



KUMAKA INDUSTRIES LIMITED

(Formerly known as Ashok Organic Industries Limited)

39th
Annual Report
2012-2013

KUMAKA INDUSTRIES LIMITED

(Established on 13/02/1973)

39th Annual Report

Year - 2012-13

Board of Directors:

Dr. Niranjana Pandya	-	Chairman & Non Executive Independent Director
Dr. Dhananjay Panchal	-	Non Executive Independent Director
Shri Shyam P Kadakia	-	Managing Director
Dr. Shailesh R Modi	-	Whole Time Director

Company Secretary :

Mr. Amish Sheth

Auditors:

M/s. Bhatt Thakker & Co.
Chartered Accountants,
Vadodara.

Registered Office:

209, 2nd Floor, Marine Chambers,
43, New Marine Lines, Churchgate
Mumbai-400 020

Corporate Office:

502, 5th Floor, Ram Krishna Chambers,
B.P.C.Road, Vadodara-390005
Tel. No. : 0265-2330019; Fax No. : 0265-2333884
Website: kumakaindustries.com
E-mail : info@kumakaindustries.com

Registrar and Transfer Agent:

Link Intime India Pvt. Ltd.

(Unit : Kumaka Industries Ltd.)

B-102 & 103, Shangrilla Complex, First Floor,
Opp. HDFC Bank, Near Radhakrishna Char Rasta,
Akota, Vadodara-390020.

Tel. No. : 0265-2356573/6794; Fax No. : 0265-2356791

Email: alpesh.gandhi@linkintime.co.in

KUMAKA INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the 39th Annual General Meeting of the Members of Kumaka Industries Limited will be held on Saturday, 28th September, 2013 at 3.00 p.m. at 2nd Floor, Kilachand Conference Room, Indian Merchant Chamber, Churchgate, Mumbai-400 020, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended on 31st March, 2013 and the Balance Sheet as of that date together with Reports of Directors and Auditors thereon.
2. To appoint Director in place of Dr. Dhananjay Panchal who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

Special Business:

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

"RESOLVED THAT Mr. Shyam Kadakia 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, the following resolution as an Ordinary Resolution.**

"RESOLVED THAT Dr. Shailesh R. Modi 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."

6. **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 Sections 198, 269, 309, 310, 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications, or reenactment thereof, for the time being in force), subject to the approval of the Shareholders and such other authorities as may be required, Consent of the Company, be and is hereby accorded for the appointment of Mr. Shyam Pankaj Kadakia as the Managing Director of the Company, for a period of 3 years from 24th December, 2012 to 23rd December, 2015 on the terms and conditions including remuneration as are set out in the Draft Agreement entered into between the Company and Mr. Shyam Pankaj 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 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 this behalf, from time to time or any amendments thereto as may be agreed to by the Board and Mr. Shyam Pankaj Kadakia."

"FURTHER RESOLVED THAT in the event of inadequacy or absence of profits in any financial year, Mr. Shyam Pankaj Kadakia, 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."

7. **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 Sections 198, 269, 309, 310, 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications, or reenactment thereof, for the time being in force), subject to the approval of the Shareholders and the Central Government and such other authorities as may be required, Consent of the Company, be and is hereby accorded for the appointment of Dr. Shailesh R. Modi as the Whole Time Director of the Company, for a period of 3 years from 24th December, 2012 to 23rd December, 2015 on the terms and conditions including remuneration as are set out in the Draft Agreement entered into between the Company and Dr. Shailesh R. Modi, 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 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 this behalf, from time to time or any amendments thereto as may be agreed to by the Board and Dr. Shailesh R. Modi."

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"FURTHER RESOLVED THAT in the event of inadequacy or absence of profits in any financial year, Dr. Shailesh R. Modi, the Whole Time 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."

By order of the Board,

Date: 10/08/2013

Place: Vadodara

Amish Sheth

Company Secretary

Notes:

- i. 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.
- ii. 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.
- iii. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business enumerated at Item No. 4 to 7 of Notice, is annexed herewith.
- iv. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 21st September, 2013 to Saturday, 28th September, 2013 (both days inclusive).
- v. 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.

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

Item Nos. 4 & 5:

With a view to broad base the Board of Directors with induction of proven professionals with requisite expertise, at their meeting held on 24th December, 2012, the Board of Directors appointed Mr. Shyam Kadakia and Dr. Shailesh R. Modi as Additional Directors of the Company pursuant to Section 260 of the Companies Act, 1956 holding office of the Directors up to the date of ensuing Annual General Meeting of the Company.

The Company has received notices in writing from the members under Section 257 of the Companies Act, 1956, with the requisite deposits signifying their intentions to offer candidatures of Mr. Shyam Kadakia and Dr. Shailesh R. Modi for their appointment as Directors of the Company.

Members are requested to consider their appointment.

None of the Directors except Mr. Shyam Kadakia and Dr. Shailesh R. Modi are deemed to be concerned or interested in the said resolutions.

Item Nos. 6 & 7:

Subject to the approval of the Shareholders, on the recommendation of the Remuneration Committee, The Board of Directors of the Company, in terms of the provisions of Sections 198, 269, 309, 310, 314 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, appointed and promoted Mr. Shyam Kadakia from President to the Managing Director and appointed Dr. Shailesh Modi as the Whole Time Director for a period of 3 years from 24th December, 2012, upon the terms and condition as enumerated in the respective Agreement.

Mr. Shyam Kadakia is MBA (Finance and Strategy) from Indian School of business, graduated from Cum Laude from Columbia University (New York, USA) in Chemical Engineering. He joined Novantas LLC, a management consulting firm and specialized in the retail banking sector, after Post graduation.

Dr. Shailesh Modi is Ph. D, M.Phil and M.Sc in Organic Chemistry from S.G. University, Surat, worked as R&D and production Manager in Halcyon Labs Pvt. Ltd., possesses rich and varied experience of more than 15 years in the field of synthesis of varied class of organic compounds (Intermediates, Bulk Drugs and Corticosteroids) whose three research papers were published in International Journals.

Considering excellent educational back ground, zealous approach, indepth knowledge, rich experience, incessant work practices and initiatives taken for the development of the Business of the Company, association of Mr. Shyam Kadakia as Managing Director and Dr.

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Shailesh R. Modi as Whole Time Director would be immensely benefitted to the Company.

Main terms of the draft agreement for appointments:

Particulars	Shyam P. Kadakia	Dr. Shailesh Modi
Date of Appointment	24-12- 2012	24-12- 2012
Tenure	3 Years from 24-12- 2012	3 Years from 24-12- 2012
Monthly Consolidated Remuneration(Rs.)	1,00,000	1,25,000

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 Directors and Mobile Phones for their use, shall not be considered as perquisites.
- iii Personal long distance calls on telephone shall be billed by the Company.
- iv Entitlement to Annul Privilege leave on full salary for 30 days shall be allowed to be accumulated up to 90 days.
- v. 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 Directors in India and abroad exclusively on the business of the Company in accordance with its rules and regulations, from time to time.
- vi No payment of sitting fees shall be made to both these Directors, for attending of Meetings of the Board of Directors or Committee thereof.
- vii. 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 to aforesaid Whole Time Director.
- viii. The Company shall be entitled to forthwith terminate the agreement if the Whole Time Directors become insolvent or make any composition or arrangement with their creditors or he ceases to be a Director of the Company.
- ix. Notwithstanding anything to the contrary contained therein, the Agreement, at anytime, shall be terminated by either party giving 90 days' notice in writing to that effect, to the other party.
- x. The terms and conditions including the remuneration payable to the 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.

None of the Directors except Mr. Shyam Kadakia and Dr. Shailesh R. Modi are deemed to be concerned or interested in the said resolutions. 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 respective draft agreement to be entered into by the Company with Mr. Shyam Kadakia and Dr. Shailesh R. Modi, are 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. The Board recommends these resolutions for adoption.

By order of the Board,

Date: 10/08/2013

Place: Vadodara

Amish Sheth
Company Secretary

KUMAKA INDUSTRIES LIMITED**Annexure to the Notice of Annual General Meeting**

Information pursuant to Clause 49 of Listing Agreement regarding appointment/reappointment of Directors.

Name of the Directors	Dr. Dhananjay Panchal	Mr. Shyam Kadakia	Dr. Shailesh R. Modi
Date of Birth	21-08-1942	22-05-1984	28-07-1969
Date of Appointment / Reappointment	20-11-2009	24-12-2012	24-12-2012
Specialized Expertise	Technical Management	Financial & Technical Management	Technical Management
Qualifications	Ph.D, M.sc	MBA, Chemical Engineering	Ph.D, M.phill and M.Sc in Organic Chemistry
Directorships of other Public Limited Companies as on 31 st March, 2013.	None	None	None
Chairman / Member of Committees of other Companies as on 31 st March, 2013.	None	None	None

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DIRECTORS' REPORT

To,

The Members,

Your Directors submit their 39th Report together with the Statement of Account for the year ended on 31st March 2013.

Following figures summarizes the financial performance of the Company during the year under review.

Financial Results : (Rs. in Lacs)

Particulars	2012-13	2011-12
Gross Income	611.12	113.37
Profit/(Loss) before Interest & Depreciation	341.79	(2,498.26)
Less : Interest	—	—
Depreciation	6.91	6.80
Profit/(Loss) before Tax	334.88	(2,505.06)
Provision for Taxation	—	—
Profit/(Loss) for the year	334.88	(2,505.06)
Balance Brought forward of earlier years	(23,035.27)	(20,530.21)
Balance carried to Balance Sheet	(22,700.39)	(23,035.27)

Dividend:

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

Operations:

As the members are aware, Operations of the Company has been suspended since year 1999 due to non viability and disposed unutilized surplus assets to meet the Statutory Liabilities of the Company. The Company met with its past financial obligations towards banks and financial institutions and now embarking upon recommencement of its Operations.

The Company has started revamping of Ankleshwar Unit to manufacture High Potent Active Pharmaceutical Ingredients (HPAPI). Necessary equipment needed to start production has been purchased and the Company expects production to begin after receiving all necessary licenses. The Company has decided to setup a sterilization plant in Ahmedabad district. The Company has been allocated land at Sanand GIDC-II for the project. The Company is currently in talks with various banks to line up funding for the project.

Directors' Responsibility Statement:

Pursuant to Section 217 (2AA) of the Companies Act, 1946, 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, 2013 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.

Subsidiary Company:

The audited statement of account along with the Directors' Report for the year ended 31st March, 2013 of Kadakia Alkalies and Chemicals Limited are annexed to this report. Your Directors have reviewed the affairs of the Subsidiary Company also.

Directors :

During the year under review, Mr. Shyam Pankaj Kadakia and Dr. Shailesh Ramanlal Modi have been appointed as Additional Directors on the Board of Directors of the Company with effect from 24th December, 2012 and they hold offices as directors till the date of ensuing Annual General Meeting. They have consented to act as Directors of the Company, if appointed at the ensuing Annual General Meeting.

Subject to the approval of the Shareholders, on the recommendation of the Remuneration Committee, in terms of the provisions of Sections 198, 269, 309, 310, 314 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, the Board of Directors, at their meeting held on 24th December, 2012, have appointed Mr. Shyam Pankaj Kadakia and Dr. Shailesh Ramanlal Modi as the Managing Director and Whole Time Director respectively, for period of 3 years, upon the terms and conditions enumerated in the draft Agreements, considering their rich experiences, valuable contributions provided to the Company and future utility of their services to the Company.

Dr. Dhananjay Panchal, retires by rotation and being eligible, offers himself for reappointment. He has consented to act as a Director of the Company, if reappointed at the ensuing Annual General Meeting.

The Board of Directors reluctantly accepted resignations of Mr. Pankaj Kadakia as the Chairman and Managing Director and Mr. K.S.Tandon as a Director who resigned due to their personal reasons. The Board places on record its sincere appreciation for the contributions received by the Company, from both of them, during their tenure of association.

Members are requested to consider their appointments.

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 there under, during the year under review.

Corporate Governance:

Your Company has always been striving to incorporate appropriate

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standards and Code of Conduct for good Corporate Governance and has therefore complied with all the mandatory provisions of Corporate Governance as prescribed under the amended Listing Agreements of the BSE 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 Certificate of Practicing Company Secretary on the compliance, are enclosed as Annexure 'A' and Annexure 'B' respectively.

Report on Corporate Social Responsibility :

The Company embraces responsibility for impact of its operations and actions on all stakeholders including society and community at large. Management's commitment, work ethics and business processes at the Company encourages all its employees and other participants to ensure a positive impact and its commitment towards corporate social responsibility. The Company's commitment to excellence in education is embedded in the Company's core values. The Company is aware of the environmental impact of its operations and it continually strives to reduce such impact. The Company intends to initiate to support social and community welfare activities touching the lives of people around the project locations and ensuring the highest standards of safety and environment protection in our operations in coming future.

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.

Auditors:

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

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. There was no foreign Exchange inflow or outflow during the year under review.

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 such details are not furnished.

Listing of Equity Shares:

The Company's equity shares are listed with BSE Limited. The Company has paid Annual Listing Fees for the financial year 2013-14 to the BSE Limited. The Company is making required efforts for revocation suspension in trading of its Equity Shares at BSE Limited and is hopeful for recommencement of trading in its shares at BSE Limited, with their active support, in time to come.

Fixed Deposit:

Your Company has not accepted fixed deposits from the public.

Acknowledgement:

Your Directors wish to place on record their appreciation of the contributions and co-operation received from all the concerned. Your Directors are also grateful to the Shareholders for their continued trust and confidence.

For and on behalf of the Board of Directors,

Date: 10/08/2013

Place: Vadodara.

Shyam Kadakia

Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

i. Industry Structure and Development & Outlook:

1. Pharmaceutical Project:

Global multinational drug companies' need to outsource manufacturing to low-cost destinations like India has turned out to be a boon for leading drug Companies in India. With the patent of various drugs expiring in the next 5 years Indian API manufacturer are poised to see steady growth in the near future.

In the changing global drug manufacturing landscape, profitability in multinational drug Companies is under pressure from patent expirations, pricing challenges and falling research and development productivity. As a result, Multinational Companies are closing their manufacturing units in the developed world and moving production to low-cost destinations.

Outlook:

The Indian Pharmaceutical Industry is currently valued at \$22 billion and stands 3rd largest in terms of volume and 13th in terms of value. The sector is growing at a rate of 14% per annum. The growth of the sector has been driven by high quality and competitively priced medicines for domestic and global markets covering both developing and highly regulated markets of US and EU.

Access to medicines is critical to the provision of equitable, affordable and quality healthcare. Indian Pharma Industry has made significant progress in access to medicines both at national & international levels during the past decades. In the recent past, The Indian Pharma Industry needs to explore the use of such innovative methods to improve accessibility and fast delivery of medicines in the country and in the world.

2. Sterilization Project:

Your Company has planned to go for Sterilization Unit to sterilize fresh fruits & vegetables, Medical disposables, cereals & pulses, pet food, spices and ayurvedic herbs and chilled meat, poultry products and sea food by latest technology.

Plant is going to be set up in Sanand GIDC-II, Gujarat. The strategic location of plant makes it advantageous to use Ahmedabad International airport for exports.

Saurashtra is the major hub for fisheries and North Gujarat is hub for Medical Disposables, cereals & pulses, spices & Ayurvedic Herbs, chilled Meat, Poultry Products and Sea food.

Outlook

According to New Food Rules, 2012, there are many products added to the list hence making it compulsory for producers to get their produce sterilized. Also sterilization is the only way they can increase the shelf life of the product without deteriorating the taste of the produce. Certain produce that are being sterilized are marine products, meat, species, onion powder etc.

ii. **Segment-Wise Performance :**

The company is currently in the organic chemical segments. However during the year the company was out of activity.

iii. **Opportunities, Threats, Risks and Concerns:**

With the outdated technology of the alcohol and alcohol base products of the company the management believes that it is the right time to change the product. The global scale of operations in the commodity business has also increased making the current plants of company unviable.

On the other hand the management of the company is extremely optimistic of entering pharmaceutical manufacturing segments and believes that the company's asset base provides an ideal infrastructure for the proposed therapeutic segment.

iv. **Financial Performance :**

The core manufacturing activity was inoperative. A summary of the financial performance is disclosed in the Director's Report.

v. **Internal Control Systems and Adequacy:**

As stated above, during the year the plant of the company remained out of operations. However, whatever transactions took place were closely monitored with proper checks and controls.

vi. **Human Relations:**

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

vii. **Cautionary Statement:**

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations 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 market in which the company operates, changes in the government regulations, tax laws and other statutes.

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ANNEXURE – B

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 Agreement.

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

The Board of Directors as at 31-3-2013 comprised of Six Directors with the Chairman and Managing Director, Two Executive Directors and Three Independent Non-Executive Directors. During the year, Six Board Meetings were held on 20-04-2012, 14-05-2012, 06-08-2012, 02-11-2012, 24-12-2012 and 13-02-2013.

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
Mr. Pankaj Kadakia*	Chairman & Managing Director	6	Yes	4	—
Dr. Niranjana Pandya	Non-Executive Independent Director	6	Yes	—	—
Dr. Dhananjay Panchal	Non-Executive Independent Director	4	Yes	—	—
Mr. Kamleshwar Tandon*	Non-Executive Independent Director	4	No	—	—
Mr. Shyam Kadakia**	Managing Director	2	No	1	—
Dr. Shailesh Modi**	Executive Director	2	No	—	—

* Ceased to be the Directors from 10-08-2013

** Appointed with effect from 24-12-2012.

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:

Name of Directors	No. of Shares held	% to the Capital
Shri Pankaj M. Kadakia	28, 29,450	23.41
Shri Shyam P Kadakia	29, 23,250	24.19

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 BSE Limited 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. Dr. Dhananjay I. Panchal, Dr. Niranjana M. Pandya and Mr. Kamleshwar S. Tandon with Dr. Dhananjay Panchal, as the Chairman. The Committee met on 14-05-2012, 06-08-2012, 02-11-2012 and 13-02-2013. During the year, the attendance of the members at the meetings was as follows:

Name of Members	Status	No. of Meetings Held	No. of Meetings Attended
Dr. Dhananjay Panchal	Chairman	4	4
Dr. Niranjana M. Pandya	Member	4	4
Mr. Kamleshwar S. Tandon	Member	4	2

The Company has not denied any personnel to access the Audit Committee of the Company and the situation has not arisen to provide