



BLUE BLENDS PETROCHEMICALS LIMITED

**24th
Annual Report
2012-2013**





Blue Blends Petrochemicals Limited

BOARD OF DIRECTORS

: Shri Suraj Dugar
(Non-Executive Director)
Shri Ramprakash Sharma
(Non-Executive Director)
Shri Janardan Joshi
(Independent Director)
Shri Pujaram Purohit
(Independent Director)

AUDITORS

: P.C.Surana & Co.
(Chartered Accountants)

REGISTERED OFFICE

: D-113, Haria Park,
Village – Dungra,
Vapi – 396 191 (Gujarat)

SECRETARIAL OFFICE

: JBF House, 2nd Floor,
Old Post Office Lane,
Kalbadevi Road,
Mumbai – 400 002
Ph. No.2208 8736

ANNUAL GENERAL MEETING

On Monday, the 23rd September,2013
At 10.00 a.m. at D-113, Haria Park,
Village - Dungra, Vapi - 396 191 (Gujarat).

INDEX	PAGE NO(S)
Notice	1
Directors' Report	6
Corporate Governance	8
Compliance Certificate	15
Auditor's Report	19
Balance Sheet	24
Profit & Loss Account	25
Cash Flow Statement	26
Notes on Financial Statements	27



Blue Blends Petrochemicals Limited

NOTICE

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of the Members of **BLUE BLENDS PETROCHEMICALS LIMITED** will be held on Monday, the 23rd September, 2013 at 11.00 a.m. at D-113, Haria Park, Village – Dungra, Vapi – 396 191 (Gujarat) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2013 and Profit & Loss Account and Cash Flow Statement of the Company for the year ended on that date together with reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Suraj Dugar, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint auditors M/s P. C. Surana & Co. Chartered Accountants, Mumbai to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and 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 subject to the provisions of the Section 17 and all other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Company Law Board or any other authority if required, the Registered Office of the Company be shifted from State of Gujarat to State of Maharashtra and the Clause II of the Memorandum and Articles of Association of the Company be substituted by the following new clause:

“The Registered Office the Company will be situated in the State of Maharashtra i.e. within the jurisdiction of Registrar of Companies, Mumbai.”

“RESOLVED FURTHER THAT petition be made to the Company Law Board under Section 17 of the

Companies act, 1956, for confirmation of such alteration.”

“RESOLVED FURTHER THAT the aforesaid resolution becoming effective, the registered office of the Company be shifted from D-113, Haria Park, Village-Dungra, Vapi – 396 191 (Gujarat) to JBF House, 2nd Floor, Old Post Office Lane, Kalbadevi Road, Mumbai – 400 002 (Maharashtra).”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as deem considered necessary or desirable to give effect to aforesaid resolution for & on behalf of the Company.”

5. Consolidation of Equity Shares of the Company

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

“RESOLVED THAT pursuant to the provisions of sections 13, 16, 94(1) (b) and 97 and all other applicable provisions, if any of the Companies act, 1956, and other applicable provisions, if any (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of the Articles of Association of the Company and also subject to such approvals, consents, permission and sanctions, if any, as may be required from any authority, (including SEBI and Stock Exchanges) and subject to such conditions as may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall also include any duly constituted and authorized committee thereof), consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to consolidate every 5 (Five) existing equity shares of nominal face value of Rs.2/- (Rupees Two Only) each fully paid up into 1(One) Equity Share of nominal face value of Rs. 10/- (Rupees Ten Only) each fully paid up and fix a record date for the purpose.

RESOLVED FURTHER THAT pursuant to the consolidation of the equity shares of the Company, the



Blue Blends Petrochemicals Limited

issued, subscribed and paid up equity share of face value of Rs. 2/- (Rupee Two Only) each, shall stand consolidated into equity shares of face value of Rs. 10/- (Rupees Ten Only) each, fully paid-up.

RESOLVED FURTHER THAT upon consolidation of 5 (Five) Equity Shares of Rs.2/- (Rupees Two Only) each into One Equity Share of Rs.10/- (Rupees Ten Only) each the Board shall not issue any fractional shares/certificates. However, the total number of Equity Shares constituting such fractions shall be transferred to a person or persons appointed by the board as Trustee or Trustees for and on behalf of the such fractional equity shareholders. The details of such fractional equity shareholders will be provided to the Trustee so as to enable Trustees to distribute the net proceeds of sale of such fractional shares amongst the shareholders in proportion to their entitlement over such fractional shares after payment of all expenses of the sale and other related expenses.

FURTHER RESOLVED THAT upon consolidation of Equity Shares, old share certificates issued shall stand cancelled and new share certificates of face value of Rs.10/- each in lieu of old share certificates shall be issued in exchange and surrender of old certificates.

RESOLVED FURTHER THAT pursuant to Section 16 and other applicable provisions of the Companies Act, 1956, Clause (V) of the Memorandum of Association of the Company be and is hereby amended to incorporate therein the effect of the consolidation of shares from nominal value of Rs.2/- per shares to Rs. 10/- per share.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do, perform all such acts, deeds, matters and execute all such documents, instruments and writings as may be required in the said connection.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution; the Board be and is hereby authorized to delegate all or any of its powers conferred by this resolution to any director or directors or any other officer or officers of the company and to do all such acts, matters, deeds and things and to take all such

steps and do all such things and give all such directions as the Board may consider necessary, expedient, desirable, usual or proper including appointing a Trustee(s), fixing record date as per the requirement of a Listing Agreement, execution of all necessary documents with the Stock Exchanges and the Depositories, Reserve Bank of India and / or any other relevant statutory authority, if any, cancellation or rectification of the existing physical share certificates in lieu of the old certificates and to authorize the Trustee / Trustees to take delivery of fractional shares and to sell such fractional shares transferred to him/ her and also to settle any questions or difficulties that may arise in regard to issue, allotment and execute such documents as the Board may deem fit in this regard."

6. Alteration to the Memorandum of Association

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

"RESOLVED THAT pursuant to the provisions of Articles of Association of the Company and sections 13, 16, 94 and 97 and all other applicable provisions, if any, of the Companies Act, 1956, and other applicable provisions, if any (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and subject to such approvals, consents, permissions and sanctions, if any, as may be required from any authority, and subject to such conditions as may agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall also include any committee thereof), consent of the Members be and is hereby accorded to alter the Memorandum of Association of the Company as follows:

The existing Clause V of the Memorandum of Association of the Company be deleted by substitution in its place and insert the following clause as new Clause V:

"The Authorised Share Capital of the Company is Rs.20,00,00,000 (Rupees Twenty Crores Only) divided into 20,00,000 (Twenty Lakhs) equity shares of Rs.10/-



Blue Blends Petrochemicals Limited

(Rupees Ten) each, with the rights, privileges and conditions attaching thereto as area provided in the Memorandum of Association of the Company with the power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956, or provided in the Memorandum of Association of the Company for the time being."

"RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee thereof be and is hereby authorized to do, perform and execute all such acts, deeds, matters and things as it may consider necessary, expedient, usual or proper to give effect to this resolution including but not limited to filing necessary forms with the Registrar of Companies and to comply with all other requirements in this regard and for any matters connected herewith or incidental hereto."

7. Alteration to the Articles of Association

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

"RESOLVED THAT pursuant to the provisions of Articles of Association of the Company and sections 13, 16, 94 and 97 and all other applicable provisions, if any, of the Companies Act, 1956, and other applicable provisions, if any (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and subject to such approvals, consents, permissions and sanctions, if any, as may be required from any authority, and subject to such conditions as may agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall also include any committee thereof), consent of the Members be and is hereby accorded to alter the Articles of Association of the Company as follows:

The existing Article 3 of the Articles of Association of the Company be deleted by substitution in its place and insert the following clause as new Article 3:

The Authorised Share Capital of the Company is Rs.20,00,00,000 (Rupees Twenty Crores Only) divided into 20,00,000 (Twenty Lakhs) equity shares of Rs.10/- (Rupees Ten) each, with the rights, privileges and conditions attaching thereto as area provided in the Articles of Association of the Company with the power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956, or provided in the Articles of Association of the Company for the time being."

"RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee thereof be and is hereby authorized to do, perform and execute all such acts, deeds, matters and things as it may consider necessary, expedient, usual or proper to give effect to this resolution including but not limited to filing necessary forms with the Registrar of Companies and to comply with all other requirements in this regard and for any matters connected herewith or incidental hereto."

**By order of the Board of Directors
For Blue Blends Petrochemicals Limited**

Place : Mumbai
Date : 6th August, 2013

Suraj Dugar
Director

Registered Office:
D-113, Haria Park,
Village – Dungra,
Vapi – 396 191(Gujarat).



Blue Blends Petrochemicals Limited

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/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, 17th September 2013 to Monday, 23rd September, 2013 (both days inclusive) for the purpose of Annual General Meeting.
3. The relative explanatory statement pursuant to Section 173 of the Companies Act, 1956, in respect of special business is annexed.
4. Members are requested to notify the change of address, if any, to the company.

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

ITEM NO 4.

The Company was incorporated as Blue Blends Petrochemicals Limited on 27/01/1989 under the provisions of the Companies Act, 1956 in the state of Maharashtra with the main objects as "to produce, manufacture, refine, manipulate, use, buy, import, take on rent/lease or otherwise acquire, sell, distribute, export, deal in and dispose of dyes and chemicals (synthetic or non-synthetic), coaltar dyes, dye intermediate of all description, surface active agent, colours, resins, paints, distillers and auxiliaries. Subsequently Company was converted with Public Limited Company on 12/06/1989. Further, registered office of the Company was shifted from State of Maharashtra to State of Gujarat in November, 1989.

Since all the Board Members and substantial number of shareholders of the company are located in Mumbai district at Maharashtra and the registered and administrative office at the same place will result to cut down the day to day administrative cost & expenses and may save a substantial amount, by shifting its registered office from the state of Gujarat to State of Maharashtra. The amount so saved will directly contribute to the profitability of the company to that extent.

Further, manufacturing plant of the Company was sold in 2012 and now there is no business activity in Gujarat and all business activities are in Maharashtra.

Members of the Board keeping in view the business expansion plan of the Company business at Mumbai, it is recommended to have the registered office in the State of Maharashtra for executing the expansion plan. Therefore it will be more economical and convenient to manage the operation from Mumbai.

In view of the above, the Board of Directors of the Company has considered in the Board Meeting held on 6th August, 2013 that the registered office of the Company should be transferred to State of Maharashtra at the earliest possible.

After obtaining your approval, a petition will be submitted to the Company Law Board, Western Region Bench, Gujarat for confirmation under section 17(2) of the Companies Act, 1956.

The Memorandum and Articles of Association of the Company is open for inspection by members at the registered office of the Company on any working day during business hours.

None of the Directors of the Company is directly or indirectly concerned or interested in the resolution.

The Board recommends the resolution for your approval.

ITEM NOS. 5, 6 & 7:

The Board of your Company has proposed to reorganize the Capital Structure of your Company by consolidating the



Blue Blends Petrochemicals Limited

nominal face value of Equity Shares from existing Rs.2/- (Rupees Two Only) each to Rs.10/- (Rupees Ten Only) each.

The existing Authorized Share Capital of the Company is Rs. 200,000,000 (Rupees Twenty Crores Only) comprising 1,00,000,000 (Ten Crores) Equity shares of Rs.2/- (Rupees Two Only) each. The present Issued, Subscribed and Paid-up Share Capital of the Company is Rs.38,360,000 (Rupees Three Crores Eighty Three Lacs Sixty Thousand only) divided into 1,91,80,000 (One Crore Ninety One Lacs Eighty Thousand) Equity shares of the Nominal value of Rs.2/- (Rupees Two Only) each fully paid-up.

It is proposed to re-organize the Authorized Share Capital as well as Issued, Subscribed and Paid-up Share Capital of the Company by consolidating the Equity Shares of the Nominal Value of Rs. 2/- (Rupees Two Only) each into the Nominal value of Rs. 10/- (Rupees Ten Only) each.

Accordingly, the Authorised Share Capital of the Company will be consolidated into 200,00,000 (Two Crores) Equity shares of Rs. 10/- (Rupees Ten Only) each. The Issued, Subscribed and Paid-up Share Capital, for the purpose of consolidation of Equity Shares, will also be consolidated into 1,91,80,000 Equity shares of the Nominal value of Rs. 10/- (Rupees Ten Only) each fully paid up.

The approval is sought to be given to the Board of Directors of the Company to fix record date and issue fresh Equity Shares of the denomination of Rs. 10/- each to the members in place of existing Equity Shares of Rs.2/- each. In case of members having fractional shares not divisible by Rs.10/- the same will be transferred to a Trustee who will be appointed by the Board for this purpose. All the fractional shares will be transferred as on the record date. The trustee(s) will consolidate the fractional shares transferred to it and will sell the total shares. The proceeds from the total shares will be paid to the respective shareholders after deducting the expenses incurred in this regard, if any. The said resolution, if passed, will have the effect of allowing the Board to all such matters and deeds as are necessary to effect the said matter.

Further with subsequent to the consolidation of the Share Capital, under Section 16 and other applicable provisions of the Companies Act, 1956, the Clause V of the Memorandum of Association and Article 3 of the Articles of Association of the Company needs to be altered.

The Authorised Share Capital of the Company is Rs. 200,000,000 (Rupees Twenty Crores Only) comprising 1,00,000,000 (Ten Crores) Equity shares of Rs.2/- (Rupees Two Only) each. Subsequent to the consolidation of the Share Capital of the Company, the Authorised Share Capital of the Company will be Rs. 20,00,000,000 (Rupees Twenty Crores Only) divided into 200,00,000 (Two Crores) Equity shares of Rs. 10/- (Rupees Ten Only) each.

Thus as prescribed under Section 16 and other applicable provisions of the Companies Act, 1956, Clause V of the Memorandum of Association and Article 3 of Articles of Association of the Company needs to be altered, for which consent of the shareholders of the company is required.

The Directors of the Company are deemed to be interested in the said resolution to the extent of their shareholding in the Company.

**By order of the Board of Directors
For Blue Blends Petrochemicals Limited**

Place : Mumbai
Date : 6th August, 2013

Suraj Dugar
Director

Registered Office:
D-113, Haria Park,
Village – Dungra,
Vapi – 396 191(Gujarat).



Blue Blends Petrochemicals Limited

DIRECTORS' REPORT

To,

The Members,

The Directors present herewith 24th Annual Report together with the Audited Accounts of the Company for the year ended on 31st March 2013.

FINANCIAL RESULTS:

(Amount in Rupees)

Particulars	Year Ended 31 st March, 2013	Year Ended 31 st March, 2012
Gross Income	100,938,192	85,713,198
Total Expenditure	90,450,963	86,363,006
Profit/(Loss) for the year before Taxes	10,487,229	(649,808)
Less : Provision for taxation	-	-
Profit/(Loss) for the year after Tax	10,487,229	(649,808)
Add : Profit/ (Loss) brought forward from previous year	(9,717,421)	(9,067,613)
Balance Carried forward to Balance Sheet	769,808	(97,17,421)

DIVIDEND

Your Directors do not recommend any dividend on Equity Shares for the year under review.

OPERATIONS

During the year under review, the company sold the entire Plant including Land, Building, Plant and Machineries and other assets and discontinued the manufacturing activities. However the trading business activities continued during the year. Your Company recorded turnover of Rs. 1048 lacs against Rs.857 lacs in the previous year. Your Company made a net profit of Rs.104.87 lacs (including Profit on sale of Plant) against loss of Rs. 6.49 lacs in previous year. The entire carry forward losses of Rs.93.52 lacs have been fully wiped off. Now there is a Reserve & surplus of Rs.11.34 lacs.

Your Company has become debt free.

Your Directors are considering the various proposals to improve the working of the company.

FIXED DEPOSITS

Your Company has neither invited nor accepted any deposit within the meaning of Non Banking Financial Companies (Reserve Bank Directions) or Section 58A of the Companies Act, 1956 and Rules made there under.

PERSONNEL

The Company has not paid any remuneration attracting the provisions of the Companies (Particulars of employees) Rules 1975 read with the section 217 (2A) of the Companies Act, 1956. Hence no information is required to be appended to this report in this regard.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956, with respect to Director's Responsibility Statement, it is hereby confirmed that:

- in the preparation of the accounts, for the financial year ended 31st March, 2013 the applicable accounting standards have been followed;
- the Directors have selected such accounting policies 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 31st March, 2013 and of the Profit of the company for the year ended that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate 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 and
- the Directors have prepared the accounts for the financial year ended 31st March, 2013 on a 'going concern' basis.



Blue Blends Petrochemicals Limited

DIRECTORS

Mr. Suraj Dugar retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

LISTING FEES

The listing fees of Stocks Exchanges at Vadodara, Kolkata, Madras and Ahmedabad have not been paid for last several years. The company is reviewing the listing status on these Stock Exchanges and payment of outstanding fees.

CORPORATE GOVERNANCE

In terms of clause 49 of the Listing Agreement with the Stock Exchanges, a report on the Corporate Governance is appended as annexure to this report.

AUDITORS & AUDITORS REPORT

M/s P.C. Surana & Co., Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received a letter from M/s. P.C. Surana & Co., to the effect that their appointment, if made, would be within the limits prescribed under section 224 (1B) of the Companies Act, 1956 and that they are not disqualified from such appointment within the meaning of section 226 of the Companies Act, 1956.

PARTICULARS UNDER SECTION 217(1) (e) OF THE COMPANIES ACT, 1956

As required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars

in the report of the Board of Directors) Rules, 1988, the relevant information is given below:-

CONSERVATION OF ENERGY :-

As there was no manufacturing activities during the year under review and in the previous year, the details regarding Conservation of Energy, Power & Fuel consumption and Technology Absorption are not given and applicable.

FOREIGN EXCHANGE EARNINGS AND OUTGO :- NIL

SECRETARIAL COMPLIANCE CERTIFICATE

Secretarial Compliance Certificate as required under section 383A (i) of the Companies Act, 1956 issue by M/s MILAN MEHTA & ASSOCIATES, Company Secretaries, is annexed herewith.

ACKNOWLEDGMENT

Your Directors acknowledge with gratitude the co-operation and assistance given by the Financial Institutions, Bankers, customers and Employees of the Company during the under review.

For and on behalf of the board

Suraj Dugar
Director

Ramprakash Sharma
Director

Place : Mumbai

Date : 6th August, 2013



Blue Blends Petrochemicals Limited

Report on Corporate Governance

(Annexure to Directors Report)

1. Corporate Governance:

The Company's philosophy on Corporate governance is to attain high level of transparency and accountability in the functioning of the Company and in its relationship with employees, shareholders, creditors, lenders and ensuring high degree of regulatory compliance.

The Company also believes that its systems and procedures will enhance corporate performance and maximize shareholder value in the long term.

2. Board of Directors:

A) The provisions for appointment of directors, their powers and meetings are contained in the Articles of Association of the Company. The Board of Directors of the Company has an optimum combination of Executive and Independent Directors with not less than fifty percent of the Board comprising of Independent Directors. At least half of the Board comprises of Independent Directors. During the previous financial year five Board Meetings were held on 14th May, 2012, 30th May, 2012, 25th July, 2012, 22nd October, 2012, 23rd January, 2013. The composition of Board of Directors, Board Meetings and Annual General Meeting attended by Directors and other details are given hereunder.

Name of the Director	Category	Date of Appointment	No. of other Directorship held	No. of Meetings attended during F.Yr. 1 st April, 2012 to 31 st March, 2013	Attendance at the last A.G.M.	No. of Membership/ Chairmanship in Committees across all the Companies
Mr. R.P.Sharma (RPS)	Non-Executive Director	11.10.2004	1	5	Yes	Chairmanship - Nil Membership - 2
Mr. Suraj Dugar (SD)	Non-Executive Director	29.10.2005	3	5	Yes	Chairmanship - Nil Membership - 1
Mr. Janardan Joshi (JJ)	Independent Director	29.10.2005	3	4	Yes	Chairmanship - 5 Membership - 6
Mr. Pujaram Purohit (PP)	Independent Director	29.06.2009	2	5	Yes	Chairmanship - Nil Membership - 2

Note: No Extra-Ordinary General Meeting of the Members of the Company held during the previous financial year.

B) Details of sitting fees, remuneration etc. paid to Directors: Nil

C) Other Provisions as to Board and Committee:

The Board Meetings were held on 14th May, 2012, 30th May, 2012, 25th July, 2012, 22nd October, 2012, 23rd January, 2013 with a maximum time gap of four months between any two meetings. None of the Directors of the Company is a member of more than ten Committees or acts as a Chairman of more than five Committees across all Companies in which he is a Director. For the purpose of considering the limits of the committees on which a Director can serve, only the two committees, viz. Audit Committee, and Shareholders Grievance Committee are considered. Every Director has informed the Company about committee positions he occupies in other Companies.

D) Code of Conduct:

The Board of Directors has laid down a code of conduct for all Board Members and Senior Management of the Company. All the Board Members and Senior Management personnel have affirmed compliance with the code of conduct for the current year.

3. Audit Committee:

A) Brief description of terms of reference: To review the financial reporting process and financial statements, the accounting policies and practices and to examine accountancy, taxation and disclosure aspect of significant transactions and other items as per clause 49II (D) of the Listing Agreement.

The Audit Committee comprises of three Directors with majority of them being Independent Directors. The Chairman of the Audit Committee is an Independent Director having financial and accounting knowledge. The Chairman of the Audit Committee was present at the previous Annual General Meeting to answer shareholders' queries.

B) The Composition of the Audit Committee as on 31st March, 2013 was as under:

1. Mr. Janardan Joshi (JJ) - Chairman
2. Mr. R P Sharma (RPS) - Member
3. Mr. Pujaram Purohit (PP) - Member