



**HINDUSTAN  
COMPOSITES  
LIMITED**

**Annual Report 2006 - 2007**

# **BOARD OF DIRECTORS**

Raghu Mody	Chairman
P. K. Choudhary	Managing Director
Vinay Sarin	Executive Director
V. D. Ingle	Executive Director
Varunn Mody	
Keith M. Robinson	
D. Lawson Lyon	
V. B. Haribhakti	
A. B. Vaidya	
Haigreave Khaitan	Alternate Director to Mr. K. M. Robinson
Amit Goenka	G.M. Finance & Company Secretary

# **AUDITORS**

Lodha & Co.

# **SOLICITORS**

Khaitan & Co.

# **BANKERS**

Bank of Baroda  
Union Bank of India

# **REGISTERED OFFICE**

B-11, Paragon Condominium,  
Pandurang Budhkar Marg, Worli,  
Mumbai - 400 013.

# **REGISTRAR & TRANSFER AGENTS**

Intime Spectrum Registry Limited,  
C-13, Pannalal Silk Mills Compound,  
LBS Marg, Bhandup, (W)  
Mumbai-400 078.

# **WORKS**

Paithan : D-2/1, MIDC Industrial Area.  
Bhandara : C-10/1, Bhandara Indl.Area, Gadegaon.  
Jalna : C-11, Addl. Jalna Indl. Area.

For Hindustan Composites Ltd.

*Amit Goenka*

Company Secretary

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### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Forty Third Annual General Meeting of the Company will be held at Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6th Floor, 12, K. Dubhash Road, Fort, Mumbai - 400 001, at 4.00 p.m. on Monday 3rd September, 2007 to transact the following business:

- 1) To consider, approve and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2007 and Profit and Loss Account for the year ended 31<sup>st</sup> March, 2007 together with the Report of the Directors and Auditors thereon.
- 2) To appoint a Director in place of Mr. Raghu Mody who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To appoint a Director in place of Mr. K. M. Robinson who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

3. The Register of Members and the Share Transfer Books of the Company will remain closed from 29 August, 2007 to 3rd September, 2007 (both days inclusive).
4. The Company has listed its shares at Bombay Stock Exchange Ltd., National Stock Exchange of India Ltd., and Calcutta Stock Exchange. Upto date listing fees have been paid except Calcutta Stock Exchange, where Company has applied for delisting.
5. Shareholders are requested to bring their copies of the Annual Report to the Meeting.
6. Members who hold the shares in dematerialized form are requested to bring their client ID and DPID numbers for easier identification of attendance at the meeting.
7. Queries on accounts and operations of the Company, if any, may please be sent to the Company seven days in advance of the meeting so that the answers may be made available at the Meeting.

### ANNEXURE TO NOTICE

**Directors being proposed for re-appointment** (information required under Clause 49(VI)(A) of the Listing Agreement).

**Mr. Raghu Mody**, aged 68 years has been Chairman of the Company since 1987. He is the leading industrialist with several years of extensive and varied experience. He is also the Chairman of J.L.Morison (I) Ltd., Rasoi Ltd., and Director of ten other companies.

Mr.Mody has wide experience in setting up an operating Business in Edible oil, Health care products, Cosmetics, Friction Materials, Sealing Materials and other Industrial Products. He has successfully collaborated with world renowned Companies of Germany, U.K., Switzerland etc. to bring the new generation technologies in India.

**Mr. Keith Robinson**, aged 59 years, he is leading lawyer based in the United Kingdom. Mr.Robinson is associated with the Company for the last 12 years as a Director.

Mr.Robinson possess rich experience in Mergers & Acquisitions, International Taxation and Trade Laws.

### Registered Office :

B-11, Paragon Condominium,  
P. B. Marg, Worli,  
Mumbai - 400 013.

**By Order of the Board of Directors**

**Amit Goenka**

Date : 11<sup>th</sup> May 2007

G. M. Finance & Company Secretary

### NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY FORM SHOULD BE LODGED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE TIME OF COMMENCEMENT OF THE MEETING.
2. Pursuant to the provision of Section 205A of the Companies Act, 1956 as amended, dividend for the financial year ended 31<sup>st</sup> March, 2000 which remained unpaid or unclaimed for a period of 7 years has been, and thereafter, dividend which remains unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund (IEPF). It may be noted that no claims will lie against the Company or the Investor Education and Protection Fund in respect of the said unclaimed dividend amount transferred to the fund.

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**By Order of the Board of Directors**

**Amit Goenka**

Date : 11<sup>th</sup> May 2007

G. M. Finance & Company Secretary

**ANNUAL REPORT 2006-07****DIRECTORS' REPORT**

Your Directors present their **Forty Third Annual Report** together with the Audited Accounts for the year ended 31st March 2007.

**1. FINANCIAL RESULTS**

	Rs.Lacs Year ended 31st March 2007	Rs.Lacs Year ended 31st March 2006
Net Sales	6587	6156
Profit before interest, depreciation & separation cost:	785	701
Interest (Net)	(192)	(221)
Depreciation	(281)	(260)
Profit before separation cost and tax	312	220
Employees separation cost	(779)	(109)
Profit/(Loss) before tax	(467)	111
Provision for taxation		
- Current (including FBT)	18	(55)
- Deferred	(97)	11
- Tax adjustments related to prior years.	(26)	-
Profit/(Loss) after taxation	(362)	67

**2. DIVIDEND**

Although the Company made an operating profit, however, after considering the exceptional item of employees separation cost, a position of net loss has emerged. The Directors do not, therefore, recommend any dividend for the year ended 31st March 2007.

**3. PERFORMANCE**

The net turnover of the Company increased by 7% to Rs. 65.87 Crores from Rs. 61.56 Crores in the previous year. The company's focus towards OEM business and the resultant investment in Fixed Assets and Technology have now started yielding results with high volume manufacturing.

Despite an increase in the company's turnover, operating margins remain under pressure, primarily on account of major cost escalations in Raw Materials and other input costs, that could not be passed on to the customers, due to competitive market conditions. Higher than normal expenses necessitated on account of the company's focus on OEM business, was an additional causative factor impacting on profitability.

As reported in the earlier years, the company's Ghatkopar unit became unviable due to high operating costs, poor worker productivity and lower price realisations due to highly competitive market conditions. The management, having exhausted all avenues of resurrecting viable operations at the Ghatkopar plant, was left with no alternative, but to close this unit. Accordingly, pursuant to the settlement with the Worker's Union in November 2006, ratified by the Honourable Mumbai

High Court, the company's Ghatkopar Plant was closed, effective 3rd August 2006. All Workmen were separated under the company's Voluntary Retirement Scheme (VRS). The terminal benefits payable to these Workmen have been accounted as per the Accounting Policy consistently followed by the company.

During the year, a new manufacturing facility to produce Asbestos-Free Heavy Commercial Vehicle and Passenger Car Brake Linings was set up at the company's Paithan Plant, resulting in additional turnover from this unit. The Plant now manufactures the entire range of Asbestos-Free Heavy duty Commercial Vehicle and Passenger Car Brake Linings, Disc Brake Pads, Roll Linings and Railway Brake Blocks.

The performance of the Bhandara Plant was generally satisfactory with increased production of Industrial Brake Linings.

The working of the Jalna Plant, although improved, the profitability remained under pressure due to major escalation in input costs and price realisation not commensurate with manufacturing cost increase.

Although, the overall position in the current year remains competitive, the company hopes to post better results in the coming years, with major investments being undertaken for capacity expansion and technology upgradation. The Company will continue to provide a major thrust towards growth in the OEM business with a focus on R & D.

The Company has revalued all its Residential Premises as on 31.03.2007 on their fair market value, using standard indices as assessed and valuation reports submitted by approved valuers. This has resulted in a net increase in the book value by Rs.16.56 crores, which has been transferred to Revaluation Reserve.

The company participated at the Automechanika Fair at Frankfurt in September 2006, thus increasing its exposure to new products and markets globally.

**4. PUBLIC DEPOSITS**

There were no deposits at the beginning of the year and the Company did not accept any deposits from the public during the year.

**5. PERSONNEL**

The information required under Section 217 (2A) of the Companies Act, 1956 is not given as none of the employee was in receipt of remuneration in excess of the limits specified thereunder.

**6. CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION**

Particulars required under Section 217 (1)(e) of the Companies Act, 1956 relating to conservation of energy and technology absorption are given in an Annexure to this Report.



**7. FOREIGN EXCHANGE EARNINGS AND OUTGO.**

Foreign Exchange earning from exports amounted to Rs.827 Lacs, of FOB value basis whilst the outgo for raw materials, components and spares amounted to Rs.737 Lacs.

**8. DIRECTORS**

Mr. Raghu Mody and Mr. Keith M. Robinson, Directors retire by rotation and being eligible offer themselves for re-appointment.

**9. AUDITORS**

M/s Lodha & Co., the Auditors of your Company who hold office until the conclusion of the forthcoming Annual General Meeting, being eligible, offer themselves for re-appointment.

**10. CORPORATE GOVERNANCE**

As required by the Listing Agreement, the Corporate Governance Report, including Management Discussion and Analysis Report and the Certificate of Compliance from the Auditors, is attached and forms part of this Report.

**11. DIRECTORS' RESPONSIBILITY STATEMENT**

On the basis of information placed before them, the Directors state that –

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- (ii) appropriate accounting policies have been selected and applied consistently and made judgements 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 or loss of the Company for that period;

- (iii) proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) the annual accounts have been prepared on a going concern basis.

**12. ACKNOWLEDGEMENT**

The Directors gratefully acknowledges the support and co-operation given by all dealers, distributors, employees, shareholders and bankers and look forward to their continued support.

By order of the Board of Directors

Place : Mumbai  
Date : 11th May 2007

**RAGHU MODY**  
Chairman

Additional information as required under Section 217 (1)(e) of the Companies Act, 1956, read with the Rules framed thereunder forming part of the Directors' Report for the year ended 31st March 2007.

## ANNEXURE TO THE DIRECTORS' REPORT

**CONSERVATION OF ENERGY:-**

1. The Company has engaged an Energy Consultancy Firm to carry out the Audit of current system at its Paithan Plant. On their recommendation, VFDs have been installed on motors of 40 HP & above and all the curing dies have been insulated.

**RESEARCH AND DEVELOPMENT (R & D)****(1) Specific Area where R & D being carried out by the company.**

- 1.1 High performance Asbestos free Drum Brake Lining for HCV
- 1.2 Asbestos free Brake Lining for 3 Wheelers
- 1.3 Solvent free process for manufacturing Roll Linings

**(2) Benefits as results of above R & D :**

New range of asbestos free products provide new opportunities in OEM's, and Industrial segment in domestic as well as export marketings.

**(3) Future Plan of action**

- 3.1 Ceramic based Clutch Buttons and Friction Pads
- 3.2 Disc Brake Pads for Commercial vehicles and Railways.

**(4) Expenditure on R & D:**

4.1 Capital	Nil
4.2 Recurring	Rs. 104.13 Lacs
4.3 Total	Rs. 104.13 Lacs
4.4 Total as a % of Turnover.	Rs. 1.6%

**(5) TECHNICAL ABSORPTION, ADAPTATION AND INNOVATION.**

Association with the overseas consultancy firm for technical know-how continues.

## ANNUAL REPORT 2006-07

**CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2006 - 2007.**

(Pursuant to Clause-49 of the Listing Agreement entered into with the Stock Exchanges)

**1. A brief statement on Company's philosophy on code of governance.**

The Company believes in transparency, professionalism and accountability, which are basic principles of corporate governance and would constantly endeavor to improve on these aspects.

**2. Corporate Ethics.**

The Company adheres to the highest standards of business ethics, compliance with statutory and legal requirements and commitment to transparency in business dealings.

**2.1 Code of Conduct of Board Members and Senior Management.**

The Board of Directors of the Company adopted the Code of Conduct for its members and Senior Management at their meeting held on 5<sup>th</sup> September 2005 and it is reviewed periodically. The Code highlights Corporate Governance as the cornerstone for sustained management performance and for serving all the stakeholders and for instilling pride of association. The code has been posted on the website of the Company i.e www.hindcompo.com.

**2.2 Code of Conduct for Prevention of Insider Trading.**

The Company has adopted a Code of Conduct for Prevention of Insider Trading for its management, staff and directors. The Code lays down guidelines and procedures to be followed and disclosures to be made by directors, top level executives and staff whilst dealing in shares. The Company Secretary has been appointed as the Compliance Officer and is responsible for adherence to the Code.

**2.3 Whistle Blower Mechanism.**

The Company encourages all employees, officers and directors to report any suspected violations promptly and intend to investigate any good faith report of violations.

**2.4 SHE (Safety, Health & Environment) System.**

The Company has adopted Safety, Health and Environment (SHE) System with a commitment to provide a safe and healthy working environment.

**4. Board of Directors****• Composition:**

The Board of Directors as on 31<sup>st</sup> March 2007 consists of **Nine** Directors and **One** alternate Director. The composition of the Board, attendance at Board Meetings held during the year and at the last Annual General Meeting, number of directorships in other companies and committees are given below:

Name of Director	Category	No. of Board Meetings held during the year	Attendance particulars		No. of other Directorship / Committee Positions		
			Board Meetings	Last AGM	No. of Directorships	Committee Positions	
						Member	Chairman
Mr. Raghu Mody	Non-Executive Chairman, Promoter	6	6	Yes	7	1	2
Mr. Varunn Mody	Non-Executive Director Promoter	6	6	Yes	3	-	-
Mr. V. B. Haribhakti	Non-Executive, Independent	6	6	Yes	7	2	4
Mr. A.B. Vaidya	Non-Executive, Independent	6	6	Yes	-	-	-
Mr. D. Lawson Lyon	Non-Executive, Independent	6	1	Yes	-	-	-
Mr. Keith M Robinson	Non-Executive, Independent	6	1	Yes	-	-	-
Mr. P. K. Choudhary	Executive Director	6	6	Yes	2	-	-
Mr. V. D. Ingle	Executive Director	6	5	Yes	-	-	-
Mr. Vinay Sarin	Executive Director	6	5	Yes	-	-	-
Mr. Haigreave Khaitan	Alternate Director to Mr.Keith M Robinson	6	0	N.A	13	9	-

**3. Secretary's Responsibility Statement.**

The Company Secretary confirms that the Company has:

- Maintained all the Statutory Registers required to be maintained under the Companies Act, 1956 ("the Act") and the rules made thereunder.
- Filed all the forms and returns and furnished necessary particulars in time to the Registrar of Companies (RoC), Ministry of Company Affairs (MCA) and/ or Authorities as required under the Act.
- Issued all notices as required to be given for convening the meeting of the Board of Directors and General Meetings of the shareholders within the time limit prescribed by law.
- Conducted the meetings of the Board of Directors and Annual General Meeting as per the provisions of the Act.
- Complied with all the requirements relating to the minutes of the proceedings of the meeting of the Directors and the shareholders.
- Made due disclosures under the requirements of the Act including the requirements in pursuance to the disclosures made by the Directors.
- Obtained necessary approvals of the directors, shareholders, Central Government and other authorities as per the statutory requirements.
- Given loans and made investments in accordance with the requirements of the Act.
- Not exceeded the borrowing powers of the Company.
- Registered all the particulars relating to the creation, modification and satisfaction of the charges with the Registrar of Companies.
- Effected share transfers and despatched the certificates within the time prescribed under the Act and the rules made thereunder.
- Paid dividend to the shareholders within the prescribed time limit and complied with all provisions relating to declaration and payment of dividend.
- Complied with all the requirements of the Listing Agreement entered into with the Stock Exchanges wherever the Company's shares are listed.

The Company has also complied with the requirements prescribed by Securities and Exchange Board of India (SEBI) and other statutory authorities and also the requirements under the Act and related statutes in force.

• **Number, date & Strength of Board Meeting held :**

There were Six Board Meetings held during the year. The dates on which the meetings were held are as follows:

Date of Board Meeting	Strength of the Board	No. of Directors' present
26 <sup>th</sup> April 2006	9	6
6 <sup>th</sup> July 2006	9	7
27 <sup>th</sup> July 2006	9	7
04 <sup>th</sup> September 2006	9	9
31 <sup>st</sup> October 2006	9	6
31 <sup>st</sup> January 2007	9	6

• **Details of the Directors being proposed for Appointment / Re-appointment at the forthcoming Annual General Meeting (pursuant to Clause 49(VI)(A) of the Listing Agreement).**

**Mr. Raghu Mody**, aged 68 years has been Chairman of the Company since 1987. He is leading industrialist with several years of extensive and varied experience. He is also the Chairman of J.L.Morison (I) Ltd., Rasoi Ltd., and Director of ten other companies.

Mr. Mody has wide experience in setting up an operating Business in Edible oil, Health care products, Cosmetics, Friction Materials, Sealing Materials and other Industrial Products. He has successfully collaborated with world renowned Companies of Germany, U.K., Switzerland etc. to bring the new generation technologies in India.

**Mr. Keith Robinson**, aged 59 years, he is leading lawyer based in the United Kingdom. Mr. Robinson is associated with the Company for the last 12 years as a Director.

Mr. Robinson possess rich experience in Mergers & Acquisitions, International Taxation and Trade Laws.

5. **Audit Committee**

• **Brief description of terms of reference:**

The terms of reference of this committee are wide enough covering the matters specified for Audit Committees under Clause-49 of the Listing Agreement as well as under Section 292A of the Companies Act, 1956.

• **Composition:**

The Audit Committee is constituted by the Board of Directors consisting of three non-executive directors viz., Mr. V. B. Haribhakti, the Chairman, is a leading Chartered Accountant, Mr. Raghu Mody, Member, is a prominent industrialist and Mr. A.B.Vaidya, is a qualified Civil Engineer and also was associated with LIC, SIDBI, NABARD, IFCl etc. The Company Secretary acts as the Secretary to the Committee.

• **Meetings and attendance during the year:**

There were **four** meetings of the Audit Committee during the year on 26<sup>th</sup> April 2006, 27<sup>th</sup> July 2006, 31<sup>st</sup> October 2006 & 31<sup>st</sup> January 2007 and the attendance for the meetings was as follows:

Sl.No.	Name of Directors	No. of Meetings Attended
1.	Mr. V. B. Haribhakti	4
2.	Mr. Raghu Mody	4
3.	Mr. Haigreve Khaitan (upto 24.07.2006)	Nil
4.	Mr. A.B.Vaidya (w.e.f 04.09.2006)	3

The Broad terms and reference of Audit Committee are to review the financial statements before submission to Board, to review reports of the Concurrent Auditors and Internal Audit department and

to review the weakness in internal controls reported by Concurrent, Internal and Statutory Auditors and to review the remuneration of Internal Auditor. In addition, the powers and role of the Audit Committee are as laid down under clause 49(II)C & 49(II)D of the Listing Agreement and Section 292A of the companies Act, 1956.

6. **Remuneration Committee**

The Company has not formed remuneration Committee, being non-mandatory requirement. However, the Board of Directors, reviews the remuneration and performance of the Executive Directors from time to time.

• **Remuneration policy:**

The remuneration policy is directed towards rewarding performance based on review of achievements on a periodical basis.

• **Details of remuneration / fee to the Directors are as under:**

Name of the Directors	Salary & Perquisites (Rs.in lacs)	Sitting Fees Board Meeting (in Rs.)	Sitting Fees Audit Committee Meeting (in Rs.)	Shareholders' / Investors Grievance Committee Meeting (In. Rs.)
Mr.Raghu Mody	N.A	30,000	20,000	5,000
Mr.Varunn Mody	N.A	30,000	N.A	N.A
Mr.Keith M. Robinson	N.A	5,000	N.A	N.A
Mr.D.Lawson Lyon	N.A	5,000	N.A	N.A
Mr.V.B. Haribhakti	N.A	30,000	20,000	5,000
Mr.A.B.Vaidya	N.A	30,000	15,000	N.A
Mr.P. K. Choudhary	15.00	N.A	N.A	N.A
Mr.Vinay Sarin	8.50	N.A	N.A	N.A
Mr.V. D. Ingle	8.35	N.A	N.A	N.A

Note - Salary includes Basic Salary, House Rent Allowance, Bonus, LTA, Use of Company's Car, Furniture & Equipment and perquisites, the monetary value of which has been calculated in accordance with the provisions of the Income Tax Act, 1961 and Rules made thereunder but does not include Company's Contribution to Gratuity Fund.

The Non-Executive Directors did not draw any remuneration from the Company. Sitting fees to Non-executive Independent Directors is being paid at the rate of Rs.5000/- for each meeting of the Board and sub-committees attended by them.

• **Shareholding of Non-Executives Director(s).**

As on 31<sup>st</sup> March 2007 the following Non-Executive Director(s) of the Company.

Sl.No	Name of the Non-Executive Director	No.of Shares
1.	Mr.Varunn Mody	150

7. **Shareholders' / Investors' Grievance Committee**

The Shareholders' / Investors' Grievance Committee comprises of Mr. Raghu Mody - Chairman, Mr.V.B.Haribhakti, Independent Director and Mr. Amit Goenka - G M Finance & Company Secretary as Compliance Officer & the Secretary to the Committee. During the year under review, 43 complaints were received from investors which were replied / resolved to the satisfaction of the investors. All the complaints received upto 31<sup>st</sup> March 2007 was duly attended in time.

## ANNUAL REPORT 2006-07

Mr. Amit Goenka – G.M Finance & Company Secretary is the Compliance Officer. His address and contact details are given below ;

Address : B-11 Paragon Condominium, Pandurang Budhkar Marg, Worli, Mumbai-400013

Phone : 66530101 – 04

Fax : 66530105

Email : amitgoenka@hindcompo.com

No. of Shareholders' Complaints received during the year ended 31.03.07 : 43

No. of pending complaints : NIL

No. of pending share transfers as on 31.03.07 : NIL\*

- There were no share transfers pending for registration for more than 15 days on the said date.

### 8. General Body Meetings

- Location and time, where last three Annual General Meetings held:**

AGM for the financial year ended of	Date & Time AGM	Location
2003-04	September 6, 2004 at 4.00 pm	The Convention Hall, 4 <sup>th</sup> Flr, Y.B. Chavan Centre, Gen. J.B. Marg, Nariman Point, Mumbai-400 021.
2004-05	September 5, 2005 at 4.00 pm	As above
2005-06	September 4, 2006 at 4.00 pm	As above

### Special Resolutions

In the Annual General Meeting held on 6<sup>th</sup> September, 2004, Special resolutions were passed for (i) Delisting of the Company's shares from the Calcutta Stock Exchange, and (ii) Payment of commission to Directors not in whole time employment of the Company, such sums not exceeding in aggregate 1% of the net profit of the Company as computed under section 309 of the Companies Act, 1956.

The Company has not passed any special resolution at the Annual General Meeting held on 5<sup>th</sup> September, 2005 and 4<sup>th</sup> September, 2006.

### Postal Ballot :

No postal ballot was used in any of these Annual General Meetings.

The Company has issued Postal Ballot Notice to its shareholders on 26<sup>th</sup> April 2007 to accord their consent under section 293(1)(d) of the Companies Act, 1956 to give power to the Board of Directors of the Company to borrow money upto a limit of Rs. 75 crores. Mr. Manish L. Ghia, Practising Company Secretary has been appointed as scrutinizer for the postal ballot process. The result of the postal ballot will be declared on 4<sup>th</sup> June 2007.

### 9. Disclosures

- There are no related party transactions of a materially significant nature that may have a potential conflict with the interests of the Company at large.
- The Company has complied with the requirement of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital market during the last three years, except the delay in compliance with regulation 6,7&8 of SEBI (Substantial Acquisition of shares and Takeover) Regulation, 1997 in the year 1997, 2001, 2002 & 2004 for which SEBI has levied a penalty of Rs.50000/-. The matter is under adjudication. No other penalties

or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other statutory Authorities.

- The whistle blower policy is reviewed regularly and it is ensured that everybody has the direct access to the audit committee.

### 10. Means of communication

- The Company has published its Quarterly Results in 'The Free Press Journal' (English) and 'Navshakti' (Hindi) as per the details mentioned below ;

News Paper	Date of Board Meeting	Date of Publishing
Free Press Journal & Navshakthi	26/04/2006	27/04/2006
Free Press Journal & Navshakthi	27/07/2006	28/07/2006
Free Press Journal & Navshakthi	31/10/2006	01/11/2006
Free Press Journal & Navshakthi	31/01/2007	01/02/2007

### 10.1 EDIFAR FILING

- As per the requirement of Clause 51 of the Listing Agreement, all the data relating to quarterly financial results, shareholding pattern etc., are being electronically filed on the EDIFAR website [www.sebiedifar.nic.in](http://www.sebiedifar.nic.in) within the time frame prescribed in this regard. Also in Company's website i.e [www.hindcompo.com](http://www.hindcompo.com). Any important news releases are also displayed in Company's website.

### 11. General Shareholder information

#### 1) Annual General Meeting

3rd September, 2007

#### 2) Financial Calendar 2007-08

- a) First quarter results ~ End of July 2007
- b) Second quarter results ~ End of October 2007
- c) Third quarter results ~ End of January 2008
- d) Fourth quarter results ~ End of April 2008

#### 3) Date of Book closure : 29th August, 2007- 3rd September, 2007(both days inclusive)

#### 4) Listing on Stock Exchanges

- a) The Stock Exchange, Mumbai
- b) National Stock Exchange
- c) Calcutta Stock Exchange (Applied for delisting)

### Stock Code

Physical : 509635 on Mumbai Stock Exchange  
HINDCOMPOS on National Stock Exchange

Demat : INE310C01011

### Listing Fees

The Company has paid the listing fees for the year 2007- 08 all the stock exchanges where the shares are listed, excluding Calcutta Stock Exchange Association Ltd., where the Company has applied for delisting.