



CHANDRA PRABHU INTERNATIONAL LIMITED

22nd ANNUAL REPORT 2006-2007



BOARD OF DIRECTORS

MANAGING DIRECTOR

Mr. Akash Jain

EXECUTIVE DIRECTOR

Mr. Piyush Jain

DIRECTORS

Mr. Abhash Jain

Mr. Parkash Goyal

Mr. Ved Prakash Goel

Mr. Sudhanshu Mishra

Mr. Jagdish Jhunjunwala

COMPANY SECRETARY

Mr. K.K. Singh

AUDITORS

M/s. J P S & Company

Chartered Accountants

New Delhi

REGD. OFFICE

14, Rani Jhansi Road,

New Delhi 110 055

BR. OFFICES

Bhatinda, Chandasi & Guwahati

BANKERS

State Bank of Bikaner & Jaipur

New Delhi

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NOTE : Members are requested to bring their copy of the Annual Report at the time of attending the Annual General Meeting. No extra copies of Annual Report shall be provided at the venue of the AGM.

No gifts or coupons would be given to the shareholders for attending the Annual General Meeting.

NOTICE**Chandra Prabhu International Ltd.**

Notice is hereby given that the **TWENTY SECOND ANNUAL GENERAL MEETING** of the Members of **CHANDRA PRABHU INTERNATIONAL LTD.** will be held on Saturday, the 29th day of September, 2007 at 10.00 A.M. at B-2639, 1st Floor, Narela Industrial Area, Near DSIDC Park, Narela Delhi-110 040 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account of the Company for the financial year ended 31st March, 2007, the Balance Sheet as at that date & the Reports of Directors' & the Auditors' thereon.
2. To appoint a Director in place of Sh. Jagdish Jhunjunwala who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Statutory Auditors and to authorise Board of Directors to fix their remuneration. The retiring Auditors, M/s. J P S & Company, Chartered Accountants, retire and being eligible offer themselves for re-appointment.

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as **ORDINARY RESOLUTION** :

"RESOLVED THAT the Board of Directors be and is hereby authorised to appoint auditors qualified for the appointment as auditors of the Company U/S 226 of the Companies Act, 1956 for auditing the accounts of the branches of the Company U/S 228 of the Companies Act, 1956 situated at Bhatinda, Chandasi and Guwahati in consultation with the Statutory Auditors' of the company, at a remuneration to be decided by the Board of Directors and agreed by such auditors, plus out of pocket expenses."

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as **ORDINARY RESOLUTION** :

"RESOLVED THAT Pursuant to provisions of Section 198, 269 & 309 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 the consent of the members of the company be and is hereby accorded for the appointment of Mr. Akash Jain as Managing Director of the company for a period of five years commencing from 1/2/2007 on the following terms & conditions :

SALARY : **Rs. 25,000/- per month.**
with suitable increase and remuneration as approved by the Board/Committee.

PERQUISITES :

1. House Rent Allowance : 10,000/- per month.
2. Reimbursement of all Medical Expenses (including medical/hospitalization premium) incurred for self and his family.
3. Club Fees: Subscription to 2 (two) clubs. This will not include lifetime membership fee and admission fees.
4. Car with Driver for Company's business and also telephone at residence and mobile phone.
5. Other Entitlements :
 - a. Reimbursement of traveling, entertainment and all other expenses incurred for the business of the company.
 - b. Reimbursement of Leave Travel Encashment once in two years block for self and family.
 - c. Leave & encashment of leaves as per rules of the company.

6. OTHER TERM & CONDITIONS :

- a. The Managing Director shall be responsible for the overall management and control of the operations of the Company. The Managing Director shall perform his duties and exercise his powers subject to the supervision and control of the Board.
- b. The Managing Director shall use his best endeavors to promote the interest of the Company and shall not have any other whole time employment/assignment of whatsoever nature.
- c. The Managing Director shall not be paid any sitting fees for attending any meeting of the Board/ Committees thereof.
- d. During his tenure as Managing Director, Mr. Akash Jain shall not be subject to retirement by rotation.
- e. In the event of any amendment or modification of Companies Act, 1956, and subject to the approval of Shareholders in General Meeting, if required, the remuneration and perquisites payable to Managing Director may be varied by the Board.

RESOLVED FURTHER THAT the salary and perquisites as detailed herein above be paid to Mr. Akash Jain as minimum remuneration provided that in case of loss / inadequacy of profits, the remuneration payable to Mr. Akash Jain shall be subject to Part II of Schedule XIII of the Companies Act, 1956.

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

"RESOLVED THAT Pursuant to the provisions of Section 198, 269 & 309 read with Schedule XIII and other applicable provisions, if any, of the Companies

NOTICE**Chandra Prabhu International Ltd.**

Act. 1956 the consent of the members of the company be and is hereby accorded for the appointment of Mr. Piyush Jain as Executive Director of the Company for a period of Five Years commencing from 1st February, 2007 on the following terms and conditions:
SALARY: Rs. 20, 000/- per month with suitable increase and remuneration as approved by the Board Committee.

PERQUISITES:

1. Rent free furnished accommodation with free use of all the facilities and amenities.
2. Reimbursements of all medical expenses (including medical/ hospitalization premium) incurred for self and family.]
3. Subscription to 2 (Two) Clubs. Lifetime membership fees or admission fees shall not be included.
4. Car with Driver or Company's business and also telephone at residence and mobile phone.
5. Mr. Piyush Jain shall also be entitled to the following
 - a. Reimbursement of traveling, entertainment and all other expenses incurred for the business of the Company.
 - b. Reimbursement of Leave Travel Encashment once in two years block for self and family.
 - c. Leave and encashment of leaves as per the Rules of the Company.
6. **OTHER TERM & CONDITIONS:**
 - a. The Executive Director shall be responsible for general administration day to day operations of the Company. The Executive Director shall perform his duties and exercise his powers subject to the supervision and control of the Board. However, for day to day functioning, he shall report to the Chairman Cum Managing Director.

- b. The Executive Director shall use his best endeavors to promote the interest of the Company and shall not hold any other whole time employment/ assignment of whatsoever nature. However, he may hold non executive directorship of any other Company whether incorporated in India or abroad.
- c. The Executive Director shall not be paid any sitting fees for attending any meeting of the Board/ Committees thereof.
- d. During his tenure as The Executive Director, Mr. Piyush Jain shall not be subject to retirement by rotation.
- e. In the event of any amendment or modification of Companies Act, 1956, and subject to the approval of Shareholders in General Meeting, if required, the remuneration and perquisites payable to Executive Director may be varied by the Board.

RESOLVED FURTHER THAT the salary and perquisites as detailed herein above be paid to Mr. Piyush Jain as minimum remuneration provided that in case of loss / inadequacy of profits, the remuneration payable to Mr. Piyush Jain shall be subject to Part II of Schedule XIII of the Companies Act, 1956.

By order of the Board of Directors

Registered Office:
 14, Rani Jhansi Road,
 New Delhi 110 055
31st Aug. 2007

Krishna Kr. Singh
Company Secretary

NOTICE**Chandra Prabhu International Ltd.****NOTES: -**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. The instrument appointing a proxy, in order to be valid and effective, must be deposited at the Registered office of the company, not later than 48 hours before the meeting.

2. The Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956, setting out material facts in respect of the Special Business under Item No. 4, 5 and 6 is annexed hereto.

3. The Register of Members and Share Transfer Books will remain closed from 24-09-2007 to 29-09-2007 (both days, inclusive).

4. The Members holding shares in physical form are requested to intimate to the Registrar and Transfer Agent, **Alankit Assignments Limited, 2E/21, Jhandewalan Extn., New Delhi 110 055**, change of address, if any, at the earliest quoting their registered folio number. Change of address in respect of shares held in demat form is required to be intimated to the concerned Depository Participant.

5. Members holding shares in more than one folio in identical order of names are requested to write to R&TA enclosing their share certificates to enable them to consolidate the holdings in one folio to facilitate better service.

6. Members seeking any information with regard to accounts or operations are requested to write to the Company at an early date, preferably at least seven days prior to the date of meeting, so as to enable the management to keep the information ready.

7. Members / Proxies should bring the attendance slips duly filled in for attending the meeting. Members who hold shares in dematerialized form are requested to bring their client ID and DPID numbers for easy identification of attendance at the meeting.

8. Consequent upon amendment to Section 205A and introduction of Section 205-C, there is no unpaid/unclaimed dividend outstanding as on 31st March, 2007 to be paid in the Investor Education and Protection Fund maintained under Section 205 C of the Companies Act, 1956.

9. Brief resume, pursuant to clause 49 of the Listing Agreement of the Directors proposed to be

appointed/reappointed at the Annual General Meeting, nature of their expertise in specific functional areas and name of companies in which they hold directorship, are given hereinunder:

Mr. Jagdish Jhunjunwala

Mr. Jagdish Jhunjunwala, age 50 years, has been a director of the company since 1st October, 2003. He has done his graduation with thrust to become an entrepreneur and gain qualitative rich experience of 25 years in business, expertise and knowledge in the trading of coal. Mr. Jhunjunwala does not hold any other Directorship than your Company.

Mr. Akash Jain

Mr. Akash Jain, age around 31 years, has been a Director of the Company since 10th September, 1997 and subsequently he was appointed as Executive Director of the company since 24th June, 2000. Mr. Jain is commerce graduate with in depth knowledge and experience of eight years. His expertise in specific functional areas include trading of Synthetic rubber, petro chemical products, coal and other commodities and finance, investment and management matters. Subsequently he was appointed as Managing Director of the company with effect from 1st February, 2007 for five years and his tenure is expiring on 31st January, 2012.

Mr. Piyush Jain

Mr. Piyush Jain, age around 25 years, has successfully graduated in BSc (Hons) and Management Studies with a 2:2 degree. He has done Post Graduation in Management and Strategic Entrepreneurship from the Nottingham Business School, Nottingham Trent University, UK. Mr. Piyush Jain has done 1 year management trainee for 1 year with National Mining Company Limited. Mr. Piyush Jain has been appointed as Executive Director of the Company with effect from 01st February, 2007.

EXPLANATORY STATEMENT PURSUANT TO SEC.173 (2) OF THE COMPANIES ACT, 1956**Item No. 4**

Company has re-opened branch at Guwahati which is operating alongwith other branches of the company at Bhatinda and Chandasi to rehabilitate and restructure the business which has been closed down in previous financial year due to losses incurred in those branches and according to Section 228 of the Companies Act, 1956, the account of branch office shall be audited by Statutory Auditor or a person qualified for appointment U/s. 226 of the Companies Act, 1956. The consent of the Company is required to appoint the Branch Auditors.

NOTICE

Chandra Prabhu International Ltd.



Therefore, your directors have recommended the same for your approval.

Item No. 5

Mr. Akash Jain was elevated as Managing Director of the company for a period of five years w.e.f. 01/02/2007 and the terms and conditions of his appointment vide Board Meeting held on 01/02/2007. The consent of the company is needed to approve the appointment of Mr. Akash Jain as Managing Director on the terms and conditions mentioned in the resolution. An abstract of the terms and conditions of the appointment of Mr. Akash Jain as Managing Director of the company pursuant to Section 302 of the Companies Act, 1956 had already been dispatched to members and can be inspected at the Registered office of the Company from 10.00 a.m. to 3.00 p.m. till date of AGM.

Members are requested to accord their approval to the appointment of Mr. Akash Jain as Managing Director of the company.

None of the Directors of the company, except Mr. Akash Jain (himself), Mr. Piyush Jain, (relative) are deemed to be interested or concerned in the resolution.

Item No. 6

Mr. Piyush Jain was appointed as Executive Director of the company for a period of five years w.e.f. 01/02/2007

and the terms and conditions of his appointment vide Board Meeting held on 01/02/2007. The consent of the company is needed to approve the appointment of Mr. Piyush Jain as Executive Director on the terms and conditions mentioned in the resolution. An abstract of the terms and conditions of the appointment of Mr. Piyush Jain as Executive Director of the company pursuant to Section 302 of the Companies Act, 1956 had already been dispatched to members and can be inspected at the Registered office of the Company from 10.00 a.m. to 3.00 p.m. till date of AGM.

Members are requested to accord their approval to the appointment of Mr. Piyush Jain as Executive Director of the company.

None of the Directors of the company, except Mr. Piyush Jain, (himself) Mr. Akash Jain (Relative), are deemed to be interested or concerned in the resolution.

By order of the Board of Directors

Registered Office:

14, Rani Jhansi Road,
New Delhi 110 055
31st Aug. 2007

Krishna Kr. Singh
Company Secretary

DIRECTORS' REPORT**Chandra Prabhu International Ltd.****To the members****Chandra Prabhu International Ltd.**

Your Directors are pleased to have this opportunity to report on Company's progress during the year 2006-07 and to submit the Annual Report & Audited Statement of Accounts for the year ended 31st March, 2007

	(Rs. in Lacs)	
	2006-07	2005-06
Turnover/Income from operations	585.98	844.55
Other Income	7.92	17.18
Profit/(Loss) before tax,		
Interest & depreciation	35.11	(13.61)
Interest	3.43	2.91
Depreciation	4.64	4.55
Profit/(Loss) before tax	27.04	(21.07)
Provision for Taxation	3.48	-
Provision for Fringe Benefit Tax	0.64	0.72
Tax related to earlier years	6.46	3.90
Deferred Tax	(0.47)	27.73
Profit/(Loss) after tax	16.83	(53.42)
Pro. for doubtful debt written back	-	84.49
Surplus brought forward from Previous Year	164.81	133.74

PROFIT AVAILABLE FOR APPROPRIATION

Surplus carried to Balance Sheet	181.64	164.81
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OVERALL PERFORMANCE

The year under review resulted in Net Profit of Rs. 16.83 Lacs as compare to Net Loss of Rs. 53.42 Lacs during the previous year. The turnover during the year has been Rs. 585.98 Lacs as against Rs. 844.55 Lacs In the previous year.

DIVIDEND

In view of inadequacy of profits, your directors regret their inability to recommend payment of any dividend for the year.

CORPORATE GOVERNANCE

Your company has complied with the mandatory provisions of clause 49, relating to Corporate Governance, of the Listing Agreement with the Stock Exchanges. A comprehensive report on Corporate Governance forming part of the Directors' Report and the certificate from the company's statutory auditors confirming the compliance of conditions on corporate governance is included in the Annual Report.

FUTURE PROSPECTS

The extension of Company's trading product portfolio with certain petro chemical products like Rubber, Process Oil, Residue Wax etc. to its existing trading portfolio of Synthetic rubber, Chemical and Coal has paid rich dividend to the Company. In the present economic scenario these products have huge potential/demand in Indian market and the Company via its strategic competency, operational efficiencies and expanding its network will definitely make a mark.

Supply of the Coal has been liberalized by the Government agencies and consequently Coal turnover of your Company has expected to grow rapidly and your Company poised to enhance its market share by tapping all the available opportunities. The Board expects that the Company will continue its good performance and excel to enhance the Company profitability.

DIRECTORS

In accordance with the provisions of Companies Act, 1956 and Company's articles, Mr. Jagdish Jhunjunwala retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. Your directors recommend the appointment of Mr. Jagdish Jhunjunwala. Further to note that Mr. Gajraj Jain Chairman cum Managing Director of the company ceased to hold office with effect from 01st February, 2007 due to resignation tendered by him as per the Companies Act, 1956 read with Article and Mr. Akash Jain and Mr. Piyush Jain were appointed as Managing Director and Executive Director respectively of the Company w.e.f. 01/02/2007.

Brief resume, pursuant to Clause 49 of the Listing Agreement of the Directors proposed to be appointed / reappointed at the Annual General Meeting, nature of their expertise in specific functional areas and name of Companies in which they hold directorship included in the notes of the Notice convening the Annual General Meeting.

MANAGEMENT DISCUSSION & ANALYSIS**(i) FORWARD-LOOKING STATEMENTS**

Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events. Chandra Prabhu International Limited, a well-known name in the trading of Synthetic Rubber, Chemicals and Coal for last many years.

Over the years Chandra Prabhu International Limited has built a formidable reputation of being a completely professionally managed Company where customer-satisfaction is of paramount consideration and matters most above all others.

(ii) THE INDUSTRY: OPPORTUNITIES & THREATS.

The trading activities of the Company can be broadly divided into two business segments i.e. Synthetic Rubber & Coal, Petroleum Products and Minerals.

The Trading industry has undergone a major change in the recent years especially after the economic liberalisation in

DIRECTORS REPORT

Chandra Prabhu International Ltd.



the country. Following the opening up of the Indian economy, industries using Synthetic rubber and Coal as raw material are facing new challenges and opportunities resulting in tough competition for your Company.

Consumption of Synthetic Rubber is expected to grow in the coming years on account of increasing demand in products of industries using it as ingredients.

As far as coal is concerned, demand is increasing. Industries like cement and steel are demanding more coal for consumption as raw material. Since Cement & Steel industries is doing very well so likely demand of coal is very high. In other sector coal is basically used in boilers to generate steam.

Except certain items import of Synthetic rubber is under Open General License category which may inspire the major buyers of Synthetic rubber to import themselves. Indian industrial sector is presently passing through strategic restructuring face. The present trend indicate that major player of the industries using synthetic rubber and coal as raw material would play a dominant role ultimately in determination of your Company's future prospects.

(iii) BUSINESS OUTLOOK AND OVERVIEW:

In line with the objectives of Long-term growth, the Company is developing the strategic competency and enhancing its operational efficiencies. Our strategy to strengthen business, where we have competencies and remain leaders.

Company's overall earning presently depends largely on trading imported synthetic rubber, the core of its business portfolio. In order to gain competitive strength and consolidate customer relationship this year the Company is going to add new varieties of Synthetic Rubber to the existing varieties and foraying into petro-chemical products and minerals.

To strengthen its coal business by increasing its network and source of supplies, in addition of coal and synthetic rubber, and to add on new products from International Market to be marketed into India by using its present network which has been its core competency, the Company's Subsidiary South West Drilling & Infrastructure Limited is exploring the opportunities in the International Market.

(iv) INTERNAL CONTROL SYSTEMS AND COST:

The Company presently has an adequate internal control system. The Company has an internal audit department headed by a senior executive of the Company. The Company has also appointed an external firm of Chartered Accountants for a continuous internal audit of the affairs of the Company and the reports are sent to the Directors of the Company.

At the branches, external firms of Chartered Accountants specifically appointed at the branches for the purpose of internal audit simultaneously audit all the expenses.

The company has undertaken an extensive exercise to control the overall cost and has finalised the expenditure budget for all the branches as well as the Corporate Office. All the branches/ regional offices of the Company have

been given specific cost budgets in order to monitor the costs as well as to explore and finalise ways of cost reduction.

(v) HUMAN RESOURCE DEVELOPMENT:

Chandra Prabhu International Limited believes that human resources are the key resources for the success of any organisation. Thus the Company strives to create a culture of openness and empowerment amongst its employees and provide good career development. The Company is committed to the welfare of the employees and their families.

Your Company belief in trust, transparency & teamwork to improve employees productivity at all levels.

AUDITORS

M/s. J P S & Company, *Chartered Accountants*, Auditors of the company hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Pursuant to Section 224(1B) of the Companies Act, 1956 they have confirmed that their appointment, if made, would be within the prescribed limits. Your Directors recommend reappointment of M/s. J P S & Company, *Chartered Accountants*, as Auditors of the company at the ensuing Annual General Meeting.

The notes to the accounts referred to in the Auditor's Report and the observations made in the Report under Companies (Auditor's Report) Order, 2003 are self-explanatory and therefore do not call for any further comments.

DIRECTORS RESPONSIBILITY STATEMENT

The information required to be furnished in terms of section 217 (2AA) of the Companies Act, 1956 are set out hereunder:

Your Directors confirmed:

- i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) that 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 the financial year and of the profit or loss of the company for that period;
- iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) that the directors had prepared the annual accounts on a going concern basis.

The Company's Internal Auditor have conducted periodic audits to provide reasonable assurance that the

DIRECTORS' REPORT**Chandra Prabhu International Ltd.**

Company's established policies and procedures have been followed.

SUBSIDIARIES

The audited statement of accounts along with the Directors' report of the company's wholly owned subsidiaries Chandra Prabhu Overseas Limited & South West Drilling & Infrastructure Ltd. for the financial year ended 31st March, 2007 is annexed pursuant to the provision of Section 212 of the Companies Act, 1956.

CONSOLIDATED FINANCIAL STATEMENT

A Consolidated Financial Statements have been prepared by your company in accordance with the requirements of the Accounting Standards issued by the Institute of Chartered Accountants of India. The audited Consolidated Financial Statements together with 'Auditors' Report thereon forms part of the Annual Report.

PARTICULARS AS PER SECTION 217 OF THE COMPANIES ACT, 1956.

Your company does not have any employee, whose particulars are required to be given under the provision of section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended up to date.

Information with respect to *Conservation Of Energy, Technology Absorption & Foreign Exchange Earning And Outgo*, pursuant to section 217 (1)(e) of the Companies Act, 1956 is as follows:-

a. Conservation of energy	Not Applicable	
b. Technology Absorption	Not Applicable	(Rs. in Lacs)
c. Foreign Exchange Earnings	Current Year	NIL
	Previous Year	NIL
d. Foreign Exchange Outgo		
i) Foreign Traveling Exp.	Current Year	Rs. 1.72
	Previous Year	Rs. 2.94
ii) CIF Value of Imports	Current Year	Rs. 247.35
	Previous Year	Rs. 316.01

PUBLIC DEPOSITS

The Company has not accepted any fixed deposits from public till date within the meaning of Section 58A of the Companies Act, 1956 and rules made there under.

COMPLIANCE WITH THE LISTING AGREEMENT

The Company's Equity Shares shall continue to be listed to the Stock Exchanges, Mumbai (BSE) which has nationwide trading terminals. The company has paid the Annual Listing Fee to the Stock Exchange for the Financial Year 2006-2007.

ACKNOWLEDGEMENT

Your Directors place on record their warm appreciation of the assistance and cooperation extended by various Government Departments, Authorities, Reserve Bank of India, Business Partners etc. Your Directors also place on record their deep appreciation of the support provided by the Bankers associated with the company.

Your company's employees are instrumental to your company achieving higher business goals. Your directors place on record their deep admiration of the commitment and contribution of your company's employees. Your support as shareholders is greatly valued. Your directors thank you and look forward to your continuance support.

**for and on behalf of
the Board of Directors**

**Place: New Delhi
Date : 31st Aug. 2007**

**Akash Jain
Chairman**

REPORT ON CORPORATE GOVERNANCE

Chandra Prabhu International Ltd.

**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :**

Corporate Governance, as *Chandra Prabhu International Ltd.* believes, is concerned with creation of long term value for shareholders while at the same time balancing interest of others stakeholders viz. Employees, Creditors, General Public & Society at large. Corporate Governance is crucial to the very existence of a company, as it builds trust and confidence, which eventually leads to a more stable and sustained resource flows and long-term partnership with its investors and other stakeholders.

2. COMPOSITION OF BOARD OF DIRECTORS:

(A) During the current financial year under review the Board of the company consists of seven Directors with an optimum combination of Executive, Non Executive and Independent Directors. The composition of the Board is in conformity with the Listing Agreement. The Board meets regularly and is responsible for the proper direction and management of the Company. The composition of the Board, number of meetings held, attendance of the Directors at the Board Meetings and last Annual General Meeting and number of Directorship and Chairmanship / Membership of committees in other companies in respect of each Director is given herein below :

Name of Directors	Category	Attendance Particulars		Other Directorships #
		at Board Meetings held during 2006-2007	at AGM held on 30/09/2006	
		Held	Attended	
Chairman Cum Managing Director (w.e.f. 01/02/07) Mr. Akash Jain	Promoter & Executive	9	9	Yes
Executive Director (w.e.f. 01/02/07) Mr. Piyush Jain	Promoter & Executive	9	2	No
Directors				
Mr. Abhash Jain	Promoter & Non-Executive	9	5	Yes
Mr. Prakash Goyal	Independent Non-Executive	9	6	Yes
Mr. Sudhanshu Mishra	Independent Non-Executive	9	5	Yes
Mr. Ved Prakash Goel	Independent Non-Executive	9	6	No
Mr. Jagdish Jhunjunwala	Independent Non-Executive	9	4	No
Chairman Cum Managing Director Mr. Gajraj Jain (Ceased to be MD w.e.f. 01/02/07)	Promoter & Executive	9	7	Yes

No. of other Directorships indicated above is inclusive of Directorship of Private Limited companies. None of the Directors is either Chairman or Member of committees in other companies.

(B) Date and No. of Board Meetings held

During the Financial year ended March 31, 2007, the Board met 9 (nine) times on 28th April 2006, 30th June, 2006, 27th July 2006, 25th August, 2006, 31st October, 2006, 29th December 2006 and 30th January, 2007, 01st February, 2007, 30th March, 2007.

3. AUDIT COMMITTEE:

(A) The Audit Committee of the company presently consists of three Non-Executive Independent Directors. The Chairman of the committee is an independent Director having financial and accounting knowledge. The composition of Audit Committee and attendance of Directors at committee meetings is shown below :

Name of Directors	Designation	Attendance at Committee Meetings	
		Held	Attended
Mr. Prakash Goyal	Chairman	6	6
Mr. Sudhanshu Mishra	Member	6	4
Mr. Ved Prakash Goel	Member	6	6

The Executive Director, Internal Auditors, Statutory Auditors are invited to participate in the meetings of Audit Committee wherever necessary. The Company Secretary acts as Secretary to the Committee.

(B) Meeting / Attendance

During the financial year ended 31st March 2007, the Audit Committee of the company met Six times. The dates of the meetings were 28th April, 2006, 27th July, 2006, 25th August, 2006, and 31st October, 2006, 30th January, 2007 and 01st February 2007.

(C) Terms of Reference :

The terms of reference of Audit committee cover the matters specified for audit committee under clause 49 of the Listing Agreement as well as in Section 292 A of the Companies Act, 1956.