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26th ANNUAL GENERAL MEETING

Date : 29th September, 2006
Day : Friday
Time : 11.30 a.m.
**Place : Registered Office,
O.P. Jindal Marg, Hisar**

REGISTERED OFFICE O.P. Jindal Marg, Hisar-125 005 (Haryana) India.
Phone: (01662) 222471-83. Fax : (01662) 220476/ 220499
e-mail: jslhsr@nde.vsnl.net.in

CORPORATE OFFICE Jindal Centre, 12 Bhikaiji Cama Place, New Delhi – 110 066, India.
Phone:(011) 26188345-60. Fax: (011) 26170691, 26161271
e-mail: jindalsteel@del2.vsnl.net.in
Web Site : www.jindalstainless.com

MUMBAI OFFICE Jindal Mansion, 5A, G. Deshmukh Marg, Mumbai-400 026, India.
Phone: (022) 23513000. Fax: (022) 23526400, 23522600
e-mail:jindal@bom2.vsnl.net.in

BHUBANESHWAR OFFICE 50, H.I.G, BBA, Jaidev Vihar, Bhubaneshwar – 751 013 (Orissa), India.
Phone: (0674) 2303560, 2301846, Fax : (0674) 2303147
e-mail: jslbbs@sify.com

MANUFACTURING FACILITIES

HISAR O.P. Jindal Marg, Hisar-125 005 (Haryana) India.
Phone: (01662) 222471-83. Fax : (01662) 220476/ 220499
e-mail: jslhsr@nde.vsnl.net.in

ORISSA Kalinga Nagar Industrial Complex, P.O. Danagadi – 755 026
Dist. Jajpur (Orissa) India
Phone: (06726) 266031-32, Fax : (06726) 266030
e-mail: info@jindalstainless.com

KOTHAVALASA Jindal Nagar, Kothavalasa – 535 183, Dist. Vizianagaram (A.P.) India.
Phone: (08966) 273327, 273254, 273335 Fax: (08966) 273326
e-mail: jindalkvs@sancharnet.in

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(As On 2nd September, 2006)**BOARD OF DIRECTORS**

Chairperson	Savitri Devi Jindal
Vice Chairman & Managing Director	Ratan Jindal
Managing Director & Chief Executive Officer	V.S. Jain
Jt. Managing Director & Chief Operating Officer (Orissa Division)	Ashis Das
Dy. Managing Director	R.G. Garg
Director – International Marketing	N.C. Mathur
Directors	Naveen Jindal Suman Jyoti Khaitan Lokesh Kumar Singhal T.R. Sridharan B.D. Gupta
Executive Director	Rajinder Parkash
Sr. Vice President & Company Secretary	A.P. Garg

MANAGEMENT TEAM

Director – Finance	Arvind Parakh
Director – Commercial	R.K. Goyal
Executive Director – Projects	B.P. Goyal

Bankers	State Bank of India State Bank of Patiala Punjab National Bank Canara Bank Standard Chartered Bank ICICI Bank UTI Bank Export-Import Bank of India
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Statutory Auditors	Messrs Lodha & Co., Chartered Accountants Messrs S.S. Kothari Mehta & Co., Chartered Accountants
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Cost Auditors	Messrs Ramanath Iyer & Co., Cost Accountants
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Registered Office	O.P. Jindal Marg, Hisar -125 005 (Haryana)
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Works	Hisar (Haryana), Kothavalasa (A.P.), Danagadi, Dist. Jajpur (Orissa)
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Branches	Howrah and Mumbai
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DEAR STAKEHOLDERS,

The last fiscal has been a tough year, as the stainless steel industry worldwide witnessed steep rise in input costs and on the other side experienced constant pressures on prices of the finished products.

The market stagnation was attributed to heavy de-stocking by all major players, industry wide, which significantly weakened the prices and profitability. At Jindal Stainless, we were able to absorb the pressures and have been able to sustain the topline. We are now surging ahead to consolidate and build capacities to meet market adversities in future.

To insulate ourselves from the volatility of raw material prices and in the process of becoming self reliant, Jindal Stainless is moving ahead to set up a fully integrated stainless steel plant in the state of Orissa, India, which would enable Jindal Stainless to be amongst the most cost competitive Stainless Steel producers in Asia. The project also entails linkages with iron ore, manganese, chrome ore and coal mines and will also have support facilities required for manufacturing of Stainless Steel such as Ferro Chrome, Ferro Manganese, Silico Manganese, Coke Ovens and Thermal Power Plant.

As part of the Ferro Alloys complex in Phase1, two state-of-the-art submerged arc furnaces (60 MVA each) of HC Ferro Chrome have already been commissioned. The Ferro Manganese and Silico Manganese furnaces are under implementation. The Coke Oven and Power Plant are also under implementation as part of phase I of the project.

Our consistent efforts have provided stability and growth and would help us to consolidate further. As we travel across through the most testing times the industry has faced in the recent past, the most important aspect that comes to fore is to develop the internal strength needed to ward off such adversities. We have therefore put in place a mechanism to control costs, build sustainable customer relationship, improved financial management and to nurture and nourish the best of human capabilities, who we believe are the pillars of success.

We must address the challenges of increasing productivity to internationally competitive levels. This must involve critically evaluating our management practices, reviewing workplace strategies, reducing costs of production, and above all, working together to manage the inevitable challenges, which we feel will catapult JSL into the top league of world-class enterprises.

Stainless Steel is a versatile, constantly developing material that underpins all manufacturing activity. Over a decade the industry in India has witnessed a growth of over 10% on an average against the global average of 5%. India is galloping ahead to become a developed nation by 2020 with a per capita GDP of \$1540. We find, there is a direct correlation between GDP growth and consumption of stainless steel, which reinforces our belief for growth, of an emerging and growing market in India. Segments like architecture, building & construction have huge potentials added with focus of the government on infrastructure development across the country. The growth of stainless steel consumption in newer and innovative application is gradual but visible, and we expect this to grow now at a much rapid pace. With modernization of airports, development of facilities for hosting Commonwealth Games, rising disposable income leading to increased consumption and rise in demand in the real estate segment, we feel the growth in consumption of stainless steel is imminent.

It is our conviction that our progress will continue with expanding consumption base but the drivers of performance would be cost and operational efficiencies. We have aligned our operations to international standards and have concentrated our efforts on performance excellence initiatives including TPM and Six Sigma.

Jindal Stainless is surging ahead to be amongst the top global players of the industry. In line with our vision, we will continue to pursue a strategy of cost leadership and continuous innovation, to provide customer satisfaction while adding sustained value for all our stakeholders.

We wish to thank all our shareholders who have been part of this journey, and have trusted in our dreams for creating a 'stainless future'.

Ratan Jindal
Vice Chairman & Managing Director

NOTICE

NOTICE is hereby given that the **26th Annual General Meeting** of shareholders of **JINDAL STAINLESS LIMITED** will be held on **Friday, 29th September, 2006 at 11.30 a.m. at Registered Office** of the company at O.P. JINDAL MARG, HISAR (Haryana) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2006 and the Profit and Loss Account for the year ended on that date and the Reports of the Auditors and the Board of directors.
2. To declare payment of dividend on equity shares for the year ended 31st March 2006.
3. To appoint a director in place of Sh. Suman Jyoti Khaitan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Dr. L.K. Singhal, who retires by rotation and being eligible, offers himself for re-appointment.
5. To re-appoint M/s. Lodha & Co., Chartered Accountants and M/s. S.S. Kothari Mehta & Co., Chartered Accountants as joint statutory auditors of the company, to conduct audit of books of accounts of the company and hold office from the conclusion of this annual general meeting to the conclusion of the next annual general meeting and to re-appoint M/s. N.C. Aggarwal & Co., Chartered Accountants, as branch auditors of Visakhapatnam division of the company.

AS ORDINARY RESOLUTIONS:

- I. **"RESOLVED** that the retiring joint statutory auditors, M/s. Lodha & Co., Chartered Accountants, and M/s. S.S. Kothari Mehta & Co., Chartered Accountants, who, being eligible, offer themselves for re-appointment be and are hereby re-appointed as joint statutory auditors of the company to conduct audit of the books of accounts of the company for the year 2006-07 and to hold office until the conclusion of the next annual general meeting at a remuneration to be finalised by the Board of directors."
- II. **"RESOLVED FURTHER** that M/s. N.C. Aggarwal & Co., Chartered Accountants, Hisar be and are hereby re-appointed as Branch Auditors of Visakhapatnam division of the company for the year ending 31st March, 2007 on the terms and conditions and remuneration as may be finalised by the Board of directors."

SPECIAL BUSINESS:**TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION, THE FOLLOWING RESOLUTIONS:****6. AS AN ORDINARY RESOLUTION:**

"RESOLVED that in accordance with the provisions of section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Sh. T.R. Sridharan, an Additional Director of the company who holds office upto the date of this annual general meeting pursuant to section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the company, liable to retire by rotation."

7. AS AN ORDINARY RESOLUTION:

"RESOLVED that in accordance with the provisions of section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Sh. B.D. Gupta, an Additional Director of the company who holds office upto the date of this annual general meeting pursuant to section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the company, liable to retire by rotation."

8. AS AN ORDINARY RESOLUTION:

"RESOLVED that in accordance with the provisions of section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Sh. V.S. Jain, an Additional Director of the company who holds office upto the date of this annual general meeting pursuant to section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the company."



9. AS AN ORDINARY RESOLUTION:

"RESOLVED that in accordance with the provisions of sections 198, 269 and 309 read with schedule XIII and other applicable provisions of the Companies Act, 1956 or any amendment thereto from time to time, consent of the company be and is hereby given to the appointment of Sh. V.S. Jain as Managing Director & Chief Executive Officer for a period of 5 years w.e.f. 2nd September, 2006 to 1st September, 2011 at remuneration and other perquisites and terms and conditions as detailed in the Explanatory Statement, with liberty to the Board of directors to alter or vary the same so as not to exceed the limits set out in sections 198 and 309 read with schedule XIII to the Companies Act, 1956 or any amendments thereto, as may be agreed upon between the Board of Directors and Sh. V.S. Jain provided, however, that the normal annual increment as per policy of the company shall be granted to him by the Vice Chairman & Managing Director."

10. AS AN ORDINARY RESOLUTION:

"RESOLVED that in accordance with the provisions of sections 198, 269, 309 and 310 read with schedule XIII and all other applicable provisions of the Companies Act, 1956 or any amendment thereto from time to time, consent of the company be and is hereby accorded to the revised terms of remuneration as detailed in the Explanatory Statement payable to Sh. Ratan Jindal, Vice Chairman & Managing Director, during the current tenure of his appointment w.e.f. 1st April, 2006 to 22nd July, 2008, as set out in the explanatory statement."

11. AS AN ORDINARY RESOLUTION:

"RESOLVED that in accordance with the provisions of sections 198, 269 and 309 read with schedule XIII and other applicable provisions of the Companies Act, 1956 or any amendment thereto from time to time, consent of the company be and is hereby given to the appointment of Sh. Ashis Das as Joint Managing Director & Chief Operating Officer (Orissa Division) for a period of 5 years w.e.f. 18th August 2006 to 17th August, 2011 at remuneration and other perquisites and terms and conditions as detailed in the Explanatory Statement, with liberty to the Board of directors to alter or vary the same so as not to exceed the limits set out in sections 198 and 309 read with schedule XIII to the Companies Act, 1956 or any amendments thereto, as may be agreed upon between the Board of Directors and Sh. Ashis Das provided, however, that the normal annual increment as per policy of the company shall be granted to him by the Vice Chairman & Managing Director."

12. AS A SPECIAL RESOLUTION:

"RESOLVED that, in accordance with the applicable provisions of the Companies Act, 1956, the Securities Contracts (Regulations) Act, 1956, the Listing Agreements with the Stock Exchanges and the provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, or any amendment or modification thereof, and subject to such other approvals, permissions and sanctions as may be necessary, and such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions or sanctions which may be agreed to by the Board of directors of the company ('the Board') or any Committee/ person(s) authorized by the Board, consent of the company be and is hereby accorded to delist from the stock exchanges at Delhi, Ahmedabad, Chennai and Kolkata, the equity shares of the company, including equity shares that may be issued and listed in future pursuant to the requirements of clause 24(a) and other applicable provisions of the Listing Agreement pending approval of the delisting application made by the company."

"RESOLVED FURTHER that authority be and is hereby accorded to the Board or any Committee / person(s) authorized by the Board to settle all questions, difficulties or doubts that may arise in this regard and to do all such acts, deeds and things as may be necessary, expedient and desirable, for the purpose of giving effect to this resolution."

By order of the Board

(A.P. Garg)
Sr. Vice President
& Company Secretary

Registered Office:
O.P. Jindal Marg,
HISAR - 125 005.
2nd September, 2006

NOTES:

- A. 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.
- B. A blank proxy form is sent herewith.
- C. The instrument appointing the proxy should be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
- D. An explanatory statement pursuant to section 173 (2) of the Companies Act, 1956, in respect of item nos. 6 to 12 of the Notice is annexed hereto.

ANNUAL REPORT 2005 - 06**Explanatory Statement under section 173(2) of the Companies Act, 1956.****ITEM NO. 6**

The Board of directors appointed Sh. T.R. Sridharan as Additional Director with effect from 26th December, 2005 by passing the resolution through circulation, pursuant to Article 78 of Articles of Association of the company and section 260 of the Companies Act, 1956. As per the said Article and said section, Sh. T.R. Sridharan will hold office upto the date of this annual general meeting. A notice pursuant to section 257 of the Companies Act, 1956, has been received from a member signifying his intention to propose him as a candidate for the office of Director. The profile of Sh. T.R. Sridharan is given hereto under the head 'Additional Information'.

Sh. T.R. Sridharan, being concerned, is interested in the resolution. None of the other directors of the company is concerned or interested in the resolution. Your Directors, therefore, recommend the resolution for your approval.

ITEM NO. 7

The Board of directors, in its meeting held on 2nd September, 2006 appointed Sh. B.D. Gupta as Additional Director with effect from 2nd September, 2006, pursuant to Article 78 of Articles of Association of the company and section 260 of the Companies Act, 1956. As per the said Article and said section, Sh. B.D. Gupta will hold office upto the date of this annual general meeting. A notice pursuant to section 257 of the Companies Act, 1956, has been received from a member signifying his intention to propose him as a candidate for the office of Director. The profile of Sh. B.D. Gupta is given hereto under the head 'Additional Information'.

Sh. B.D. Gupta, being concerned, is interested in the resolution. None of the other directors of the company is concerned or interested in the resolution. Your Directors, therefore, recommend the resolution for your approval.

ITEM NO. 8 & 9

The Board of directors, in its meeting held on 18th August 2006 appointed Sh. V.S. Jain as Additional Director with effect from 18th August, 2006, pursuant to Article 78 of Articles of Association of the company and section 260 of the Companies Act, 1956. The Board of directors, in its meeting held on 2nd September, 2006 appointed Sh. V.S. Jain as Managing Director & Chief Executive Officer for a period of 5 years w.e.f. 2nd September, 2006 to 1st September, 2011, subject to approval of shareholders at the ensuing annual general meeting. As per provisions of Article 78 of Articles of Association of the company and section 260 of the Companies Act, 1956, Sh. V.S. Jain will hold office upto the date of this annual general meeting. A notice pursuant to section 257 of the Companies Act, 1956, has been received from a member signifying his intention to propose him as a candidate for the office of Director.

In terms of schedule XIII to the Companies Act, 1956, Sh. V.S. Jain is eligible for appointment as Managing Director & Chief Executive Officer. Hence the proposal. His appointment shall not be subject to retirement by rotation. The profile of Sh. V.S. Jain is given hereto under the head 'Additional Information'. The terms and conditions of his appointment are as mentioned hereunder:

Particulars of terms and conditions and remuneration:

1. Tenure: 5 years with effect from 2nd September, 2006 to 1st September, 2011
2. Remuneration:

Salary: Up to a maximum of Rs.6,50,000/- (Rupees six lacs and fifty thousand only) per month, with annual increment effective 1st April every year as may be decided by the Vice Chairman & Managing Director, based on merit and taking into account the company's performance for the year. Contribution to Provident Fund, Superannuation fund/ Gratuity, Group Personal Accident Insurance, Mediciam for self and family will be as per rules of the company. In addition, other benefits, perquisites and allowances will be determined by the board from time to time. Commission will be based on performance criteria prescribed by the board.

3. Minimum remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Sh. V.S. Jain, Managing Director & Chief Executive Officer, the company has no profits or its profits are inadequate, the company will pay remuneration by way of salary, perquisites and allowances as specified above, subject to Central Government approval.
4. The appointment of Sh. V.S. Jain as Managing Director may be terminated by either party giving the other party 3 (three) months' notice or the company paying 3 (three) months' salary in lieu thereof.
5. He is not entitled to sitting fees for attending the meetings of the board or of the committees thereof.
6. He shall also be entitled to reimbursement of expenses actually and properly incurred by him for the business of the company.



7. The above remuneration payable to him shall be subject to the limits of 5% and 10% of the net profits of the company, as the case may be as laid down in section 309 of the Companies Act, 1956 read with schedule XIII to the Companies Act, 1956 and the overall limit of 11% of the net profits of the company as laid down in Section 198(1) of the said Act.
8. He shall not be liable to retire by rotation.

In compliance with the provisions of section 309 of the Companies Act, 1956, the terms of remuneration specified above is placed before the members in the annual general meeting for their approval.

The above may be treated as an abstract required under section 302 of the Companies Act, 1956. There is no written agreement in this regard.

Sh. V.S. Jain, being concerned, is interested in this resolution. None of the other directors of the company is concerned or interested in the resolution. Your Directors, therefore, recommend the resolution for your approval.

ITEM NO. 10

Sh. Ratan Jindal was appointed as Vice Chairman & Managing Director of the company for a period of five years from 23rd July, 2003 to 22nd July, 2008 at a remuneration of Rs.6,00,000 per month in the scale of Rs.6,00,000–Rs.1,00,000–Rs.11,00,000. The shareholders had approved his appointment as well as remuneration in the extraordinary general meeting held on 1st August, 2003.

Keeping in view his vast experience, the Board of directors, in its meeting held on 19th March, 2004, revised his remuneration from 1st April, 2004 to 22nd July, 2008 comprising salary of Rs.10,00,000 per month in the scale of Rs.10,00,000–Rs.1,50,000–Rs.16,00,000 alongwith 1% commission on net profits of the company and perquisites. The said revised remuneration was approved by the shareholders in the annual general meeting held on 29th September, 2004.

The Board of directors in its meeting held on 20th February, 2006 decided to entrust Sh. Ratan Jindal with the additional responsibilities to look after the operations of two abroad based subsidiaries of Dubai and London and decided to pay the salary from two subsidiaries within the overall limits as approved by the shareholders in the annual general meeting held on 29th September, 2004. The Board authorized Sh. Ratan Jindal to look after the operations of both the subsidiaries abroad besides monitoring the affairs of Jindal Stainless Ltd. Sh. Ratan Jindal intended to draw salary from both the subsidiaries and to avail commission and perquisites only from Jindal Stainless Ltd. w.e.f. 1st April, 2006 within the overall limits as approved by the shareholders.

The Board of directors referred the matter to the remuneration committee to re-define the remuneration package of Sh. Ratan Jindal within the overall limits as approved by the shareholders as aforesaid. The Remuneration Committee, in its meeting held on 29th March, 2006, recommended the re-defined remuneration package of Sh. Ratan Jindal for approval of the Board.

The remuneration package, as recommended by the Remuneration Committee in its meeting held on 29th March, 2006, was approved by the Board of directors in its meeting held on 29th April, 2006 under the provisions of section 268 of the Companies Act, 1956.

Accordingly, with effect from 1st April, 2006, Sh. Ratan Jindal will draw salary from Dubai based subsidiary and UK based subsidiary and will not draw salary from Jindal Stainless Limited, but continue to avail commission and perquisites from Jindal Stainless Limited.

Central Government has granted approval to the amendment of provisions relating to remuneration of Sh. Ratan Jindal, Vice Chairman & Managing Director vide its letter dated 31st August, 2006, subject to approval of shareholders. Hence the proposal.

1. Revised Remuneration from 1.4.2006 to 22.7.2008:

- (a) Commission: 1% Commission on the Net Profits of the company.
- (b) Perquisites:

In addition to the commission payable, the Vice Chairman & Managing Director shall also be entitled to:

- i) Reimbursement of medical expenses for self and family upto Rs.15,000.
- ii) Payment of Club fees including life membership fees.
- iii) Personal Accident Insurance, the annual premium for which does not exceed Rs.75,000/-.
- iv) Free telephone facility at residence. All personal long distance calls shall be billed by the company.
- v) Free use of car with driver.

2. Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Sh. Ratan Jindal, Vice Chairman & Managing Director, the company has no profits or its profits are inadequate, the company will pay remuneration by way of commission and perquisites as specified above, subject to Central Government approval.

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3. He shall also be entitled to reimbursement of expenses actually and properly incurred by him for the business of the company.
4. He shall not be paid any sitting fees for attending the meetings of the Board of directors or committees thereof.
5. The above remuneration payable to him shall be subject to the limits of 5% and 10% of the Net Profits of the company, as the case may be as laid down in section 309 of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956 and the overall limit of 11% of the Net Profits of the company as laid down in Section 198(1) of the said Act.
6. He shall not be liable to retire by rotation.

In compliance with the provisions of section 309 of the Companies Act, 1956, the terms of remuneration specified above is placed before the members in the general meeting for their approval.

The above may be treated as an abstract required under section 302 of the Companies Act, 1956. There is no written agreement in this regard.

Sh. Ratan Jindal, being concerned, is interested in the resolution. Smt. Savitri Devi Jindal and Sh. Naveen Jindal, being relatives of Sh. Ratan Jindal may be regarded as concerned or interested in the resolution. None of the other directors of the company is concerned or interested in the resolution.

ITEM NO. 11

The Board of directors, in its meeting held on 18th August 2006 appointed Sh. Ashis Das as Joint Managing Director & Chief Operating Officer (Orissa Division) pursuant to Article 78 of Articles of Association of the company and section 260 of the Companies Act, 1956 for a period of 5 years w.e.f. 18th August 2006 to 17th August 2011, subject to the approval of shareholders at the annual general meeting. As per the said Article and section, Sh. Ashis Das will hold office upto the date of this annual general meeting. A notice pursuant to section 257 of the Companies Act, 1956, has been received from a member signifying his intention to propose him as a candidate for the office of Director.

In terms of schedule XIII to the Companies Act, 1956, Sh. Ashis Das is eligible for appointment as Joint Managing Director & Chief Operating Officer (Orissa Division). Hence the proposal. His appointment shall be subject to retirement by rotation. The profile of Sh. Ashis Das is given hereto under the head 'Additional Information'. The terms and conditions of his appointment are as mentioned hereunder:

Particulars of terms and conditions and remuneration:

1. Period of Agreement: 5 years with effect from 18.8.2006 to 17.8.2011

2. Remuneration :

(a) Basic Salary : Rs.2,00,000 (Rs. two lac only) per month

(b) Perquisites and allowances:

In addition to the salary, Sh. Ashis Das, Joint Managing Director & Chief Operating Officer (Orissa Division) shall also be entitled to:

- (i) House Rent Allowance @ Rs.50,000/- (Rupees fifty thousand only) per month.
- (ii) Choice Pay @ Rs.1,00,000/- (Rupees one lac only) per month.
- (iii) Reimbursement of Professional Pursuits @ Rs.12,000/- (Rupees twelve thousand only) per annum.
- (iv) Leave Travel Assistance @ Rs.30,000/- (Rupees thirty thousand only) per annum.
- (v) Reimbursement of medical expenses @ Rs.15,000/- (Rupees fifteen thousand only) per annum.
- (vi) Bonus / Ex-gratia @ 20% of basic salary, payable annually.
- (vii) Mediclaim Insurance coverage for self, spouse and dependent children as per company rules.
- (viii) Group Personal Accident Insurance Coverage as per company rules.
- (ix) Chauffeur driven car for business and personal usage.
- (x) Reimbursement of expenses incurred on official entertainment.
- (xi) Provident fund as per rules thereof.
- (xii) Gratuity as per rules thereof.
- (xiii) Performance Linked Variable Reward (PLVR) as per scheme of the company.
- (xiv) Other allowances as per rules of the company.



3. Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Sh. Ashis Das, Joint Managing Director & Chief Operating Officer (Orissa Division), the company has no profits or its profits are inadequate, the company will pay remuneration by way of salary, perquisites and allowances as specified above, subject to Central Government approval.

4. He shall also be entitled to reimbursement of expenses actually and properly incurred by him for the business of the company.
5. He shall not be paid any sitting fees for attending the meetings of the Board of directors or committees thereof.
6. The above remuneration payable to him shall be subject to the limits of 5% and 10% of the net profits of the company, as the case may be as laid down in section 309 of the Companies Act, 1956 read with schedule XIII to the Companies Act, 1956 and the overall limit of 11% of the net profits of the company as laid down in Section 198(1) of the said Act.
7. He shall be liable to retire by rotation.

In compliance with the provisions of section 309 of the Companies Act, 1956, the terms of remuneration specified above is placed before the members in the annual general meeting for their approval.

The above may be treated as an abstract required under section 302 of the Companies Act, 1956. There is no written agreement in this regard.

Sh. Ashis Das, being concerned, is interested in this resolution. None of the other directors of the company is concerned or interested in the resolution. Your Directors, therefore, recommend the resolution for your approval.

ITEM NO. 12

Presently, equity shares of your company are listed at the stock exchanges at Mumbai, Delhi, Kolkata, Ahmedabad, Chennai and the National Stock Exchange.

Trading volumes of the company's equity shares in stock exchanges other than BSE and NSE are extremely low. With extensive networking of BSE and NSE terminals, the investors have access to trade and deal in the company's securities across the country. It is therefore, felt that continued listing with above mentioned four stock exchanges are yielding no benefit and does not provide any significant tangible advantage to the members of the company.

It is proposed to get voluntary de-listing of company's shares from the four stock exchanges at Delhi, Kolkata, Ahmedabad and Chennai in accordance with SEBI (Delisting of Securities) Guidelines, 2003. Consent of members is sought for voluntary de-listing of the company's existing equity shares, as well as equity shares that may be issued and listed in future pursuant to the requirements of clause 24(a) and other applicable provisions of the Listing Agreement, pending approval of the de-listing application made by the company, from the said stock exchanges at Delhi, Ahmedabad, Chennai and Kolkata as proposed in the special resolution.

The Board recommends the resolution for approval of members.

None of the directors of the company are interested or concerned in the proposed resolution.

ADDITIONAL INFORMATION : As required in terms of clause 49 of the listing agreement.

Brief Profile of new directors and the directors, who retire by rotation and are eligible for re-appointment:

Sh. T.R. Sridharan

Sh. T.R. Sridharan has about forty years of experience in international banking, capital markets, administrative and operational portfolios in domestic banking. He is Ex-Chairman & Managing Director of Canara Bank. He has five years experience as member of BIFR. He is currently involved in the evaluation of "Country Financial Accountability Assessment (CFAA)" of various countries, as a consultant for the World Bank.

Outside Directorship: Optimus Outsourcing Solutions Limited (Director), K.N.R. Constructions Limited (Director).

Committee Membership: Audit Committee of Optimus Outsourcing Solutions Limited (Member).