

24th  
Annual Report  
2006 - 2007



**CHAMPAGNE VINEYARDS LIMITED**

# Champagne Vineyards Limited

## Board of Directors

S. G. Chougule	(Chairman)
J. B. D'Souza	(Vice Chairman)
G. G. Desai	
A. B. Shah	
H. G. Desai	
R. S. Chougule	
R. D. Pawar	
V. S. Chougule	

## Asst. Company Secretary & Compliance Officer

Milind Jog

## Audit Committee

Mr. G. G. Desai	Chairman
Mr. H. G. Desai	Member
Mr. A. B. Shah	Member

## Bankers

UCO Bank

## Shareholders' / Investors' Grievances Committee

Mr. S. G. Chougule	Chairman
Mr. J. B. D'Souza	Member
Mr. A. B. Shah	Member

## Registered Office

Indage House,  
82, Dr. A. B. Road,  
Worli, Mumbai - 400 018.

e-mail: info@indagegroup.com

secretarial@indagegroup.com

visit us at : www.indagegroup.com

## Remuneration Committee

Mr. J. B. D'Souza	Chairman
Mr. S. G. Chougule	Member
Mr. G. G. Desai	Member

## Auditors

M/s. Sorab S. Engineer & Co.  
Chartered Accountants  
Ismail Building,  
381, Dr. D. N. Road,  
Fort, Mumbai - 400 001.

## Registrar & Transfer Agents

Sharex Dynamic (India) Private Limited  
Unit No. 1, Luthra Ind. Premises,  
Andheri Kurla Road, Safed Pool,  
Andheri (E), Mumbai-400072  
Tel: (022) 2851 5606/ 2851 5644,  
Fax No. 2851 2885

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**NOTICE**

Notice is hereby given that the 24<sup>th</sup> Annual General Meeting of Champagne Vineyards Limited will be held on Saturday, 29<sup>th</sup> September 2007 at 10.30 a.m. at Victoria Memorial School for the Blind, 73, Tardeo Road, Opposite Film Center, Tardeo, Mumbai 400 034 to transact the following business:-

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2007, the Profit & Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri A. B. Shah, who retires by rotation, and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri H. G. Desai, who retires by rotation, and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri R.D. Pawar, who retires by rotation, and being eligible offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS**

6. To consider and, if thought fit, to pass with or without modification; if any, the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof), the Authorised Share Capital of the Company be and is hereby increased from Rs. 5,00,00,000/- (Rupees five crores only) divided into 50,00,000 (fifty lacs) Equity Shares of Rs 10/- (Rupees ten only) each to Rs. 15,00,00,000/- (Rupees fifteen crores only) divided into 1,50,00,000 (One crore fifty lacs) Equity Shares Rs. 10/- (Rupees ten only) each.

**RESOLVED FURTHER THAT** the Authorised Share Capital of Rs. 15,00,00,000/- (Rupees fifteen crores only) divided into 1,50,00,000 (One crore fifty lacs) Equity Shares Rs. 10/- (Rupees ten only) each be sub-divided into 5,00,00,000 (Five crores) Equity Shares of Rs. 3/- (Rupees three only) each.

**RESOLVED FURTHER THAT** consequent upon increase and sub-division of the Authorised Share Capital of the Company, First Paragraph of the existing Clause V of the Memorandum of Association of the Company be and is hereby substituted as under:

Clause V. The Authorised Share Capital of the Company is Rs 15,00,00,000/- (Rupees fifteen crores only) divided into 5,00,00,000 (Five crores) Equity Shares of Rs 3/- (Rupees three only) each."

All other provisions of Clause V of the Memorandum of Association shall remain unaltered, valid and in full force.

7. To consider and, if thought fit, to pass with or without modification, if any, the following resolution as Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the existing Article 4 of the Articles of Association of the Company be substituted with the following as Article 4:

Article 4: The Authorised Share Capital of the Company shall be such amount and be divided into such shares as may from time to time provided under Clause No. V of the Memorandum of Association of the Company."

8. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 17 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the necessary approvals, if any, as may be required in this regard from appropriate authorities, approval of the members of the Company be and is hereby accorded for alteration of the existing Main Objects Clause i.e. Clause III of the Memorandum of Association of the Company in the following manner :

The following Clause be added as Sub Clause No.(A) (2) after Sub Clause No. (A) (1) of Clause III

"To carry on business in India and abroad of hotels, motel services, guest house services, hotel and motel reservation services, resorts, restaurant chains operators, convention facility providers, wine bars, nightclubs operators, operators of franchising restaurants and other establishments engaged in providing food and drink prepared for consumption, designers and decorators of such restaurants, restaurant management and operation trainers, owners, and service providers of coffee shops, snack Bars, fast food outlets, catering, cafeterias, cocktail lounge services, food and drink, temporary accommodation, care, tavern been house, refreshment room and boarding house keepers, licensed victuallers, wine, beer and spirit merchants, proprietors of clubs, baths, grounds and places of amusement, recreation, sports, entertainment, training of persons in the managements and operation of such restaurants, establishments and facilities, traveling agents for railway , air and shipping companies."

9. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

**"RESOLVED THAT** the approval of the members of the Company be and is hereby accorded pursuant to section 149 (2A) and other applicable provisions, if any of the Companies Act, 1956, for commencing and carrying on all or any of the business and activities mentioned in Clause III (A) (2) of the Memorandum of Association of the Company, as amended by Special Resolution mentioned at item no. 8 of this notice, at such time or times as the Board of Directors may deem fit.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and settle any or all questions/matters arising with respect to the above matter, and to execute all such deeds, documents,

**Champagne Vineyards Limited**

agreements and writings, take such further incidental and ancillary steps in this regard as may be considered desirable or expedient by the Board in the best interest of the Company."

10. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

**"RESOLVED THAT** in supersession of the earlier resolution passed in this respect and pursuant to Section 163 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) ("the Act"), the Company hereby approves that the Registers and Indexes of Members, the Registers and Indexes of Debenture holders, if any, and copies of all Annual Returns prepared under Section 159 of the Act together with the copies of certificates and documents required to be annexed thereto under Section 161 of the Act or any one or more of them be kept at the office of the Company's Registrar and Share Transfer Agents viz. Sharex Dynamic (India) Pvt. Ltd at Unit No.1, Luthra Industrial Premises, Andheri Kurla Road, Andheri, Mumbai 400 072"

By order of the Board of Directors

sd/-

**Milind S. Jog**  
Asst. Company Secretary

**Registered office:**

Indage House,  
82, Dr. Annie Besant Road,  
Worli, Mumbai - 400 018

Date: 22<sup>nd</sup> August, 2007

**NOTES:-**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL ONLY AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Members/proxies should bring the enclosed attendance slip duly filled in for attending the meeting. Members are requested to bring their copy of the Annual Report to the meeting.
3. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of the Special Business of the Notice is annexed hereto. The relevant details of Directors seeking re-appointment as set out at item nos. 2 to 4 above, pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges are mentioned in the statement on Corporate Governance contained in the Annual Report for the year 2006-07.
4. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) has admitted the Company's Equity Shares in its Depository System and the ISIN No. is INE525H01013.
5. The Company's Share Transfer Register as also the Register of Members will remain closed during the period

from Saturday 22<sup>nd</sup> September 2007 to Saturday 29<sup>th</sup> September 2007 (both days inclusive).

6. All those members who are holding share certificates issued in the Company's old name 'Champagne India Limited' are requested to surrender the old certificates to Company's Registrar & Transfer Agent M/s. Sharex Dynamic (India) Private Limited.
7. Nomination facility is available to the members.
  - Members holding shares in physical form may obtain the Nomination forms from the Company's Registrar & Share Transfer Agent.
  - Members holding shares in Electronic form may obtain the Nomination forms from their respective Depository Participants.
8. In respect of the matters pertaining to bank details, mandates, nomination, power of attorney, change in name / address etc., the members are requested to approach:
  - The Company's Registrar & Transfer Agent, in case of shares held in physical form and
  - The respective Depository Participants in case of shares held in electronic form.
9. In all correspondence with the Company/Registrar & Share Transfer Agent, members are requested to quote their Folio Numbers or DP ID and Client ID in respect of Shareholding in physical or electronic form respectively.
10. A member desirous of getting any information in respect of the contents of the Annual Report is requested to forward the queries to the Company at least seven days prior to the meeting so that the required information can be made available at the meeting.

**EXPLANATORY STATEMENT**

Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 annexed to and forming part of the notice.

**Item Nos. 6 & 7:**

The Company has entered into a Scheme of Arrangement for taking over Hotel Business Undertaking of Indage Hotels Limited (IHL) and for the transfer of its Agriculture Business Undertaking unto Indage Vineyards Private Limited. The said Scheme has been approved by the members at the Court Convened Meeting held on 9<sup>th</sup> June, 2007 and accordingly petition has been filed in the High Court of Bombay. Upon the approval of the Scheme of Arrangement by the Hon'ble High Court of Bombay, the Company would be required to issue and allot, in aggregate, 3,29,61,600 Equity Shares of Rs.3/- each of your Company to the shareholders of IHL in consideration of transferring the Hotel Business Undertaking of IHL to your Company. The present Authorised Share Capital of the Company i.e. Rs. 5 crores would be inadequate to permit the Company to issue and allot the shares as aforesaid. It is, therefore proposed to increase the Authorised Share Capital from Rs. 5 crores divided into Equity Shares of Rs.10/- each to Rs. 15 crore divided into Equity shares of Rs.10/- each.

The face value of the Equity shares of the Paid Up capital is Rs.3/- per share. It is therefore proposed to subdivide the Authorised Capital of Rs.15 crores into 1,50,00,000 equity shares of Rs.10/- each to Rs.15 crores divided into

5,00,00,000 Equity shares of Rs.3/- each.

It is also necessary to carry out consequential amendments to Clause V of the Memorandum of Association and Article 4 of the Articles of Association for which Resolutions at Item Nos. 6 and 7 have been proposed. None of the Directors is concerned or interested in the resolutions set out at item no. 6 and 7. A copy of the Memorandum & Articles of Association of the Company is available for inspection at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day of the Company.

**Item Nos. 8 & 9:**

Upon the approval of the Scheme of Arrangement by the Hon'ble High Court of Bombay, your Company would take over the hotel business undertaking of Indage Hotels Ltd. In order to enable the Company to carry out the business of hotels and related activities, it is necessary to amend the Clause III of the Memorandum of Association relating to main objects by adding new sub clause as sub-clause (2) after sub-clause (1) as mentioned in the Resolution proposed at item no. 8. As per the provisions of Section 149(2A) of the Companies Act, 1956, approval of the members is required before commencement of any new business/activity set out in the Objects Clause of the Memorandum of Association of the Company. The said new business/activity would be commenced at such time or times as the Board may deem fit in the interest of the Company and subject to all applicable laws, regulations and approvals, Your Directors commend the Resolutions set out at item no. 8 and 9.

None of the Directors is concerned or interested in the resolutions set out at item nos. 8 and 9. A copy of the Memorandum & Articles of Association of the Company is available for inspection at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day of the Company.

**Item No. 10:**

As per the provisions of Section 163 of the Act, the Company is required to obtain approval of the Members by way of Special Resolution to keep Register and Index of Members, the Register and Index of Debenture Holders, copies of all Annual Returns prepared under Sections 159 and 160 of the Act, at a place other than the Company's Registered Office, but within the same city, town or village where the Registered Office of the Company is situated.

Earlier M/s Sharepro Services (India) Pvt. Ltd. Mumbai were acting as Registrar & Share Transfer Agents. Subsequently, the Company appointed M/s. Sharex Dynamic (India) Pvt. Ltd. as Company's Registrar & Transfer Agents.

Approval of the members is therefore being sought to keep the aforesaid documents at the office of the Company's new Registrar and Share Transfer Agents M/s Sharex Dynamic (India) Pvt. Ltd. at Unit No.1, Luthra Industrial Estate, Andheri Kurla Road, Andheri (E), Mumbai 400 072.

None of the Directors is concerned or interested in the resolution set out at item no. 10.

By order of the Board of Directors

sd/-

**Milind S. Jog**  
Asst. Company Secretary

**Registered office:**

Indage House,  
82, Dr. Annie Besant Road,  
Worli, Mumbai - 400 018  
Date: 22<sup>nd</sup> August, 2007



**Champagne Vineyards Limited****DIRECTORS' REPORT**

To,

The Shareholders,

Your Directors present the 24<sup>th</sup> Annual Report together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2007.

**FINANCIAL RESULTS**

	Year ended 31-03-2007 (Rs. in Millions)	Year ended 31-03-2006 (Rs. in Millions)
Sales & other income	90.80	88.50
Profit / (Loss) before Interest & Depreciation	3.99	(0.52)
Interest & Finance Charges	2.86	2.78
Depreciation	0.34	0.30
Profit / (Loss) for the year	0.79	(3.60)

**OPERATIONS**

The co-ordinated efforts of grape growing in large scale on its own land and on leasehold land as well as contract farming enabled your Company to achieve better results and earn a profit of Rs. 0.79 millions during the year under review.

The operations during the year yielded satisfactory crops in accordance with the planned output. The Company has earned a profit of Rs. 0.79 millions as compared to a loss of Rs. 3.60 millions.

Further strengthening of contract farming, better crop management, research in viticulture practices and vino therapy would help the Company to improve its working during the year 2007-08. Beside this the exploratory work in biotechnology and organic farming would also help the Company to improve results. The Maharashtra Government's support for cultivation of grapes has been quite encouraging.

Your Company has tied up long term arrangement with its sister company for supply of grapes which would enable the Company to grow. Hitherto the Company was facing difficulty in raising finance. This would ease out, since some of the scheduled banks have agreed to provide financial assistance which hitherto was not forthcoming.

**DIVIDEND**

In view of meager profits, your Directors regret their inability to recommend any dividend for the year 2006-07.

**SCHEME OF ARRANGMENT**

Pursuant to the order of the High Court of Judicature at Bombay dated 27<sup>th</sup> April 2007, a Court Convened Meeting was held on Saturday, 9<sup>th</sup> June 2007 approving the Scheme of Arrangement between the Company, Indage Hotels Ltd. (IHL) and Indage Vineyards Pvt. Ltd. (IVPL) whereby the Hotel Business of IHL will be transferred to your Company and your Company's Agriculture and Viticulture Business will be transferred to IVPL. A Petition in this regard has been filed in the High Court of Judicature at Bombay by the Company as also by IHL and IVPL. Further steps are being taken to complete the necessary formalities to complete the Scheme of Arrangement.

**DIRECTORS**

Mr. A. B. Shah, Mr. H. G. Desai and Mr. R. D. Pawar, Directors, retire by rotation at the ensuing Annual General Meeting and

being eligible offer themselves for re-appointment.

In terms of Clause 49 of the Listing Agreement with the Stock Exchange(s) the details of Directors to be appointed / re-appointed as aforesaid are given in the accompanying Corporate Governance Report.

**DIRECTORS' RESPONSIBILITY STATEMENT**

As required under Section 217(2AA) of the Companies Act, 1956, the Directors confirm that :

- In preparation of Annual Accounts the applicable accounting standards have been followed along with proper explanation and that no material departures have been made from the same.
- Accounting policies selected & applied are on a consistent basis & judgments and estimates made are reasonable & prudent so as to give a true & fair view of the state of affairs of the Company at the end of the financial year and of Profit & Loss of the Company for that period.
- 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 frauds and other irregularities.
- Annual Accounts have been prepared on a going concern basis.

**CORPORATE GOVERNANCE**

The Company has complied with the mandatory provisions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement (as amended) with the Stock Exchange. A report on Corporate Governance and Certificate from the Auditors of the Company certifying compliance of conditions of Corporate Governance are annexed herewith and forms part of this Annual Report.

**FIXED DEPOSIT**

The Company has neither invited nor accepted any Fixed Deposits from the public during the year.

**AUDITORS**

M/s Sorab S. Engineer & Co. Chartered Accountants, retire as Auditors at the conclusion of the ensuing Annual General Meeting and being eligible offered themselves for reappointment. The members are requested to appoint the Auditors and fix their remuneration.

**AUDITORS' COMMENTS**

The observations made under sub-clause (f) & (g) of para (2) of the Auditors' Report have been suitably explained in note no. 1.5, 2.1 and 2.2 in Schedule 16 to the notes on accounts which are self explanatory and hence do not call for any further comments.

Steps are being taken to appoint external agency to conduct internal audit to timely cover the transactional and operational areas and strengthen internal control procedures to make it commensurate with the size and nature of Company's business.

**COMPLIANCE CERTIFICATE**

As required under Section 383(A)(1) of the Companies Act, 1956, Compliance Certificate from Secretary in Whole-time practice is attached herewith.

**PARTICULARS OF EMPLOYEES**

During the year under review, the Company has not employed any employee whose particulars are required to be disclosed in this report pursuant to Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) (Amendment) Rules, 2000.

**LISTING ARRANGEMENT**

The securities of the Company are listed on Mumbai & Pune Stock Exchanges. Its application for de-listing to Pune Stock Exchange is pending final approval.

**PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION**

Parts A and B pertaining to Conservation of Energy and Technology Absorption are not applicable to the Company.

The Company has taken steps towards scientific cultivation of grapes in association with reputed agencies in the field.

**FOREIGN EXCHANGE EARNINGS & OUTGO**

The Company has not earned any foreign exchange during the year under review. There has been no foreign exchange outgo on account of import.

**ACKNOWLEDGEMENTS & APPRECIATION**

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from Banks, Government Authorities and Business Associates.

Your Directors are happy to place on record their gratitude to the employees at all levels for their dedicated efforts. The Directors are also thankful to the Shareholders for their continued support.

For and on behalf of the Board  
For **Champagne Vineyards Limited**

sd/-

S. G. Chougule  
Chairman

Place : Mumbai  
Date : 22<sup>nd</sup> August, 2007

**Report on Corporate Governance****1. Company's philosophy on code of governance:**

Corporate Governance is the mechanism by which the principles, values, philosophy and practices of a Company manifest in the corporate world. Transparent and good Corporate Governance ensures that the Company is managed and monitored in a responsible manner and is geared to good value creation. Good Corporate Governance is the responsibility and privilege of each and every stakeholder.

At the Company our main pursuit is achieving good Governance. This is an ongoing continuing process, as a conscious and conscientious effort thus ensuring truth, transparency, accountability and responsibility in dealing with all stakeholders, customers, employees and community at large.

The Company believes that it should always be better managed, well governed along with its activities in the national interest. The Company's constant efforts to improve operational performance guided by our values, forms the basis for good Corporate Governance which is strongly driven by our values such as quality, commitment, customer orientation and integrity. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholders' value over a sustained period of time.

During the year under review, Securities and Exchange Board of India made certain significant amendments to Clause No. 49 of the Listing Agreement, inter-alia, widening the definition of Independent Director, affirmation of Code of Conduct by Senior Management, widening the disclosure as regards related party transactions, internal controls, risk management, tenure of independent directors, etc. These amendments have become effective from 1st January, 2006.

Thus transparency, fairness, accountability, integrity and maximum information to stakeholders are the cornerstones of Corporate Governance. Keeping the spirit in view, the Company as detailed in this Report, has complied with and implemented mandatory requirements of Corporate Governance as set out under Clause 49 of the Listing Agreement with the Stock Exchanges as amended.

**2. Board of Directors:****Composition of the Board and Directors' Membership in Board Committees.**

The details of the Directors on the Board of your Company as on 31<sup>st</sup> March, 2007 are given below:

Name	Category	Designation	Shareholding		No. of Directorships and Committee Member / Chairmanship**		
					Director*	Chairman	Member
Mr. Sham G. Chougule	Promoter Non-Executive Director	Chairman	30310	0.70%	6	2	—
Mr. Joseph B. D'Souza	Independent Non- Executive Director	Vice- Chairman	—	—	2	—	2
Mr. Govind G. Desai	Independent Non- Executive Director	Director	—	—	9	3	4
Mr. Arun B. Shah	Independent Non- Executive Director	Director	9600	0.22%	12	2	8
Mr. Haresh G. Desai	Independent Non- Executive Director	Director	—	—	3	—	3
Mr. Ranjit S. Chougule	Non-Independent Executive Director	Director	—	—	5	—	—
Mr. Rajendra D. Pawar	Independent Non- Executive Director	Director	—	—	5	—	—
Mr. Vikrant S. Chougule	Non-Independent Non- Executive Director	Director	—	—	3	—	—

\* Directorship in other Companies includes only Public Company.

**Champagne Vineyards Limited**

**\*\*In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges, Membership / Chairmanship of only Audit Committee, Shareholders' / Investors' Grievance Committee of all Public Limited Companies in which the Directors are holding position as a Director has been considered.**

**Board Meetings and Annual General Meeting:**

During the financial year 2006-07, 8 (Eight) Board Meetings were held on the following dates:

1) 31st May, 2006	2) 30th June, 2006	3) 28th July, 2006	4) 27th September, 2006
5) 30th October, 2006	6) 29th November, 2006	7) 4th January, 2007	8) 31st January, 2007

The last Annual General Meeting was held on 27th September, 2006.

The attendance of the Directors at the aforesaid Board Meetings held during the year and at the last Annual General Meeting is given below.

Name	Attendance Particulars	
	Number of Board Meeting attended	Last AGM attended
Mr. S. G. Chougule	5	Present
Mr. J. B. D'Souza	5	Absent
Mr. G. G. Desai	8	Present
Mr. A. B. Shah	8	Present
Mr. H. G. Desai	8	Present
Mr. R. S. Chougule	6	Present
Mr. R. D. Pawar	LA	Absent
Mr. V. S. Chougule	4	Absent

**Details of Directors appointed during the year under review / seeking reappointment at the ensuing Annual General Meeting:**

Name of Director	Mr. Arun B. Shah	Mr. Haresh G. Desai	Mr. Rajendra D. Pawar
Date of Appointment	05th January, 1990	14th September, 2002	10th June, 2005
Qualification	B.Sc., Chartered Accountant	Chartered Accountant	Agricultural Technologist, Michigan State University, U.S.A. Agricultural Exchange Programme, University of Minnesota
Nature of expertise in specific functional areas	Finance & Accounts	Foreign Exchange and Treasury Management	Agricultural Activities
Names of Companies in which Director is holding Directorships	1. Champagne Vineyards Ltd. 2. Champagne Indage Ltd. 3. Sirius Capital Services Ltd. 4. Interscape India Ltd. 5. Indage Hotels Ltd. 6. Himachal Indage Ltd. 7. Prime Securities Ltd. 8. Prime Broking Company (India) Ltd. 9. Cyber Tech Systems & Software Ltd. 10. Seabuckthorn Indage Ltd. 11. Asian Electronics Ltd. 12. Prime Commodities Broking Co. (India) Ltd.	1. Champagne Vineyards Ltd. 2. Champagne Indage Ltd. 3. Unimin India Ltd.	1. Champagne Vineyards Ltd. 2. Baramati Agro Ltd. 3. Sharad Agro Ltd. 4. Nira Valley Genetics Ltd. 5. Ag. Vet Marketing Ltd.
Names of other Companies in which the director is a member in Committees	1. Champagne Indage Ltd. 2. Cyber Tech Systems & Software Ltd. 3. Asian Electronics Ltd. 4. Prime Securities Ltd.	1. Champagne Indage Ltd. 2. Unimin India Ltd.	



### 3. Committees of the Board

As of 31st March, 2007 your Company has three committees. They are:

- Audit Committee.
- Shareholders'/Investors' Grievance Committee.
- Remuneration Committee.

#### A) Audit Committee:

##### i) Brief description of terms of reference

The Audit Committee reviews, acts and reports to the Board of Directors, inter-alia, with respect to:

- review of the adequacy of the internal control system with the Management, Internal Auditors and Statutory Auditors.
- the Company's financial reporting processes, changes in the Accounting Policies.
- adequacy of the internal audit function, its structure & effectiveness.
- review of financial and risk management system.
- defaults, if any, in payments to Depositors, Debenture holders, Shareholders & Creditors, the adequacy of internal control system.
- the terms of appointment of Statutory auditor and the remuneration payable to them.

The Committee also reviews the observations of the Internal and Statutory Auditors along with the comments and action taken thereon by the management and invites senior executives to its meetings as and when necessary.

##### ii) Composition, Name of Members and Chairperson

The Audit Committee comprises of three Independent, Non-Executive Directors viz:

Mr. G. G. Desai	Chairman
Mr. H. G. Desai	Member
Mr. A. B. Shah	Member

##### iii) Meetings and Attendance during the year

The Audit Committee met 4 times during the year on:

- 1) 30th June, 2006      2) 28th July, 2006      3) 30th October, 2006      4) 31st January, 2007

Name of the Director	No. of Audit Committee Meetings attended
Mr. G. G. Desai	4
Mr. H. G. Desai	4
Mr. A. B. Shah	4

#### B) Shareholders' / Investors' Grievance Committee:

- i) The Shareholders'/Investors' Grievance Committee comprises of the following Directors:

Mr. S. G. Chougule	Promoter Non-Executive Director	Chairman
Mr. J. B. D'Souza	Independent Non-Executive Director	Member
Mr. A. B. Shah	Independent Non-Executive Director	Member

- ii) Name and designation of the Compliance officer: **Mr. Milind Jog, Asst. Company Secretary & Compliance Officer**
- iii) No. of shareholders' complaints received during the year 2006-07 were: Nil
- iv) No. of complaints remained unresolved were: Nil

#### C) Remuneration Committee & Director's Remuneration:

##### i) Brief description of terms of reference

The Committee is responsible to determine on behalf of the Directors and Shareholders, the Company's policy on specific remuneration packages for Executive / Non Executive Directors, pension rights and any compensation payment.

**Champagne Vineyards Limited****ii) Composition, Names of Members and Chairman**

The Remuneration Committee comprises of one Non-Independent and two Independent Non-Executive Directors viz.

Mr. J. B. D'Souza	Independent Non-Executive Director	Chairman
Mr. S. G. Chougule	Promoter Non-Executive Director	Member
Mr. G. G. Desai	Independent Non-Executive Director	Member

**iii)** The committee did not meet during the financial year 2006-07, since no appointment of any Executive Director was made.**iv) Remuneration Policy**

The Company was paying sitting fees of Rs. 2000/- for each Board Meeting and Rs. 1000/- for each Committee Meeting attended by each Non-Executive Director. The Board has by its resolution passed at its meeting held on 28<sup>th</sup> July, 2006, increased the sitting fees payable to Non-Executive Directors as under:

Rs. 5000/- for each Board Meeting attended.

Rs. 2500/- for each Committee Meeting attended.

**v) Details of Remuneration to all the Directors**

The sitting fees paid for the year ended 31<sup>st</sup> March, 2007 to the Non-Executive Directors are as follows:

Name	Total (Rs.)
Mr. S. G. Chougule	68000
Mr. J. B. D'Souza	54500
Mr. G. G. Desai	44000
Mr. A. B. Shah	86000
Mr. H. G. Desai	38000
Mr. R. S. Chougule	29000
Mr. R. D. Pawar	—
Mr. V. S. Chougule	17000

**4. General Body Meetings:**

Location and time where last three Annual General Meetings were held:

Year	Location	Time	Date	No. of Special Resolutions passed
2003-2004	Sasmira Textile College Auditorium, Sasmira Marg, Worli, Mumbai - 400 030	11.00 A.M.	29-12-2004	1
2004-2005	Sasmira Textile College Auditorium, Sasmira Marg, Worli, Mumbai - 400 030	10.30 A.M.	26-11-2005	NIL
2005-2006	Victoria Memorial School for Blind, 73, Tardeo Road, Opposite Film Centre, Tardeo, Mumbai - 400 034	10.00 A.M.	27-09-2006	NIL

No special resolution was passed last year through postal ballot.

**5. Disclosure on Materially significant related party transaction that may have potential conflict with the interest of Company at large:**

There are no materially significant transactions with the related parties that may have potential conflict with the Company's interest at large.

There were no instances of non compliance of any matter related to the capital markets during the last three years.

**6. Means of Communication:**

The Company publishes its quarterly, half yearly results in Mumbai Lakshadeep (Marathi) and DNA (English). The Company has its own website and all vital information relating to the Company and its performance in the field of finance, productivity and the information relating to the management of the Company has been put on the Company's website as also Securities and Exchange Board of India website under EDIFAR Scheme. The address of the Company's website is [www.indagroup.com](http://www.indagroup.com).