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ANNUAL REPORT
2006-2007



Corporate Directory

BOARD OF DIRECTORS

Dr. Shashi Chand Jain
Chairman and Managing Director

Smt. Satyawati Jain

Shri F.H. Tapia

Dr. V.H. Joshi

Shri Yuvraj Saheb of Dhrangadhra

Shri Sushil Kumar Jalan

Shri R.V. Ruia

Shri Pramod Kumar Jain
Managing Director

Shri Bakul Jain
Managing Director

Smt. Vandana Jain
Executive Director

BANKERS

Punjab National Bank
State Bank of India
State Bank of Saurashtra
City Union Bank Ltd.
ING Vysya Bank Ltd.

AUDITORS

V. Sankar Aiyar & Co.,
Chartered Accountants, Mumbai.

REGISTERED OFFICE

Dhrangadhra 363 315, Gujarat.

HEAD OFFICE

"Nirmal", 3rd Floor,
Nariman Point,
Mumbai 400 021.

BRANCH OFFICE

Indra Palace, 1st Floor,
H-Block, Connaught Circus,
New Delhi 110 001.

WORKS

Soda Ash Division : Dhrangadhra 363 315, Gujarat.
Caustic Soda Division : Arumuganeri P.O., Sahupuram 628 202, Tamil Nadu.
PVC Division : Arumuganeri P.O., Sahupuram 628 202, Tamil Nadu.
Salt Works : Kuda, Gujarat. Arumuganeri P.O., Sahupuram 628 202, Tamil Nadu.

68th
Annual Report
2006-2007

Note: The Balance Sheet, Profit and Loss Account and Key Financial Data are also presented in US \$ on Page Numbers 15, 16 & 17 respectively.



Directors' Report

TO THE MEMBERS

Your Directors present their 68th Annual Report and Audited Accounts for the Financial Year ended 31st March, 2007:

1. Financial Results:

	31-3-2007 (Rs. in lacs)	31-3-2006 (Rs. in lacs)
Sales	75,327.80	71,024.15
Gross Profit	5,668.77	5,535.05
Less : Provisions		
Depreciation	2,532.88	2,305.56
Profit before Tax	3,135.89	3,229.49
Tax: Current	347.24	277.49
Fringe Benefit Tax	73.58	40.00
MAT Credit available for set off	(44.90)	(272.35)
Tax adjustments of Previous Year	—	(130.00)
	375.92	(84.86)
Profit after Current Tax & Tax Adjustments	2,759.97	3,314.35
Deferred Tax	743.07	587.43
Profit after Tax	2,016.90	2,726.92
Add: Balance brought forward	3,027.73	2,894.90
Profit available for Appropriation	5,044.63	5,621.82
Appropriations :		
General Reserves	2,000.00	2,000.00
Dividend		
Interim	345.09	—
Final	172.54	517.63
Dividend		
Distribution Tax	86.45	76.43
Balance carried forward	2,440.55	3,027.76

2. Dividend:

Your Directors recommend payment of Final Dividend at Re. 0.10 per equity share of Rs. 2/- each. The aggregate dividend declared for the year including the interim dividend of Rs. 0.20 per equity share is Rs. 0.30 per equity share of Rs. 2/- each.

3. Operations:

Sales during the year were Rs. 753.28 crores as compared to Rs. 710.24 crores recorded in the previous year, registering an increase of 6%. The sales would have been more but due to an illegal strike at Company's

Caustic Soda and PVC works during the month of August – September '06 lasting for 39 days, which has affected the sales by about Rs. 75 crores. The Gross Profit for the year increased from Rs. 55.35 crores to Rs. 56.69 crores. The profit before tax amounted to Rs. 31.36 crores as against Rs. 32.29 crores in the previous year. After providing Rs. 3.02 crores for current taxes and Rs. 0.74 crores towards Fringe benefit taxes, the profit before deferred tax is Rs. 27.60 crores as against Rs. 33.14 crores. The profit after provision of deferred tax is Rs. 20.17 crores against previous years Rs. 27.27 crores. Deferred Tax is only a provision as per guidelines and is not an outflow.

The Net Profit has been lower by Rs. 7.10 crores, which was mainly on account of Additional Tax Provision of Rs. 6.15 crores including deferred tax provision of Rs. 1.56 crores compared to previous year. However even considering the strike at Sahupuram Company's works as mentioned above, the Company was able to achieve 6% increase in turnover and 2% increase in gross profit. However, net profit has been

lower due to additional tax provisions as mentioned above.

4. Exports:

The Company's exports increased to Rs. 70.96 crores as compared to Rs. 67.36 crores in the previous year. This 5% increase in exports was mainly on account of increase in Beneficated Ilmenite exports coupled with better price realization on Beneficated Ilmenite.

5. Divisionwise Performance:

(a) PVC Division

The turnover of the division was Rs. 372.18 crores as compared to Rs. 350.92 crores, registering an increase of 6%. This increase in sales was mainly on account of better realization on PVC. The company sold 76533 MT of PVC resin compared to 75260 MT in the previous year. This increase in sales was inspite of the illegal strike of 39 days which had affected turnover and profitability of this division. All major user segments are recording good demand and PVC industry continues to show positive growth. The Government has identified irrigation, power and infrastructure as thrust areas and increased activity in these sectors are likely to boost demand of PVC Resin.

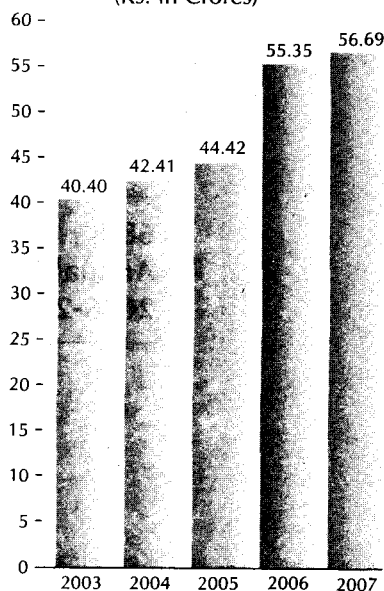
(b) Caustic Soda Division:

The turnover of the division was Rs. 217.61 crores as compared to Rs. 204.17 crores in the previous year, registering an increase of 7% in the sales. This increase in turnover was mainly due to better price realisation on Caustic Soda during the year. The illegal strike has affected turnover and profitability of this division during the year. The production of Caustic Soda was 56210 MT as compared to 60100 MT in the previous year.

(c) Soda Ash Division

The turnover of the division was Rs. 157.22 crores as compared to Rs. 143.56 crores in the previous year registering a growth of 10%.

GROSS PROFIT (Rs. in Crores)



The company produced 80816 MT of Soda Ash (previous year 87340 MT), 18299 MT of Soda Bi Carb (previous year 18810 MT) and 1599 MT of Ammonia Bi Carbonate (previous year 2721 MT) during the year. The Company also produced 35913 MT of detergents compared to 31815 MT in the previous year.

6. Projects Implemented and Under Implementation:

(a) Increase of Capacity of Beneficated Ilmenite Plant:

The project for increase in Beneficated Ilmenite capacity from 30000 TPA to 42000 TPA, has been completed during March'07 and has started manufacturing Beneficated Ilmenite at higher capacity from April'07 onwards. As Beneficated Ilmenite is export-oriented product, this will result in increased exports and also contribute towards increasing the bottom line from the current year onwards.

(b) Conversion of Mercury Cells to Membrane Cells at Caustic Soda Unit

The Company's project for conversion of mercury cells to membrane cells at its Caustic Soda Unit at Sahupuram, which is being implemented by UHDE India Ltd., is in the advanced stage of implementation and is expected to be completed by August 2007. On completion of the project production capacity of the Caustic Soda will increase from present 175 TPD to 283 TPD. This conversion from mercury will also result in substantial savings in power consumption for manufacturing Caustic Soda thereby increasing the bottom line of this division.

(c) Thermal Co-Generation Power Plant at Sahupuram Unit

The Company's project of Thermal Co-generation Plant for generating 50 MW of power and 85 TPH steam at its Sahupuram Unit, being executed on turn

key basis by Thermax Ltd., is as per the schedule. This project is expected to be completed by end of this financial year. On implementation of this project, the cost of generation of power and steam will come down substantially thereby improving the profitability of the Company.

(d) Solway Towers at Dhrangdhra Unit

Solway Towers installed at the Soda Ash Unit have still to be commissioned as further capital expenditure is required to make them operational. An assignment has been given to an Internationally renowned Company in Soda Ash to suggest further improvements necessary to commission the Towers.

7. Fixed Deposits:

The Company has not accepted any fresh Deposits during the year. Deposits matured but not claimed as at the end of the financial year, amounted to Rs. 0.39 Lakhs. None of these deposits have been claimed since then.

8. Corporate Governance:

The report on Corporate Governance is annexed to this report.

9. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

Information pursuant to Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988 is set out in the Annexure forming part of this Report.

10. Particulars of Employees:

Information in accordance with Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 is set out in the Annexure forming part of this Report.

11. Environment and Safety Measures:

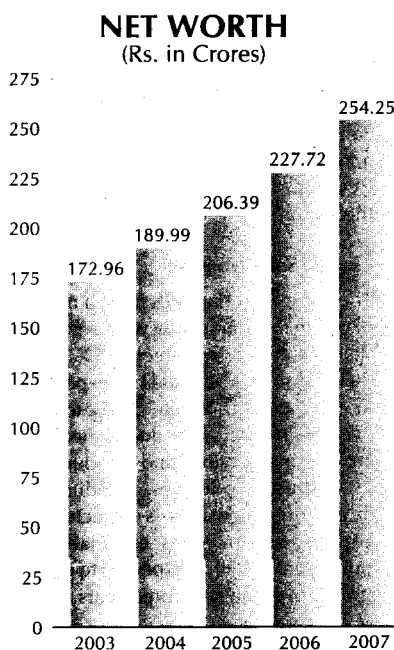
The Company is committed to Industrial Safety and Environment Protection and these are on going processes at the Company's various plants. The Sahupuram Unit has been granted ISO 14001 Certificate for complying with environment protection and safety.

12. Directors:

Dr. S.C. Jain, Shri P.K. Jain and Dr. V.H. Joshi, Directors, retire by rotation at the forthcoming Annual General Meeting, and being eligible, offer themselves for reappointment.

Shri S.K. Jain, Vice Chairman & Managing Director of the Company ceased to be a Director with effect from 1st August, 2006 due to his ill health. Mr. S.K. Jain has been with the Company since 1969 and joined the Board in 1989 and was in charge of the Caustic Soda division of the Company. The Board has put on record its appreciation for the valuable service rendered by Mr. S.K. Jain during his long tenure.

Mr. N.R. Ruia, Director of the Company passed away in April, 2007. He was on the Board for more than two years. The Directors have placed on record their condolences on his demise.





Smt. Vandana Jain has been appointed as an Additional Director and also as Whole Time Director with effect from 1st August, 2006. Mr. R.V. Ruia has been appointed as a Director with effect from 19th May, 2007 in the casual vacancy caused by the demise of Mr. N.R. Ruia. Shri Bakul Jain who was Executive Director of the Company has been appointed as Managing Director of the company with effect from July 27, 2006. Resolutions have been incorporated in the notice convening the forthcoming Annual General Meeting for the appointment of Ms. Vandana Jain and Mr. R.V. Ruia, and Mr. Bakul Jain.

13. Auditors and Auditors' Report:

M/s. V. Sankar Aiyar & Co., Chartered Accountants-Statutory Auditors of the Company retire at the forthcoming Annual General Meeting and are eligible for reappointment. Regarding the qualification in the Auditors Report, the notes to the Accounts referred to in the Auditors Report are self explanatory and do not call for any further clarification.

14. Cost Audit:

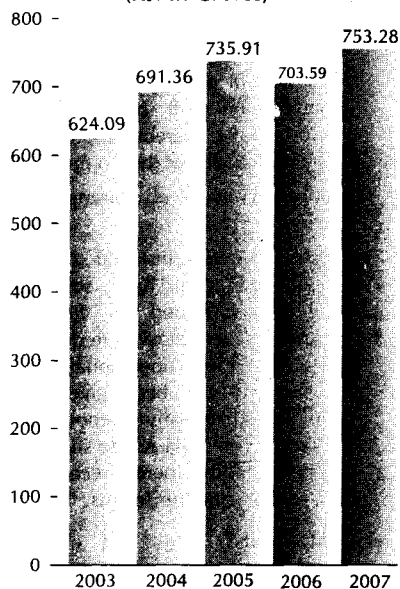
In accordance with the directions received from the Department of Company Affairs, the Cost Audit of the Company's Soda Ash and Caustic Soda Divisions are being conducted for the Financial Year 2006-2007 by Cost Auditors, M/s. N.D. Birla & Company and M/s. R. Nanabhoy & Company respectively. Their appointments were approved by the Department of Company Affairs. The Cost Audit of these Divisions is conducted every year and the Reports are submitted by the Cost Auditors to the Central Government.

15. Management Discussion and Analysis Report:

Outlook

The Company has a diversified operation with three business segments viz. PVC, Chloro Alkali and Soda Ash. It is thus reasonably protected from the vagaries of business cycles of these products.

SALES (Rs. in Crores)



PVC Division

The Company, one of the six producers of the PVC resin and despite competition, has maintained its market share of nearly 10%. With introduction of Value Added Tax (VAT) in Tamilnadu and Pondicherry from January'07, the Company's competitiveness and profitability has improved. Also with the commissioning of Thermal Co-Generation plant at Company's Sahupuram unit, the cost of power and steam used for manufacturing PVC will come down strengthening the bottomline.

Caustic Soda Division

The company continues to be a major player in the South India with a market share of an approximately 15%. The demand for caustic soda is expected to grow at a steady rate of 4% to 5% over the next 3 years due to healthy growth in demand and production in end-user industries. Production in end-user industries is expected to grow at healthy rates especially in aluminium, which is expected to grow at 11% over the next three years.

The ongoing conversion of Mercury Cell to Membrane Cell technology

will not only result in substantial capacity addition but also will bring down the consumption of power in this division which will go a long way in strengthening the bottomline.

The capacity addition in Beneficiated Ilmenite Plant will make further growth in the division. Also better realization on Beneficiated Ilmenite exports will help in improving the bottomline of this division.

Soda Ash Division

The Soda Ash Industry continues to grow at a compounded rate of 4 % to 5% per annum and this trend is expected to continue due to strong demand from end-user industries. Domestic prices of soda ash move in line with international prices due to the threat from imports. The decreasing trend of import duties in India is a cause of concern as decline in landed costs will exert pressure on domestic prices.

Internal Control Systems

The Company has an adequate internal control procedure commensurate with the nature of its business and size of its operations. Internal Audit is conducted on a regular basis by an independent firm of Chartered Accountants. However the Board of Directors are re-examining the scope of Internal Audit looking into the size of operations of the Company.

The reports of the internal audit along with comments from the management are placed for review before audit committee. The Audit Committee also scrutinizes all the programmes and the adequacy of the internal controls.

Human Resources

The Company has been following a standard procedure for recruitment of best personnel for all the departments and is making constant and continuous efforts to retain and groom them to meet its present and future requirements. The current strength is 2336 employees. The Company sponsors employees for various seminars on finance, operations, marketing and human resource development to update their



skills and develop close co-ordination with their counterparts in industries. This is basically done to enhance their skills in order to achieve an optimum output from them.

Cautionary Note

Statement in this report describing the company's objectives, projections, estimates, expectations and predictions may be "forward looking statements". Actual results could differ materially from those expressed or implied due to variation in prices of raw materials, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and other incidental factors.

16. Directors' Responsibility Statement:

In terms of Section 217(2AA) of the Companies Act, 1956 your Directors have:

- (a) Followed in the preparation of the Annual Accounts, the applicable accounting standards with proper explanation relating to material departures;

- (b) selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of financial year and of the profit of your Company for that period;

- (c) 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 your Company and for preventing and detecting fraud and other irregularities; and

- (d) Prepared the Annual Accounts on a going concern basis.

17. Insurance:

All the properties of the Company are adequately insured.

18. Industrial Relations:

The relations between the employees and the management were generally cordial and an atmosphere of

understanding prevailed throughout the year except during the short period of illegal strike of 39 days during the months of August-September'06 at Company's Sahupuram Unit. The Company has entered into a long-term wage settlement Agreement with the workers at Sahupuram unit.

19. Acknowledgement:

The Board places on record their grateful appreciation for the assistance and co-operation received from the Financial Institutions and the Banks.

On behalf of the
Board of Directors

Dr. Shashi Chand Jain
Chairman and Managing
Director

Mumbai, 19th May, 2007



Annexure to Directors' Report Report on Corporate Governance

(Pursuant to Clause 49 of the Listing Agreement)

A. MANDATORY REQUIREMENTS:

1. Company's philosophy on Code of Corporate Governance:

The Company believes in the practice of good Corporate Governance. A continuous process of delegation of powers commensurate with accountability coupled with trust, faith and transparency has been embedded in the day to day functioning. The Company will endeavor to improve on these aspects on an ongoing basis.

2. Board of Directors:

- **Size of the Board:**

The Board of Directors of the Company consists of 10 Directors.

- **Composition, category and their attendance at the Board meetings during the year and at the last Annual General Meeting as also the number of other Directorships/Memberships of Committees are as follows:**

Category of Directorship	Name of the Director	Attendance Particulars at the		Other Directorships	Other Committee	
		Board Meetings	Last AGM		Memberships	Chairmanships
Promoter/Executive Directors	Dr. Shashi Chand Jain (Chairman & Managing Director)	4	No	3	1	—
	Shri Sharad Kumar Jain * (Vice Chairman & Managing Director)	—	No	—	—	—
	Shri Pramod Kumar Jain (Managing Director)	3	Yes	1	—	—
	Shri Bakul Jain (Managing Director)	4	No	2	—	—
	Smt. Vandana Jain ** (Executive Director)	3	—	—	—	—
Promoter/Non-Executive Director	Smt. Satyawati Jain ***	3	No	—	—	—
Non-Executive and Independent Directors	Shri Yuvaraj Saheb of Dhrangadhra	2	No	—	—	—
	Shri F. H. Tapia	3	No	—	—	—
	Dr. V. H. Joshi	3	Yes	—	—	—
	Sushil K. Jalan	3	No	6	—	—
	Shri N. R. Ruia	1	No	—	—	—

* Ceased to be a Director w.e.f. August 1, 2006

** Appointed as a Director w.e.f. August 1, 2006

*** Holds 1,02,000 Equity Shares of Rs. 2 each of the Company.

- **No. of Board Meetings held during the year along with the dates of the meeting:**

During the year four Board Meetings were held on:

23.05.2006, 27.07.2006, 23.10.2006 and 29.01.2007.

The Company placed before the Board the Annual Budget, Performance of various units and other information from time to time as specified in Annexure of the Listing Agreement.



3. Audit Committee:

- Terms of Reference :**

The terms of reference of this Committee cover the matters as specified for Audit Committees under Clause 49 of the Listing Agreement as well as per the provisions of Section 292 A of the Companies Act, 1956.

- Composition, name of members and Chairperson:**

The Audit Committee comprises 3 Non-Executive Independent Directors. Dr. V. H. Joshi is the Chairman of this Committee. Shri Yuvaraj Saheb of Dhrangadhra and Shri F. H. Tapia are the other members of the Committee.

- Meetings and Attendance during the year:**

The Committee met 4 times during the year and the attendance of the Members at these meetings was as follows:

Dates of Meetings	Dr. V. H. Joshi	Shri F. H. Tapia	Shri Yuvaraj Saheb of Dhrangadhra
23.05.2006	Yes	No	Yes
27.07.2006	Yes	Yes	Yes
23.10.2006	Yes	Yes	Yes
29.01.2007	Yes	Yes	No

4. Remuneration Committee:

- Terms of Reference:**

The terms of reference of this Committee cover the matters as specified for Remuneration Committees under Clause 49 of the Listing Agreement.

- Composition, Name of Members and Chairperson:**

The Remuneration Committee comprises 3 Non-Executive Independent Directors. Shri F. H. Tapia is the Chairman of this Committee. Dr. V. H. Joshi and Shri Yuvaraj Saheb of Dhrangadhra are the other members of the Committee.

- Attendance during the year:**

There were two Remuneration Committee meetings during year held on 23rd May, 2006 and 27th July, 2006. Shri Yuvaraj Saheb of Dhrangadhra and Dr. V. H. Joshi were present at the meeting of 23rd May, 2006 and all members attended the meeting of 27th July, 2006.

- Remuneration Policy:**

The Remuneration of Managing Directors and Whole-time Director is approved by the Remuneration Committee and also by the Board (subject to the subsequent approval by the Shareholders at the general body meeting and such other authorities as the case may be). The remuneration is fixed considering various factors such as qualification, experience, expertise, and prevailing remuneration in the corporate world, financial position of the Company etc. The remuneration Structure comprises Salary, Perquisites, Commission, and Contribution to Provident Fund, Super-Annuation Fund and other funds in accordance with the provisions of the Companies Act, 1956. The Non-Executive Directors do not draw any remuneration from the Company besides the sitting fees for each meeting of the Board, Audit and Remuneration Committees attended by them.

- Details of the remuneration paid to the Directors for the Financial year 2006-2007 is given below:**

Directors	Salary (Rs.)	Benefits (Rs.)	Contribution to Provident Fund & Other funds (Rs.)	Commission (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Dr. Shashi Chand Jain	24,00,000	2,43,550	7,20,960	33,57,750	—	67,22,260
Shri Sharad Kumar Jain*	8,00,000	16,68,029	2,16,000	—	—	26,84,029
Shri Pramod Kumar Jain	24,00,000	2,80,740	7,20,960	33,57,750	—	67,59,450
Shri Bakul Jain	24,00,000	2,90,204	7,20,960	33,57,750	—	67,68,914
Smt. Vandana Jain **	16,00,000	6,00,000	48,640	33,57,750	—	56,06,390
Smt. Satyawati Jain	—	—	—	—	15,000	15,000
Shri F.H. Tapia	—	—	—	—	22,500	22,500
Dr. V.H. Joshi	—	—	—	—	27,500	27,500
Shri Yuvaraj Saheb of Dhrangadhra	—	—	—	—	20,000	20,000
Shri Sushil K. Jalan	—	—	—	—	15,000	15,000
Shri Nirmal Kumar Ruia	—	—	—	—	5,000	5,000

* Ceased to be a Director w.e.f. August 1, 2006

** Appointed as a Director w.e.f. August 1, 2006

Sitting Fee also includes payment for Board level committee meetings.



Dr. Shashi Chand Jain, Shri Sharad Kumar Jain, Shri Pramod Kumar Jain and Shri Bakul Jain and Mrs. Vandana Jain are each entitled for commission @ 25% of the difference between 10% of the net profits as computed under Section 349 of the Companies Act, 1956, in a financial year and the aggregate of the salary and perquisites and benefits paid to all the Managing Directors and Executive Director in that year subject to the overall ceilings stipulated in Sections 198 and 309 of the Companies Act, 1956.

The appointments of Managing Directors/ Executive Director are contractual and are for a period of 5 years.

The appointment of the Managing Directors/ Executive Director may be terminated by either party by giving a six-month notice.

No severance fee is payable on termination of appointment.

Non-Executive Directors are not paid/ entitled for any remuneration other than sitting fees.

Presently the Company does not have any Scheme for grant of any stock option either to the Directors or to the employees.

5. Shareholders'/Investors' Grievance Committee:

Smt. Satyawati Jain, Non-executive Director is the Chairperson of the Shareholders'/Investors' Grievance Committee.

Mrs. Chital V. Shah is the Compliance Officer of the Company.

There were 94 complaints received from the shareholders during the year.

All the Complaints were resolved satisfactorily.

There were no pending complaints as on 31.03.2007

6. General Body Meetings:

- (i) Location and time where last 3 Annual General Meetings held:

Year	Location	Date	Time	No. of Special Resolutions Passed
2003-04	Dhrangadhra, Gujarat	12.08.2004	11.00 a.m.	6
2004-05	Dhrangadhra, Gujarat	25.08.2005	11.00 a.m.	1
2005-06	Dhrangadhra, Gujarat	06.07.2006	11.00 a.m.	1

- (ii) No Special Resolution has been passed last year through postal ballot.

- (iii) No Special Resolution is proposed to be conducted through postal ballot.

7. Disclosures:

- During the year, there were no transactions of material nature with the Promoters, Directors or the management or relatives etc. that may have potential conflict with the interest of the Company at large.

- During the last three years, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any other statutory authority for non-compliance of any matter related to the Capital Market.

3. DCW Code of Conduct:

The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct is posted on the website of the Company.

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended, the Board of Directors of the Company formulated DCW Code of Conduct for the prevention of Insider Trading in the shares of the Company by its Directors and designated employees. The DCW Code, inter-alia, prohibits purchase/sale of shares of the Company by the Directors and designated employees, while in possession of unpublished price sensitive information in relation to the Company. A system has been put in place and Directors/Designated Employees have been advised to take pre-clearance before purchase/sale of the Company's shares.

Whistle Blower mechanism is in existence and no personnel has been denied access to the Audit Committee.

4. Compliance with Mandatory Requirements:

The Company has complied with the mandatory requirements of the Code of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges. The Company has also complied with the requirements of amended clause 49 after it came into force.

Compliance with Non-Mandatory Requirements:

(1) The Board :

The Company has an Executive Chairman and hence the requirement pertaining to reimbursement of expenses to a Non-Executive Chairman does not arise.



Notice

SIXTY-EIGHTH ANNUAL GENERAL MEETING 2006-2007

NOTICE is hereby given that the 68th Annual General Meeting of the Members of **DCW LIMITED** will be held at 10.00 a.m. on Monday, 23rd July, 2007 at the Registered Office of the Company (at Guest House No. 2) at Dhrangadhra - 363 315, Gujarat State, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Accounts for the year ended March 31, 2007, and the Reports of the Directors and the Auditors thereon.
2. To declare dividend on Equity shares of the Company.
3. a. To appoint a Director in place of Dr. S. C. Jain, who retires by rotation and being eligible, offers himself for reappointment.
- b. To appoint a Director in place of Shri Pramod Kumar Jain, who retires by rotation and being eligible, offers himself for reappointment.
- c. To appoint a Director in place of Dr. V. H. Joshi, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration and in this

connection, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution :

"RESOLVED THAT M/s. V. Sankar Aiyar & Co., Chartered Accountants, Mumbai, the retiring Auditors of the Company, be and are hereby reappointed as Auditors of the Company to hold Office from the conclusion of this Meeting upto the conclusion of the next Annual General Meeting, on a remuneration of Rs. 5,00,000/- (Rupees Five Lakhs only) plus reimbursement of travelling and other out-of-pocket expenses; such remuneration to be exclusive of fees payable for services that may be rendered by them other than as Auditors."

SPECIAL BUSINESS:

5. To consider, and if thought fit, to pass, with or without modifications, the following Resolution as an Ordinary Resolution :

"RESOLVED THAT Shri R. V. Ruia who was appointed as a Director of the Company with effect from 19th May, 2007 in the casual vacancy caused by the demise of Shri N. R. Ruia and who, in terms of Section 262 of the Companies Act, 1956, holds office upto the date of this Annual General

Meeting and in respect of whom the Company has received a Notice from a member under Section 257 of the Companies Act, 1956, signifying his intention to propose Shri R. V. Ruia as a candidate for the office of Director, be and is hereby appointed, as a Director of the Company liable to retire by rotation."

6. To consider, and if thought fit, to pass, with or without modifications, the following Resolution as an Ordinary Resolution :

"RESOLVED THAT Smt. Vandana Jain who was appointed as an Additional Director of the Company with effect from 1st August, 2006, and who, in terms of Section 260 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice from a member under Section 257 of the Companies Act, 1956, signifying his intention to propose Smt. Vandana Jain as a candidate for the office of Director, be and is hereby appointed, as a Director of the Company liable to retire by rotation."

7. To consider, and if thought fit, to pass, with or without