



**ASHOK ORGANIC INDUSTRIES LIMITED**

**36<sup>th</sup>**  
**Annual Report**  
**2009-2010**

**ASHOK ORGANIC INDUSTRIES LIMITED****36<sup>th</sup> ANNUAL REPORT  
2009-10**

**Board of Directors** : Mr.. Pankaj M. Kadakia - Chairman & Managing Director  
Mr.. Ashok M. Kadakia - Director  
Dr. Anil M. Kadakia - Director  
Dr. Nirajan Pandya - Director  
Dr. Dhananjay Panchal - Director  
Mr. Bharat Parikh - Director (up to 25-05-2010)

**Auditors** : Bhatt Thakker & Co.  
Chartered Accountants,  
Vadodara.

**Registered Office** : 404, Sharda Chambers,  
33, New Marine Lines  
Mumbai-400 020  
Tel. No. : 22000024  
Fax No. : 22009456  
Internet : <http://www.kadakiagroup.com>

**Registrar & Share  
Transfer Agents** : Cameo Corporate Services Ltd.,  
202, Pawan Flats, 7, Anand Nagar Society  
Productivity Road,  
Vadodara-390007  
Phone No. 0265-2341105  
Fax No. 0265-2341105

## ASHOK ORGANIC INDUSTRIES LIMITED

### NOTICE

Notice is hereby given that the 36<sup>th</sup> Annual General Meeting of the Members of ASHOK ORGANIC INDUSTRIES LTD. will be held at R.S. Bhatt Seminar Room, above Patker Hall, S N D T Women University, New Marine Lines, Mumbai-400 020, on Thursday, 5<sup>th</sup> August, 2010 at 2:00 p.m. to transact the following business :

#### Ordinary Business:

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended on 31<sup>st</sup> March 2010 and the Balance Sheet as of that date together with Reports of Directors and Auditors thereon,
2. To appoint Auditors and to fix their remuneration.

#### Special Business :

3. **To consider and thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution.**

"RESOLVED THAT Dr. Niranjana Pandya who was appointed as an additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, in writing, proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

4. **To consider and thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution.**

"RESOLVED THAT Mr. Dhananjay Panchal, who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, in writing, proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

5. **To consider and if thought fit, to pass, with or without modification(s), the following as a Special Resolution :**

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 314 read with Schedule XIII an other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications, or reenactment thereof, for the time being in force), the Consent of the Company, be and is hereby accorded for the re-appointment of Mr. Pankaj M. Kadakia as the Managing Director of the Company, for a period of 3 years from 01.05.2010 to 30.04.2013 on the terms and conditions including remuneration as are set out in the Agreement entered into between the Company and Mr. Pankaj M. Kadakia, a copy whereof is placed before the Meeting which is hereby specifically approved with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Remuneration Committee constituted by the Board) to alter and vary the terms and conditions of the said appointment and/or remuneration and /or draft of the agreement subject to the same not exceeding the limits set out in the said Schedule XIII to the Companies Act, 1956 including any statutory modification or reenactment thereof for the time being in force or as may hereafter be made by the Central Government in the behalf, from time to time or any amendments thereto as may be agreed to by the Board and Mr. Pankaj M. Kadakia."

"FURTHER RESOLVED THAT in the event of inadequacy or absence of profits in any financial year, Mr. Pankaj M. Kadakia, the Managing Director, be paid remuneration as Minimum Remuneration, subject to the ceiling as prescribed in Section II of Part II of Schedule XIII to the Companies Act, 1956."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

**For and on behalf of the Board of Directors**

**Date: 25-05-2010.**

**Place: Mumbai**

**Pankaj M. Kadakia  
Chairman & Managing Director**

#### NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL VOTE INSTEAD OF HIM/HER. A PROXY NEED NOT BE A MEMBER.
2. Proxies in order to be effective must be received by the Company at its Registered Office not later than 48 hours before the commencement of the Meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from **2<sup>nd</sup> August, 2010 to 5<sup>th</sup> August, 2010** (both days inclusive)
4. MEMBERS DESIROUS OF GETTING ANY INFORMATION ABOUT THE ACCOUNTS AND OPERATIONS OF THE COMPANY ARE REQUESTED TO ADDRESS THEIR QUERIES TO THE COMPANY AT LEAST SEVEN DAYS IN ADVANCE OF THE MEETING SO THAT THE INFORMATION REQUIRED CAN BE READILY AVAILABLE AT THE MEETING.

## ASHOK ORGANIC INDUSTRIES LIMITED

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

#### Item Nos. 3 & 4

Dr. Niranjana Pandya & Dr. Dhananjay Panchal were appointed as Additional Directors of the Company by the Board of the Director pursuant to Section 260 of the Companies Act, 1956 with effect from 20-11-2009. They hold offices upto the date of ensuing Annual General Meeting of the Company.

The Company has received notices in writing with the requisite deposits from members under Section 257 of the Companies Act, 1956, signifying their intention to them for appointment as Director of the Company.

Dr Niranjana Pandya aged 71 Years, is a M.A. Ph.D., Economist having sound business experience in business and Industry . Considering his business acumen and experience he will be of immense benefit to the Company. The Board recommends his appointment as a Director of the Company.

Mr. Dhananjay Panchal, aged 68 Years, is a B.Sc; M.Sc., Ph.D. in Pharmacology, possesses rich experience in Pharmaceuticals and Chemical Companies of repute. Considering his qualification and rich experience , he will be of immense benefit to the Company. The Board recommends his appointment as a Director of the Company.

None of the Directors, except Dr Niranjana Pandya and Mr. Dhananjay Panchal are concerned or interested in the passing of resolutions proposed at Item Nos. 3 & 4.

#### Item No.5 :

Mr. Pankaj M. Kadakia is B.S. from Bombay University and M.S. in Chemical Engineering, possesses 35 Years of rich, wide and varied experience in the Chemical Industry. He has been associated with the Company in the capacity of the Director since 26-06-1974 and serving as Managing Director with effect from 15-09-2005. He resigned as Managing Director due to economic reasons Considering his rich experience of the Company Considering valuable contributions provided and future utility of his service to the Company, the Board of Directors, at their meeting held on 25<sup>th</sup> May, 2010, on the recommendation of Remuneration Committee, have re-appointed Mr. Pankaj M. Kadakia as the Managing Director for a period of 3 years, upon the terms and condition enumerated in the Agreement, in terms of Section 269, 314 and other applicable provisions of the Companies Act, 1956, subject to the approval of the Shareholders.

Agreement entered into between Mr. Pankaj M. Kadakia and the Company, inter alia, provides following main term and conditions:

- 1) **Tenure** : 3 years from 01.05.2010
- 2) **Remuneration** : Consolidated Salary Rs 1,00,000 per month.

#### Other allowances:

- i. Provision of chauffeur driven car for Company's business will not be considered as perquisite. Use of car for private purpose shall be billed by the Company.
- ii. Provision of Telephone at residence of the Managing Director and a Mobile Phone for his use not to be considered as perquisites. Personal long distance calls on telephone shall be billed by the Company.
- iii. Entitlement of to Annul Privilege leave on full salary for 30 days allowed to be accumulated upto 90 days.
- iv. Reimbursement of entertainment expenses actually and properly incurred by him in the course of legitimate business of the Company and traveling hotel & other expenses incurred by the Managing Director in India and abroad exclusively on the business of the Company in accordance with its rules and regulations, from time to time.
- v. No payment of sitting fees to the Managing Director, for attending of Meetings of the Board of Directors or Committee thereof.
- vi. In the event of no profit or inadequacy of profits, the Company shall pay the aforesaid remuneration by way of Salary and perquisites as minimum remuneration.

#### 3. Other Terms and Conditions:

- i. The Company shall be entitled to forthwith terminate the agreements if the Managing Director becomes insolvent or makes any composition or arrangement with his creditors or he ceases to be a Director of the Company.

Notwithstanding anything to the contrary contained therein, the Agreement, at anytime, shall be terminated by either party giving 30 days' notice in writing to that effect, to the other party.

- iii. The terms and conditions including the remuneration payable to the Managing Director of the said appointment and/or Agreement may be altered and varied from time to time by the Board as it may, in its discretion, deem fit.

Considering his rich, wide and varied experiences and business acumen posses, the Board hopes that his association as Managing Director, will immensely benefit, the Company, in future time to come.

Explanatory Statement together with the accompanying Notice shall be treated as an abstract of the terms of agreement and Memorandum of Concern or Interest under Section 302 of the Companies Act, 1956.

The agreement between the Company and Mr. Pankaj M. Kadakia is available for inspection by the members of the Company at its Registered Office between 3.00 p.m. and 5.00 p.m. on any working day of the Company.

None of the Directors except Mr. Pankaj M. Kadakia himself and Mr. Ashok Kadakia and Mr. (Dr.) Anil Kadakia, being relatives, are concerned or interested in the said resolutions.

The Board recommends the resolution for adoption.

**ASHOK ORGANIC INDUSTRIES LIMITED****Annexure to the Notice of Annual General Meeting****Information pursuant to Clause 49 of Listing Agreement regarding reappointment of Directors.**

<b>Name of the Directors</b>	<b>Dr. Niranjana Pandya</b>	<b>Dr.DhananjayPanchal</b>
Date of Birth	01-06-1939	21-08-1942
Date of Appointment	20-11-2009	20-11-2009
Specialized Expertise	Business Management	Technical Management
Educational Qualification	M.A.; Ph.D.	M.Sc.Ph.D
Directorships of other Companies as on 31 <sup>st</sup> March, 2010	Nil	Nil
Chairman / Member of Committees of other Companies as on 31 <sup>st</sup> March, 2010	Nil	Nil

# ASHOK ORGANIC INDUSTRIES LIMITED

## DIRECTORS' REPORT

To,  
The Members

Your Directors submit their 36<sup>th</sup> Report together with the Statement of Account for the year ended on 31<sup>st</sup> March 2010. The following figures summaries the financial performance of the Company during the year under review.

### 1. Financial Results : (Rs. in Lacs)

	2009-10	2008-09
Sales and Other Income	1537.36	5.56
Profit / (Loss) before Interest & Depreciation	1091.42	(8.32)
Less : Interest	0.05	8.29
Depreciation	562.89	59.00
Profit/ (Loss ) before Tax	528.52	(598.42)
Provision for Taxation	—	—
Profit/ (Loss ) for the year	528.52	(598.42)
Brought forward balances	(20069.34)	(1947.09)
Balance carried to Balance Sheet	(19540.81)	(20,06.93)

### 2. Dividend :

In view of loss, the Board regrets its inability to recommend payment of Dividend for the year under review.

### 3. Operations :

During the year under review, all the Units of the Company remained out of operation because of non-availability of funds required for refurbishing of plants and the working capital. The Company sold off some of its Immoveable assets, to pay off its long over due debts and also written off unsecured Creditors which generated revenue and profit for the Company.

Company's Assets which were earlier taken over by Asset and Reconstruction Company (India) Ltd (Arcil) under the provisions of SARFAESI Act were released and given possession to the Company, upon making due payment in phased manner to them. The Company is hopeful to recommence its business in future time to come.

Scheme of Amalgamation of the Company's wholly owned subsidiary Kadakia Alkalies & Chemicals Limited (KACL) with the Company has already been approved by Shareholders of both the Companies as per directions of the High Courts of Bombay and Gujarat and the same is pending before both the High Courts for final approval.

### 4. Reference under Section 15 of the Sick Industrial Companies (Special Provisions) Act, 1985 :

In terms of Section 15 of the Sick Industrial Companies (Special Provisions) Act, 1985, reference is being made by the Company to the Board for Industrial and Financial reconstruction (BIFR), upon becoming sick Industrial Companies, on erosion of its Net worth of the Company and having cash losses for last more than 10 Years.

### 5. Directors' Responsibility Statement:

Pursuant to Section 217 (2AA) of the Companies Act, 1956, your Directors confirm based on the confirmation received from the operating management that ;

- in the preparation of the annual accounts, the applicable accounting standards have been followed.
- the Directors have selected such accounting policies as mentioned in Schedule 18 to the accounts and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March 2010 and of the Profit of the Company for that period.
- 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:
- the Directors have prepared the annual accounts on a going concern basis.

### 6. Subsidiary Company :

The audited statement of accounts along with the Directors' Report for the year ended 31<sup>st</sup> March 2010 of M/s. Kadakia Alkalies & Chemicals Ltd. are annexed to this report. Your Directors have reviewed the affairs of the Subsidiary Company also.

### 7. Directors :

During the year under review, M/s. D.C.Gami, Subramaniam Ayyar and Dr. Niranjana Pandya resigned as Directors of the Company from 9<sup>th</sup> April, 2009, due to their preoccupation. Whereas Dr. Dhananjay Panchal, Dr. Niranjana Pandya and Mr. Bharat Parikh, were appointed as Additional Directors with effect from 20<sup>th</sup> November, 2009 on the Board of Directors of the Company. However, Mr. Bharat Parikh resigned as Director with effect from 25-05-2010, in view of his pre-occupation. The Board places its sincere appreciations for the contributions received from the outgoing Directors.

Dr. Dhananjay Panchal and Dr. Niranjana Pandya have consented to act as Directors of the Company, if reappointed at the ensuing Annual General Meeting. Brief resume of Dr. Niranjana Pandya and Mr. Dhananjay Panchal, are given hereunder. In terms of Section 269 of the Companies Act, 1956, Mr. Pankaj Kadakia has been appointed as a Managing Director of the Company for a period of 3 years from 1<sup>st</sup> May, 2010. Members are requested to consider their appointments.

### 8. Audit Committee:

The Audit Committee as constituted with Independent Directors, in terms of Clause 41 of the Listing Agreement and Section 292A of the Companies Act, 1956, performed inter alia the work assigned to it as laid down thereunder, during the year under review.

### 9. Corporate Governance:

Your Company has always been striving to incorporate appropriate standards and Code of Conduct for good Corporate Governance and has therefore complied with all the mandatory provisions of

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Corporate Governance as prescribed under the amended Listing Agreements of the Bombay Stock Exchange Limited with which the Company's shares are listed.

A separate report on Management discussion and analysis and on Corporate Governance is annexed as part of the Annual Report along with Practicing Company Secretary's Certificate on the compliance, are enclosed as **Annexure 'A' and Annexure B** respectively.

### 10. Accounts & Finance :

Observation and remarks made by the Statutory Auditors in their Report are self explanatory and do not call for further clarification and explanation.

### 11. Auditors :

M/s. Bhatt Thakker & Co. Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting and being eligible offers themselves for re- appointment.

### 12. Statutory Disclosures :

During the year under review, Operations were suspended hence information under Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, is not furnished as There was no foreign Exchange inflow or outflow during the year under review.

Further, there were no employees covered as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975 as amended hence no details are furnished hereunder.

### 13. Listing of Equity Shares :

The Company's equity shares are listed with Bombay Stock Exchange Limited. However, the scrip has been under temporarily suspension for trading for want of compliance of listing agreement. The Company has been putting its best possible efforts to recommence the trading at the earliest.

### 14. Fixed Deposit :

Your Company has not accepted deposits from the public.

### 15. Acknowledgement

Your Directors wish to place on record their appreciation of the co-operation received from all the concerned.

Your Directors are also grateful to the Shareholders for their trust and confidence.

For and on behalf of the Board of Directors,

Date: 25<sup>th</sup> May, 2010  
Place : Mumbai

Pankaj M. Kadakia  
Chairman & Managing Director

## MANAGEMENT DISCUSSION AND ANALYSIS

## ANNEXURE—A

### (a) Industry Structure and Development :

The overall growth of the Indian Economy and higher industrial growth augur well for the future. The industrial climate is also positive for an enhanced role in the global economy. In this scenario, market for the Company's products have improved substantially and this development is expected to continue in the future. The Company's Operation remained suspended due to absence of any working Capital facility and possession of Assets taken over by ARCIL.

### (b) Outlook :

Organic chemical Industry in India continues to face competition within it self from petro-route vis-à-vis the alcohol route. Again the pricing of petro-route had direct relation with the movements in crude prices internationally whereas the pricing of alcohol route had effects of government policies of using alcohol in automobile fuel, molasses controls and so on.

### (c) Segment-wise Performance :

The Company has one segment of Organic Chemicals. During the year the Company was out of activity. The Company faced myriads of problems including paucity of Working Capital, which had cumulative effects making it more difficult for the Company to restart activities in any of its plants.

### (d) Opportunities, Threats, Risks and concerns :

The Organic Chemical Industry in India look forward with optimism on account of tremendous potential of using Alcohol in automobile fuel/ petrol. When implemented fully, this will give tremendous boost to the overall demand in this sector. The uncertainties faced by the Indian economy through movements in crude prices in international market as well as changes in government policies with respect to controls on molasses prices

& movements represent threats and risks to be reckoned in the Industry. The Company being a part of the Industry is affected by these threats, risks and uncertainties.

### (e) Financial Performance :

During the year, the plants of the Company remained out of operations for the reason narrated above. As a result, the Company continued to suffer heavy losses. Since year 2000- 2001. Financial performance has been disclosed in brief in the Directors' report.

### (f) Internal Control Systems and Adequacy :

As stated above, during most part of the years the plants of the Company remained out of operations The Internal Control Systems, which were very effective earlier when the plants were working, were no longer essential. However, whatever transactions that took place were closely monitored with proper checks and controls.

### (g) Human Relations :

There has been cordial relations in the Company during the period.

### (h) Cautionary Statement :

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectation may be 'forward - looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied.

Important factors that could make a difference to the Company's operations include financial position of the company, economic conditions affecting demand / supply, price conditions in the domestic and overseas markets in which the Company operates, changes in Government regulations, tax laws and other statutes.

## REPORT ON CORPORATE GOVERNANCE

### 1. Company's Philosophy

The Company believes in good Corporate Governance in tune with the guidelines recommended by SEBI and in terms of the Listing Agreements. Given below is the report of the Board of Directors of the Company on Corporate Governance practices being followed by the Company.

### 2. Board of Directors

As at 31<sup>st</sup> March, 2010, the Board of Directors comprises of Six Directors, including one Chairman & Managing Director, Two non-promoter non-executive Professional Directors with three Independent non-executive Directors. During the year, Eleven Board Meetings were held on 09-04-2009, 30-04-2009, 30-06-2009, 31-07-2009, 27-08-2009, 31-10-2009, 20-11-2009, 31-01-2010, 26-02-2010, 26-03-2010 and 25-05-2010.

The Composition of the Board of Directors and their attendance at the Board meetings during the year and the last Annual General Meeting are as follows:

Name of Directors	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM	No. of other companies in which he is directors/chairman	No. of Committees of other companies in which he is a member/chairman
Pankaj M. Kadakia	Promoter Executive	11	Yes	3	3
Ashok M. Kadakia	Non Promoter Non executive Professional Director	11	Yes	6	—
Dr. Anil M. Kadakia	Non Promoter Non executive Professional Director	11	Yes	3	1
Dr. Nirajan Pandya*	Non-Executive Independent Director	4	No	4	6
Dr. Dhananjay Panchal*	Non-Executive Independent Director	4	No	-	-
Bharat Parikh*	Non-Executive Independent Director	4	No	-	-

\* Appointed with effect from 20-11-2009.

M/s D.C. Gami, Mr.Subramaniam Ayyar ceased to be the Director w.e.f. 9-4-2009 and hence did not attend any meetings of Board or Committees thereof. None of the Directors on the Board holds the office of Director in more than 15 Companies nor are they members in Committees of the Board in more than 10 Committees or Chairman of more than 5 Committees.

None of the Non Executive Directors have any material pecuniary relationship or transactions with the Company. Necessary information as mentioned in Annexure 1A to the Clause 49 of the Listing Agreement has been placed before the Board for their consideration.

#### Shareholding of Directors :

Names of Director	No. of Shares held	% to the Capital
Mr. Pankaj M. Kadakia	1,05,84,850	87.58

#### Code of Conduct

The Board of Directors of the Company have adopted Code of Conduct for all Board Members of the Company. The Company has no distinct level of senior management from the Board since operations of all plants are very skeletal. The Board members have affirmed compliance to the Code of Conduct. In view of the BIFR nature of the Company and severe financial crunch, the Company has not been able to have its website to post the Code of Conduct on it.

### 3. Audit Committee :

The Board has constituted Audit Committee pursuant to Section 292A of the Companies Act, 1956 read with Clause 49 of the Listing Agreement with Bombay Stock Exchange Limited (BSE ) with the required terms of reference as per the above referred statutory requirements.

The primary objective of the Audit Committee is to monitor and effectively supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosures and the integrity and quality of the financial reporting.

The Committee consisted with Three Independent Directors viz. with Dr. Niranjana M. Pandya, Dr. Dhananjay Panchal with Mr. Bharat Parikh as the Chairman as at 31<sup>st</sup> March, 2010.

In absence of any Independent Directors on the Board till 20<sup>th</sup> November, 2009, Non-executive promoter Directors discharged function of members of the Audit Committee. The Committee met on 30-04-2009, 31-07-2009, 31-10-2009 and 31-01-2010. During the year, the attendance of the members at the meetings was as follows :

Name of Members	No. of Meetings held	No. of Meetings attended
Mr. Ashok M. Kadakia	4	3
Mr. Anil M. Kadakia	4	3
Dr. Niranjana M. Pandya	1	1
Dr. Dhananjay Panchal	1	1
Mr. Bharat Parikh	1	1



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The Company has not denied any personnel, access to the Audit Committee of the Company and the situation has not arisen to provide protection to "whistle blowers" from unfair termination and other unfair or prejudicial employment practices.

### 4. **Remunerations Committee :**

The Company has Remuneration Committee of Directors with Dr. Dhanjay Panchal as the Chairman with Dr. Niranjana M. Pandya and Mr. Bharat Parikh as the Members, however, during the year under review. no meeting of Remuneration Committee was held.

The Remuneration Committee has been constituted to recommend / review remuneration of the Executive Director based on their performance and defined assessment criteria.

Remuneration Policy of the Company is directed towards rewarding performance, based on the review of achievements. The Remuneration policy is in consonance with the existing Industry practice.

The remuneration of Executive Chairman & Managing Director is approved by the Board within the overall limit fixed under the law. No other Directors are being paid remuneration.

Mr. Pankaj Kadakia, the Managing Director was not paid any Salary during the year.

As of now, the Company does not have any employee stock option plan..

There were no other pecuniary relationship or transactions of the Non Executive Director vis-à-vis the Company. The Company has not granted any stock option to any of its Directors.

### 5. **Shareholders'/ Investors' Committee :**

The Committee consisted with Three Independent Directors viz. with Dr. Niranjana M. Pandya, Dr. Dhananjay Panchal with Mr. Bharat Parikh as the Chairman as at 31<sup>st</sup> March, 2010. The Board has appointed Mr. Pankaj Kadakia as the Compliance Officer.

In absence of any Independent Directors on the Board till 20<sup>th</sup> November, 2009, Non-executive promoter Directors discharged function of members of the Shareholders' Committee. The Committee met on 30-04-2009, 31-07-2009, 31-10-2009 and 31-01-2010. During the year, the attendance of the members at the meetings was as follows :

Name of Members	No. of Meetings held	No. of Meetings attended
Mr. Ashok M. Kadakia	4	3
Mr. Anil M. Kadakia	4	3
Dr. Niranjana M. Pandya	1	1
Dr. Dhananjay Panchal	1	1
Mr. Bharat Parikh	1	1

The Committee, inter alia, oversees and reviews all matters connected with the securities and looks into shareholders complaints like transfer of shares, non receipt of balance sheet, non receipt of declared dividend etc. The Committee oversees the performance and the working of the Secretarial Department and recommends measures for overall improvement in the quality of investor services.

As on 31.03.2010, there were no Investor Grievances remaining unattended/pending to more than 30 days.

### 6. **General Body Meetings**

Details of the location of the last three Annual General Meetings are as under:

Annual General Meeting	Day & Date and Time	Locations
35 <sup>th</sup> AGM	Thursday, 25 <sup>th</sup> September, 2009 at 11.30 a.m	404, 4 <sup>th</sup> Floor, Sharda Chambers 33, New Marine Lines, Mumbai-400 020.
34 <sup>th</sup> AGM	Tuesday, 30 <sup>th</sup> September, 2008 at 11.30 a.m	8 <sup>th</sup> Floor, Sharda Chambers 33, New Marine Lines, Mumbai-400 020.
33 <sup>rd</sup> AGM	Thursday, 3 <sup>rd</sup> September, 2007 at 2.30 p.m	406, Sharda Chambers, 33, New Marine Lines, Mumbai-400 020.

Whether special resolutions were put through postal ballot last year ? No

Are polls proposed to be conducted through postal ballot this year ? No

### 7. **Disclosures**

(a) There were no materially significant related party transactions that may have potential conflict with the interest of the Company at large.

(b) No penalties or strictures have been imposed on the Company by SEBI or any Statutory Authority on any matter related to capital markets. The Company's scrip has been temporarily suspended for trading for, inter alia, weak financials, being a Sick Industrial Company.

### 8.1 **Compliance of Mandatory Requirements :**

The Company has complied with the mandatory requirements as stipulated in Clause 49 of the listing agreements with the Bombay Stock Exchange Ltd.

### 8.2 **Compliance of Non Mandatory Requirements :**

The Company has adopted the non-mandatory requirements as regards the provisions relating to the Remuneration Committee. The Quarterly Financial Results are supplied to shareholders on demand. The Company affirms that no employee has been denied access to the Audit Committee. As regards the other non mandatory requirements the Board has taken cognizance of the same and shall consider adopting the same as and when necessary.

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### 9. Means of Communication

The quarterly half-yearly and yearly financial results of the Company are normally sent to the Bombay Stock Exchange Ltd., Mumbai, immediately after the same are approved by the Board. Though, due to financial difficulties the results could not be published in newspapers, they are submitted to the Bombay Stock Exchange Ltd. in accordance with the Listing Agreement and are supplied through E-Mail & posts to the Shareholders on demand.

### 10. General Shareholder Information :

#### (a) 36<sup>th</sup> Annual General Meeting

Date and Time : 5<sup>th</sup> August, 2010 at 2:00 p.m.  
 Venue : R.S. Bhatt Seminar Room, 6<sup>th</sup> Floor, Above Patker Hall,  
 SNDT Women University, New Marine Lines, Mumbai-400020.

#### (b) Financial Calendar

Board Meeting to approve  
 Unaudited Financial results for Period  
 Quarter ending September 30<sup>th</sup>, 2010 By 14<sup>th</sup> of November, 2010  
 Quarter ending December 31<sup>st</sup>, 2010 By 14<sup>th</sup> of February, 2011  
 Quarter ending March, 31<sup>st</sup>, 2011 By 14<sup>th</sup> of May, 2011  
 Quarter ending June, 30<sup>th</sup>, 2011 By end of July, 2011  
 Annual General Meeting for the By end of September, 2011  
 year ending on 31.03.2011.

#### (c) Dates of Book Closure : 2<sup>nd</sup> August, 2010 to 5<sup>th</sup> August, 2010 (both days inclusive)

#### (d) Dividend payment Date : Not Applicable

#### (e) Listing on Stock Exchange : The Bombay Stock Exchange Limited, Mumbai.

#### (f) Company Code : 524594.

#### (g) Market Price Data : Equity Shares were not traded at the Bombay Stock Exchange Limited during the year, however Market price details are furnished based on actual transactions recorded in Share Transfer Register

Months	Low Price	High Price	Months	Low Price	High Price
April, 2009	5.05	5.99	October, 2009	7.00	8.02
May, 2009	4.17	5.58	November, 2009	7.00	9.52
June, 2009	6.55	4.73	December, 2009	9.99	14.58
July, 2009	4.41	5.60	January, 2010	9.85	12.85
August, 2009	4.49	6.50	February, 2010	7.82	11.56
September, 2009	5.90	7.39	March, 2010	8.94	13.19

#### (h) Registrar & Share Transfer Agents:

Cameo Corporate Services Ltd.,  
 202, Pawan Flats, 7, Anand Nagar Society, Productivity Road, Vadodara-390007, Phone & Fax No. 0265-2341105.

#### (i) Share Transfer System:

Shares lodged for transfer in physical form are processed and duly transferred Share Certificates are sent within 30 days of receipt of the valid documents. The Shares are transferred at an interval of 15 days time.

#### (j) Distribution of Shareholding :

##### (i) The Distribution of Shareholding as on 31<sup>st</sup> March, 2010

No. of Shares	No. of Share-holders	% of Share-holders	No. of Shares Held	% of Total Shareholders
Upto 500	9,640	97.57	10,33,450	8.55
501 to 1000	137	1.39	1,05,675	0.87
1001 to 2000	44	0.45	63,975	0.53
2001 to 3000	19	0.19	48,125	0.40
3001 to 4000	05	0.05	18,700	0.16
4001 to 5000	07	0.07	31,900	0.26
5001 to 10000	05	0.05	40,700	0.34
10001 & above	17	0.23	1,07,43,100	88.89
Total	9,880	100	1,20,85,625	100.00

##### (ii) Shareholding Pattern as on 31<sup>st</sup> March, 2010 :

Associates	No. of Shares held	% of shareholding
1. Directors (Promoters)	10584850	87.58
2. Mutual Funds	10200	0.08
3. Banks Financial Institutions	200	0.00
4. Other Corporate Bodies	66825	0.55
5. Indian Public	1423550	11.79
TOTAL	12085625	100.00