CALS

27th Annual Report 2010- 2011

CALS REFINERIES LIMITED

BOARD OF DIRECTORS

MR. SARVESH KUMAR GOORHA	DIRECTOR
MR. B. SRINIVASA RAO	DIRECTOR
DR. ALEXANDER WALTER SCHWEICKHARDT	DIRECTOR (Appointed on March 28, 2011)
MR. DEEP KUMAR RASTOGI	EXECUTIVE CHAIRMAN
MR. D. SUNDARARAJAN	MANAGING DIRECTOR (Appointed on February 5, 2011)

VICE PRESIDENT (LEGAL) & COMPANY SECRETARY
MR. SANJAY KUMAR JAIN

BANKERS
AXIS BANK LIMITED

AUDITORS
M/S. WALKER, CHANDIOK & CO., NEW DELHI
M/S. ARUN K. GUPTA & ASSOCIATES, NEW DELHI

CORPORATE OFFICE
326, UDYOG VIHAR PHASE IV, GURGAON – 122015, HARYANA

REGISTERED OFFICE
21, BASANT LOK COMPLEX, VASANT VIHAR, NEW DELHI – 110057

REGISTRAR & SHARE TRANSFER AGENTS
MCS LIMITED,
F-65, OKHLA INDUSTRIAL AREA PHASE I,
NEW DELHI 110 020

LISTING OF SECURITIES

THE BOMBAY STOCK EXCHANGE
PHIROZE JEEJEEBHOY TOWERS
25TH FLOOR, DALAL STREET,
MUMBAI - 400 001

LUXEMBOURG STOCK EXCHANGE, (GDR)
11, AVENUE DE LA PORTE-NEUVE, L-2227
LUXEMBOURG

CONTENTS

	Page No.
Notice and Explanatory Statement	1
Directors' Report	4
Corporate Governance	7
Management Discussion and Analysis	14
Auditors' Report	15
Annexure To Auditors' Report	16
Balance Sheet	18
Cash Flow Statement	19
Schedules to Balance Sheet	20
Balance Sheet Abstract and Company's General Business Profile	31

NOTICE

NOTICE IS HEREBY GIVEN that the 27th Annual General Meeting of Cals Refineries Limited will be held on Tuesday, September 27, 2011 at 10.30 a.m. at Executive Club, Dolly Farms & Resorts 439, Village Shahurpur, P.O. Fatehpur Beri, New Delhi 110 074, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as on March 31, 2011 together with the reports of Directors' and Auditors' thereon.

2. To reappoint Mr. B. Srinivasa Rao who retires by rotation and being eligible offers himself for reappointment.

3. To reappoint auditors and fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and relevant provisions of the Memorandum and Articles of Association of the Company, and in accordance with listing agreement entered into by the Company with the Stock Exchanges where the shares of the Company are listed or proposed to be listed and subject to the approval of Securities and Exchange Board of India (hereinafter referred to as "SEBI"), Reserve Bank of India (hereinafter referred to as "RBI"), and subject to the Company obtaining all approvals, consents, permissions and sanctions as may be required from any and/or all governmental or regulatory authorities and/or all other institutions and bodies including Banks provided that such sanctions are acceptable to the Board of Directors of the Company (hereinafter referred to as the Board, which term shall be deemed to include any Committee of Directors constituted by the Board and authorised for this purpose), the consent and the approval of the Company be and is hereby accorded to the Board to create, offer, issue and allot any securities including Equity Shares/Preference Shares/Convertible Debentures/Global Depositary Receipts (GDRs) and/or American Depositary Receipts (ADRs)/ Foreign Currency Convertible Bonds (FCCB) convertible into equity shares, preference shares whether Cumulative/ Redeemable/Convertible at the option of the Company and/or the option of the holders of the security and/or securities linked to equity shares/ preference shares and/or any instrument or securities representing convertible securities such as convertible debentures, bonds or warrants convertible into depositary receipts underlying equity shares/preference shares, (hereinafter referred to as the "Securities") on preferential basis for an aggregate sum of US $ 7.0 million or equivalent in Indian and/or any other currency(ies) to be subscribed by Abboro Limited, an affiliate of Hardt Group, a strategic investor of the Company, in one or more tranches, of the face value of ` 1 (Rupee one) at par for cash as the price calculated in accordance with the Regulations for Preferential Issue issued by SEBI under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, is less than the face value of the share.

RESOLVED FURTHER THAT all the new securities as and when allotted in terms of this resolution, on conversion into equity shares shall rank pari passu in all respects, with the existing Equity Shares of the company and necessary measures be taken to seek the listing of such new Equity Shares on all the Stock Exchanges where the Company's shares shall continue to be listed and necessary application be made with National Securities Depository Limited, Central Depository Services (India) Limited and other authorities, if any, for executing Corporate Action and such other actions, as may be required in this connection from time to time.

RESOLVED FURTHER THAT subject to SEBI Regulations and other applicable laws, the Board be and is hereby authorised to decide and approve terms and conditions of the issue of above mentioned Equity Shares and to vary, modify or alter any of the terms and conditions, including size of the issue, as it may deem expedient.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board and/or its duly authorised Committee, in their absolute discretion be and are hereby authorised, to take all such steps and do all such acts, deeds, matters and things, as the Board may deem fit and proper or desirable and necessary and to settle any question or doubt that may arise in regard to offer, issue and allotment of the new Equity Shares and that the Board is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or Chairman of the meeting at which the Committee is or may be formed or to any of the principal officers of the Company/authorised representative in order to give effect to the aforesaid resolution."

By Order of the Board of Directors

New Delhi
August 10, 2011

(Sanjay Kumar Jain)
Vice President (Legal) & Company Secretary

NOTES

1. A member entitled to attend and vote at this Annual General Meeting may appoint a proxy to attend and vote on a poll on his behalf. A proxy need not be a Member of the Company. Proxies in order to be effective must be received at the Registered Office of the Company at 21, Basant Lok Complex, Vasant Vihar, New Delhi - 110 057 not less then 48 hours before this Annual General Meeting.

2. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 20, 2011 to Tuesday, September 27, 2011 (both days inclusive).

3. The members are requested to:

   a. bring their copy of Annual report at the Annual General Meeting.

   b. I **In case shares are held in physical form:** notify immediately the change of address, if any, to the Company at 21 Basant Lok Complex, Vasant Vihar, New Delhi - 110 057 or to the Registrar and Share Transfer Agent of the Company, MCS Limited, F 65, 1st Floor, Okhla Industrial Area Phase I, New Delhi-110 020 quoting their folio number.

      II **In case shares are held in dematerialized form:** notify to their depository participants, change/ correction in their address/bank account particulars etc. as the Company uses the information provided by Depositories in respect of shares held in dematerialized form.

   c. send, in case of those members who have multiple accounts in identical names or joint names in same order, all the share certificates to the Registrar and Share Transfer Agent of the Company, MCS Limited at the aforesaid address for consolidation of all such shareholdings into one account to facilitate better service.

4. Members/proxies should bring the attendance slip duly filled in for attending the Meeting.

5. All the documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on all days except Saturday, Sunday and Public holidays up to the date of the Annual General Meeting.

By Order of the Board of Directors

New Delhi **(Sanjay Kumar Jain)**
August 10, 2011 Vice President (Legal) & Company Secretary

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

Item No. 4

In order to meet the requirements of the funds as per the objects detailed below, and subject to applicable laws, it is proposed to issue Equity Shares of ` 1/- each at par for cash on preferential basis for an aggregate sum of US $ 7.0 million or equivalent in Indian and/or any other currency(ies) to Abboro Limited, an affiliate of Hardt Group, a strategic investor of the Company, as per the provisions of the Companies Act, 1956 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Earlier resolution passed by the Shareholders by means of Postal Ballot on May 2, 2011 for Preferential Allotment to Abboro Limited has lapsed. Out of the envisaged investment of US$ 7 million in the said resolution, Abboro has invested US$ 2.7 million. The present resolution will cater to the balance investment to be received from the investor.

Abboro Limited holds 1.46% equity shares in the Company. The allotment of new shares as aforesaid shall bring their holding to 5.06% of the expanded capital in the Company, thereby the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, (the "Takeover Code") are not triggered.

The new Equity Shares are proposed to be allotted at par since the price calculated in accordance with Regulation 76 of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, (the "Regulations"), is below the par value of the shares.

The disclosures required to be given in the Explanatory Statement to this Notice in terms of the Regulations are as under:

(a) Objects of the Issue:

1. to arrange funds required for meeting the working capital requirements of the Company,
2. to meet expenditure for general purposes,

(b) Intention of the proposed allottee to subscribe to the offer:

The proposed allottee has indicated its intention to further subscribe to the proposed Preferential Issue of Equity Shares aggregating to US$ 7.0 million or equivalent in Indian and /or any other currency(ies) i.e. to the extent as proposed in the resolution.

(c) Change of Management:

The allotment would not result in any change in the control or management of the affairs of the Company or in the composition of the Board of Directors of the Company. However, there could be consequential changes in the voting rights/ shareholding pattern in the Company.

(d) Lock in Period

The proposed allotment shall be locked in for 1 year from the date of allotment as per the SEBI (ICDR) Regulations.

(e) Proposed time within which the allotment shall be completed:

The Board proposes to allot the Equity Shares within 15 days from the date of the passing of this resolution or from the date of statutory approval for issue of these securities.

(f) Identity of the proposed allottee and percentage of Post-preferential issue capital that may be held by the strategic investor:

S. No.	Name of Proposed Allottee	No. of Equity Shares	% of Post Preferential Issue Capital
1.	Abboro Limited	315,000,000*	5.06
	Total	**315,000,000**	**5.06**

*The shares have been converted considering 1 US $ equal to ` 45. Number of shares to be allotted shall be limited to the amount actually received by the Company.

(g) Pricing of the Issue:

The price of the new Equity Shares to be allotted to Abboro Limited shall be at ` 1/- per share being face value.

(h) Shareholding Pattern before and after preferential allotment:

SHAREHOLDERS' CATEGORY		
(As at June 30, 2011)	**Before the proposed preferential allotment**	**After the proposed preferential allotment**
	% of shares/total voting capital held	
(A) Promoter and Promoters Group		
Non-Acquirers	2.92	2.81
Total Promoters holding	**2.92**	**2.81**
(B) Public Shareholding		
Acquirer	1.46	5.06
Mutual Funds/UTI	0.00	0.00
Bodies Corporate	9.74	9.49
Public	51.60	49.72
FII/NRI	4.48	4.31
GDR	29.80	28.71
Total Public holding	**97.08**	**97.19**
Total	**100.00**	**100.00**

(i) Auditors' Certificate:

A copy of the Statutory Auditors' Certificate certifying that the present preferential allotment is being made in accordance with the requirements contained in the Regulations for Preferential Allotment under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, will be placed before the Meeting and is kept open for inspection at the Registered Office of the Company on all working days during office hours and will also be available for inspection at the meeting.

All documents referred to in this statement are open for inspection during the working hours up to the date of this meeting.

The Board of Directors accordingly recommends the resolution set out at Item No. 4 of the accompanying Notice for the approval of the Members.

None of the Directors except Dr. Alexander Schweickhardt is, in any way, concerned or interested in the said resolution.

By Order of the Board of Directors

New Delhi **(Sanjay Kumar Jain)**
August 10, 2011 Vice President (Legal) & Company Secretary

NOTES ON DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49VI(A) OF THE LISTING AGREEMENT ENTERED INTO WITH THE STOCK EXCHANGES

At the ensuing Annual General Meeting, Mr. B. Srinivasa Rao retires by rotation and being eligible, offers himself for reappointment.

Mr. B. Srinivasa Rao - He is a Graduate Engineer in Chemical and worked with IDBI as General Manager having more than 41 years vast experience in Finance. He is serving as a Director on the Board of SRM Energy Limited and PNR Consulting Private Limited.

The Twenty Seventh Annual Report together with the Audited Statement of Accounts of the Company for the year ended March 31, 2011 is being submitted.

FINANCIAL RESULTS

(` in lakhs)

Particulars	2010-2011	2009-2010
Sales and other Income	-	-
Profit/(Loss) before Depreciation, Interest, Prior Period Expenses	-	-
Less: Interest	-	-
Less: Depreciation	-	-
Less: Prior Period Expenses	-	-
Profit/(Loss) before Tax	-	-
Income Tax	-	-
Liabilities Written Back net	-	-
Profit/(Loss) after Income Tax	-	-
Balance carried forwarded from previous year	**(674.67)**	(674.67)
Net Profit/(Loss) transferred to Balance Sheet	**(674.67)**	(674.67)
EPS (In `)	-	-

DIVIDEND

As the Company is in the process of implementing the refinery project, your Directors have not recommended any dividend.

PROGESS OF THE PROJECT

During the financial year 2010-2011, the Company has made the significant progress in the direction of implementing refinery project. The Company has successfully tied up with Hardt Group, Austria, which is primarily focused in Energy sector, by signing the Assets Purchase Agreements with entities managed by it. The group had invested in used refinery equipments which incidentally when combined with the German refinery bought by the Company can enable it to attain a refining capacity of 10 MMTPA.

The total cost of the equipments from Tagore Investments SA is US $ 275,000,000 (US Dollars Two Hundred Seventy Five Million only). The total cost of the equipments from Amber Energy SA is US $ 142,000,000 (US Dollars One Hundred Forty Two Million only). The aggregate cost of both the refineries amounting to US $ 417,000,000 (US $ Four Hundred Seventeen Million only), will be paid as under:

1. US $ 317,000,000 (US Dollars Three Hundred Seventeen Million only) by way of issue of Global Depository Receipts of equivalent amount to the suppliers of the equipments viz. Amber Energy SA, Panama (US $ 142 mn) and Tagore Investments SA, British Virgin Islands (US $ 175mn).

2. US $ 100,000,000 (US Dollars One Hundred Million only) in Cash after achieving financial closure for the project.

The application to the Central Government has been made for issue of equity in the form of Global Depository Receipts (GDR) against purchase of refinery equipments under the said Assets Purchase Agreements.

Hardt group has subscribed to the Equity of the Company to the tune of US $ 2.7 million by means of preferential allotment and is expected to invest further to take care of some of the working capital requirements. The Company also made the preferential allotment to Nyra Holdings Private Limited, a promoter group Company.

Simultaneously, the Contract for Purchase and sale of Assets related to a decommissioned 90000 bpd Oil Refinery with Lohrmann International GmbH was renegotiated modifying the scope of work, purchase consideration and payment schedule. However as the Company was not able to meet the payment deadlines, the contract was cancelled. But, the Company is still trying its best to get alternate payment options so that the Company doesn't lose the equipment.

The Ministry of Environment and Forests (MOEF) has been approached for obtaining approval for the upward revision in capacity from 5 MMTPA to 10 MMTPA. The Company has also requested West Bengal Government for extension of time for payment of consideration for sub leased land and extension of fiscal incentives for enhanced capacity of the project. WBIDC has extended the time till September 30, 2011 but the Company has requested it to extend till March 31, 2012 which is receiving their attention.

Hardt group is trying to get offers for EPC contract from some of the renowned European contractors and it is likely to be concluded soon. Chemtex Global Engineers Private Limited which prepared the Detailed Feasibility Report for the lenders earlier is presently updating the report for the enhanced capacity of 10 MMTPA.

DIRECTORS

Mr. B. Srinivasa Rao retires by rotation as required under the Companies Act, 1956 and being eligible, offers himself for reappointment.

FIXED DEPOSITS

Company has not accepted any deposit under section 58A of the Companies Act, 1956, during the financial year under review.

CORPORATE GOVERNANCE

The Company has complied with the mandatory provisions of Corporate Governance as prescribed in the Listing Agreement with the Stock Exchanges. A separate report on Corporate Governance is included as a part of the Annual Report along with the Certificate on its compliance.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to the Directors' Responsibility Statement, the Directors confirm on the basis of information placed before them by the Management and Auditors: -

1. That in the preparation of the annual accounts for the financial year ended March 31, 2011 the applicable Accounting Standards have been followed;
2. That the Company has selected appropriate accounting policies and applied them consistently and made judgement and estimates that were reasonable and prudent so as to give a true and fair state of the affairs of the Company at the end of the financial year under review;
3. That the Company has 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; and
4. That the accounts of the Company for the financial year ended March 31, 2011 has been prepared on a going concern basis.

CODE OF CONDUCT

The Code of Conduct, as adopted by the Board of Directors, is applicable to all Directors, Senior Management and Employees of the Company. This Code is based on fundamental principles, viz. good corporate governance and good corporate citizenship. The Code covers Company's commitment to sustainable development, concern for occupational health, safety and environment, a gender friendly workplace, transparency and auditability and legal compliance.

AUDITORS' REPORT

With regard to the qualification in the Auditors' Report read together with Annexure referred to in Paragraph 3 of the Auditors' Report, the explanation is as under:

Since the Company is setting up a refinery project, the exchange differences, interest on outstanding statutory dues and certain indirect expenses not directly attributable to construction have been taken in the statement of Pre-operative Expenses, which forms part of Capital Work in Progress. The above accounting treatment is in accordance with the clarification given by the Department of Company Affairs (Letter No. 2/17/64-PR, dated 29-1-1964). However, at the time of allocation of Pre-operative Expenses to the respective assets on commissioning of the project, these foreign exchange gain/loss and other indirect expenses not directly attributable to construction shall not be capitalized.

Based on the opinion from an independent eminent lawyer and in the light of certain court judgements, certain services, rendered by foreign suppliers mainly in connection with the purchase of plant and machinery, have been considered to be part of supply of plant and machinery and the Company has been advised that there would be no liability on account of tax deducted at source and service tax. Accordingly, service tax and tax deducted at source amounting to ` 5,437,653 and ` 6,001,848 respectively has been derecognised in the financial statements and interest cost for non payment of the tax deducted at source for the period from January 1, 2011 to March 31, 2011 amounting to ` 218,407 has not been provided for in the financial statements.

Further, in the light of certain court judgements and in line with the Company's position in its income tax returns for the previous years, the interest income earned in those years has been considered to be capital in nature and accordingly the provision for income tax (including of interest thereon) created in respect thereof amounting to ` 56,165,790 in those years has been derecognized in the financial statements for the year ended March 31, 2011 and also the interest thereon for the period from January 1, 2011 to March 31, 2011 amounting to ` 2,389,182 has not been provided for in the financial statements.

AUDITORS

The Company's Auditors M/s. Walker, Chandiok & Co., Chartered Accountants, New Delhi and M/s. Arun K. Gupta & Associates, Chartered Accountants, New Delhi, retire

at the forthcoming Annual General Meeting and are eligible for re-appointment. M/s. Walker, Chandiok & Co., Chartered Accountants, New Delhi and M/s. Arun K. Gupta & Associates, Chartered Accountants, New Delhi have submitted the certificate under Section 224(1B) of the Companies Act, 1956 confirming that their appointment as joint Statutory Auditors, if made, shall be in accordance with the said section.

MANAGEMENT DISCUSSION & ANALYSIS

The Management Discussion & Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement is presented in a separate section forming part of the Annual Report.

LISTING OF SECURITIES

Your Company's securities are currently listed with Bombay Stock Exchange. The Company's Global Depository Receipts (GDRs) are listed at Luxembourg Stock Exchange. The Company has paid the listing fees to Bombay Stock Exchange and Luxembourg Stock Exchange for the financial year 2011-2012 and Calendar Year 2011 respectively.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

The prescribed details as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable to our type of Company.

PARTICULARS OF THE EMPLOYEES

There is no employee drawing the salary as prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

FOREIGN EXCHANGE

The details of the foreign exchange earnings and out go during the year have been given in the schedules to the accounts.

ACKNOWLEDGEMENT

The Directors have pleasure in recording their appreciation of the assistance extended to the Company by various officials of Central Government, State Government and participating financial Institutions. The Directors would like to express their appreciation of the co-operation extended by the Company's bankers and employees.

For and on behalf of the Board

New Delhi
August 10, 2011

(Deep Kumar Rastogi)
Executive Chairman

To

The Members of Cals Refineries Limited,

We have examined the compliance of conditions of Corporate Governance by Cals Refineries Limited, for the year ended on March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Share Transfer cum Shareholders'/Investors' Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

M.V. Sreenivas & Associates
Company Secretaries

(M.V. Sreenivas)
Proprietor
Membership No. 2342
CP No. 2771

New Delhi
August 10, 2011

The Company is in compliance with clause 49 of its listing agreements with the Stock Exchange and the Indian corporate governance rules applicable to it.

From March 31, 2001 various corporate governance provisions became applicable to all members of the BSE 200 and the S&P, C&X and Nifty indices, as well as to all newly listed companies. In March 2002, this requirement was extended to companies with paid up capital of over ` 100,000,000 all of which have had a net worth of over ` 250,000,000. In March 2003 the capital threshold was reduced to ` 30,000,000. All companies are required to submit quarterly compliance reports to the stock exchanges on which their shares are listed within 15 days of the end of each financial quarter, including reports on the following areas:

1. Company's Philosophy on Code of Governance

The Company believes that good Corporate Governance practice ensures the attainment of the highest levels of transparency, accountability and equity in all facets of its operations and in all its interactions with its stakeholders, including shareholders, employees, the government and the lenders.

We believe in implementing the philosophy of Corporate Governance in letter and spirit.

2. Board of Directors

The Board of Directors consists of 5 Directors.

Composition and category of Directors is as follows:

Category	Name of the Directors
Promoter Director	Mr. Deep Kumar Rastogi Mr. Ravi Chilukuri *
Non Executive and Independent Directors	Mr. M.S. Ramachandran # Mr. Sarvesh Kumar Goorha Mr. B. Srinivasa Rao Dr. Alexander Walter Schweickhardt •
Executive Directors	Mr. Ramesh Bhosale @ Mr. Manabendra Guha Roy ® Mr. D. Sundararajan $

*Resigned w.e.f. January 24, 2011
@ Resigned w.e.f. January 17, 2011
• Appointed w.e.f. March 28, 2011
Resigned w.e.f. February 5, 2011
® Resigned w.e.f. January 14, 2011
$ Appointed w.e.f. February 5, 2011

Attendance of each Director at the Board Meetings, last Annual General Meeting and Number of other Directorship and Chairmanship/Membership of Committee of each Director in various companies including the Company:

Name of The Director	Attendance Particulars		No. of other directorships and committee membership/chairmanship		
	Board Meeting	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
Mr. Sarvesh Kumar Goorha	7	Yes	2	5	3
Mr. M.S. Ramachandran	5	Yes	5	3	-
Mr. Ramesh Bhosale	5	Yes	-	-	-
Mr. Ravi Chilukuri	2	-	2	-	-
Mr. Manabendra Guha Roy	5	Yes	-	-	-
Mr. Deep Kumar Rastogi	8	Yes	9	3	-
Mr. B. Srinivasa Rao	6	Yes	2	5	3
Mr. D. Sundararajan*	1	-	5	2	1
Dr. Alexander Walter Schweickhardt @	-	-	6	5	-

* Appointed w.e.f. February 5, 2011 @ Appointed w.e.f. March 28, 2011

Number of Board Meetings held and the dates on which held

During the year, eight Board Meetings were held on April 27, 2010, June 14, 2010, July 28, 2010, October 20, 2010, December 3, 2010, January 24, 2011, February 5, 2011 and March 28, 2011.

3. Audit Committee

The terms of reference stipulated by the Board to the Audit Committee are, as contained under Clause 49 of the Listing Agreement, as follows:

a. To oversee financial reporting and disclosure process.

b. To recommend the appointment and removal of statutory auditors and decide their remuneration.

c. To review financial results and statements, before submission to the Board, focus primarily on-
- Any change in accounting policies and practices.
- Major accounting entries, based on exercise of judgment by the Management.
- Qualifications in the draft audit report.
- Significant adjustments arising out of the audit.
- Going Concern assumption.
- Compliance with Accounting Standards.
- Compliance with Stock Exchange and legal requirements concerning financial statements.
- Any related party transactions i.e. transactions of the Company of a material nature, with Promoters or the Management, their subsidiaries or relatives, etc. that may have potential conflict with larger interests of the Company.

d. To oversee adequacy of internal control systems.

e. Reviewing adequacy of internal audit function, coverage and frequency of internal audit report.

f. Discussion with internal and concurrent auditors on any significant findings in their reports and follow up thereon.

g. Discussion with external auditors before audit commences, as regards nature and scope of audit, as well as having post audit discussions to ascertain any areas of concern.

h. Reviewing the Company's financial and risk management policies.

During the year, the Committee has met five times on April 27, 2010, June 14, 2010, July 28, 2010, October 20, 2010 and February 5, 2011.

The Board of the Company has reconstituted the Audit Committee, comprising of Mr. B. Srinivasa Rao, Mr. Sarvesh Kumar Goorha and Mr. Alexander Walter Schweickhardt which meets with the requirements under Section 292A of the Companies Act, 1956. Mr. B. Srinivasa Rao is the Chairman of Audit Committee.