

# **Vintron**

## **15TH Annual Report 2005-2006**

### **VINTRON INFORMATICS LIMITED**

**BOARD OF DIRECTORS****Chairman & Managing Director**

Shri Raj Kumar Gupta

**Directors**

Shri Manish Agarwal

Shri Shiv Kumar Singhania

Shri Jagdish Singh Dalal

**Statutory Auditors**

M/s. O. P. Bagla & Co., New Delhi

**Internal Auditors**

M/s. S. Agarwal & Co., New Delhi

**Solicitor**

Shri Om Prakash S. Shekhawat

Shri Nagendra Kumar

**Share Transfer Agent**

M/s. Skyline Financial Services Pvt. Ltd.

123, Vinoba Puri, Lajpat Nagar-II,

New Delhi-110024

**Bankers**

Oriental Bank of Commerce

ICICI Bank Ltd.

**Registered Office & Works**

F-90/1A, Okhla Industrial Area,

Phase-I, New Delhi-110020

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**NOTICE**

NOTICE IS HEREBY GIVEN THAT THE FIFTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF M/S. VINTRON INFORMATICS LIMITED SHALL BE HELD ON MONDAY, THE 18TH DAY OF SEPTEMBER 2006 AT 10.00 A.M. AT SHREE DELHI GUJARATI SAMAJ (REGD.), MAHATMA GANDHI SANSKRITIK KENDRA, MPCU SHAH AUDITORIUM, 2, RAJ NIWAS MARG, CIVIL LINES, DELHI-110054 TO TRANSACT THE FOLLOWING BUSINESS:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March 2006, the Profit & Loss Account for the year ended on that date together with the Auditors' Report thereon and the Directors' Report annexed thereto.
2. To appoint a Director in place of Shri Manish Agrawal, who retires by rotation and being eligible, offers himself for re-appointment.
3. 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 224(1B) and other applicable provisions, if any, of the Companies Act, 1956, M/s. O. P. Bagla & Company, Chartered Accountants, be and are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company, and that the Board of Directors/ Audit Committee of the Board be and is hereby authorized to fix their remuneration."

By order of the Board  
**For Vintron Informatics Limited**

Place : F-90/1A, Okhla Indl. Area Phase-I, New Delhi-110020  
Date : 28/07/2006

Sd/-  
**(RAJ KUMAR GUPTA)**  
Chairman & Managing Director

**NOTES:**

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF 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 48 HOURS BEFORE THE COMMENCEMENT OF MEETING.
- b) The documents referred to in the Notice are open for inspection at the Registered Office of the Company during office hours on all working days except Sundays and other public Holidays between 2.00 P.M. to 4.00 P.M. upto the date of Annual General Meeting.
- c) The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, the 4th day of September 2006 to Monday, the 18th day of September 2006 (both days inclusive).
- d) Members are requested to bring their copies of Annual Report to the meeting, as spare copies will not be available.

**RESUME OF DIRECTORS BEING RE-APPOINTED**

Shri Manish Agrawal, aged 35 years is a Graduate in Engineering from Nagpur University, and has an experience of over 14 years in the field of Computer Industry. Since 1992, he has been associated with this Company, and gained wide experience in Personal Computers and Computer Peripheral Industry. Under his able leadership, the operations of the Company have reached to a level of national brands in the Country in the areas of Personal Computers and Computer Peripherals.

## DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

Your Directors have pleasure in presenting the Fifteenth Annual Report together with Audited Accounts of the Company for the year ended on 31st March 2006.

### BUSINESS PHILOSOPHY

On the basis of the audited financial results for the financial year ended 31st March 2003, your Company has become a Sick Industrial Company and in terms of the provisions of SICA, 1985, a reference in Form-A was duly filed with the Hon'ble Board for Industrial & Financial Reconstruction. The said reference was duly registered vide No.257/2003 and on the basis of certain representations made by the Oriental Bank of Commerce, the Board (BIFR), ex-parte, issued an order abating our reference against which your Company had filed an appeal before the Hon'ble Appellate Authority for Industrial & Financial Reconstruction (here in after referred to as AAIFR) and the Hon'ble AAIFR has been pleased to admit the appeal in favour of your Company vide its order dated 24/10/2005 and the case has been remanded back to Hon'ble BIFR for its necessary action. The same is pending before the Hon'ble BIFR for its necessary order. In addition thereto, in terms of the provisions of SICA 1985, a reference in subsequent year was also filed which too stands registered as case No. 309/2004 on the basis of the financial results for the year ended on 31st March 2004.

We are passing through a complex situation where at one hand, the Company was already incurring losses during the last financial years and the trend was even continuing during the financial year under consideration. The interim order from Hon'ble DRT, Delhi restraining your Company from dealing with any of the assets, moveable and immovable is still continuing, leading thereby to a situation where almost entire operations of the Company is stalled. After a continuous efforts and pursuance the Company has been able to earn its bare survival necessities by way of undertaking job works and this situation shall continue further until your Company succeeds in obtaining more favorable order from the appropriate Tribunal / Courts. Your Company and its Directors are confident that we shall be able to obtain favorable orders from the Hon'ble tribunal and once again restart, revive and bring this Company to a profitable undertaking.

### OUTLOOK

Financial Year 2005-2006 has been an extremely difficult and challenging year for your Company, but, your Directors have not lost their heart and are working constantly towards a better future. With the existing trend in mind and growing demand of Personal Computers and Computer Peripherals, your Directors are confident that with the infrastructure available with the Company and brand influence over the market, the Company shall take no time to revive its operations and re-gain the glory of its brand once it starts its operations for which we are persuading the Hon'ble tribunal/courts to vacate the stay and permit us to function which shall be in consonance with even our reference with the Board for Industrial & Financial Reconstruction. Meanwhile, all efforts are being made to even increase the quantum of job work being undertaken by the Company.

Your Company's performance during the year as compared to the last year is as under:

### FINANCIAL RESULTS AND PERFORMANCE

We give below the financial highlights for the year under review:-

#### PARTICULARS

Turnover & Other Income/Income from Operations (Jobwork)	
Profit/(Loss) before Depreciation, Interest/Financial Charges and Tax	
Depreciation	
Interest and Financial Charges	
Profit/(Loss) before Income Tax	
Income Tax Adjustments	
Profit/(Loss) after Tax	
Surplus brought forward	
Balance in Profit & Loss A/c	

(Rs. in Lacs)

Current Year	Previous Year
62.91	66.33
2.11	(7.51)
84.30	84.30
0.30	0.23
(82.49)	(92.04)
(0.18)	4.26
(82.67)	(96.31)
(2647.80)	(2551.49)
(2730.17)	(2647.80)

During the financial year under review, the Company has not been carrying its operations due to restraint order passed by the Hon'ble DRT restraining the Company not to alienate/part-with possession of any of the hypothecated goods. The Company has also been restrained from parting with any of the mortgaged assets. As a result of said stay order, the Company's operations have virtually been stopped, as any transactions with respect to the Company's movable/immovable properties including stocks shall amount to violation of the said stay order. Your Directors are trying to persuade the Hon'ble tribunal for vacation of the said order.

In spite of all the odds, your management is confident that the Company, with its products, quality, marketing strength and other infrastructure facilities will once again come out of the red and move forward in a positive direction. With this commitment to the investors, work force and society at large, the management reassures you about the potential of the Company and expresses its gratitude for the confidence reposed in it.

### DIVIDEND

Considering the results of the Company into losses, the Board has not recommended dividend on shares.

### INDUSTRY STRUCTURE AND DEVELOPMENT

Even though, IDC forecasts a substantial growth in India in PC market but due to severe competition and erosion in selling prices, there has been no growth in value and profitability terms. With the introduction of low range Laptops in the market, even a sizeable segment of computer users have been shifting their choice to Laptops instead of Personal Computers. However, the loss of high segment consumers are well adjusted by the growing awareness and demand of Personal Computers in rural and

**DIRECTORS' REPORT & MANAGEMENT DISCUSSION & ANALYSIS Contd.**

semi-urban market, which has a vast potential and de-appetite ensuring the growing demand of Personal Computers in time to come.

**OUTLOOK ON THREATS, RISKS AND CONCERNS**

The Company has an integrated approach to managing the risks inherent in various aspects of its business. As a part of this approach, the Board of Directors (BoD) is responsible for monitoring risk levels on various parameters, and the Board of Directors supported by professionals in various fields is responsible for ensuring implementation of mitigation measures, if required. The Audit Committee provides the overall direction on the risk management policies.

The over all economic environments will have a strong bearing on how things shape in the coming years. Falling prices of the Personal Computers and its peripherals with the introduction of low priced Laptops are potential risks. The over all Industrial and Business sentiment is not very buoyant. Your Company has also plans of introducing high quality technically advanced gadgets in the Company's product basket once it starts its operations, which will expedite its revival scheme. Your Company, however, is confident that with the launch of high quality, competitively priced products, we will be able to expand our market share.

**SEGMENT WISE PERFORMANCE**

The Company has been operating in the electronic industry and dealing & manufacturing only Personal Computers and computer peripherals. The Company's products are only related to computer hardware and therefore there are single segment of operation. In view of the same, segment wise reporting is not required.

**INTERNAL CONTROL SYSTEMS AND ADEQUACY**

The Internal Control Systems of the Company are designed to provide adequate assurance on the efficiency of the operation and security of its assets, and the Company is committed to high standards in this regard. The accounting records are adequate for preparation of financial statements and other financial information. The adequacy and effectiveness of the Internal Control as well as compliance with laid down systems and policies are comprehensively monitored by your Company's Internal Auditors. The Audit Committee of the Board, which meets regularly, actively reviews Internal Control Systems as well as financial disclosures.

**HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

The Company continues to have excellent employee relations. Your Directors acknowledge and thank the employees for their continuous support. The Company has strong commitments to follow the best of the HR practices and believes in up-lifting the over all competence of its employees through regular training, workshops and seminars.

The total number of employees and workforce at the end of the year was 52 as against 32 employees including permanent and irregular workforce at the end of the previous year.

**ADDITIONAL INFORMATION REGARDING CONSERVATION OF ENERGY ETC.**

Information in respect of conservation of energy, technology absorption etc. required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed.

**DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Shri Manish Agrawal, Director of the Company will retire by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for re-appointment. The Board recommends his re-appointment.

**FIXED DEPOSITS**

Your Company has neither invited nor accepted any deposits from public within the meaning of the Companies (Acceptance of Deposit) Rules, 1975, during the last financial year.

**SUBSIDIARY COMPANY**

The Company holds a Wholly Owned Subsidiary by the name of VSOF GLOBAL INC. at #107, 451 Village Green BLVD, ANN ARBOR, MI-48105 USA, with a total subscribed and paid-up capital of 1500 Capital Stocks held by your Company. The Company is making its all efforts to get the necessary documents and details including financials from the sole person who was looking after the affairs in USA.

**AUDITORS**

The Auditors of the Company M/s. O. P. Bagla & Company, Chartered Accountants, New Delhi, retire on the conclusion of the ensuing Annual General Meeting in terms of the provisions of the Companies Act, 1956 and have offered themselves for re-appointment. The Company has received a certificate from the Auditors to the effect that their re-appointment, if made, would be within the prescribed limits specified under Section 224 (1B) of the Companies Act, 1956.

**AUDITORS' REPORT**

The Auditors' Report to the members together with Accounts for the year ended on 31st March 2006 and Notes thereon is attached, which are self-explanatory.

**DIRECTORS VIEW ON AUDITORS OBSERVATIONS**

Management response to the various observations of the auditors, even though explained wherever appropriate in the notes to the Accounts, is reproduced in compliance with the relevant legal provision.

1. *As regards the Auditor's observations under clause 2 (f) (iv) (a & b) are concerned, the same is because of the restraint order passed by Hon'ble DRT, total stoppage of operations and due to the Company being into the continuous losses, debtors and*



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## DIRECTORS' REPORT & MANAGEMENT DISCUSSION & ANALYSIS Contd.

*loans & advances could not be commented upon as to certainty of their recovery as under the present circumstances, the Company neither has its strength in terms of money/manpower to follow-up the same nor any communication from the parties from whom those debts/loans & advances are recoverable.*

2. *The Company is making its all efforts to get the necessary documents and details including financials from the sole person who was looking after the affairs of its Wholly Owned Subsidiary by the name of VSOF GLOBAL INC. at #107, 451 Village Green BLVD, ANN ARBOR, MI-48105 USA, who has not been responding nor the Company has any mailing address except the e-mail id provided by him earlier.*
3. *Slow moving/Non moving inventories are valued at cost because in terms of warranty provided to the customers on products sold, the spares are used at the cost basis only and billed accordingly to the customers. However, there are certain items which are kept only as back up for the service centre and replacement of old systems as in case of old systems components are not easily available in the market because of being very fast changing and upgrading technology industry. Out of the same there are certain inventories, which are almost outdated and the realizable value of the same are almost negligible. Certain goods have become obsolete because of the stay order being operational against the Company and most of the stocks have almost negligible value because of constant technological up-gradation, whereas all the items in the stock are old which could not be sold due to the stay order being operational.*
4. *In view of the discontinuation of Software Division and closure of units at Parwanoo and Daman, for last three years and followed by subsequent stay order restraining the Company from carrying any activities/operations, the assets lying at Parwanoo and Daman units of the Company are in the same condition as the same were at the end of financial year ending 31st March 2003 except the normal wear and tear that may have been caused because of the same lying idle without routine maintenance and therefore, Losses, if any, on impairment of fixed assets at those units are not considered. It is pertinent to mention that the Company's unit at Daman is under possession of M/s. Oriental Bank of Commerce in terms of the provisions of SARFAESI Act and status quo-order is maintained in terms of the Order of Hon'ble High Court.*
5. *The valuation of stocks of software has been taken as it was during the close of last financial year, because during the financial year under review no fresh software has been developed. However, it is expected that the same will be sold at the prices taken in the books.*
6. *As the Company's operations are stopped and most of the employees/staff have left the organization, the communication with associates such as dealers, suppliers, vendors and other parties have come to a stand still. This has led to a situation where the Company has not been able to communicate with any of the parties in the last more than a year. Additionally, the Banks/FIs have filed their recovery proceedings before the appropriate authorities and the same are pending adjudication and because of the same the balance confirmation from neither of the parties nor Banks/FIs could be obtained in time.*
7. *The Company has been accounting on going concern basis and the fixed assets, which are taken unserviceable, are proposed to be used by the Company in its operation as and when the same starts. The management has taken a view that the said fixed assets shall be charged depreciation as per the provisions of the Companies Act, 1956 when brought into use.*

### DIRECTORS RESPONSIBILITY STATEMENT UNDER SECTION 217

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

- While preparing Annual Accounts, the applicable accounting standards have been followed.
- The Company had selected such accounting policies and applied them consistently and made judgements that are reasonable and prudent which gives true and fair view of affairs of the Company.
- The Company had taken proper & sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and irregularities.
- The Company had prepared accounts on a going concern basis.

### PARTICULARS OF EMPLOYEES

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 does not form part of this Report. No employee of your Company is covered as per provisions contained u/s 217(2A) of the Companies Act, 1956 in this regard.

### LISTING FEES

The Equity Shares of the Company continue to be listed at the Stock Exchange(s) of Delhi (Regional), Calcutta and The Stock Exchange, Mumbai and as on the date of signing of this report, the listing fees for the Bombay Stock Exchange Ltd. for the year 2006-2007 has been paid and the fee for rest of the Exchange(s) are yet to be paid.

### ACKNOWLEDGMENTS

The Board appreciates the efforts put in by all employees for their commitment, and dedication to fulfil their corporate duties with diligence and integrity.

Your Directors are also pleased to place on record their appreciation for the excellent support received from Dealers, Business Associates and Customers by promoting and patronizing the products of the Company.

By order of the Board  
For Vintron Informatics Limited

Sd/-

(RAJ KUMAR GUPTA)  
Chairman & Managing Director

Place : F-90/1A, Okhla Indl. Area Phase-I, New Delhi-110020  
Date : 28/07/2006

# AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S)

To  
The members of Vintron Informatics Limited  
New Delhi

We have reviewed the implementation of Corporate Governance procedures by Vintron Informatics Limited during the year ended 31st March, 2006 with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The compliances of conditions of Corporate Governance is the responsibility of the management, our examination was limited to a review of procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

We further comment that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company. On the basis of our review and according to the information and explanations given to us, the mandatory requirements of Corporate Governance as stipulated in Clause 49 of the listing agreement(s) with the stock exchange(s) have been complied with in all material respect by the Company.

FOR O. P. BAGLA & CO.  
Chartered Accountants

Place : New Delhi  
Dated : 28/07/2006

Sd/-  
**RAKESH KUMAR**  
Partner

## ANNEXURE TO DIRECTORS' REPORT

### ANNEXURE TO DIRECTORS' REPORT

Information as per Section 217(1) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the report of the Board Of Directors) Rules, 1988 and forming part of the Directors' Report for the Year ended 31st March 2006.

#### A. CONSERVATION OF ENERGY

Your Company is not covered under Industries, which are required to furnish the information in Form-A 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. The consumption of energy in the operation of the Company is not significant. However, the Company has taken all steps to optimise the use of energy through improved operational methods.

#### B. TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT (R & D)

Specific areas in which R & D is carried out by the Company	:	R & D is carried out for improvement in production process and quality of products.
Benefits derived as a result of the above R & D	:	The products have found better acceptability in the market.
Future plan of action	:	The Company is carrying on R & D to enhance the product features and improve their quality.
Expenditure on R & D		
- Capital	:	NIL
- Recurring	:	NIL
- Total	:	NIL
- Total R & D expenditure as a percentage of total turnover	:	NIL

#### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

None

#### FOREIGN EXCHANGE EARNINGS AND OUTGO

The foreign exchange earnings of the Company were Rs. NIL as compared to Rs. NIL in the previous year. The foreign exchange outflow was Rs. 0.51 Lacs as compared to Rs. 2.55 Lacs in the previous year.

By order of the Board  
For Vintron Informatics Limited

Sd/-  
**(RAJ KUMAR GUPTA)**  
Chairman & Managing Director

Place : New Delhi  
Date : 28/07/2006

## ANNEXURE TO DIRECTORS' REPORT Contd.

**CORPORATE GOVERNANCE**

Securities and Exchange Board of India has codified the code of Corporate Governance, which has been implemented by amending the listing agreement entered into by the Company with various Stock Exchanges. In its efforts to comply with the code of Corporate Governance, the Company has taken various steps and endeavored to implement the requirements of code of Corporate Governance in clause 49 of the listing agreement. Given below is a brief report on the practices followed by Vintron Informatics Limited towards achievement of good Corporate Governance.

**1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

We at Vintron Informatics Limited are committed to the concept and philosophy of Corporate Governance as a means of effective internal control, fair and transparent decision-making process and fullest support of the Board and Management for enhancing customer satisfaction and shareholders value. The basic mantras of Vintron "Customer satisfaction through Quality and Reliability of our products and services, to be achieved by our will to deliver better by consistently improving our products, systems and procedures" is the guideline to generate long term economic value for its shareholders while respecting the interest of customers and society as a whole, which is practised in your Company in its letter and spirit. The Company respects the inalienable rights of its members to information on the performance of the Company and considers itself a trustee of its members.

**2. BOARD OF DIRECTORS - COMPOSITION**

The Company maintains an appropriate mix of executive and independent directors to maintain the independence of the Board, and to separate the Board functions of governance and management. To ensure independence of the Board, the members of the Audit Committee is composed of suitable and competent independent directors. The current Board has two independent directors and two executive directors. The Company does not pay any compensation to its non-executive Directors.

**COMPOSITION AND CATEGORY OF DIRECTORS, AS OF MARCH 31, 2006**

Category	No. of Directors	%
Executive Directors	2	50.00
Non-Executive, Independent Directors	2	50.00
<b>Total</b>	<b>4</b>	<b>100.00</b>

The Chairman of the Board is an Executive Director.

**RESPONSIBILITIES OF THE CEO**

The current policy of the Company is to have an executive Chairman & Managing Director. The Chairman & Managing Director is responsible for corporate strategy, brand equity, planning, external contacts, and board matters. He is also responsible for all day-to-day operations, related issues and for the achievement of annual targets in customer satisfaction, sales, profitability, quality, productivity, recruitment, training and employee retention. The senior management makes periodic presentations to the board on their responsibilities, performance and targets.

Shri Raj Kumar Gupta, Chairman & Managing Director of the Company has certified to the Board and in terms of requirements of clause 49(IV)(V), it is certified that:

- a) They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) They accept responsibility for establishing and maintaining internal controls and that they have evaluated the effectiveness of the internal control systems of the Company and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.



**ANNEXURE TO DIRECTORS' REPORT Contd.**

- d) They have indicated to the auditors and the Audit Committee
- significant changes in internal control during the year;
  - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system.

**SIZE OF THE BOARD**

At present, the Board has four members.

**BOARD MEETINGS HELD DURING THE YEAR**

Normally, Board Meetings are scheduled at least 7-15 days in advance. Most of them are held at the Registered Office of the Company situated at F-90/1A, Okhla Industrial Area, Phase-I, New Delhi-110 020, India. Under supervision of the Chairman, drafts of the Agenda for each meeting, along with explanatory notes are prepared and distributed in advance to the Board members. Every Board member is free to suggest the inclusion of items in the agenda. Normally, the Board meets once a quarter to review the quarterly unaudited results and other items in the agenda. The Board also meets on the occasion of the Annual General Meeting of the members of the Company. If necessary, additional meetings are held. Independent Directors are normally expected to attend at least four Board Meetings in a year.

The Board has unfettered and complete access to any information within the Company, and to any employee of the Company. At the Meetings of the Board, it welcomes the presence of managers who can provide additional insights into the items being discussed.

Six Board meetings were held during the financial year 2005-2006. They were held on 29th April 2005, 29th July 2005, 4th August 2005, 28th October 2005, 2nd January 2006 and 30th January 2006 respectively.

The table given below gives details of Directors, Attendance of Directors at Board meetings, last Annual General Meeting, Number of Memberships held by Directors in Committees/other Boards. None of the Directors holds Directorship in more than 15 listed Companies, and no Director is a member of more than ten Committees or the Chairman of more than five Committees across all Companies in which they are Directors.

Director	Category	No. of Board Meeting attended	Attendance Particulars Last AGM	Number of other Directorships and Committee Member/Chairmanships		
				Outside Directorship*	Committee Membership**	Committee Chairmanship**
Raj Kumar Gupta	CMD	6	Yes	2	2	2
Manish Agrawal	WTD	5	Yes	1	1	-
Shiv K. Singhania	NED	5	No	-	3	2
Jagdish S. Dalal	NED	5	No	-	5	-

\* Excludes Directors of Companies incorporated outside India, and includes Directorships held in Private Limited Companies by the Directors of the Company.

\*\* This includes Chairmanship/Membership of Audit Committee, Compensation Committee, Investor Grievance Committee, Share Transfer Committee and Remuneration Committee, constituted by the Company.

**TENURE**

As per the statute two third of the total strength of the Board of Directors should be subject to retirement by rotation. Further one third of the retiring Directors are required to retire every year and if eligible, qualify for re-appointment. Accordingly, Shri Manish Agrawal retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

**3. BOARD COMMITTEES****Committees of the Board**

Currently, the Board has five Committees; the Audit Committee, Compensation Committee, Share Transfer Committee, Remuneration Committee and the Investor Grievance Committee. All the Committees are composed of suitable and competent independent Directors, except a casual vacancy in Audit Committee.