per ltr. of fuel oil/gas	—	—
Cost/units	—	—

2. Coal (specify quality and where used)

Quantity (tones)	4073	3509.472
Total cost	18088367	16376000
Average rate	4441.04	4666.23

3. Furnace oil

Quantity (k.ltrs.)	—	—
Total amount	—	—
Average rate	—	—

4. Others/internal generation (please give details)

Quantity (Hydrogen Gas)	67501	23281
Total cost	8727342	2805172
Rate/unit	129.29	120.50
(a) Quantity {Rice Husk}(IN TONS)	3010	3389
Total cost	6749168	6935694
Rate/unit	2242.25	2046.53

B. CONSUMPTION PER UNIT OF PRODUCTION

	Standards (if any)	Current Year	Previous Year
Vanaspati /Refined Oil	—	—	—
Electricity	—	100.43	111.02
H.S.D	—	2.96	3.97
Coal (specify quality)	—	0.08	0.08
Others (Hydrogen Gas)	—	1.29	0.55
Others (Rice Husk)	—	0.06	0.08



AJANTA SOYA LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Cautionary Statement

The management Discussion and Analysis Report may contain certain statements that might be considered forward looking. These statements are subject to certain risks and uncertainties. Actual results may differ materially from those expressed in the statement as important factors could influence Company's operations such as Government policies, economic development, political factors and such other factors beyond the control of the Company.

Overview

The company has suspended its operations of exporting of Rice to various African countries and importing of copper. Company is now concentrating on Vanaspati/Refined Oil business segment.

Industry Structure & Developments

Indigenous production of edible oils has not been able to keep pace with the increase in demand. Hence, India continues to depend heavily on imported oils. Accordingly, Indian Vanaspati and Edible oil business remains exposed to international market trends and Government policies regarding import.

The edible oils industry is one sector in India that may see considerable reform in the foreseeable future.

Outlook

Vanaspati and Refined Oils, being items of essential consumption, will always be in demand from household as well as institutional segments. Robust economic growth in the country augurs well for the demand of edible oil products. While consumption pattern in urban markets has shifted to refined oils, semi-urban and rural markets consume a mix of Vanaspati, raw/filtered oils and less expensive refined oils. The demand for Vanaspati and Refined Oils will continue to grow with increase in population and income levels.

Opportunities & Threats

Company is now concentrating on Vanaspati/Refined Oil business segment only. In Vanaspati industry price competition has intensified due to import of Vanaspati from some neighboring countries at zero rate of custom duty. Consumption pattern in urban markets has significantly shifted to refined oils. Edible Oil market is though competitive provides growth opportunity also.

Risks & Concern

There is stiff competition in the edible oil market with the international entrants. On a macro level business continues to be impacted by changes in Government Policy and International Oil Markets.

Human resource / Industrial relations

The Company recognizes the importance and contribution of its human resources for its growth and development and is committed to the development of its people.

The Company has cordial relations with employees and staff. There are no industrial relations problems during the year and the Company does not anticipate any material problems on this count in the current year.

The management is also committed to help the employees and workers to sharpen their skills and to improve their knowledge base for which continuous efforts are made on training and development.

Internal Control Systems and Adequacy

The Company has established internal control systems for ensuring optimum use of resources and safeguarding the assets. The Internal Control Systems and procedure are adequate and commensurate with the size of the Company. These business control procedures ensure efficient use and protection of the resources and compliance with the policies, procedures and status.

Productwise Performance

PRODUCT	SALES			
	PREVIOUS YEAR 2004 – 2005		CURRENT YEAR 2005 – 2006	
	QUANTITY (MT)	VALUE (Rs. Lacs)	QUANTITY (MT)	VALUE (Rs. Lacs)
Vanaspati/Refined Oils	42267.206	18714.26	52010.919	19360.76
Rice	5825.000	814.50	–	–
Copper	1126.670	1495.22	–	–



AJANTA SOYA LIMITED

CORPORATE GOVERNANCE REPORT

Pursuant to Clause 49 of the Listing Agreement a Report on Corporate Governance is given below:

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance deals with the laws, procedures and practices which determine Company's ability to take managerial decisions and in particular relations with shareholders, customers, suppliers and employees. The objective of Good Corporate Governance is to enhance the long-term shareholders value and maximize interest of other stakeholders. The Company believes that it's systems and actions must be dovetailed for enhancing the performance and shareholder's value in the long term.

The Company is conscious of its responsibility as a good corporate citizen. The Company values transparency, professionalism and accountability.

BOARD OF DIRECTORS

The Board had an optimum combination of Executive, Non Executive and Independent Directors. The Company had total 6 directors on the Board on 31st March, 2006. Mr Sushil Goyal is the Chairman cum Managing Director of the Company and Mr Gagan Goyal is Whole Time Director.

Name of the Director & Designation	Category	No. of positions held in other Public Companies		
		Board	Committee	
			Membership	Chairmanship
Mr Sushil Goyal Chairman & Managing Director	Promoter & Executive	1	Nil	Nil
Mr Gagan Goyal Whole Time Director*	Promoter & Executive	Nil	Nil	Nil
Mr Bishan Goyal Director	Promoter & Non Executive	Nil	Nil	Nil
Mr Prahlad Goyal Director	Non Executive Independent	Nil	Nil	Nil
Mr Harsh Chander Kansal Director	Non Executive Independent	Nil	Nil	Nil
Mr Mahak Kansal Director	Non Executive Independent	Nil	Nil	Nil

* Appointed as Whole Time Director with effect from 1st May, 2006.

Directors' Attendance Record

During the Financial Year 2005-06, 12 (twelve) meetings of the Board of Directors were held on 04.04.2005, 29.04.2005, 10.05.2005, 30.06.2005, 29.07.2005, 04.08.2005, 03.09.2005, 25.10.2005, 31.10.2005, 10.12.2005, 28.01.2006 and 31.03.2006. The Board was supplied with all relevant information and supporting papers which were required to transact the business specified in the agenda of Board Meetings held. The intervening period between the Board Meetings was well within the maximum time gap of three months as prescribed in clause 49 of the Listing Agreement. Details of attendance of Directors in the Board meeting during the Financial year 2005-06 are as under:

Name of the Director	No. of Board Meeting	Attendance at the Board Meeting	Whether attended Last AGM
Mr Sushil Goyal	12	11	Yes
Mr Gagan Goyal	8	5	Yes
Mr Bishan Goyal	12	11	Yes
Mr Prahlad Goyal	12	12	Yes
Mr Harsh Chander Kansal	12	12	No
Mr Mahak Kansal	12	11	No

Disclosure Regarding Appointment & Re-appointment of Directors in the ensuing AGM

Mr Bishan Goyal and Mr Harsh Chander Kansal, Directors who shall be retiring in this AGM, being eligible have offered themselves for re-appointment. Brief particulars of these gentlemen are as follows:



AJANTA SOYA LIMITED

Particulars	Mr Bishan Goyal	Mr Harsh Chander Kansal
Father's Name	Mr Sohan Lal Goyal	Mr Vijay Kumar Kansal
Date of Birth	27-05-1964	18-09-1972
Address	PP-1, Maurya Enclave, Pitampura, Delhi 110 034	83/A-3, Sector - 8, Rohini, Delhi 110 085
Designation	Director	Director
Education	Graduate	Graduate
Experience	Steel Business & Finance	Marketing & Finance
Companies in which holds Directorship	GD Ferro Alloys Pvt Ltd	Nil
Companies in which holds membership of committees	Reliance Forms Pvt. Ltd Nil	Nil
Shareholding in the Company (No. & %)	474643 (3.99%)	Nil

AUDIT COMMITTEE**(a) Terms of Reference**

The Audit Committee has been constituted as per Section 292A of the Companies Act, 1956 and the provisions of the Clause 49 of the Listing Agreement. The Audit Committee is responsible for effective supervision of the financial reporting process, ensuring financial and accounting controls and compliance with financial policies of the Company. The other roles and terms of reference of Audit Committee covers areas mentioned under clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, besides other terms as may be referred by the Board of Directors from time to time.

(b) Composition

The Audit Committee of the Company comprises of three non executive directors i.e. Mr Prahlad Goyal – as Chairman; Mr Harsh Chander Kansal and Mr Bishan Goyal as the Members of the Committee.

(c) Attendance

The Committee met five (5) times during the Financial Year 2005-2006 on the following dates: 29.04.2005, 29.07.2005, 02.09.2005, 31.10.2005 and 28.01.2006. Details of attendance of Directors in the Audit Committee meeting are as under:

Name of the Director	Category	Attendance at the Audit Committee Meeting
Mr Prahlad Goyal -Chairman	Non Executive Independent Director	5
Mr Harsh Chander Kansal	Non Executive Independent Director	5
Mr Bishan Goyal	Promoter & Non Executive Director	4

REMUNERATION COMMITTEE**(a) Composition & Terms of Reference**

A Remuneration Committee of the Board of Directors was constituted comprising of three non-executive and independent directors namely Mr Prahlad Goyal- as Chairman, Mr Harsh Chander Kansal, Mr Mahak Kansal as Members.

The Committee was constituted to approve the remuneration payable to Managing Director, Whole time Director or other directors of the Company. Thus the Committee shall have the meetings as and when so required.

However, no meeting of the Remuneration Committee was held during the financial year ended 31st March, 2006.

(b) Remuneration Policy of the Company

The Managing Director and the Whole Time Director of the Company are entitled for payment of Remuneration as decided by the Board and approved by the members as per the provisions of the Companies Act, 1956. Directors are also entitled for the sitting fee for attending Board/ Committee Meeting except the Managing Director and Whole Time Director. However all the Non executive Directors of the Company have waived the sitting fee payable to them for attending Board/ Committee Meeting of the Company.