



# **RAMA VISION LIMITED**

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## **17<sup>TH</sup> ANNUAL REPORT 2005-2006**

**Board of Directors****Chairman**

Sh. Alok Kumar, IAS (HILTRON Nominee)

**Directors**

Shri Sudarshan Lal Baluja

Shri S.S.L. Gupta

Shri Vishal Singh (HILTRON Nominee)

Shri G.P. Agrawal

**Managing Director**

Shri Satish Jain

**Company Secretary**

Shri Raj Kumar Sehgal

**Auditors**

M/s B.K. Shroff & Co.,  
Chartered Accountants,  
3/7-B, Asaf Ali Road,  
New Delhi-110 002

**Bankers**

Canara Bank

Bank of Baroda

**Works :**

2 K.M., Kichha-Rudrapur Road,  
Kichha, Distt. Udham Singh Nagar,  
(Uttaranchal)-263148

Telephone No. : 05944-264299

Telefax : No.: 05944-264263

**Registered Office :**

Ward No. 3, Bareilly Road,  
Kichha, Distt. Udham Singh, Nagar  
(Uttaranchal) – 263148.

Telephone No. : 05944-264669

**Corporate Office :**

309, Rattan Jyoti,  
18, Rajendra Place,  
New Delhi-110008

Tel. No.: 25762371, 72, 73

Fax No.: 91-11-25738278

E-mail: rvlpt@vsnl.com

**Registrar & Share Transfer Agent :**

Intime Spectrum Registrys Limited  
A-31, 3rd Floor, Naraina Industrial Area,  
Phase-I, Near PVR Cinema, New Delhi-110028  
Tel.: 41410592, 93, 94  
Fax : 41410591

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**NOTICE****To the Members,**

**NOTICE** is hereby given that the Seventeenth Annual General Meeting of the members of Rama Vision Limited will be held on Friday, the 17th day of November, 2006 at 12.30 p.m. at the works of the Company at 2 K.M., Kichha-Rudrapur Road, Kichha, Distt. Udham Singh Nagar, Uttaranchal-263148 to transact the following business :

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 30<sup>th</sup> June, 2006 and the Profit & Loss Account for the period from 1st April 2005 to 30th June, 2006 and the Reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Sh. S.S.L. Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to authorize the Board to fix their remuneration.

**SPECIAL BUSINESS**

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 117 & 118 of the Articles of Association of the Company, Shri C.P. Agrawal who was appointed as an Additional Director of the Company w.e.f. 31<sup>st</sup> January, 2006 by the Board of Directors be and is hereby appointed as a Director of the Company liable to retire by rotation."

By order of the Board  
For **RAMA VISION LIMITED**

Place : New Delhi  
Dated : 31<sup>st</sup> July, 2006

(RAJ KUMAR SEHGAL)  
G.M.(LEGAL) & 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 / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The proxy form must reach Company's Registered Office at least 48 hours before the time of holding the meeting.
3. The Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956 setting out material facts in respect of special business under item no. 4 is annexed hereto.
4. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company on all working days between 11.00 a.m. and 1.00 p.m. up to the date of Annual General Meeting.
5. Register of Members and Share Transfer Books will remain closed from 10th November, 2006 to 17th November, 2006 (both days inclusive).
6. Members are requested to :
  - i. Quote their folio number (s) / client ID/ DP ID in all correspondence with the company.
  - ii. Please notify change (s), if any, in your Registered Address along with Pin Code Number, to the Registrar and Share Transfer Agent of the Company.
7. Members desiring any information as regards to Accounts are requested to write to the Company Secretary at Corporate Office at 309, Rattan Jyoti, 18, Rajendra Place, New Delhi-8 at an early date so as to enable the management to keep the information ready.
8. Members are requested to bring their copy of the Annual Report to the meeting as spare copies will not be available. Members/Proxies should bring the attendance sheet duly filled in for attending the meeting.
9. Pursuant to the requirements of the listing agreement with Stock Exchange(s), on Corporate Governance, the information about the Directors proposed to be appointed / re-appointed is given in Annexure to the notice.



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

## ITEM NO. 4

Shri G.P. Agrawal was appointed as Additional Director under Section 260 of the Companies Act, 1956 by the Board of Directors on 31<sup>st</sup> January, 2006. Section 260 of the Companies Act, 1956 provides that an Additional Director shall hold office only up to the next Annual General Meeting of the Company. The term of Shri G.P. Agrawal will, therefore, expire at the forthcoming Annual General Meeting. The Company has, however, received notice under section 257 of the Companies Act, 1956 from one member notifying his intention proposing the candidature of Shri G.P. Agrawal as regards his appointment at the forthcoming Annual General Meeting, for the office of Director of the Company liable to retire by rotation.

None of the Director(s) except Sh. G.P. Agrawal is concerned or interested in this resolution.

Place : New Delhi

Dated : 31<sup>st</sup> July, 2006

Registered Office :

Ward No. 3, Bareilly Road,  
Kichha, Distt. Udham Singh Nagar,  
UTTARANCHAL - 263148

By order of the Board  
For **RAMA VISION LIMITED**

(RAJ KUMAR SEHGAL)  
G.M.(LEGAL) & COMPANY SECRETARY

## ANNEXURE

PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES, FOLLOWING INFORMATION IS FURNISHED ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED / RE-APPOINTED

Name of the Director	Sh. S.S.L. Gupta	Sh. G.P. Agrawal
Date of Birth	28 <sup>th</sup> September, 1933	09 <sup>th</sup> November, 1954
Qualifications	M.Com, LL.B, MBA (Finance) C.A.I.I.B.	F.C.S., LL.B.
Nature of Expertise	Sh. S.S.L. Gupta is an advocate by profession and has also done his MBA in finance. He is an Ex-Legal Advisor to IFCI Limited and is also a Senior Advocate having a rich experience of about 45 years in the field of law and finance.	Sh. G.P. Agrawal has got more than 25 years of experience in the field of Corporate Affairs, Project Financing, Capital Market, Company Law and other legal matters in Private Sector. He has handled public/ rights issue for a number of Companies, besides having a vast experience in dealing with All Indian/State Financial Institutions and Banks and successfully raising funds for many projects in the industries of Textiles, Papers, Picture Tubes etc.
Name of the other Companies in which he holds Directorship	Jay Engineering Works Limited	<ol style="list-style-type: none"> <li>1. Allianz Securities Ltd.</li> <li>2. Indocount Finance Ltd.</li> <li>3. Indocount Securities Ltd.</li> <li>4. Rini Investments &amp; Finance Pvt. Ltd.</li> <li>5. Archives Communications Pvt. Ltd.</li> <li>6. ASL Insurance Brokers Pvt. Ltd.</li> </ol>
Name of the Committees of the other Companies of which he holds Membership / Chairmanship	Jay Engineering Works Ltd.- Audit Committee (Chairman)	<ol style="list-style-type: none"> <li>1. Allianz Securities Ltd.</li> <li>- Shareholder's / Investor's Grievance Committee (Member)</li> <li>2. Indo Count Finance Ltd.</li> <li>- Audit Committee (Member)</li> <li>- Shareholder's / Investor's Grievance Committee (Member)</li> </ol>

**DIRECTORS' REPORT**

To,

The Members,

Rama Vision Limited

Your Directors feel pleasure in presenting the SEVENTEENTH ANNUAL REPORT together with the Audited Statement of Accounts of the Company for the financial year ended on 30<sup>th</sup> June, 2006.

**FINANCIAL RESULTS**

(Rs. In lacs)

	<b>2005-06</b> (15 months)	<b>2004-2005</b> (12 months)
Net Sales/Income from operations (including Excise)	1492.60	676.51
Other Income	25.76	20.02
Total Expenditure	1499.08	688.74
Gross Profit/(Loss) before Interest Depreciation and Taxation	19.28	7.79
Interest	48.37	230.34
Gross Profit/(Loss) after Interest but before Depreciation and Taxation	(29.09)	(222.55)
Provision for Depreciation	75.16	112.17
Profit/(Loss) (before Extraordinary items & Taxation)	(104.25)	(334.72)
Extraordinary items written back	1200.98	—
Profit/(Loss) before taxation	1096.73	(334.72)
Provision for Taxation	13.04	—
Net Profit / (Loss)	1083.69	(334.72)

**OPERATIONS**

Your Directors extended the financial year ending on March 31, 2006 by three months ending it on June 30, 2006. Accordingly, during the financial year ending on 30th June, 2006, your Company has produced 278053 nos. of Black & White T.V. picture tubes as compared to 1,41,299 nos. in the previous year. Your Company could achieve a turnover of Rs. 1492.60 lacs (including turnover of trading division of Rs. 472.10 lacs) as against the turnover of Rs. 676.51 lacs. The sale of Black & White T.V. picture tubes had increased in the initial period of the year due to the closure of manufacturing operations by two leading manufacturing Companies of Black & White Television picture tubes but in the later part of the year the sale was again affected due to non availability of raw material for manufacturing of Black & White Picture Tubes and also due to availability of Colour Televisions in the market at a very low price. Owing to this, the capacity utilization became very low and the Company was unable to recover even the fixed cost. Hence, it became commercially unviable for the company to continue the manufacturing operations of Black & White Television picture tubes. Due to the above reasons the manufacturing operations of the Black & White Picture Tubes at the unit of the Company situated at Kichha had to be closed w.e.f. 01<sup>st</sup> July, 2006. Considering the negative growth in this Industry and non-utilization of existing Plant, Machinery & Utilities, the Directors have recommended and the shareholders have passed the resolution (through Postal Ballot) to sell/ dispose of its entire Plant and Machinery including entire production lines, other allied utilities, Land, Factory Building, other allied Building in the same premises, and other movable and immovable assets situated at 2 K.M., Kichha-Rudrapur Road, Kichha, Distt. Udham Singh Nagar, Uttaranchal-263148. The sale proceeds of the disposal of the assets shall be utilized to pay off the dues of the Financial Institutions and Banks and other Statutory dues. The remaining proceeds, if any, shall be utilized for strengthening the activities being undertaken by the company in its trading division.

In spite of the above adverse factors your Company was able to earn a profit as against the loss during the previous Financial year ended on 31.03.2005. These improved operations have been made possible due to increase in turnover of trading division and acceptance of One Time



Settlement (OTS) proposal of the Company by IFCI Limited, IDBI Limited, Canara Bank and Bank of Baroda. Owing to the OTS with Institutions and Banks, the net worth of the Company has also become positive and the company will take appropriate steps with Hon'ble BIFR to come out of the purview of Sick Industrial Companies (Special Provisions) Act.

Your Company is strengthening its activities by way of trading of other items in addition to the existing items in its Trading Division. The Company is running its Trading operations successfully with adequate margins and there is sufficient scope of increase in the trading business. During the year under review the trading division of your Company has achieved a turnover of Rs.472.10 lacs as against Rs 263.19 lacs in the previous year. Your Directors are exploring the new items for trading and are confident that with these steps taken, the turnover as well as profitability of your Company will increase in the coming years.

#### **REFERENCE TO THE BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTIONS (BIFR)**

As already informed in the previous report, the matter was pending with the Hon'ble AAIFR for disposal of our Appeal. After a lot of adjournments, Hon'ble AAIFR vide its order, has set aside the impugned order dated 13.07.2004 as passed by Hon'ble BIFR directing for the change of management. Hon'ble AAIFR also directed the Operating Agency i.e. IFCI Limited to formulate the scheme on the basis of One Time Settlement proposal and to submit its recommendations to Hon'ble BIFR for taking necessary further steps in accordance with Law.

#### **SHIFTING OF REGISTERED OFFICE :**

The Registered Office of the Company has been shifted from 2 K.M. Kichha-Rudrapur Road, Kichha, Distt. Udham Singh Nagar, Uttaranchal-263148 to Ward No. 3, Bareilly Road, Kichha, Distt. Udham Singh Nagar, Uttaranchal-263148 (with in the same local limits) w.e.f. 09<sup>th</sup> June, 2006.

#### **AUDITORS' REPORT**

In regard to the observations made by the Statutory Auditors in their report about the non receipt of any communication under Section 274(1)(g) of the Companies Act, 1956 from two Nominee Directors of HILTRON, it may be stated that your Company has not still received the confirmation under Section 274(1)(g) of the Companies Act, 1956 from both the Nominee Directors of HILTRON. However, the company has been regularly following up the matter with both the Nominee Directors of HILTRON and the same shall be placed before the Board at its meeting immediately along with communication received from them or on behalf of them from HILTRON.

#### **FIXED DEPOSITS**

The Company has not accepted any Fixed Deposits during the year under review.

#### **STOCK EXCHANGES & LISTING FEES**

The Company's Equity Shares at present are listed at Bombay and Calcutta Stock Exchanges. The Company has paid the Annual Listing Fees for the year 2006-2007 to Bombay Stock Exchange Limited only.

#### **DELISTING**

Your Company has already made an application for voluntary delisting from Calcutta Stock Exchange. However, the said application is pending with the Calcutta Stock Exchange.

#### **BOARD OF DIRECTORS**

During the year under review, Shri G.P. Agrawal has been appointed as an Additional Director by the Board of Directors of your Company on 31.01.2006. The Board welcomed the appointment of Shri G.P. Agrawal. Shri G.P. Agrawal shall hold office as an Additional Director till the conclusion of the forthcoming Annual General Meeting of the Company. It is, therefore, proposed to appoint him as a regular Director liable to retire by rotation.

Shri S.S.L. Gupta, Director is retiring by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

#### **AUDITORS**

M/s B.K. Shroff & Co., Chartered Accountants, the Statutory Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment.

**PARTICULARS OF EMPLOYEES**

There was no employee during the year under review whose particulars are required to be given pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

**MANAGEMENT DISCUSSION AND ANALYSIS****Overview and Industry Structure and Developments**

From the last 8-9 years, the Black & White Television Industry is continuously declining. The major reason responsible for this kind of situation is continuous fall in the prices of Colour Televisions and hence the demand is shifting from Black & White Televisions to Colour Televisions. The year under review witnessed continued slowdown in the Black & White T.V. industry due to less demand, tough competition, non availability of raw material i.e. glass shell for manufacturing Black & White T.V. picture tube. All the above reasons collectively affected Black & White Television Industry and therefore your Company has closed down the operations of manufacturing of B&W picture tubes w.e.f. 01<sup>st</sup> July, 2006. The Company is, therefore, engaged in the other segment only i.e. trading of baby and mother care products.

**OPPORTUNITIES AND THREATS****Opportunities**

As the Government of India has provided various fiscal benefits for the import of various products from the country like Thailand and other South East Asian Countries, your Company will get the benefit out of it as the Company has established All India Distribution channels over the years which will be utilized for marketing the products imported from the said Countries.

**Threats**

In this era of liberalization of Indian Economy, new and strong competitors with the product range similar with the Company can enter into the market with different brands which may put an adverse impact on the sales of the Company.

**Segment wise or Product wise performance**

Segment reporting as defined in Accounting Standard (AS-17) has become applicable to your Company from the quarter ended 30<sup>th</sup> September, 2003. During the year under review, your Company was engaged in two segments viz., Manufacturing of Black & White T.V. Picture Tubes and Trading activity. Your Company is adhering to the Listing Agreement guidelines with respect to reporting of segment wise revenue results and capital employed.

**Outlook**

During the year under review the trading division of your Company has achieved a turnover of Rs.472.10 lacs as against Rs 263.19 lacs in the previous year. Your Company is looking forward to strengthen the operations by way of inducting the new items for trading in addition to the existing items. Your Company foresees adequate margins and sufficient scope of increase in turnover in the years to come.

**Risks and concerns**

Your company finds risk if there is an increase in the Customs Duty by the Government of India in the coming years, new and strong competitors with the product range similar with the Company and adverse market conditions.

**Internal Control Systems and their adequacy**

The company maintains a system of internal control including suitable monitoring procedures. The internal control system is supplemented by an exhaustive programme of internal audits and said audits are then reviewed by Audit Committee from time to time.

**Development in HR**

As already stated that the operations of the manufacturing of B&W picture tubes has been closed w.e.f. 01<sup>st</sup> July, 2006 consequently, the Company made full & final settlement with all its workers and some staff subsequent to the close of the financial year under review.

**Financial performance coupled with operational performance**

The Company has earned a net profit after tax during the current financial year at Rs. 1083.69 lacs (after adjustment of extraordinary item) as compared to the net loss of Rs. 334.72 lacs in the immediately preceding year.





The main reason for profit was increase in the turnover of Trading Division of the Company and One time Settlement (OTS) with the Financial Institutions and Banks.

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

Information in accordance with Section 217 (1)(b) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 is given in Annexure 'A' forming part of this report. Form 'A' requiring disclosure of conservation of energy is not applicable in the case of your company.

### **REPORT ON CORPORATE GOVERNANCE**

Pursuant to clause 49 of the Listing Agreement, a report on the Corporate Governance is given in Annexure 'B' which forms part of this report.

### **DIRECTORS RESPONSIBILITY STATEMENT**

In terms of section 217 (2AA) of the Companies Act, 1956 the directors hereby confirms that:

- i. in the preparation of annual accounts, applicable accounting standards have been followed alongwith proper explanation related to material departures;
- ii. the directors have selected such accounting policies and applied them consistently and made judgements and estimates that 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 or loss of the company for that period;
- iii. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. the directors had prepared the annual accounts on a going concern basis.

### **ACKNOWLEDGEMENT**

The Board places on record its appreciation for the valuable support and cooperation of the financial institutions, banks, government agencies, customers, suppliers, shareholders, management team and the entire work force for their cooperation and commitment and look forward to their continued support in future.

For and on behalf of the Board of Directors

Place : New Delhi

Dated : 31<sup>st</sup> July, 2006

CHAIRMAN OF THE MEETING

### **ANNEXURE "A" TO THE DIRECTORS' REPORT**

Particulars as required under Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988 and forming part of Directors' Report for the financial year ended on 30<sup>th</sup> June, 2006.

#### **I. Research & Development (R & D) :**

- |   |   |      |
|---|---|------|
| a) Specific areas in which R & D carried out by the Company | - | None |
| b) Benefits derived as a result of the above R & D          | - | None |
| c) Further plan of action                                   | - | None |
| d) Expenditure on R & D                                     | - | Nil  |

#### **II. Technology Absorption, Adoption & Innovation :**

- |  |   |      |
|--|---|------|
| a) Efforts in brief made towards technology  | - | Nil  |
| b) Absorption, Adoption and Innovation<br>Benefit derived as a result of above efforts | - | None |
| c) Particulars of Technology imported during<br>last 5 years                           | - | None |

#### **III. Foreign Exchange Earnings and Outgo :**

	(Rs. In lacs)	
	<u>Current Year</u>	<u>Previous Year</u>
	(15 months)	(12 months)
Total Foreign Exchange used & earned :		
Foreign Exchange used	513.93	185.23
Foreign Exchange earned	—	—



## ANNEXURE 'B'

## REPORT ON CORPORATE GOVERNANCE

(PURSUANT TO CLAUSE 49 TO THE LISTING AGREEMENT)

**COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Your Company is committed to the standards of good corporate governance and adopted the principles of good Corporate Governance in line with the requirements of the corporate practices enumerated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges. The Company aims to achieve greater transparency by making adequate disclosures and enhancing long term economic value of its shareholders, while giving equal respect to society at large.

Given below is a brief report by the director(s) on the practices followed at RAMA VISION LIMITED to strive towards achievement of goal of Good 'Corporate Governance'.

**I. BOARD OF DIRECTORS****Composition and size of the Board**

As on 30.06.2006, the strength of Board is six Directors which comprises of one Promoter / Executive Director being the Managing Director and five non-executive Directors, out of which two are HILTRON Nominees, Co-Promoter of the Company, all of them are independent directors. All the directors are proficient in their own field and bring with them decade(s) of experience in the areas of Finance, Law, Management, Corporate Practices and General Administration.

Sh. Satish Jain, Promoter and presently designated as Managing Director is the only whole time working Director of the company who is responsible for overall day to day management of the company.

**NUMBER OF BOARD MEETINGS HELD**

During the financial year ended on 30<sup>th</sup> June, 2006, seven Board Meetings were held on 30.05.2005, 30.06.2005, 29.07.2005, 28.10.2005, 31.01.2006, 29.04.2006 and 09.06.2006.

**STATEMENT OF ATTENDANCE OF DIRECTORS AT THE BOARD MEETING, LAST ANNUAL GENERAL MEETING AND NUMBER OF OTHER DIRECTORSHIP AND COMMITTEE MEMBERSHIP AS ON 30<sup>TH</sup> JUNE, 2006.**

NAME OF DIRECTOR	DESIGNATION	CATEGORY OF DIRECTORS	NO. OF Board MEETINGS ATTENDED	ATTENDANCE OF THE LAST AGM	NO. OF OTHER DIRECTORSHIPS	NO. OF CHAIRMANSHIP/ MEMBERSHIP OF OTHER BOARD COMMITTEES		NO. OF SHARES HELD
						CHAIRMANSHIP	MEMBERSHIP	
Sh. Alok Kumar*	Chairman (Nominee HILTRON)	Independent	NIL	NO	01**	NIL**	NIL**	NIL**
Sh. Satish Jain	Managing Director	Executive & Non-Independent	07	YES	03	NIL	NIL	419528
Sh. Vishal Singh	Director (Nominee HILTRON)	Independent	NIL	NO	01**	NIL**	NIL**	NIL**
Sh. S.L. Baluja	Director	Independent	07	NO	01	NIL	NIL	NIL
Sh. S.S.L. Gupta	Director	Independent	07	YES	01	01	01	NIL
Sh. G.P. Agrawal***	Director	Independent	03	NO	06	NIL	03	10

\* NOMINEE DIRECTORS APPOINTED BY HILTRON SUBSEQUENT TO CESSATION OF SH. ALOK KUMAR DOES NOT COMPLY WITH THE REQUIREMENTS OF COMPANIES ACT, 1956. HENCE, THE COMPANY CONTINUED TO TREAT SH. ALOK KUMAR AS NOMINEE DIRECTOR OF HILTRON.

\*\* AS PER INFORMATION AVAILABLE WITH THE COMPANY.

\*\*\* APPOINTED AS AN ADDITIONAL DIRECTOR W.E.F. 31.01.2006.

None of the Directors on the Board is a member of more than 10 committees and / or act as chairman of more than 5 committees across all the public companies in which they are directors.



## II. AUDIT COMMITTEE

### Terms of Reference

The role and terms of reference of the Audit Committee have been updated to be in line with the revised clause 49 II (C) & (D) of the Listing Agreement and Section 292A of the Companies Act, 1956 besides other terms as may be referred by the Board of Directors. The minutes of the Audit Committee meetings are circulated to and taken note by the Board of Directors.

### Composition

The Audit Committee of the Company consists of three Non-Executive Independent Directors viz., Sh. S.S.L. Gupta, Sh. S.L. Baluja and Sh. G.P. Agrawal. All the members have extensive financial and accounting knowledge and the Chairman Sh. S.S.L. Gupta, M.Com, M.B.A. (Finance), LL.B has an expert knowledge in the fields of Accounting & Financial Management. He is an Ex-Legal Advisor of IFCL Limited and has a rich experience of around 48 years in the field of Law, Finance and Banking. Shri G.P. Agrawal has been inducted as member of Audit Committee by the Board of Directors w.e.f. 31.01.2006.

### Meetings and attendance of members during the year

During the year under review, five meetings of the Audit Committee were held on 30.05.2005, 30.06.2005, 28.10.2005, 31.01.2006 & 29.04.2006. The attendance of the Committee members during the year is as under :-

Sl. No.	Name	Designation	Date of meeting / Attendance				
			30.05.05	30.06.05	28.10.05	31.01.06	29.04.06
1.	Sh. S.S.L. Gupta	Chairman	Yes	Yes	Yes	Yes	Yes
2.	Sh. S.L. Baluja	Member	Yes	Yes	Yes	Yes	Yes
3.	Sh. G.P. Agrawal	Member	-	-	-	-	Yes

The Company Secretary acts as the Secretary to the Audit Committee. The Chairman of all the above said meetings was Sh. S.S.L. Gupta.

## III. REMUNERATION COMMITTEE

The Committee was constituted on 28<sup>th</sup> May, 2004 to recommend / review the remuneration package of Executive / Managing Director. The Remuneration Committee comprised of three Non-Executive Independent Directors viz., Sh. S.S.L. Gupta, Sh. S.L. Baluja and Sh. G.P. Agrawal. Sh. G.P. Agrawal has been appointed as Member & Chairman of this Committee by the Board of Directors w.e.f. 09.06.2006. No meeting of the Remuneration Committee was held during the financial year ended 30.06.2006.

### Details of remuneration paid to Directors for the period from 01.04.2005 to 30.06.2006.

- Sh. Satish Jain, Managing Director, was re-appointed as Managing Director for 5 years with effect from 17<sup>th</sup> August, 2004 and was paid only salary and perquisites of Rs. 7,93,500/- (including company's contribution to provident fund of Rs. 75,600/- for the financial year ended 30<sup>th</sup> June, 2006) in terms of the resolution passed by the shareholders at the Annual General Meeting held on 24.09.2004.
- The sitting fees paid to the Non-Executive Directors for the financial year ended 30.06.2006 was Rs. 15500/- to Shri S.L. Baluja, Rs. 14500/- to Shri S.S.L. Gupta and Rs. 7000/- to Shri G.P. Agrawal.

The shareholders at the Annual General Meeting held on 23<sup>rd</sup> September, 2005 had approved the basis of payment of remuneration to the Non-Executive Directors.

### Remuneration policy

Remuneration of managerial personnel consists of Basic Salary, allowances and Perquisites as per terms approved by the shareholders within the limits as laid down under the Companies Act, 1956.

## IV. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

The Shareholders' / Investors' Grievance Committee of the Company consists of Sh. Satish Jain, Managing Director and two other Non-Executive & Independent Directors viz., Sh. S.L. Baluja and Sh. S.S.L. Gupta. The Committee appoints the Non-Executive Director as Chairman. The Committee meets on regular basis to expedite and to take note of all matters relating to the transfer/ transmission in excess of the authorized limit, to authorize issue of shares upon split, consolidation, duplicate share certificates, dematerialization of shares, redressal of Investor's Grievance etc., if any.