

45th ANNUAL REPORT

ReportJunction.com
2006-2007



Siel Limited**BOARD OF DIRECTORS**

Mr. Bedi R.S.

Mr. Bhalla P.K.

Mr. Goila N.K.

Mr. Mehra A.K.

Mr. Mittal D.C.

Prof. Mohan Dinesh

Mr. Shriram Siddharth

Mr. Singh K.P.

- *Chairman and Managing Director*- *Whole-time Director***COMPANY SECRETARY**

Mr. Khurana Amit

AUDITORS

A.F. Ferguson & Co.

Scindia House,

New Delhi - 110 001

BANKERS

Punjab National Bank

Report Junction.com**REGISTERED OFFICE**

5th Floor, Kirti Mahal,

19, Rajendra Place,

New Delhi-110 125

WORKS

Siel Chemical Complex

Charatrapur, Vill. Khadauli/Sardargarh

P.O.Box. No. 52, Rajpura, Distt. Patiala

Punjab - 140401

REGISTRAR & SHARE TRANSFER AGENT

Mas Services Ltd.

AB-4, Safdarjung Enclave,

New Delhi-110029

Phone : 011-26104142, Fax : 011-26181081

E-Mail: mas_serv@yahoo.com

NOTICE

Notice is hereby given that the 45th Annual General Meeting of the members of Siel Limited will be held as scheduled below:

Day : Thursday
 Date : 20.09.2007
 Time : 10.00 A.M.
 Place: Kamani Auditorium,
 1, Copernicus Marg,
 New Delhi-110001

to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet as at 31st March, 2007 and the Profit and Loss Account of the Company for the financial year ended on that date together with the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. P.K. Bhalla, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. A.K. Mehra, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors to fix their remuneration.

M/s. A.F. Ferguson & Co., Chartered Accountants are the retiring Auditors.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:
 "Resolved that Mr. R.S. Bedi who was co-opted as an Additional Director on the Board of the Company under Section 260 of the Companies Act, 1956 and Article 86 of the Articles of Association of the Company and who holds such office upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing, pursuant to Section 257 of the Companies Act, 1956 proposing his candidature to the office of Director, be and is hereby appointed as a Director of the Company."
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:
 "Resolved that in modification of the earlier Resolution passed in this behalf, the consent of the Company be and is hereby accorded under Section 293 (1) (d) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Company to borrow such sums of monies as it may think fit notwithstanding that the monies so borrowed may exceed the aggregate of the paid up capital and free reserves of the Company subject to an overall limit of Rs.750,00,00,000/- (Rupees Seven Hundred Fifty Crores)."
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:
 "Resolved that in modification of earlier resolution passed in this behalf, the consent of the Company be and is hereby accorded under Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Company for mortgaging and/or charging all or any assets including moveable or immovable properties of the Company both present and that may be acquired in future, in favour of the Banks, Financial Institutions and other bodies for securing any loans or other banking/credit facilities obtained or as may be obtained from time to time upto a maximum amount of Rs.750,00,00,000/- (Rupees Seven Hundred Fifty Crores)."
8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:
 "Resolved that pursuant to the provisions of Sections 198, 269 and 309 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 or any amendment or modification thereof and subject to such approvals and sanctions, as may be necessary in this regard, consent of the Company be and is hereby accorded to the re-appointment and payment of remuneration of Mr. K.P. Singh as Whole Time Director of the Company for a further period of 5 years w.e.f. 20.5.2007 on the following terms and conditions:
 1. Salary : Rs.50,000/- p.m.
 2. Minimum Salary : In the event of inadequacy or absence of profits, Mr. K.P. Singh shall be entitled to the normal salary and perquisites as stated herein as minimum salary.

Siel Limited

NOTICE (Contd.)

- | | | | |
|-----|----------------------------------------------|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3. | Housing including Gas, Electricity and Water | : | House Rent allowance of Rs.70,000/- per month. Expenses on maintenance of accommodation including security, gas, electricity and water shall be borne by the Company as per the rules of the Company subject to a maximum of Rs.18,000/- per month. |
| 4. | Medical Reimbursement | : | Expenses incurred for self and family, one and half month basic salary per annum. |
| 5. | Leave Travel | : | One month's basic salary per annum as per rules of the Company. |
| 6. | Club Fees | : | Club membership fees as per the rules of the Company subject to a maximum of Rs.10,000/- per month. |
| 7. | Personal Accident Insurance | : | Expenses on personal accident insurance upto a maximum of Rs.3000/- per annum. |
| 8. | Reimbursement of Entertainment Expenses | : | Reimbursement of all expenses including Entertainment and travelling incurred in the course of the business of the Company. |
| 9. | Contribution to P.F. etc. | : | Contribution to the Provident Fund, Superannuation Fund or Annuity Fund as per the rules of the Company. |
| 10. | Gratuity | : | As per the rules of the Company. |
| 11. | Encashment of Leave | : | Encashment of leave at the end of tenure as per the rules of the Company. |
| 12. | Use of Car | : | The Company shall provide a Car with driver. The expenses on running and maintenance, insurance and driver's salary not to exceed Rs.24,000/- per month. However, a sum of Rs.650/- per month will be deducted from the salary for the use of Car for the private purpose. |
| 13. | Telephone | : | Actual expenses for telephone at residence. However, all the long distance personal calls shall be paid by the Whole Time Director." |

By Order of the Board of Directors
For **Siel Limited**

Place: New Delhi
Dated: June 12, 2007

(**AMIT KHURANA**)
COMPANY SECRETARY

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 THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING. A PROXY FORM IS APPENDED WITH THE ADMISSION SLIP.
2. The information as required to be provided under the Listing Agreement entered into with various Stock Exchanges, regarding the Directors who are proposed to be appointed/re-appointed and the Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 are enclosed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 19.9.2007 to 20.9.2007 (both days inclusive).
4. In compliance of SEBI requirements, Mas Services Limited have been appointed the Share Transfer Agent of the Company, who handle share transfer work in Physical as well as in Electronic Form and other related activities at the following address:

Mas Services Ltd.
AB-4, Safdarjung Enclave
New Delhi – 110 029
Phone No. : 011-26104142, 26104326
Fax No. : 011-26181081
E-mail : mas_serv@yahoo.com
5. Members are requested to notify immediately any change in their address to Mas Services Ltd., quoting their folio numbers/DP ID/Client ID etc.
6. Members who have not yet returned their undivided DCM Limited's share certificate(s) to DCM Limited may do so promptly to enable the Company to dispatch the new share certificate(s) to members.

NOTICE (Contd.)

7. Documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours on all working days (Monday to Friday) between 11.00 A.M. to 1.00 P.M. upto the date of Annual General Meeting and will also be available for inspection at the meeting.
8. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
9. Shareholders seeking any information with regard to accounts are requested to write to the Company at least ten days in advance so as to enable the Company to keep the information ready.
10. Pursuant to provisions of Section 205A(5) of the Companies Act, 1956, the amount of dividend for the Financial Year 1996-97, which remained unpaid or unclaimed for a period of 7 years from the date of transfer to unpaid dividend account of the Company has been transferred to the Investor Education and Protection Fund, established by the Central Government. Shareholders are requested to note that no claim lie against the Company or the said Fund in respect of the dividend so transferred to the Fund and no payment shall be made in respect of any such claim.

In respect of the unclaimed dividends upto financial year 1995-1996, already transferred by the Company to the General Revenue Account of the Central Government, shareholders may claim the same by writing to the Registrar of Companies, NCT of Delhi & Haryana, Paryavaran Bhawan, CGO Complex, Lodhi Road, New Delhi - 110003.

Members who have not yet received the interim dividend paid in

February 2006, for the financial year ended 31.3.2006, may write to the Company, at its Registered Office.

11. In terms of Section 109 (A) of the Companies Act, 1956 the Shareholder of the Company may nominate a person to whom the shares held by him/her shall vest in the event of death.

In case any member wishes to avail the nomination facility in respect of shares held by him/her, please write to the Company to obtain the nomination form.

12. The equity shares of the Company have been notified for compulsory trading in demat form by all investors and are available for trading in demat form both on National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Shareholders are requested to avail this facility and get their shareholding converted into dematerialised form by sending the Dematerialisation Request Form (DRF) along with the share certificates through their Depository Participant (DP) at the following address:

Mas Services Ltd.
 AB-4, Safdarjung Enclave
 New Delhi - 110 029
 Phone No. : 011-26104142, 26104326
 Fax No. : 011-26181081
 E-mail : mas_serv@yahoo.com

INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT

As required under the Listing Agreement, the particulars of Directors who are proposed to be appointed/re-appointed are as given below:

1. **Name** : Mr. P. K. Bhalla
- Age** : 55 years
- Qualifications** : B.Sc., LLB, FCS
- No. of Shares held in the Company** : 251 Equity Shares
- Expertise** :

- Company Law
- Other Corporate Laws
- Direct and Indirect Taxation

Mr. P.K. Bhalla has been in the profession for more than 30 years and has been actively associated with the management of the businesses of the Company. He has made significant contributions to the restructuring of the businesses of the Company through various Schemes of Arrangement approved by the Hon'ble High Court. The professional contributions of Mr. P.K. Bhalla in the areas of Legal and Secretarial practices have been of great value and will be beneficial for the Company.

Outside Directorships : Nil

Chairmanship/Membership of the Board Committees Siel Ltd.

- Legal Sub-Committee : Chairman
- Audit Sub-Committee : Member
- Remuneration Committee : Member
- Banking, Financing and Investment Committee : Member

Siel Limited

NOTICE (Contd.)

2. **Name** : Mr. A.K. Mehra
Age : 58 years
Qualifications : M.Sc. (Chemical Engineering)
No. of Shares held in the Company : 106 Equity Shares
Expertise : Mr. A.K. Mehra holds a Masters degree in Chemical Engineering from Illinois Institute of Technology, Chicago (USA) and has been associated with the Chemical business of the Company for last 28 years. Mr. A.K. Mehra has made significant contributions in the growth of Chemical business of the Company and lead the establishment of the Company's relocated Chemical Complex at Rajpura, Punjab. Mr. Mehra is presently incharge of manufacturing operations of Sugar business of Mawana Sugars Limited.
- Outside Directorships** : Nil
- Chairmanship/ Membership of the Board Committees Siel Ltd.** :
- Legal Sub-Committee Member
- Shareholders/Investors Grievance/ Share Transfer Committee Member
3. **Name** : Mr. R.S. Bedi
Age : 64 years
Qualifications : Graduate of the National Defence Academy
No. of Shares held in the Company : Nil
Expertise : Mr. R.S. Bedi has served in various capacities in the Government of India for 43 years.
- Outside Directorships** : Nil
- Chairmanship/ Membership of the Board Committees** : None
4. **Name** : Mr. K.P. Singh
Age : 71 years
Qualifications : M.A. in History and Political Science
No. of Shares held in the Company : Nil
Expertise : He has vast experience of working at senior position in various Companies like Zuari Agro Chemicals Ltd. (a Birla Group Company), ITC Limited and DCM Limited. He has been Instrumental in implementation of growth and diversification of these Companies. He is Director of the Company since 1992 and presently holds the position of Whole Time Director of the Company.
- Outside Directorships** : M/s. Sowar Pvt. Ltd.
- Chairmanship/Membership of the Board Committees Siel Ltd.** :
- Shareholders/Investors Grievance/Share Transfers Member
- Legal Sub-Committee Member



NOTICE (Contd.)

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

ITEM NO. 5

Mr. R.S. Bedi was co-opted as an Additional Director on the Board of the Company effective from 28.3.2007. He holds office upto the date of this Annual General Meeting. Notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose the candidature of Mr. R.S. Bedi for office of Director of the Company.

Mr. R.S. Bedi is a retired Govt. servant. He served in various capacities in Govt. of India for about 43 years.

The Board of Directors considers that the continuance of Mr. R.S. Bedi on the Board of the Company will be beneficial to the Company and recommend the resolution for your approval.

None of the Directors except Mr. R.S. Bedi is concerned or interested in the said resolution.

ITEM NO. 6

The shareholders of the Company have already authorized the Board of Directors under Section 293(1)(d) of the Companies Act, 1956 to borrow monies upto Rs.500 crores.

Upon effectuation of the Scheme of Arrangement for Amalgamation of Mawana Sugars Limited (MSL) with the Company, all the borrowings and mortgaging/charges of MSL shall devolve on the Company. Further for the smooth functioning of business of the Company, the Company may have to borrow monies from Banks/Financial Companies/Financial Institutions from time to time.

In view of the above, it is felt that the total borrowings of the Company could exceed the limit fixed by the shareholders. The consent of the shareholders is therefore required by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 to modify the authorization to borrow monies to the extent of Rs.750 crores.

None of the Directors of the Company is concerned or interested in the said resolution.

ITEM NO. 7

The shareholders of the Company have already authorized the Board of Directors under Section 293(1)(a) of the Companies Act, 1956 to Mortgage and/or Charge the assets, for the banking/credit facilities

upto a limit of Rs.500 crores. In view of the increased borrowings after vesting of the borrowings of Mawana Sugars Limited, pursuant to the effectuation of Scheme of Arrangement for Amalgamation of Mawana Sugars Limited with the Company, from the Banks/Financial Companies, which would be required to be secured by way of mortgage/charge in favour of lenders over the Company's moveable and immoveable properties, present and future, the said limits need to be increased to Rs.750 crores. The consent of the shareholders is therefore required by way of an Ordinary Resolution under Section 293(1)(a) for mortgaging/charging the assets of the Company.

None of the Directors of the Company is concerned or interested in the said resolution.

ITEM NO. 8

The present term of office of Mr. K.P. Singh, Whole Time Director of the Company expired on 19.5.2007.

Keeping in view of the guidance and services rendered by Mr. K.P. Singh, the Board of Directors of the Company in its meeting held on 28.3.2007 re-appointed Mr. K.P. Singh as Whole Time Director of the Company for a further period of 5 years effective from 20.5.2007.

The remuneration of Mr. K.P. Singh as stated in Item No.8 of the Notice was approved by the Remuneration Committee of Directors and the Board of Directors of the Company in their respective meetings held on 31.05.2007 for the abovesaid period of 5 years.

The reappointment and remuneration of Mr. K.P. Singh is subject to the approval of the shareholders by way of a Special Resolution.

Your Directors recommend the resolution for your approval.

None of the Directors of the Company except Mr. K.P. Singh is concerned or interested in the said resolution.

By Order of the Board of Directors
For **Siel Limited**

Place : New Delhi
Dated : June 12, 2007

(**AMIT KHURANA**)
COMPANY SECRETARY

Siel Limited

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 45th Annual Report along with Audited Accounts of the Company for the year ended March 31, 2007.

FINANCIAL RESULTS

(Rs. Lacs)

| Sl. No. | Particulars | Amount | |
|---------|------------------------------------------------------------------------------|----------|----------|
| | | 31.03.07 | 31.03.06 |
| 1. | Profit / (Loss) before interest, depreciation, exceptional items and tax | 1034.62 | 1593.09 |
| 2. | Interest | 20.03 | 118.28 |
| 3. | Depreciation | 1139.00 | 1145.49 |
| 4. | Profit / (Loss) before exceptional items and tax | (124.41) | 329.32 |
| 5. | Exceptional items | — | 4018.15 |
| 6. | Profit / (Loss) before tax | (124.41) | 4347.47 |
| 7. | Provision for taxation (including current tax, deferred tax benefit and FBT) | 233.66 | 297.16 |
| 8. | Profit / (Loss) after tax | 109.25 | 4050.31 |
| 9. | Dividend (including tax) | — | 209.26 |
| 10. | Net Addition/(Deduction) to Reserves and Surplus | 109.25 | (464.18) |

DIVIDEND

In the absence of the divisible profits during the current year, your Directors are unable to recommend any dividend for the year under review.

OPERATIONS

A review of operations of the major businesses of the Company for the year ended March 31, 2007 is detailed as under (some discussion is also presented in the Management Discussion and Analysis report):

Chlor-Alkali

During the year under review, cell liquor production was 79389 MT as compared to 75107 MT in the previous year.

Punjab State Electricity Regulatory Commission had not increased the power tariff during financial year 2006-07. It was kept same as it was for financial year 2005-06.

PSEB is planning to file fresh Annual revenue requirement with Punjab state regulatory commission for financial year 2007-08. It is expected that Power tariff may be increased.

Edible Oils

During the year under review, Siel Edible Oils Limited, a wholly owned subsidiary of your Company have restarted marketing of Vanaspati in small packs.

SCHEME OF ARRANGEMENT

Your Board of Directors in their meeting held on 11.1.2007 and subsequently in their meeting held on 28.3.2007 approved a Scheme of Arrangement for amalgamation between Mawana Sugars Limited and Siel Limited whereby Mawana Sugars Limited is proposed to be merged with your Company and also approved that the resultant capital be reduced to one third.

The necessary legal process to obtain the approval of Hon'ble High Court of Delhi has been commenced.

Upon effectuation of the said Scheme, the name of your Company is proposed to be changed to 'Mawana Limited'.

INVESTMENT IN JEW

During the year under review, the outstanding loan of Rs.7.77 crores

advanced to Jay Engineering Works Limited pursuant to BIFR approved Rehabilitation Scheme was converted into 77,70,000 fully paid equity shares of Rs.10/- each at par.

JOINT VENTURE

CERATIZIT INDIA PVT. LTD. (Formerly Siel Tizit Limited) (STL). During the financial year ended February 2007, Ceratizit recorded a total sales income of 432.44 Mio INR during the financial year ended February 2007 as against 318.94 Mio INR last year, an increase of 36 %. The net profit of 49.09 Mio INR was made during the year after providing for loss on impairment of fixed assets of 23.77 Mio INR.

SUBSIDIARY COMPANIES

The Company has five subsidiaries, viz. Siel Financial Services Limited, Transiel India Limited, SFSL Investments Limited, Siel Edible Oils Limited and Siel Industrial Estate Limited.

A statement pursuant to Section 212 of the Companies Act, 1956, is attached to the Accounts.

In terms of the approval granted by the Central Government under section 212(8) of the Companies Act, 1956, copy of the Balance Sheet, Profit and Loss Account, Reports of the Board of Directors and Auditors of the subsisting subsidiaries have not been attached with the Balance Sheet of the Company. These documents will be made available upon request by any member of the Company or of the subsidiaries interested in obtaining the same. The annual accounts of the subsidiary companies will also be available for inspection during business hours at the Registered office of the Company. However, as directed by the Central Government the financial data of the subsidiaries have been furnished under 'Details of Subsidiaries', forming part of the Annual Report. Further, pursuant to Accounting Standard (AS-21) issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company in this Annual Report includes financial information of its subsidiaries.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the accounting standard (AS-21) on consolidated financial statements read with accounting standard (AS-23) on accounting for investments in associate, the consolidated financial statements are attached, which form part of the Annual Report.

DIRECTORS

During the year under review, Mr. O.P. Khaitan, Director of the Company has resigned from the Directorship of the Company.

Mr. R.S. Bedi was co-opted as an Additional Director on the Board of Directors of your Company during the year under review.

The term of appointment of Mr. K.P. Singh, Whole Time Director of the Company expired on 19th May, 2007. The Board of Directors in its meeting held on 28th March, 2007 has reappointed him for a further period of 5 years effective from 20.5.2007. The Remuneration Committee in its meeting held on 31.5.2007 has approved the payment of remuneration to Mr. K.P. Singh on same terms and conditions as approved earlier. Subsequently, the terms of remuneration have also been approved by the Board in its meeting held on 31.5.2007.

Mr. P.K. Bhalla and Mr. A.K. Mehra, Directors retire by rotation and being eligible, offer themselves for re-appointment.



DIRECTORS' REPORT

AUDITORS

M/s. A.F. Ferguson & Co., Chartered Accountants, Auditors of the Company hold office until the conclusion of the forthcoming Annual General Meeting and are recommended for reappointment. The Company has received a certificate from them to the effect that their reappointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

AUDITORS' REPORT

The observations of Auditors in their report read with the relevant notes to accounts are self-explanatory and therefore do not require further explanation.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A statement containing the necessary information as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is annexed hereto as Annexure I and forms an integral part of this report.

PARTICULARS OF EMPLOYEES

There is no employee in the company whose particulars are required to be given under Section 217 (2A) of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, your directors state:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) that the accounting policies selected and applied are consistent and the judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that year;
- (iii) that 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;
- (iv) that the annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE

A separate report on Corporate Governance is included/attached as part of the Annual Report and annexed hereto as Annexure II along with the Auditors' Certificate on its compliance.

The Management Discussion and Analysis Report forms part of this report and is annexed hereto as Annexure III.

SHARE REGISTRY ACTIVITIES

In terms of SEBI Circular No. D&CC/FITTC/CIR-15/2002 dated 27 December 2002, your Company has transferred the work related to

share registry to Mas Services Ltd., a registrar and share transfer agent registered with SEBI.

INFORMATION UNDER LISTING AGREEMENT WITH STOCK EXCHANGES

DEMATERIALIZATION OF SHARES

The shares of the Company are traded in dematerialized form and are available for trading under the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Ltd. (CDSL).

As on March 31, 2007, a total of 1,77,70,155 equity shares of the Company, which form 97.02% of the equity share capital, stand dematerialized.

LISTING OF SECURITIES OF COMPANY

The equity shares of your Company continue to be listed on the Bombay Stock Exchange Ltd., Mumbai.

An application for delisting of equity shares on the Calcutta Stock Exchange has also been filed.

The listing fee for the year 2007-2008 has been paid to the Bombay Stock Exchange Ltd., Mumbai.

INFORMATION UNDER LISTING AGREEMENT FOR GDRs

- a) The Directors and their connected persons held 1,27,84,342 equity shares as at March 31, 2007 representing 69.80% of the total outstanding equity shares.
- b) Particulars of shareholders holding more than 5% of the issued share capital of the Company as at March 31, 2007 is as under:

| Name of the Shareholder | No. of Equity Shares held | % to the issued capital |
|------------------------------------|---------------------------|-------------------------|
| - Mawana Sugars Limited | 80,00,000 | 43.68 |
| - Greenfields Commercial Pvt. Ltd. | 24,57,493 | 13.42 |

- (c) If the United Kingdom resident holders in the Company's shares or depository receipts representing the Company's shares wish to know whether they are able to obtain any relief from United Kingdom Taxation to which they are entitled in respect of their holdings of such securities, they should consult their own tax advisors.

ACKNOWLEDGEMENTS

The Directors wish to thank and deeply acknowledge the co-operation, assistance and support extended by Central Government, State Governments, Banks, Financial Institutions, Dealers, Vendors and Foreign Collaborators of the Company. The Directors also wish to place on record their appreciation for the all-round co-operation and contribution made by the employees at all levels.

For and on behalf of the Board of Directors

Place : New Delhi
Dated : June 12, 2007

(SIDDHARTH SHRIRAM)
Chairman

Siel Limited

ANNEXURE - I TO DIRECTORS' REPORT

Information as required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY:

Siel Chemical Complex was adjudged second at the national level in chlor-alkali industries and was given National Energy Conservation award for the year 2006.

a) Energy conservation measures taken

1. Replaced worn out and high millivolt copper flexible in BHEL rectifier cubicle.
2. Replaced 25 no double tube light fittings with CFL Lamps.
3. Replaced 12 Mercury lamps with CFL lamps in cell house.
4. Replaced 04 Sodium lamps fitting of 150 watts with 70 watts fittings in ETP area.
5. Installation of Hydrogen cooler -B to increase efficiency of hydrogen supply system.
6. Repaired Three DC Bus Bar joints in totalizing area and cell house.
7. Installation of Variable frequency drive on HCL cooling tower Fan.
8. Installation of Variable frequency drive on 30 KW Clarified Brine pump
9. Aluminum blades of rectifier house cooling tower fan to be replaced with FRP blades.
10. Installation of Variable frequency drive on Chlorine house cooling tower Fan.

b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy

Energy audit has been carried out by M/s TERI and M/s Forbes Marshall for electrical and thermal part respectively. The proposal will be implemented in phased manner.

c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods

Savings in energy consumption to the extent of 29 units per metric ton of caustic soda and reduction in cost of production by Rs.0.9 crores.

d) Total energy consumption and energy consumption per unit of production

As per Form - A

B. TECHNOLOGY ABSORPTION:

- a) Efforts made in technology absorption

As per Form - B

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- a) Activities relating to export, initiatives taken to increase exports, development of new export markets for products and services.

The company exported Caustic Soda Flakes and Stable Bleaching Powder to various countries during the year ended March 31, 2007.

- b) Total foreign exchange used and earned

The information is given in Notes to Accounts.