



ANNUAL REPORT 2005 - 2006

**CONTENTS**

|   |    |
|---|----|
| Board of Directors/Bankers/Auditors                           | 1  |
| Notice  | 2  |
| Directors and Management Discussion and Analysis Report       | 4  |
| Corporate Governance Report                                   | 8  |
| Auditors' Report  | 19 |
| Balance Sheet   | 22 |
| Profit and Loss Account                                       | 23 |
| Cash Flow Statement   | 24 |
| Schedules to the Balance Sheet                                | 26 |
| Schedules to the Profit and Loss Account                      | 29 |
| Notes on Accounts   | 31 |
| Balance Sheet Abstract and Company's General Business Profile | 37 |
| Statement regarding Subsidiary Companies                      | 38 |
| Consolidated Financial Statements                             | 39 |

**BOARD OF DIRECTORS**

B P BAJORIA  
K DALMIA  
M KUSAKABE  
D G RAJAN  
A N SADHU  
K S B SANYAL  
T YAZAWA  
S K BAJORIA, *Managing Director*  
P BAJORIA, *Director & Chief Executive*

**COMPANY SECRETARY**

R AGARWAL

**BANKER**

STATE BANK OF INDIA

**AUDITORS**

PRICE WATERHOUSE  
*Chartered Accountants*

**HEAD & CORPORATE OFFICE**

McLEOD HOUSE  
3, NETAJI SUBHAS ROAD  
KOLKATA - 700 001  
PHONE : +91 33 22482411, FAX : +91 33 22430886  
EMAIL : [ifgl@bajoria.in](mailto:ifgl@bajoria.in)  
WEBSITE : [www.bajoria.in](http://www.bajoria.in)

**REGISTERED OFFICE & WORKS**

SECTOR 'B'  
KALUNGA INDUSTRIAL ESTATE  
PO : KALUNGA - 770 031  
DIST : SUNDERGARH (ORISSA)  
PHONE : +91 661 2660195, FAX : +91 661 2660173  
EMAIL : [ifglworks@bajoria.in](mailto:ifglworks@bajoria.in)

**OPERATING SUBSIDIARY COMPANIES**

MONOCON INTERNATIONAL REFRACTORIES LTD, UK  
MONO CERAMICS INC, USA  
MONOTEC REFRACTORIOS LTDA, BRAZIL  
TIANJIN MONOCON REFRACTORIES CO LTD, CHINA  
MONOCON TAIWAN CO LTD, TAIWAN

**REGISTRARS & SHARE TRANSFER AGENT**

MAHESHWARI DATAMATICS PVT LTD  
6, MANGOE LANE, 2ND FLOOR  
KOLKATA - 700 001  
PHONE : +91 33 22482248, FAX : +91 33 22484787  
EMAIL : [mdpl@cal.vsnl.net.in](mailto:mdpl@cal.vsnl.net.in)



## Notice of Annual General Meeting

Notice is hereby given that Seventeenth Annual General Meeting of the Members of IFGL Refractories Limited will be held on Tuesday, 29th August, 2006 at 11 AM at the Registered Office situated at Sector 'B', Kalunga Industrial Estate, P.O. Kalunga 770 031, Dist. Sundergarh, Orissa to transact the following business.

### Ordinary Business

1. To receive, consider and adopt Profit and Loss Account for financial year ended 31st March, 2006 and Balance Sheet as on that date and Schedules and Notes forming part thereof and the Reports of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares for financial year ended on 31st March, 2006.
3. To appoint a Director in place of Mr D G Rajan, who retires by rotation and being eligible, offer himself for re-appointment.
4. To appoint a Director in place of Mr K S B Sanyal, who retires by rotation and being eligible, offer himself for re-appointment.
5. To appoint Statutory Auditors and to authorise the Board to fix their remuneration including terms of payment. The retiring Auditors, Messrs Price Waterhouse, Chartered Accountants, being eligible, offer themselves for re-appointment.

By Order of the Board  
For IFGL Refractories Limited

R Agarwal  
Company Secretary

Kolkata  
15th May, 2006

### NOTES:

1. **A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member. Proxies in order to be effective, must be lodged with the Company not less than 48 (forty eight) hours before the commencement of the ensuing Annual General Meeting (AGM).**
2. Corporate Members are requested to send to the Company's Corporate and Head Office, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the AGM.
3. Brief profile of the Directors seeking re-appointment at the ensuing AGM is annexed hereto in compliance of Clause 49 of the Listing Agreement with Stock Exchanges.
4. The Register of Members and Share Transfer Register will remain closed from Wednesday, 23rd August, 2006 to Tuesday, 29th August, 2006 both days inclusive, in connection with ensuing AGM and Dividend proposed to be declared thereat.
5. If dividend, as recommended by the Board of Directors, is declared at the ensuing AGM, the payment, subject to provisions of Section 206A of the Companies Act, 1956, will be made on and after Monday, 4th September, 2006 to those shareholders whose names shall appear on the Company's Register of Members and who are notified as beneficiaries by the Depositories viz. National Securities Depository Ltd and Central Depository Services (India) Limited as on Tuesday, 29th August, 2006. **Dividend will be rounded off to nearest Rupee pursuant to provisions of Rule 23 of the Companies (Central Govt.'s) General Rules and Forms, 1956.**
6. In order to avoid the risk of loss/interception of Dividend Warrants in postal transit and/or fraudulent encashment of Dividend Warrants, Shareholders are advised to avail of ECS facility whereby the dividend will be directly credited electronically to their respective Bank Accounts. This will ensure speedier credit of dividend. You may use the enclosed 'ECS Mandate Form' and forward necessary details to the **Company or its Registrars and Share Transfer Agent or Depository Participants**, as the case may be, to avail benefit from this service.
7. Pursuant to provisions of Section 205A, in force till 30th October, 1998, of the Companies Act, 1956, all unclaimed/unpaid dividends for the financial year ended 31st March, 1995 of erstwhile Indo Flogates Ltd have been transferred to the General Revenue Account of the Central Government. Shareholders, who have not yet encashed their dividend warrants for the said period are requested to forward their claims in prescribed Form No. II of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978 to the Registrar of Companies, Orissa, at Chalachitra Bhawan, 2nd Floor, Buxi Bazar, Cuttack - 753 001.

### Notice of Annual General Meeting (Contd.)

8. Consequent upon the introduction of Section 205C by the Companies (Amendment) Act, 1999, which came into effect from 31st October, 1998 and Notification dated 1st October, 2001 issued in respect of Investor Education and Protection Fund (awareness and protection of investors) Rules, 2001, the amount of Dividend relating to financial year ended 31st March, 1998 remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of erstwhile Indo Flogates Ltd was transferred to the Investor Education and Protection Fund set up by the Government of India, on 9th September, 2005.  
Shareholders who have not yet encashed their Dividend Warrant(s) for financial years ended 31st March, 2003, 31st March, 2004 and 31st March, 2005 issued by the Company are requested to make their claims to the Company accordingly, without any delay.
9. Equity Shares of the Company are available for dematerialisation both with the National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL).  
Members holding shares in physical form are requested to notify/send the following to the Registrars and Share Transfer Agent of the Company to facilitate better service :
  - i) Any change in their address/mandate/bank details.
  - ii) Share Certificate(s), held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholdings into one account.
 Members holding shares in Demat form are requested to give all instructions directly to their Depository Participants.
10. Members are requested to quote the Folio No. or Client ID and DP ID numbers in all communications with the Company.
11. Members can avail of the nomination facility, under Section 109A of the Companies Act, 1956, by submitting Form No. 2B of the Companies (Central Govt.'s) General Rules and Forms, 1956 with the Company. Blank forms will be supplied on request.
12. Listing Fees for the financial year 2006-2007 have been paid to Stock Exchanges. Presently Equity Shares of the Company are listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.
13. **Reduction and consolidation of Equity Share Capital of the Company was carried out in the year 1995. Members still holding old Share Certificates are requested to surrender the same and obtain fresh Certificates in lieu thereof.**
14. **Persons who have become members of the Company consequent upon amalgamation of Indo Flogates Ltd, are requested to surrender Certificates relating to their holding in said Company, to the Company's Registrars and Share Transfer Agent for despatch of new Certificates relating to their shareholding in the Company.**

### Particulars relating to Directors seeking re-appointment pursuant to Clause 49(IV)(G)(i) of the Listing Agreement

#### Mr D G Rajan

Mr D G Rajan, aged about 65 years, is a Fellow of the Institute of Chartered Accountants in England and Wales and the Institute of Chartered Accountants of India. He was a Partner of Lovelock & Lewes, Chartered Accountants from 1967 and retired therefrom as a Senior Partner in 1990. He was also President of the Management Consultants Association of India and Chairman of the Southern Region of the Indian Paint Association. Presently, he is Advisor and Management Consultant to many domestic and international Groups. He is holding office both of Director and Member of Board Committees of Solvay Pharma India Limited apart from that of the Company.

Mr Rajan was appointed as a Director of the Company on Monday, 14th August, 2000 and since then uninterruptedly holding said office. Presently, he is holding both directly and indirectly, only 8,190 Equity Shares of Rs. 10/- each fully paid-up of the Company.

#### Mr K S B Sanyal

Mr K S B Sanyal, aged about 74 years, is a Masters in Arts (English), Companion of the British Institute of Management and Fellow of the Institute of Petroleum, London. He has been the National Special Advisor to UNDP in India. He was the Sheriff of Kolkata in the year 1986 and 1987, Chairman and Managing Director of the Andrew Yule & Co Ltd, President of the Bengal Chamber of Commerce and Industry, Chairman of the committee on Environment of the ASSOCHAM. Presently he is Director of several reputed Companies. He hold office both of Director and Member of Board Committees of following Companies apart from that of the Company.

Phillips Carbon Black Limited

Titagarh Industries Limited

Mr Sanyal was appointed as a Director of the Company way back on Wednesday, 27th November, 1991 and since then uninterruptedly holding said office. Presently, he is holding only 350 Equity Shares of Rs 10/- each fully paid-up of the Company.



## Directors and Management Discussion and Analysis Report to the Shareholders of IFGL Refractories Limited

Your Directors are pleased to present the Seventeenth Annual Report together with Profit and Loss Account for financial year ended on 31st March, 2006 and Balance Sheet as on that date.

### Financial Performance

Financial Performance of your Company for financial year ended on 31st March, 2006 has been satisfactory and as follows :

|   | (Rs. in Millions) |
|---|-------------------|
| Sales   | 1302.73           |
| Income from Service Charge (Net)  | 1.04              |
| Other Income  | 5.44              |
|   | <u>1309.21</u>    |
| Less : Total Expenses   | 1019.69           |
| Interest  | 9.55              |
|   | <u>1029.24</u>    |
| Gross Profit after Interest but before Depreciation and Taxation        | 279.97            |
| Less : Depreciation   | 41.13             |
| Profit before Tax   | 238.84            |
| Less : Provision for Current Tax  | 80.30             |
| Profit after Current Tax and before Deferred Tax and Fringe Benefit Tax | 158.54            |
| Less : Provision for Deferred Tax                                       | (0.07)            |
| Less : Provision for Fringe Benefit Tax                                 | 3.70              |
| Profit after Tax  | 154.91            |
| Add : Profit brought forward from previous year                         | 113.81            |
| Profit available for appropriation                                      | <u>268.72</u>     |

Total Income, Profit before Tax and Profit after Tax has increased by 14.97%, 24.30% and 29.61% respectively compared to that of previous year ended on 31st March, 2005.

### Enhancement of customers satisfaction and stakeholders value

Your Company's philosophy is to enhance customers' satisfaction and value of all its stakeholders.

In continued pursuit of this philosophy, your Company, in September, 2005, acquired the Monocon Group (comprised of Companies named below) of UK through step down subsidiaries namely IFGL Worldwide Holdings Limited, Isle of Man and IFGL Monocon Holdings Limited, UK.

- Monocon International Refractories Limited, UK
- Monocon Refractories Limited, UK
- Monocon Overseas Limited, UK
- Mono Ceramics Inc, USA
- Tianjin Monocon Refractories Co Limited, China
- Monotec Refratarios Ltda, Brazil
- Monocon Taiwan Co Limited, Taiwan

Monocon Group is engaged in manufacture of following Products used by producers of Iron and Steel.

- Spraying Mass and Machine for Tundish Spraying
- Refractory Dart and Machine for BOF
- Monolithic lance for
  - i) Desulphurisation in iron making
  - ii) Secondary steel making applications
- Robot for Ladle Maintenance – Ladle Monocator
- Robot for Furnace Maintenance – Furnace Monocator
- Monolithics for EAF, Ladle and Tundish

## Directors' and Management Discussion and Analysis Report (Contd.)

Operating facilities are located in the UK, USA, China, Brazil and Taiwan. MONOCON is an established brand in the Steel Industry for excellent product performance. Activities of Monocon Group are broadly complimentary and or similar to those of your Company and vice versa and thus are leading to various business synergies. With this acquisition as a Group we are able to provide a basket of eight products, instead of the earlier four, from six locations spread over four continents, to our customers. Combined Total Income and Profit before tax of the Monocon Companies for financial year is Rs. 16,556 lacs and Rs. 773 lacs respectively. However, since your Company acquired said Companies on and from 10th September, 2005 only, Total Income and Profit before tax of Rs. 10,049 lacs and Rs. 442 lacs respectively have only been added with that of your Company. While full financial impact of this business acquisition will be borne out in financial year 2006-2007, consolidated Total Income and Profit after tax of your Company for financial year 2005-2006 is Rs. 23,141 lacs and Rs. 1,860 lacs respectively. Consequently EPS for financial year 2005-06 on stand alone basis is Rs. 4.48 only whereas on consolidated basis the same is Rs. 5.37.

In terms of Accounting Standard 17 'Segment Reporting' issued by the Institute of Chartered Accountants of India following consolidated Segment information has been given for financial year 2005-06 only, being first year of consolidation.

|  | (Rs. in lacs) |
|--|---------------|
| <b>Sales Revenue by Geographical Area</b>                  |               |
| India  | 5,621         |
| Outside India  |               |
| Asia (excluding India)                                     | 3,337         |
| Europe   | 6,360         |
| Americas   | 4,957         |
| Others   | 2,798         |
| <b>Capital employed by geographical location of assets</b> |               |
| India  | 7,265         |
| Outside India  |               |
| Europe   | 3,256         |
| Americas   | 2,055         |
| Asia (excluding India)                                     | 544           |

Aforesaid acquisition of business and improved financial performance is aptly reflected in market capitalisation of Equity Shares of your Company in as much as market price per Equity Share of your Company in April, 2005 was around Rs. 43/- only whereas in March, 2006 the same was around Rs. 90/-, thus increased by more than 109%.

### Dividend

Your Directors are pleased to recommend payment of Dividend at the rate of 17.5 % i.e. Rs. 1.75 per Equity Share for financial year 2005-2006, after transfer of Rs. 116.19 lacs to the General Reserve. Dividend recommended is higher by 16.67% i.e. Rs. 0.25 per Equity Share compared to Dividend of 15% i.e. Rs. 1.50 per Equity Share paid for financial year 2004-2005 and is subject to necessary approvals including approval of the shareholders at the ensuing Annual General Meeting.

### Industry Structure, Developments, Opportunities, Threats, Risks and Concerns and Future Outlook

The Indian Economy has continued to grow strongly during financial year 2005-2006. Growth has been fuelled by favourable demographics, rising consumption, increased infrastructure investments, strong private capital expenditure as well as exponential growth in outsourcing opportunities. This growth is reflected in robust performance of the corporate sector, various macro economic indicators and the move of the Indian Government towards full capital account convertibility. Recently, Standard and Poor Ratings Services (S&Ps) has also revised its outlook on India to positive from stable, which is a notch short of the investment grade. Your Directors believe that these drivers and/or indicators point towards continued strength in industrial and investment demand in India in the coming years.

Fortunes of your Company are directly linked with that of the Steel Industry. Buoyancy in the Steel Industry due to strong growth in demand particularly by the demand for Steel in China, is continuing. The International Iron and Steel Institute (IISI) in its forecast for 2006 has reconfirmed the increase in Steel usage. This is in line with general economic growth specially those of the BRIC countries, of which China and India have recorded the highest growth rate. All these have resulted in substantial increase in demand for Iron and Steel products specially in India. Thrust is also on production of high end quality of Steel at most competitive cost and in this regard, role of high quality Refractory manufacturers is becoming further vital and important.

Your Company has taken several proactive steps to continue playing the role of a prominent Refractory manufacturer to the Steel Industry both in India and abroad and thus derive full financial benefits from aforesaid market scenario. During financial year 2005-2006, a technical assistance agreement was entered into with Krosaki Harima Corporation of Japan for latest know how pertaining to refractory components of Alumina Graphite material and this is going to phenomenally help your Directors to achieve objectives slated for your Company for time to come.





## **Directors' and Management Discussion and Analysis Report (Contd.)**

Your Company has also commenced regular production of Bio Ceramic products namely Orbital Implants and Dental Granules and have commenced marketing thereof to Hospitals directly and or through network of Dealers. Response received from customers in general is encouraging and to give further impetus to these Products, has also obtained ISO 9001:2000 Certification therefor.

Notwithstanding aforesaid optimistic scenario, there are concerns of a strong credit growth resulting in tightening of liquidity and increase in interest rate, hardening of crude prices, increased imports on account of oil and capital goods leading to current account deficit etc, which could act as impediments to rapid economic growth of India and turn out to be a dampener in short to medium term. Rise in interest rate is a negative for corporate profitability and credit demand. Your Directors are however of strong belief that increase in interest rate is not going to be significant enough to have any major impact on either corporate profitability or credit demand.

### **Voluntary delisting of Equity Shares**

In accordance with resolution earlier passed at the General Meeting, your Company made applications to the Calcutta Stock Exchange Association Limited and the Bhubaneswar Stock Exchange for voluntary delisting of your Company's Equity Shares therefrom. Said Stock Exchanges have acceded to the request of your Company and delisted Company's Equity Shares from 5th July, 2005 and 29th March, 2006 respectively.

### **Corporate Governance/Internal Control System and their adequacy**

Your Company believes that practising good Corporate Governance is an important step towards building investor confidence, improving investors' protection and maximising long term value of stakeholders. Terms of reference of the Audit Committee constituted by your Board of Directors include reviewing adequacy of your Company's Internal Control System and Internal Audit Function and in their opinion the same appears to be effective and commensurate with the size of operations of your Company. Efforts have however been made to strengthen such Internal Control System on an ongoing basis and in this regard, for minimising adverse effects of different types of risks your Company is prone to, framework for risk assessment, minimisation and control have been put in place by way of a Risk Management Manual and Risk Register. Your Directors are of the opinion that such framework is supplementary and complimentary to Systems for internal control as well as internal audit function. A detailed report on Corporate Governance compliance duly certified by the Company's Statutory Auditors forms part of this Report as Annexure 'A'.

### **Accounts of Subsidiary Companies**

By an approval dated 25th April, 2006 under Section 212(8) of the Companies Act, 1956 (the Act), the Ministry of Company Affairs has exempted your Company from the provisions of Section 212(1) of the Act for financial year 2005-2006 for attachment of statements of accounts of its aforementioned subsidiaries to its accounts for said financial year. However, a statement having financial information of said subsidiary Companies forms part of the Annual Report. Shareholders of the Company desirous of having complete statement of accounts and related detailed information of said subsidiary companies, may send their request either to the Company's registered office or to head office. The statement of accounts and related detailed information shall be also kept for inspection at Head Offices of your Company and its subsidiary companies. These will also be available at your Company's website i.e. [www.ifglref.com](http://www.ifglref.com)

### **Directors' Responsibility Statement**

Your Directors, in terms of Section 217(2AA) of the Companies Act, 1956 (the Act), state that :

- a) in preparation of statement of accounts for the financial year under review, the applicable Accounting Standards have been followed and in case of departures therefrom, proper explanations relating thereto have been given in the Notes forming part thereof.
- b) Accounting Policies selected have been applied consistently and judgments and estimates made are reasonable and prudent as they give true and fair state of affairs of the Company at the end of the financial year under review and of the profit and loss of the Company for that period.
- c) proper and sufficient care has been taken 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.
- d) Annual Accounts have been prepared on a going concern basis.

Your Company's Statutory Auditors, Messrs Price Waterhouse, Chartered Accountants have audited the statement of accounts in accordance with generally accepted Accounting Standards and practices as indicated in their Report.



## **Directors' and Management Discussion and Analysis Report (Contd.)**

### **Consolidated Financial Statements**

In accordance with Accounting Standard 21, Consolidated Financial Statements form part of this Annual Report. Consolidated Financial Statements have been prepared based on Financial Statement (including Consolidated) of immediate two levels of Subsidiary Companies i.e. IFGL Worldwide Holdings Limited and IFGL Monocon Holding Limited, as approved by their respective Boards.

### **Directors**

Directors due to retire by rotation are Mr D G Rajan and Mr K S B Sanyal, who, being eligible, offer themselves for re-election for further period. Mr T Ohashi ceased to be a Director of your Company due to resignation on and from Monday, 24th October, 2005. In the casual vacancy so caused, Mr T Yazawa, Manager of Sojitz Chemical Corporation, Japan, was appointed as a Director of your Company on and from that date. Your Directors place on record sincere appreciation for invaluable contributions made by Mr Ohashi during his association with your Company as a Director and look forward to a long, cordial and fruitful association with Mr Yazawa.

### **Human Resources and Industrial Relations**

Your Company believe that immediately after customers, human resource is its most important capital and the same need to be empowered in all possible ways for achieving objectives slated from time to time. In this regard, employees are subjected to periodical trainings for upliftment of their skills and familiarisation with latest techniques and practices, provided with most conducive working environment and always kept motivated by extending compensation packages and benefits most competitive in the Refractory Industry in India. Furthermore, during financial year 2005-2006 your Company's employees strength neither increased nor decreased substantially and Industrial Relations continued to remain cordial.

Particulars of remuneration paid in excess of limit specified for the purpose of Section 217(2A) of the Act read with the Companies (Particulars of Employees) Rules, 1975, amended to date are given in Annexure 'B'.

### **Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988**

Information in accordance with provision of Section 217(1)(e) of the Act read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in Annexure 'C'.

### **Auditors' Report**

The Auditors in their Report have referred to the Notes forming part of accounts, which are self explanatory.

### **Auditors**

Messrs Price Waterhouse, Auditors will retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment.

### **Acknowledgement**

Your Directors sincerely appreciate continued support received from all concerned particularly from the shareholders, banks and all the employees.

On behalf of the Board of Directors

Kolkata, 15th May, 2006

S K Bajoria  
Managing Director

P Bajoria  
Director & Chief Executive



## Annexure 'A' to Directors' Report

### Report on Corporate Governance

1. Your Company's philosophy is to continue to enhance customers' satisfaction and stakeholders' value by following the best practices of Corporate Governance.

The Report on compliance of conditions of Corporate Governance in accordance with Clause 49 of the Listing Agreement with the Stock Exchanges by your Company is given below:

#### 2. Board of Directors

The Board of Directors elected Mr B P Bajoria, a Non-executive Director as Chairman at each of their meetings.

The Board of Directors of the Company consists of 2 (two) Executive Directors, 4 (four) Non-executive Directors and 3 (three) Non-executive Independent Directors.

#### Composition, Category, their Directorship and Committee Memberships in other Companies

| Name of Directors  | Category of Directors | Members of the Board of other Public Limited Companies incorporated in India | Total Number of Committee (e) Membership held in other Public Limited Companies [excluding Private Limited Companies, Foreign Companies and Companies of Section 25 of the Companies Act, 1956 (the Act)] |           |
|--------------------|-----------------------|--|---|-----------|
|                    |                       |  | As Chairman   | As Member |
| Mr B P Bajoria (a) | Non-executive         | 4  | 1   | 2         |
| Mr S K Bajoria (a) | Executive             | 3  | –   | –         |
| Mr P Bajoria (a)   | Executive             | 2  | –   | –         |
| Mr Kunal Dalmia    | Non-executive         | 1  | –   | –         |
| Mr M Kusakabe (b)  | Non-executive         | –  | –   | –         |
| Mr T Yazawa (c)    | Non-executive         | –  | –   | –         |
| Mr D G Rajan       | Non-executive (d)     | 1  | 2   | –         |
| Prof A N Sadhu     | Non-executive (d)     | 3  | –   | 1         |
| Mr K S B Sanyal    | Non-executive (d)     | 5  | 1   | 3         |

(a) Also Promoter.

(b) A senior executive of Krosaki Harima Corporation, Japan, being technical collaborator of your Company.

(c) Mr T Yazawa was appointed as a Casual Director effective 24th October, 2005. He is the Manager of Sojitz Chemical Corporation, Japan.

(d) Also Independent.

(e) Only 2 (two) Committees viz Audit Committee and Shareholders Grievance Committee are considered.

None of the Non-executive Independent Directors has any pecuniary relationship and/or transaction with your Company. Non-executive Directors are paid Sitting Fees (as indicated in para 4 below) within the limit prescribed under the Companies Act, 1956 and/or reimbursed expenses at actuals only, for attending meetings of the Board and/or Committee(s) thereof.

#### Attendance of Directors at the Board Meetings and at the last Annual General Meeting (AGM)

During the financial year ended on 31st March, 2006, meeting of the Board of Directors was held 7 (seven) times i.e. on 14th April, 2005, 12th July, 2005, 28th July, 2005, 1st September, 2005, 24th October, 2005, 25th January, 2006 and 24th February, 2006. The gap between two meetings never exceeded four months.

| Director        | Number of Board Meetings |          | Attended Last AGM held on 2nd August, 2005 |
|-----------------|--------------------------|----------|--|
|                 | Held                     | Attended |  |
| Mr B P Bajoria  | 7                        | 7        | No   |
| Mr S K Bajoria  | 7                        | 6        | No (f)                                     |
| Mr P Bajoria    | 7                        | 7        | Yes  |
| Mr M Kusakabe   | 7                        | –        | No   |
| Mr T Ohashi (g) | 7                        | –        | No   |
| Mr T Yazawa (h) | 7                        | –        | No   |
| Mr D G Rajan    | 7                        | 4        | No   |
| Prof A N Sadhu  | 7                        | 6        | No   |
| Mr K S B Sanyal | 7                        | 7        | Yes  |
| Mr Kunal Dalmia | 7                        | –        | No   |