

# Schablona India Limited

Report Junction.com  
**Twentythird  
Annual Report**

**2006-2007**

***Directors :***

Shri H. L. Somany, *Chairman*  
Shri G. L. Sultania  
Shri Anirudh Kabra  
Shri Rakesh Kumar Borar

***Auditors :***

Sanjeev Neeru & Associates  
202, Mohan Place, L.S.C.  
"C" Block, Saraswati Vihar,  
Delhi-110 034

***Bankers :***

Central Bank of India  
HDFC Bank Ltd.

***Registered Office :***

2, Red Cross Place  
Kolkata-700 001

***Works :***

Sankhol - 124507  
Dist. : Jhajjar, Rohtak  
(Haryana)

***Registrar & Transfer Agent :***

Maheshwari Datamatics Pvt. Ltd.  
6, Mangoe Lane,  
Kolkata-700 001

## SCHABLONA INDIA LIMITED

NOTICE is hereby given that the 23<sup>rd</sup> ANNUAL GENERAL MEETING of the Members of Schablona India Limited will be held at Jhaharia Committee Room of Merchants' Chamber of Commerce, 15B, Hemanta Basu Sarani, Kolkata-700001 on **Saturday, the 15<sup>th</sup> September, 2007 at 1.30 P.M.** to transact the following business :

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2007 and the Profit & Loss Account for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri H. L. Somany, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

### **SPECIAL BUSINESS**

To consider and if thought fit, to pass with or without modification(s), the following Resolutions :

#### **4. As an Ordinary Resolution**

"RESOLVED THAT Shri Rakesh Kumar Borar, who was appointed an Additional Director of the Company and who holds office as Director upto the date of the ensuing Annual General Meeting pursuant to the provisions of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice, as required by Section 257 of the Companies Act, 1956, proposing his candidature for the office of director, be and is hereby appointed a Director of the Company, liable to retire by rotation.

#### **5. As a Special Resolution**

"RESOLVED THAT the Articles of Association of the Company be altered by substituting the following sentence for the first sentence of Article 89 thereof :

"Unless otherwise determined by the Company in General Meeting each Director shall be entitled to receive out of the funds of the Company for each meeting of the Board or a Committee thereof attended by him such fee as may from time to time be determined by the Board but not exceeding such sum as may from time to time be prescribed by or under the Act and applicable to the Company".

#### **6. As a Special Resolution**

"RESOLVED THAT in accordance with and subject to the provisions of Section 309 of the Companies Act, 1956 the Company do hereby authorise payment to the Directors of the Company (other than Managing and Whole-time Directors, if any) of a Commission (to be divided amongst them, in such amounts or in portion and in such manner as may be determined by the Board of Directors of the Company from time to time and in default of such determination equally) of 1% (One percent) of the net profits of the Company, to be computed in the manner prescribed in sub-section (1) of Section 198, referred to in sub-section (5) of Section 309 of the Companies Act, 1956, in any financial year of the Company, for a period of 5 years, commencing from 1<sup>st</sup> April 2007 and upto 31<sup>st</sup> March 2012."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, proper and expedient in order to give effect to the above resolution."

New Delhi

Dated, the 18<sup>th</sup> May, 2007

By Order of the Board:  
**G. L. Sultania**

*Director*

### **NOTES :**

1. **A Member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote on a poll, instead of himself. A Proxy need not be a member of the Company. Proxies, in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the meeting.**
2. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 relating to item Nos. 4, 5 & 6 of the accompanying Notice is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, the 1<sup>st</sup> September, 2007 to Saturday, the 15<sup>th</sup> September, 2007 (both days inclusive).
4. Members/Proxyholders are requested to bring their copy of Annual Report with them at the meeting.
5. Members are requested to intimate to the Company, their query(ies), if any, on the Accounts and operations atleast 10 days before the Meeting to keep the information ready at the meeting.
6. Members who hold shares in dematerialised form are requested to bring their Depository ID and Client ID Numbers for easier identification of attendance at the Annual General Meeting.

## SCHABLONA INDIA LIMITED

7. Members holding shares in physical form are requested to notify any change in the address and the Bank account particulars if any, quoting their Folio Numbers to the Registrar & Transfer Agent M/s. Maheshwari Datamatics Pvt. Ltd., 6, Mangoe Lane, Kolkata – 700 001. Telephone No. 2243 5809/5029, Fax No. 2248 4787.
8. Members having multiple folios in the same order of name(s) may inform the Company for consolidation into one folio.

### **Brief Resume and other information in respect of the Director seeking re-appointment at the Annual General Meeting :-**

#### **Shri H. L. Somany**

Shri H. L. Somany, aged about 87 years, is an eminent Industrialist and Fellow Member of the Indian Institute of Ceramic. He is past President of ASSOCHAM and Merchants' Chamber of Commerce. He was Chairman of CAPEXIL in 1969 and Commissioner of Calcutta Port Trust during 1972-74. He is Chairman Emeritus of Somany Ceramics Limited (Formerly : SPL Limited) and Chairman of Hind Syntex Limited. He is also Director in group Investment Companies.

### ***Explanatory statement in respect of the Special Business pursuant to Section 173 (2) of the Companies Act, 1956.***

#### **Item No. 4**

The Board of Directors at its meeting held on 28th July, 2006 had appointed Shri Rakesh Kumar Borar as an Additional Director of the Company with effect from 1st September, 2006. As such, he holds office upto the date of this Annual General Meeting under the provisions of Section 260 of the Companies Act, 1956 read with Article 104 of the Articles of Association of the Company. Shri Rakesh Kumar Borar, aged about 41 years, is B.Com (Hons), ACS and MBA (U.K.). He has over 14 years of experience in investment banking and also in corporate finance and fund management. A Notice from a Member under Section 257 of the Companies Act, 1956 has been received by the Company, proposing the appointment of Shri Rakesh Kumar Borar, as a Director of the Company. The Board recommends his appointment as a Director of the Company.

Except Shri Borar, no other Director is concerned or interested in the said Resolution as set out in item no. 4 of the accompanying Notice.

#### **Item No. 5**

At present a sitting fee of Rs. 250/- for attending each Board Meeting and Rs. 100/- for attending each Audit Committee Meeting are being paid to each Directors out of the funds of the Company in terms of Article 89 of the Articles of Association of the Company. Considering the present scenario and the fact that responsibility being shouldered by the Directors, the amount of existing fee is considered to be quite inadequate. Further, with the growing business activities of the Company, it is felt that professional directors would be approached to join the Board of Directors of the Company to achieve the desired goal. Therefore, it is thought to pass an appropriate resolution as set out under item no. 5 of the accompanying notice to obtain the Members' consent for necessary amendments in Article 89 of the Articles of Association of the Company and accordingly the Board recommends the same.

All the Directors may be deemed to be concerned or interested in the said resolution.

#### **Item No. 6**

Section 309(4) of the Companies Act, 1956 provides that in the case of a director who is neither Managing Director nor in the whole-time employment, the Company may, by special resolution, authorise the payment of commission for a period of five years in addition to the fee for attending meetings of the Board and Committees thereof for imparting their expertise and knowledge for growth of the Company. The Company would be co-opting professional Directors on the Board to achieve the sustained growth and profitability for which they are required to be adequately remunerated. The shareholders are aware, the entire management of the Company vests in Board of Directors who are shouldering responsibilities for betterment of the Company and of compliance under the various laws & status. Therefore, in view of the greater involvement of the Directors in the affairs of the Company, it is desirable that they should be properly remunerated and paid commission at the rate of 1(one) per cent of the net profits of the Company during the period as stated in the resolution set out under item no. 6 of the accompanying notice. The proposed resolution, therefore, seeks authority for such payment to the Directors and your Directors, therefore, recommend this Resolution for your approval.

All the Directors of the Company are interested or concerned in the resolution to the extent the commission as may be payable to them in accordance with the proposed resolution.

New Delhi  
Dated, the 18<sup>th</sup> May, 2007

By Order of the Board  
**G. L. Sultania**  
Director

## SCHABLONA INDIA LIMITED

### DIRECTORS' REPORT

#### To the Members

Your Directors have pleasure in presenting their Twenty Third Annual Report together with the Audited Accounts of the Company for the financial year ended 31<sup>st</sup> March, 2007.

#### ACCOUNTS

	31.03.2007 Rs. / (000)	31.03.2006 Rs. / (000)
Gross Profit for the year under Review	8585	6282
Less : Depreciation for the year	1722	1415
Profit for the year	6863	4867
Less : Provision for Income Tax	591	410
Less : Provision for Fringe Benefit Tax	240	172
Less : Deferred Tax Liability	843	399
	5189	3886
Add : Prior period adjustments	147	-
Less : Income tax paid for earlier years	-	143
	5336	3743
Add : Balance brought forward from earlier years	12876	9133
Balance carried forward to next year	18212	12876

#### DIVIDEND

With a view to conserve and plough back its resources in the business of the Company, your Directors do not recommend any dividend for the year under review.

#### OPERATION

##### Ceramic Decals :

Production and sales of ceramic decals has registered a significant increase over last year. Your Company has gained new customers with large & regular consumption of decals and sales to the existing customers have also improved due to modern & updated designing with emphasis on prompt service to all the customers. Production of Sheets during the year increased to 3,88,064 sheets (previous year – 3,03,535 sheets) and Sales of Sheet/Decals increased to Rs. 335.21 lacs (previous year – Rs. 253.60 lacs).

##### Designer Tile Products :

The Designer Tiles Division of the Company which was in the 3<sup>rd</sup> year of its working has also registered increase in sales & production. The production of the designer tiles increased to 80,126 sqm (Previous year 51,800 sqm) and Sales increased to Rs. 653.76 lacs (previous year Rs. 456.77 lacs).

#### MARKET AND FUTURE PROSPECTS

##### Ceramic Decals :

Your Company is expecting to draw further benefit from the stabilization of the market after opening up of the economy to cheaper imports and to further improve its share of the market for decals. Your Company is also setting up its own decoration and firing facility in order to satisfy a set of demanding customers who like to buy goods from a single source. This is expected to come into production in the current year.

##### Designer Tile Products :

Your Company was able to operate the plants without any interruption in gas supply during the year. The year again witnessed rapid changes in design and consumption patterns for decorated tiles. Your Company is now equipped to respond quickly to change in demands and has been able to increase its sale by over 31%. The Company has also expanded its production capacity to meet the rising demand of up market.

#### AUDITORS' REPORT

All the items on which, comments have been made by the auditors in their report to the shareholders are self explanatory, as explained by way of notes to the accounts.

#### DIRECTORS

Shri Rakesh Kumar Borar was appointed as an Additional Director of the Company with effect from 1<sup>st</sup> September, 2006 and holds office up to the date of ensuing Annual General Meeting under Section 260 of the Companies Act, 1956 read with Article 104 of the Articles of Association of the Company. Notice has been received from a Member under Section

## SCHABLONA INDIA LIMITED

257 of the Companies Act, 1956, proposing candidature of Shri. Rakesh Kumar Borar for the office of Director of the Company.

Shri H. L. Somany, Director of the Company retires by rotation and, being eligible, offers himself for re-appointment. Shri G. Kasera resigned from the Board with effect from 15<sup>th</sup> September, 2006.

### AUDITORS

M/s. Sanjeev Neeru & Associates, Chartered Accountants, Statutory Auditors of the Company, retire at the forthcoming Annual General Meeting and offer themselves for re-appointment.

### CORPORATE GOVERNANCE

A report on Corporate Governance along with Management Discussions & Analysis as prescribed by the Listing Agreement would form an integral part of the Annual Report 2006-07 and is annexed hereto.

### ADDITIONAL INFORMATION

As regards disclosure 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 statement showing particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is annexed hereto and forms part of this report.

### PARTICULARS OF EMPLOYEES

Information as required under Section 217(2A) of the Companies Act, 1956, read with Particulars of Employees Rules, 1975 in respect of Company's employees is not being given since no employee is covered under the clause.

### SECRETARIAL COMPLIANCE CERTIFICATE

Your Directors are pleased to enclose the Secretarial Compliance Certificate for the year 2006-07, as part of this Directors' Report, pursuant to the provision of the Section 383A of the Companies Act, 1956.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that :

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with the proper explanation relating to material departures ;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year on 31<sup>st</sup> March 2007 and of the profit of the Company for that period ;
- (iii) the Directors had 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) the Directors had prepared the annual accounts on a going concern basis.

For and on Behalf of the Board

**H. L. Somany**  
Chairman

New Delhi

Dated, the 18<sup>th</sup> May 2007

### ANNEXURE TO THE DIRECTORS' REPORT

Additional information given as required under the Companies (Disclosure of the Particulars in the Report of the Board of Directors) Rules, 1988.

#### A) CONSERVATION OF ENERGY

- a) Energy Conservation measures taken :
  - i) Timely maintenance of electric motors.
  - ii) Grouping in lighting systems changed to separate lighting systems to enable the disconnection of power when not in use.
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy :  
No additional investments are considered necessary at present.
- c) Impact of measures (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods :  
Energy consumption vis-à-vis cost continue to be at the optimum level.
- d) Total energy consumption and energy consumption per unit of production :  
The Company is not covered under the list of specified industries.

## SCHABLONA INDIA LIMITED

### B) TECHNOLOGY ABSORPTION

#### FORM - B

#### Research and Development (R & D)

1. Specific areas in which R & D carried out by the Company :
  - i) Induction of new highlighters in designer tiles.
  - ii) Development of new sizes and up-gradation of manufacturing process.
2. Benefits derived, as a result of the above R & D :  
Lower rejections, keeping pace with the updated international technology and better quality.
3. Future plan of action and expenditure on R & D :  
R & D will be continued in the areas mentioned in (a) above as an ongoing process. Expenses incurred are charged to respective heads and not allocated separately.

#### Technology absorption, adaptation and innovation

Efforts made and benefit derived :

Installation of new machineries to the existing manufacturing process resulted lower rejections and better quality produce.

### C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Rs./000

A. Foreign Exchange Outgo -

1319

B. Foreign Currency Earned -

60

For and on Behalf of the Board

**H. L. Somany**

Chairman

New Delhi

Dated, the 18<sup>th</sup> May 2007

### MANAGEMENT DISCUSSION AND ANALYSIS

Operating results for the period, market and future prospects have been discussed in the Directors' Report. A further overview of company's business by the management with a discussion on the company's areas of strength and weakness, the opportunities that are available and the threats and concerns that are being experienced is given below.

#### Industry Structure & Development

Market condition for decals has improved. Most of the very small manufacturers have closed down whereas the users of decals are now demanding quality products. A large manufacture of Opal & Transparent Glass who was sourcing decals from outside has also started sourcing its supplies from your Company. The Company is a leader in production of glass decals and it is expected that use of glass decals should increase further.

With rise in levels of income and a spurt in house construction, the taste of the people is turning more and more in favour of the designer tiles. Encouraged by favourable market response, the Company has added a second furnace & associated equipment during the year thereby increasing capacity of designer tile division to 2,50,000 sqm per annum (previous year 1,25,000 sqm).

#### Risk & Concerns

The Company's writ petition challenging the notice of acquisition of Company's factory land for setting up an Industrial Zone is pending with Punjab High Court. The factory was set up after obtaining the necessary permission for change of land use and the land is used by your Company for industrial purposes only. Efforts are being made to settle the issue amicably with the state government.

#### Internal Control Systems

Regular audit of systems & accounts of the Company is carried out by the Internal Auditors and it is ensured that Internal Control System are adequate and reliable and there is proper compliance of all regulations & obligations. It has also been ensured that all data necessary for an effective internal control and analysis are available at various levels of management. Your Company is also contemplating to obtain ISO 9001 certificate.

#### Human Resources & Industrial Relations

The Company continues to have good relations with its staff & workers who are continued to be trained to acquire and develop necessary skills for conducting business of the Company in a better way. The Company is employing close to 200 employees as on 31.03.2007. Industrial relations during the year continued to be cordial.

For and on Behalf of the Board

**H. L. Somany**

Chairman

New Delhi

Dated, the 18<sup>th</sup> May 2007



# SCHABLONA INDIA LIMITED

## SECRETARIAL COMPLIANCE CERTIFICATE

We have examined the registers, records, books & papers of M/s. SCHABLONA INDIA LIMITED as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provisions contained in the Memorandum & Articles of Association of the Company for the year ended on 31st March, 2007. In our opinion & to the best of our information & according to the examinations carried out by us & explanations furnished to us by the Company, its officers & agents, we certify that in respect of aforesaid financial year :

1. The Company has kept & maintained all the registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act & the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate with the Registrar of Companies (West Bengal) under the Companies Act, 1956 and the rules made thereunder. However, no forms or returns were required to be filed with the Regional Director, Central Government, Company Law Board or other authorities.
3. The Company being a Public Limited Company, comments under this clause are not required.
4. The Board of Directors duly met four times respectively on 26th May '06, 28th July '06, 30th October '06 and 30th January '07 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. The Company has passed Board resolution by circulation on 21.09.2006 and 11.10. 2006.
5. The Company has closed its register of Members for transfer or other purposes during the above financial year from 12th August, 2006 to 19th August, 2006 (both days inclusive).
6. The Annual General Meeting for the financial year ended on 31<sup>st</sup> March, 2006 was held on 19<sup>th</sup> August, 2006 after giving due notice to the Members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the aforesaid financial year.
8. The Company has not advanced any loan to its Director and/or persons or Firms or Companies referred to in Section 295 of the Act.
9. The Company has not entered into any contract falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there are no instances falling within the purview of Section 314 of the Act, the Company has not obtained approvals from the Board of Directors, Members or Central Government.
12. The Company has issued one duplicate Share Certificate for 5 Shares on account of replacement of original one being defaced and one certificate on remat of 200 shares during the financial year under review.
13. The Company has :
  - a) not made allotment of any Equity Shares during the year under review.
  - b) delivered all the certificates on lodgement thereof for transfer/transmission or any other purposes during the above financial year within statutory time limit as prescribed under various provisions of the Companies Act and as per listing agreement.
  - c) not required to deposit any amount in a separate bank account for dividend as no dividend was declared during the above financial year.
  - d) not required to post dividend warrants to any of its Members as no dividend was declared during the above financial year.
  - e) no amount lying outstanding in unpaid Dividend account or under any other head for more than seven years, which are required to be transferred to IEPF under Section 205C of the Act.
  - f) duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was an appointment of additional Director during the year under review. There was no appointment of alternate Director or Director to fill casual vacancy during the above financial year.
15. The Company has not appointed any Managing Director/Whole time Director/Manager during the above financial year.
16. The Company has not appointed any Sole-selling Agents during the above year under review.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such other authorities prescribed under the various provisions of the Act.



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18. The Directors have disclosed their interest in other Firms/Companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any Shares/Debentures/other Securities during the above financial year.
20. The Company has not bought back Shares during the above financial year.
21. The Company has neither issued nor redeemed any redeemable preference Share and/or Debenture during the above financial year.
22. There was no transaction necessitating the Company to keep in abeyance the right to dividend, rights shares and bonus shares pending registration of transfer of Shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act during the above period under review.
24. The Company has borrowed secured loan from nationalized and private banks during the above financial year under Section 293(1)(d) of the Act and which are within the borrowing limits of the Company.
25. The Company has not granted any loans and advances or given guarantee or provided securities in relation to loan given to other Bodies Corporate under Section 372A of the Act. Hence no entries have been required to be made in the register kept for this purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the above financial year.
27. The Company has not altered the provisions of Memorandum with respect to the objects of the Company during the above financial year.
28. The Company has not altered the provisions of Memorandum with respect to name of the Company during the above financial year.
29. The Company has not altered the provisions of Memorandum with respect to Share Capital of the Company during the above financial year.
30. The Company has not altered its Articles of Association during the above financial year.
31. There was no prosecution initiated against or show cause notices received by the Company during the above year for offence under the various provisions of the Act.
32. The Company has not received any money as security from its employees during the above financial year.
33. The Company has deposited both employee's and employer's contribution to Provident Fund with appropriate authorities pursuant to Section 418 of the Act during the aforesaid financial year.

Place : 9, Crooked Lane,  
Kolkata-700 069

Date : 18/05/2007

**FOR DROLIA & COMPANY**  
(Company Secretaries)  
(P K Drolia)  
Proprietor  
CP : 1362

ANNEXURE : A Register as maintained by the Company			ANNEXURE : B				
Sl. No.	Particulars	Section	Sl. No.	From No./Return	Filed under Section	Date of Filing	Whether filed within Statutory Time Period
1.	Register of Members	150	1.	Balance Sheet as at 31st March, 2006	220	13/10/06	No
2.	Directors Minutes Book	193	2.	Annual Return made Upto 19/08/2006	159	18/10/06	Yes
3.	Shareholders Minutes Book	193	3.	Compliance Certificate Dated 26/05/2006	383A	13/10/06	No
4.	Register of Directors	303	4.	Form No. 8 (for modification of charge)	125/127/130 & 135	06/11/06	No
5.	Register of transfer	-	5.	Form No. 8 (for modification of charge)	125/127/130 & 135	15/12/06	Yes
6.	Register of Director's Shareholding	307	6.	Form No. 32 (For appointment of Mr. Rakesh Kumar Borar)	303 (2)	28/09/06	Yes
7.	Register of Contracts	301	7.	Form No. 32 (For resignation of Mr. G. Kasera)	303(2)	11/10/06	Yes
8.	Register of Charges	143					
9.	Books of accounts and other cost records	209					
10.	Register of Investment	372A					

# SCHABLONA INDIA LIMITED

## CORPORATE GOVERNANCE REPORT

### COMPANY PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance is aimed at the efficient and ethical conduct of its business and meeting its obligations to shareholders, stakeholders, Government and the Society at large.

### BOARD OF DIRECTORS

As on date Board of Directors comprises of Chairman and three Independent Non-Executive Directors. There were 4 Board meetings held during the year 2006-07 i.e. on 26 May, 28 July, 30 October in 2006 and 30 January in 2007. Details of the Directors by category, their attendance, other directorship including Membership/ Chairmanship of Board Committees and No. of Shares held are :-

Directors	Category	No. of Meetings held	No. of Board Meetings attended	Attended last AGM	Number of Directorships in other Companies (\$)	No. of Committee positions held in Companies		No. of Shares held
						Chairman	Member	
Shri H. L. Somany	Promoter	4	4	NO	8	1	2	196496
Shri G. L. Sultania	Independent	4	4	YES	14	5	5	500
Shri G. Kaseria (*)	Executive	2	2	NO	-	-	-	-
Shri Anirudh Kabra	Independent	4	4	NO	-	-	2	-
Sri Rakesh Kumar Borar (#)	Independent	2	2	NO	-	-	-	-

(\*) Resigned w. e. f. 15.09.2006

(#) Appointed as an additional director w. e. f. 01.09.2006

(\$) Excluding directorship in Private Limited Companies.

### Code of Conduct :

The Board has laid down a code of conduct for all its Board Members and senior Management personnel, as approved by the Board and the same is being abided by all of them. The Company has obtained the confirmation of the compliance from Shri G. L. Sultania, Director of the Company.

### COMMITTEES OF THE BOARD

#### AUDIT COMMITTEE

The Audit Committee comprises of following Members and they attended its meetings held on 26 May, 28 July, 30 October in 2006 and 30 January in 2007 :-

Name of Members	No. of meeting attended	Status
Shri G. L. Sultania	4	Chairman
Shri H. L. Somany	4	Member
Shri Anirudh Kabra	4	Member

### Terms of reference

Terms of reference of the Audit Committee are as per the guidelines set out in the Listing Agreement with the Stock Exchanges that inter-alia include review of reports of Internal and Statutory Auditors and ensures that suitable follow-up action are taken, review of Quarter and Annual Financial Statements, review of adequacy of internal control system, review of significant findings, adequacy of Internal Audit functions and review of the financial and risk management policies etc.