39th
ANNUAL REPORT
2011-12

GARG FURNACE LIMITED

MANAGEMENT

BOARD OF DIRECTORS

CHAIRMAN & M.D. (PROMOTER)	:-	Sh. Devinder Garg
WHOLE TIME DIRECTOR	:-	Smt. Vaneera Garg
	:-	Sh. Toshak Garg
DIRECTOR (INDEPENDENT)	:-	Sh. Yogi Raj Aggarwal
	:-	Sh. Steven Soni
	:-	Sh. Pawan Kumar Garg
	:-	Sh. Sushil Singla
	:-	Sh. Vivek Kaushal
AUDITOR	:-	M/s. Dass Khanna & Co. B-XX, 2815, Ist Floor, Gurdev Nagar, Pakhowal Road, LUDHIANA - 141 001.
COST AUDITOR	:-	Meenu & Associates H. No. S-200, Basant Vihar Colony, Noorwala Road, LUDHIANA.
BANKERS	:-	Punjab & Sind Bank Sabun Bazar, LUDHIANA.
REGISTERED OFFICE & WORK	:-	Kanganwal Road, Near Old Octroi Post Ambala Side, V.P.O. Jugiana, G. T. Road, LUDHIANA - 141 120.

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NOTICE

Notice is hereby given that the 39th Annual General Meeting of the members of the Company would be held on Saturday,the 29th day of September, 2012 at 9:30 A.M. at the Registered office at Kanganwal Road V.P.O. Jugiana G T. Road, Ludhiana-**141120** to transact the following business: -

ORDINARY BUSINESSES

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Profit & Loss Statement for the year ended on that date together with reports of Directors and Auditors thereon.

2. To appoint a director in place of Sh. Pawan Kumar, who retires by rotation and being eligible offers himself for re-appointment

3 To appoint a director in place of Sh. Stevon Soni, who retires by rotation and being eligible offers himself for re-appointment.

4. To appoint a director in place of Sh. Sushil Singla , who retires by rotation and being eligible offers himself for re-appointment.

5. To appoint auditors and to fix their remunerations M/s Dass Khanna & Co., Chartered Accountants Ludhiana, who retires on the conclusion of this meeting being eligible for reappointment.

SPECIAL BUSINESSES

6. 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 198. 269. 309. 311.Schedule XIII and other applicable provisions, if any, of the Companies Act 1956, the consent of the company be and is hereby accorded to the increased salary of Sh. Toshak Garg Joint. Managing Director of the company w.e.f 01-10-2011 of Rs.60000 P.M , for his remaining tenure, who was appointed by the members for a period of 3 years w.e.f. 01-09-2011.

RESOLVED FURTHER THAT revised Salary paid from 01/10/2011 till the date of approval by the members of the company to Sh. Toshak Garg be and is hereby ratified and approved

RESOLVED FURTHER THAT the rest of terms and condition for the appointment of Sh. Toshak Garg as Joint Managing Director shall remain same as detailed hereunder:-

1. Salary : Rs. 60000/- per month (Rupees Sixty Thousand Only)
2 Commission : NIL
3. Perquisites : The following perquisites will be allowed in addition to salary subject to a maximum of Rs. 50,000/- P.a.

i) Medical re-imbursement for self and the family subject to a ceiling of one month salary in a year or three months salary over a period of three years.
ii) Leave Travel Concession for self, spouse, dependant children and dependant parents once in a year to and from any place in India, subject to the condition that only actual fare and no hotel expenses will be allowed.
iii) Provident fund Contribution as per the Law
iv) Personal Accident Insurance: Premium not to exceed Rs. '10,000/- per annum.
vi) Gratuity payment shall not exceed half a month's salary for each completed year of service subject to a ceiling of Rs. 10,00,000/-.
FURTHER:

* No sitting fees will be paid for attending the meeting of Board of Directors or Committee thereof.
* In case of absence or inadequacy of profits in any financial year during the remaining period of his tenure, minimum remuneration as per Section –II of Part - II of Schedule XIII will be paid.
* Use of car for Company's business and telephone at residence for Company's business will be provided and personal long distance call and use of car for private purposes shall be billed by the Company to Jt. Managing Director.

7. 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 149(2A) of the Companies Act, 1956, the consent of the members of the company be and is hereby accorded to carry on the business activities as covered under the Other Objects Clause No. III C (37) of the memorandum of association of the company and the Board of directors of the company be and is hereby authorized to take all such effective steps to implement the decision of the members of the company as they may consider appropriate in the interest of the company and to do all such acts, deeds and things from time to time .

For and on behalf of the Board

SD/-
Devinder Garg
Managing Director

Place: LUDHIANA
Date : 31/08/2012

NOTES:

1. A member entitled to attend and vote at the meeting, is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the company. In order the Proxies are effective it should be deposited with registered office of the company not less then forty eight hours before the time of the meeting.

2 The information pursuant to Corporate Governance clause of listing agreement(s) regarding the directors seeking appointment/ reappointment in Annual General Meeting as proposed in item no. 2, 3, 4, & 6, is also given hereunder and is part of this Notice.

3. The Register of Members and Share Transfer Register of the Company will remain closed from 28th September, 2012 to 29th September, 2012 (both days inclusive)

4. Members seeking any information with regard to Annual accounts at the time of meeting are requested to send their queries to the Company at least 7 days before the date of Meeting so as to enable the management to keep the relevant information ready.

5 Members are requested to bring the copy of Annual Report alongwith them at the meeting.

6 Members are requested to notify immediately any change in their address & Email Address to the company/RTA.

7. Green initiative in Corporate Governance to receive documents through e-mail by registering your e-mail address: The Ministry of Corporate Affairs (MCA) has taken a "Green initiative in the Corporate Governance" by providing an opportunity to the shareholders to register their e-mail address with the Company and changes therein from time to time. The Company will send notices/documents such as Annual Reports and notices by e-mail to the shareholders registering their e-mail address. To support this laudable move of the Government, the members who have not registered their e-mail address, so far, are requested to do so at the earliest, in respect of demat holding through the respective Depository Participant (DP) and in respect of physical holding through the Registrars and Transfer Agents, While every notice/document will be sent through e-mail address registered with the Company, in case you desire to receive any notice/document in physical form, please intimate by e-mail and the same shall be sent to your address registered with the Company/D.P. We solicit your patronage and support in joining hands with the Company to implement the e-governance initiative.

For and on behalf of the Board

SD/-
Devinder Garg
Managing Director

Place: LUDHIANA
Date : 31-08-2012

EXPLANATORY STATEMENT FOR ITEM NO. 6 to 7 PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM No. 6:

The Board of Directors of the company in its meeting held on 03/10/2011 has increased the remuneration of Sh. Toshak Garg JT. Managing Director from Rs.30000.00 to Rs.60000.00 & other terms and conditions mentioned in the resolution as recommended by the remuneration Committee in their meeting held on said date, An abstract of revised terms and conditions in terms of section 302 of the Act was sent to the members immediately thereafter. The revised remuneration of Sh. Toshak Garg w.e.f 01/10/2011 and change of his designation from whole time director to Jt. Managing director is subject to approval of members. Accordingly your approval is solicited.

Except Smt. Vaneera Garg, and Sh. Devinder Garg being relative of Sh. Toshak Garg none of the other Directors is concerned or interested in the resolution.

ITEM No. 7

The Board of Directors of the company in its meeting held on 03/10/2011 was proposed to adopt the new line of business as mentioned in the clause III C (37) of other object clause of Memorandum of Association of the Company as given under:

"To Manufacture and deal in all chemical products such as coal coulter products and their intermediates, dyes, drugs, medicines and pharmaceuticals petroleum and its products ,and derivatives, paints, pigments and varnishes, explosives and ammunitions ,vegetable oil, their products and derivatives, all types of heavy chemicals such as sulphuric and other acids, caustic sauda ash, all types of textile chemicals and sizing and finishing materials, photographic chemicals, clay and boards, including straw boards glycerine and allied products, all industrial and pharmaceutical, organic and inorganic chemicals,fertilizers,pesticides,manures,fungicides and allied products, fats waxes and their products,hides,skins and their leather."

with the existing activities of the Company as business of Dyes & Chemicals has good potential in the industries of Ludhiana/Punjab.

Pursuant to section 149(2A) of the Companies Act 1956, approval of members is require in this regard. Accordingly your approval is solicited.

None of the Directors is concerned or interested in the resolution.

For and on behalf of the Board

Place: LUDHIANA
Date : 31/08/2012

SD/-
Devinder Garg
Managing Director

Information pursuant to Corporate Governance clause of listing agreement(s) regarding the directors' new appointment, seeking re-appointment in AGM.

Name of the Director	Sh.Pawan Garg	Sh.Sushil Singla	Sh Stevon Soni, Aggarwal	Sh. Toshak Garg
Date of Birth	25/01/1960	14/10/1962	08/10/1967	17/11/1990
Date of Appointment	30/07/2011	11/05/2011	30/07/2011	30/07/2011
Qualification	BE	CA	LLB	B-Tech
Expertise in Specific Area	Industrial and Business experience of about 22 yrs in iron & Steel Industry.	Practicing Chartered Accountant Since 1985	Advocate in Distt Court Ludhiana Since 1989	NIL
Directorship in other Companies	Nil	-SHIVA TEXFABS LIMITED -BHAWANI INDUSTRIES LIMITED -YOGINDERA WORSTED LIMITED -SHIVA SPECIALITY YARNS LIMITED -HIMACHAL FIBRES LIMITED	Nil	Vaaneera Steels Ltd
Chairman/Member of committees of other Companies	Nil	-	Nil	Nil

DIRECTORS' REPORT

The Members of
Garg Furnace Limited

The Directors of your company have pleasure in presenting the 39th Annual Report on the affair of the company together with the Audited Accounts for the year ending 31st March, 2012.

1. **FINANCIAL RESULTS**

	(Rupees in Lacs) 2011-12	2010-11
Operating Income	20809.00	18692.00
Profit before depreciation, Interest & tax	785.26	418.24
Interest & Financial Expenses	456.76	147.89
Profit before depreciation & tax	328.50	270.35
Depreciation	105.93	80.83
Profit before tax	222.57	189.51
Provision for tax -Current Tax	0.00	61.20
-Deferred Tax Liability	56.94	4.97
Profit after Tax	165.63	123.34
Prior year Tax adjustments	(2.77)	0.00
Balance brought forward	150.31	156.97
	313.17	280.31
APPROPRIATIONS		
Transfer to General Reserve	150.00	130.00
Balance carried over to Balance Sheet	163.17	150.31
	313.17	280.31

2. **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

A) **BUSINESS REVIEW:**

STEEL INDUSTRY – GLOBAL PERSPECTIVE

Globally, the Steel Industry is witnessing revolutionary changes due to fierce competitive pressures on performance, productivity, price reduction and customer satisfaction. Trade in steel products of different grades and specialty has been on an upswing with increase in production facilities coupled with technological innovations in both the developed and developing Countries.

However Sagging prices in the backdrop of economic slowdown have spelt turmoil in the steel industry, the world over. The future is uncertain, but challenging and holds great promise if right steps are taken because of inherent qualities of steel.

INDIAN OUTLOOK

India is among top producers of all forms of steel in the world and is one of the fast growing markets for steel. The Indian Steel industry comprises of the producers of finished steel, Semi-finished steel, stainless steel and pig iron. The total demand for steel in FY 2011-12 grew to 65.2 MT against 46.8 MT in fy 07.the demand expanded at a CAGR of 8.6 per cent over a period from FY 07-11.The future growth of Indian Steel Industry will largely depend upon the Government measures of injecting funds in various industries such as construction, infrastructure,automobile and power to boost economic growth.

COMPANY'S BUSINESS STRATEGY

The company is in process of upgradation of its furnace and casting division with an requisite amount of investment. With this upgrdation project, the company will be able to improve the quality, reduce cost and improve customer satisfaction by reducing change over time as well as adding to the product range .To part finance this project the company has applied for finance with Banker, which is under process. the 66KV Sub Station which was under implementation during previous year has come in operation, it has enabled to reduce the power cost sustaintially.Further Mig Wire plant which was also under process during previous year has also started production in current year. The product of the MIG WIRE plant has been well received in the market. We have also established our Welding product under registered trade mark "TOSHAK G" and further we are exploring market for the product all over INDIA.

COMPANY'S FUTURE OUTLOOK

As the country is witnessing the slowdown in growth, the steel industry has slowed down. This is having a serious impact on business sentiments for steel industry, as a result this year the volume will be under stress and also margins. In addition there will be plants shutdown which has to be taken for project. This will have an impact even on margins; the company hopes to recover its performance from the year 2013-14 onwards.

B) PRODUCTION AND SALES REVIEW

During the year under review, the company has produced 39884.453 Metric tons of Steel products. The operating receipts of the company has increased to 208 Crores from 186 Crores in the previous year.

C) INTERNAL CONTROL & SYSTEMS

The company has adequate internal control procedures commensurate with its size and nature of its business. These internal policies ensure efficient use and Protection of assets and resources. Compliance with policies, ensure reliability of financial and operational reports.

D) RISK AND CONCERNS

The Steel Industry witnesses Cyclical price movements. The fortunes of the industry move up and down in time with the market trend of prices. This phenomenon has become more uncertain and unpredictable with the increased integration of domestic and global markets. The company has taken the cost cutting initiatives, enriching the product mix and strengthened its marketing to cope with the business trend.

E) HUMAN RESOURCE DEVELOPMENT/INDUSTRIAL RELATION

During the year, the company has employed 100 persons. The Industrial Relations remain cordial during the year. The company is continuing its fforts for improvement in the work culture wherein employees can contribute to their fullest potential. The management acknowledges the contribution of all employees in achieving better performance.

DIVIDEND

The Board of Directors do not recommend payment of dividend for the year under review.

LISTING

The company's equity shares are listed at Ludhiana Stock Exchange Association Limited, Feroze Gandhi Market, Ludhiana, The Delhi Stock Exchange Association Limited, DSE House, 3/1, Asaf Ali Road, New Delhi & The Stock Exchange Mumbai, Dalal Street, Mumbai. The listing fee dues of the Stock Exchanges have been paid up to the financial year under review.

DEMATERIALISATION

All activities relating to Company's listed securities (Physical & in Demat form) are being undertaken by M/s Skyline Financial Services Private Limited w.e.f 01.04.2003. The Address & Contact Nos. are:

M/s Skyline Financial Services Pvt Ltd,
246, 1st Floor, Sant Nagar,
East of Kailash, NEW DELHI- 110064.
TEL: 26292682, 26292683
FAX: 26292681
Email-admin@skylinerta.com

The members are advised to send their shares to R.T.A.

DIRECTORS

Sh. Sanjiv Garg has resigned w.e.f 03.10.2011 from the board of directors of the company, the office of Sh. J.C Garg Chairman and Managing Director of the Company has vacated due to sad demise of Sh. J.C Garg on 18/01/2012. The board places on record their sincere appreciation for the valuable services rendered by outgoing directors. Sh. Sushil Singla, Sh. Pawan Garg, Sh. Steven Soni retire by rotation and being eligible have offered themselves for re-appointment.

In term of clause 49 of the listing Agreement with the stock Exchange, the details of directors to be appointed/re-appointed are mentioned in the accompanying Notice of the forthcoming Annual General Meeting.

DIRECTOR'S RESPONSIBILITY STATEMENT

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

i). That in the preparation of annual accounts, the applicable accounting standard have been followed and wherever required proper explanations relating to material departures have been given.

ii). That appropriate accounting policies have been selected and applied consistently and the judgments and estimates made 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 as at 31.03.2012 and of the profits of the company for the year ended 31.03.2012.

iii). That proper and sufficient care has been taken 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.

iv). That annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE

The company has put in place a system of Corporate Governance. A Separate report on Corporate Governance forming part of the Annual Report is annexed hereto. A Certificate from the Auditors of the company regarding compliance of conditions of Corporate Governance as stipulated under The Corporate Governance clause of the Listing Agreement is annexed to the report on Corporate Governance.

AUDITORS

M/s Dass Khanna & Co. Chartered Accountants, Ludhiana retires at the conclusion of ensuing Annual General Meeting. They have indicated their willingness to accept reappointment and have further confirmed their eligibility u/s 224(1B) of the Companies Act, 1956.

The Auditor's Report is self explanatory and therefore do not call for any further comments.

COST AUDITORS

The Board of Directors has appointed M/s Meenu & Associates, Cost Accountants, Ludhiana as the Cost Auditors of the Company for the year 2012-13.The approval of the Central Government in this regard has also been received. The Cost Auditors Report will be sent to the Central Government as required under law.

FIXED DEPOSITS

During the year under review the company has neither accepted nor intend to accept any public deposit within the provisions of section 58-A of the Companies Act, 1956 and rules made thereunder. There are no outstanding / unclaimed deposit from the public.

INDUSTRIAL RELATIONS

The Industrial relations remained cordial through out the year and have resulted in sustained growth of the company.

PARTICULARS OF EMPLOYESS

Information pertaining to employees pursuant to section 217 (2A) of the Companies Act, 1956 is nil.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

The information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo as required under Section 217 (1)(e) of The Companies Act, 1956 read with Companies (Disclosure of Particulars in the report of Directors) Ruies 1988 is annexed and forms part of this report.

ACKNOWLEDGEMENT

The Directors wish to extend their sincere thanks to the Punjab & Sind Bank, Punjab State Power Corporation Limited, Container Corporation of India, other State & Central Government Agencies, Suppliers and Customers for their continued support and co-operation.

The Directors also wish to place on record their deep appreciation for the services rendered by the workers & staff at all levels.

For and on behalf of the Board

SD/-
Devinder Garg
Chairman & Managing Director

Place: LUDHIANA
Date : 31/08/2012

Information 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 and forming part of the Director's Report for the year ended 31st March, 2012.

I. CONSERVATION OF ENERGY

a) Energy conservation measures : The company has always been conscious of the need to conserve energy and has always attempted various measures for the same wherever possible to achieve reduction in cost of production. The company has taken various measures on suggestions of experts in the areas where energy reduction and fuel & oil conservation is possible.

b) Additional Investment and proposals if any, being implemented for reduction of energy consumption. : No.

c) Impact of Measures taken at (a) above for reduction of energy consumption and consequent impact on the cost of production of goods. : 5% Saving in Energy consumption.

d) Total energy consumption per unit of production as per form A of the annexure to the rules in respect of industries specified in schedule thereto.

A. **POWER & FUEL CONSUMPTION**

		Current Year	Previous Year
1.	Electricity		
	a) Purchased		
	Units(KWH)(inUnits)	19868331	19868240
	Total amount	Rs. 113758626.28	Rs.100400261.00
	Rate per unit	Rs. 5.72	Rs. 5.05
	b) Own Generation		
i)	Through Diesel Generator		
	Units (KWH)	24100	21850
	Units per litre of diesel	3.80	3.80
	Oil Cost/unit	Rs. 10.78	Rs. 9.73
	ii) Through steam Turbine	Nil	Nil
2. Furnace Oil			
	Quantity (Ltrs)	762520	1428865
	Total Amount	Rs. 26675705.00	Rs. 36686542.00
	Average Rate per Ltr.	Rs. 34.98	Rs. 25.67
3. Coal			
	Quantity (Kgs)	684019	Nil
	Total Amount	Rs. 8481831.00	Nil
	Average Rate per Kg	Rs. 12.40	Nil

B. **CONSUMPTION PER UNIT OF PRODUCTION**

	Products	Current Year	Previous Year
Electricity (KWH)	Steel Ingots, Rounds, Costings/Wire Rod	**499 Units(*)**	512 Units(*)
Furnace Oil	Rounds/Castings/Wire Rod	**56 Ltrs.**	68 Ltrs.
Coal	Rounds/Castings/Wire Rod	**78 Kgs**	Nil

(*) Consumption for separate products is not feasible.

II. **TECHNOLOGY ABSORPTION**

Efforts made in technology absorption are as under:

A. Research and Development (R&D) Nil

B. Technology absorption, adoption and innovation Nil

The manufacturing process is based on the indigenous know-how. We are adopting water cooling system with heat exchanger and colloid-A-Tran equipment for improvement in the working of the plant.

III. **FOREIGN EXCHANGE EARNING AND OUT GO**

	2011-2012	2010-2011
Total Foreign Exchange earned	NIL	1497481.00
Used (CIF Value of Imports)	**Rs.24,75,28,184.24**	Rs.11,44,42,278.41

CORPORATE GOVERNANCE REPORT

1. **COMPANY'S PHILOSOPHY**

The company believes in and practices good corporate Governance. The company's essential character is shaped by the very values of transparency, professionalism and accountability. The company continuously endeavours to improve on these aspects on an ongoing basis.

2. **BOARD OF DIRECTORS**

The Board of Directors consists of 8 directors. The composition and category of Directors as on 31/03/2012 are as follows:-

Category	Name of Directors	
Promoter/Executive Directors	Sh.Devinder Garg	- Chairman & Managing Director
	Sh.Toshak Garg	- Whole time Director
	Smt.Vaneera Garg	- Whole time Director
Independent/Non-Executive Directors	Sh.Sushil Singla	
	Sh.Pawan Kumar	
	Sh.Stevon Soni	
	Sh.Yogi Raj Aggarwal	
	Sh.Vivek Kaushal	
Nominee/Institutional Directors	Nil	

Attendance of each director at the Board Meeting, last Annual General Meeting and number of other directorship and chairmanship/Membership of Committee of each Director in various companies

Name of Director	Attendance Particulars		No. of other directorships and Committee membership/Chairman-		
	Board Meeting	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
Sh.Davinder Garg	7	--	3	1	None
Smt.Vaneera Garg	7	--	3	1	None
Sh.Sushil Singla*	6	Present	5	2	2
Sh.Toshak Garg*	6	--	1	None	None
Sh.Pawan Kumar*	6	--	None	2	None
Sh.Stevon Soni*	6	--	None	None	None
Sh.Yogi Raj Aggarwal *	6	Present	None	2	1
Sh Vivek Kaushal	6	--	None	2	None
Sh.Ashwani Kumar Aggarwal#	1	--	None	None	None
Sh.Ashwani Kumar#	1	--	9	None	None
Sh.Arun Kumar Singh#	1	--	None	None	None
Sh.Jagdish Chand Garg#	0	--	0	None	None
Sh.Sanjiv Garg#	0	--	2	None	None

* Sh.Toshak Garg, Sh.Pawan Kumar, Sh.Stevon Soni, Sh.Yogi Raj Aggarwal become directors of the company w.e.f 30/07/2011
* Sh.Sushil Singla become director of the company w.e.f 11/05/2011
# Sh.Sanjeev Garg resigned from directorship w.e.f 03.10.2011
# Sh.Jagdish Chand Garg ceased to be a director of the Company w.e.f 18/01/2012
# Sh.Ashwani Kumar resigned w.e.f 04/05/2011 Sh.Arun Kumar Singh & Sh.Ashwani Kumar Aggarwal resigned w.e.f 01/05/2011

During the year, 7 Board Meetings were held as against the minimum requirement of 4 meetings. The dates on which the meetings were held are: 30/04/2011, 11/05/2011, 30/07/2011, 29/08/2011, 03/10/2011, 14/11/2011 and 14/02/2012

3. **AUDIT COMMITTEE**

The Audit Committee comprises of three independent, Non Executive Directors viz Sh. Ashwani Kumar Chairman, Sh Arun Kumar Singh & Sh Vivek Kaushal till 30/04/2011. After resignation of Sh. Ashwani Kumar Chairman, Sh Arun Kumar Singh the Audit Committee was reconstituted on 30/07/2011 with four independent, Non Executive Directors Sh.Sushil Singla Chairman, Sh. Vivek Kaushal, Sh. Pawan Garg & Sh. Yogi Raj Aggarwal. The terms of reference of the Audit Committee are as contained in Corporate Governance Clause of the listing agreement. The Audit Committee met five times during the year. The dates on which meeting were held are 30/04/2011, 30/07/2011,29/08/2011, 14/11/2011, 14/02/2012
. All the members of the Audit Committee have attended all the meetings.