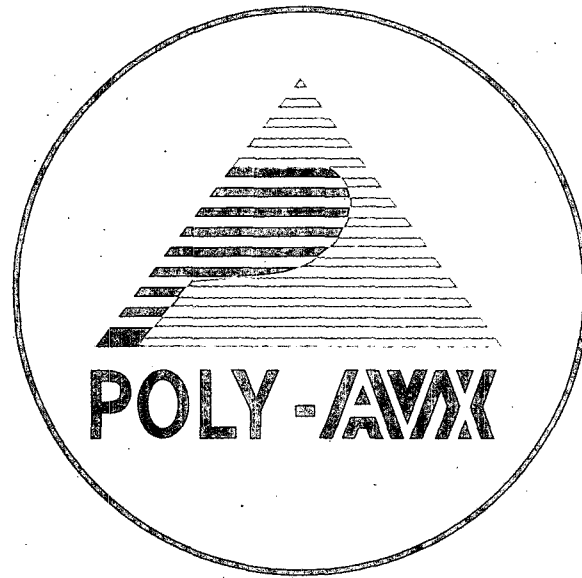


19TH ANNUAL REPORT 2007-08



GUJARAT POLY- AVX ELECTRONICS LIMITED



GUJARAT POLY-AVX ELECTRONICS LIMITED

NINETEENTH ANNUAL REPORT 2007-2008

ANNUAL GENERAL MEETING

On Tuesday, the 5th August, 2008
at B-17/18, Gandhinagar Electronic Estate,
Gandhinagar, Gujarat, at 1.00 p. m.

As a measure of economy, copies of the
Annual Report will not be distributed at the Annual
General Meeting. Shareholders are requested
to kindly bring their copies to the meeting.

Board of Directors

Mr. T. R. Kilachand (*Chairman*)

Mr. P. T. Kilachand

Mr. A. H. Mehta (*Executive Director-Finance & Legal*)

Mr. Chandrakant Khushaldas

Brig. K. Balasubramaniam

Mr. A.B.Shah (*GIIC Nominee*)

Mr. R. K. Jani (*GIIC Nominee*)

Company Secretary

Mr. J. M. Shah

Bankers

Bank of Baroda

Contents

	Page
Notice	3
Directors' Report	4
Management Discussion	6
Corporate Governance Report	7
Auditors' Report	12
Annexure to the Auditors' Report	13
Balance Sheet	14
Profit and Loss Account	15
Cash Flow Statement	16
Schedules to Accounts	17
Notes forming part of the Accounts	21
General Business Profile	26
Attendance Slip & Proxy	

Auditors

Messrs. C. C. Chokshi & Co.
(*Chartered Accountants*)

Solicitors and Legal Advisers

Crawford Bayley & Co.

Registered Office and Works

B-17/18, Gandhinagar Electronic Estate,
Gandhinagar 382 024, Gujarat.

Corporate Office

7, Jamshedji Tata Road
Churchgate Reclamation
Mumbai 400 020.

NINETEENTH ANNUAL REPORT 2007-08

NOTICE

Notice is hereby given that the Nineteenth Annual General Meeting of the Members of GUJARAT POLY-AVX ELECTRONICS LIMITED will be held at B-17/18, Gandhinagar Electronic Estate, Gandhinagar, Gujarat on Tuesday, the 5th August, 2008 at 1.00 p.m. to transact the following business:

1. To receive, consider and adopt the Directors' Report and Audited Balance Sheet as at 31st March, 2008 and Profit and Loss Account for the year ended 31st March, 2008.
2. To appoint a Director in place of Mr. P.T.Kilachand who retires by rotation, but being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Brig.K.Balasubramaniam who retires by rotation, but being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. A.H.Mehta who retires by rotation, but being eligible, offers himself for re-appointment.
5. To consider and, if thought fit, to pass with or without modification/s, the following resolution as an Ordinary Resolution for appointing Auditors for the current year.

"RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, Messrs. C.C.Chokshi & Company, Chartered Accountants, Ahmedabad, be and are hereby appointed as Auditors of the Company from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company.

Further Resolved that the Board of Directors be and is hereby authorised to fix the remuneration of the Auditors and reimbursement of travelling and all other out of pocket expenses incurred in connection with the audit.

By Order of the Board of Directors

J.M.SHAH
Company Secretary

Registered Office:

Plot No. B-17/18,
Gandhinagar Electronic Estate
Gandhinagar 382024
Gujarat.

Dated: 30th June, 2008

NOTES :

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER. The Proxies to be effective, should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
- (b) The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 22nd July, 2008 to 29th July, 2008 (both days inclusive).
- (c) Members holding shares in the dematerialized mode are requested to intimate changes in their address, if any, to their Depository Participants and Members holding shares in physical form are requested to intimate the change of address, if any, immediately to the Registrar & Share Transfer Agents at Sharepro Services (India) Pvt. Ltd., Satam Estate, 3rd Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai 400 099.

Telephone: 022-28215168 / 022-67720300

Fax : 022-28375646

Email : sharepro@vsnl.com

- (d) The Company's securities are listed on the following Stock Exchange :

Name & Address of the Stock Exchange	Nature of Security
Bombay Stock Exchange Limited Jeejeebhoy Towers Dalal Street Mumbai 400 023.	85,50,000 Equity Shares of Rs.10/- each

The Company has paid Annual Listing fees for 2007-08 to the above Stock Exchange.

(e) Members who have not yet exchanged the Share Certificates, are requested to exchange their Old Share Certificates with New Share Certificates, with the Company.

Information as required under Clause 49(4)(G)(i) of the Listing Agreement, in respect of Directors being re-appointed/appointed.

Name of Director	Brig.K.Balasubramaniam	Mr.P.T.Kilachand	Mr.A.H.Mehta
Age	79 years	41 years	63 years
Qualification	PTSc (Eq to ME)(Army), FIETE	Sc.B. 'Electrical Engg. & A.B.Engg. & Economics from Brown University	B.Com., F.C.A., F.C.S.
Date of Appointment	30.11.1994	11.03.1992	14.09.1989
Expertise	General Management	He served as an Executive Director of the Company for more than 7 years and has been actively involved and looking after all aspects of the various activities of the Company since inception. Experience in Management, Marketing and negotiation with varied authorities.	Experience in Audit, Accountancy Secretarial, Legal & Admn., Taxation etc. with Polychem Ltd., Sandeep Holdings Ltd. and Tandon Singapore Pte.Ltd. He has been involved with the Company since its incorporation and is familiar with all aspects of the Company. He has been serving as an Executive Director of the Company since 1.7.2001 and is responsible for Company's finance and legal functions and carries out duties as instructed to him from time to time by the Board of Directors..
Other Directorship in Public Companies (excluding Private Companies) as on 31st March, 2008	—	Polychem Ltd. Ginnars and Pressers Ltd. Sun Tan Trading Co. Ltd.	Sun Tan Trading Co. Ltd.
No. of Equity Shares held	—	17682	2

By Order of the Board of Directors

J.M.SHAH
Company Secretary

Registered Office:

Plot No. B-17/18,
Gandhinagar Electronic Estate
Gandhinagar 382024, Gujarat.
Dated : 30th June, 2008

GUJARAT POLY-AVX ELECTRONICS LIMITED**DIRECTORS' REPORT TO THE MEMBERS**

Your Directors present the Nineteenth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2008.

1. PRODUCTION ACTIVITIES

During the Financial Year 2007-08 the total Production was 863.00 Lacs pieces in comparison to 867.62 Lacs pieces previous year, a decrease of 0.50 %

2. SALES

The Sales Turnover during the Financial Year 2007-08 was Rs. 679.48 Lacs which is 3.3 % more than the previous year Turnover of Rs. 657.82 Lacs. There is a apparent shift in the product mix from the Conventional Single Layer Ceramic Capacitors to Multilayer Ceramic Capacitors and Surface Mount Devices. Average realization per unit product wise has come down due to competition of imported products and shift from large size to smaller size. Also sale to Instrumentation and Industrial Electronics segment has increased. However, sale to Telecommunication segment is coming down. Modification in the product mix are being done to meet the customers need.

3. FINANCIAL RESULTS

The Company's operations for the year has resulted into profit of Rs.22.82 Lacs (Previous year loss of Rs. 36.86 lacs). Before interest and depreciation & tax there is surplus of Rs.215.32 lacs (Previous year : Rs.140.43 lacs). In view of the accumulated loss, your Directors have not been able to recommend any dividend for the year 2007-2008.

4. FINANCE

The Company has not received any additional loans from the financial institutions during the year ended 31st March, 2008.

5. FIXED DEPOSITS

The Company has not received any deposits from Public during the year.

6. PARTICULARS OF EMPLOYEES

Provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 are not applicable to the Company.

7. PROCEEDINGS BEFORE THE AAIFR / BIFR

As informed to you in the last Annual Report, the Company had, at the time of Review Hearing, held on 18.07.2006 submitted to BIFR that the rehabilitation package sanctioned by AAIFR vide its Order dated 27.3.2002, provided for reduction of equity share capital, conversion of part of the principal amount of loan of Term Lenders into equity shares, preference shares. The balance principal amount was to be paid as per the dates provided in the Order of AAIFR dated 27.3.2002. The Company could not make the payment as per the said Order and had requested the Term Lenders for revised payment schedule the terms of which were mutually accepted. The company accordingly has completed the entire payment of principal amount of Rs.861.14 lacs One Time Settlement (OTS), to Term Lenders. The Company will still be required to pay the balance interest on OTS amount as mutually accepted, payment of Funded Interest Term Loan -I (FITL-I) & balance payment of FITL-II to Bank of Baroda as well as interest on Working Capital Term Loan, FITL-I & FITL-II.

8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO ETC.

As required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1968, the Report of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo etc. is given in Annexure-I forming part of this report.

9. DIRECTORS

Brig.K.Balasubramaniam, Mr. P.T.Kilachand and Mr. A.H.Mehta retire from office by rotation but being eligible, offer themselves for reappointment.

10. AUDIT COMMITTEE

Your Company has set-up an Audit Committee of Directors as mandated by section 292(A) of the Companies Act, 1956 as amended. Mr. Chandrakant Khushaldas, Brig.K.Balasubramaniam and Mr. P. T. Kilachand are the members of the Audit Committee.

11. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm that :

- (i) in the preparation of the annual accounts, applicable accounting standards have been followed, with proper disclosure of any departures;
- (ii) the accounting policies are consistently applied and reasonable, prudent judgement and estimates are made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the annual accounts on a going concern basis.

12. CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement a separate report on Corporate Governance and a certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance are annexed to the Directors' Report.

13. AUDITORS' REMARKS

As regards the remarks in the Auditors' Report, please refer to the Notes on Accounts which are self-explanatory.

14. APPOINTMENT OF AUDITORS

You are requested to appoint Auditors. The retiring Auditors M/s.C.C.Chokshi & Co., Chartered Accountants, Ahmedabad are eligible for re-appointment.

15. ACKNOWLEDGEMENT

Your Directors express their sincere thanks to the Central and State Government authorities, including Gujarat Industrial Investment Corporation Ltd., Bank and Financial Institutions and the Collaborators Kyocera-AVX Corp of USA.

Sincere thanks are also due to the Management team, the staff and workers for their valuable contribution during this critical period of the Company.

For and on behalf of the Board
T. R. KILACHAND
Chairman

Registered Office :

Plot No. B-17/18
Gandhinagar Electronic Estate
Gandhinagar 382 024
GUJARAT.

Dated : 30th June, 2008

NINETEENTH ANNUAL REPORT 2007-08

ANNEXURE I

A. CONSERVATION OF ENERGY

- a) Energy conservation steps taken :
 - i) Effective utilization of resources like compressed air, chilled water and other utilities.
 - ii) Balanced power distributions with correct power factors and proper maintenance of power factor bank.
 - iii) Effective utilization of utility facility and production machinery
- b) Additional Investments & Proposals being implemented
 - i) Optimum use of utilities with better productivity resulted to low consumption of energy.
 - ii) Scheduled maintenance for effective maintenance of all utilities, equipment like chiller, dryer, compressor etc.
- c) Impact of measures at (a) & (b) above :

The above programmes have resulted in the cost saving, better productivity as also the cost saving of the material and also in the energy conservation.
- d) Power & Fuel Consumption : Not Applicable

B. TECHNOLOGY ABSORPTION

FORM - B

1. SPECIFIC AREAS IN WHICH R & D CARRIED OUT BY THE COMPANY

- i) Stream line Lead free product
- ii) Development of spares locally in place of imported
- iii) Indigenization of raw material and imported spares.

2. BENEFITS DERIVED AS A RESULT OF ABOVE R & D

- i) Reduction in machine down time
- ii) Reduction in level of stocking of machine spares
- iii) Commitment to improve environment.

3. FUTURE PLAN OF ACTION

- i) Indigenisation of raw materials, tools and spares to continue
- ii) Local development of Jigs and Fixtures to replace imported spares.
- iii) Continue the development of products similar to our present range of products.

4. EXPENDITURE OF R & D

Negligible

TECHNOLOGY - ABSORPTION , ADAPTATION & INNOVATION

(1) (a) Technology Absorption

Technology Absorption is complete in the areas commissioned

(b) Adaptation

As part of continuous quality improvement, alteration of process condition and parameters are being undertaken.

(c) Innovation

Systems adopted have led to improve the process

(2) BENEFITS

- i) The quality of product maintained which resulted in negligible customer returns on technical ground.
- ii) Improved process time and reduce breakdown time of machine

(3) IMPORTED TECHNOLOGY

No additional import of Technology in the Financial Year 2007-08.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- i) Total Foreign Exchange used : Refer note of 18 (e) of Schedule 16 (B)
- ii) Total Foreign Exchange earned : Rs. NIL

GUJARAT POLY-AVX ELECTRONICS LIMITED



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Overview

Gujarat Poly-AVX Electronics Ltd was incorporated in the year 1989 to manufacture Ceramic Capacitors in Radial, Axial, Surface Mount Devices (SMD's) Configuration in Multilayer type in collaboration with AVX Ltd, USA, a world leader in passive components and Singlayer (Disc) Ceramic Capacitors. Your Company is one of the largest manufacturers of Ceramic Capacitors in India.

Industrial Structure and Development

Ceramic Capacitors are classified as Passive Electronic Components manufactured by your Company to primarily market to the Original Equipment Manufacturers (OEM's) in the following Market Segments:

- (1) Computer & Computer Peripherals
- (2) Instrumentation and Industrial Electronics
- (3) Consumer Electronics
- (4) Defence
- (5) Telecommunications
- (6) Dealers

The Electronic Industry is growing rapidly and all the above segments consume our Ceramic Capacitors.

Opportunities and Threats

- Your Company's products are supplied to a wide range of customers covering the above segments.
- Ceramic Capacitors are characterized by their wide range, miniature size and are the most widely used Electronic Passive Components.
- Your Company is also dealing / Trading in other types of Capacitors.
- The market for Ceramic Capacitors is fiercely competitive due to imports particularly from China.
- The Components are imported into India at 0% Custom Duty and are easily available for import by OEM's
- The volatility in the metal prices have severely hit the bottom lines.

Risks & Concerns

The reduction in the import duties have resulted in import of new technologies from the developed countries and with it the components in Kit Form. They can have an adverse impact on the growth of our customer base.

The concept of global sourcing is taking shape world wide and can impact on our growth.

The metal volatility can adversely impact on the tight existing margins.

Performance by Sector and Products

There has been a significant increase in the sales to the Instrumentation and Industrial Electronics segment due to increase in subcontractor business. However, the supply prices were very competitive in this segment. The Telecommunication segment continued its drop due to low requirements of Fixed lines and EPBT's.

There was perceptible shift in the product mix from SLCC's to Radial and SMD MLCC's with continued price pressure. The ASP's continued to be under severe pressure due to competition from imports and migration of larger Chip sizes to smaller sizes.

The Total Sales during the Financial Year 2007-08 was Rs.679.48 Lacs against Rs. 657.82 Lacs previous year.

Similarly the Production was 863.00 Lacs pieces in the Financial Year 2007-08 in comparison to 867.62 Lacs pieces previous year.

Outlook

Directors are hopeful of increasing the Sales Turnover of the Company.

The Company is cautiously optimistic about the growth prospects for the current Financial Year.

Internal Control System and their Adequacy

Gujarat Poly-AVX Electronics Ltd has adequate system of internal controls to ensure all assets are safeguarded and protected against loss from unauthorised use or disposition and that transactions are authorised, recorded and reported correctly.

Your Company has nominated Internal Auditors who evaluate all financial and operating system control of the company. The Internal Auditors also review the internal controls to ensure Accounts of the Company are maintained and transactions are in accordance with the prevailing laws and regulations.

Internal Audit findings and recommendations are reviewed by the top management and the Audit Committee of the Board. The Committee reviews the quarterly, half yearly and annual financial statements before these are submitted to the Board and ensures compliance of internal control system.

FINANCIAL PERFORMANCE

Reserves & Surplus

During the year under review there has been no changes in the capital reserves of the company which stands at Rs. 29,75,000/-.

Secured Loans

As per AAIFR order dated 27th March, 2002, Company was required to pay Rs.861.14 lacs OTS amount to term lenders by 31st December, 2004. Company negotiated in November, 2004 with term lenders for extending the period of payment of OTS amount of Rs.861.14 lacs. Term Lenders agreed for extension of payment of OTS amount. As per extended period of payment of OTS amount, company has paid the OTS amount to term lenders. While extending the period, term lenders had stipulated the payment of interest for this period. Accordingly, the aggregate payment of interest to them comes to Rs.226.78 lacs (plus interest @ PLR on reducing balance wherever instalment is exclusive of the same) out of which Rs.75.03 lacs have been paid till 31.03.08 leaving the balance amount of Rs.151.75 lacs payable on agreed schedule of payment.

Fixed Assets (Net Block)

The Net Block as on 31.3.2008 is Rs. 606 lacs compared to Rs. 731 lacs for previous year. The net block has gone down due to depreciation / adjustment for the year.

Investments

The Company has not made any investments during the year.

Net Current Assets

The net current assets of the Company have increased from Rs. 112.54 lacs to Rs. 157.19 lacs.

Results of operations

The revenue during the year has increased from Rs.657.82 lacs to Rs. 679.48 lacs mainly due to growth in the sale to Instrumentation and Industrial Electronics. The profit for the year is Rs.22.82 lacs against loss of Rs.36.86 lacs in the previous year. Provisions for interest and financial charges are Rs. 62.91 lacs compared to Rs. 47.38 lacs during previous year.

Payment to and provisions for employees amounts to 14.39% of sales compared to 13.77% in the previous year. Depreciation amounts to 18.85% of Sales during the year compared to 19.54% in the previous year.

The Company cannot recommend dividend due to accumulated losses.

Material Development in Human Resources

Your Company's strength lies in it's human resources and total employee involvement. Emphasis is placed on effective communication, continuous on going training and regular upgradation of each individual's performance & skills. The company's key business strategy continues to empower every employee to be leader in its stride towards total quality management.

NINETEENTH ANNUAL REPORT 2007-08**CORPORATE GOVERNANCE REPORT**

The Securities and Exchange Board of India (SEBI) ushered in a formal code of corporate governance (hereafter the code) through clause 49 in the listing agreement executed by the Company with a stock exchange. Clause 49 lays down several corporate governance practices which listed companies are required to adopt. The code has been periodically upgraded to ensure the adoption of best corporate governance practices by the corporates. While most of the practices laid down in clause 49 require mandatory compliance, few are recommendatory in nature. This report sets out the compliance status of the Company with the requirements of corporate governance, as set out in clause 49, for the financial year 2007-2008.

Company's Philosophy on Corporate Governance :

The Philosophy on Corporate Governance aims at attainment of the highest levels of transparency, accountability and equity in the functioning of the Company vis-à-vis interactions with employees, shareholders, creditors and customers. The objective of the Company is not only to meet the statutory requirements of the code but also go well beyond it by instituting such systems and procedures as are required in accordance with the latest global trend of making management completely transparent and institutionally sound.

1. Board of Directors

The Company has 7 Directors including a Non-Executive Chairman. There are 6 Non-Executive Directors out of which 2 are Independent Directors. Board of Directors are responsible for management of the Company's business. The Board's role, functions, responsibility and accountability are clearly defined.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Chairmanships/Memberships held by them in other companies is given below. Other directorships do not include alternate directorships, directorships of private limited companies, Section 25 companies and of companies incorporated outside India. Chairmanship/Membership of Board Committees includes only Audit and Shareholders'/Investors' Grievance Committees. The table below provides the composition of the Board of Directors as on 31.3.2008.

FY 2007-08 (April '07 to March '08)

Name of the Director	Attendance Particulars			Sitting fees Rs.	No. of other Directorship and Committee Membership/ Chairmanship	
	Category	Board Meetings	Last AGM held on 14.09.07		Other Directorship in Public Limited Companies	Committee Membership/ Chairmanship
Mr. T.R.Kilachand	Chairman	5	Yes	10,000/-	2	2
	NED					
Mr. P.T.Kilachand	NED	3	No	6,000/-	3	1
Brig.K.Balasubramaniam	NED(I)	4	Yes	8,000/-	—	—
Mr.C.Khushaldas	NED(I)	5	Yes	10,000/-	1	—
Mr. A.B.Shah (Nominee of GIIC)	NED	0	No	—	3	—
Mr. R.K.Jani (Nominee of GIIC)	NED	4	No	8,000/-	—	—
Mr. A.H.Mehta	ED	4	Yes	—	1	—

Notes:

1. NED – Non-Executive Director.
2. NED (I) – Non-Executive and Independent Director.
3. ED – Executive Director
4. Mr.Tanil R. Kilachand and Mr.Parthiv T. Kilachand, are related. No other directors are related

Number of Board Meetings held and dates on which held

Five Board Meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows:

26th April, 2007, 30th July, 2007, 14th September, 2007, 31st October, 2007 and 21st January, 2008.

GUJARAT POLY-AVX ELECTRONICS LIMITED**2. Audit Committee**

i. The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchange read with Section 292A of the Companies Act, 1956. Terms of reference of the Audit Committee are broadly include overseeing financial report processes, reviewing with the management the financial statements and adequacy of internal control systems, reviewing the adequacy of internal audit function and discussion with internal auditors on any significant findings and follow-up thereon.

ii. Minutes of meetings of the Audit Committee are circulated to members of the Committee and the Board is kept apprised.

iii. Composition and Attendance

During the year under review, four meetings of the Audit Committee were held on the following dates and the attendance of each member of the Committee is given below :

26th April, 2007, 30th July, 2007, 31st October, 2007 and 21st January, 2008.

Name of the Director	Designation	Category	Committee Meetings	
			Held during the tenure	Attended
Mr. Chandrakant Khushaldas	Chairman	Independent Director	4	4
Brig. K.Balasubramaniam	Member	Independent Director	4	3
Mr..P.T.Kilachand	Member	Non-Executive	4	3

The majority of the members of the Audit Committee are independent and have knowledge of finance, accounts, company law and telecom industry as a whole. The quorum for audit committee meeting is minimum of two members.

The Company Secretary acts as the Secretary to the Committee.

Details of number of Shares and Convertible instruments held by Non-Executive Directors

Except Mr.T.R.Kilachand and Mr.P.T.Kilachand who hold 49,602 and 17,682 Equity Shares of Rs.10/- each of the Company respectively, no other Non-Executive Director holds any shares or Convertible instruments of the Company.

3. Adoption of Non mandatory requirement of Clause 49

The Company complies with the following non-mandatory requirements stipulated under Clause 49.

Remuneration Committee:

Terms of reference

The Terms of Reference of Remuneration Committee include recommending to the Board of Directors specific remuneration packages for Executive Director and management staff.

The composition of the remuneration committee as on 31st March, 2008 was as under:

Sr.No.	Name of the Director	Designation
1.	Mr..C.Khushaldas	Chairman
2.	Brig..K.Balasubramaniam	Member
3.	Mr. P.T.Kilachand	Member

All the above Directors are Non-Executive and the Chairman is an Independent Director.

The Remuneration Committee met once during the year on 30th July, 2007.

4. Shareholders'/Investors' Grievance Committee

The following Directors are the members of the said Committee:-

Sr.No.	Name of the Director	No. of Meeting(s)	
		Held	Attended
1.	Mr. T.R.Kilachand - Chairman	23	19
2.	Mr. P.T.Kilachand - Non-Executive Director	23	23
3.	Mr. A.H.Mehta - Executive Director	23	21

The Committee would look into the redressal of the shareholders' complaints in respect of all matters including transfer or credit of shares to demat accounts, non-receipt of Notices/Annual Reports, non-receipt of Share Certificates etc.

Share transfer formalities are attended to at least once a fortnight.

Mr. J.M.Shah, Company Secretary provided secretarial support to the Committee and was also the designated Compliance Officer of the Company.

Five complaints were received during the year and the same were resolved. There are no complaints pending from the shareholders as on 31.3.2008