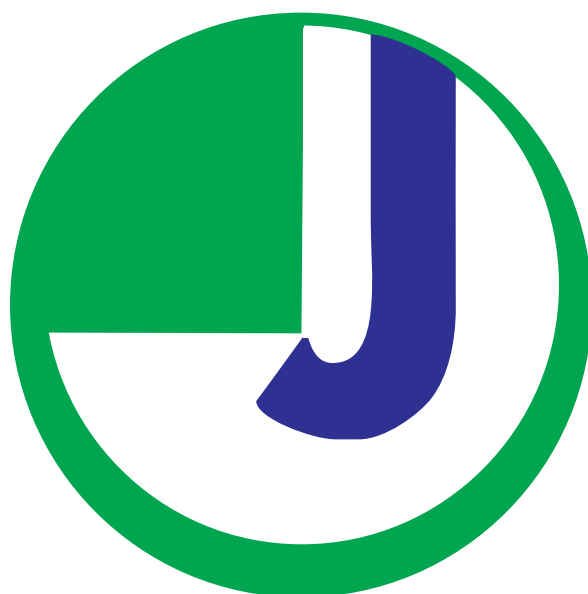


Jindal Cotex Limited

Annual Report 2010 - 11





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BOARD OF DIRECTORS

Mr. Sandeep Jindal	Chairman and Managing Director
Mr. Yash Paul Jindal	
Mr. Ramesh Jindal	
Mr. Rajinder Jindal	
Mr. Aman Jindal	
Mr. Sahil Jindal	
Mr. Vijesh Gupta	
Mr. Vipin Kumar Mittal	
Mr. Nirmal Kumar Jain	
Mr. Madan Lal Arora	
Mr. Vinay Shrivastav	
Mr. Satish Kumar Gupta	

CHIEF FINANCIAL OFFICER

Mr. Ashish Jain

COMPANY SECRETARY

Mr. Anil Kumar Malhan

REGISTERED & CORPORATE OFFICE AND WORKS

VPO Jugiana, G.T. Road,
Ludhiana 141 420
Phones: (0161) 2511840 - 42
Fax: (0161) 2511843
E-mail: cs@jindalcotex.com

REGISTRAR AND SHARE TRANSFER AGENTS

Bigshare Services Private Limited,
E/2, Ansa Industrial Estate, Saki Vihar Road,
Sakinaka Andheri (E), Mumbai -72
Phones: (022) 28470652, (022) 40430200
Fax: (022) 28475207
Email ID: info@bigshareonline.com

AUDITORS

M/s Aggarwal Garg & Co.,
Chartered Accountants,
638/30 & 31, Thaper Market,
Industrial Area B,
Ludhiana - 141 003.

Wind Mill

J-289, Village Pithla,
Distt. Jaisalmer,
Rajasthan

UNITS

Bija, Tehsil Khanna,
Unit – II, Village Mandiala Kalan,
Distt. Ludhiana – 141 401
Phone (01628) 264842

BANKERS

Oriental Bank of Commerce
State Bank of India
Allahabad Bank
Punjab & Sind Bank
Bank of Baroda
Corporation Bank
Punjab National Bank
The Catholic Syrian Bank Ltd.



MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management discussion and Analysis Report, is a reflection of the current state of business of the company. It also deals with opportunities and challenges faced by your company and future outlook.

Business Review & Outlook

The Indian Textile Industry has been facing unprecedented period of difficulty, due to slowing down in the demand especially from the beginning of current financial year 2011 – 12. The uncertainties in the export policy of Government of India related to cotton fibre and cotton yarn have added to the woes of the Textile Industry. The restriction imposed by the Government on cotton yarn exports in the last quarter of the financial year 2010– 11, led to huge accumulation of cotton yarn inventory with mills leading to crashing of yarn prices even after exports allowed from April 2011. The financial stress caused by the aforesaid circumstances is likely to affect the profitability of the Textile Industry in the financial year 2011 – 12.

However, we are confident about the bright future of Textile Industry in long term. At present, Textile Industry in India is one of the most modern as compared to our competitors such as Pakistan and China.

Industry Structure and Development

The Textile Industry faces a particularly acute challenge as the price of its raw material viz. cotton, has increased by more than 100% in just last one year. The industry has not been able to take the advantage of this, despite heavy investment made, because of lack of demand, particularly in the export market where the price realization is not much remunerative. The importing countries are still not fully out of the demand recession and the adverse rupee dollar parity does not encourage exports. Unless export policies get stabilized on a sound footing, it will be difficult for the industry to improve substantially in the near future.

Technology Upgradation Fund Scheme (TUFS):

TUFS had been suspended temporarily by the Government in June, 2010. The Scheme has now been re-instated with a few changes: (i) Capital subsidy will now be available on looms for weaving as well. (ii) a 5% interest reimbursement may be given to the spinning units (against 4% earlier) if the unit is set up with matching downstream capacity in weaving/processing. (iii) A cap of Rs. 1,982 crore has been put on the total subsidy which will be given for the next one year. This has been allocated between various sectors.

The sunset clause of the scheme remains unchanged at March 31, 2012. All loans sanctioned till that date will be eligible for subsidy for the life of the loan.

Financial Analysis and Review of operations:

Product wise performance

Particulars	Year ended March 31, 2010			Year ended March 31, 2011		
	Qty in MT	Sales Amount (Rs. in lacs)	As % to Total Sales	Qty in MT	Sales Amount (Rs. in lacs)	As % to Total Sales
Textiles						
Acrylic Yarn	4014	6371.37	43.54	3847	8309.41	30.91
Polyester Yarn	61	71.44	0.49	68	83.38	0.31
Blended Yarns	2724	3013.09	20.59	2513	3987.99	14.83
100% Cotton Yarn	141	179.26	1.23	3196	5371.27	19.98
Knitted Cloth	2361	4675.03	31.95	2840	7974.41	29.66
Acrylic Top	-	-	-	-	-	-
Fibre and others	628	255.48	1.74	2547	1107.77	4.12
Total (A)	9929	14565.67	99.54	15011	26834.23	99.81

Particulars	Year ended March 31, 2009			Year ended March 31, 2010		
	Qty in MT	Sales Amount (Rs. in lacs)	As % to Total Sales	Qty in MT	Sales Amount (Rs. in lacs)	As % to Total Sales
Wind Mill						
Elect. Sales	1854	66.93	0.46	1432	51.98	0.19
Total (B)	1854	66.93	0.46	1432	51.98	0.19
Total (A + B)	11783	14632.60	100	16443	26886.21	100

Financial Analysis

Revenue Break – up:

(Rs. in lacs)

Particulars	2010-11	%	2009-10	%
Sales	26886.21	99.08	14632.60	98.58
Other Income	249.57	0.92	210.32	1.42
Total Income	27135.78	100	14842.92	100

The net turnover has increased to Rs. 26886.21 Lacs in the year 2010 – 11 as against Rs. 14632.60 Lacs in the year 2009 – 10, showing thereby an increase of 83.74%.

Profitability

(Rs. in lacs)

Particulars	2010-11	% of turnover	2009-10	% of turnover
Profit before depreciation, interest and tax	3328.24	12.38	1371.32	9.37
Interest	1080.18	4.02	309.94	2.12
Profit before Depreciation	2248.06	8.36	1061.38	7.25
Depreciation	929.10	3.46	308.38	2.11
Profit before tax	1318.96	4.91	753.00	5.15
Tax	273.82	1.02	43.68	0.30
Profit after Tax	1045.14	3.89	709.32	4.85

The EBIDTA margin increased from 9.37% in the year 2009-10 to 12.38% in the year 2010-11 on account of better sales realization. Depreciation on fixed assets is 3.46% of total sales during the current year and 2.10% in the previous year.

Interest / Financial expenses increased from Rs. 309.94 lacs for Financial Year 2009-10 to Rs. 1080.18 lacs for Financial Year 2010-11. Increase in interest cost is due to availment in TUF term loans & working capital loans for expansion project.

No dividend has been proposed by the company since the company is going for expansion projects in the coming year.

Resource Utilization

a) Fixed Assets

The gross fixed assets as at 31st March 2011 are Rs. 14862.52 lacs as compared to Rs. 11038.50 lacs in the previous year. The net fixed assets (including work – in – progress & capital advances) as on 31st March 2011 are Rs.15314.07 lacs as compared to Rs. 10137.47 lacs in the previous year.



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MANAGEMENT DISCUSSION & ANALYSIS REPORT (Contd.)

b) Investments

The Company has made investments in its subsidiaries to the tune of Rs. 7095.00 lacs as on March 31, 2011 by way of equity capital.

c) Current Assets

Sundry debtors of the Company are Rs. 3409.98 lacs in the year 2010-11 as against the Rs. 1090.42 lacs in the previous year. Inventory level is at Rs. 5229.85 lacs in the year 2010-11 as against Rs. 1906.07 lacs in the previous year. Cash and cash equivalents increased from Rs. 505.87 lacs in the year 2009-10 to Rs. 14134.78 lacs in the year 2010-11.

Risk and Concerns

Factors that may affect results of operations

- Fluctuation and increase in raw material prices.
- Non-availability of raw material and other resources
- Supply of Power
- New Competitive products
- Government rules and regulations relating to Textiles Industry.
- Any slowdown in the economic growth in general in particular.

The Company continues to follow a suitable strategy to modify its risk profile by eliminating and significantly reducing key business risks.

One of the major challenges to the textile industry is the continued appreciation in the Indian rupee against US dollar, which has serious implication on textile exports. Another important issue is availability, quality and the price of power. The availability of good quality power at reasonable prices is critical for sustainability of the industry. However, the cost of power has been continuously increasing, adding to the input cost pressure in the industry. We hope that power situation will improve in the near future. Our major raw material-Cotton is agriculture produce, which suffers from climatic volatility in the major cotton producing countries. In addition, growing demand

as well as overall increase in prices of commodities in the world has pushed up the prices of domestic cotton leading to pressure on the textile industry. The differentiated treatment for different sectors of textile industry in government policy is also a serious setback in its development. The proposal to withdraw export incentives on cotton yarn exports can be seen in this respect. We are making all efforts to cope up with the challenges through continuous cost reduction, process improvements and improved customer services to mitigate the growing cost pressure.

Adequacy of Internal Control Systems

The Company has proper and adequate system of internal control, to safeguard assets against loss from unauthorized use or disposition. This also ensure that all transactions are authorized, recorded and reported correctly. Regular internal audit and checks are carried out to check the existence of adequate system. The management also reviews the internal control systems and procedures to ensure its application. The Company periodically reviews the risk management framework to maintain its contemporariness so as to effectively address the emerging challenges in a dynamic business environment.

Material Development in terms of Human Resources

Human Resources are considered to be a form of Capital and Wealth of the Company. It has been the focus of the management to improve and expand the contribution of its human resources towards attainment of organizational goals and values.

The Company keeps the objective of believing in empowerment and delegation with a balancing of authority and responsibility in our organization where talent can bloom. During the year, the company has employed 1001 workers.

Cautionary Statement

Statements in this report on Management Discussion & Analysis, describing the Company's objectives, projections and estimates may be forward looking, considering the applicable laws and regulations. These statements are based on certain assumptions and expectation of future events. Actual results could, however, differ materially from those expressed or implied, depending upon the economic conditions, Government policies and other incidental factors.



Jindal Cotex Limited

DIRECTORS' REPORT

Dear Members,

The Directors of your Company have pleasure in presenting their 14th Annual Report on the affairs of the company together with Audited Annual Accounts for the financial year ended 31st March 2011.

1. Financial Results & Performance Review

(Rs. In Lacs)

Particulars	2010-11	2009-10
Turnover & Other Income	27135.78	14842.92
Profit Before Depreciation, Interest, & Tax (PBDIT)	3328.24	1371.32
Interest and Financial Expenses	1080.18	309.94
Profit Before Depreciation & Tax (PBDT)	2248.06	1061.38
Depreciation	929.10	308.38
Profit Before Tax (PBT)	1318.96	753.00
Less - Provision for Tax (Including Deferred Tax)	273.82	43.68
Profit for the year (PAT)	1045.14	709.32
Add - Surplus brought forward From previous Year	1520.23	810.91
Profit available for Appropriations	2565.38	1520.23
Appropriations		
Proposed Dividend	-	-
Bonus Shares Issued	-	-
Surplus Carried to Balance Sheet	2565.38	1520.23

Your company has registered all around progress during the year under review. The company is continued to its commitment to make itself in international standards of quality, operational performance, efficiency and customer care.

The Highlights of our performance for the year 2010-11 are:

- The Gross Turnover of the company has increased to Rs. 271.35 Crores during the financial year 2010-11 as against Rs. 148.42 Crores in the corresponding previous financial year, registering a growth of 82.82 %.
- Net Profit has increased to Rs.10.45 Crores in the year 2010-11 from Rs.7.09 Crores in the year 2009-10, registering an increase of 47.39% due to better sales realization. Your company has been able to achieve this result by proper utilization of the resources available to the company, despite there are adverse market conditions, like, huge competition and other factors such as sharp increase in commodity price, oil price, high inflation, higher interest rate and increase in power rates etc.

2. Dividend

Your directors have decided to conserve the resources for the ongoing expansion plans and hence do not recommend any dividend for the year under review.

3. Management Discussion & Analysis Report

The Management Discussion and Analysis of financial conditions and results of operation of the Company for the year under review is attached to this Report.

4. Further Issue of Securities i.e. GDRs & Utilization of its Proceeds

During the year, under review your company has issued 50,00,000 GDRs (Global Depository Receipt) on 30th June, 2010 at US\$ 7.75 per Global Depository Receipt representing 2,00,00,000 equity shares of the company and raised US\$ 38.75 Million. The above said GDRs are listed on the Luxembourg Stock Exchange. The company has utilized US\$ 8.00 Million abroad towards capital payments as per objects of offering circular and as on 31st March, 2011, US\$ 30.50 Million has been kept abroad in foreign currency. The foreign exchange fluctuation on account of GDR's proceeds kept in foreign currency has been adjusted with the Securities Premium Account.

5. Subsidiaries

The consolidated financial statements presented by the Company include financial information of its subsidiaries prepared in compliance with applicable Accounting Standards are attached to and form part of the Annual Report. The Ministry of Corporate Affairs, Government of India has granted exemption under Section 212(8) of the Companies Act, 1956, from attaching the balance sheet, profit and loss account and other documents of the subsidiary companies to the balance sheet of the holding company. Annual accounts of the subsidiary companies and the related detailed information will be made available to the shareholders of the holding and subsidiary companies' seeking such information at any point of time.

Further, the annual accounts of the subsidiary companies will also be kept for inspection by any shareholders at the head office i.e. Registered Office of the holding company and that of the subsidiary companies concerned.

The company has the following subsidiaries:

JINDAL MEDICOT LIMITED

This 100% subsidiary of our company has set up the technical textile project at Village Thathal, Tehsil Amb, District Una, Himachal Pradesh for the manufacturing of products like cotton crepe bandage, absorbent cotton, cotton balls, pads, dental rolls etc. The company has started its production and successfully commissioned the plant in the financial year 2011-12. The term loan taken by the company from banks for the project are covered under TUFS and getting 5% interest subsidy on term loan and 10% capital subsidy on the specified machinery. The company has achieved sale of Rs. 554.38 Lacs from its trading activities.

JINDAL SPECIALTY TEXTILES LIMITED

This is 100% subsidiary of our company is setting up facilities for manufacturing of products like frontlit banner, fabric, general tarapuling, truck siders etc.. The project has been set up at Thathal, Tehsil Amb, District Una, Himachal Pradesh in a land measuring approximately 400 Kanals. The proposed project by the Jindal Specialty Textiles Limited is a step by the company to diversify in the field of technical textiles. The company has entered into an agreement for technical know how with M/s Wonpoong Corporation, Korea. The Wonpoong Corporation will provide technology exclusively to our company in India for ten years. The products manufactured by Jindal Specialty Textiles Limited will be import substitute and find usage in various Industries.



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DIRECTOR'S (Contd.)

HIMACHAL TEXTILE PARK LIMITED

Himachal Textile Park Limited the another subsidiary of your company has set up the Textile Park in the state Himachal Pradesh and shall provide land and necessary infrastructure facilities to the participant units. Jindal Medicot Limited and Jindal Specialty Textiles Limited has set up their technical textile projects in this Textile Park.

JINDAL METALEX LIMITED

This 100% subsidiary of the company is incorporated on 25.11.2010 and proposes to engage in the business of manufacturing and trading of all kinds of metals including iron & steel etc. The company has not yet started its operations.

JINDAL INFRABIZ LIMITED

This 100% subsidiary of the company is incorporated on 23.11.2010 and proposes to engage in the business of promotion and development of Industrial Parks, Textile Parks and Special Economic Zones etc..The company has not yet started its operations.

Further, our company has also set up foreign subsidiary at UAE to expand its presence globally in the current financial year.

6. Directors

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the company, Sh. Vijesh Gupta, Sh. Nirmal Kumar Jain, Independent Directors and Sh. Ramesh Kumar Jindal and Sh. Rajinder Kumar Jindal, Executive Directors of the Company retire by rotation at the ensuing Annual General Meeting and are being eligible, offer themselves for re-appointment.

During the year, under review, the Board of Directors has appointed Mr. Aman Jindal and Mr. Sahil Jindal as additional & Executive Directors and Mr. Vinay Shrivastav and Mr. Satish Kumar Gupta as additional & Independent Directors with effect from 25th October, 2010. All these Directors hold office till the date of ensuing annual general meeting and the company has received notice from members proposing the candidature of all these directors for being appointed as Director of the company.

7. Corporate Governance

The Company has an in-place system of Corporate Governance. A separate report on Corporate Governance forming part of the Annual Report of the Company is annexed hereto. A certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Corporate Governance of the Listing Agreement is annexed to the report.

8. Directors' Responsibility Statement

Pursuant to the provisions of Section 217(2AA) of the Companies (Amendment) Act, 2000, with respect to Directors responsibility statement, the Directors hereby confirm that:-

- In the preparation of Annual Accounts the applicable Accounting Standards have been followed and that there are no material departures;
- They have selected such Accounting Policies and applied them consistently and made prudent judgments & estimates that are reasonable 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 profits of the company as on date;

- They have taken proper & 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 & detecting the fraud and other irregularities;
- The Annual Accounts have been prepared on 'going concern basis'.

9. Auditors

M/s. Aggarwal Garg & Co., Chartered Accountants, Statutory Auditors of the Company retires at the conclusion of forthcoming Annual General Meeting and are eligible for re-appointment.

The Company has received the certificate from them, confirming that their appointment, if made, will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such an appointment, within the meaning of sub-section (3) and (4) of Section 226 of the Companies Act, 1956.

10. Energy Conservation, Technology Absorption & Foreign Exchange

As regard disclosure under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 a statement showing particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo is annexed hereto and forms part of this report.

11. Fixed Deposits

During the year, your company has not accepted any fixed deposits within the meaning of Section 58-A of the Companies Act, 1956 and the Rules made thereunder.

12. Particulars of Employees

The information as required under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, is NIL.

13. Industrial Relations

Industrial relations remained cordial throughout the year and the Directors express their appreciation towards the workmen for their co-operation and hope for continued cordial relations in the years to come.

14. Acknowledgement

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from Bankers, Government Departments, Shareholders and other Business Associates for their continued and valuable co-operation & support extended to the company.

We take this opportunity to place on record our warm appreciation for the employees at all levels for their dedicated services and valuable contributions towards the growth of the Company.

For and on behalf of Board of Directors

(Sandeep Jindal)
Chairman and Managing Director

Date: 12th August, 2011
Place: Ludhiana



Jindal Cotex Limited

ANNEXURE TO THE DIRECTORS' REPORT

Particulars as required under section 217(1)(e) read with Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2011:-

I. CONSERVATION OF ENERGY

FORM A

PARTICULARS	UNIT	2010-11	2009-10
A. POWER & FUEL CONSUMPTION			
a) Electricity purchased			
Units	KWH in lacs	268.34	145.36
Amount	Rs. In lacs	1425.61	737.57
Rate per unit	Rs. Per unit	5.31	5.07
b) Own generation			
Through Diesel Generator	KWH In lacs	18.01	17.33
Units per litre	Units	3.46	3.32
Cost of Diesel/LDO	Rs. In lacs	180.67	173.35
Rate per unit	Rs. Per unit	10.03	10.00
B. CONSUMPTION PER UNIT OF PRODUCTION			
Synthetic and Cotton Yarn	KWH/Kg	2.67	2.40

II. TECHNOLOGY ABSORPTION

Efforts made in Technology Absorption are furnished as per Form B of the Annexure to the Rules are as under:-

A) RESEARCH AND DEVELOPMENT (R&D)

a) Specific areas in which Research & Development is carried out by the company

Research & Development is carried out for improvement in the production process, appraisal of alternative raw materials and quality of existing products.

b) Benefits derived as a result of above R&D

The company has been continuously improving the quality of its existing products and also been able to reduce the cost of production.

c) Future Plan of Action

- 1 Increase in Productivity
- 2 Reduction in operational costs

d) Expenditure on R&D : Nil

B) TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

a) Efforts made

The company is making efforts for adaption of latest technology in all its units, optimization of processes and efficient utilization of inputs on on-going basis.

b) Particulars of technology imported in the last five years

- a) Technology Imported NIL
- b) Year of Import N.A.
- c) Has the technology been fully absorbed N.A.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. in lacs)

Sr. No.	Particulars	2010-11	2009-10
A)	Foreign Exchange Earning		
	• FOB value of Exports	937.17	198.67
B)	Foreign Exchange Outgo		
	• Raw Material	0.00	729.44
	• Capital Goods and Advances	336.70	1149.81
	• Stores & Spares	3.10	4.58
	• Foreign Travelling Expenses	21.79	11.69
	• Interest on Foreign currency loans	197.32	148.02
	• Fees & Taxes	0.00	1.45
	• GDR Issue Expenses	582.46	0.00



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CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on the Code of Governance

Your Company believes Corporate Governance for an entity means conducting business in a fair, ethical and transparent manner with an objective to maximize shareholders wealth and fulfills all its responsibilities towards the community, customers, employees, Government and other segments of the society at large.

2. Board of Directors

a) Composition

The Board of Directors of your company has an optimum combination of executive and non executive directors having rich knowledge and experience in Industry & other sectors for providing strategic guidance and direction to the company.

Presently, the company has twelve Directors on its Board with an Executive Chairman. The number of Non-Executive Directors is six and all of them being independent Directors. The Executive Directors are expert in handling diverse nature of business of the Company. The Independent Directors are professionals in their field and posses background

of financial, legal and secretarial fields. The non-executive independent Directors bring a wide range of expertise and experience to the Board.

The composition of the Board is in consonance with Clause 49 of the Listing Agreement. During the year, there was no pecuniary relationship or business transaction by the company with any non-executive director.

b) Meetings of Board and its Committees

Meetings of Board and its committee were held as and when required. During the year, under review, the Board of Directors met 14 times on 26.04.2010, 28.05.2010, 05.06.2010, 22.06.2010, 30.06.2010, 05.07.2010, 12.08.2010, 18.08.2010, 25.10.2010, 13.11.2010, 10.12.2010, 02.02.2011, 14.02.2011 and 24.03.2011.

The names, categories of the Directors on the Board, their attendance at the Board Meeting during the year and the last Annual General Meeting, and also the number of directorships and Committee membership held by them in other companies are given as per the detail in following table:-

Name of Directors	Designation	Category	No. of Board Meeting Attended	Attendance at last AGM	No. of directorships of other Indian public limited companies	No. of Chairmanship/ membership of committees in other Companies
Sh. Sandeep Jindal	Chairman and Managing Director	Promoter, Executive	14	YES	7	Nil
Sh. Yash Paul Jindal	Whole time Director	Promoter, Executive	14	YES	7	Nil
Sh. Ramesh Jindal	Whole time Director	Promoter, Executive	14	YES	7	Nil
Sh. Rajinder Jindal	Whole time Director	Promoter, Executive	14	YES	7	Nil
Sh. Aman Jindal	Whole time Director	Promoter, Executive	5	N.A.	7	Nil
Sh. Sahil Jindal	Whole time Director	Promoter, Executive	5	N.A.	7	Nil
Sh. Madan Lal Arora	Director	Non Executive, Independent	12	YES	2	Nil
Sh. Nirmal Kumar Jain	Director	Non Executive, Independent	12	NO	1	Nil
Sh. Vipin Mittal	Director	Non Executive, Independent	11	NO	Nil	Nil
Sh. Vijesh Gupta	Director	Non Executive, Independent	12	NO	Nil	Nil
Sh. Satish Kumar Gupta	Director	Non Executive, Independent	5	N.A.	Nil	Nil
Sh. Vinay Shrivastav	Director	Non Executive, Independent	5	N.A.	Nil	Nil

Sh. Yash Paul Jindal, Sh. Ramesh Jindal, Sh. Rajinder Jindal, Sh. Sandeep Jindal, Sh. Aman Jindal and Sh. Sahil Jindal are related to each other.



CORPORATE GOVERNANCE REPORT (Contd.)

c) Code of Conduct:

The Company has laid down a Code of Conduct for all Board Members and senior management of the company. The code has been circulated to all the members of the Board and senior management and they have affirmed compliance with the code of conduct. A declaration to this effect signed by the Managing Director (CEO) forms part of report.

d) Directors Shareholding in the Company as on 31st March, 2011 as under:

Name of Directors	No. of Shares	% of total Equity Capital
Sh. Yash Paul Jindal	3139218	6.98
Sh. Sandeep Jindal	1312998	2.92
Sh. Ramesh Jindal	3642216	8.09
Sh. Rajinder Jindal	3606576	8.01
Sh. Aman Jindal	845640	1.88
Sh. Sahil Jindal	810000	1.80

None of other director holds any share in the equity share capital of the company.

3. Audit Committee

The Audit Committee of the company comprises of the following members namely Sh. Vijesh Gupta, Chairman, Sh. Madan Lal Arora and Sh. Nirmal Kumar Jain. All members of audit committee have wide exposure and possess sound knowledge in the area of accounts, finance, audit, internal control etc. Sh. Vijesh Gupta, Chairman of the committee is a Chartered Accountant. Mr. Anil Kumar, Company Secretary is the secretary and convener of the meeting.

The terms of reference of the Audit Committee cover all matters as are specified in clause 49 of the listing agreement and Section 292A of the Companies Act, 1956. During the year 2010-11, the audit committee met on four occasions. The minutes of audit committee meetings are placed before the Board of Directors in the subsequent board meetings.

The attendance of the members of the audit committee is mentioned below:-

Name of Director	Category	No. of Meetings held & attended
Sh. Vijesh Gupta	Non Executive and Independent Director	4
Sh. Madan Lal Arora	Non Executive and Independent Director	4
Sh. Nirmal Kumar Jain	Non Executive and Independent Director	4

4. Remuneration Committee

The Remuneration Committee of the company comprises of the following members namely Sh. Nirmal Kumar Jain, Sh. Vipin Kumar Mittal and Sh. Vijesh Gupta. Sh. Nirmal Kumar Jain is the Chairman of the Committee. During the year 2010-11, the Remuneration committee met on two occasions as under :-

a) Attendance of Remuneration Committee :

Name of Director	Category	No. of Meetings held & attended
Sh. Nirmal Kumar Jain	Non Executive and Independent Director	2
Sh. Vipin Kumar Mittal	Non Executive and Independent Director	2
Sh. Vijesh Gupta	Non Executive and Independent Director	2

The Remuneration Committee is vested with all necessary powers and authority to ensure appropriate disclosure on the Remuneration of the Directors and to deal with all elements of the Remuneration package of all the directors including but not restricted to the following:-

- To review, assess and recommend the appointment and remuneration of Managing and Whole time Directors.
- To review the remuneration package including the retirement benefits, payable to the Directors periodically and recommend suitable revision / increments, whenever required, to the Board of Directors.

b) Remuneration to Directors:

The company pays remuneration by way of salary to its Managing and Whole Time Directors with in the limits approved by the shareholders and subject to overall ceiling stipulated in accordance with the provision of Section 198 & Section 309 of the Companies Act, 1956. The remuneration paid or payable to the Directors for services rendered during 2010-11 is given as under:

(Rs in lacs)

Name of Directors	Salary	Perquisites and Allowances	Commission	Total
Sh. Sandeep Jindal	15.00	-	-	15.00
Sh. Yash Paul Jindal	12.00	-	-	12.00
Sh. Rajinder Jindal	12.00	-	-	12.00
Sh. Ramesh Jindal	12.00	-	-	12.00
Sh. Aman Jindal	1.25	-	-	1.25
Sh. Sahil Jindal	1.25	-	-	1.25
Total	53.50	-	-	53.50

No remuneration has been paid to independent and non executive directors.

5. Shareholder/Investor's Grievances Committee

The Shareholders/Investor's Grievance Committee of the company comprises of the following members namely