

A large, stylized graphic in the background consisting of three overlapping, curved, light gray shapes that sweep from the left towards the right, creating a sense of motion and depth.

26<sup>th</sup>  
Annual Report  
2009- 2010

**CALS REFINERIES LIMITED**

**BOARD OF DIRECTORS**

MR. M.S. RAMACHANDRAN  
MR. RAVI CHILUKURI  
MR. DEEP KUMAR RASTOGI  
MR. B. SRINIVASA RAO  
MR. SARVESH KUMAR GOORHA  
MR. MANABENDRA GUHA ROY  
MR. RAMESH BHOSALE

**VICE PRESIDENT (LEGAL) & COMPANY SECRETARY**

MR. SANJAY KUMAR JAIN

**BANKERS**

AXIS BANK LIMITED

**AUDITORS**

M/S. WALKER, CHANDIOK & CO., NEW DELHI  
M/S. ARUN K. GUPTA & ASSOCIATES, NEW DELHI

**REGISTERED OFFICE**

21 BASANT LOK COMPLEX, VASANT VIHAR, NEW DELHI – 110 057

**CORPORATE OFFICE**

326 UDYOG VIHAR PHASE IV, GURGAON – 122 015, HARYANA

**REGISTRAR & SHARE TRANSFER AGENTS**

MCS LIMITED  
F-65 OKHLA INDUSTRIAL AREA PHASE I,  
NEW DELHI 110 020

**LISTING OF SECURITIES**

THE BOMBAY STOCK EXCHANGE  
PHIROZE JEEJEEBHAY TOWERS  
25<sup>TH</sup> FLOOR, DALAL STREET,  
MUMBAI - 400 001

LUXEMBOURG STOCK EXCHANGE, (GDR)  
11, AVENUE DE LA PORTE-NEUVE, L-2227  
LUXEMBOURG

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NOTICE IS HEREBY GIVEN that the 26<sup>th</sup> Annual General Meeting of Cals Refineries Limited will be held on Wednesday, the 28<sup>th</sup> July 2010 at 10.30 a.m. at Executive Club, Dolly Farms & Resorts, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi 110 074 to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as on 31<sup>st</sup> March 2010 and the Profit and Loss account for the year ended on that date together with the reports of Directors' and Auditors' thereon.
2. To reappoint Mr. Deep Kumar Rastogi who retires by rotation and being eligible offers himself for reappointment.
3. To reappoint Mr. M. S. Ramachandran who retires by rotation and being eligible offers himself for reappointment.
4. To reappoint auditors and fix their remuneration.

#### SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and relevant provisions of the Memorandum and Articles of Association of the Company, and in accordance with listing agreement entered into by the Company with the Stock Exchanges where the shares of the Company are listed or proposed to be listed and subject to the approval of Securities and Exchange Board of India (hereinafter referred to as "SEBI"), Reserve Bank of India (hereinafter referred to as "RBI"), and subject to the Company obtaining all approvals, consents, permissions and sanctions as may be required from any and/or all governmental or regulatory authorities and/or all other institutions and bodies including Banks provided that such sanctions are acceptable to the Board of Directors of the Company (hereinafter referred to as the Board, which term shall be deemed to include any Committee of Directors constituted by the Board and authorised for this purpose), the consent and the approval of the Company be and is hereby accorded to the Board to create, offer, issue and allot on

Preferential basis to Spice Refineries Private Limited, part of Spice Energy Group, the promoters, 188800000 (Eighteen crores eighty eight lakhs) Equity Shares of the Company of the face value of Re. 1/- for cash at par since the price calculated in accordance with the Regulations for Preferential Issue, issued by SEBI under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, is less than the face value of the share.

RESOLVED FURTHER THAT all the new Equity Shares, as and when allotted in terms of this resolution, shall rank pari passu in all respects, with the existing Equity Shares of the company and necessary measures be taken to seek the listing of such new Equity Shares on all the Stock Exchanges where the Company's shares shall continue to be listed and necessary application be made with National Securities Depository Limited, Central Depository Services (India) Limited and other authorities, if any, for executing Corporate Action and such other actions, as may be required in this connection from time to time.

RESOLVED FURTHER THAT subject to SEBI Regulations and other applicable laws, the Board be and is hereby authorised to decide and approve terms and conditions of the issue of above mentioned Equity Shares and to vary, modify or alter any of the terms and conditions, including size of the issue, as it may deem expedient.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board and or its duly authorised Committee, in their absolute discretion, be and are hereby authorised, to take all such steps and do all such acts, deeds, matters and things, as the Board may deem fit and proper or desirable and necessary to settle any question or doubt that may arise in regard to offer, issue and allotment of the new Equity Shares and that the Board is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or Chairman of the meeting at which the Committee is or may be formed or to any of the principal officers of the Company/authorised representative in order to give effect to the aforesaid resolution."

By Order of the Board of Directors

Gurgaon  
June 14, 2010

(Sanjay Kumar Jain)  
Vice President (Legal) & Company Secretary

**NOTES**

1. A member entitled to attend and vote at this Annual General Meeting may appoint a proxy to attend and vote on a poll on his behalf. A proxy need not be a Member of the Company. Proxies in order to be effective must be received at the Registered Office of the Company at 21 Basant Lok Complex, Vasant Vihar, New Delhi - 110 057 not less 48 hours before this Annual General Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 21<sup>st</sup> July 2010 to Wednesday 28<sup>th</sup> July 2010 (both days inclusive).
3. The members are requested to:
  - a. bring their copy of Annual report at the Annual General Meeting.
  - b.
    - I. In case shares are held in physical form: notify immediately the change of address, if any, to the Company at 21 Basant Lok Complex, Vasant Vihar, New Delhi - 110 057 or to the Registrar and Share Transfer Agent of the Company, MCS Limited, F 65, 1<sup>st</sup> Floor, Okhla Industrial Area Phase I, New Delhi-110 020 quoting their folio number.
    - II. In case shares are held in dematerialised form: notify to their depository participants, change/correction in their address/bank account particulars etc. as the Company uses the information provided by Depositories in respect of shares held in dematerialised form.
  - c. send, in case of those members who have multiple accounts in identical names or joints names in same order, all the share certificates to the Registrar and Share Transfer Agent of the Company, MCS Limited at the aforesaid address for consolidation of all such shareholdings into one account to facilitate better service.
4. Members/proxies should bring the attendance slip duly filled in for attending the Meeting.
5. All the documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on all the working days except Saturday upto the date of the Annual General Meeting.

By Order of the Board of Directors

Gurgaon  
June 14, 2010

**(Sanjay Kumar Jain)**  
Vice President (Legal) & Company Secretary

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**
**Item No. 5**

In order to meet the requirements of the funds as per the objects detailed below, it is proposed to issue 188800000 Equity Shares of the Company, in cash at par at Rs. 1/- each aggregating to Rs. 188,800,000/- on preferential basis, to Spice Refineries Private Limited, part of Spice Energy Group, the promoter, as per the provisions of the Companies Act, 1956 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 for Preferential Issues.

Spice Refineries Private Limited does not hold any shares in the Company. The allotment of new shares as aforesaid shall bring their holding to 2.31% of the expanded capital in the Company, thereby the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, (the "Takeover Code") are not triggered.

The new Equity Shares are proposed to be allotted at par since the price calculated in accordance with Regulation 76 of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, (the "Regulations"), would be below the par value of the shares.

The disclosures required to be given in the Explanatory Statement to this Notice of General Meeting in terms of the Regulations are as under:

- (a) Objects of the Issue:
  1. to arrange funds required for meeting the working capital requirements of the Company,
  2. to meet expenditure for general corporate purposes.
- (b) Intention of the proposed allottee to subscribe to the offer:
 

The proposed allottee, have indicated their intention to subscribe to the proposed preferential issue of 188800000 Equity Shares i.e. to the extent as proposed in the resolution.
- (c) Change of Management:
 

The allotment would not result in any change in the control or management of the affairs of the Company or in the composition of the Board of Directors of the Company. However, there could be consequential changes in the voting rights / shareholding pattern in the Company.
- (d) Lock in Period:
 

The proposed allotment shall be locked in for 3 years from the date of allotment as per the SEBI(ICDR) Regulations.
- (e) Proposed time within which the allotment shall be completed:

The Board proposes to allot the Equity Shares within 15 days from the date of the Annual General Meeting or from the date of statutory approval for issue of these securities.

- (f) Identity of the proposed allottee and percentage of Post-preferential issue capital that may be held by Promoters' Group:

S. No.	Name of Proposed Allottee	No. of Equity Shares Issue Capital	% of Post Preferential
1.	Spice Refineries Private Limited	188800000	2.32
	<b>Total</b>	<b>188800000</b>	<b>2.32</b>

- (g) Pricing of the Issue:

The price of the new Equity Shares to be allotted to Spice Refineries Private Limited shall be Re. 1/- per share.

- (h) Shareholding Pattern before and after preferential allotment:

SHAREHOLDERS' CATEGORY		
(As at 31 <sup>st</sup> March 2010)	Before the proposed preferential allotment	After the proposed preferential allotment
	% of shares/total voting capital held	
(A) Promoter and Promoters Group		
Acquirer	0.00	2.32
Non-Acquirers	0.11	0.11
<b>Total</b>	<b>0.11</b>	<b>2.43</b>
(B) Public Shareholding		
Mutual Funds/UTI	0.00	0.00
Bodies Corporate	9.45	9.23
Public	28.41	27.75
FII/NRI	6.94	6.78
GDR	55.09	53.81
<b>Total Public holding</b>	<b>99.89</b>	<b>97.57</b>
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

- (i) Auditors' Certificate:

A copy of the Statutory Auditors' Certificate certifying that the present preferential allotment is being made in accordance with the requirements contained in the Regulations for Preferential Allotment under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, will be placed before the Meeting and is kept open for inspection at the Registered Office of the Company on all working days during office hours and will also be available for inspection at the meeting.

All documents referred to in this statement are open for inspection at the registered office of the company during the working hours upto the date of this meeting.

The Board of Directors accordingly recommend the resolution set out at Item No. 5 of the accompanying Notice for the approval of the Members.

None of the Directors of the Company except Mr. Deep Kumar Rastogi who is interested as a Director and Member are, in any way, concerned or interested in the said resolution.

#### NOTES ON DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49VI(A) OF THE LISTING AGREEMENT ENTERED INTO WITH THE STOCK EXCHANGES

At the ensuing Annual General Meeting, Mr. Deep Kumar Rastogi and Mr. M.S. Ramachandran retire by rotation and being eligible, offer themselves for reappointment.

**Mr. Deep Kumar Rastogi** - He is a Promoter Director of the Company. He is into import business and having more than 42 years experience. He is on the Board of Spice Refineries Private Limited, SRM Exploration Private Limited, SRM Refineries Private Limited, SRM Branding Solution Private Limited, SRM Energy Limited, India One Hotels Private Limited, Team India Motor Racing Private Limited, India Gammachin Limited, Spice Energy Private Limited, Spice Gas Private Limited, BND Gas Private Limited, Spice Exploration Private Limited

**Mr. M.S. Ramachandran** - He has over 40 years of experience in the Oil and Gas industry. He was the Chairman of Indian Oil Corporation (IOC), India's largest Oil & Gas Company, from 2002-2005. He helped the government to implement various policies that would attract private players into the Oil & Gas sector. At IOC, he redirected the organization around key business lines with greater commercial focus and market facing capabilities. During his tenure, Mr. Ramachandran increased sales growth from USD 25 billion to USD 34 billion, which increased the net profit of Company from USD 0.65 billion to USD 1.2 billion, raising the Company's Fortune ranking from 223 to 189. He established IOC as a transnational marketing company. Lanka IOC was started by him; today it is ranked as the number one Company in Sri Lanka. He has won numerous awards/ recognitions/ honours. He was a runner-up in the Platts Global CEO of the Year Award in 2004. He is on the Board of Supreme Petro Chemicals Limited, Gulf Oil Corporation Limited, Ester Industries Limited, ICICI Bank Limited, Bharat Electronics Limited

The Twenty Sixth Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March 2010 is being submitted.

## FINANCIAL RESULTS

	(Rs. in lakhs)	
Particulars	2009-2010	2008-2009
Sales and other Income	-	2.69
Profit/(Loss) before Depreciation, Interest, Prior Period Expenses	-	(1.41)
Less: Interest	-	-
Less: Depreciation	-	0.48
Less: Prior Period Expenses	-	0.31
Profit/(Loss) before Tax	-	(2.20)
Income Tax	-	0.01
Liabilities Written Back Net	-	-
Profit/(Loss) after Income Tax	-	(2.21)
Balance carried forward from previous year	(672.46)	(672.46)
Net Profit/(Loss) transferred to Balance Sheet	(674.67)	(674.67)
EPS (in Rs.)	-	0.00

## DIVIDEND

As the Company is in the process of implementing the refinery project, your Directors have not recommended any dividend.

## PROGRESS OF THE PROJECT

During the financial year 2009-2010 the refinery project of your Company could not escape from the brunt of worldwide recession. The discussions for equity and debt requirement of the project were held with various investors and bankers. Many of them carried out legal, financial and technical due diligence of the project. However, the Company could not tie up the entire funds requirement.

The civil work at site like construction of boundary wall and land filing work was carried out during the year. The dismantling of refinery at Bayernoil site was started to make the critical land areas available to city government authorities. The Ministry of Environment and Forests (MOEF) issued final environmental clearance.

The Company has signed a tripartite Agreement dated 19<sup>th</sup> March 2010 with West Bengal Industrial Development Corporation Limited (WBIDC) and Haldia Development Authority (HDA). As per this agreement WBIDC has obtained the leased hold rights on 386 acres of land after payment of land premium of Rs. 63 crores to HDA. WBIDC has retained the possession of the land with the Company. As per the terms of the agreement the land will be with

the Company on sub-lease from WBIDC and the Company will have to pay the premium amount of Rs. 63 crores along with the interest @ the rate of 13% to WBIDC at the time of financial closure.

## DIRECTORS

Mr. Deep Kumar Rastogi and Mr. M. S. Ramachandran retire by rotation as required under the Companies Act, 1956 and being eligible, offer themselves for reappointment.

## FIXED DEPOSITS

The Company has not accepted any deposit under Section 58A of the Companies Act, 1956, during the financial year under review.

## CORPORATE GOVERNANCE

The Company has complied with the mandatory provisions of Corporate Governance as prescribed in the Listing Agreement with the Stock Exchanges. A separate report on Corporate Governance is included as a part of the Annual Report alongwith the Certificate on its compliance.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to the Directors' Responsibility Statement, the Directors confirm on the basis of information placed before them by the Management and Auditors: -

1. That in the preparation of the annual accounts for the Financial Year ended 31<sup>st</sup> March 2010 the applicable Accounting Standards have been followed;
2. That the Company has selected appropriate accounting policies and applied them consistently and made judgement and estimates that were reasonable and prudent so as to give a true and fair state of the affairs of the Company at the end of the financial year and of the Profit and Loss of the Company for the year under review;
3. That the Company has 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
4. That the accounts of the Company for the financial year ended 31<sup>st</sup> March 2010 have been prepared on a going concern basis.

**CODE OF CONDUCT**

The Code of Conduct, as adopted by the Board of Directors, is applicable to all Directors, senior management and employees of the Company. This Code is based on fundamental principles, viz. good Corporate Governance and good corporate citizenship. The Code covers Company's commitment to sustainable development, concern for occupational health, safety and environment, a gender friendly workplace, transparency and auditability and legal compliance.

**AUDITORS' REPORT**

With regard to the qualification in the Auditors' Report read together with Annexure referred to in Paragraph 3 of the Auditors' Report, the explanation is as under:

Since the Company is setting up a refinery project, the exchange differences, interest on outstanding statutory dues and certain indirect expenses not directly attributable to construction have been taken in the statement of Pre-operative Expenses, which forms part of Capital Work-in-Progress. The above accounting treatment is in accordance with the clarification given by the Department of Company Affairs (Letter No. 2/17/64-PR, dated 29-1-1964). However, at the time of allocation of Pre-operative Expenses to the respective assets on commissioning of the project, these foreign exchange gain/loss and other indirect expenses not directly attributable to construction shall not be capitalized.

**AUDITORS**

The Company's Auditors M/s. Walker, Chandio & Co., Chartered Accountants, New Delhi and M/s. Arun K. Gupta & Associates, Chartered Accountants, New Delhi retire at the forthcoming Annual General Meeting and are eligible for reappointment. M/s. Walker, Chandio & Co., Chartered Accountants, New Delhi and M/s. Arun K. Gupta & Associates, Chartered Accountants, New Delhi have submitted the certificate under Section 224(1B) of the Companies Act, 1956 confirming that their appointment as joint Statutory Auditors, if made, shall be in accordance with the said section.

**LISTING OF SECURITIES**

Your Company's securities are currently listed with Bombay Stock Exchange. The Company has paid the listing fees to Bombay Stock Exchange for the financial year 2010-2011. The Company's Global Depository Receipts (GDRs) are listed with Luxembourg Stock Exchange.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION**

The prescribed details 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 are not applicable to our type of Company.

**PARTICULARS OF THE EMPLOYEES**

The particulars of the employees drawing the salary as prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 form part of this report.

As per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the reports and accounts are being sent to all shareholders of the Company excluding the statement of particulars of the employees. Any shareholder interested in obtaining a copy may write to the Company Secretary of the Company.

**TECHNOLOGY ADOPTION AND ENERGY CONSERVATION**

No technology transfer agreement was entered into during the year. Disclosure of particulars with respect to conservation of energy is not applicable to the Company.

**FOREIGN EXCHANGE EARNING AND OUTGO**

The details of the foreign exchange earnings and outgo during the year have been given in the schedules to the accounts.

**ACKNOWLEDGEMENT**

The Directors have pleasure in recording their appreciation for assistance extended to the Company by various officials of Central Government, State Government and participating Financial Institutions. The Directors would also like to acknowledge and appreciate the co-operation extended by the Company's Bankers and Employees.

For and on behalf of the Board

Gurgaon  
June 14, 2010

**(M.S. Ramachandaran)**  
Chairman



To

**The Members of Cals Refineries Limited,**

We have examined the compliance of conditions of Corporate Governance by Cals Refineries Limited, for the year ended on 31<sup>st</sup> March 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**RSM & CO.**

Company Secretaries

**(M.V. Srinivas)**

Partner

Gurgaon

June 14, 2010

Membership No. 2771



In compliance with Clause 49 of the Listing Agreement with Stock Exchange, the Company submits the report on the matters mentioned in the said Clause and practice followed by the Company.

### 1. Company's Philosophy on Code of Governance

Your Company believes that good corporate governance practice ensures the attainment of the highest levels of transparency, accountability and equity in all facets of its operations, and in all its interactions with its stakeholders, including shareholders, employees, the government and the lenders.

### 2. Board of Directors

The Board of Directors consists of 7 directors.

Composition and category of Directors is as follows:

Category	Name of the Directors
Promoter Director	Deep Kumar Rastogi Ravi Chilukuri
Non Executive and Independent Directors	M.S. Ramachandran Sarvesh Kumar Goorha B. Srinivasa Rao
Executive Directors	Ramesh Bhosale Manabendra Guha Roy

Attendance of each Director at the Board Meetings, last Annual General Meeting and number of other Directorship and Chairmanship/Membership of Committee of each Director in various Companies:

Name of The Director	Attendance Particulars		No. of other directorships And committee membership/chairmanship		
	Board Meeting	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
Sarvesh Kumar Goorha	5	Yes	2	2	1
M.S. Ramachandran	5	-	5	3	-
Ramesh Bhosale	5	Yes	-	-	-
Ravi Chilukuri	2	-	-	-	-
Manabendra Guha Roy	5	Yes	-	-	-
Deep Kumar Rastogi	3	Yes	12	2	1
B. Srinivasa Rao	3	Yes	2	3	1

#### Number of Board Meetings held and the dates on which held

During the year, 5 Board Meetings were held on 30<sup>th</sup> April 2009, 30<sup>th</sup> June 2009, 28<sup>th</sup> July 2009, 27<sup>th</sup> October 2009 and 22<sup>nd</sup> January 2010.

### 3. Audit Committee

The terms of reference stipulated by the Board to the Audit Committee are, as contained under Clause 49 of the Listing Agreement, as follows:

- To oversee financial reporting and disclosure process.
- To recommend the appointment and removal of statutory auditors and decide their remuneration.
- To review financial results and statements, before submission to the Board, focus primarily on-
  - Any change in accounting policies and practices.
  - Major accounting entries, based on exercise of judgment by the management.

- Qualifications in the draft Audit Report.
  - Significant adjustments arising out of the audit.
  - Going Concern Assumption.
  - Compliance with Accounting Standards.
  - Compliance with Stock Exchange and legal requirements concerning financial statements.
  - Any related party transactions i.e. transactions of the Company of a material nature, with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with larger interests of the Company.
- d. To oversee adequacy of internal control systems.
- e. Reviewing adequacy of internal audit function, coverage and frequency of internal audit report.
- f. Discussion with internal auditors and concurrent auditors on any significant findings in their reports and follow up thereon.
- g. Discussion with external auditors before audit commences, as regards nature and scope of audit, as well as having post audit discussions to ascertain any areas of concern.
- h. Reviewing the Company's financial and risk management policies.

During the year, the Committee has met 5 times on 26<sup>th</sup> June 2009, 28<sup>th</sup> July 2009, 16<sup>th</sup> September 2009 and 27<sup>th</sup> October 2009, 22<sup>nd</sup> January 2010.

The Board of the Company has reconstituted the Audit Committee, comprising Mr. Deep Kumar Rastogi, Mr. Sarvesh Kumar Goorha and Mr. B. Srinivasa Rao which meets with the requirements under Section 292A of the Companies Act, 1956. Mr. B. Srinivasa Rao is the Chairman of Audit Committee.

#### **4. Remuneration Committee**

The Board has reconstituted the Remuneration Committee comprising of Mr. Sarvesh Kumar Goorha and Mr. Deep Kumar Rastogi. No Remuneration Committee meeting was held during the year. Mr. Deep Kumar Rastogi is the Chairman of Remuneration Committee.

##### **Details of remuneration paid to the Directors for the year**

The aggregate value of salary and perquisite for the year ended 31<sup>st</sup> March 2010 to Mr. Manabendra Guha Roy and Mr. Ramesh Bhosale, Whole Time Directors - Rs. 19,231,992/-. For detail, please refer Note No. 9 of Schedule 14 to Notes to Accounts of the Balance Sheet.

The Company pays sitting fees to all Non Executive Directors. The sitting fees paid for the year ended 31<sup>st</sup> March 2010 to the Directors are as follows: - Mr. M.S. Ramachandaran, Chairman, Rs. 100,000/-, Mr. Sarvesh Kumar Goorha, Director Rs. 160,000/- and Mr. B. Srinivasa Rao, Director Rs. 160,000/-.

#### **5. Share Transfer Cum Shareholders'/Investors' Grievance Committee**

The Board of the Company has reconstituted Share Transfer Cum Shareholders'/Investors' Grievance Committee, comprising of Mr. Sarvesh Kumar Goorha and Mr. Deep Kumar Rastogi. Mr. Deep Kumar Rastogi is the Chairman of Share Transfer Cum Shareholders'/Investors' Grievance Committee. The members of this Committee have opted not to take the sitting fees for Committee Meetings.

The Company, inter-alia, approves issue of duplicate certificates and oversees and reviews all matters connected with the securities transfer.

The Company has received 14 complaints from the shareholders and all of them have been resolved by furnishing requisite information/documents. There was no complaint pending as on 31<sup>st</sup> March 2010.

The Board has designated Mr. Sanjay Kumar Jain, Company Secretary as the Compliance Officer.