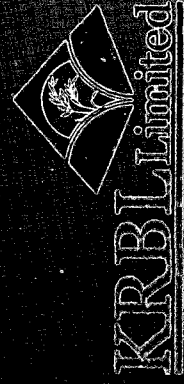


**WORLD'S LARGEST RICE MILLERS &
BASMATI RICE EXPORTERS**

ANNUAL REPORT

2006-07





Board of Directors

Chairman & Managing Director

Anil Kumar Mittal

Joint Managing Directors

Arun Kumar Gupta

Anoop Kumar Gupta

Directors

Dr. N. K. Gupta

Ashok Chand

Priyanka Mittal

Mahesh C. Jain

Vinod Ahuja

Ashwani Dua

Shyam Arora

Company Secretary

H. K. Agarwal

Auditors

M/s Vinod Kumar Bindal & Co.

Chartered Accountants

Shiv Shushil Bhawan

D-219, Vivek Vihar, Phase-I,

New Delhi - 110 095

Bankers

State Bank of India

State Bank of Patiala

State Bank of Hyderabad

State Bank of Travancore

Canara Bank

The Karnataka Bank Ltd.

ABN Amro Bank N. V.

Corporation Bank

State Bank of Bikaner and Jaipur

Oriental Bank of Commerce

HDFC Bank Ltd.

Union Bank of India

Punjab National Bank

Hongkong & Shanghai Banking Corporation Ltd.

Kotak Mahindra Bank Ltd.

Registered Office

5190, Lahori Gate, Delhi - 110 006

Works

- 9th Milestone, Post Dujana, Bulandshahar Road, Distt. Gautam Budh Nagar, U.P.
- Village Bhasaur (Dhuri), Distt. Sangrur, Punjab - 148 241
- 29/15-29/16, Village Jindpur, G. T. Karnal Road, Alipur,
- Plot 258-260, Extended Lal Dora, Alipur, Delhi - 110 036



Directors' Report

Dear Shareholders,

Your Directors take pleasure in presenting their 14th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2007.

1. FINANCIAL RESULTS AND OPERATIONAL PERFORMANCE (Rs. in Lacs)

	Year Ended 31.03.2007	Year Ended 31.03.2006
Total turnover	91988	73409
Profit before interest and depreciation	12126	9051
Less: Interest and financial charges	4579	3001
Less: Depreciation	1753	1189
Profit before tax	5794	4861
Provision for current tax	650	1360
(Add)/Less: Provision for tax for the earlier years written back	74	43
Provision for Deferred Tax	81	228
Fringe benefit tax	35	24
Wealth tax	3	3
Profit after tax for the year	4951	3203
Balance of profit brought forward from the preceding year	11506	9156
Appropriations		
Proposed dividend on equity shares	486	485
Tax on dividend	68	68
Transfer to General Reserve	400	300
Balance of profit transferred to Reserves & Surplus	15503	11506

* 1 US \$ = Rs. 43.20 exchange rate as on 31st March, 2007 (1 US \$ = Rs. 44.58 as on 31st March, 2006).

2. YEAR IN RETROSPECT

The gross sales and other income for the financial year under review were Rs. 91988 Lacs as against Rs. 73409 lacs for the previous financial year registering an increase of 25.31%. The Profit before tax of Rs. 5794 lacs and the profit after tax of Rs. 4951 lacs for the financial year under review as against Rs. 4861 lacs and Rs. 3203 lacs respectively for the previous year, improved by 19.19% and 54.57% respectively.

3. DIVIDEND

The Directors are pleased to recommend the payment of dividend at Rs. 2/- per equity share (20% on a face value of Rs 10/- each) for the financial year ended 31st

March, 2007 on 2,43,11,194 equity shares. The total outgo on account of the dividend including dividend tax will be Rs. 5,54,41,678/- (previous year Rs. 5,52,70,678/-), which represents 11.20% of the profit after tax (previous year 17.26%).

The dividend on the equity capital for the year ended 31st March 2007, which, if approved by the members at the forthcoming annual general meeting, will be paid out of the current year's profit to the following:

- Equity shareholders whose names appear in the Register of Members on 20th September, 2007; and
- Those whose names as beneficial owners are furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

4. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 205A and 205C of the Companies Act, 1956, the Company deposited Rs. 25,120/- as unclaimed dividend for 1998-99 in the 'Investor Education and Protection Fund' established by the Central Government.

5. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Dr. N. K. Gupta, Mr. Ashok Chand and Ms. Priyanka Mittal retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment. Your Directors recommend their re-appointment.

Mr. Ashwani Dua, who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 09.06.2007 and he is eligible for reappointment as per provisions of Section 257 of the Companies Act, 1956. The Company has received a notice along with a deposit of Rs. 500 from a member signifying his intention to propose his candidature to the office of Director. Mr. Ashwani Dua shall be liable to retire by rotation.

Mr. Shyam Arora, who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 09.06.2007 and he is eligible for reappointment as per provisions of Section 257 of the Companies Act, 1956. The Company has received a notice along with a deposit of Rs. 500/- from a member signifying his intention to propose his candidature to the office of Director. Mr. Shyam Arora shall be liable to retire by rotation.



All the directors have given disclosures under section 299 of the Companies Act, 1956. As specified in Section 274 of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 2000, none of the directors of the Company is disqualified from being appointed as director.

6. SEGMENT REPORTING

A separate reportable segment forms part of Management Discussion & Analysis Report and Notes to the Account.

7. PERSONNEL

During the year under review, no employees, whether employed for the whole or part of the year, was drawing remuneration exceeding the limits as laid down u/s. 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975. Hence the details required under Section 217(2A) are not given.

8. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, we hereby state:

- i. that in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed and that there are no material departures;
- ii. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31.03.2007 and of the profits of the Company for that period.
- iii. that the Directors have taken proper and sufficient care 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;
- iv. that the Directors have prepared the Annual Accounts on a going concern basis.

9. CORPORATE GOVERNANCE

Pursuant to clause 49 of the Listing Agreement with Stock Exchanges, a separate section titled 'Report on Corporate Governance' has been included in this Annual Report along with the certificate on its compliance. The Management's Discussion and Analysis Report forms a part of the Corporate Governance report.

10. PUBLIC DEPOSITS

The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956, and the Companies (Acceptance of Deposit) Rules, 1975, during the year under review.

11. ACCOUNTS AND AUDIT

The Directors are of the view that the notes appended to the accounts and referred to by the auditors in their report are self-explanatory and do not require elucidation.

12. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars required under Section 217 (1) (e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given as under:

(A) Conservation of Energy:

- (a) Energy conservation measures taken &
- (b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy, comprise the following:

At Ghaziabad Unit

Installation of power capacitor to improve power factor upto 0.90.

Installation of Turbo ventilator in plants and godown in place of exhaust fan saving electricity.

Elimination of start delta starter in phase manner by soft starter or AC drive.

3.5 MW husk based power plant has started functioning in May, 2007. This will cut down power cost substantially.

At Dhuri Unit

Procurement of load manager module for routine health monitoring of all the motors in the plant.

Plant wise inspection of motor's capacities with respect to the load of driven machines. Over capacity motors will then be replaced with adequate capacity motors.

To maintain the plant power factor at more than 0.96.

Routine inspection of all the belt driven motors for power loss due to belt slippage.

All the steam pipelines and vessels are being inspected for insulation adequacy.

Plan has been made to attend the steam leakages on priority.



As a campaign, steam traps in various areas of the plant are being replaced with right type and right capacity traps. In the first phase, thermodynamic and bucket type traps are being replaced with float type traps in Solvent extraction plant.

For getting the right quality of steam in solvent extraction plant, it is being planned to install a PRDS station.

It is being studied the advantages of installing a separate PRDS for LSU driers in Parboiling plant so that steam of higher pressure at saturation temperature can be maintained to achieve more heating with less volume of steam.

A preventive maintenance plan is prepared for scheduled cleaning of heat exchanger of various plants.

An O₂/CO@ analyzer is being procured for monitoring and controlling flue gas of the boiler. This will help for improvement of the boiler efficiency.

A low pressure boiler is being installed to avoid the running of high pressure boilers at very low load, thus achieving the saving of fuel.

Steam flow monitoring devices are being planned in phased manner for getting the accurate specific steam consumption.

Addition of fuel additive in boiler to improve combustion efficiency.

The impact of the aforesaid measures for a reduction of energy consumption and a consequent impact on the cost of production of goods:

Energy conservation measures have helped the Company in its drive towards cost reduction substantially. Direct energy costs reduced approximately by Rs. 22 lacs during the year over previous year on account of the measures taken:

Research & Development

1. Specific areas in which R&D was carried out by the Company:

- i) Development, testing and specification setting of packaging materials.
- ii) Formulation and evaluation of Agricultural inputs to enhance farm productivity, crop quality and for other such applications.

2. Benefits derived as a result of the above R&D:

- i) Cost reduction, import substitution and strategic resource management.
- ii) Quality evaluation of finished products and raw materials.
- iii) Ensuring product quality.

- iv) Entering new market segments.

3. Future Plan of Action :

- i) Reducing packaging weight / volume.
- ii) Roll out of new range of differentiated products of international quality.
- iii) Improvement of process and resource use efficiencies.
- iv) Enlarge the scope of Agri-inputs options.

Expenditure on R&D:	for the year ended 31.03.2007 (Rs. in lacs)
Capital	2.50 (P.Y. 24.96)
Recurring	42.08 (P.Y. 25.62)
Total R&D Expenditure	44.58 (P.Y. 50.58)
As a % of total turnover	0.05 (P.Y. 0.07)

(B) Technology absorption, adaptation and innovation:

Technologies were successfully absorbed, resulting in a high production and new product development to meet existing and new customer requirements.

Technology innovations were successfully implemented to increase production and reduce the consumption of raw material, energy and utilities. Some innovations comprised:

- Latest in electronic technology required to automate the rice milling operation, resulting in a substantial energy saving and higher production.
- Automatic monitoring of the temperature of the cooling tower.
- Pre-heating air supply to the boiler F.D. fan to avoid problems during the peak foggy winter season.

(C) Foreign exchange earnings and outgo:

- a. The Company is engaged continuously in exploring new international markets. During the year under review, the Company reported exports (FOB value) of Rs. 424,52,35,076/- (previous year Rs. 367,57,66,667/-).
- b. During the year under review, Company expended Rs. 19,88,70,727/- (previous year Rs. 32,12,36,743/-) in foreign exchange while earnings in foreign exchange were Rs. 437,60,45,030/- (previous year Rs. 379,82,28,485/-). Thus the net inflow in foreign exchange was Rs. 417,71,74,303/- (previous year Rs. 347,69,91,742/-) during the year under review.

13. AUDITORS

M/s. Vinod Kumar Bindal & Co., Chartered Accountants, Delhi, the statutory auditors of the Company are the



retiring auditors and being eligible, offers themselves for re-appointment. The Certificate u/s. 224(1B) of the Companies Act, 1956 has been obtained from them. Your directors recommend their re-appointment.

14. PREFERENTIAL ISSUE

The Company has also allotted 30,00,000 Equity Shares of Rs. 10/- each at a premium of Rs. 80/- per share on 16 June, 2006, pursuant to the conversion of 30,00,000 Zero Coupon Warrants, which were issued on 24 December, 2004 to Reliance Commodities DMCC, Dubai, UAE. The fund raised against Zero Coupon Warrants were utilised for meeting increased working capital requirements of the Company. Listing and Trading approvals from Bombay Stock Exchange Limited and National Stock Exchange of India Limited have been received vide their Letter No. DCS/PREF/SM/TRD/854/06-07 Dated 07.02.2007 and NSE/LIST/2007/38987-N Dated 08.02.2007 respectively.

As on 31.03.2006 the funds raised from Global Depository receipts (GDR's) were pending for utilisation and were lying with the Company's Bankers. The funds so raised were utilised during the year 2006-07 to fund the cost of expansion and modernization of the Company's facilities mentioned in Para - 3 of the Schedule - 18.

15. INITIATIVES TAKEN TO INCREASE EXPORT AND DEVELOPMENT OF NEW EXPORT MARKET, ETC.

The Company principally deals in agri-products like rice, which are sold throughout the world and in the domestic market under various brand names like: India Gate, Doon, Nur Jahan, Bemisal, Lotus and Aarati, India Gate Classic. Company's brand India Gate Classic has got a overwhelming response in overseas market. Company has made its Dhuri Plant fully operational to have economies of scale of mass production to become more competitive in international market.

Your Company is an ISO 9001:2000 certified Company with KOSHAAR and HACCP (Hazard Analysis & Critical Control Point) certifications.

16. The Company has received a show cause notice from the office of the Director General of Foreign Trade (DGFT) alleging export of cereals against prescribed norms. Consequent to the complaint by the Director General of Foreign Trade (DGFT) investigation in the office premises of the Company was carried out by the Central Bureau of Investigation, who did not find any adverse material as per information on record. The show cause notice was quashed by the Hon'able High Court of Delhi. The Company has taken legal

advise from the senior advocate, expert in the related field that no adverse consequence would result.

17. DEPOSITORY SYSTEM

As the members are aware, the Company's shares are compulsorily tradable in electronic form. As on March 31, 2007, almost 76.29% of the Company's paid-up capital representing 1,85,46,022 shares are in dematerialized form with both the depositories.

Your Company has established connectivity with both depositories - National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). In view of the numerous advantages offered by the depository system, members holding shares in physical mode are requested to avail of the dematerialisation facility with either of the depositories.

Your Company has appointed M/s. Alankit Assignments Limited, a Category-I SEBI registered R&T agent as its Registrar and Transfer Agent across physical and electronic alternatives.

18. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

A detailed review of operations, performance and future outlook of the company is given separately under the head "Management Discussion & Analysis Report".

19. CASH FLOW ANALYSIS

The Cash flow statement for the year, under reference in terms of Clause 32 of the Listing Agreement with the stock exchanges, is annexed hereto.

20. SUBSIDIARY COMPANY

Your Company has incorporated a Wholly Owned Subsidiary Company namely KRBL DMCC at Dubai, United Arab Emirates. KRBL DMCC is registered with the Registrar of Companies of the Dubai Multi Commodities Center, Dubai, UAE as a Limited Liability Company (LLC) on 08.10.2006. The authorised and paid-up capital of the company AED 18,00,000/- divided into 1800 shares of AED 1,000/-. Mr. Anil Kumar Mittal, Mr. Arun Kumar Gupta and Mr. Anoop Kumar Gupta have been appointed and Director of the Company. KRBL DMCC has been issued Trading License dated 14.02.2007 and Mr. Anoop Kumar Gupta, Director of the Company has been named as Manager in the Trading License.

In line with the requirements of Accounting Standards AS-21 issued by the Institute of Chartered Accountants of India, consolidated financial statements presented by the company include the financial informations of its subsidiary. As required under section 212 of the



Companies Act, 1956, the statement in respect of the subsidiary company is annexed herewith and forms an integral part of this Annual Report.

21. APPRECIATION

The Board of Directors take this opportunity to thank the bankers, Government authorities, Regulatory authorities, Stock Exchanges, customers, stakeholders for the assistance and co-operation received and all other persons assisting the Company in its growth. The Board of Directors wishes to express

their appreciation to all the employees for their outstanding contribution to the operations of the Company during the year.

On behalf of the Board of Directors

Delhi
28th June, 2007

Anil Kumar Mittal
Chairman & Managing Director

Report on Corporate Governance

CORPORATE GOVERNANCE

Corporate Governance is the implementation of best management practices, compliance of law and adherence to ethical standards to achieve the Company's objective and enhancing value of shareholders and discharge of social responsibilities. Management believes that following up of the principles of good corporate governance protects the interest of the stakeholders, customers, creditors, employees and the community. The Board, being elected by the shareholders, is their representative and a bridge between them and the executive management.

The details of the Corporate Governance compliance by the Company as per the revised Clause 49 of the Listing Agreement with the Stock Exchanges are as under:

KRBL'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the organization. Good Corporate Governance leads to long term shareholders value and enhances interest of other stakeholders. Corporate Governance means conduct of business with transparency, accountability and business prosperity with the ultimate objective of realizing long term shareholder value, whilst taking into account the interest of all other stakeholders as well.

BOARD OF DIRECTORS

Composition of Directors:

The Board comprises 10 members- 5 Executive Directors and 5 Non-Executive Directors, of which 6 are independent.

The composition and category of Directors as on 31.03.2007 is given hereunder:

Name of Directors	Category
Mr. Anil Kumar Mittal	Promoter / Executive Chairman & Managing Director
Mr. Arun Kumar Gupta	Promoter / Executive Joint Managing Director
Mr. Anoop Kumar Gupta	Promoter / Executive Joint Managing Director
Dr. N. K. Gupta	Non-Executive & Independent Director
Mr. Ashok Chand	Executive & Independent Director
Ms. Priyanka Mittal	Promoter & Non-Executive Director
Mr. Mahesh C. Jain	Non-Executive & Independent Director
Mr. Vinod Ahuja	Non Executive & Independent Director
Mr. Ashwani Dua #	Non-Executive & Independent Additional Director
Mr. Shyam Arora #	Non Executive & Independent Additional Director

Appointed as Additional Director on 09.06.2007.

During the financial year ending 31.03.2007, 8 Board Meetings, were held on 02.05.2006, 16.06.2006, 30.06.2006, 29.07.2006, 13.09.2006, 30.10.2006, 18.12.2006 and 30.01.2007.



Attendance of each Director at the Board Meetings, Last Annual General Meeting, Number of other Directorship and Membership / Chairmanship of the Committee in various companies are as under:

Name of Directors	Attendance Particulars		No. of Directorship and Committee Membership / Chairmanship		
	Board Meeting	Last AGM on 28.08.2006	Other Directorship ⁽¹⁾	Committee Membership ⁽²⁾	Committee Chairmanship ⁽²⁾
Mr. Anil Kumar Mittal	8	Present	1	—	—
Mr. Arun Kumar Gupta	8	Present	1	—	—
Mr. Anoop Kumar Gupta	8	Present	1	—	—
Dr. N. K. Gupta	2	Absent	5	2	—
Mr. Ashok Chand	8	Present	—	—	—
Mr. Mahesh C. Jain	8	Present	—	2	2
Mr. Vinod Ahuja	8	Absent	4	1	—
Ms. Priyanka Mittal	4	Present	—	2	—

(1) Directorship in companies registered under the Companies Act, 1956 but excluding directorship in private Companies.

(2) Only Covers Membership/Chairmanship of Audit Committee, Shareholders/Investors Grievance Committee and Remuneration Committee.

Membership and Chairmanship in other Committees

No Director of the Company is a member in more than 10 committees or chairman of more than 5 committees across all companies in which he/she is a director.

CODE OF CONDUCT

KRBL Code of Conduct

The KRBL Code of Conduct, as adopted by the Board of Directors, is applicable to all Directors, Senior Management and Employees of the Company. The Code of Conduct of the Company covers substantial development, disclosure of material information, integrity of financial reporting, and continuous improvement of the internal control system and sound investor relations.

Declaration as required under Clause 49 of the Listing Agreement

All Directors and Senior Management of the Company have affirmed Compliance with the KRBL Code of Conduct.

New Delhi
28th June, 2007

ANIL KUMAR MITTAL
Chairman & Managing Director

KRBL Code of Conduct for Prevention of Insider Trading

KRBL has a Code of Conduct for Prevention of Insider Trading in the shares of the company. The code prohibits the Directors and Employees of the company from purchasing or selling of share while possession of unpublished price sensitive information as per the requirements of provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992.

BOARD COMMITTEES

Audit Committee

1. Terms of Reference:

The Audit Committee has been mandated with the same terms of reference as specified in the revised Clause 49 of the Listing Agreements with the Stock Exchanges and covers all the aspects stipulated by the SEBI Guidelines. The current terms of reference also fully confirm to the requirements of section 292A of the Companies Act, 1956.



The audit committee reviews with the management and both the statutory auditors and internal auditors all aspects of the financial results, effectiveness of internal audit processes, taxation matters and the Company's risk management strategy.

2. Composition, Name of Members and Chairperson

The Audit Committee comprises of 4 non-executive directors, of which 3 are independent. The Chairman is Mr. Mahesh C Jain, who is a Master of Business Administration, has considerable financial expertise and experience. The composition of the Audit Committee is as follows:

Mr. Mahesh C. Jain - Non-Executive & Independent - Chairman

Dr. N. K. Gupta - Non-Executive & Independent - Member

Mr. Vinod Ahuja - Non-Executive & Independent - Member

Ms. Priyanka Mittal - Non-Executive & Daughter of CMD - Member

Mr. H. K. Agarwal, Company Secretary of the Company acts as the secretary to the Audit Committee.

Mr. Mahesh C Jain, Chairman of the Audit Committee attended the previous Annual General Meeting of the Company held on 28.09.2006

3. Meetings and Attendance

Four Audit Committee Meetings were held during the year. These were held on 30.06.2006, 29.07.2006, 30.10.2006 and 30.01.2007.

Name of Directors	No. of Meetings Attended
Mr. Mahesh C. Jain	4
Dr. N. K. Gupta	1
Ms. Priyanka Mittal	4
Mr. Vinod Ahuja	4

Remuneration Committee

The remuneration of the Executive and Non-Executive Directors is decided by the Board of Directors subject to and within the ceiling approved by the shareholders of the Company. Therefore no separate Remuneration Committee has been constituted.

Mr. Anil Kumar Mittal has been appointed as Chairman & Managing Director of the Company for a period of five years w.e.f. 02.12.2004, Mr. Arun Kumar Gupta & Mr. Anoop Kumar Gupta have been appointed as Joint Managing Directors of the company for a period of five years w.e.f. 02.12.2004, Mr. Ashok Chand has been appointed as Whole Time Director of the Company for a period of five years w.e.f. 25.09.2004 on the terms and conditions which has been approved by the shareholders at its Annual General Meeting held on 29.09.2004.

The Board of Directors of the Company has been duly authorized by the Shareholders to vary or increase the remuneration of Director within ceiling fixed by the shareholders. Given below are the details of actual payments made to Executive / Non-Executive Directors for the period 01-04-2006 to 31-03-2007:

Name of Director	Sitting Fee (Rs.)	Salaries and Perquisites (Rs.)	Commission (Rs.)	Total (Rs.)
Mr. Anil Kumar Mittal	Nil	8,40,000.00	Nil	8,40,000.00
Mr. Arun Kumar Gupta	Nil	8,40,000.00	Nil	8,40,000.00
Mr. Anoop Kumar Gupta	Nil	8,40,000.00	Nil	8,40,000.00
Dr. N. K. Gupta	Nil	Nil	Nil	Nil
Mr. Ashok Chand	Nil	19,51,980.00	Nil	19,51,980.00
Ms. Priyanka Mittal	Nil	Nil	Nil	Nil
Mr. Mahesh C. Jain	Nil	Nil	Nil	Nil
Mr. Vinod Ahuja	Nil	Nil	Nil	Nil

Shareholding of Non-Executive Directors

Dr. N. K. Gupta	-	Non-Executive & Independent	-	2900
Ms. Priyanka Mittal	-	Non-Executive & Daughter of CMD	-	25000



Shareholders Committee

1. Terms of Reference

In order to give appropriate level of focus to shareholders and investor related matters, the company has a 'Shareholders Committee' which look into various issues relating to shareholders like transfer, transmission, issue of duplicate share certificates, dematerialization of shares as well as non-receipt of dividend, non-receipt of Annual Report, non-receipt of Share Certificates after transfer and delays in transfer of shares and other miscellaneous Complaints.

2. Composition

The Committee comprises 3 Non-Executive Directors, out of which 2 are independent. Mr. Mahesh C Jain, Non-Executive/Independent Director is Chairman of

the Shareholders Committee.

Mr. H. K. Agarwal, Company Secretary acts as Compliance Officer to the Committee.

During the financial year ended 31st March, 2007, two investors complaints were received. All complaints have been resolved to the satisfaction of shareholders within a reasonable time.

3. Meetings and Attendance

The Committee has been holding regular meetings to ensure compliance with the provisions of the Companies Act, 1956 and the Listing Agreement and ensure proper services to investors. During the financial year ended 31st March, 2007, twelve meetings have been held. The attendance of members at these meetings are as follows:

Name of Member	Category	Number of Meetings Attended
Mr. Mahesh C Jain	Non-Executive & Independent - Chairman	12
Dr. N. K. Gupta	Non-Executive & Independent - Member	2
Ms. Priyanka Mittal	Non-Executive & Daughter of CMD - Member	12

GENERAL BODY MEETINGS

Location and time of last three Annual General Meetings are as under:

Year	Venue	Date	Time
2006	4, Bougainvillea Avenue, Village Rajokari, New Delhi - 110 037	28.09.2006	11.00 A.M.
2005	4, Bougainvillea Avenue, Village Rajokari, New Delhi - 110 037	26.09.2005	11.00 A.M.
2004	Grand Plaza, Alipur, Pallamod, Main G.T. Karnal Road, Delhi - 110 040	29.09.2004	11.00 A.M.

There was no Extra-Ordinary General Body Meeting held in the last three years.

Special Resolution passed in the previous Three AGMs

I. In the AGM on 28th September, 2006

- Power of Board of Directors Under Section 293 (1) (a)
- Power of Board of Directors Under Section 293 (1) (a)

II. In the AGM on 26th September, 2005

- Issue of GDRs/ADRs/ECBs/FCCBs/SPNs

III. In the AGM on 29th September, 2004

- Issue of 30 Lacs Zero Coupon Warrants convertible into 30 Lacs Equity Shares on Preferential basis
- Issue of 30 Lacs Zero Coupon Warrants convertible into 30 Lacs Equity Shares on Preferential basis
- Reappointment of Mr. Anil Kumar Mittal as Chairman & Managing Director and revision in Remuneration

- Reappointment of Mr. Arun Kumar Gupta as Joint Managing Director and revision in Remuneration
- Reappointment of Mr. Anoop Kumar Gupta as Joint Managing Director and revision in Remuneration
- Reappointment of Mr. Ashok Chand as Whole Time Director and Revision in Remuneration
- Appointment of Mr. Mahesh C Jain as Whole Time Director and fixation of Remuneration
- Amendment in Main Object Clause of Memorandum of Association by adding new object.
- Commencement of business mentioned in the other object clause of Memorandum of Association
- Amendment of Capital Clause of Memorandum of Association by increasing Authorised Capital from Rs. 25,00,00,000/- to Rs. 30,00,00,000/-
- Amendment of "Article 3 - Share Capital" under the Head SHARES of Articles of Association
- Amendment of "Article 82 - Remuneration of Directors" Under the Head DIRECTORS GENERAL PROVISIONS