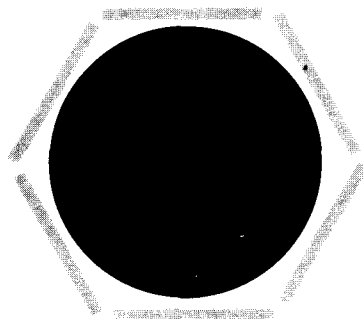


INDUSTRIAL INVESTMENT TRUST LIMITED

Annual Report
2005-2006

Report  Junction.com



IIT GROUP

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Shareholders are requested to bring the copy of the Annual Report alongwith them to the General Meeting.



INDUSTRIAL INVESTMENT TRUST LIMITED

BOARD OF DIRECTORS : C. P. KHANDELWAL - *Chairman*

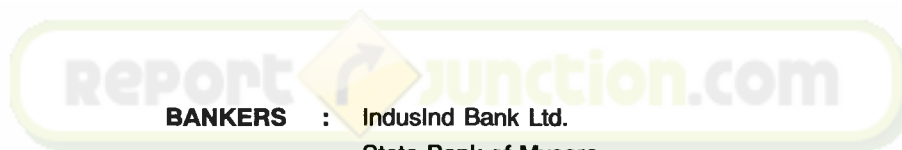
SANJAY DANGI

N. R. SURESH

P. H. ARVINDH PANDIAN

Ms. THANKOM MATHEW

Ms. CUMI BANERJEE - *Company Secretary*



BANKERS : IndusInd Bank Ltd.
State Bank of Mysore
Union Bank of India
ICICI Bank Limited

AUDITORS : A. F. Ferguson & Co.

REGISTERED OFFICE : 14E, Rajabhadur Mansion, 2nd Floor,
28, Bombay Samachar Marg,
Mumbai 400 001.



IIT GROUP

NOTICE

NOTICE is hereby given that the Seventy Third Annual General Meeting of the Members of the Company will be held at **M.C. Ghia Hall, 2nd floor, Bhogilal Hargovindas Building, 18/20 K.Dubash Marg, Mumbai – 400 001 on Friday, September 1, 2006 at 3.30 p.m.** to transact the following business :

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2006 and the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and the Auditors.
2. To declare a dividend for the year ended March 31, 2006.
3. To appoint a Director in place of Mr. P.H. Arvinth Pandian 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 fix their remuneration.

Special Business :

5. To consider, and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT Mrs. Thankom Mathew, who was appointed as a Director in casual vacancy caused by resignation of Mr. K. Sridhar pursuant to Section 262 of the Companies Act, 1956 and Article 126(b) of the Articles of Association of the Company, and who holds office up to the date of this Annual General Meeting and in respect to whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Section 293 (1)(d) and other applicable provisions, if any, of the Companies Act, 1956, and the Articles of Association of the Company and in supersession of all earlier resolutions passed in this regard by the Company in general meeting, the consent of the Company be and is hereby accorded to the Board of Directors of the Company borrowing from time to time sums of money for the purpose of the business of the Company notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital and free reserves, that is to say, reserves not set apart for any specific purpose, provided that the maximum amount of moneys so borrowed by the Board of Directors and outstanding shall

not at any time exceed Rs. 150,00,00,000/- (Rupees One Hundred and Fifty Crores only)."

By Order of the Board,
For Industrial Investment Trust Limited

CUMI BANERJEE
Company Secretary

Mumbai : June 26, 2006

Registered Office :

14E, Rajabhadur Mansion, 2nd Floor,
28, Bombay Samachar Marg
Mumbai – 400 001

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 A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is enclosed and forms part of the Notice.
3. The Register of Members and Share Transfer Books of the Company will remain closed from August 25, 2006 to September 01, 2006 (both days inclusive).
4. The dividend, if declared, will be payable on or before September 30, 2006 to those members whose name appear in the Register of Members of the Company on September 01, 2006 or to their mandates registered with the Company before August 16, 2006.
5. The members are requested to intimate to the Company before August 16, 2006 changes, if any, in their registered addresses.
6. Members are requested to bring the copy of their Annual Report and the Attendance Slip at the Annual General Meeting.
7. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to Mrs. Cumi Banerjee – Company Secretary so as to reach at least seven days before the date of the meeting, so that the information required may be made available at the meeting, to the best extent possible.
8. In accordance with the provisions of Section 205A of the Companies Act, 1956 the Company has transferred unclaimed dividends in September, 1998 for the year ended March 31, 1995 to the General Revenue Account of the Central Government. Members concerned may, therefore, submit their claims in the prescribed form to

the Registrar of Companies, Maharashtra, 2nd floor, Hakoba Compound, Dattaram Lad Marg, Kalachowki, Mumbai – 400 033.

9. In terms of section 205A and 205C of the Companies Act, 1956 any dividend remaining unpaid for a period of seven years from the due date of payment is required to be transferred to the Investor Education and Protection Fund (IEPF). The Company has therefore, transferred unclaimed dividend on October 1, 2005 for the year ended March 31, 1998 to the IEPF Account of the Central Government. Members who have not encashed their divided warrants for the year 1998-99 or thereafter are requested to write to the Company / Registrars and Share Transfer agents. **Shareholders are requested to note that no claims shall lie against the said Fund or the Company in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.**
10. Shareholders holding shares in physical form are requested to advise any change of address immediately to Company's Registrar and Share Transfer Agents, MCS Limited. **Shareholders holding shares in electronic form must advise their respective Depository Participants about change in address and not to the Company.**

Details of the directors seeking appointment/re-appointment at the forthcoming Annual General Meeting [In pursuance of Clause 49 of the Listing Agreement]

Name of the Director	Mrs. Thankom Mathew	P.H. Arvinth Pandian
Date of Birth	12.5.1953	21.9.1970
Nationality	Indian	Indian
Date of Appointment	12.4.2005	25.8.2005
Qualifications	M.Sc.	B.A., B.L.
Expertise in specific functional areas	She is presently working as Chief (Audit) at the central Office of LIC of India. She has around 27 years of experience and specializes in the fields of marketing, underwriting, administration and audit.	He is an Advocate – High Court, Madras having around 11 years of experience of practice and specialises in Corporate Laws and Tax Laws.
Directorships held in other companies (excluding private and foreign companies)	NIL	Tamilnad Mercantile Bank Limited IIT Corporate Services Limited IIT Investrust Limited
Committee position held in other companies	NIL	NIL
Shareholding of non-executive directors	NIL	NIL

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 5

Appointment of Mrs. Thankom Mathew as Director

In terms of Section 262 of the Companies Act, 1956 and Article 126(b) of the Articles of Association of the Company, the Board of Directors at its meeting held on April 12, 2005, appointed Mrs. Thankom Mathew as Director in casual vacancy caused by the resignation of Mr. K. Sridhar. Mr. K. Sridhar holds office up to the date of this Annual General Meeting. Mrs. Thankom Mathew, therefore retires by rotation. The Company has received a notice in writing (along with deposit of Rupees five hundred) from a Member proposing the candidature of Mrs. Thankom Mathew for the office of Director of the Company under the provisions of Section 257 of the Companies Act, 1956, liable to retire by rotation in terms of the Articles of Association of the Company.

Your Directors, therefore recommend the resolution for your approval.

Except Mrs. Thankom Mathew, no other Director is, in any way, concerned or interested in this Resolution.

Item No. 6

Increase in Borrowing Limits of the Company

At the Annual General Meeting of the Company held on August 16, 1995, the Board of Directors had been authorized to borrow in excess of the paid-up capital and free reserves upto a limit of Rs.100,00,00,000/- (Rupees One Hundred Crores) and to borrow moneys as per the provisions of Section 293 (1)(d) of the Companies Act, 1956. In view of the substantial further increase in borrowings that might be necessitated to meet the needs of constantly expanding business of the Company and its capacity to utilize the funds profitably, it is considered desirable that the Board of Directors should now be authorized to borrow in excess of the paid-up capital and free reserves upto a limit of **Rs.150 Crores.**

By Order of the Board of Directors,
For Industrial Investment Trust Limited

CUMI BANERJEE
Company Secretary

Mumbai, June 26, 2006

Registered Office :
14E, Rajabhadur Mansion, 2nd Floor,
28, Bombay Samachar Marg
Mumbai – 400 001



SANSKO GROUP

DIRECTORS' REPORT

Your Directors are pleased to present the Seventy Third Annual Report of the Company, together with the Audited Statement of Accounts for the year ended March 31, 2006.

	Current Year (Rs. in Lakhs)	Previous Year (Rs. in lakhs)
1. FINANCIAL RESULTS		
(a) Total Income	<u>7376.47</u>	<u>2243.97</u>
Profit / (Loss) before depreciation	6517.74	(753.71)
Less : Depreciation	8.87	9.85
Profit / (Loss) before Tax	6508.87	(763.56)
Less : Provision for Tax	<u>278.20</u>	<u>2.92</u>
	<u>6230.67</u>	<u>(766.48)</u>
Add : Balance of profit brought forward from the previous year.	(617.15)	149.78
Amount available for appropriation	5613.52	(616.70)
(b) From this, the Directors have transferred to :		
Special Reserve	1250.00	
General Reserve	1000.00	—
(c) The Directors recommend payment of Dividend at the rate of Rs. 2/- per share (previous year Rs. Nil per share) on 1,00,00,000 shares of Rs. 10/- each which will absorb.	200.00	—
Tax on proposed Dividend	28.05	0.45*
(* In respect of previous year)		
(d) Leaving a balance to be carried forward	<u>3135.47</u>	<u>(0.00)</u>

1. OPERATING RESULTS

The total income for the year under review is Rs.7376.47 lakhs as compared to Rs.2243.97 lakhs in the previous year, an increase of 228.72%. This was mainly due to net profit on sale of long term investments of Rs.7131.38 lakhs as compared to Rs. 1951.96 lakhs in the previous year.

Expenditure during the year under review is Rs.867.60 lakhs as compared to Rs.3007.53 lakhs in the previous year, a decrease of Rs.71.15%. This was mainly due to lesser provision made for diminution in the value of investments in subsidiaries and deposits given to subsidiaries aggregating Rs.345.50 lakhs as compared to Rs.2711.54 lakhs in the previous year.

2. INVESTMENTS

The Company's portfolio of investment is regularly reviewed and securities are bought, to add to the portfolio or sold in order to make capital gains. Details of the Company's investments, including a portfolio summary and analysis of securities held are given in Schedule E to the Balance Sheet as on March 31, 2006. The Company is an investment company, with a long term view of its portfolio.

The market value of the Company's quoted investments, as on March 31, 2006 was Rs.10030.53 lakhs (previous year Rs. 3942.20 lakhs). This is 154.44% higher than the related book value. During the year the Company purchased shares / debentures etc. of various companies with a book value of Rs.24845.95 lakhs and sold shares / debentures etc of various companies with a book value of Rs.22963.66 lakhs.

3. SUBSIDIARY COMPANIES

i) IIT Corporate Services Limited

The subsidiary company has ceased to act as Registrar & Transfer Agents. However, it continues to provide depository services to those clients who have not yet transferred their accounts to other depository participants.

ii) IIT Investrust Limited

This company continues to make losses. It has concentrated its efforts on recovery of outstanding dues through proper legal process.

Pursuant to the application for surrendering its membership with OTC Exchange of India (OTCEI), the company is still awaiting the reply from the said Exchange.

4. ASSOCIATE COMPANY

Nu-tech Corporate Services Limited

Currently, the company continues to exert all its efforts in recovering the outstanding dues. However, the recovery has been quite satisfactory. The company is optimistic about starting a range of activities like consultancy, advisory and supervisory services.

5. FIXED DEPOSITS

The Company does not accept Public Deposits.

6. TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 205C of the Companies Act, 1956, the following amounts lying with the Company as

Industrial Investment Trust Limited

unclaimed for a period of seven years from the date they became due for payment were transferred during the period under review to the Investor Education and Protection Fund.

- | | |
|---|---------------|
| 1. Unclaimed Dividend | Rs.3,06,220/- |
| 2. Unclaimed Interest on Fixed Deposits | Rs.2,043/- |

7. EMPLOYEE RELATIONS

Relations with employees continue to be cordial. The Directors take this opportunity to thank the employees at all levels for their continued dedication and the hard work put in by them.

8. DIRECTORS

Mr. P.H. Arvinth Pandian retires by rotation and being eligible, offers himself for re-appointment. Mrs. Thankom Mathew was appointed by the Board in the casual vacancy created by resignation of Mr. K. Sridhar. Mr. K. Sridhar was to hold office upto the date of this Annual General Meeting and hence Mrs. Thankom Mathew retires by rotation at this date.

It is proposed to appoint Mrs. Thankom Mathew as Director of the Company. Notice has been received from a member pursuant to Section 257 of the Companies Act, 1956, proposing her candidature for the office of Director.

Brief resume of the Directors, nature of expertise in specific functional areas, names of companies in which the Directorship is held and the membership of the Committees of the Board, their shareholdings are given in the Notice of the ensuing Annual General Meeting.

9. MANAGING DIRECTOR

Since the resignation of Mr. C.K. Thanawala, the Company has so far not appointed a Managing Director. It is in the process of finding a suitable candidate for the said post.

10. AUDITORS' REPORT

The observations made by the Auditors in their report are appropriately dealt with in the notes forming part of the accounts for the year, which are self-explanatory and hence do not require any further explanations.

11. AUDITORS

You are requested to re-appoint Messrs A. F. Ferguson & Co., Chartered Accountants, as Auditors of the Company from the conclusion of the 73rd Annual General Meeting until the conclusion of the 74th Annual General Meeting of the Company.

12. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review as required under Clause 49 of the Listing Agreement with the Stock Exchanges, is given as a separate statement in the Annual Report.

13. CORPORATE GOVERNANCE

The management is seeking a competent candidate for appointment of Chief Executive Officer (CEO). In absence of CEO the certification as required under Clause 49 (V) of the Listing Agreement is given by the Chairman and General Manager – Finance.

A separate section on Corporate Governance forms part of the Annual Report. A certificate regarding compliance of conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement forms part of the Annual Report.

14. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies (Amendment) Act, 2000, your Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- appropriate accounting policies have been selected and applied consistently and that they have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the affairs of the Company for year ended March 31, 2006;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- The annual accounts have been prepared on a 'going concern' basis.

15. PARTICULARS OF EMPLOYEES

There are no Employees coming under the purview of Section 217 (2A) of the Companies Act, 1956 and therefore such information has not been disclosed.

16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGOINGS

Your Company is not engaged in any manufacturing activities, and therefore, there are no particulars to be disclosed under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, relating to conservation of energy or technology absorption. During the year under review, the Company did not earn any foreign exchange and there was no expenditure in foreign exchange.

On behalf of the Board of Directors,

C. P. Khandelwal
Chairman

Mumbai
Date: June 26, 2006



HT GROUP

MANAGEMENT DISCUSSION AND ANALYSIS

The world economy exhibited strong growth in 2005 supported by benign financial market conditions and conducive macroeconomic policies. After experiencing relatively robust growth in 2004, the US economy witnessed a moderate deceleration in 2005, reflecting the adverse one-off effects of the hurricanes. Developing countries led by China and India continued to witness a strong momentum in GDP growth which splurged global growth in 2005.

The year 2005 has turned out better than might have been expected, given the rapidly spiralling oil prices, continued sluggishness in Western Europe, particularly in the euro- zone economies and the over-hang of the large trade and budget deficits in the USA. Rise in oil prices has triggered inflationary pressures globally, remaining the single largest risk to the global economy. The world economy is projected to continue with its growth momentum in 2006.

Indian Economy

India's economy is on the fulcrum of an ever increasing growth curve. With positive indicators such as a stable 8 percent annual growth, rising foreign exchange reserves of close to US\$ 140 billion, a booming capital market with the popular "Sensex" crossing the magical 11,000 mark, flowing foreign direct investment (FDI) close to US\$ 8 billion, and increase in exports, it is easy to grasp why India is a leading destination for foreign investment. The GDP grew by 7.4 per cent in the first quarter and 6.6 per cent in the second quarter of the year 2005-2006. The upward revision in real GDP growth to 7.5-8.0% turned out to be in alignment with the advance estimate of Central Statistical Organisation at 8.1% for 2005-2006.

Industrial production registered strong growth during April-February 2005-06. The manufacturing sector recorded growth of 9.0 per cent in 2005-06 (April-February) . On the whole, industrial production recorded growth of 8.0 per cent .Growth in the services sector accelerated to 9.9 per cent during April-December 2005, benefiting from robust growth in the major sub-sectors viz., 'trade, hotels, transport and communication', 'financing, insurance, real estate and business services' and 'construction'.

CAPITAL MARKETS

The capital market in India witnessed a sharp surge with BSE striking the 9,000 mark for the first time in its history on November 28, 2005.The Sensex scaled another peak on December12, 2005 as it breached the 9,100 mark to hit a new high 9,175.60. The sensex crossed the magical 11,000 mark touching an all time high of 11,356.95 as of March 31, 2006.The buoyant mood in the capital market in the first half of the year was also reflected in the initial public offerings (IPOs) and privately placed debt by corporates. The buoyancy reflected strong fundamentals of the economy, healthy corporate results, liquidity support from mutual funds and FI flows. India's popularity among investors can be gauged from the fact that the number of FIIs registered with SEBI has

considerably increased. In 2005 alone, 145 new FIIs registered themselves. Strong liquidity inflows have helped Indian stock markets outperform most emerging markets in 2005.Not only the foreign fund flow are driving markets up, even domestic investors are pouring money into equities.

The business segment in which your Company operates i.e investment activities is greatly influenced by the overall economic scene, affected by regulatory measures and various socio-political factors prevalent in the country. With strong fundamentals, India has the distinction of consistent returns from the equities. Indian equities have delivered the highest returns in the world.

SEGMENT -WISE PERFORMANCE

Your company is an investment company and operates in this one segment. The financial markets remained orderly during 2005-2006.The BSE Sensex ,which is the barometer of index for investments, was at 6506.60 on opening of April 1, 2005, it touched an all time historical high at 11,356.95 on March 31, 2006 and finally closed at 11279.96 on the same day. The market value of the company's quoted investments as on March 31, 2006 was Rs.10030.53 lakhs which is 154.44% higher than the book value.

OPPORTUNITIES, THREATS, RISKS AND CONCERNS

The investment portfolio of your Company is well diversified. Your company has also started trading in derivative instruments (Futures and Options). Your company has embarked upon a dynamic investment strategy and with right mix of old and new economy, aspires to achieve better growth in the ensuing year.

FINANCIAL PERFORMANCE

The total income for the year under review is higher at Rs. 7376.47 lakhs as compared to Rs.2243.97 lakhs in the previous year, an increase of about 228.72%. This increase in total income is due to the net profits on the sale of long term investments totalling Rs.7131.38 lakhs, as compared to Rs.1951.96 lakhs in the previous year. The Company has also repaid a substantial amount of its third party debts, out of the cash flow from the sale of long-term investments, achieving a considerable saving in interest costs. With the improving economic scene, the Company expects to perform better during the current year

INTERNAL CONTROL SYSTEM

The company has installed an adequate system of internal controls in all spheres of its activity. This is to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition, and that the transactions are authorized, recorded and reported diligently. The internal control is supplemented by an effective internal audit being carried out by an external firm of Chartered Accountants. The Management regularly reviews the findings of these internal auditors and takes appropriate steps to implement these suggestions and observations.

HUMAN RESOURCES

As on March 31, 2006 the Company had 6 employees. There have been very cordial relations between the employees and management.

OUTLOOK

The second week of May 2006 saw a great convulsion in the World Financial System. After rising to near peak levels, shares fell sharply on World Stock Exchanges, especially in Emerging Markets. There was a global melt down in equity and commodity markets which can be largely attributed to rising concerns amongst global investors with relation to US Federal Reserves continuing to raise interest rates, sharp correction in commodities particularly metals and hike in dollar interest rates which caused fears of an economic slow down in US resulting in pulling out of funds by FIIs.

Indian equities declined by nearly 13.3%, since the BSE sensitive index hit an all time high of 12,612 on May 10, 2006. There is an alert from a major investment banker of a further drop of around 20% in the Indian stock markets over the next one year. Also, there is a growing concern how global equity markets will behave in coming weeks / months especially given heightened volatility in dollar and various commodities. However if proper correction is done in commodity markets, fear of inflation may recede, interest rates increases may be paused and stock markets may rally in response. This may be a likely scenario in next 2 – 3 months unless event risks

such as rising tension in Middle East or oil prices derail the uptrend and dent investor sentiment.

Despite the crash, fundamentals in India continue to remain strong. Growth drivers for the economy continue to remain intact. For the year 2006-07 it is estimated that GDP growth should come in at 7.5% while corporate earning should grow at 20%.

As for India, under the assumption of a normal monsoon, an accelerated growth in agriculture is possible and the overall industrial outlook continues to appear positive.

DISCLAIMER:

The information and opinion expressed in this section of the Annual Report may contain certain statements, which the management believes are true to the best of its knowledge at the time of its preparation. The Company and the Management shall not be held liable for any loss, which may arise as a result of any action taken on the basis of the information contained herein.

On Behalf of the Board of Directors

C. P. KHANDELWAL
Chairman

Place : Mumbai
Date : June 26, 2006

AUDITORS' REPORT ON CORPORATE GOVERNANCE**TO THE MEMBERS OF INDUSTRIAL INVESTMENT TRUST LIMITED**

Auditors' certificate to the members of Industrial Investment Trust Limited on compliance of the conditions of corporate governance for the year ended 31st March, 2006, under clause 49 of the listing agreement with the stock exchange.

We have examined the compliance of the conditions of corporate governance by Industrial Investment Trust Limited for the year ended March 31, 2006, as stipulated in Clause 49 of the listing agreement of the said company with the stock exchange.

The compliance of the conditions of corporate governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the company for ensuring compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made

by the directors and the management, except that in the absence of any designated Chief Executive Officer (CEO) the relevant certification on the various matters specified under paragraph V of clause 49 has been done by the Chairman of the Company, we certify that the company has complied with the conditions of corporate governance as stipulated in the above mentioned listing agreement.

We state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For A. F. Ferguson & Co.
Chartered Accountants

A. C. Khanna
Partner
Membership No. 17814

Mumbai : June 26, 2006



SANSKO GROUP

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your company has been upholding the core values in all facets of its corporate working, with due concern for the welfare of shareholders of the company. The Management has consistently followed the principles of Corporate Governance, based on fairness, transparency, integrity, accountability and the compliance with laws in all corporate decisions.

2. BOARD OF DIRECTORS

Composition of the Board, Category of Directors, Other Directorships, Committee Memberships and Chairmanships of other companies as on March 31, 2006 are given in the table below:

Sr. No	Name of the Directors	Category	No. of other Directorships held *	No. of Committee Memberships of other Companies#	No. of Committee Chairmanships of other Companies
1	C.P. Khandelwal	NI/ NE Promoter Chairman	4	2	Nil
2	Sanjay Dangi	NI / NE Promoter	4	4	1
3	N. R. Suresh	I / NE	4	2	2
4	P. H. Arvinth Pandian.	I / NE	3	Nil	Nil
5	Thankom Mathew	I / NE Representative of LIC of India	Nil	Nil	Nil

NI - Non Independent Director

I - Independent Director

NE - Non-Executive Director

E - Executive Director

* Excludes alternate directorships and directorships in foreign companies and private companies.

Excludes committees other than Audit Committee, Shareholder / Investor Grievance Committee of Public Limited Companies.

During the year, Mrs. Thankom Mathew, Mr. C.P. Khandelwal, Mr. Sanjay Dangi, Mr. N.R. Suresh and Mr. P.H. Arvinth Pandian have been appointed on the Board of the Company. Mr. Sushil K. Premchand, Mr. C.K. Thanawala, Mr. Homi Mehta, Mr. V.C. Vaidya, Mr. H.C. Asher and Mr. Pradeep R. Mafatlal, have resigned from the Board of the Company.

Board Meetings and Annual General Meeting

The regular meetings of the Board are scheduled well in advance. The Board meets at least once in a quarter inter alia to review the performance of the company. For each meeting, a detailed agenda is prepared in consultation with the Chairman.

During the year 2005-2006, 7 Board Meetings were held i.e., on April 12, 2005, April 29, 2005, June 2, 2005, July 13, 2005, August 25, 2005, October 24, 2005 and January 18, 2006.

Attendance at the Board Meetings and at the Annual General Meeting (AGM)

Name of the Director	No. of Board Meetings attended	Attendance at the last AGM
Sushil K. Premchand *	5	--
C.K. Thanawala *	5	--
Homi F. Mehta *	3	--
Pradeep R. Mafatlal *	2	--
V.C. Vaidya *	5	--
H.C. Asher *	2	--
Thankom Mathew **	6	Yes
C.P. Khandelwal ***	3	Yes
Sanjay Dangi ***	3	Yes
N.R. Suresh ***	2	Yes
P.H. Arvinth Pandian ***	2	--

* Resigned with effect from August 25, 2005

** Appointed with effect from April 12, 2005 as representative of LIC of India

*** Appointed with effect from August 25, 2005 as Additional Director & re-appointed as Director on 29th September, 2005

3. BOARD COMMITTEES

The Board has constituted the following Committees of Directors :

a) Audit Committee:

The Audit Committee was constituted on March 14, 2001. It was reconstituted on August 25, 2005.

A brief description of the terms of reference of the Audit Committee is as follows:

To review Internal Auditors' Report, the Statutory Auditors' Report on the financial statements and quarterly results, to select and establish accounting policies, reviewing the impact of these on financial statements, have discussions with the auditors periodically about internal control system, to appoint and decide the remuneration of the internal auditor.

During the year under review, 3 meetings of the Audit Committee were held, the dates being June 1, 2005, October 24, 2005 and January 18, 2006.