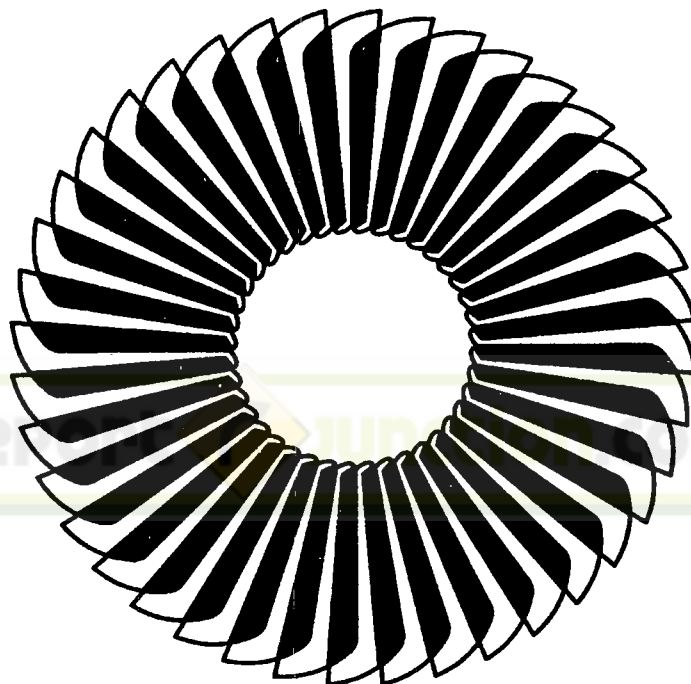


An ISO 9001-2000 Certified Company



FLUIDOMAT LIMITED
32nd Annual Report

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- # **Board of Directors :**
ASHOK JAIN *Chairman and Managing Director*
KUNAL JAIN *Executive Director*
D.K. KEMKAR
M.K. SHAH
K.C. JAIN
NARENDRA KATHED
JAGDISH GARWAL *(Nominee of IFCI w.e.f. 31.05.2008)*

- # **Compliance officer and Dy. Vice President :**
PRAMOD JAIN

- # **Auditors :**
J.P. SARAF & CO.
 Chartered Accountants

- # **Corporate Law Advisor :**
D.K. JAIN & COMPANY
 Company Secretaries

- # **Bankers/ Financial Institution :**
CENTRAL BANK OF INDIA
IFCI LTD.

- # **Registered Office :**
 117, 1st Floor, 'Navneet Darshan',
 16/2, Old Palasia, INDORE-452 018 (M.P.)
 Tel.: 0731-2564820

- # **Share Transfer Agent :**
 For Dematerialised & Physical Shares
 Ankit Consultancy Pvt. Ltd.
 Alankar Point, Geeta Bhawan Chouraha,
 A.B. Road, Indore
 Ph. : 91-731-2491298
 Fax : 91-731-4065798

- # **Works & Head Office :**
 7C-8J, I.S. Gajra Industrial Area,
 Agra-Bombay Road,
 DEWAS-455 001 (M.P.)
 Tel.: 07272-258582, 258583, 258680
 Fax : 07272-258581
 e-mail : fludomat@sancharnet.in
 info@fluidomat.com
 Website : www.fluidomat.com

32nd Annual General Meeting

Date : 26th September, 2008
 Day : Friday
 Time : 2.00 p.m.
 Place : 117, 1st Floor
 'Navneet Darshan'
 16/2, Old Palasia,
 Indore - 452 018 (M.P.)
 Book Closure : 22.09.2008 to 26.09.2008
 (Both days inclusive)

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NOTICE

NOTICE is hereby given that 32nd Annual General Meeting of the Members of FLUIDOMAT LIMITED will be held at the Registered Office of the Company at 117, 1st Floor, "NAVNEET DARSHAN", 16/2 Old Palasia, Indore (M.P.) on Friday the 26th September, 2008 at 2.00 P.M. to transact the following businesses:

I. ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2008 and the Profit & Loss Account of the Company for the year ended 31st March 2008 and the report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Narendra Kathed, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri D. K. Kemkar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint the Auditors to hold office from conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

II. SPECIAL BUSINESS BY ORDINARY RESOLUTION:

5. To consider and if thought fit, to pass with or without modification(s) if any, the following Ordinary Resolution:

RESOLVED THAT Shri Jagdish Garwal, who was nominated by the IFCL Ltd. as a director and in respect of whom a notice under section 257 of the Companies Act, 1956 have been received from a member signifying his intention to propose, Shri Jagdish Garwal, as a candidate for the office of the Director be and is hereby elected and appointed as Nominee Director of the Company, in terms of the Loan Agreement executed with the IFCL Ltd. and he shall not be liable to retire by rotation.

BY ORDER OF THE BOARD

ASHOK JAIN

PLACE: INDORE CHAIRMAN AND MANAGING DIRECTOR

DATE: 30th, July 2008

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. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. Register of Members and Share Transfer Book shall

remain closed from 22nd September, 2008 to 26th September, 2008 (both days inclusive).

- a) Members are requested to notify immediately any change of address;
 - (i) to their Depository Participants (DPs) in respect of their electronic share accounts; and
 - (ii) to the Company or to its Share Transfer Agents in respect of their physical share folios, if any.
- b) In case the mailing address on this Annual Report is without the PINCODE, members are requested to kindly inform their PINCODE immediately.
3. Non-resident Indian Shareholders are requested to inform Share Transfer Agents immediately:
 - a) Change in the residential status on return to India for permanent settlement.
 - b) The particulars of NRE Account with Bank in India, if not furnished earlier.
4. All documents referred to in the accompanying notice are open for inspection at the Registered office of the Company on all working days, except Saturdays between 11.00 A.M. to 1.00 P.M.
5. Members who are holding shares in identical order of names in more than one folio are requested to send to the Company the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the members after making requisite changes thereon.
6. Members desiring of obtaining any information concerning Accounts and Operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.
7. The Company has connectivity from the CDSL & NSDL and equity shares of the Company may also be held in the Electronic form with any Depository Participant (DP) with whom the members/investors having their depository account. The ISIN No. for the Equity Shares of the Company is INE459C01016. In case of any query/difficulty in any matter relating thereto may be addressed to the Share Transfer Agent Ankit Consultancy Pvt. Ltd., Alankar Point, Gita Bhawan Chouraha, A.B. Road, Indore (M.P.).
8. As per the provisions of the Companies Act, 1956, facility for making nominations is now available to INDIVIDUALS holding shares in the Company. The Nomination Form-2B prescribed by the Government can be obtained from the Share Transfer Agent or may be download from the website of the Ministry of Company affairs.
9. Pursuant to the Clause No.49 of the Listing Agreement, profile of the directors proposed for appointment/re-appointment being given in a statement containing details of the concerned directors is attached hereto.

ANNEXURE TO THE NOTICE

Explanatory Statement in pursuant to the provisions of section 173 of the Companies Act, 1956 in respect to the special business.

ITEM NO.5:

Shri Jagdish Garwal Asst. General Manager of IFCI Ltd. was nominated by the IFCI Ltd. as a Director of the Company in place of Shri A. K. Sinha, Dy. G. M. nominee of IFCI Ltd. The Company and the Board has recorded his nomination at their meeting held on 31st May, 2008. The Company has received a notice u/s 257 of the Companies Act, 1956 from a member proposing his appointment for the office of the Directors of the Company. Shri Garwal is a nominee of the IFCI Ltd. and having thorough experience in the Financial Institutions and his presence in the Board will help in the financial planning of the Company.

The Board recommends for the appointment of Shri Jagdish Garwal and proposes to pass the resolutions as set out in item No. 5 of the notice as an Ordinary Resolution.

Except, the IFCI Ltd. Who has nominated Shri Jagdish Garwal, none of the directors of the Company are interested or concerned in the resolution.

STATEMENT REGARDING THE DIRECTORS PROPOSED FOR APPOINTMENT

Name and Designation	Age/ Years	Qualification	Expertise/Experience	Date of Appointment	Other Directorships
Mr. Narendra Kathed	57	B.Com.	More than 33 years experience of Industries and trade	28.01.2006	Nil
Mr. D. K. Kemkar	59	B. E. (Mechanical)	More than 35 years of experience in Engineering Industry	11.12.1975	1. Kehemes Engineering Pvt. Ltd. 2. Christopia Energy Systems (I) Pvt. Ltd. 3. Kehemes Consultants Pvt. Ltd. 4. Mansom Engineers Pvt. Ltd.
Mr. Jagdish Garwal	40	B.E. Computer Science CAIIB	More then 14 years experience in IFCI Ltd.	31.05.2008	Nil

BY ORDER OF THE BOARD

PLACE : INDORE
DATE : 30th July, 2008

ASHOK JAIN
CHAIRMAN AND MANAGING DIRECTOR

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

Dear Members,

Your Directors have pleasure in presenting the 32nd Annual Report on the business and operation of the company together with the Audited Accounts for the year ended 31st March, 2008.

FINANCIAL RESULTS

(Rupees in Lacs)

Particulars	2007-08	2006-07
Sales and income from operation	1461.97	1139.54
Other income	4.80	1.73
Total Income	1466.77	1141.27
Total Expenses	1224.52	931.85
Operating Profit (PBIDT)	242.25	209.42
Interest	25.60	39.50
Depreciation	31.27	30.89
Profit before Taxation	185.38	139.03
Provision for Taxation-Current	33.69	9.43
Provision for Taxation-Deferred	33.00	23.94
Provision for Taxation-Fringe Benefit	2.58	2.09
Extra Ordinary/Exceptional Items (Net)	2.41	(-)0.73
Net Profit after Interest Dep. & Tax	118.52	102.84
Paid up Equity Share Capital	494.95	494.95
Reserves	32.13	9.12
Earning per share		
Basic	2.40	2.08
Diluted	2.20	1.96

DIVIDEND

During the financial year 2007-08 your company has generated better profits and the entire accumulated losses of past financial years of the Company have been wiped off, but keeping in view the insufficient reserves, the Board of Directors do not recommend any dividend for the year ending on 31st March, 2008.

OPERATIONS AND BUSINESS PERFORMANCE

Your Company has continued on its growth path with its strong fundamentals and consistent performance. The top line of the Company (gross revenue) for the year under report have increased by 28% to Rs. 1462 lacs and profit before Tax increased by 33% to Rs. 185 lacs over the previous year. During the last five years, your company has recorded compounded annual growth rate of 24% in gross revenues, and even more satisfactorily a compounded growth rate of 26% in operating profit and 151% in profit after Tax respectively.

CORPORATE GOVERNANCE

Your Company firmly believes and adopts the highest standard of practice under Corporate Governance. A separate section on corporate governance and a certificate from Auditors of the company regarding compliance of the conditions of corporate governance as stipulated under clause 49 of the listing agreement with the stock exchanges form part of this annual report.

DIRECTORS

The Board consists of executive and non-executive directors including independent directors who have wide and varied experience in different disciplines of corporate functioning.

In terms of the Articles of Association of the Company, Shri D. K. Kemkar and Shri Narendra Kathed Directors of the Company retire by rotation at the forthcoming Annual General Meeting and being eligible, offers themselves for re-appointment.

Further IFCI Ltd. has nominated Shri Jagdish Garwal in place of Shri A.K.Sinha on the Board as a nominee director of the IFCI Ltd. w.e.f. 31st May, 2008. Therefore, he will be appointed as director of the Company at the ensuing Annual General Meeting.

Shri A. K. Sinha has ceased to be a director of the company due to withdrawal of his nomination by the IFCI Ltd. Your Board appreciate the valuable support and contribution made by him in the capacity of nominee director of the Company.

Your Directors proposes for the approval of the members at the forthcoming Annual General Meeting and recommends to pass necessary resolutions to that effect as set out in the notice of the annual general meeting.

DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of section 217(2AA) of the Companies Act, 1956, your directors state that:

- ♦ In the preparation of accounts, the applicable accounting standards have been followed.
- ♦ Accounting policies selected were applied consistently. Reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the company as at the end of March 31, 2008 and the profit of the company for the year ended on that date.

(Rupees in Lacs)

	Year 2003-04	Year 2004-05	Year 2005-06	Year 2006-07	Year 2007-08	Growth over 2006-07	CAGR (2003-04 to 2007-08)
Sales Turnover	615	732	935	1140	1462	28%	24%
Operating Profit	97	120	158	209	242	16%	26%
Profit before Tax	12	43	85	139	185	33%	98%
Net Profit	03	41	80	103	119	16%	151%
Interest cost	56	49	43	39	26	(-) 33%	-

- ♦ Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities.
- ♦ The annual accounts of the company have been prepared on a going concern basis.

AUDITORS AND THEIR REPORT :

M/s J.P.Saraf & Co., Chartered Accountants, retires at the close of this Annual General Meeting and is eligible for reappointment. The Company has received confirmation from the Auditors that their appointment will be within the limits prescribed under section 224(1B) of the Companies Act, 1956. The Audit Committee of the Board has recommended their re-appointment. The necessary resolution is being placed before the shareholders for approval.

Comments of the Auditors in their report and the notes forming part of the Accounts are self-explanatory and need no comments.

INSURANCE

The Company has taken adequate insurance cover for all movable & immovable assets for various types of risks.

FIXED DEPOSITS

Your Company has not accepted any public deposit within the meaning of provisions of section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposit) Rules, 1975 and as such no amount of principal or interest was outstanding as of the balance sheet date.

INDUSTRIAL RELATIONS

Company's Industrial relations continued to be healthy, cordial and harmonious during the period under review.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, PARTICULARS OF EMPLOYEES AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

Information as required under 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 have been annexed herewith.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. Business overview and future outlook :

The high growth of Indian Economy with future promise has drawn the attention of the world resulting in higher confidence and credibility. The economy continued to grow at an impressive pace of 8.7% in the fiscal year 2007-08 albeit at slower pace as compared to the last two years. The average growth rate for the past 5 years has been a record 8.5%. It is expected that the Indian Economy will grow moderately to around 8.0-8.5% as a result of the inflationary control measures of RBI and slow down in developed economies.

Power sector continues to be a major market for the

company. In spite of delays this sector still offers high sales opportunities to your company for further many years to come.

With high credibility gained by the company products, the company is receiving many enquiries from the international market. In next one to two years the company should be able to achieve high export order booking.

Indian Economy faces many challenges on account of various socio-political issues despite high growth rate. Addressing the inflation will be a key concern. Investment both, public and private will continue to increase as a share of GDP but their growth would be moderate. Further growth will be sustained only by addressing the infrastructure bottlenecks. The investment in agriculture, rural development, health and human resources and infrastructure will enhance the growth.

In view of the slow down in economy, increase in inflation, poor credit availability, hardening of interest rates, unprecedented increase in prices of input materials and fuel cost, the year ahead will be a year of major challenge.

Despite the challenges mentioned, Fluidomat will have an exciting future. The company has initiated various marketing activities in the above background to improve its market share in domestic as well as in international market. Company has participated in "Hannover Engineering Trade Fair, Germany" in May 2007 and "INDEE-JOHANNESBURG-2007" in October 2007 held in Johannesburg South Africa. Company has also appointed various overseas agents in Australia, Thailand, Iran, Netherlands, Indonesia during the year under review.

Supported by high product quality, credibility & excellent client relations, your directors are confident of continuous growth of the company in turnover, profits and market expansion, notwithstanding increasing competitions, increasing cost of materials and services.

B. Industry structure and developments:

Your company deals only in one segment i.e. manufacture and sale of the 'hi-tech products "Fluid Couplings" which are mainly used in various sectors of industries including Thermal Power Plants, Steel, Metal, Cement, paper, Chemical and Fertilizer, Coal and Ore-mining and Port handling Facilities etc. New Projects in these sectors have important contribution towards growth and profitability of the Company.

C. Quality Management System:

The Company is ISO:9001:2000 certified by British Standard Institution - BSI Management System for the Company's Quality System since the last 4 years and the systematic approach towards the business and operational processes is fully institutionalised.

The system has matured with time and the management carries out a performance review periodically.

D. Internal control system :

The Company has a proper and adequate internal control system to ensure safeguard and protection of all assets

and that the transactions are authorised, recorded and reported correctly. The company's internal control system comprises audit and compliance by in house Internal Audit Division. The internal auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms. Independence of the audit and compliance is ensured by the direct reporting of Internal Audit Division and Internal Auditors to the Audit Committee of the Board.

E. Risks and concerns:

Since your company is catering the needs of almost all sector of Industries, if there is recession in one industry, the other sector industry will continue to generate the revenue for the company. Apart from the normal risk, demand-supply conditions, raw material prices, changes in government regulations, tax regimes, economic developments within the country and globally, no major risks are foreseen.

F. Cautionary statement:

Statement made in the management discussion and

analysis report as regards the expectations or predictions are forward looking statements within the meaning of applicable Laws and Regulations. Actual performance may deviate from the explicit or implicit expectations.

ACKNOWLEDGEMENTS:

Your Directors place on record their gratitude to the Central Government, State Governments and company's Bankers and Financial Institutions for the assistance, co-operation and encouragement they extended to the company. Your directors also wish to place on record their sincere thanks and appreciation for the continuing support and unstinting efforts of Investors, Customers, Vendors and Employees in ensuring an excellent all round operational performance.

For & On Behalf of the Board

ASHOK JAIN

PLACE: INDORE CHAIRMAN & MANAGING DIRECTOR

Dated: 30th July, 2008

Annexure to the Directors' Report:

[Information as per the Companies (Disclosure of particular in Report of Board of Directors) Rules, 1988]

A. CONSERVATION OF ENERGY:

The Company has taken many steps for the Conservation of Energy.

POWER & FUEL CONSUMPTION:

	Current Year 2007-08	Previous Year 2006-07
1. Electricity (Purchased) Units	565645	610100
Total Amount (Rs.)	3120998	3419985
Rate per Unit (Rs.)	5.52	5.60
2. Electricity (Generated) units	5636	6787
Total Amount (Rs.)	77198	84412
Rate per Unit (Rs.)	13.69	12.44

B. TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT:

R & D activities are an integral part of operations and all the expenses relating to R & D debited to Profit and Loss Account.

C. FOREIGN EXCHANGE EARNING AND OUTGO:

Information in respect of Foreign Exchange Earning & Outgo is:

	Current Year	Previous Year
Earning	Rs. 46,60,811	Rs. 51,17,632
Outgo	Rs. 17,38,780	Rs. 17,99,213

D. PARTICULARS OF THE EMPLOYEES:

As required under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of the Employees) Rules 1975, are not applicable since, none of the employee of the company is drawing more than Rs.24,00,000/- p.a. or Rs.2,00,000/- p.m. for the part of the year, during the year under review.

For & On Behalf of the Board

PLACE: INDORE
Dated: 30th July, 2008

ASHOK JAIN
CHAIRMAN & MANAGING DIRECTOR

REPORT ON CORPORATE GOVERNANCE

Under Clause 49 of the Listing Agreement

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Our corporate governance policies recognise the accountability of the Board and the importance of its decisions to all our constituents, including customers, investors, employees and the regulatory authorities and to demonstrate that the shareholders are the cause of and ultimate beneficiaries of our economic activities. The functions of the Board and the Executive Management are well defined and are distinct from one another. We have taken a series of steps including the setting up of sub-committees of the Board to oversee the functions of Executive Management. These sub-committees of the Board, which mainly consists of Non-Executive Directors, meet regularly to discharge their objectives.

2. BOARD OF DIRECTORS AND THEIR MEETINGS:

The Board consists of executive and non-executive directors including independent directors who have wide and varied experience in different disciplines of corporate functioning. Shri Ashok Jain, the Chairman & Managing Director is also assisted by Shri Kunal Jain, the Whole-time Director of the Company is overall incharge for the affairs of the Company who exercise his powers and discharge his duties under the superintendence and control of the Board of directors of the company from time to time. The Board of directors of the company comprises of Five non-executive directors out of them four directors are independent.

During the financial year 2007-08 the Board of directors met 6 (Six) times on 30th April, 2007; 30th June, 2007; 31st July, 2007; 20th Sept, 2007; 30th Oct, 2007 and 31st January, 2008:

The composition of the Board of Directors and their

attendance at the meetings during the year were as follows;

3. INFORMATION AVAILABLE TO THE BOARD

The Board has unfettered and complete access to any information within the Company and from any of our employees. At meetings of the Board, it welcomes the presence of concerned employees who can provide additional insights into the items being discussed.

The information regularly supplied to the Board includes:

- ◆ Annual operating plans and updates.
- ◆ Periodise Financial Statements.
- ◆ Minutes of meetings of audit, compensation and investor grievance committee of the Company.
- ◆ General notices of interest.
- ◆ Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and Company Secretary.
- ◆ Materially important litigations, show cause, demand, prosecution and penalty notices, if any.
- ◆ Fatal or serious accidents or dangerous occurrences, any material effluent or pollution problems, if any.
- ◆ Any materially relevant default in financial obligations to and by us.
- ◆ Significant development on the human resources front.
- ◆ Sale of material which are not in the normal course of business.
- ◆ Details of foreign exchange exposure and the steps taken by the management to limit risks of adverse exchange rate movement.

Name of the Directors	Category	Designation	No. of Board meetings held during the financial Year 2007-08	No. of Board meetings attended during the Financial Year 2007-08	Whether attended last AGM held on September 20, 2007	No. of other Directorship	No. of Committee Chairmanship/ membership in other Companies
Shri Ashok Jain	Promoter & Executive Chairman	Chairman & Managing Director	6	6	Yes	1	Nil
Shri Kunal Jain	Promoter & Executive Director	Whole Time Director	6	4	Yes	0	Nil
Shri M.K.Shah	Independent/ NED	Director	6	6	Yes	1	Nil
Shri K.C.Jain	Independent/ NED	Director	6	6	Yes	1	Nil
Shri Narendra Kathed	Independent/ NED	Director	6	5	Yes	0	Nil
Shri D.K. Kemkar	Promoter / NED	Director	6	4	Yes	4	Nil
Shri A.K. Sinha*	Independent/ NED	Nominee of IFCI	6	2	No	Nil	Nil

Nomination of Shri Jagdish Garwal was nominated by IFCI Ltd. in place of Shri A.K.Sinha, w.e.f. 31st May, 2008.



- ◆ Non-compliance of any regulatory, statutory or listing requirements as well as shareholder services such as non-payment of dividend and delays in share transfer.

The Board also periodically reviews compliance reports of all laws applicable to the Company, prepared by the designated employees as well as steps taken to rectify instances of non-compliance.

4. CODE OF CONDUCT

The Board of directors of the Company has laid down a Code of Conduct for all Board members and members of senior management of the company. The Board Members and Senior Management have affirmed compliance with the "Code of Conduct" for the year ended March 31, 2008.

5. AUDIT COMMITTEE:

As a measure of good Corporate Governance and to provide assistance to the Board of directors and to meet the requirement of section 292A of the Companies Act, 1956 and the Clause 49 of the Listing Agreement and in fulfilling the Board's overall responsibilities, an Audit Committee is functioning consisting of only independent directors. The Audit Committee inter-alia has the following mandate in terms of the Clause 49 of the Listing Agreement:

1. Oversight of company's financial reporting process and the disclosure of the financial information in the annual accounts.
2. To review and discuss with management, internal audit team and external auditors regarding any significant finding of material nature.
3. To consider and review the adequacy of management control system and internal audit function and frequency of internal audit process.
4. To review with Management the quarterly and annual financial statements before submission to the Board focusing primarily on any change in accounting policies and compliance with accounting standards, requirements of stock exchanges and other legal compliance.
5. To review Balance Sheet & Profit and Loss Accounts to be placed before the Board.
6. To consider and review the financial and risk management policy of the Company.
7. To consider and review the defaults, if any in payment to the creditors, financial institutions and reasons thereof.
8. To consider the directors responsibility statement to be given by the Board in the Directors Report.
9. To consider the matter relating to the recommendation for appointment of the external auditors and fixation of their audit fee and also approval for payment of any other services.

a) Composition of the Audit Committee:

The Audit Committee of the company comprises of the following independent directors:

Shri M.K.Shah	: Chairman
Shri A K Sinha (Nominee IFCI)*	: Member
Shri D.K.Kemkar	: Member
Shri K.C. Jain	: Member

Shri Pramod Jain, Dy. Vice President & the Compliance officer is also functioning as the Secretary to the Committee.

* Shri Jagdish Garwal was appointed as a member of the Committee in place of Shri A.K.Sinha in view of replacement of the nominee director by the IFCI Ltd. w.e.f. 31st May, 2008.

b) Meetings of the Audit Committee:

During the financial year 2007-08 the Audit Committee met 4 (Four) times on the 30th June, 2007, 31st July, 2007, 30th Oct., 2007 and 31st January, 2008 under the Chairmanship of Shri M.K.Shah, in which proper quorum was present.

The Committee considered the draft Annual Accounts for the year 2007-08. The Committee also reviewed financial and risk management policy of the Company and defaults, if any in payment to the creditors, financial institutions and reasons thereof.

6. SHAREHOLDERS GRIEVANCE COMMITTEE:

The shareholders Grievances Committee facilitate prompt and effective redressal of the complaints of the shareholders and reporting the same to the Board periodically. The Shareholders Grievance Committee of the company was constituted comprising of the following independent directors:

Shri M.K Shah (Independent/NED)	: Chairman
Shri D.K.Kemkar (Independent/NED)	: Member
Shri K.C.Jain (Independent/NED)	: Member

Shri Pramod Jain, Dy. Vice President & the Compliance officer also acting as the Secretary to the Committee.

As there no reference was given to the Committee no meeting of the committee was required to be held during the year 2007-08.

7. REMUNERATION COMMITTEE:

a) Composition of the Remuneration Committee:

Composition of the Remuneration Committee is as under:

Shri M.K. Shah (Independent/NED)	: Chairman
Shri D.K.Kemkar (Independent/NED)	: Member
Shri K.C.Jain (Independent/NED)	: Member
Shri Jagdish Garwal (Nominee)*	: Member

*Shri Jagdish Garwal, Nominee Director of the IFCI Ltd. was appointed as a member of the Committee w.e.f. 31st May, 2008.

Shri Pramod Jain, Dy. Vice President the Compliance officer also acting as the Secretary to the Committee.

b) Meeting and recommendation of the remuneration committee during the year:

Two meetings of the committee were held on 30th April, 2007 and 30th June, 2007 during the year 2007-08 in which all the members of the Committee were present.

c) Payment of non-executive directors and composition of the Committee:

The Company is not paying any remuneration to the non-