

33rd

ANNUAL REPORT

2006-2007

Report Junction.com

BHAGAWATI GASES LIMITED

CORPORATE INFORMATION**Board of Directors (As on 18-Aug-2007)**

Mr. Rakesh S.Bhardwaj - Managing Director
 Dr. G.Mukherjee
 Captain (Retd.) Sitaram Ramaprasad
 Mr. Kailash Chand Kedia
 Mr. Vivek Sharma

Chief Financial Officer

Dr. Pradeep Puranik

Company Secretary

Mr. Sanjay Kumar

Bankers

Central Bank of India
 State Bank of Bikaner & Jaipur
 Indian Overseas Bank
 ICICI Bank Ltd

Auditors

Chaturvedi & Partners
 Chartered Accountants

Registered Office & Works

Banawas, Khetrinagar
 Distt.Jhunjhunu
 Rajasthan- 333504
 Phone:91-1593-221478-79-80.
 Fax:91-1593-221477.

Corporate Office

S-492/A. Greater Kailash-I,
 New Delhi - 110 048
 Fax: 91-11-29230698.
 Phone: 91-11-29249547,29248935,29236977.

Depository Registrars & Share Transfer Agent

Skyline Financial Services (P) Ltd
 123, Vinoba Puri,
 Lajpat Nagar - II
 New Delhi - 110024
 Phone: 91-11-29833777,29847136.
 Fax: 91-11-29848352
 E-mail: admin@skylinerta.com

Stock Exchanges where listed

1. Jaipur Stock Exchange Ltd.,
 Rajasthan Chamber Bhawan, M.I.Road,
 Jaipur - 302007.
2. Delhi Stock Exchange Association Ltd.,
 DSE House,
 3/1, Asaf Ali Road
 New Delhi - 110 002.
3. The Stock Exchange, Mumbai
 Phiroze Jeejeebhoy Towers,
 Dalal Street,
 Mumbai - 400 023.
4. The Stock Exchange, Ahmedabad
 Kamdhenu Complex,
 Opp. Sahjanad College
 Panjarpole, Ambawadi,
 Ahmedabad - 380 001.
5. Calcutta Stock Exchange Association Ltd.,
 7, Lyons Range,
 Kolkata - 700 001.

E-mail: bhagwati@nda.vsnl.net.in

Website: www.bhagwatiinternational.com/BhagwatiGases.htm

NOTICE

Notice is hereby given that the thirty-third Annual General Meeting of the members of Bhagawati Gases Limited will be held on Saturday, the 29th day of September 2007 at 11:00 a.m. at the registered office: Banawas, Khetrinager, Distt. Jhunjhunu, Rajasthan-333504 to transact the following business:

Ordinary Business:

1. To consider and adopt the audited Balance Sheet as at March 31,2007, the Profit & Loss Account and the Cash Flow Statement for the financial year ended March 31,2007 and the Reports of the Directors and the Auditors thereon.
2. To reappoint Dr. Gokulanand Mukherjee who retires by rotation and being eligible, offers himself for re-election.
3. To appoint Messrs Chaturvedi & Partners, Chartered Accountants, the retiring Auditors of the Company, who will hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and fix their remuneration.

Special Business:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution:
"Resolved that Mr. Kailash Chand Kedia be and is hereby appointed as a director of the Company, liable to retire by rotation."
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution:
"Resolved that Mr. Vivek Sharma be and is hereby appointed as a director of the Company, liable to retire by rotation."

Corporate Office:

S-492/A, Greater Kailash-I,
New Delhi-110048
Date: August 18,2007

By Order of the Board

Sanjay Kumar
Company Secretary

NOTES:

1. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. The instrument appointing a proxy should,

however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the meeting.

3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 21, 2007 to Saturday, September 29, 2007 (both days inclusive).
4. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting are advised to send a certified copy of the Board Resolution authorising their representatives to attend and vote at the Meeting.
5. Members/proxies should bring duly filled Attendance Slip along with their copy of Annual Report to the Meeting.
6. In case of Joint holders attending the meeting, only such joint holder who is higher in order of names will be entitled to vote.
7. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
8. Members who hold shares in physical form in multiple accounts 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, Skyline Financial Services Private Limited for consolidation into single account.
9. All documents referred to in the accompanying Notice and Explanatory Statements are open for inspection at the Registered Office of the Company during office hours on all working days between 11:00a.m. and 1:00p.m. up to and inclusive of the date of the Annual General Meeting.
10. The Register of Directors' shareholding, maintained under Section 307 of the Companies Act, 1956, will be available for inspection by the Members at the AGM.

Corporate Office:

S-492/A, Greater Kailash-I,
New Delhi-110048
Date: August 18,2007

By Order of the Board

Sanjay Kumar
Company Secretary

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No.-4

Mr. Kailash Chand Kedia was appointed as additional director on the board of the Company w.e.f. 02/01/2007. Pursuant to provisions of Section 260 of the Companies Act, 1956 read with article no. 82 of Articles of Association of the Company, Mr. Kailash Chand Kedia holds office up to the date of this thirty-third annual general meeting. The Company has received notice under Section 257 of the Companies Act, 1956 from a member proposing the candidature of Mr. Kedia as director of the Company liable to retire by rotation. The information relating to the directors containing requisite disclosures, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange(s), are provided in the Report on Corporate Governance forming part of the Annual Report.

None of the directors except Mr. Kailash Chand Kedia is concerned or interested in the resolution.

The Board recommends appointment of Mr. Kedia as director liable to retire by rotation as set out in item no.4.

Item No.-5

Mr. Vivek Sharma was appointed as additional director on the board of the company w.e.f. 09/07/2007. Pursuant to provisions of Section 260 of the Companies Act, 1956 read with article no. 82 of Articles of Association of the Company, Mr. Vivek Sharma holds office up to the date of this thirty-third annual general meeting. The Company has received notice under Section 257 of the Companies Act, 1956 from a member proposing the candidature of Mr. Vivek Sharma as director of the Company liable to retire by rotation. The information relating to the directors containing requisite disclosures, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange(s), are provided in the Report on Corporate Governance forming part of the Annual Report.

None of the directors except Mr. Vivek Sharma is concerned or interested in the resolution.

The Board recommends appointment of Mr. Vivek Sharma as director liable to retire by rotation as set out in item no.5

Corporate Office:
S-492/A, Greater Kailash-I,
New Delhi-110048
Date: August 18,2007

By Order of the Board

Sanjay Kumar
Company Secretary

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 33rd Annual Report together with the Audited Accounts for the financial year ended March 31,2007.

Financial Results.

The highlights of the Company for the financial year ended March 31,2007 are as under :

Particulars	(in Rs. Lacs)	
	2007	2006
Gross Income	1518	1766
Gross Profit (before interest, depreciation and tax)	470	427
Interest	30	50
Depreciation	269	268
Provision for Tax	(36)	(96)
Net Profit/(Loss)	207	204
Profit/(Loss) brought forward from last year	(427)	(632)
Profit available for appropriation	Nil	Nil
Profit/(Loss) carried to Balance Sheet	(220)	(428)
Profit/(Loss) transferred to General Reserve	Nil	Nil

Operations

During the year only one plant was operated as the other plant of 120 TPD is under relocation to Sunflag Iron and Steel Company Limited site Bhandara (Maharashtra) resulting in to decline in turnover.

Management's Discussion & Analysis Report

The Report on Management's Discussion and Analysis covering matters listed inter alia in Clause 49 of the Listing Agreement for the year under review is attached to this report.

Directors

Dr. Gokulanand Mukherjee retires by rotation and being eligible, offer himself for reappointment at the ensuing Annual General Meeting.

Mr. Kailash Chand Kedia and Mr. Vivek Sharma were appointed as additional directors in terms of Section 260 of the Companies Act, 1956. They shall hold office up to the date of the ensuing Annual General Meeting. The Company has received notice in writing from members proposing the candidatures of Mr. Kailash Chand Kedia and Mr. Vivek Sharma for the office of Director.

A brief resume of the Directors proposed to be appointed/ reappointed, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships/ chairmanships of Board Committees, as stipulated under Clause 49 of Listing Agreements with the Stock Exchanges in India, are provided in the Report on Corporate Governance forming part of the Annual Report.

It is disheartening to place on record the sudden demise of our esteemed director Mr. V.P.Punj who left us for his heavenly abode on October 08, 2006. The Board members pays its homage to the departed soul.

Dividend

Your Directors have not recommended any dividend for the financial year 2006-07.

Fixed Deposits

During the year, the Company has not invited or accepted any deposit from the public under Section 58-A of the Companies Act 1956. No public deposit is outstanding.

Directors' Responsibility Statement

The Directors confirm:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) that they 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 at the end of the financial year and of the profits of the Company for the year;
- (iii) that they have taken proper and sufficient care 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) that they have prepared the annual accounts of the Company on a going concern basis.

Auditors and Auditors' Report

Messrs Chaturvedi & Partners, Chartered Accountants, the Statutory Auditors of the Company, hold office until the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. Your Directors have recommended the re-appointment of Messrs Chaturvedi & Partners, Chartered Accountants, as auditors of the Company.

The Company has received certificate from the above mentioned firm of Chartered Accountants, confirming that their appointment if made would be within the limits prescribed under section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such appointment, within the meaning of sub-sections (3) and (4) of Section 226 of the Companies Act, 1956.

There being no reservation, qualification or adverse remarks in the Auditors' Report, no further explanations are required.

Cost Auditors

The Central Government had directed an audit of the cost accounts maintained by the Company in respect of its industrial gases products. The Central Government has approved the appointments of M/s.J.K.Kabra & Company Cost Accountant, for conducting the cost audit for the financial year ending March 31, 2008.

Personnel

None of the employees of the Company was drawing salary in excess of the limits prescribed under the Section 217(2A) of the Companies Act, 1956 read with the Companies (particular of employees) Rules 1975.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo

The information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 217 (1)(e) of the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is attached to this report.

Corporate Governance

Your Company is committed to good Corporate Governance practices. As per Clause 49 of the Listing Agreement a separate section on Corporate Governance forms part of the Annual Report. A certificate from the practicing company secretary regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

Acknowledgement

Relation with the work force at all the units continued to be cordial.

Your Directors wish to express their grateful appreciation for the assistance and co-operation received from Financial Institutions, Banks, Government Authorities and Shareholders during the year under review.

Your Directors also wish to place on record their appreciation for the service rendered by our people at all levels in the Company and for their contribution towards the success of the organisation.

For and on behalf of the Board

New Delhi
August 18, 2007

Rakesh S.Bhardwaj
Chairman and Managing Director

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

As required under Companies (Disclosure of Particulars in the Report of the Board of Directors) Rule 1988, a statement showing the information relating to the Research and Development, Technology Absorption and Foreign Exchange earnings and outgo and forming part of the Director's Report are stated below: -

Form A requiring disclosure of particulars with respect to conservation of energy is not applicable in the case of our Company.

1. Research & Development:

a) Specific area in which R & D carried out by the Company

Research and Development has been continuously carried to reduce evaporation of Oxygen Gas and consumption of power.

b) Benefits derived as a result of the above R&D:-

Loss on account of evaporation has been reduced considerably and less consumption of power.

c) Future Plan of Action:-

Research and Development activities continued to reduce process wastage and utilisation of waste Nitrogen.

d) Expenditure on R & D: -

Charged under primary heads of accounts.

2. Technology absorption, adaptation & innovation: -

a) Efforts made towards technology absorption, adaptation and innovation: -

The Company has successfully absorbed the technology of the plant supplied by the supplier.

b) Benefits derived as a result of the above efforts:-

The cost of operation and maintenance of the plant has been reduced drastically.

c) Particulars relating to imported technology:-Nil

3. Foreign Exchange Earning and Outgo: -

- a) Foreign Exchange earning - Nil
b) Foreign Exchange outgo - Rs.24,96,247/-

MANAGEMENT'S DISCUSSION & ANALYSIS REPORT

2006-07 in retrospect

The Company has two oxygen plants-50TPD and 120TPD at Khetrinagar (Rajasthan). These plants were installed and commissioned for supplying gas to Hindustan Copper Limited (HCL).

After long maintenance shut down HCL resumed consumption of gas from our plant w.e.f. April 23, 2005. The new purchase agreement with HCL was executed on May 05, 2005 for supply of gas. The capacity utilization of the plants during the financial year 2006-07 was 36% of installed capacity. During the year only one plant of 50TPD was operated. The other plant is being dismantled for shifting to Bhandara (Maharashtra).

Expansion Programme

At present both the plants of Company depends exclusively upon HCL. The company has entered in to a long-term agreement of 10 years for supply of gas through lease of 120TPD plant with Sunflag Iron & Steel Company Limited, Bhandara, Maharastra (SISCO). The existing 120 TPD plant at Khetrinagar will be relocated to Bhandara. The relocation work got extended due to delayed commissioning of furnace of Sunflag. The company expects to complete it within a period of 9 months. To meet the shortfall in requirement of HCL a new plant having capacity to generate 720 NM3 per hour capacity is being procured from China and is likely to be commissioned by November, 2007.

Arbitration Award

The company won arbitration award for Rs.2,30,83,887/- under 50 TPD contract. The Khetri court has rejected the appeal of HCL against the award. HCL's appeal is now being heard by Hon'ble High Court, Jaipur.

Internal Controls

- The company has adequate systems of internal control in place. This is to ensure that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are authorized, recorded, and reported correctly.
- The internal control systems are supplemented by an extensive program of internal audits. The internal audit function is empowered to examine the adequacy, relevance and effectiveness of control systems, compliance with policies, plans and statutory requirements.
- The top management and the Audit Committee of the Board review the findings and recommendations of the internal audit panel.

Cautionary Statement

Statements in this management discussion and analysis describing the company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Forward looking statements are identified in this report, by using the words 'anticipates', 'believes', 'expects', 'intends' and similar expressions in such statements.

Although we believe our expectations are based on reasonable assumptions, these forward looking statements may be influenced by numerous risks and uncertainties that could cause actual outcomes and results to be materially different from those expressed or implied.

REPORT ON CORPORATE GOVERNANCE**a) Company's Philosophy on Code of Governance**

The Company believes that good Corporate Governance is essential to achieve long-term corporate goals and enhance stakeholders' value.

Thus the Company's philosophy on Corporate Governance is aimed at the attainment of highest level of transparency, accountability and compliance of laws in all facets of operations, leading to best standards of Corporate Governance.

It is Company's belief that good ethics make good business sense and our business practices are in keeping with this spirit of maintaining the highest level of ethical standards.

The Company complies with the requirements, regarding Corporate Governance as stipulated under Clause 49 of the Listing Agreement of the Stock Exchanges where its shares are listed.

b) Board of Directors

The business of the Company is conducted by the management, under the direction of the Board, which oversees its performance. The Board currently comprises of five members, three of whom are non-executive as on date of this report.

Mr. Rakesh Samrat Bhardwaj is the executive Chairman and Managing Director. In accordance with the stipulations of the revised clause 49 of the Listing Agreement half the board members are independent directors.

The Table-1 sets out the names of directors, status and number of directorships held in other companies. All our directors have professional skills and experience in different and complementary fields. They have proven judgment and competence in understanding and guiding company performance and strategy. The present strength and composition of the Board reflects the diverse nature of the business environment in which we operate. The Board reviews its strength and composition from time to time to ensure it remains aligned with the requirements of the business.

None of the non-executive directors holds any equity shares in the Company, save for Dr. Gokulanand Mukherjee, who holds 500 shares in joint holding.

Information of Directors Appointed/Reappointed

Brief resume of directors being appointed/re-appointed

at the Annual General Meeting, the nature of their expertise in specific functional areas, names of Companies in which they hold Directorship and Membership of the Committees of the Board and their shareholding are furnished hereunder:

(i) Dr. Gokulanand Mukherjee

Date of Birth: 01-August-1928

Qualification:

Bachelor of Engineering degree in metallurgical.
Doctor of Engineering from Technical University, Aachen.

Expertise in specific functional area: Metallurgical

Shareholding in Bhagawati Gases Limited: 500

Directorship held in other Indian Companies: Nil

Membership/Chairmanship of Committee:

Bhagawati Gases Limited-
Audit Committee (Member)

Shareholders Grievance &
Share Transfer Committee (Member)

Remuneration Committee (Member)

(ii) Mr. Kailash Chand Kedia

Date of Birth: 01-July-1951

Qualification:

Bachelor of Commerce

Expertise in specific functional area:

Accounts and Taxation

Shareholding in Bhagawati Gases Limited: Nil

Directorship held in other Indian Companies: Nil

Membership/Chairmanship of Committee:

Bhagawati Gases Limited -
Audit Committee (Member)

Shareholders Grievance &
Share Transfer Committee (Member)

Remuneration Committee (Member)

(iii) Mr. Vivek Sharma

Date of Birth: 01-August-1973

Qualification

Bachelor of Commerce

Expertise in specific functional area:

Business Development

Shareholding in Bhagawati Gases Limited: 24,400

Directorship held in other Indian Companies:

Bhagawati International Limited

Bhagawati Combat Systems Limited

Membership/Chairmanship of Committee: Nil

Table 1 Composition of the Board

Name of the Director	Category	Number of Directorship ¹ and Committee ² Membership & Chairmanship		
		Directorship	Chairmanship	Membership
Mr. Rakesh S. Bhardwaj (Chairman and Managing Director)	Executive Director / Promoter Director	2	None	None
Mr. Virendra Prakash Punj ³	Non-Executive Director/ Independent Director	1	None	None
Dr. Gokulanand Mukherjee	Non-Executive Director/Independent Director	None	None	None
Capt. (Retd.) Sitaram Ramaprasad	Non-Executive Director/ Independent Director	1	None	None
Mr. Kailash Chand Kedia ⁴	Non-Executive Director/ Independent Director	None	None	None
Mr. Vivek Sharma ⁵	Executive Director / Promoter Director	2	None	None

1. The directorships held by the directors, as mentioned above, do not include the directorships held in private limited companies;

2. The Committees considered for the purpose are those prescribed under clause 49(1)(C)(ii) of the Listing Agreement(s) viz. Audit Committee and Shareholders/Investors Grievance Committee of Indian public limited companies;

3. Mr. Virendra Prakash Punj expired on 08/10/2006;

4. Mr. Kailash Chand Kedia Appointed as Additional Director on 02/01/2007.

5. Mr. Vivek Sharma Appointed as Additional Director on 09/07/2007.

(c) Meeting and Attendance

During the year 2006-07, five Board meetings were held on April 28, 2006; July 24, 2006; September 1, 2006; October 27, 2006 and January 27, 2007.

The time gap between two meetings was not more than 4 months. The calendar for the Board and Committee meetings is fixed in advance for the whole year. Meetings are generally held at the corporate office of the Company in New Delhi.

Attendance of directors in board meetings and AGM

Name of the Director	Number of board meetings		Attendance at Last AGM
	Held	Attended	
Mr. Rakesh S. Bhardwaj	5	5	Yes
Mr. Virendra Prakash Punj ¹	3	None	No
Dr. Gokulanand Mukherjee	5	5	No
Capt. (Retd.) Sitaram Ramaprasad	5	5	Yes
Mr. Kailash Chand Kedia ²	1	1	N.A.

- Expired on 08/10/2006.
- Appointed as Additional Director on 02/01/2007.

(d) Board Agenda

The Company Secretary, in consultation with the Chairman, prepares agenda. The detailed agenda papers for the Board Meetings are circulated to the Members well in advance of each meeting so that all the Directors can actively participate in the lengthy deliberations on various agenda items put before the Board. All Board members are at liberty to suggest agenda items for inclusion. Board meetings are generally held quarterly to coincide with the announcement of quarterly results and Audit committee meeting is held on same dates as board meeting.

(e) Code of Conduct

BGL's Board of Directors has laid down a Code of Conduct for all Board members and designated Senior Management Personnel of the Company. All Board members and designated Senior Management personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Chairman & Managing Director regarding affirmation of the compliance with the Code of Conduct by Board and senior management personnel is appended at the end of this report.

(f) Committees of the board

BGL has constituted Board-level committees to delegate particular matters that require greater and more focused attention in the affairs of the Company. These committees prepare the groundwork for decision-making and reports to the Board.

All decisions pertaining to the constitution of committees, appointment of members and fixing the terms of service for committee members is taken by the Board of Directors.

Details on the role and composition of these committees, including the number of meetings held during the financial year and the related attendance, are provided below:

(i) Audit Committee

- Terms of reference**

Apart from all the matters provided in revised clause 49 of the Listing Agreement and Section 292 A of the Companies Act, 1956, the terms of reference of the Audit Committee includes:

- Approve internal audit programme.
- Review with statutory auditors their fields, observations, suggestions, internal control systems, scope of audit, other related matters and major accounting policies followed by the Company.
- Review the contracts entered into by the Company and the contracts entered into with the related parties, if any.
- Review Internal Audit Reports related to internal control weaknesses.

- Composition**

As on March 31, 2007 the Audit Committee comprised three members, all of whom are independent Non-Executive Directors. The Chairman of the Audit Committee is an independent director.

The Chief Internal Auditor, CFO, the representative of the statutory auditors and cost auditors are permanent invitees to the Audit Committee. The Company Secretary is the secretary to the committee.

During the year 2006-07, five Audit Committee meetings were held on April 28, 2006; July 22, 2006; September 1, 2006; October 27, 2006 and January 27, 2007.

The composition of the Audit Committee and the attendance of members at the meetings held during the financial year 2006-07, are given below:

Name of the Director	Status	Number of audit committee meetings	
		Held	Attended
Capt. (Retd.) Sitaram Ramaprasad	Chairman	5	5
Mr. Virendra Prakash Punj ¹	Member	3	None
Dr. Gokulanand Mukherjee	Member	5	5
Mr. Kailash Chand Kedia ²	Member	1	1

- Expired on 08/10/2006.
- Appointed as Member on 27/01/2007.

(ii) Remuneration Committee

- Terms of reference**

The Committee was formed to review and approve, inter-alia, the recommendation for appointment of Managing Director/Whole Time Director(s) and Senior Executives of the Company and their compensation package, annual increments, incentives, additional perquisites, etc.

• **Composition**

The Committee comprising of three Non-Executive Independent Directors. The Committee met only one time during the year and the attendance of members of the meetings was as follows:

Name of the Member	Status	Number of remuneration committee meetings	
		Held	Attended
Capt. (Retd.) Sitaram Ramaprasad	Chairman	1	1
Mr. Virendra Prakash Punj ¹	Member	1	None
Dr. Gokulanand Mukherjee	Member	1	1
Mr. Kailash Chand Kedia ²	Member	None	None

1. Expired on 08/10/2006,
2. Appointed as Member on 27/01/2007.

(iii) **Shareholder's/Investors' Grievance And Share Transfer Committee**

• **Terms of reference**

The Shareholders'/Investors' Grievance And Share Transfer Committee of the Board approves the Share transfer, transmission, transposition of name, issue of split/duplicate Share Certificates, to ratify confirmations made to the demat requests received by the Company and to review the redressal of Shareholders and investors complaints received by the Company/Share Transfer Agents. The Committee also oversees the performance of the Registrars and Transfer Agents, Skyline Financial Services Private Limited and recommends measures for overall improvement in the quality of investor services.

• **Composition**

As on March 31, 2007 the Committee comprises of two Non-Executive Independent Directors and one Executive Director. The meeting of the Committee is generally held in the time gap of 10 days. During the year, the Committee met 36 times and the attendance of members of the meetings was as follows:

Name of Director	Status	Number of meetings	
		Held	Attended
Capt. (Retd.) Sitaram Ramaprasad	Chairman	36	36
Mr. Virendra Prakash Punj ¹	Member	9	None
Dr. Gokulanand Mukherjee	Member	36	36
Mr. Rakesh S. Bhardwaj	Member	36	36

1. Resigned on June 30,2006.

• **Compliance Officer**

Mr. Sanjay Kumar, Company Secretary acts as Compliance Officer of the Company for complying with the requirements of the Listing Agreement with

the Stock Exchanges and requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992.

• **Nature of Complaints and Redressal Status**

During the past financial year, the complaints received by the Company were general in nature, which include issues relating to the change of address, non-receipt of shares, annual reports, etc. The total number of complaints received and resolved to the satisfaction of the Shareholders during the year under review were 35 (Thirty Five). No complaints were pending as on March 31, 2007.

(g) **Details of remuneration paid to directors for the year 2006-07.**

(i) **Executive Director**

Amount(in Rs.)

Name of Director	Salary & Allowance	Contribution to Provident Fund	Other Benefits
Mr. Rakesh S. Bhardwaj	9,79,500	9,360	44,812

(ii) **Non-Executive Director**

The Company doesn't pay any remuneration to its Non-Executive Directors except sitting fee for attending the meetings of the Board and committee thereof. The details of sitting fee paid during the year 2006-07 are as follows:

Amount (in Rs.)

Name of Director	Sitting Fees
Capt. (Retd.) Sitaram Ramaprasad	16,500
Dr. G. Mukherjee	16,500
Mr. Virendra Prakash Punj	0.00
Mr. Kailash Chand Kedia	1,500

(h) **Remuneration Policy**

The Company's remuneration policy aims at attracting and retaining high talent by taking into accounts the talent market, national and international remuneration trends and the competitive of each of its businesses.

Remuneration of employees largely consists of base remuneration and perquisites. The components of the total remuneration vary for different cadres and are governed by industry pattern, qualifications and experience of the employee, responsibilities handled by him, individual performance, etc.

(i) **Subsidiary Companies**

We do not have any subsidiary company.

(j) **Shares held by the Non-Executive Directors**

As on March 31,2007, Dr. Gokulanand Mukherjee owned