



Report



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# Dhunseri Tea & Industries Limited

ANNUAL REPORT 2005 - 2006



**DHUNSERI TEA & INDUSTRIES LIMITED****BOARD OF DIRECTORS**

C. K. Dhanuka *Chairman of the Board  
Managing Director & CEO*

P. L. Agarwal  
S. R. Daga  
B. D. Beriwalla  
R. N. Deogun  
S. Bagaria  
H. Khaitan  
M. Dhanuka  
B. K. Biyani (w.e.f. 31.05.2006)

**VICE PRESIDENT (F & C) & CFO**

K. K. Tibrewalla

**VICE PRESIDENT (P & S)**

I. B. Saraf

**COMPANY SECRETARY**

R. Mahadevan

**AUDITORS**

Lovelock & Lewes  
Chartered Accountants

**BANKERS**

State Bank of India  
Punjab National Bank  
United Bank of India  
Bank of Baroda

**REGISTERED OFFICE**

'Dhunseri House'  
4A, Woodburn Park  
Kolkata-700 020  
Phone : 2280-1950 (6 Lines)  
Fax : 91-33-2287 8995  
e-mail : dtl@vsnl.com

**REGISTRARS & SHARE TRANSFER AGENT**

Maheshwari Datamatics Pvt. Ltd.  
6, Mangoe Lane, 2nd Floor,  
Kolkata-700 001  
Phone : 2243-5029, 2243-5809  
Fax : 91-33-2248 4787  
e-mail : mdpl@cal.vsnl.net.in

**TEA ESTATES**

Dhunseri Tea Estate, P.O. Mazbat, Assam.  
Dilli Tea Estate, P.O. Parbatpur, Assam.  
Namsang Tea Estate, P.O. Jeypore, Assam.  
Bahadur Tea Estate, P.O. Tinsukia, Assam.  
Hatijan Tea Estate, P.O. Hoogrija, Assam.  
Khagorijan Tea Estate, P.O. Sapekhati, Assam.  
Santi Tea Estate, P.O. Hoogrija, Assam.  
Khetojan Tea Estate, P.O. Tinsukia, Assam.

**TEA PACKAGING DIVISIONS**

SP-534-A, Sitapura Industrial Area,  
Jaipur, Rajasthan.

Dhunseri Tea Estate  
P.O. Mazbat, Assam.

**BRANCH OFFICES**

Lamb Road, Latasil, Ujjain Bazar,  
Guwahati - 781 001, Assam.

110, Raheja Centre,  
214, Nariman Point,  
Mumbai - 400 021

**STOCK EXCHANGES (Listing Fees paid)**

The Calcutta Stock Exchange Association Ltd.  
7, Lyons Range, Kolkata - 700 001

Bombay Stock Exchange Ltd.  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001

The Guwahati Stock Exchange Ltd.  
Saraf Building Annexe,  
A. T. Road, Guwahati - 781 001

**ANNUAL GENERAL MEETING**

Saturday, 29th July, 2006 at 10.30 a.m.  
at 'KALAKUNJ', Sangit Kala Mandir,  
48, Shakespeare Sarani, Kolkata - 700 017

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**DHUNSERI TEA & INDUSTRIES LIMITED****NOTICE**

NOTICE is hereby given that the Ninetieth Annual General Meeting of the Members of DHUNSERI TEA & INDUSTRIES LIMITED will be held on Saturday, the 29th day of July, 2006 at 'Kala Kunj', Sangit Kala Mandir Trust, 48, Shakespeare Sarani, Kolkata 700 017 at 10.30 a.m. to transact the following business :

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March, 2006, the Balance Sheet as at that date and the Reports of the Directors' and Auditors' thereon.
2. To declare a dividend.
3. To elect a Director in place of Sri P. L. Agarwal, who retires by rotation and being eligible offers himself for re-appointment.
4. To elect a Director in place of Sri Mrigank Dhanuka, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

**SPECIAL BUSINESS:**

6. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution :-  
"RESOLVED that Sri Brijesh Kumar Biyani be and is hereby appointed as a Director of the Company".
7. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution :-  
"RESOLVED that pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956 the Articles of Association of the Company be altered in the following manner :  
To insert in Article 84 the word 'twelve' in place of the word 'nine' appearing at the end of the said articles."

**Registered Office:**  
'DHUNSERI HOUSE',  
4A, Woodburn Park,  
Kolkata - 700 020  
12th June, 2006

**By Order of the Board**

R. MAHADEVAN  
**Secretary**

**NOTES:**

- i) An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed.
- ii) A MEMBER ENTITLED TO ATTEND AND VOTE MAY APPOINT A PROXY TO ATTEND AND VOTE ON HIS BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A proxy may be sent in the form enclosed and in order to be effective must reach the registered office of the company atleast 48 hours before the meeting.
- iii) The Register of Members and the Share Transfer Books of the company will remain closed from Wednesday, 19th July, 2006 to Saturday, 29th July, 2006, both days inclusive.
- iv) The dividend as recommended by the Board, if approved by the shareholders will be payable to those shareholders whose names appear on the Register of Members of the Company as on 29th July, 2006.
- v) The dividend in respect of shares held in the electronic form will be payable to the beneficial owners of shares as on the closing hours of business on 18th July, 2006 as per details furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd., for this purpose.

The said beneficial owners are requested to intimate to their Depository Participant (DP) all changes with respect to their bank details, mandate, nomination, power of attorney, change of address, change in name etc. These

**NOTICE (Contd.)**

*changes will be automatically reflected in company's records, which will help the company to provide efficient and better service to the members.*

- vi) The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividend through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities the company will print the bank account details, if available, on the payment instrument for distribution of dividend.*
- vii) Shareholders seeking any information with regard to accounts are requested to write to the company atleast 10 days prior to the meeting so as to enable the management to keep the information ready.*
- viii) Members are requested to bring their copies of Annual Report to the meeting.*
- ix) Under Section 205A(5) of the Companies Act, 1956 the amount of dividend remaining unclaimed for a period of seven years shall be transferred to Investor Education and Protection Fund (IEPF). Accordingly, the unclaimed dividend for the year 1998-99 on becoming due for transfer to IEPF will be duly transferred to the said fund.*

*No claim shall lie against the company or the said Fund in respect of individual amounts which remain unclaimed and unpaid for a period of seven years from the date of payment and no payment shall be made in respect of any such claims.*

*Members are requested to send unclaimed/unpaid dividend warrants, if any, for the years 1999-2000, 2000-2001, 2001-2002, 2002-2003, 2003-2004 and 2004-2005 to the Registered Office of the Company at their earliest, for payment in lieu thereof.*

## **I) EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**

### **Item No.6**

The Board of Directors at their meeting held on 31st May, 2006 appointed Sri Brijesh Kumar Biyani as an Additional Director of the Company. Sri Brijesh Kumar Biyani holds such office till the ensuing Annual General Meeting when he will be eligible for election.

Details of Sri Brijesh Kumar Biyani as required under Corporate Governance :

Sri Brijesh Kumar Biyani (54) is a Chemical Engineer from IIT, Kharagpur (1974 Batch) and also holds Post Graduate Diploma in Industrial Engineering from the National Productivity Council, Chennai (1977 Batch).

He was with the National Productivity Council from 1977 to 1980 and with S.B. Billimoria & Co. from 1980 to 1985 and with BOC (India) Ltd. from 1985 till 1990. From 1990 till 2003 he was with Usha Martin Group and held various positions in the Group including that of Managing Director of Usha Beltron Ltd. from 1992 till 1998 and as Group Advisor from 1998 till 2003. From 2003 he was with Sicpa India Ltd.. and recently retired therefrom as Managing Director of the Company.

He is an Executive Director of South Asian Petrochem Ltd.

The Company has received a notice in writing from a member alongwith the requisite deposit proposing the candidature of Sri Brijesh Kumar Biyani as a Director of the Company pursuant to the provisions of Section 257 of the Companies Act., 1956.

The approval of the members is being sought to the appointment of Sri Brijesh Kumar Biyani as a Director of the Company whose office will be liable to determination by retirement of directors by rotation.

None of the directors, except Sri Brijesh Kumar Biyani is interested or concerned in the resolution at item No. 6.

### **Item No.7**

The maximum number of directors the company may have on its Board is presently nine as per Article 84 of the Articles of Association of the Company.

Under Section 259 of the Companies Act, 1956 the maximum number of directors a company may have on its Board is twelve.

**DHUNSERI TEA & INDUSTRIES LIMITED**

It is proposed to amend Article 84 of the Articles of Association of the company, so that, if required, the number of directors on the Company's Board, may be increased upto a maximum of twelve directors.

No director of the company is concerned or interested in the resolution.

The Board recommends the resolution for approval of the members.

**INSPECTION**

A copy of the Articles of Association of the Company together with the proposed alteration will be available for inspection of the members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day except Saturdays and holidays and will also be available at the meeting.

## **II) DETAILS OF SRI P.L. AGARWAL AND SRI MRIGANK DHANUKA AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT :**

- i) Sri P. L. Agarwal is an eminent lawyer. He is a Bachelor of Commerce as well as Bachelor of Law and also an Attorney-at-Law. He is having experience of more than three decades in the field of law and his areas of expertise includes Commercial, Corporate Law, Real Estate and Intellectual Property. He has been practising as an Advocate since 1965.

He is a partner of M/s. Khaitan & Co., Kolkata, Mumbai, New Delhi and Bangalore.

He is also director of the following Companies :

- 1) Albert David Ltd.
- 2) Dharampal Premchand Ltd.
- 3) Karamchand Thapar & Bros. (Coal Sales) Ltd.
- 4) Rossell Tea Ltd.
- 5) Tezpore Tea Co. Ltd.
- 6) The Oodlabari Co. Ltd.
- 7) Cookson India Pvt. Ltd.

He also holds membership of various committees of the following companies :

- |                           |   |                          |
|---------------------------|---|--------------------------|
| a) Albert David Ltd.      | - | Remuneration Committee   |
|                           | - | Share Transfer Committee |
| b) Rossell Tea Ltd.       | - | Remuneration Committee   |
| c) Tezpore Tea Co. Ltd.   | - | Remuneration Committee   |
| d) The Oodlabari Co. Ltd. | - | Remuneration Committee   |

- ii) Sri Mrigank Dhanuka is the youngest member of the Board.

He is a Commerce Graduate and had his initial training in tea tasting, grading and blending. He is also actively involved with the other associate companies of the Group and has acquired considerable experience in the day to day administration of the business.

He is an Executive Director of South Asian Petrochem Ltd. and is also director of the following companies:

- i) South Asian Petrochem Ltd.
- ii) Tezpore Tea Co. Ltd.
- iii) Naga Dhunseri Group Ltd.
- iv) Mint Investments Ltd.
- v) Mayfair India Ltd.
- vi) Madhuting Tea Pvt. Ltd.
- vii) Trimplex Investments (P) Ltd.
- viii) Euroinfo Systems Pvt. Ltd.

He does not hold any Committee Membership of other companies.

**By Order of the Board**

Kolkata,  
12th June, 2006

**R. MAHADEVAN**  
**Secretary**



**DHUNSERI TEA & INDUSTRIES LIMITED****DIRECTORS' REPORT**

We have pleasure in presenting our Ninetieth Annual Report together with the Audited Accounts for the year ended 31st March, 2006 :

**FINANCIAL RESULTS :**

	For the year ended 31.03.2006	For the year ended 31.03.2005
	(Rs. in lacs)	(Rs. in lacs)
Gross Profit	637.85	726.58
Less : Depreciation (Net)	185.04	175.83
Provision for Taxation (Net)	105.15	98.50
Net Profit for the year	347.66	452.25
Add : Balance Brought Forward	298.14	265.34
The Directors recommend this amount to be appropriated as under :	645.80	717.59
Transfer to General Reserve	200.00	300.00
Proposed Dividend	87.30	104.76
Tax on Dividend	12.24	14.69
Balance Carried Forward	346.26	298.14

**DIVIDEND :**

The Directors recommend the payment of dividend @ 12.5% i.e. Rs.1.25 per share for the year ended 31st March,2006.

**OPERATIONS :**

The total tea manufacturing & sales has been 7.5 & 7.4 million kg. as against 7.6 & 7.5 million kg. respectively in the previous year. The production and sales were almost similar compared to previous year. The realisation was lower in comparison to previous year.

Inspite of stiff competition from other brands the company continued to maintain its position as market leader in Rajasthan for its Packet teas viz 'LAL GHORA' & 'KALA GHORA'. The new brand 'CHHOTE LAL' which was launched earlier also received good response and it is being considered for marketing in other states.

The company continues to focus on higher productivity, cost control as well as quality improvement and value addition to sustain its growth and profitability in the coming years.

**MADHUTING TEA PVT. LTD.**

The annual production of tea from the two estates of Madhuting Tea Pvt. Ltd., in which company holds 50% of the paid-up share capital, is expected to be around 8.80 lac kg. entirely comprising of orthodox tea in comparison to 8.00 lac kg. in the previous year. The company has embarked on a programme for extension of its plantation area in a phased manner. Although there was increase in production, the realisation was much lower during the year ended 31st March, 2006.

**SOUTH ASIAN PETROCHEM LTD.**

The EOU Company jointly promoted by your company, is engaged in manufacture of Bottle and Film Grade PET Resin. In its second full year of commercial production it achieved a turnover of Rs. 980.93 Crore. The capacity of the plant has been increased from 1,40,000 TPA to 1,80,000 TPA. The product continues to receive wide acceptance in the export market.

**AUDITORS' REPORT :**

The notes to the accounts referred to in the Auditors' Report are self-explanatory.

**PARTICULARS OF EMPLOYEES :**

The provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is not attracted and hence no statement is being enclosed.

**DHUNSERI TEA & INDUSTRIES LIMITED****DIRECTORS' REPORT (Contd.)****PARTICULARS REGARDING ENERGY ETC. :**

The particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo are attached and form part of this report.

**DIRECTORS :**

Sri P.L. Agarwal and Sri Mrigank Dhanuka retire by rotation and being eligible offer themselves for re-appointment. Sri Brijesh Kumar Biyani was appointed as an Additional Director of the Company w.e.f. 31st May, 2006 and shall hold office till the ensuing Annual General Meeting and is eligible for election.

The information on the particulars of directors seeking re-appointment / election are included in the explanatory statement.

**DIRECTORS' RESPONSIBILITY STATEMENT :**

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Directors confirm :

- (i) that in the preparation of the annual accounts the applicable accounting standards have been followed and no material departures have been made from the same ;
- (ii) that they have 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 the company at the end of the financial year and of the profits for that period ;
- (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 ;
- (iv) that they have prepared the annual accounts on a 'going concern' basis.

**REPORT ON CORPORATE GOVERNANCE :**

A separate section on Corporate Governance and Management Discussion and Analysis together with a certificate from a practising Company Secretary confirming compliance is set out in the Annexure forming part of this report.

**AUDITORS :**

M/s. Lovelock & Lewes, Chartered Accountants, retire and being eligible offer themselves for re-appointment.

**ACKNOWLEDGEMENT :**

Your Directors take this opportunity to express their grateful appreciation for the excellent assistance and cooperation received from the consortium of commercial banks and other authorities. Your Directors also thank the employees of the company for their valuable service and support during the year.

Kolkata,  
12th June, 2006

C. K. DHANUKA *Chairman of the Board  
& Managing Director*

P. L. AGARWAL  
S. R. DAGA  
B. D. BERIWALA  
R. N. DEOGUN  
S. BAGARIA  
M. DHANUKA  
B. K. BIYANI

*Directors*

(Note : Sri H. Khaitan being away could not attend the meeting and hence have not signed the report and accompanying accounts).

**DHUNSERI TEA & INDUSTRIES LIMITED****Annexure to the Directors' Report****CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO.**

Pursuant to 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.

**FORM A****CONSERVATION OF ENERGY**

Current year  
ended 31.03.2006

Previous year  
ended 31.03.2005

**A. POWER & FUEL CONSUMPTION**

## 1. Electricity

a) Purchased Units (lakhs KWH)	28.63	30.20
Total Amount (Rs. lakhs)	172.59	177.37
Rate / Unit (Rs. / KWH)	6.03	5.87
b) Own Generation		
i) Through Diesel Generator Units (lakhs KWH)	12.51	12.92
Units per Ltr. of Diesel Oil	2.88	2.38
Cost / Unit (Rs. / KWH)	11.68	10.58
ii) Through Gas Generator Units (lakhs KWH)	4.80	4.17
Units per cu.m of Gas	0.50	0.44
Cost / Unit (Rs. / KWH)	2.49	2.41

## 2. Coal

Quantity (Tonne)	2,535.20	2,724.59
Total Cost (Rs. lakhs)	60.40	57.93
Average Rate (Rs. / Tonne)	2,382.42	2,126.13

## 3. Furnace Oil

Quantity (lakhs Ltrs.)	0.05	1.06
Total Cost (Rs. lakhs)	0.81	17.15
Average Rate (Rs. / Ltr.)	16.73	16.25

## 4. Gas

Quantity (lakhs Cu.m)	34.53	31.96
Total Cost (Rs. lakhs)	106.53	85.28
Average Rate (Rs. / Cu.m)	3.09	2.67

**B. CONSUMPTION PER UNIT OF PRODUCTION**

## Product - Tea

Tea Produced (lakh kgs.)	75.06	74.61
Electricity (KWH)	0.61	0.83
Furnace Oil (Ltr.)	0.00	0.01
Coal (Kg.)	0.34	0.37
Gas (Cu.m)	0.46	0.43

**RESEARCH AND DEVELOPMENT (R & D)**

The Company has no R & D unit. It subscribes regularly to Tea Research Association which does R & D work for Tea Industry.

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

- Efforts in brief made towards technology absorption, adaptation and innovation : Indigenously developed technologies for the improvement of production both in field and factory were adopted, required modifications and innovations were done.
- Benefits derived as a result of the above efforts, e.g. product improvement, import substitution, etc. : Higher yield, reduction of cost of production and improvement in quality of product.
- Imported Technology : Nil

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

Earnings & Outgo of Foreign Exchange as detailed in Notes and in Schedule 17 to the Accounts were as under :

Foreign Exchange Earnings	: Rs. Nil (Previous year Rs. Nil)
Foreign Exchange Outgo	: Rs. 11.11 lacs (Previous year Rs. 160.06 lacs)



**DHUNSERI TEA & INDUSTRIES LIMITED****Report on Corporate Governance****1. COMPANY'S PHILOSOPHY**

The company believes in good corporate governance and lays emphasis on transparency, accountability and integrity.

The company endeavours to improve on these aspects on ongoing basis.

**2. BOARD OF DIRECTORS (Board)****a) Composition of Board**

The Board comprises of four non-executive independent directors, one non-executive/non-independent director, two non-executive directors related to promoter and an executive/promoter director who is the Managing Director of the company as well as chairman of the Board. The number of non-executive independent directors comprise of one half of the total strength of the Board.

During the year under review Sri S. Bagaria was inducted as a Non-executive Independent Director in the Board of the Company w.e.f. 31.05.2005.

**b) Attendance of each Director at the Board Meetings and at the last AGM and other Directorships / Committee Memberships held**

During the year the Board met four times on the following dates :-

31st May, 2005 ; 29th July, 2005 ; 29th October, 2005 and 31st January, 2006.

The attendance and number of other directorship/committee membership of each director is given below:

Name of Director	Category of Directorship	No. of Board Meetings attended	Whether attended last AGM on 29.07.2005	* No. of Directorships in other Public Companies.	@ Other Committee Memberships	
					Member	Chairman
Sri P. L. Agarwal	Non-Executive Non-Independent	3	Yes	6	5	—
Sri S. R. Daga	Non-Executive Independent	4	Yes	3	—	1
Sri B. D. Beriwal	Non-Executive Independent	3	Yes	2	—	—
Sri C. K. Dhanuka	Executive Director / Promoter	4	Yes	9	5	1
Sri R. N. Deogun	Non-Executive Independent	4	Yes	1	1	—
Sri Haigreve Khaitan	Non-Executive / Promoter Relative	—	No	14	10	—
Sri S. Bagaria	Non-Executive Independent	2	Yes	2	—	—
Sri Mrigank Dhanuka	Non-Executive / Promoter Relative	4	Yes	5	—	—

\* Excluding directorship in Indian Private Limited Companies, Foreign Companies and Alternate Directorships.

@ Only the Membership/Chairmanship of Audit Committee, Shareholders/Investors Grievance Committee and Remuneration Committee have been considered.

**c) Remuneration of Directors, sitting fees, salary, perquisites and commissions**

Details of remuneration paid/payable to Directors :

(in Rupees)

Name of Director	Sitting fees		Salaries & Perquisites	Total
	Board Meetings	Committee Meetings		
Sri C. K. Dhanuka	Nil	Nil	1072312	1072312
Sri P. L. Agarwal #	15000	2000	Nil	17000
Sri B. D. Beriwal	15000	10000	Nil	25000
Sri S. R. Daga	20000	12000	Nil	32000
Sri R. N. Deogun	20000	8000	Nil	28000
Sri S. Bagaria	10000	Nil	Nil	10000
Sri M. Dhanuka	20000	Nil	Nil	20000

Sri M. Dhanuka is related to Sri C. K. Dhanuka.

# Paid to M/s. Khaitan & Co. of which Sri P. L. Agarwal is a Partner.

Sri C. K. Dhanuka was re-appointed as Managing Director with concurrent designation of Chief Executive Officer of the Company for a period of 5 years w.e.f. 1st January, 2005 on revised terms as approved by the members at the Annual General Meeting held on 29th July, 2005.

**DHUNSERI TEA & INDUSTRIES LIMITED****d) Code of Conduct for Directors and Senior Management**

The Board at its meeting held on 27.01.2005 adopted the Code of Conduct for Directors and Senior Management. The Code has been put on the Company's website [www.dhunseritea.com](http://www.dhunseritea.com)

The Code was duly circulated to all the members of the Board and Senior Management and they have affirmed their compliance to the code. A declaration to this effect is appearing along with this Report.

**3. Audit Committee**

The Audit Committee comprises of the following non-executive independent directors :

Sri S. R. Daga	: Chairman
Sri B. D. Beriwal	: Member
Sri R. N. Deogun	: Member

During the year under review there has been no change in the composition of the Audit Committee.

The terms of reference specified by the Board to the Audit Committee are as contained under Clause 49 of the Listing Agreement.

The Audit Committee met four times during the year on 31st May, 2005; 29th July, 2005; 29th October, 2005 and 31st January, 2006. The attendance of the members at the Audit Committee meetings are summarised below :

Name	No. of Meetings held	No. of Meetings attended
Sri S. R. Daga	4	4
Sri B. D. Beriwal	4	3
Sri R. N. Deogun	4	4

**4. Remuneration Committee**

The Remuneration Committee comprises of the following non-executive independent directors :

Sri S. R. Daga	: Chairman
Sri B. D. Beriwal	: Member
Sri P. L. Agarwal	: Member

During the year there were no meetings of the Remuneration Committee.

The Remuneration Committee would determine the remuneration packages of the executive director(s).

The details of remuneration paid/payable to directors are detailed under para 2(c) above.

**5. Shareholders/Investors Grievance Committee**

The Shareholders/Investors Grievance Committee comprises of 4 (four) member directors, of which three are non-executive directors namely, Sri P. L. Agarwal, Sri S. R. Daga and Sri B. D. Beriwal and One Executive Director Sri C. K. Dhanuka.

Sri P. L. Agarwal is the Chairman of the Committee and Sri R. Mahadevan, Company Secretary acts as the Compliance Officer to the Committee.

The Committee deals with all matters relating to shareholders/ investors grievances viz. transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend etc.

The Committee met twice during the year on 31st May, 2005 and 31st January, 2006.

The attendance of the members at the Shareholders/Investors Grievance Committee Meeting are summarised below :-

Name	No. of Meetings held	No. of Meetings attended
Sri P. L. Agarwal	2	1
Sri S. R. Daga	2	2
Sri B. D. Beriwal	2	2
Sri C. K. Dhanuka	2	2

During the year 278 complaints were received from shareholders and investors. All the complaints have been resolved to the satisfaction of the complainants. All valid requests for share transfer received during the year have been acted upon by the company and no such transfer is pending.