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CERTIFIED TRUE COPY
For Golkunda Diamonds & Jewellery Ltd.
Director

GOLKUNDA
Diamonds & Jewellery Ltd.

18TH ANNUAL REPORT 2007-2008

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GOLKUNDA DIAMONDS & JEWELLERY LIMITED

REGISTERED OFFICE

G-30, Gems & Jewellery, Complex - III,
SEEPZ, Andheri (East), Mumbai - 400 096.

BOARD OF DIRECTORS

Kanti Kumar Dadha	(Chairman & Managing Director)
Karan Singh Baid	(Whole Time Director)
Arvind Dadha	(Whole Time Director)
B. K. Ashok	(Professional / Independent Director)
Mahesh Kumar Dadha	(Independent Director)
Gautam Chand Dadha	(Independent Director)

BANKERS

State Bank of Indore.
Bank of India.
UTI Bank

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AUDITORS

M/s. A. J. Baliya & Associates.
Chartered Accountants.
Mumbai.

WORKS

G-30, Gems & Jewellery Complex - III,
SEEPZ, Andheri (East), Mumbai - 400 096.

307 / 308, Kapadia Industrial Estate,
Andheri Kurla Road, Chakala,
Andheri (East) Mumbai- 400 093.

DEMATERIALIZATION OF SECURITIES ISIN-INE798D1015

WEBSITE : www.golkunda.com

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NOTICE

NOTICE is hereby given that the 18th Annual General Meeting of **GOLKUNDA DIAMONDS & JEWELLERY LIMITED,** will be held at "Banquet Hall", Matoshri Art & Sport Club, Jogeshwari - Vikhroli Link Road, Andheri (E), Mumbai - 400 093 on 30, September, 2008 at 3.30 P.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2008 and Profit & Loss Account for the year ended on that date together with report of the Board of Directors and Auditor's thereon.

2. To appoint a Director in place of Shri Karan Singh Baid, who retires by rotation and being eligible offers himself for re-appointment.

3. To appoint a Director in place of Shri Mahesh Kumar Dadha, who retires by rotation and being eligible offers himself for re-appointment.

4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

5. To Consider and, if thought fit, to pass with or without modification/s, the following resolution as a Ordinary Resolution:-

"RESOLVED THAT subject to provisions of Section 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 the consent of the members be & is hereby accorded for appointment of Mr. Karan Singh Baid as Whole Time Director of the Company and payment of remuneration to him, w.e.f. 10th November, 2008 for the period of three years on terms and conditions as contained in the letter of Appointment and terms & conditions as contained therein and reproduced in the explanatory Statement attached to the notice.

FURTHER RESOLVED THAT in the absence of any profit or inadequacy of profit in any financial year during the tenure of appointment, the remuneration payable to the aforesaid appointee shall be as per the limits prescribed in the Schedule XIII to the Companies Act, 1956 or within such ceiling limits as may be prescribed under Schedule XIII from time to time of the Companies Act, 1956 or as may be recodified. The following perquisites however shall not be included in the computation of the ceiling on remuneration:

(a) contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961,
(b) gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
(c) encashment of leave at the end of the tenure.

The appointment can be terminated by either party by giving 3 months notice."

REGISTERED OFFICE :
G-30, Gems & Jewellery Complex III,
SEEPZ, Andheri (East),Mumbai-400 096
Date: 30th June, 2008

By and on behalf of
THE BOARD OF DIRECTORS
GOLKUNDA DIAMONDS & JEWELLERY LIMITED
KANTI KUMAR DADHA
(Chairman & Managing Director)

NOTES:

(a) A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of himself / herself and that proxy need not be a member of the Company.

Proxy form duly completed must reach the Registered Office of the Company not less than 48 hours before the meeting.

(b) The Register of Members and Share Transfer Books of the Company will be closed from 25.09.2008 to 30.09.2008. (both days inclusive).

(c) Members are requested to bring their attendance slip duly filled in for attending the meeting.

(d) Members are requested to notify changes, if any, in their registered address immediately at the Company's Registered Office.

(e) The Company has code of conduct for all Board Members and Senior Management of the Company and is duly following the terms of the code in letter and in sprit.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 5

Tenure of appointment of Shri. Karan Singh Baid as Whole Time Directors expires on 10th November, 2008. Having regards to the knowledge and experience in the Diamonds & Jewellery Manufacturing Business possessed by Shri Karan Singh Baid, and his contribution in the manufacturing and Human Development Functions and the likely growth of the business of the Company under his able guidance & supervision, it is proposed, subject to approval of members in General Meeting to re-appoint Shri. Karan Singh Baid, as Whole Time Director of the Company w.e.f. 10th November, 2008 for the period of three years under Section 269, 198, 309 & other applicable provisions, if any of the Companies Act, 1956 as per following details. The appointment and remuneration has been approved by the Remuneration Committee consisting of three independent directors at their meeting held on 30th June, 2008.

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Terms of Appointment

1. Remuneration: Rs. 1,00,000/- Per Month.
2. Mr. Karan Singh Baid shall also be entitled for Performance Bonus and/ or Commission and / or Ex-gratia, if any as may be recommended by the remuneration Committee and within the ceiling limit authorized by the provisions of the Companies Act, 1956 viz. Section 309, 311, 198 or Schedule XIII.
3. Perquisites: Shri. Karan Singh Baid shall also be entitled for the perquisites and allowances in addition to the remuneration mentioned herein above, which shall be restricted to an amount equal to the annual salary and the same shall be as hereinafter provided;

PART "A"

(i) Housing: The Company shall provide unfurnished accommodation to the Whole Time Director. If no accommodation is provided, House Rent Allowance @ not exceeding 60% of monthly salary or as per Companies Rule as applicable to other employee whichever is more shall be payable to the Whole Time Director and he is also eligible for reimbursement of expenses/allowances for utilisation of gas, electricity, water & the same will be valued as per Income Tax Rule 1962.
(ii) Medical Reimbursement: The Reimbursement of medical expenses incurred by the Whole Time Director for self and family subject to ceiling of one month's salary in a year or three months salary over a period of three years.
(iii) Leave Travel Concession: Leave Travel Concession for the Whole Time Director and his family in a year in accordance with the Rules & Regulation of the Company.
(iv) Personal Accident Insurance: Personal Accident Insurance of an amount of the annual premium of which does not exceed one month salary or Rs.15000/- per annum whichever is lower.
(v) Club Fees: Fees of Club subject to a maximum of two Clubs excluding Admission and Life Membership fees to the Whole Time Director.

PART "B"

(i) Companies Contribution to Provident & Other Fund: Companies Contribution to Provident Fund, Superannuation Fund or Annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
(ii) Gratuity: Gratuity payable at a rate not exceeding half a month's salary for each completed year of services.
(iii) Leave Encashment: Encashment of leave at the end of tenure will be permitted in accordance with the rules of the Company.

PART "C"

(i) Car: The Company shall provide Car with driver while on service.
(ii) Telephone: Telephone facility at the residence of the Shri. Karan Singh Baid for use of company's business. Reimbursement of telephone bills at residence and Mobile Phone with the condition that personal long distance calls should be logged and paid by him.
(iii)* Leave: Leave on full pay and allowance at the rate of one month for every eleven months of service. and all other benefits, perquisites and amenities in accordance with rules of the company and as agreed by the Board of Directors subject to overall ceiling prescribed under Section 198, 309 Schedule XIII and other applicable provisions as may be applicable of the Companies Act 1956 unless otherwise approved by the Central Government. The Company shall pay or reimburse the appointee for all the cost, charges, expenses that may be incurred by him for the purpose of the business of the Company.

For the purpose of computing ceiling on perquisites, the same will be valued as per Income Tax Rules, 1962 wherever applicable.

4. Notwithstanding the remuneration payable to Shri. Karan Singh Baid as detailed above, wherein any financial year during tenure of office of Shri. Karan Singh Baid, the Company has no profits or its profits are inadequate the Company shall pay remuneration to Shri. Karan Singh Baid by way of Salary, perquisites and other allowance as the case be, such amount not exceeding the limits prescribed in Schedule XIII of the Companies Act, 1956 or within such ceiling limits as may be recodified unless otherwise approved by the Central Government. The following perquisites however shall not be included in the computation of the ceiling on remuneration as stated above.

(a) contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
(b) gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
(c) encashment of leave at the end of the tenure.

The appointment can be terminated by either party by giving 3 months notice.

The above may also be treated as an abstract of the terms of appointment of the Whole-time Director as required under Section 302 of the Companies Act, 1956.

The Directors recommend to the shareholders the adoption of the above resolution as contained in the notice. The copy of appointment letter as given to Shri Karan Singh Baid will be available for inspection to the members at the Registered Office of the Company between 11.00 A.M and 1.00 P.M. on any working day.

None of the Directors except Shri. Karan Singh Baid himself are deemed to be concerned or interested in the above resolution.

The Board recommends passing of the resolution by the members.

REGISTERED OFFICE :
G-30, Gems & Jewellery Complex III,
SEEPZ, Andheri (East),Mumbai-400 096
Date: 30th June, 2008

By and on behalf of
THE BOARD OF DIRECTORS
GOLKUNDA DIAMONDS & JEWELLERY LIMITED
KANTI KUMAR DADHA(Chairman & Managing Director)

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DIRECTORS' REPORT

To,
The Member/s,

GOLKUNDA DIAMONDS & JEWELLERY LIMITED

The Directors' have pleasure in presenting their 18th Annual Report and Audited Statement of Accounts for the year ended 31st March, 2008.

FINANCIAL RESULTS:

(Amount in Rs. '000)

PARTICULARS	2007-08	2006-07
Sales & Income from Operation	597619	340120
Other Income	(10501)	(4952)
Total Expenditure	559804	323043
Interest	18553	12125
Profit Before Depreciation and Taxation	8761	6094
Depreciation	1876	1813
Profit Before Taxation	6885	4281
Provision for Taxation	2400	475
Prior Years Tax Adjustment	0	0
Fringe Benefit Tax	57	100
Deferred Tax	(456)	713
Profit After Taxation	4884	2993
Balance Carried to Balance Sheet	29912	25028

OPERATIONS:

We had targeted Middle East as our growth area and had done aggressive marketing there. There has been a positive response from the Middle East market for our products. We expect sale from Middle East market to increase this year as well. The company is soon to start its operation in the Surat SEZ to manufacture mainly for the rising demand of products for that market. The slowdown of US economy has badly hit our US exports but it has been offset with this market. The company intends to continue aggressively marketing in this region and will take part in trade shows as well. Also the domestic business is showing great promise and there is infrastructure in place to tap this market and we are poised to substantially increase in India as well. The foreign exchange fluctuation has negatively impacted our profit and this year we will manage foreign exchange transactions more effeciently to minimise this risk.

DIVIDEND:

Considering the necessity of conserving financial resources for future growth and expansion of the business of the Company and in view of financial position of the Company, the Board of Directors does not recommend payment of dividend on equity shares of the Company.

DIRECTORS:

Mr. Karan Singh Baid and Mr. Mahesh Kumar Dadha, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment. The Board recommends their re-appointment. Tenure of appointment of Shri. Karan Singh Baid expires on 10th November, 2008. Having regards to the knowledge and experience in the Diamonds & Jewellery Manufacturing Business possessed by Shri Karan Singh Baid, the Board proposes his re-appointment as Whole Time Director of the Company.

DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to an amendment to Section 217 of the Companies act, 1956, your Directors give hereunder the Director's Responsibility Statement pertaining to the accounts of the Company:-

1. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation statement relating to material departures.

2. The Directors 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 as on 31st March, 2008 and of the Profit & Loss Account of the Company for the year ended on that date.

3. The Directors 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.

4. These accounts have been prepared on a going concern basis.

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FIXED DEPOSIT:

The Company has not accepted any Fixed Deposit under Section 58A of the Companies Act, 1956, read together with the Companies (Acceptance of Deposits) Rules, 1975.

AUDITORS:

M/s. A. J. Baliya & Associates, Chartered Accountants, Statutory Auditors of the Company, retire at the ensuing Annual General Meeting. The said Statutory Auditors having furnished a certificate of their eligibility under Sec. 224(1B) of the Companies Act, 1956, are eligible for re-appointment. The Board recommends their re-appointment.

AUDITORS OBSERVATION:

Observation of Auditors regarding non-provision for sundry debtors, the Board is positive regarding the recovery of the subject receivables and hence no provision has been made as doubtful. Other comments of the auditors read with statements of accounts and notes attached thereto are self explanatory and do not call for further explanation.

PARTICULARS OF EMPLOYEES:

Pursuant to Section 217 (2A) of the Company Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, there are no employees drawing salary above monetary limit specified in above Rules and therefore, no particulars need to be furnished in this regard.

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

The particulars as prescribed under Sub Sec. (1)(e) of Section 217, of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are given hereunder:

A. Conservation of energy	The Company is taking all possible steps to conserve resources in its operations.
B. Technology absorption	N. A.

C. Foreign Exchange earnings and outgo
For the year ended 31.03.2008

	(Rs. in Thousand)
a) Earnings in foreign Currency	Rs. 5,79,809/-
b) Expenditure in Foreign Currency	Nil

CORPORATE GOVERNANCE:

A separate section covering the Management Discussion and Analysis and Corporate Governance as per the requirements of Clause 49 of the Listing Agreement is attached herewith and forms a part of this report.

ACKNOWLEDGEMENT:

The Directors wish to place on record their admiration for the services rendered by the executives and employees of the Company at all levels. The Board also takes this opportunity to express its appreciation for the continued support received from the Shareholders, the Banking institutions including the State Bank of Indore, the SEEPZ Authorities and all other stakeholders, during the year.

REGISTERED OFFICE :
G-30, Gems & Jewellery Complex III,
SEEPZ, Andheri (East),Mumbai-400 096
Date: 30th June, 2008

By and on behalf of
THE BOARD OF DIRECTORS
GOLKUNDA DIAMONDS & JEWELLERY LIMITED
KANTI KUMAR DADHA(Chairman & Managing Director)

INVESTORS SERVICES:

1) Dematerialization of Securities.

In order to give better services to the shareholders and investors and in terms of stipulation imposed by the SEBI and Stock Exchange, the Company has moved towards dematerialization of securities. During the year, several members' particularly Individual including small shareholders of the Company availed the facility of dematerialization of shares of the Company.

In case you have any queries or seek any clarifications with regard to the process of dematerialization of securities or the functioning of Depository Participant (DP), you may contact at the Registered Office of the Company. The Compliance Officer present there would guide you through the process of opening an account and help to clarify your doubts regarding trading of securities in dematerialised form.

In order to facilitate better understanding of the process and to enable the investor to avail of this facility, the following points may be noted while lodging documents for transfer or demat.

DO's

- Lodge documents for transfer together with request for simultaneous demat in favor of NSDL/CDSL.
- Specify at the time of lodgment, your desire for transfer-cum demat.
- Await the confirmation letter received from Company or M/S. SHAREX INDIA DYNAMIC PVT. LTD.
- Submit the confirmation letter received from Company OR M/S. SHAREX DYNAMIC (INDIA) PVT. LTD. after transfer with your Depository Participant (DP) along with the Demat Request From (DRF)
- Sign the DRF in the same manner as signed on the transfer deed submitted for transfer.
- Ensure that the DRF is submitted by you mentioning your Client ID where the names are in similar pattern as mentioned in the transfer deed.

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- Mention the quantity of shares on the DRF that has been transferred as mentioned in the Confirmation letter.
- Mention on the DRF the details of the distinctive numbers/ certificate numbers as given in the confirmation letter.
- Ensure that the demat request is generated and forwarded by your DP with in the prescribed time as mentioned in the confirmation letter.

DONT's

- Lodge the documents for transfer with your DP.
- Submit the DRF without signature of all the joint holders
- Sign the DRF in a different pattern from the signature on the transfer deed.

If there is a delay in submitting the DRF to your DP, the physical certificates will be dispatched by Company.

2) Nomination facility.

The Companies (Amendment) Act, 1999 has introduced through section 109A, the facility of nomination to share / debenture / deposit holders. This facility is mainly useful for all holders holding the shares/ debentures/ deposits in single name. In case where the securities /deposits are held in joint names, the nomination will be effective only in the event of the death of all the holders.

Investors holding shares in physical from may send enclosed nomination from to the Company at Registered office of the Company. However, if the shares are held in dematerialised from, the nomination has to be conveyed to your depository participants directly, as per the format prescribed by them.

REGISTERED OFFICE :
G-30, Gems & Jewellery Complex III,
SEEPZ, Andheri (East),Mumbai-400 096
Date: 30TH June, 2008

By and on behalf of
THE BOARD OF DIRECTORS
GOLKUNDA DIAMONDS & JEWELLERY LIMITED
KANTI KUMAR DADHA
(Chairman & Managing Director)

Nomination Request Form
(For shares held in physical from)

To,
M/s. Golkunda Diamonds & Jewellery Ltd
G-30, Gems & Jewellery, Complex III,
SEEPZ, Andheri (E), Mumbai 400 096.

From

Folio No. No. of Shares

I am / we are holder(s) of shares of the Company as mentioned above. I/ We nominate the following person(s) in whom all rights of transfer and / or amounts payable in respect of shares shall vest in the event of my/our death.
Nominee's Name:

Age _____

To be furnished in case the nominee is a minor
Date of Birth
Guardian's Name*

Occupation of Nominee Tick ( ) 1) Service 2) Business 3) Student 4) Household 5) Professional 6) Farmer 7) Others

Nominee's Address

Pin Code Tel. No. Fax No.
Email Address
Std Code
Specimen signature of Nominee/Guardian (in case nominee is minor)

Kindly take the aforesaid details on record.

Thanking you,
Yours faithfully,

Name of all holder(s) Signature as per specimen

as appearing on the Certificate(s) recorded with company
Sole/1st holder
2nd holder
3rd holder
Signature of two Witnesses

Name and Address Signature with date
1
2

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GOLKUNDA DIAMONDS & JEWELLERY LIMITED

ANNUAL REPORT 2007-2008

CORPORATE GOVERNANCE REPORT

[Pursuant to Clause 49 of the Listing Agreement]

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance heavily leans on the fact of its willingness to incorporate fairness and transparency as a second nature of operations in the Company. The Company aims at achieving an optimum balance between rewards to management and returns to shareholders, clearly understanding that while the management risks its efforts; shareholders risk their hard earned funds.

BOARD OF DIRECTORS

a) Composition (as on 31.03.2008)

The Company's policy is to maintain optimum combination of Executive and Non-executive Directors.

1) The Board of Directors of your Company comprises of an Executive Chairman and Managing Director, 2 Whole Time Executive Directors and 3 Non-Executive Independent Director.
2) All Directors other than Mr. Kanti Kumar Dadha, Mr. Karan Singh Baid and Mr. Arvind Kumar Dadha are Independent Directors.

b) Number of Board Meetings Held, Dates On Which Held

Nine (9) Board Meetings were held during the financial year 2007-08 on 10-04-2007, 11-06-2007, 02-07-2007, 31-07-2007, 10-10-2007, 12-10-2007, 31-12-2007, 28-01-2008 and 10-03-2008.

c) Attendance of Each Directors at the Board Meeting and Last AGM, Number of other Boards or Board Committees in which he/she is a Member or Chairperson.

Name of Director	Category	No. of other Director – ships held (Other than Golkunda)	No. of other Committee Chairman – ships / member- ships held (Other than Golkunda)	No. of Board Meetings Attended	Attendance at Last AGM held on 28.09.2007
Mr. Kanti Kumar Dadha	Chairman Managing Director Promoter	Nil	Nil	9	Yes
Mr. Karan Singh Baid	Whole Time Executive Director Promoter	Nil	Nil	9	Yes
Mr. Arvind Kumar Dadha	Whole Time Executive Director Promoter	Nil	Nil	9	Yes
Mr. B. K. Ashok	Independent Professional Non-ExecutiveDirector	Nil	Nil	9	Yes
Mr. Mahesh Kumar Dadha	Independent Non-ExecutiveDirector	Nil	Nil	5	Yes
Mr. Gautam Chand Dadha	Independent Non-ExecutiveDirector	Nil	Nil	9	Yes

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BOARD COMMITTEES

AUDIT COMMITTEE

COMPOSITION, NAME OF MEMBERS AND CHAIRMAN

The Audit Committee of the Company was formed on 15th October, 2003 and comprises of 2 Independent Directors and 1 Professional Independent Director as follows:

Sr. No.	Name of the Member	Designation on Committee	Category
1	Mr. Mahesh Kumar Dadha	Chairman	Independent Director
2	Mr. Gautam Chand Dadha	Member	Independent Director
3	Mr. B. K. Ashok	Member	Professional Independent Director

During the year under review, there was no change in the composition of Audit Committee.

MEETINGS OF AUDIT COMMITTEE AND ATTENDANCE DURING THE YEAR

The Committee met 4 (four) times during the year on the following dates viz. 02.07.2007, 31.07.2007, 12.10.2007 and 28.01.2008.

Name of Director	Category	No. of Meeting attended
Mr. Mahesh Kumar Dadha	Independent Director	4
Mr. Gautam Chand Dadha	Independent Director	4
Mr. B. K. Ashok	Professional Independent Director	4

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BRIEF DESCRIPTION OF TERMS OF REFERENCE

The Company has an Audit Committee with scope of activities as set out in Clause 49 (II) of the Listing Agreement with the Stock Exchanges read with section 292A of the Companies Act, 1956. The Committee acts as a link between the Statutory / Internal Auditors and the Board of Directors of the Company. The broad terms of reference of the Audit Committee are as under:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- To hold periodic discussion with the Statutory Auditors and Internal Auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit and observations of the Auditors / Internal Auditors;
- To review compliance with internal control systems;
- To review the quarterly, half-yearly and annual financial results of the Company before submission to the Board;
- To make recommendations to the Board on any matter relating to the financial management of the Company, including the Audit Report;
- Discussing and reviewing the company's financial and risk management policies;
- Recommending the appointment of statutory auditors and fixation of their remuneration.

REMUNERATION COMMITTEE

COMPOSITION, NAME OF MEMBERS AND CHAIRMAN

The Remuneration Committee was constituted on 15th October, 2003 and comprises of 2 Independent Directors and 1 Professional Independent Director as follows:

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Sr. No.	Name of the Member	Designation on Committee	Category
1	Mr. Mahesh Kumar Dadha	Chairman	Independent Director
2	Mr. Gautam Chand Dadha	Member	Independent Director
3	Mr. B. K. Ashok	Member	Professional Independent Director

MEETINGS OF REMUNERATION COMMITTEE AND ATTENDANCE DURING THE YEAR

The Committee met once during the year on 02.07.2007. All the members of the Committee had attended the meeting of Remuneration Committee.

BRIEF DESCRIPTION OF TERMS OF REFERENCE,

The Remuneration Committee while approving remuneration of Managing Director / Executive Directors takes into account the financial position of the Company, qualification, experience, performance and past remuneration of the concerned managerial person. The Broad terms of reference of the Remuneration Committee are as follows:

1. Fixation of Suitable Remuneration Package of all the Executive Directors and Non Executive Directors i.e. Salary, Perquisites, Bonuses, Stock Options, Pensions etc.

2. Determination of the fixed component and performance linked incentives along with the Performance Criteria to Directors of the Company.

3. Service Contracts, Notice Period, and Severance fees of Directors.

REMUNERATION POLICY AND DETAILS OF REMUNERATION TO ALL DIRECTORS, AS PER FORMAT IN MAIN REPORT

Details of remuneration paid to the Executive Directors during the year ended 31-03-2008 are as follows:

Name	Salary	Stock Option	Commission	Contribution to Provident Fund and other funds	Perquisites	Total
Mr. Kanti Kumar Dadha	678400	0	0	50880	0	729280
Mr. Karan Singh Baid	424000	0	0	31800	0	455800
Mr. Arvind Kumar Dadha	424000	0	0	31800	0	455800

Notes:

- Mr. Kanti Kumar Dadha was re-appointed as a Chairman and Managing Director with effect from 30th October, 2005 for period of four years ending 30th September, 2009.
- Mr. Karan Singh Baid was appointed as a Whole Time Director with effect from 1st October, 2005 for the period of five years.
- Mr. Arvind Kumar Dadha was appointed as a Whole Time Director with effect from 1st October, 2005 for the period of five years.

DETAILS OF REMUNERATION / COMPENSATION PAID TO THE NON- EXECUTIVE / INDEPENDENT DIRECTOR DURING THE YEAR ENDED 31.03.2008:

Name of Director	No. of MeetingsAttended	Amount paid(in Rs.)
Mr. Mahesh Kumar Dadha	5	3000
Mr. Gautam Chand Dadha	9	3000
Mr. B. K. Ashok	9	0

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