

## ANNUAL REPORT 2007-2008

### BOARD OF DIRECTORS

Shri KUNDAN LAL BHATIA, *Chairman & Managing Director*

Shri KAPIL BHATIA, *Managing Director*

Shri NEERAJ BHATIA

Smt. SUSHMA BHATIA

Shri PREM SAGAR

Shri PRADEEP K. GOENKA

Shri R. K. BHATIA

Shri YASHPAL

### COMPANY SECRETARY

Mrs. DIPTI GUPTA

### AUDITORS

M/s. SANJAY NANDINI & Co.

*Chartered Accountants*

OFF No. 229, 2nd FLOOR,

63/2, CITY CENTRE,

THE MALL,

KANPUR - 208 004

### BANKERS

STATE BANK OF INDIA

INDUSTRIAL FINANCE BRANCH,

SARVODAYA NAGAR, KANPUR

### REGISTRAR AND SHARE TRANSFER AGENT

(For Electronic Connectivity)

M/s. ALANKIT ASSIGNMENT LIMITED

205-208, ANARKALI MARKET

JHANDEWALAN EXTENSION

NEW DELHI-110 055

### REGISTERED OFFICE

E-14, PANKI INDUSTRIAL AREA, SITE-1

PANKI, KANPUR-208 022

Website : <http://www.frontiersprings.co.in>

### PLANT

KM 25/4, KALPI ROAD, RANIA,

KANPUR DEHAT - 209 304 (U.P.)

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## NOTICE

NOTICE is hereby given that the Twenty Eighth Annual General Meeting of the Members of FRONTIER SPRINGS LIMITED will be held on Thursday, 31st July 2008 at 12:30 p.m. at the Registered Office of the Company at E-14, Panki Industrial Area, Site-1, Panki, Kanpur-208022, to transact the following business :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2008 and Profit and Loss Account for the financial year ended on that date together with Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Shri P.K.Goonka who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Yashpal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, and to fix their remuneration, and for the purpose, to consider, and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Section 224 of the Companies Act, 1956, M/s Sanjay Nandini & Co., Chartered Accountants, Kanpur, the retiring Auditors be and are hereby reappointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors of the Company."

Registered Office :  
E-14, Panki Industrial Area,  
Site-1, Panki,  
Kanpur-208022

By order of the Board

KUNDAN LAL BHATIA

Dated : 29.05.2008 (Chairman cum Managing Director)

## NOTES :

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE

COMPANY. The proxy in order to be effective must be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.

The Register of Members and Share Transfer Books of the Company shall remain closed from 25th July to 31st July 2008 (both dates inclusive).

Members holding shares in identical order of names in more than one folio are requested to write to the Company, enclosing the Share Certificates for consolidation of their holding into one folio.

Members holding Shares in physical form may write to the Company for change in their address, if any, under their signature clearly quoting their folio numbers, old address along with the changed address with Pin Code, and Members holding Shares in electronic form may inform any change in address to their Depository Participants.

Members holding Shares in electronic form are requested to provide their Client-ID and DP-ID numbers at the meeting for easy identification.

Members desirous of obtaining any information/clarification concerning the Accounts and Operation of the Company are requested to address their queries in writing to the Company Secretary at least seven days before the Annual General Meeting, so that the desired information may be made available at the Annual General Meeting, if the Chairman permits to do so.

The Shares of the Company are compulsorily tradable in demat form. The equity shares of the Company have been assigned ISIN INE572D01014. Members are requested to get their Shares dematerialized at the earliest to make them tradable.

The relevant details in respect of item No.2 and 3 pursuant to Clause 49 of the Listing Agreement are enclosed herewith marked as Annexure 'A' to this Notice.

Corporate Members intending to send their Authorised Representative to attend the Meeting are requested to send a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.

**DIRECTORS' REPORT**

Dear Shareholders,

Your directors have pleasure in presenting the Twenty Eighth Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March 2008.

**FINANCIAL RESULTS**

	(Rs. in Lacs)	
Particulars	2007-08	2006-07
Turnover	2834.74	2786.05
Profit Before Int., Dep., & Tax	283.02	203.00
Interest	23.89	25.26
Depreciation	36.39	32.50
Profit/(Loss) Before Tax	222.74	145.24
Income Tax		
Current year Tax	79.12	56.62
Fringe Benefit Tax	3.28	2.28
Deferred Tax	(2.51)	(3.89)
Profit/(Loss) After Tax	142.85	90.23
Profit/(Loss) b/f from P.Y.	93.47	3.24
Total	236.32	93.47
Transfer to General Reserve	200.00	0.00
Balance carried to Balance Sheet	36.32	93.47

**OPERATIONS**

The operation of the Company during the financial year under review improved with turnover of Rs. 2834.74 Lacs as against Rs. 2786.05 Lacs in preceding year. The net profit during the year was higher at Rs. 142.85 Lacs as against Rs. 90.23 Lacs in the preceding year despite increase in the input cost. The improvement in the performance had been mainly on account of improvement in the operational efficiency and better margin in sales.

The Performance of the Company during the current financial year has further improved and barring unforeseen circumstances, your Directors expect your Company to turn even better results during the current year as well.

**DIVIDEND**

With view to conserve resources for expansion, general corporate needs and to consolidate the financial position of the Company, your Directors consider it prudent not to recommend any dividend for the year.

**EXPANSION**

For the expansion of the business, the company is setting up one new unit in Poantasahib, H.P. for manufacturing coil springs for Railways & other heavy industries with capacity of 500 tonnes for which land has already

been purchased. Order for plant & machinery will be placed shortly and production is likely to commence in April 2009.

**DIRECTORS**

Pursuant to the provisions of the Companies Act, 1956 and Articles of the Association of the Company, Shri P.K. Goenka and Shri Yashpai, Directors of the Company retire from the Board by rotation and being eligible they have offered themselves for re-appointment.

**AUDITORS**

The term of the present auditor of the Company, M/s Sanjay Nandini & Co., Chartered Accountants, Kanpur, expires at the conclusion of this Annual General Meeting and being eligible they have confirmed their willingness to accept office, if re-appointed. The Board recommends their appointment.

**PARTICULARS OF EMPLOYEES**

As none of the employees of the Company was in receipt of remuneration in excess of limit prescribed, information as per Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 is not required to be given.

**DIRECTORS RESPONSIBILITY STATEMENT**

In the term of the Section 217(2AA) of the Companies, 1956, the Directors of the company state in respect of the year ended 31st March, 2008 that :-

- That in preparation of Annual Account, the applicable Accounting Standards have been followed along with proper explanation relating to material departure.
- That they have 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 of the Company for that year.
- That they have taken proper and sufficient care for the maintenance of adequate Accounting Records in accordance with the provision of the Companies Act, 1956, for safeguarding the Assets of the Company and for preventing and detecting the fraud and other irregularities.
- That they have prepared Annual Accounts on going concern basis.

**INFORMATION/ EXPLANATION ON ADVERSE REMARK IN AUDITORS' REPORT****Explanation to point (1)**

Since our customers are Indian Railways and other government department, hence it is not possible to have confirmation of reconciliation statement from them because they follow the practice of acceptance of goods and payment of bills. However our accounts are still reconciled with the books and invoice.

## TWENTY EIGHTH ANNUAL REPORT

In case of creditors our major creditors are reconciled and some are not reconciled because of non-availability of account statement.

### Explanation to point (2)

Since in our Company costing system is not followed because costs are variable according to drawing and design and it is not possible to adopt the same. Hence the Company values the finished goods as not realizable cost since past. And Income Tax and Excise department also accept this method.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As per the requirements of Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the particulars relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are annexed hereto-forming part of this Report.

### CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, Management Discussion and Analysis, Corporate Governance Report together with the 'Practising Company Secretaries' Certificate on compliance of the conditions of Corporate Governance form part of this Annual Report.

### LISTING INFORMATION

The Company's Shares are presently listed at 'The Uttar Pradesh Stock Exchange Association Ltd.', Kanpur, being the Regional Stock Exchange, as well as the Bombay Stock Exchange Ltd., Mumbai. The Equity Shares of the Company have been de-listed from the Delhi Stock Exchange Association Limited, New Delhi. Ahmedabad Stock Exchange; de-listing certificate from Calcutta Stock Exchange is awaited. The Listing fees to the Stock Exchanges have been paid up to date.

### ACKNOWLEDGEMENTS

Your Directors take this opportunity to place on record their appreciation for the co-operation and support extended by Indian Railways and other departments of Central and State Governments, Financial Institutions, Banks and Business Associates.

Your Directors also wish to place on record their appreciation to all the employees for their sincere and dedicated services rendered to the Company and are also grateful to all the members of the Company for reposing continued trust and confidence in the Management of the Company.

For and on behalf of the Board

Place : Kanpur

K. L. BHATIA

Date : 29.05.08 (Chairman and Managing Director)

## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,  
The Members of Frontier Springs Limited,

We have examined all the relevant records of Frontier Springs Limited ("The Company") for the purpose of certifying compliance of the conditions of the Corporate Governance under Clause 49 of the Listing Agreement with the Stock Exchanges for the Financial year ended 31st March, 2008.

The compliance of the conditions of the Corporate Governance is the responsibility of the Management. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither audit nor an expression of the opinion on Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

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

For S. K. GUPTA & CO.  
Company Secretaries

S. K. GUPTA

Managing Partner

FCS 2589

Place : Kanpur

Date : 29th May, 2008



**ANNEXURE-I**

**INFORMATION AS PER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES  
(DISCLOSURE OF PARTICULARS IN THE REPORT OF DIRECTORS) RULES, 1988 FOR THE YEAR  
ENDED 31ST MARCH, 2008.**

**I. CONSERVATION OF ENERGY**

The Operations of your Company do not consume high levels of energy. However, wherever possible, adequate measures have been taken to conserve energy :-

(a) Energy Conservation Measures Taken

Optimum utilization of Heat treatment furnace.

The Company is also pursuing for an Agreement with Gas Authority of India (GAIL) for supply of CNG which will not only reduce the energy consumption but will also help in preserving and maintaining ecological balance and promoting environmental protection.

(b) Additional Investment and proposals, if any, being implemented for reduction of consumption of energy.

The Company is constantly on the watch for various modes and areas of Conservation of Energy, investments, therefore, will be considered after identification of such areas.

(c) Impact of the measures taken above

The adoption of energy conservation measures as mentioned above have resulted in substantial saving of energy and has consequently caused a reduction in the cost of goods produced.

(d) Total energy consumption and energy consumption per unit of production

As the Company is not engaged in any Scheduled Industry, the details relating energy conservation in the prescribed Form 'A' being inapplicable are not given.

Report

FORM 'B'

**II. TECHNOLOGY ABSORPTION  
RESEARCH & DEVELOPMENT**

**(a) Specific Areas in which R & D carried out by the Company**

The Company is having an ongoing process of Research and Development where regular studies and exploration is carried out for introduction of new products and minimization of by production of waste during various processes.

**(b) Expenditure on R & D**

As the Company has inducted latest technology and installed modern Plant & Machinery, the expenses involved in Research & Development are not significant, therefore, the same have not been accounted for separately.

**(c) Technology Absorption, Adaptation and Innovation**

**(i) Efforts in brief, made towards technology absorption, adaptation and innovation :**

The Company has inducted the latest technology in the Plant, which has been fully absorbed.

**(ii) Benefits derived as a result of the above efforts**

Keeping in view the prospects and demand of Indian Railways, the Company has been successful in development of Air Suspension Springs. The

Company has also engaged the services of M/s K.P.S. Consultants & Impex Private Limited, New Delhi to identify a suitable collaborator for the Products in Foreign Markets.

The Company has successfully developed springs for LBH Coaches which is a import substitution product. The product has already been supplied to Indian Railways on test basis and Company expects to receive further orders in future.

**(iii) Technology Imported – NIL**

**III. FOREIGN EXCHANGE EARNING AND OUTGO**

The Company is exploring the possibilities of exporting its products to other Countries for which due studies are being conducted. The details relating to foreign exchange earnings and outgo are as under :-

(Rs. in Lacs)

	Current Period (2007-08)	Previous Period (2006-07)
A) Foreign Exchange Earnings	—	—
B) Foreign Exchange Outgo	1.06	4.45

Place Kanpur  
Date : 29.05.2008

For and on behalf of the Board  
K.L. BHATIA  
Chairman & Managing Director

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY STRUCTURE & DEVELOPMENTS

The Company is engaged in manufacture of Coil and Leaf springs. During the year under review, the Company has responded to the challenges by enhancing Customer focus and expanded its business by procuring the profitable orders by building the efficient sales and prompt delivery. The Company is optimistic about the long term opportunities while at the same time meeting the short term challenges hence best internal preparedness is being made to aggressively grab the opportunities and to take maximum advantage of such opportunities.

### OPPORTUNITIES & THREATS

During the year under review, the Company has procured some profitable orders from Indian Railways and other parties and is expected to continue with the same. In the emerging competitive scenario, there is a compelling need to improve the global competitiveness of the various businesses to handle the competitive forces and to secure the customer base hence apart from others, Company is emphasizing on stringent quality control measure to accelerate continuous growth in supply orders of the Company's product.

High level of steel production in China and other countries has resulted in additional outflow of support ingredients. Keeping this in view, the Company is making continuous efforts to develop new export market and expand the existing ones. The Company believes that over a period of time, its thrust on exports will yield good results.

### PRODUCTWISE PERFORMANCE

The Company's position as the market leader is due to its persistent efforts and emphasis in the areas like product quality, introduction of new products through in-house development, competitive pricing and extremely competitive cost structure, continuous product improvement and dynamic approach to situation. In future, Company is firm, with its object of serving the end user of Company's product in an efficient and timely manner.

### RISKS AND CONCERNS

- Currently, the Company perceives the following main business risks:

- a) High price volatility remains a major cause of concern:

- b) Pressure on selling price due to increase in competition.

Company is trying to work out long term contracts with suppliers with a view to ensure uninterrupted supply of input feed mix.

The assets, buildings, plant & machinery and stock of the Company are adequately insured.

### OUTLOOK

In the backdrop of significant market, opportunities described earlier, the outlook for the coming year is extremely promising. Your Directors are of view that if conscious strategy to reduce production cost and development of new products is being followed, coupled with the supportive markets, financial performance of the Company shall stage a turnaround.

### INTERNAL CONTROL SYSTEM AND ADEQUACY

The Company is committed to maintain internal control systems and procedures designed to provide reasonable assurance for orderly and efficient conduct of business and security of its assets. Actual performance is constantly monitored by the management. The Company has a well-defined Organization Structure and authority level. The internal control system is supplemented by an extensive review by the management and documented policies, guidelines and procedures.

### HUMAN RESOURCE

The Company believes that its employees are a vital resource in the current business environment. To ensure that this resource plays important role in the performance of the Company, the Company is pursuing the following :

- It is engaged in providing continuous training and all round exposure to its people.
- It is inviting suggestions from all the employees on regular basis and is also engaged in obtaining feed back in a meaningful way from time to time.
- It is ensuring proper empowerment of employees to foster a sense of ownership among them.

In brief, it is providing an opportunity to all employees to utilize their full potential and grow in the Organization.

**REPORT ON CORPORATE GOVERNANCE****COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :**

The Company is committed to compliance with global best practices of Corporate Governance and disclosure. The Company looks upon good corporate governance practices as a key driver of sustainable corporate growth and long-term shareholder value creation. The company's philosophy on corporate governance envisages the attainment of the highest levels of transparency, accountability and equity in all facets of its operations and in all its interactions with Shareholders, Employees, Government, Financial Institutions and lenders etc. The Company is committed to pursue a policy of appropriate disclosures and communications.

**BOARD OF DIRECTORS****Composition and Category**

The composition of the Board of Directors of the Company is in conformity with Clause 49 of the Listing agreement entered into with the Stock exchanges. It has total eight Directors on its Board consisting of

- Executive Directors
- Independent Non Executive Directors

The Company has an executive Chairman and number of Independent Directors constitutes half of the Board of Directors of the Company. The non-executive Directors with their diverse knowledge, experience and expertise bring in their independent judgment in the deliberation and decisions of the board.

The Company has no pecuniary relationship or transactions with its Non Executive Directors other than payment of sitting fees to them for attending Board and Committee Meetings. The Company pays fees to a non-executive Director who is rendering his services of a professional nature.

**Attendance of each Director at the Board Meetings/Annual General Meeting**

During the year 2007-08, 4 meetings of the Board of Directors were held on 31st May 2007, 31st July 2007, 31st October 2007 and 24th January 2008 respectively. The Company has held one meeting in every three months and the maximum time gap between any two meetings was not more than four months.

The twenty-seventh Annual General Meeting of the company was held on 31st July 2007. There was no extra ordinary general meeting of the shareholders of the Company held during the year 2007-08.

None of the directors of the Board serve as Members of more than 10 Committees nor are they Chairman of more than 5 Committees, as per the requirements of the Listing Agreement.

**Attendance record of each Director at the Board Meetings and annual General Meeting during the year 2007-08 and number of other Directorship and Chairmanship / Membership of each Director in various Companies**

Name of Director	Attendance Particulars			Number of other Directorships and Committee Membership/ Chairmanship		
	Category	Board Meeting	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
K.L. Bhatia	CMD	4	YES	-	1	-
Kapil Bhatia	MD	4	YES	-	1	1
Neeraj Bhatia	WTD	2	YES	-	-	-
Sushma Bhatia	WTD	3	YES	-	-	-
Yashpal	INED	4	YES	-	3	2
Pradeep K. Goenka	INED	4	YES	9	7	2
R.K. Bhatia	INED	3	NO	-	3	-
Prem Sagar	INED	3	YES	1	2	2

CMD : Chairman & Managing Director; MD : Managing Director; WTD : Whole Time Director; INED : Independent Non-Executive Director.

**Board Procedure**

The Company's Board Meetings are governed by a structured Agenda. The Board Meetings are generally scheduled well in advance and the notice of each Board Meeting is given in writing to each Director. The Board members, in consultation with the Chairman, may bring up any matter for the consideration of the Board.

## TWENTY EIGHTH ANNUAL REPORT

The Board's role, functions, responsibility and accountability are clearly defined. In addition to matters statutorily requiring Board's approval, all major decisions involving formulation, strategy and business plans, annual operating and capital expenditure budgets, new investments, compliance with statutory/ regulatory requirements, major accounting provisions, etc. are considered by the Board.

### AUDIT COMMITTEE

#### Terms of reference

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

- Oversight of the Company's financial reporting process and disclosure of its financial information.
- Recommending the appointment and removal of external auditor, fixation of audit fees and also approval for payment for any other services.
- Reviewing with management the annual financial statements before submission to the Board
- Reviewing with the management, external and internal auditors adequacy of internal control systems
- Reviewing of the adequacy of internal audit function.
- Discussion with internal auditors on any significant findings and follow up thereof.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularities or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with external auditors before the audit commences nature and scope of the auditors well as post audit discussion to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

#### Composition, Number of Meetings and Attendance

Name	Position	Category	Attendance during the year 2007-08
Shri P. K. Goenka	Chairman	Independent and Non Executive Director	4
Shri Yashpal	Member	Independent and Non Executive Director	4
Shri R. K. Bhatia	Member	Independent and Non Executive Director	3

The Company Secretary acts as Secretary to the Audit Committee. During the year 2007-08, the Committee met four times on 31st May, 2007, 31st July, 2007, 31st Oct., 2007 and 24th January 2008 respectively

### REMUNERATION COMMITTEE

#### Terms of reference

The scope of such Committee, inter-alia, includes the determination on behalf of the Board/shareholders with agreed terms of reference, the Company's policies on specific remuneration packages for Executive Directors.

#### Composition, Number of meetings and Attendance

Name	Position	Category	Attendance during the year 2007-08
Shri Yashpal	Chairman	Independent and Non Executive Director	1
Shri Pradeep K. Goenka	Member	Independent and Non Executive Director	1
Shri R. K. Bhatia	Member	Independent and Non Executive Director	-

The Company Secretary acts as Secretary to the Remuneration Committee. During the year, one Meeting of Remuneration Committee was held on 31st May 2007.



The details of remuneration paid to all Directors during the year 2006-07 :

Sr. No.	Name of Director	Remuneration (Rs. in lacs)			
		Salary	Perquisites	Incentive	Sitting Fees
1.	Shri K. L. Bhatia	6.90	0.77	7.33	—
2.	Shri Kapil Bhatia	5.10	0.56	3.90	—
3.	Shri Neeraj Bhatia	5.10	0.56	3.90	—
4.	Smt. Sushma Bhatia	3.78	0.77	2.22	—
5.	Shri Yashpal	—	—	—	0.12
6.	Shri Pradeep K. Goenka	—	—	—	0.20
7.	Shri Prem Sagar	—	—	—	0.12
8.	Shri R. K. Bhatia	—	—	—	0.12

## INVESTORS' GRIEVANCE COMMITTEE

### Terms of reference

The Investors' grievance committee looks into the redressal of Shareholders' complaints/ grievances, non-receipt of Balance Sheet, non-receipt of declared dividend, confirmation of transfer/ transmission of shares etc.

### Composition and Attendance at the meeting

Name	Position	Category	Attendance during the year 2007-08
Shri Yashpal	Chairman	Independent and Non Executive Director	4
Shri Pradeep K. Goenka	Member	Independent and Non Executive Director	4
Shri R. K. Bhatia	Member	Independent and Non Executive Director	3

The Company Secretary acts as Secretary to the Investors' Grievance Committee. The committee met four times during the year 2007-08 on 31st May, 2007, 31st July, 2007, 31st Oct., 2007, 24th January, 2008 respectively.

### Details of shareholders' complaints during the year 2007-08

The total numbers of complaints/ queries received and replied to the satisfaction of shareholders during the year 2007-08 were 36. There were no outstanding complaint/ queries as on 31st March 2008.

There were no pending share transfers in physical as well as in Demat category. All the requests received up to 31st March 2008 for share transfer have been processed within stipulated time.

## CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS AND SENIOR MANAGEMENT

The Board at its meeting held on 29th Oct. 2005, has adopted the 'Code of Business Conduct and Ethics for Directors and Senior Management' (the Code) as recommended by the Corporate Governance Shareholders' Committee. This Code is a comprehensive Code applicable to all Directors, Executives, Non-executive as well as all the members of Senior Management / officers of the Company. The Code while laying down, in detail, the standards of business conduct, ethics and governance, centers around the following theme :-

"The Company's Board of Directors and Officers are expected to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct, while working on the Company's premises, at offsite locations where the Company's business is being conducted, at Company sponsored business and social events, or at any other place where officers are representing the Company.

Honest and ethical conduct free from fraud or deception and conforming to the accepted professional standards of conducts and as also to reflect corporate, legal and regulatory developments.

This code should be adhered to in letter and in spirit."

This Code has been circulated to all the members of the Board and Senior Management / Officers of the Company and the compliance of the same has been affirmed by them. A declaration signed by the Chairman and Managing Director is given below :

I hereby confirm that :

The Company has obtained from all the members of the Board and Senior Management / Officers of the Company, affirmation that they have complied with the 'Code of Business Conduct and Ethics' for Directors and Senior Management / Officers in respect of the financial year 2007-08.

K.L.Bhatia

(Chairman & Managing Director)

## GENERAL BODY MEETINGS

Location and time for last three Annual General Meetings :

Year	Date	Location	Time
2004-05	28.07.2005	Regd. Office- Kanpur	12:30 P.M
2005-06	31.08.2006	Regd. Office- Kanpur	12:30 P.M
2006-07	31.07.2007	Regd. Office- Kanpur	12:30 P.M

## DETAILS OF SPECIAL RESOLUTION PASSED BY THE COMPANY IN THE PRECEDING THREE ANNUAL GENERAL MEETINGS

S.No.	Year	Date of AGM	Special Resolution passed at the AGM
1.	2004-05	28.07.2005	NIL
2.	2005-06	31.08.2006	NIL
3.	2006-07	31.07.2007	NIL

## POSTAL BALLOT

■ Whether Special Resolutions were put through postal ballot last year	No
■ Details of voting pattern	N/A
■ Person who conducted the Postal ballot exercise	N/A
■ Are proposed to be conducted through postal ballot	N/A
■ Procedure for postal ballot	N/A

## DISCLOSURES

No transaction of materially significant nature with any related parties has been effected during the year under review that may have potential conflict with the interest of the Company at large. However, all the related party transactions are disclosed in Note 'Q' of the notes to the Account and are contained in the report.

The Stock Exchanges or SEBI or any statutory authorities on any matter related to Capital market have imposed no penalties or strictures on the Company. The company has complied with the non-mandatory requirements relating to the Remuneration committee to the extent detailed above and has not complied with the other non-mandatory requirements.

## MEANS OF COMMUNICATION

The Un-audited Financial Results (Provisional) for every quarter have been communicated to the Stock Exchanges where the Company's shares are listed duly approved and taken on record by the Board of Directors of the Company. Further the same had also been published within 48 hours in the Times of India, Dainik Jagran, Amar Ujala. Management Discussion and Analysis forms part of the Annual report.

## SHAREHOLDERS' INFORMATION

- A. Date, Time and Venue of the Annual General Meeting :
- Date - 31st July, 2008  
Time - 12:30 P.M.  
Venue - Regd. Off. being E-14, Park Industrial Area, Site-1, Kanpur-208022.
- B. Particulars of Financial Calendar
- |                        |   |                              |
|------------------------|---|------------------------------|
| Financial Year         | - | 1st April to 31st March      |
| First Quarter          | - | 1st April to 30th June       |
| Second Quarter         | - | 1st July to 30th September   |
| Third Quarter          | - | 1st October to 31st December |
| Fourth & Final Quarter | - | 1st January to 31st March    |
- C. Date of Book Closure : From 25th July to 31st July, 2008 (both days inclusive).
- D. Listing of Equity Shares on Stock Exchanges and Payment of Listing Fee :
- The U. P. Stock Exchange Association Ltd., Kanpur (Regional Stock Exchange)  
The Bombay Stock Exchange Ltd., Mumbai (Stock Code - 522195)  
The Annual Listing Fee for the year 2007-08 (as applicable) has been paid by the Company to the Stock Exchanges.
- E. Demat Arrangement with NSDL & CDSL
- |            |   |              |
|------------|---|--------------|
| Demat ISIN | - | INE572D01014 |
|------------|---|--------------|