

ANNUAL REPORT 2008-2009



GODAWARI POWER & ISPAT LTD

VISION

TO SEIZE THE OPPORTUNITIES

OF TOMORROW BY CONSISTENTLY

OUTPERFORMING AND CREATE

AN ENTERPRISING ENTITY.

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. G. B. Desai	<i>Chairman</i>
Mr. O. P. Agrawal	<i>Vice Chairman</i>
Mr. B. L. Agrawal	<i>Managing Director</i>
Mr. N. P. Agrawal	<i>Non Executive Director</i>
Mr. Dinesh Agrawal	<i>Non Executive Director</i>
Mr. Dinesh Gandhi	<i>Executive Director – Finance</i>
Mr. B. P. Singh (upto 28 th July, 2009)	<i>Director Administration</i>
Mr. Vinod Pillai (w.e.f 28 th July, 2009)	<i>Non Executive Director</i>
Mr. Siddharth Agrawal	<i>Executive Director - Operations</i>
Mr. Shashi Kumar	<i>Independent Director</i>
Mr. B. Choudhuri	<i>Independent Director</i>
Mr. B. N. Ojha	<i>Independent Director</i>

COMPANY SECRETARY

Mr. Y. C. Rao
Compliance Officer & Company Secretary

AUDITORS

M/s. O. P. Singhania & Co.
Chartered Accountants, Raipur

BANKERS

Canara Bank
State Bank of India
Axis Bank Ltd.
Bank of Baroda
ICICI Bank Ltd.
IDBI Bank Ltd.

REGISTERED OFFICE

Plot No.428/2, Phase I, Industrial Area,
Siltara – 493 111, Dist. Raipur, Chhattisgarh, India
Tel: +91 – 771 - 4082333 / 3092333
Fax: +91 – 771 - 4082234

CORPORATE OFFICE

First Floor, Hira Arcade,
Near New Bus Stand,
Pandri, Raipur – 492 001,
Chhattisgarh, India.
Tel.: +91 – 771 – 4082000
Fax: 4082732 / 4057601

MUMBAI OFFICE

Unit No.606, Town Centre, 6th Floor,
Andheri Kurla Road, Andheri Saki Naka,
Near Mittal Estate, Mumbai – 400 059, India.
Tel: +91 – 22 – 28592621/ 28592622, 28592623
Fax: +91 – 22 – 28592851
Email: investors@gpilindia.in

CONTENTS

Company Information	1
Performance Highlights	2
From the desk of Managing Director	3
Notice	4
Report of the Directors	9
Management Discussion and Analysis	15
Corporate Governance Report	19
Auditors' Certificate on Corporate Governance	28
Auditors' Report to the Shareholders	29
Balance Sheet	32
Profit and Loss Account	33
Cash Flow Statement	34
Schedules to the Accounts	35
Statement pursuant to Section 212	58
Consolidated Accounts	
Auditors' Report	59
Consolidated Balance Sheet	60
Consolidated Profit and Loss Account	61
Consolidated Cash Flow Statement	62
Schedules to the Consolidated Accounts	64

FINANCIAL PERFORMANCE

(Rs in crore)

Particulars	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02
Gross Sales	1,162.40	956.90	509.95	270.75	259.37	122.73	67.78	36.14
Less: Excise Duty	-126.87	-127.63	-67.86	-35.94	-26.86	-15.12	-9.32	-4.98
Net Sales/Income from Operations	1,035.53	829.27	442.09	234.81	232.51	107.60	58.46	31.15
Operating Profit (EBIDTA)	125.85	162.70	81.59	36.86	42.32	21.22	8.53	2.79
Depreciation	26.42	24.25	10.87	6.08	9.95	9.69	5.44	2.20
Interest	34.17	30.32	11.73	5.95	3.84	3.10	1.46	0.52
Profit Before Tax (PBT)	65.26	108.12	58.99	24.83	28.53	8.43	1.63	0.07
Income Tax	7.90	13.14	6.78	2.33	3.18	0.67	0.13	0.01
Exceptional Items	-	-	-	14.83	-	-	-	-
Profit after Tax (PAT)	57.36	94.98	52.21	37.33	25.35	7.77	1.50	0.06
Cash Profit	83.78	119.24	63.08	43.42	35.30	17.46	6.94	2.26
Dividend Payout	8.21	13.14	8.50	2.83	0.40	-	-	-
Retained Profit	49.15	81.85	43.71	34.50	24.95	7.77	1.50	0.06
Balance Sheet								
Net Fixed Assets	551.36	396.38	366.05	188.96	117.84	49.51	44.50	28.32
Investments	44.58	31.97	20.86	9.36	3.07	5.41	-	-
Net Current Assets	172.29	243.18	95.69	60.70	41.49	29.76	12.76	4.74
Total Assets	768.23	671.53	482.60	259.02	162.40	84.68	57.26	33.06
Represented by								
Share Capital	28.07	28.07	24.84	16.15	14.95	3.20	2.56	1.07
Reserves & Surplus	408.40	359.25	180.27	81.37	53.22	40.01	27.42	19.86
Net Worth	436.47	387.32	205.11	97.52	68.17	43.21	29.97	20.93
Total Term Debt	331.76	284.21	277.49	161.50	94.23	41.47	27.29	12.14
Total Capital Employed	768.23	671.53	482.60	259.02	162.40	84.68	57.26	33.06
Key Financial Ratios								
Growth in Turnover	21.48	87.65	88.35	4.39	111.34	81.06	87.58	-
Growth in Profit	-39.61	81.92	39.85	47.27	226.41	416.66	2,248.75	-
Operating Profit to Net Sales (%)	12.15	19.62	18.45	15.70	18.20	19.72	14.59	8.94
Net Profit to Net Sales (%)	5.54	11.45	11.81	15.90	10.90	7.22	2.57	0.21
Debt Equity Ratio (times)	0.76	0.73	1.35	1.66	1.38	0.96	0.91	0.58
Return of Net Worth (%)	13.14	24.52	25.46	38.28	37.19	17.97	5.01	0.31
Return on Capital Employed (%)	7.47	14.14	10.82	14.41	15.61	9.17	2.63	0.19
Book Value (Rs.)	155.49	137.98	82.56	60.39	45.60	134.84	117.26	195.61
EPS (Rs.)	20.43	33.84	21.02	23.12	16.96	24.23	5.88	0.60
Cash EPS (Rs.)	29.85	42.48	25.39	26.88	23.62	54.47	27.16	21.15
Dividend (Rs.)	2.50	4.00	3.00	1.00	1.00	-	-	-

From the desk of Managing Director



Dear Stakeholders,

As you all know, the year 2008-09 was an unprecedented one which saw a catastrophic global financial meltdown. The global economy suffered a slowdown, afflictions that started as financial sector issues in the US spread fast to real sectors of the economy across the globe. Geographically too, the slowdown which started in the western world eventually spread all over causing the unheard/unseen volatility leading to drastic changes in business parameters.

The impact of this was felt by virtually every business around the globe and your company was no exception to this. The uncertainty led to fall in demand as well as pricing for steel products globally. Under this environment, I am happy to mention that we closed fiscal 2009 with annual gross revenues of Rs. 1162.40 crores, a year-on-year growth of 21.48%. The profit after tax for the year was Rs. 57.36 crores as against Rs. 94.98 crores in previous year. You will no doubt appreciate that this performance was delivered in a very difficult business environment. The Company's Board of Directors has recommended a final dividend of Rs. 2.50 per share subject to shareholders' approval (25% on par value of Rs. 10 per share) for the financial year 2008 - 2009. This brings the total dividend payout to Rs.2.94 per share.

The volatile commodity cost environment presented a big challenge and needed careful management & strategies for maintaining margin. Thus during the year we decided to cut down on the production of steel billets and ferro alloys and to sell power in view of better realization and operating margins. Though the short term power rates were very fluctuating, the realization is quick and operating cost of generation of power is low thereby making it attractive proposition. The short term challenges have not and will not impeded our pursuit of excellence, set for the long term.

I am very happy to share with you all that our long awaited necessary approvals for commencing mining of iron ore has been finally received and our Ari Dongri mines have commenced commercial operations during the current year. We have already received iron ore from captive mines to the tune of 45000 mts till June, 2009 Iron Ore Mines at Boria Tibu are also expected to commence operations during the current year. This would lead substantial savings in the input cost of iron ore.

Further, in line with our Corporate Philosophy of "Gainful utilization of waste" we are setting up an Iron Ore pelletisation plant of 600000 MT at the existing plant location in Siltara Chhattisgarh. By the pelletisation process, iron ore fines will be converted into pellets which can be used as direct raw material for making sponge iron as replacement of sized iron ore. Presently, most of the coal based sponge iron plants in India uses iron ore lumps. The gross iron ore requirement is generally higher in such plants owing to fines generation from lumps. Use of pellets with better physical and metallurgical properties for sponge iron production is expected to result in reduction of accretion formation in the kiln. Further, the production from the kiln is expected to increase by 25% to 30%. The pelletisation plant is scheduled to commence operations in third quarter of this financial year. We have also decided to invest and take majority stake of 75% in Ardent Steel Ltd. which is also setting up 600000 MT pelletisation plant at Keonjhar dist., in Orissa for merchant sale of pellets to sponge irons plant.

On the coal mining front, we are in the process of getting the regulatory approvals and are quite hopeful of getting all the necessary clearances & government approvals during the current year. With iron ore being operational & coal mining expected to be operational next year, our margins are expected to improve significantly going forward.

As part of our strategic growth initiatives, we have signed few MOU's with Chhattisgarh State Government to embark on a series of expansion projects. I will state them briefly. We have decided to set up 1000 MW thermal power plant and have initiated steps for setting up 300 MW of merchant power plant in first phase; additional capacities for manufacture of Steel products and to set up 2 MTPA Cement & 1MTPA Clinker plant.

We believe in sustained growth and growing with responsibility. We at GPIL have a philosophy of "Serving Society Through Industry" and live every moment of life in harmony with nature. In continuation with our Vriksha Mitra Mahaabhiyan- 2008, a massive tree plantation program was undertaken last year and as part of this programme, we have already planted 45000 trees. In addition, many activities such as operaion of ITI Hathbandh and Aakanksha, a care centre for the mentally challenged children have been undertaken for the betterment of Society and minimizing the impact we create on environment.

Finally, we would like to reiterate our commitment to remain focused, competitive, profitable & achieve sustainable growth and take your Company to new heights. We also promise to uphold the highest levels of Corporate Integrity towards our investors, bankers, customers, vendors and towards our Nation.

I personally wish to thank all our business associates for their continued support and cooperation extended to us. We immensely value the faith you have reposed in the Company and look forward to your continued support.

Yours Sincerely,
B. L. Agrawal

Raipur, 28th July, 2009

NOTICE

TO ALL THE MEMBERS OF OF GODAWARI POWER AND ISPAT LIMITED

NOTICE is hereby given that the Tenth Annual General Meeting of the Members of GODAWARI POWER AND ISPAT LIMITED will be held on Tuesday the 22nd September, 2009 at 3.00 P.M. at registered office of the Company situated at Plot No. 428/2, Phase I, Industrial Area, Siltara, Distt: Raipur – 493111, Chhattisgarh to transact the following business as:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2009 and Profit and Loss Account for the year ended on that date together with Auditors and Directors report thereon;
2. To declare a dividend on Equity Shares of the Company for the year ended 31st March, 2009;
3. To appoint a Director in place of Shri N. P. Agrawal who retires by rotation and being eligible for reappointment, offers himself for reappointment.
4. To appoint a Director in place of Shri Dinesh Gandhi who retires by rotation and being eligible for reappointment offers himself for reappointment.
5. To appoint a Director in place of Shri Dinesh Agrawal who retires by rotation and being eligible for reappointment offers himself for reappointment.
6. To appoint a Director in place of Shri Biswajit Choudhuri who retires by rotation and being eligible for reappointment offers himself for reappointment.
7. To consider and, if thought fit, to pass the following resolution, with or without modification as an ordinary resolution:
“RESOLVED THAT M/s O.P. Singhanian and Co., Chartered Accountants, be and are hereby reappointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company on a remuneration to be decided mutually by the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS:

8. To consider and, if thought fit, to pass the following resolution, with or without modification as an ordinary resolution:
“RESOLVED THAT in accordance with the provision of section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any other statutory modifications or enactment thereof, Mr. Vinod Pillai, who was appointed as Additional Director pursuant to provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as Director of the Company with immediate effect and is subject to retirement by rotation under the provisions of the Articles of Association of the Company.”
9. To consider and, if thought fit, to pass the following resolution, with or without modification as an ordinary resolution:
“RESOLVED THAT in accordance with the provision of Sections 198, 309 and 310, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the revision in the remuneration payable to Mr. B.L. Agrawal as Managing Director of the Company with retrospective effect from 1st April 2009 as set out in the Explanatory Statement annexed to the Notice convening this meeting with liberty to the Board of Directors to alter and vary revised remuneration in such manner as may be agreed to between the Board of Directors and Mr. B.L. Agrawal, provided it is within and in accordance with the limits specified in the Schedule XIII to the Companies Act, 1956 or any amendment thereto.”
“RESOLVED FURTHER THAT in any financial year during the tenure of Mr. B.L. Agrawal, the Company incurs a loss or its profits are inadequate, the Company shall pay to Mr. B.L. Agrawal the above remuneration by way of salary, performance bonus and other allowances as a minimum remuneration subject to the limits specified under Section II of Part II of Schedule XIII to the Companies Act, 1956 (including any statutory modifications or re-enactments thereof, for the time being in force) or such other limits as may be prescribed by the Government from time to time as minimum remuneration.”
10. To consider and, if thought fit, to pass the following resolution, with or without modification as an ordinary resolution:
“RESOLVED THAT in accordance with the provision of Sections 198, 309 and 310, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the revision in the remuneration payable to Mr. Dinesh Gandhi as Director-Finance of the Company with retrospective effect from 1st April 2009 as set out in the Explanatory Statement annexed to the Notice convening this meeting with liberty to the Board of Directors to alter and vary revised remuneration in such manner as may be agreed to between the Board of Directors and Mr. Dinesh Gandhi, provided it is within and in accordance with the limits specified in the Schedule XIII to the Companies Act, 1956 or any amendment thereto.”
“RESOLVED FURTHER THAT in any financial year during the tenure of Mr. Dinesh Gandhi, the Company incurs a loss or its profits are inadequate, the Company shall pay to Mr. Dinesh Gandhi the above remuneration by way of salary, performance bonus and other allowances as a minimum remuneration subject to the limits specified under Section II of Part II of Schedule XIII to the Companies Act, 1956 (including any statutory modifications or re-enactments thereof, for the time being in force) or such other limits as may be prescribed by the Government from time to time as minimum remuneration.”

By Order of the Board

Place: Raipur
Date: 28th July, 2009

Y. C. Rao
Company Secretary

NOTES:**1. Proxy**

A member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote instead of himself on a poll only and the proxy need not be a member of the company. Proxy forms should be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.

2. Book Closure

The Register of Members and share transfer books of the Company shall remain closed from 15th September, 2009 to 22nd September, 2009 (both days inclusive) for the purpose of the Annual General Meeting and payment of dividend for the year ended 31st March, 2009.

3. Payment of Dividend

The dividend on equity Shares for the year ended 31st March 2009, will be paid after declaration by the members:

- (i) In respect of shares held in physical form, to those members whose names appear on the Register of Members of the Company on 15th September, 2009 after giving effect to all valid share transfers lodged with the Company on or before 15th September, 2009.
- (ii) In respect of shares held in electronic form, to those beneficial owners whose name appear in the statement of beneficial ownership furnished by National Securities Depository Limited(NSDL) and Central Depository Services (India) Limited(CDSL) as at the end of business on 15th September, 2009.

The members are hereby informed that the company would transfer the dividends, which remain unclaimed over a period of 7 years, to the Investor Education and Protection Fund (IEP Fund) constituted by the Central Government under section 205C of the Companies Act 1956.

4. The following are the details of dividends paid by the Company and respective due dates for transfer of unclaimed dividend to such IEP Fund of the Central Government:

Year of Dividend	Date of Declaration	Due date for transfer to IEP Fund
2004-05	30.09.2005	30.09.2012
2005-06	26.09.2006	26.09.2013
2006-07 (Interim)	02.03.2007	02.03.2014
2006-07	25.09.2007	25.09.2014
2007-08 (Interim)	04.03.2008	04.03.2015
2007-08	23.09.2008	23.09.2015

Further, the company shall not be in a position to entertain the claims of the shareholders for the unclaimed dividends which have been transferred to the credit of the Investor Education and Protection Fund of the Central Government under the provisions of section 205A of the Companies Act 1956.

5. Investors holding physical shares are advised to forward the particulars of their Bank Account, name, branch and address of the bank immediately, if not sent already, so as to enable us to incorporate the same on dividend warrants.
6. E-mail for communication by the shareholders: investors@gpilindia.in

By Order of the Board

Place: Raipur
Date: 28th July, 2009

Y. C. Rao
Company Secretary

ANNEXURE TO NOTICE**EXPLANATORY STATEMENT**

Pursuant to Section 173 (2) of the Companies Act, 1956 the following Explanatory Statement sets out the material facts relating to Item Nos. 8 to 10 mentioned under the heading as SPECIAL BUSINESS:

SPECIAL BUSINESS:**Item No. 8:**

Mr. Vinod Pillai has been appointed as an Additional Director of the Company with effect from 28/07/2009. In terms of section 260 of the Companies Act, 1956, he holds office up to the date of ensuing Annual General Meeting. The Company has received notice from a member pursuant to section 257 of the Companies Act, 1956 signifying his intention to propose the candidature of Mr. Vinod Pillai as Director of the Company.

Shri Vinod Pillai, 41 years, is a Commerce Graduate from Pt. Ravi Shankar Shukla University, Raipur. He has vast experience in purchase, sales, liasioning, administration and logistics management. The Board of Directors of the Company is of the opinion that it would be in the interest of the Company to appoint Mr. Vinod Pillai as Director of the company since Mr. B.P. Singh, Director (Administration) has resigned from the directorship of the Company. He shall be liable to retire by rotation in accordance with the provisions of the Articles of Association of the Company.

A brief resume of Mr. Vinod Pillai, his nature of expertise and names of Companies in which he holds directorship and membership / chairmanship of Board Committees as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges in India, is provided in the Report on Corporate Governance forming part of the Annual report.

None of the Directors except Mr. Vinod Pillai himself is concerned or interested in the above resolution.

Item No. 9:

The shareholders of the Company at the Annual General Meeting held on 26/09/2006 revised the remuneration payable to Mr. B.L. Agrawal, Managing Director of the Company and the salary range was fixed ranging from Rs.1,25,000/- to Rs.1,75,000/- and other perquisites. The Board of Directors approved the payment of monthly salary of Rs.1,75,000/- during the financial year 2008-09. Since the upper limit of the salary range approved by the shareholders is exhausted, any increase in the monthly remuneration by way of salary to the Managing Director shall be beyond the scope of the authority given by the shareholders. In order to increase the monthly remuneration for the financial year 2009-10 onwards, the salary slab as fixed by the shareholders is required to be enhanced with the approval of the shareholders.

Upon the recommendation of the Compensation Committee, the Board of Directors at the meeting held on 28/06/09 have decided to revise the structure of the remuneration payable to Mr. B.L. Agrawal, Managing Director of the Company as follows with retrospective effect from 1st April, 2009:

Salary in the scale of Rs. 1,75,000/- to Rs. 4,00,000/-

Bonus: Bonus up to maximum of 20% salary, payable quarterly or at other interval as may be decided by the Board.

Company performance linked incentive: Company performance linked payable quarterly or at other interval as may be decided by the Board.

Individual's performance linked incentive: Individual performance linked incentive, up to maximum of 60% of the fixed gross salary, payable quarterly or at other interval as may be decided by the Board.

Perquisites:

1. Housing: Furnished / unfurnished residential accommodation or house rent allowance up to 50% of salary in lieu thereof. The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per Income Tax Rules, 1962.
2. Reimbursement of actual medical expenses incurred in India and / or abroad and including hospitalization, nursing home and surgical charges for himself and family.
3. Reimbursement of all the expenses (like travel fare, lodging, boarding, conveyance and other expenses) incurred for self and family during the leave travel holiday periods, whenever undertaken, whether in India or abroad.
4. Subscription or reimbursement or membership fee for clubs in India or abroad including admission and life membership fees.

5. The Company shall provide suitable conveyance facilities as may be required by Mr. B.L. Agrawal.
6. Personal accident insurance: as per the rules of the Company.

Other benefits: Mr. B.L. Agrawal shall also be entitled to the following benefits:

1. Earned / Privilege leave: As per the rules of the Company.
2. Company's contribution to provident fund and super-annuation fund: As per the rules of the Company
3. Gratuity: As per the rules of the Company.
4. Encashment of leave: As per rules of the Company.
5. Company car and telephone: Use of the Company's car and telephone at residence for official purpose, as per the rules of the Company.

The aggregate remuneration inclusive of salary, bonus, incentive, perquisites and other benefits payable to Mr. B.L. Agrawal, shall always be subject to the overall ceilings laid down in Sections 198 and 309 and other applicable provisions of the Companies Act, 1956.

Minimum remuneration

Where in any financial year during the tenure of Mr. B.L. Agrawal, the Company incurs a loss or its profits are inadequate, the Company shall pay to Mr. B.L. Agrawal the above remuneration by way of salary, performance bonus and other allowance as a minimum remuneration subject to the limits specified under Section II of Part II of Schedule XIII to the Companies Act, 1956 (including any statutory modifications or re-enactments thereof, for the time being in force) or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

None of the Directors except Mr. B.L. Agrawal himself, Mr. O.P. Agrawal, Mr. N. P. Agrawal, Mr. Dinesh Agrawal & Mr. Siddharth Agrawal being relatives of Mr. B.L. Agrawal may be considered as concerned or interested in the above resolution.

Item No. 10:

The shareholders of the Company at the Annual General Meeting held on 26/09/2006 revised the remuneration payable to Mr. Dinesh Gandhi, Director-Finance of the Company and the salary range was fixed ranging from Rs.72,000/- to Rs.1,08,000/- and other perquisites. The Board of Directors approved the payment of monthly salary of Rs.1,08,000/- during the financial year 2008-09. Since the upper limit of the salary range approved by the shareholders is exhausted, any increase in the monthly remuneration by way of salary to Director-Finance shall be beyond the scope of the authority given by the shareholders. In order to increase the monthly remuneration for the financial year 2009-10 onwards, the salary slab as fixed by the shareholders is required to be enhanced with the approval of the shareholders.

Upon the recommendation of the Compensation Committee, the Board of Directors at the meeting held on 28/06/09 have decided to revise the structure of the remuneration payable to Mr. Dinesh Gandhi, Director-Finance of the Company as follows with retrospective effect from 1st April, 2009:

Salary in the scale of Rs. 1,08,000/- to Rs. 2,50,000/-

Bonus: Bonus up to maximum of 20% salary, payable quarterly or at other interval as may be decided by the Board.

Company performance linked incentive: Company performance linked payable quarterly or at other interval as may be decided by the Board.

Individual's performance linked incentive: Individual performance linked incentive, up to maximum of 60% of the fixed gross salary, payable quarterly or at other interval as may be decided by the Board.

Perquisites:

1. Housing: Furnished / unfurnished residential accommodation or house rent allowance up to 50% of salary in lieu thereof. The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per Income Tax Rules, 1962.
2. Reimbursement of actual medical expenses incurred in India and / or abroad and including hospitalization, nursing home and surgical charges for himself and family.
3. Reimbursement of all the expenses (like travel fare, lodging, boarding, conveyance and other expenses) incurred for self and family during the leave travel holiday periods, whenever undertaken, whether in India or abroad.

4. Subscription or reimbursement or membership fee for clubs in India or abroad including admission and life membership fees.
5. The Company shall provide suitable conveyance facilities as may be required by Mr. Dinesh Gandhi.
6. Personal accident insurance: as per the rules of the Company.

Other benefits: Mr. Dinesh Gandhi shall also be entitled to the following benefits:

1. Earned / Privilege leave: As per the rules of the Company.
2. Company's contribution to provident fund and super-annuation fund: As per the rules of the Company
3. Gratuity: As per the rules of the Company.
4. Encashment of leave: As per rules of the Company.
5. Company car and telephone: Use of the Company's car and telephone at residence for official purpose, as per the rules of the Company.

The aggregate remuneration inclusive of salary, bonus, incentive, perquisites and other benefits payable to Mr. Dinesh Gandhi, shall always be subject to the overall ceilings laid down in Sections 198 and 309 and other applicable provisions of the Companies Act, 1956.

Minimum remuneration

Where in any financial year during the tenure of Mr. Dinesh Gandhi, the Company incurs a loss or its profits are inadequate, the Company shall pay to Mr. Dinesh Gandhi the above remuneration by way of salary, performance bonus and other allowance as a minimum remuneration subject to the limits specified under Section II of Part II of Schedule XIII to the Companies Act, 1956 (including any statutory modifications or re-enactments thereof, for the time being in force) or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

None of the Directors except Mr. Dinesh Gandhi himself is concerned or interested in the above resolution.

By Order of the Board

Place : Raipur
Date : 28th July, 2009

Y.C. Rao
Company Secretary