



**24<sup>th</sup>**  
**ANNUAL REPORT**  
**2010 - 2011**



**BHARAT SEATS LIMITED**

**BOARD OF DIRECTORS**

N. D. RELAN	<i>Chairman</i>
YOICHI KOJIMA	<i>(Nominee-Suzuki Motor Corporation)</i>
I. V. RAO	<i>(Nominee-Maruti Suzuki India Ltd.)</i>
ROHIT RELAN	<i>Managing Director</i>
AJAY RELAN	<i>Director</i>
P. K. LAHIRI	<i>Director</i>
G. N. MEHRA	<i>Director</i>
GAUTAM KHAITAN	<i>Director</i>
KISHAN N. PARIKH	<i>Director</i>
RAVINDRA GUPTA	<i>Director</i>

**BANKERS**

STATE BANK OF TRAVANCORE  
THE BANK OF TOKYO - MITSUBISHI UFJ LTD.  
YES BANK LTD.  
IDBI BANK LTD.

**REGD. OFFICE**

D-188, OKHLA INDUSTRIAL AREA, PHASE - 1,  
NEW DELHI - 110 020

**FACTORY**

PLANT 1  
PLOT NO. 1, MARUTI UDYOG JOINT VENTURE COMPLEX,  
GURGAON - 122 015 (HARYANA)  
PLANT 2  
58 K.M. MILE STONE, DELHI JAIPUR HIGHWAY,  
VILLAGE BINOLA, GURGAON (HARYANA)  
PLANT 3  
PLOT NO. MUSTTIL NO. 226, KILA NO. 7/1,  
VILLAGE - BHORAKALAN,  
TEHSIL - FARUKHNAGAR, GURGAON (HARYANA)

**AUDITORS**

M/S. S. S. KOTHARI MEHTA & CO.  
CHARTERED ACCOUNTANTS  
NEW DELHI

**LISTED AT  
CHIEF FINANCIAL OFFICER**

BOMBAY STOCK EXCHANGE LIMITED  
SANJEEV KUMAR

**COMPANY SECRETARY  
& COMPLIANCE OFFICER**

RITU BAKSHI

**REGISTRAR &  
SHARE TRANSFER AGENT**

M/S ALANKIT ASSIGNMENTS LIMITED  
2E/21, ALANKIT HOUSE,  
JHANDEWALAN EXTENSION,  
NEW DELHI - 110 055

---

**C O N T E N T S**


---

Notice .....	2-7
Directors' Report .....	8-13
Management Discussion & Analysis .....	14-15
Report on Corporate Governance .....	16-27
Auditors' Report .....	28-32
Balance Sheet .....	33
Profit & Loss Account .....	34
Cash Flow Statement .....	35
Schedules (1-18) .....	36-53
Balance Sheet Abstract .....	54

---

## NOTICE

**NOTICE is hereby given that the Twenty Fourth Annual General Meeting of the members of BHARAT SEATS LIMITED will be held on Thursday, 4th August, 2011 at 11:00 a.m. at Air Force Auditorium, Subroto Park, New Delhi - 110010 to transact the following business:**

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2011 and the Profit & Loss Account for the year ended on that date together with the report of the Board of Directors and Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in place of Mr. N.D.Relan, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. Ravindra Gupta, who retires by rotation and being eligible offers himself for reappointment.
5. To appoint a Director in place of Mr. Kishan N.Parikh, who retires by rotation and being eligible offers himself for reappointment.
6. To consider and, if thought fit, to pass with or without modification(s), the following as an Ordinary Resolution:  
"RESOLVED THAT M/s S.S. Kothari Mehta & Co., Chartered Accountants, the retiring Auditors of the Company, be and are hereby re-appointed as Auditors of the Company, to hold office from the conclusion of this Annual General meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

### SPECIAL BUSINESS:

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:  
Resolved that in accordance with the provisions of Section(s) 198, 269, 309, 310 and 311 read with Schedule XIII of the Companies Act, 1956, and all other applicable provisions, if any, of the Companies Act, 1956, and any other laws prevailing for the time being in force, and subject to the approval of Central Government, if required, Shri Rohit Relan be and is re-appointed as Managing Director of the Company for a period of five years from 1st October, 2011 to 30th September, 2016 on the following terms and conditions, as approved by the Remuneration Committee and the Board of Directors:

### DETAILS OF REMUNERATION, INCLUDING PERQUISITES :

#### SALARY :

- A.. BASIC SALARY : Rs. 5,50,000/- per month with the provision of annual increment of Rs.50,000/- per month in the scale of Rs.5,50,000 - Rs.50,000- Rs.7,50,000 per month.
- B. ALLOWANCES & PERQUISITES : Upto a maximum of Rs. 2,00,000/- per month
- C. In addition to the above, Managing Director shall also be entitled to :
  - i) Company's contribution to Provident Fund and Pension Fund as per the rules of the Company.
  - ii) Gratuity as per Payment of Gratuity Act, 1972.
- D. OTHER TERMS AND CONDITIONS  
In the event of absence or inadequacy of profits in any financial year, the Managing Director shall be entitled to the minimum remuneration as mentioned herein above without any variation.  
Resolved further that the Board of Directors of the Company be and are hereby authorized to alter or vary the above terms and conditions so as not to exceed the limits prescribed in Schedule XIII to the Companies Act, 1956 in case the company has adequate profits or within the limits approved by the Central Government, if required, as the case may be.
8. To consider and if thought fit, to pass with or without modification the following resolution as an ordinary resolution:  
"Resolved that in supersession of the Resolution passed in the General meeting of the Company held on 16th July, 2009, and pursuant to Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time any sum or sums of money on such terms and conditions as the Board may deem fit, which together with the monies already borrowed by the Company (apart from temporary loans obtained/ to be obtained

from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the maximum amount so borrowed by the Board shall not at any time exceed Rs Two Hundred Crores."

**NOTES :**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a member of the Company. A proxy to be effective shall be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the meeting.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business as set out in item nos. 7 and 8 above and the relevant details in respect of item nos.3, 4, 5 and 8 pursuant to Clause 49 of the Listing Agreement executed with the Stock Exchange be transacted at the Meeting are annexed hereto.
3. A member or his proxy is requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
4. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days between 9:30 a.m. to 11:30 a.m. upto the date of Annual General Meeting.
7.
  - (a) The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 29th July, 2011 to Thursday, 4th August, 2011, both days inclusive.
  - (b) The Dividend on Equity Shares, if declared at the meeting, will be paid on or after 4th August, 2011 to those shareholders whose names appear in the Register of Members on 4th August, 2011; in case of shares held in dematerialised form, the dividend thereon, will be paid to Beneficial Owners, as per details furnished by the Depositories, as on that date.
8.
  - (a) In order to provide protection against fraudulent encashment of dividend warrants, Members who hold shares in physical form are requested to intimate the Company's Registrars and Transfer Agents, M/s Alankit Assignments Limited, under the signature of the Sole/ First Joint holder, the following information to be incorporated on dividend warrants:
    - a. Name of the Sole/ First joint holder and the Folio Number.
    - b. Particulars of Bank Account, viz.:  
Name of the Bank  
Name of the Branch  
Complete Address of the Bank with Pin Code Number  
Account Type, whether Saving Account (SA) or Current Account(CA)  
Bank Account Number
  - (b) Members who hold shares in dematerialised form may kindly note that their Bank Account details, as furnished by their Depositories to the Company, will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for deletion of or change in such Bank Account details. Members who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change with complete details of Bank Account.
9. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
10. All unclaimed dividends declared upto the financial year ended 31st March, 1995 have been transferred to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978.

11. Pursuant to the provisions of section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the Unclaimed or unpaid dividends for the financial years ended 31st March, 1996 to 31st March, 2003 to the Investor Education and Protection Fund(the IEPF) established by the Central Government.
12. Dividend for the financial year ended 31st March, 2004 and thereafter which remain unpaid or unclaimed for a period of seven years from the date they became due for payment will be transferred to Investor Education & Protection Fund (IEPF). Members who have not encashed their Dividend warrants may approach the Registered office of the Company for revalidation of the Dividend warrants. Members are requested to note that no claims shall lie against the Company or the IEPF in respect of any amounts which were unpaid or unclaimed for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claim. The unpaid dividend for the financial year ended March 31, 2004 is due for transfer to IEPF on 25th June, 2011.
13. Members desirous of making a nomination in respect of their shareholding in the Company as permitted under Section 109A of the Companies Act, 1956 are requested to submit the prescribed Form-2B for the purpose to the registered office of the Company.
14. Members are requested to send their queries, if any, on the accounts and operations of the Company to the Company Secretary at least 7 days before the Annual General Meeting.
15. The Company has designated an exclusive e-mail ID namely, investor\_relations@bharatseats.net for receiving and addressing investors' grievances.

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

The following Explanatory Statement set out all material facts relating to the Special Business mentioned under item no.7 and 8 of the accompanying Notice dated 13th April, 2011:

##### **Item No.7**

Mr.Rohit Relan, Managing Director was re-appointed as Managing Director on 1st October, 2006 for a term of five years. His term in office would expire on 30th September, 2011. He is presently paid remuneration aggregating to Rs. 6,13,550/- per month under various heads as approved by Central Government vide their letter no.12/59/2006-CL.VII dt. 19.10.2006.

The Remuneration Committee and the Board of Directors in their meetings held on 13.4.2011 approved the appointment and remuneration of Mr.Rohit Relan, Managing Director. In view of inadequate profits during the year ended 31st March, 2011, the appointment and remuneration payable to Mr.Rohit Relan, Managing Director is subject to the approval of Central Government.

Your directors recommend the special resolution as set out in item no.7 for your approval.

Mr.Rohit Relan, Managing Director of the Company is interested in the resolution to the extent of remuneration payable to him. Further, Mr.N.D.Relan, Chairman and Mr.Ajay Relan, Director are also interested in the resolution, being related to the said director.

#### **STATEMENT GIVING INFORMATION REQUIRED UNDER PART II, SECTION II(C) TO THE SCHEDULE XIII OF THE COMPANIES ACT FOR PAYMENT OF REMUNERATION TO MR. ROHIT RELAN, MANAGING DIRECTOR**

##### **I. General Information:**

1. Nature of Industry  
The Company is engaged in manufacture of Seating System and moulded carpets for Car market leader, Maruti Suzuki India Limited as well as seats for Suzuki Motor Corporation two wheelers, at their plants at Gurgaon in Haryana.
2. Date or expected date of commencement of commercial production  
The Company is already in production for more the last twenty three years.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.  
Not applicable, as the Company is an existing one.

4. Financial performance based on given indicators

The Financial performance of the Company in relation to various indicators during the years 2009-10 and 2010-11 is given hereunder:

	2009-2010	2010-2011
	(Rs. in lakhs)	
Turnover	36763.72	48903.39
Net Profit after tax	383.97	823.41
Dividend	30%	40%

5. Export performance and net foreign exchange collaborations.

None

6. Foreign investments or collaborators, if any.

Financial Collaboration with M/s Suzuki Motor Corporation, Japan, who holds 14.81% of the total equity of the Company.

Technical Collaboration with M/s Houwa Kogyo Co.Ltd., Japan.

## II. Information about the appointee i.e. Mr.Rohit Relan

1. Background details :

Mr. Rohit Relan, Managing Director aged 55 years is a Chartered Accountant and has done Owner/ President Management Programme from Harvard Business School. He is promoter entrepreneur of Bharat Seats Ltd.

2. Past remuneration

The total remuneration paid to Mr.Rohit Relan from 1st April, 2010 to 31st March, 2011 was Rs. 69.23 lakhs.

3. Recognition or awards

An able and successful entrepreneur under whose leadership the Company could achieve and maintain impeccable operational standards. He is a fellow member of the Institute of Chartered Accountants of India. He has done Owner/ President Management Programme from Harvard Business School.

4. Job profile and his suitability

The job profile of the Managing Director of the Company includes overall supervision and control of the Company's activities and in particular to attend to all matters concerning production planning, manufacture, finance, administration and such other duties and services as entrusted by the Board of Directors. Mr.Rohit Relan is performing the same since 6.3.1986.

5. Remuneration proposed

A. BASIC SALARY : Rs. 5,50,000/- per month with the provision of annual increment of Rs.50,000/- per month in the scale of Rs.5,50,000 - Rs.50,000- Rs.7,50,000 per month.

B. ALLOWANCES & PERQUISITES : Upto a maximum of Rs. 2,00,000/- per month

C. In addition to the above, Managing Director shall also be entitled to :

- Company's contribution to Provident Fund and Pension Fund as per the rules of the Company
- Gratuity as per Payment of Gratuity Act, 1972.

D. OTHER TERMS AND CONDITIONS

In the event of absence or inadequacy of profits in any financial year, the Managing Director shall be entitled to the minimum remuneration as mentioned herein above without any variation.

6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person(in case of expatriates the relevant details would be w.r.t. the country of his origin)

On a scale of comparison, the remuneration being proposed to be paid to the Managing Director is suitable in view of the vast experience and qualifications of Mr.Rohit Relan.

7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.

Except for the remuneration as Managing Director and his shareholding, the appointee has no other pecuniary relationship with the Company.

The appointee is related to Mr.N.D.Relan, Chairman of the Company, who is his father and to Mr.Ajay Relan, Director of the Company who is his brother.

### III. Other Information

1. Reason for loss or inadequate profits

The profitability of the Company has improved during the last few years due to expansion of capacity, R&D efforts and other cost saving measures taken by the Company. Still the profitability of the Company is effected due to expenses incurred on expansion and competent market conditions. However, the profitability is expected to further improve in the next 2-3 years.

2. Steps taken or proposed to be taken for improvement.

The Company has taken the following steps to improve the profitability:

- Cost reduction and productivity improvement.
- Improvement in operating systems through Quality and System Certification, TS16949, Kaizen, TPM(Total productive Maintenance) and SPS.(Suzuki production System)
- Upgradation of Seat testing System of International Standard.

3. Expected increase in productivity and profits in measurable terms

With the above measures, the operating efficiencies and profits of the Company are expected to increase.

### IV. Disclosures:

- The shareholders of the Company shall be informed of the remuneration package of the managerial person.
- The following disclosures shall be mentioned in the Board of Directors Report under the heading 'Corporate Governance', attached to the annual report:-
  - All elements of remuneration package such as salary, benefits and perquisites etc. of all the directors.

Necessary particulars of remuneration under required heads and sitting fees of all the Directors are given in Corporate Governance Report forming part of the Directors' Report for the year 2010-11,

#### Item No.8

Under Section 293(1)(d) of the Companies Act, 1956, the Board of Directors cannot, except with the consent of the Company in general meeting, borrow monies (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business), in excess of the aggregate of the paid up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose.

The shareholders in the general meeting held on 16th July, 2009 had accorded their consent to the Board of Directors for borrowing upto Rs. 50 crores.

In view of the Company's fund requirements in the near future for further expansions, growing operations etc., it is considered desirable to enhance this limit to Rs.200 crores.

The Board accordingly commends the proposed Resolution for your approval.

None of the Directors of the Company is concerned or interested in the Resolution .

By Order of the Board  
For BHARAT SEATS LIMITED

#### REGD. OFFICE:

D-188, OKHLA INDL. AREA  
PHASE- I, NEW DELHI - 110020  
Dated : 13th April, 2011

(RITU BAKSHI)  
COMPANY SECRETARY

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT AT  
THE FORTHCOMING ANNUAL GENERAL MEETING  
(IN PURSUANCE TO CLAUSE 49 OF THE LISTING AGREEMENT)**

NAME OF THE DIRECTOR	MR.N.D.RELAN	MR RAVINDRA GUPTA	MR KISHAN N. PARIKH	MR ROHIT RELAN
DATE OF BIRTH	31.05.1929	29.04.1942	15.04.1967	2.07.1955
DATE OF APPOINTMENT ON THE BOARD	06.03.1986	31.03.2009	04.06.2008	06.03.1986
EXPERTISE IN SPECIFIC FUNCTIONAL AREA	FINANCE, BUSINESS MANAGEMENT AND CAPITAL MARKET	MANAGEMENT & ADMINISTRATION	BUSINESS MANAGEMENT	BUSINESS MANAGEMENT, FINANCE
QUALIFICATIONS	B.COM	IAS(RETIRED)	B.COM	B.COM(HONS.), FCA, OWNER/ PRESIDENT MANAGEMENT PROGRAMME FROM HARVARD BUSINESS SCHOOL
DETAILS OF SHARES HELD IN THE COMPANY	1042000	NONE	7500	693500
DIRECTORSHIP HELD IN OTHER COMPANIES AS ON 31.3.2011	1. SHARDA MOTOR INDUSTRIES LTD. 2. RELAN INDUSTRIAL FINANCE LTD. 3. PEBCO MOTORS LTD. 4. SHARDA SEJONG AUTO COMPONENTS (INDIA)LTD. 5. PROGRESSIVE ENGINEERING & AUTOMATION (P) LTD.	JAIN SOLAR ENERGY PVT. LTD.	1. PEBCO MOTORS LTD. 2. PEBCO INDUSTRIES LTD. 3. SHARDA MOTOR IND.LTD. 4. AERSOFT TRADING & MARKETING PVT.LTD. 5. CALCUTTA COMMODITIES (1965)PVT.LTD. 6. BRISCO PRIVATE LIMITED 7. JAMSHEDPUR AIR CONNECT PVT. LTD.	1. SHARDA MOTOR INDUSTRIES LTD. 2. RELAN INDUSTRIAL FINANCE LTD. 3. SHARDA SEJONG AUTO COMPONENTS (INDIA)LTD. 4. PROGRESSIVE ENGINEERING & AUTOMATION (P) LTD.
CHAIRMAN/ MEMBER OF THE "COMMITTEES OF OTHER COMPANIES" ON WHICH HE IS DIRECTOR AS ON 31.3.2011	1. SHARDA SEJONG AUTO COMPONENTS (INDIA)LTD.(MEMBER - AUDIT COMMITTEE) 2. SHARDA MOTOR INDUSTRIES LIMITED (MEMBER - AUDIT COMMITTEE, SHARE HOLDERS/ INVESTORS GRIEVANCE COMMITTEE)	NONE	1. SHARDA MOTOR IND.LTD.(MEMBER - REMUNERATION COMMITTEE) 2. PEBCO MOTORS LIMITED (MEMBER - AUDIT COMMITTEE, SHARE HOLDERS/ INVESTORS GRIEVANCE COMMITTEE)	NONE



## DIRECTORS' REPORT

Dear Shareholders

### FINANCIAL RESULTS

Rupees in lakhs

PARTICULARS	2010-11	2009-10
SALES	48,903.39	36,763.72
OTHER INCOME	134.19	123.92
PROFIT BEFORE FINANCIAL CHARGES & DEPRECIATION	1,848.62	900.69
LESS: FINANCIAL CHARGES	223.89	112.73
PROFIT BEFORE DEPRECIATION & TAXATION	1,624.73	787.96
LESS:		
A) DEPRECIATION	480.98	268.03
B) PROVISION FOR TAXATION		
– CURRENT TAX(LESS: MAT CREDIT ENTITLEMENT)	171.26	11.62
– DEFERRED TAX	149.08	148.97
– TAX FOR EARLIER YEARS WRITTEN OFF/(WRITTEN BACK)	–	(24.63)
NET PROFIT AFTER TAX	823.41	383.97
ADD: BROUGHT FORWARD FROM PREVIOUS YEAR	50.00	50.00
PROFIT AVAILABLE FOR APPROPRIATION	873.41	433.97
<b>APPROPRIATIONS:</b>		
PROPOSED DIVIDEND	251.20	188.40
CORPORATE DIVIDEND TAX	40.75	31.29
TRANSFER TO GENERAL RESERVE	531.46	164.28
BALANCE CARRIED FORWARD TO BALANCE SHEET	50.00	50.00

### PERFORMANCE REVIEW

The gross sales and other income for the financial year under review was Rs. 49,037.58 lacs as against Rs 36,887.64 lacs, registering an increase of 32.93%. The profit before tax (after interest and depreciation charges) of Rs. 1,143.75 lacs and profit after tax of Rs. 823.41 lacs for the financial year under review as against Rs 519.93 lacs and Rs 383.97 lacs respectively for the previous financial year registering an increase of 120% and 114.45 % respectively.

### OPERATIONS

During the year under review, the sale of seat sets surged on robust demand. Additional PU Line for making Head Rest Pads was established during the year, which helped the Company in meeting additional demand. An additional assembly line for making car seats was laid for supplying modified Wagon-R model of Maruti Suzuki India Limited.

Your company started manufacturing Polyurethane Pads with its newly developed technology called "Dual Hardness". This is to bring in more comfort in the seating system.

Due to the flexible production systems, Your company could accommodate the changes in the product mix required by the customers. Your company has developed and started manufacturing of the seating system for the new model of car for Maruti Suzuki India Ltd.

An additional assembly system for Two wheeler seats was installed during the year under review to cater to increased demand. Your company started a new product range involving technology of swaging and boring for the frames used in two wheeler manufacturing. These are from high accuracy machines to cater to the increased quality demand of the customer. This should cater to the demand of various frames for Suzuki Motorcycle India Pvt. Ltd.

### **EXPANSION AND FUTURE PROSPECTS**

Your Company, considering the growth in the Automobile sector, has planned its capacity expansion, to cater to the increased demand.

Your Company is entering into another area of manufacture of extruded components for Maruti range of vehicles. For this purpose, your Company has entered into an Agreement with INOAC of Japan and has started setting up the facility at its plant at Bohrakalan. The production will commence in the ensuing financial year.

### **DIVIDEND**

Your Directors are pleased to recommend for the approval of the shareholders, a dividend of 40% (Re.0.80/- per share) for the financial year ended 31.03.2011.

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

The information relating to conservation of energy, research & development, technology absorption, foreign exchange earnings and outgo pursuant to 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 annexed hereto as Annexure I, forming part of this Report.

### **DIRECTORS**

In accordance with the Articles of Association of the Company and relevant provisions of the Companies Act, 1956, Mr. N.D.Relan, Mr.Ravindra Gupta and Mr. Kishan N.Parikh are liable to retire by rotation at the ensuing Annual General Meeting and are eligible for reappointment.

### **CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the listing agreement with the Stock Exchange, the report on Corporate Governance and Management Discussion and Analysis Report have been included in this Annual Report as separate section, alongwith the Auditors' Certificate.

### **FIXED DEPOSITS**

Your Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 and as such, no amount of principal or interest was outstanding as on the date of the Balance Sheet.

### **LISTING**

The Equity shares of the Company are listed at Bombay Stock Exchange. The Company has paid listing fees to the Stock Exchange for the year: 2011-12.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that :

- (I) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;