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**BOARD OF DIRECTORS**

MR. ANIL T. PATEL	-	<i>DIRECTOR</i>
MR. MANIBHAI V. PATEL	-	<i>DIRECTOR</i>
MR. AJITKUMAR T. PATEL	-	<i>DIRECTOR</i>
MR. ASIT A. PATEL	-	<i>MANAGING DIRECTOR</i>
MR. ANAND A. PATEL	-	<i>EXECUTIVE DIRECTOR</i>
DR. N. V. VASANI	-	<i>INDEPENDENT DIRECTOR</i>
DR. N. T. PATEL	-	<i>INDEPENDENT DIRECTOR</i>
MR. R. C. GOSAIN	-	<i>INDEPENDENT DIRECTOR</i>

**COMPANY SECRETARY**

SURESH S. SHAH

**STATUTORY AUDITORS**

ARVIND A. THAKKAR & CO.,  
Chartered Accountants,  
Ahmedabad

**BANKERS**

STATE BANK OF INDIA

**REGISTERED OFFICE**

Ditasan, Post Jagudan,  
State Highway,  
Mehsana - 382 710 (North Gujarat)

**CORPORATE OFFICE**

“Apollo House”,  
Near Mithakhali Six Roads,  
Navrangpura,  
Ahmedabad - 380 009.

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**NOTICE**

**NOTICE** is hereby given that the **TWENTY THIRD ANNUAL GENERAL MEETING** of the members of Gujarat Apollo Industries Limited will be held on Friday, the 24<sup>th</sup> of September, 2010 at 11.30 A.M at the Registered office of the Company at Ditasan, Post Jagudan, State Highway, Mehsana – 382710 ( N.G.) to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt Audited Balance Sheet as at 31<sup>st</sup> March, 2010 and Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Anil T. Patel, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Manibhai V. Patel, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

**SPECIAL BUSINESS:**

6. 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 Section 198, 269, 309, 349 and any other applicable provisions if any and Schedule XIII of the Companies Act, 1956 and subject to approval of the shareholders and any other approval as may be required, Mr. Ajit T. Patel be and is hereby appointed as Whole-time Director of the Company on such terms and conditions as mentioned below:

Tenure of Appointment : Three Years w.e.f. 1<sup>st</sup> August, 2010

Commission : 1% (as computed u/s 198, 309 and 349 of the Companies Act, 1956)

**Perquisites:** In addition to the above, he shall also be entitled to perquisites like Medical Reimbursement and Hospitalization Expenses as may be applicable as per the rules of the Company from time to time.

**RESOLVED FURTHER THAT** the board of directors of the company be and is hereby authorized to do all such acts, deeds matters and things as in its absolute

discretion, may consider necessary, expedient or desirable and to vary, modify the terms and conditions and to settle any question or doubt that may arise in relation thereto and to decide the breakup of the remuneration within the above said maximum permissible limit.

**By order of the Board of Directors**

Place : Ditasan, Mehsana

SURESH S. SHAH

Dated : 30th July, 2010

Company Secretary

**NOTES:**

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of business under Item No. 6 of the Notice is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLE INSTEAD OF HIMSELF AND SUCH 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 LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
3. The Register of Members and Share Transfer Book of the company will remain closed from 18<sup>th</sup> September 2010 to 25<sup>th</sup> September 2010.
4. Dividend, when declared, shall be paid to those members whose names appear on the Register of Members of the Company as on 17<sup>th</sup> September, 2010.
5. Pursuant to Section 205 – A read with Section 205C of the Companies Act, 1956, the Company is required to transfer the dividends declared for the Financial Year ended 2003 and onwards, which remains unpaid or unclaimed for a period of seven years to the Investors Education and Protection Fund. It may be noted that no claims will lie against the Company or the investors Education and Protection Fund in respect of the said unclaimed dividend amount transferred to the Fund. The members who have not claimed their dividend for the financial year ended 31<sup>st</sup> March 2003 and onwards are requested to lodge their claim with the Company.

6. Members are requested to notify immediately the change in address, if any, to the Company.
7. As an austerity measure, the copies of Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copy to the meeting.
8. The shares of the Company are listed at Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

#### EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

##### Item No. 6

Mr. Ajit Patel, was appointed as a Director of the company since 1<sup>st</sup> April, 2001. Since then there has been a considerable contribution made by him for the growth of the company.

The Board of Directors at their meeting held on 30<sup>th</sup> July, 2010, on recommendation made by remuneration

committee, has approved the proposal to appoint him as a Whole-time Director of the company w.e.f. 1<sup>st</sup> August, 2010 subject to such approval as may be required.

Pursuant to provisions of Section 269 read with Schedule XIII of the Companies Act, 1956 the approval of the members is required to be obtained for appointment of Whole-time Director. The Board recommends the resolution for approval of members.

You are requested to accord your approval to the appointment of Mr. Ajitbhai T. Patel as per resolution set out at item No. 6 of the accompanying notice.

None of the Directors except Mr. Ajitbhai T. Patel and Mr. Anilbhai Patel are interested or concerned in the above resolution.

**By order of the Board of Directors**

Place : Ditasan, Mehsana

Dated : 30<sup>th</sup> July, 2010

SURESH S. SHAH

*Company Secretary*

**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting the Twenty Third Annual Report for the year ended 31<sup>st</sup> March, 2010.

**FINANCIAL PERFORMANCE**

	(Rupees in Lacs)	
	<b>Current Year 2009-10</b>	<b>Previous Year 2008-09</b>
Sales (Net of Excise) and Other Income	20500.50	16990.71
Profit before Interest, Depreciation and Taxes	4484.11	3565.70
Less : Interest	126.85	146.79
Depreciation	214.39	182.77
Provision for Taxation	1345.00	1050.00
Deferred tax Liability	104.45	03.97
Fringe Benefit Tax	00.00	20.00
Net Profit	2693.41	2162.16
Add : Profit & Loss Account Balance B/F	1106.48	1312.86
Amount available for proposed appropriations	<b>3799.90</b>	<b>3475.02</b>
Proposed Dividend	414.37	315.00
Transfer to General Reserve	1500.00	2000.00
Provision for Tax on Dividend	70.42	53.53
Balance carried to Balance Sheet	<u>1815.10</u>	<u>1106.48</u>

**OPERATIONAL REVIEW**

During the year under review, the Company achieved a turnover of Rs. 201.69 crores against Rs. 167.10 crores in the previous year registering a growth of 20.70 %. EBITDA at Rs. 44.84 crores (Previous year Rs. 35.65 crores) is higher by 25.78 %. After considering the interest charges of Rs. 1.27 crores, depreciation of Rs. 2.14 crores, provision for taxation of Rs. 13.45 crores, the Company has earned a net profit of Rs. 26.93 crores as compared to Profit of Rs. 21.62 Crores in the previous year.

**DIVIDEND**

Your Directors are pleased to recommend a dividend of Rs. 2.50/- per share on Equity Shares of the company aggregating to Rs. 414.38 Lacs on 1,65,75,000 Equity shares of the company. The dividend will be payable to the members, whose names appear on the register of members on 17<sup>th</sup> September, 2010.

**MANAGEMENT REVIEW:****Industry structure and development**

The road construction equipment industry in India can be broadly classified into two categories:

- High technology equipment like Batch type asphalt plant and Sensor pavers
- Medium / low technology equipment like Drum type asphalt plant, Wet mix mecadam plant and Mechanical pavers.

The competition in (a) is with foreign players and in that of (b) it is with local players.

The major development in the road construction industry is the entry of high level Indian corporate bodies and several construction majors in the world. Thanks to the positive government policies, the road construction industry in India is poised for a good sustainable growth.

**Products:**

All the products manufactured and sold by the company and its subsidiaries can be generally classified into two major categories. The first is mobile construction machinery such as paver finishers of all types and sizes and bitumen pressure distributors. The second one being industrial plants such as batch mix plants, drum mix plants, wet mix plant and crushing and screening plants. During the year, company has undertaken a comprehensive operational restructuring. Under this exercise, manufacturing of all the products under industrial plants are consolidated at Gujarat Apollo Industries Ltd., manufacturing of mobile construction machinery is now being done by Apollo Earthmovers Ltd., and its subsidiary Apollo Industrial Products Ltd., This restructuring is bound to prove very useful in dealing with different industry challenges and dynamics.

During the year, company has formed a wholly owned subsidiary Apollo Maschinenbau GmbH at Germany. This company is initially focusing on the crushing and screening products. With this subsidiary, company intends to create a base for catering into the eastern European countries.

The crushing and mineral processing range of equipment launched in 08-09 has found satisfactory acceptance with the customers in India. This product line contributed 700 Lacs to the company's revenue. The 9 and 6 meter width sensor pavers introduced in 2009-10 is also gaining market acceptance. With this product line, the company expects to increase its market share appreciably in this market segment.

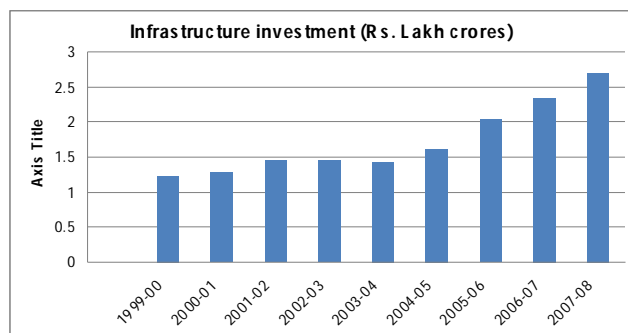
## The year that was and the future outlook

The overall economic conditions in India improved in Financial Year 2009-10 with the GDP growth of 7.4% which was more than the projected growth of 6.7%. In the first half of 2009-10, the global economy was slowly getting out of the recession and the consequent economic slow down. India did reasonably well in this period. Availability of project finance, which was a major constraint for the customers in 2008-09, was better. The overall scenario, while cannot be termed as picture perfect, was definitely far better than 2008-09. The improvement on the economic front in India continued in the second half of 2009-10 as well.

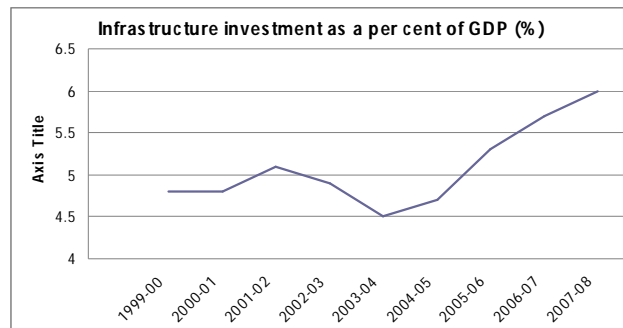
With specific reference to our industry, increase in the percentage of Viability Gap Funding (VGF) has made the Build Operate & Transfer (BOT) business model attractive and sustainable to the contractors. This resulted in good participation of contractors in the tenders floated by NHAI and other Government departments. NHAI did award about 65% of the target contracts during 2009-10. The economic condition in the overseas markets, however, did not improve as well as anticipated. In many countries, obtaining finance for purchase of equipment continued to be an extremely difficult task. Overall, it is estimated that the market for road construction machinery which shrunk by about 20-25% in Financial Year 2008-09, had recovered to the levels of Financial Year 2007-08, in the year under review. Given this, the company's overall performance in Financial Year 2009-10 can be termed satisfactory.

The thrust on export business continued in Financial Year 2009-10 with a revenue of Rs. 40.09 crores, including deemed exports, contributing to 19.88 % of total turnover (Previous Year 24%) In Financial Year 2009-10, the company achieved break through in Libya, Angola and Egypt.

Hon'ble Minister of Road Transport is continuing with his thrust on road sector and in Financial Year 2010-11, contracts for 24000 kms. of road is expected to be awarded. With this kind of commitment from the central and various state governments, combined with the steady progress of PMGSY, the road construction equipment industry is expected to grow by 15-20% in Financial Year 2010-11.

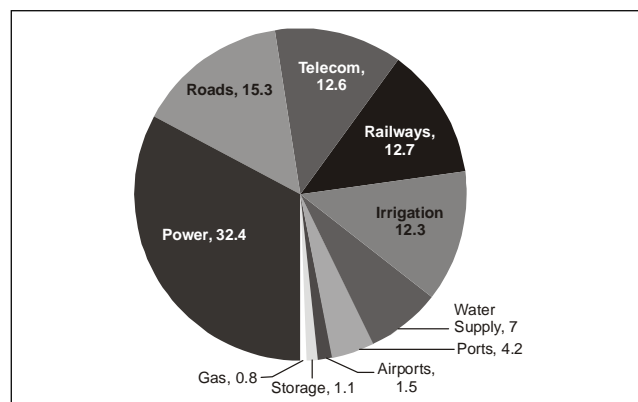


Source : Planning Commission Report



Source : Planning Commission Report

## 11th Plan Infrastructure Outlay-Sector Share (%)



More and more new players, both from India and abroad are entering the road construction industry which is a good sign for the industry. Estimates indicate that the economic conditions will continue to be on the upswing. The public sector banks who are now active players in financing road projects are sitting on large amounts of funds; hence project finance availability will not be a constraint.

On the domestic front, the company has strengthened the new branches opened at Kolkata and Guwahati by commencing the stocking and sale of spare parts to cater to the needs of eastern and north eastern regions. In 2010-11, the company expects to put in place similar arrangements in Patna and Raipur. The latest addition is Chandigarh branch, to cater Punjab/Haryana & HP. This pan India presence gives the company the requisite competitive edge.

Exports will continue to be a thrust area. In 2010-11, apart from existing markets, the company will focus on South Africa, New Zealand and South America. In the international markets, five new dealers have been appointed, taking the total number to eight.

## Risk, concerns and action plan

The major strength of the industry is Government of India emphasis on road development. The revenues are totally depended on the pace of investment by the Government in the road construction segment.

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All the competitors from abroad are highly focussed in Indian market given the plateau / negative growth in their own markets. The competition is intense. This is likely put pressure on profit margins.

The company perceives possible competition from China and shift of preference to used equipment as sources of concern.

The company has been meticulously following the value engineering philosophy. This has helped the company in offering the products and services at competitive prices without hurting the bottom line.

The pan India presence combined with competitive spare part prices result in a low product life cycle cost of Apollo equipment.

The company is putting in place a world renowned Customer Relationship Management system which would take the market intelligence and customer support to the next level.

### Internal control systems

The company works in a SAP environment, which covers all the activities related to manufacturing of equipment and spare parts. The branch operations are totally system driven with the requisite checks and balances. The company has its own internal audit team and has also engaged the services of Deloitte as Internal Auditors.

### Human Resource

Over the years, the company has invested very highly on its human resources. All the operations of the company are run by professionals with the right qualifications and experience. Training for enhancement of skills is an ongoing exercise.

### DEPOSITS

During the year under review, the Company has accepted/ renewed deposit from public/ shareholders within the provisions of Section 58A of the Companies Act., 1956 as amended and rules made there under. The company has complied with the provisions of the relevant Rules. There is no overdue deposit as on 31<sup>st</sup> March, 2010.

### CONSOLIDATED ACCOUNTS

The audited consolidated financial statements received from subsidiaries as approved by their respective Board of Directors have been prepared in accordance with Accounting Standards:- 21 ( AS – 21 ) on the Accounting for investment in Associates.

### SUBSIDIARY COMPANIES

As required under section 212 of the Company's Act, 1956, a statement of the holding company's interest in the

Subsidiary companies is attached as "Annexure" and forms a part of this report. In the terms of approval granted by the Central Government under the provisions of Section 212(8) of the Companies Act, 1956, copies of Balance Sheet, Profit and Loss Account, Report of Board of Directors and the Report of the Auditors of the subsidiary companies have not been attached with the Annual Accounts of the Company. However, company has not sought exemption for attaching copy of Balance Sheet, Profit and Loss Account in respect of Apollo Maschinenbau GmbH, and therefore, same is attached with this Annual Accounts. The company will keep these documents at the Registered office of the company and its subsidiaries and make them available upon the request by any investor of Company as well as any investor of its subsidiaries.

### RESPONSIBILITY STATEMENT

The Directors confirms:

- That in the preparation of Annual Accounts, the applicable Accounting Standards have been followed and that no material departures have been made from the same.
- That they 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 the end of the Financial Year and of the profit or loss of the Company for that period.
- That they have 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.
- That they have prepared the Annual Accounts on a going concern basis.

### DIRECTORS

Mr. Anil T. Patel and Mr. Manibhai V. Patel, the director of the Company retire at the ensuing Annual General Meeting of the Company and being eligible offer themselves for re appointment. You are requested to reappoint them.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO.

The particulars regarding conservation of energy and technology absorption and Foreign Exchange earning and outgo pursuant to Section 217 (1) (e) of the Companies Act 1956 read with Rule 2 of the Companies ( Disclosure of Particulars in the Report of Board of Directors ) Rules 1988 are given in the Annexure " A." which forms part of this Report.



## PERSONNEL

During the year, the relations between the Management and the employees of the Company have been very cordial. Particulars of employees as required under the provisions of section 217(2) (A) of the companies Act, 1956 read with Rule 2 of the Companies (Disclosure of particulars in the report of board of directors) Rules 1988 are given in annexure : B.

## CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with the stock exchange, a separate section on corporate governance practices followed by the company together with a certificate from the company's Auditors confirming compliance is set out in the Annexure forming part of this Report.

## AUDITORS

M/s Arvind A. Thakkar & Co., Chartered Accountants Ahmedabad retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment as a Auditor of the company. The Auditor's have confirmed that their appointment, if made would be within limit prescribed under section 224(1B) of the Companies Act, 1956 and they are not disqualified, within the meaning of Sub-Sections (3) and (4) of Section 226 of the Companies Act, 1956.

## AUDITORS' REPORT:

Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, which have been relied upon by us, we report that no fraud on or by the company has been noticed or reported during the course of audit..

## ACKNOWLEDGEMENT

Your Directors place on record their appreciation for the co-operation received from the Banks and Financial institutions and the services rendered by the employees and look forward to their continued support in the years to come.

**For and on behalf of the Board of Directors**

Place : Ditasan, Mehsana  
Dated : 30th July, 2010

**ANIL T. PATEL**  
Chairman

## ANNEXURE-'A' ANNEXURE TO DIRECTORS' REPORT

### A. CONSERVATION OF ENERGY:

	2009-10	2008-09
<b>Power &amp; Fuel Consumption</b>		
1. Electricity:		
a) Purchased		
Units	1074773	922594
Total Amount (Rs.) :	6815577	5032153
Rate/Unit (Rs.) :	6.34	5.45
b) Own Generation :	NIL	NIL
2. Coal :	NIL	NIL
3. Furnace Oil :	NIL	NIL
4. L P G Quantity (Kg.) :	12654	11267
Total cost (Rs.) :	540137	524451
Rate/unit (Rs.) :	42.69	46.55

### B. TECHNOLOGY ABSORPTION :

#### 1. Research & Development (R & D)

The Company is not having an independent Research & Development unit registered with the Government of India. However, product developmental activities continue to get utmost priority in the field of process technology, improvement in quality, import substitution etc., through the quality assurance department.

#### Benefit Derived as a result of above R & D

The Company has been able to substitute some of the indigenous spares, which were earlier to be imported.

#### 2. Technology Absorption and Innovation

- Efforts: The Company has been able to indigenize components required for the manufacture of hydrostatic paver finisher.
- Benefits derived: better product and indirect saving in foreign exchange
- Particulars of technology imported during the past 5 years:

#### A. (i) Technology Imported :

Technology relating to the manufacture of crushers, Feeders, Screens, conveyers etc.

#### (ii) Year of Import : 2006

## GUJARAT APOLLO INDUSTRIES LIMITED

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|---|---|
| <p>(iii) Has the technology been absorbed.<br/>Technology has been partially absorbed.</p> <p>(iv) If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of actions.<br/>Technology for the other models is under development and absorption.</p> | <p>(iii) Has the technology been absorbed:<br/>Technology has not been absorbed fully.</p> <p>(iv) if not fully absorbed, areas where this has not taken place, reasons thereof and future plans of actions.<br/>Technology for the other models is under development and absorption.</p> |
|---|---|
2. (i) **Technology Imported:** Vibratory Compactor (B) **FOREIGN EXCHANGE EARNINGS AND OUTGO :**  
(ii) Year of Import: 2007 The required information is contained in the Notes to the Accounts, Schedules "S" 5 to 7.

### ANNEXURE-'B' TO THE DIRECTORS' REPORT

Statement showing the particulars of employees pursuant to the provisions of Section 217 ( 2A ) of the Companies act, 1956 and forming part of the Directors Report for the year ended 31<sup>st</sup> March, 2010.

#### (A) EMPLOYED THROUGH OUT THE YEAR

Sr. No.	Name	Age/Yrs.	Designation	Remuneration (Rs.)	Qualification & Experience	Date of Employment	Last Employment	% of Equity Shares held by the employee
1.	Mr. Asit A. Patel	41 years	Managing Director	92,89,057/-	B.S. (USA) (Engineering Management) (18 Years)	01/07/1994	-	7.48%
2	Mr. Anand A. Patel	38 years	Executive Director	54,21,929/-	B. E. (Mechanical Engineering, ME (USA) , MBA (USA) (12 Years)	01/09/2007	Managing Director - Johnson Screens (India) Limited	7.17%
3	Mr. Dharmesh M. Mashru	49 years	Chief Executive Officer	30,91,167/-	B. E., M.B.A. (25 Years)	01/02/2009	Chief Operating Officer Jhonson Screens (India) Limited	Nil

(B) There is no employee for part of the year.

Note : (1) The Nature of appointment of Mr. Asit A. Patel and Mr. Anand A. Patel are contractual.  
(2) Remuneration includes Salary, Allowance, Commission, Provident Fund and Taxable Value of the perquisites.



**ANNEXURE 'C'**  
**REPORT ON CORPORATE GOVERNANCE**

**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

At Gujarat Apollo, value creation is a philosophy that is ubiquitous across the organization. The Shareowners remain the focus of our growth strategy. Ensuring stability in a dynamic environment and growth in competitive time is a commitment we have and have kept since our inception. Your company has always believed in the concept of good corporate governance involving a high level of transparency, accountability and responsibility in all areas of its operations to ensure investors protection. Mandatory provisions of corporate governance as stipulated under listing agreement of Stock Exchanges are being complied with.

**2. BOARD OF DIRECTORS**

The Board of Directors includes a Managing Director, an Executive Director and Three Non – Executive and Three Independent Directors. The composition of board is in compliance with the requirements of Clause 49(1)A. None of the Directors of the company was a member of more than ten committees nor was the Chairman of more than five Committees across all companies in which they are directors. The detailed composition of the board and other related information is given in the table below:

Name of the Director	Designation	Category	No. of Directorship held	No. of Memberships / Chairmanships of other Board Committees	No. of Board meeting attended	Attendance at the last Annual General Meeting
Mr. Anil T. Patel	Founder Chairman and Director	Promoter Non-Executive	5	1	6	Yes
Mr. Manibhai V. Patel	Director	Promoter Non-Executive	3	NIL	6	No
Mr. Ajitkumar T. Patel	Director	Non-Executive	2	NIL	4	No
Mr. Asit A. Patel	Executive Director	Managing Director	3	2	5	Yes
Mr. Anand A Patel	Executive Director	Executive Director	5	1	6	Yes
Dr. N. V. Vasani	Director	Independent Non-Executive	NIL	3	5	No
Dr. N. T. Patel	Director	Independent Non- Executive	NIL	1	6	No
Mr. R. C. Gosain	Director	Independent Non-Executive	2	3	6	Yes

During the year, Six Board meetings were held, details of which are given in the table below:

Date of Board Meeting	30-04-2009	20-06-2009	31-07-2009	24-08-2009	29-10-2009	31-01-2010
No. of Directors present	08	07	08	07	07	07
Board Strength	08	08	08	08	08	08

The time gap between any two meeting was less than 4 months.

**3. AUDIT COMMITTEE**

The Audit Committee comprising of the following Directors was reconstituted by the Board of Directors in its meeting held on 26-10- 2005.

The terms of reference of the Audit Committee are as under:

1. To investigate into any matter in relation to the items specified in Section 292(A) of the Companies Act, 1956 and also as contained under Clause 49 of the listing agreement.

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2. Reviewing of the Companies Financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
3. Recommending the appointment of external Auditor and fixation of Audit fee.
4. Reviewing with management the Annual financial statements and half yearly and quarterly financial results before submission to the Board.
5. Reviewing periodically the adequacy of the internal control system.
6. Discussion with Internal Auditor on any significant findings and follow up there on.

The composition of Audit committee is as under:

Name of the Director	Designation	Category
Mr. R. C. Gosain	Chairman	Independent Non- executive Director
Dr. N. V. Vasani	Member	Independent Non-Executive Director
Mr. Asit A. Patel	Member	Managing Director

During the year the committee held five meetings on 30<sup>th</sup> April 2009, 31<sup>st</sup> July, 2009, 24<sup>th</sup> August 2009, 29<sup>th</sup> October 2009 and 30<sup>th</sup> January 2010. The time gap between two meetings was not more than four months.

#### 4. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

The Shareholders Grievances Committee was reconstituted by the Board of Directors on 26<sup>th</sup> October, 2005 to ensure the effective redressal of the complaints of the investors. The committee also recommends steps to be taken for further implementation in the quality and services to the investors.

Composition of the Investors Grievance Committee

Name of the Director	Designation	Category
Mr. R. C. Gosain	Chairman	Independent Non-Executive Director
Dr. N. V. Vasani	Member	Independent Non-Executive Director
Mr. Asit A. Patel	Member	Managing Director

During the year the committee held three meetings on 30<sup>th</sup> July 2009, 29<sup>th</sup> October 2009 and 30<sup>th</sup> January 2010.

During the year under review the Company Received NIL complaints and the Company's Registrar and Share Transfer Agent has resolved all the complaints.

Name and designation of compliance officer:

Mr. Suresh Shah (Company Secretary)

#### 5. REMUNERATION COMMITTEE

The Remuneration Committee was reconstituted by the board of directors at its meeting held on 26<sup>th</sup> October, 2005.

Composition:

Name of the Director	Designation	Category
Dr. N. T. Patel	Chairman	Independent Non-Executive Director
Dr. N. V. Vasani	Member	Independent Non-Executive Director
Mr. R. C. Gosain	Member	Independent Non-Executive Director

Terms of reference:

1. Recommend and review the remuneration of Managerial Personnel like Managing Director and Whole-Time Directors.
2. Recommend and review the remuneration of Non Executive Directors of the Company.