

BOARD OF DIRECTORS**DIRECTORS**

Shri Ajay Ramesh Gupta
 Shri Mahesh Prasad Mehrotra
 Shri Kailash Nath Bhandari
 Shri Rajshekhar S. Ganiger
 Shri Farindra Bihari Rai

MANAGING DIRECTOR

Shri Manoj Kumar Sharma

BANKERS

Allahabad Bank, Andhra Bank,
 Indian Overseas Bank, UCO Bank,
 Dena Bank, Bank of India,
 Syndicate Bank, Oriental Bank of Commerce,
 Punjab National Bank.

AUDITORS

A. F. Khasgiwala & Co.
 Chartered Accountants

REGISTERED OFFICE

Plot No.69-A, Dhanu Udyog Industrial Area,
 Piperia, Silvassa (Union Territory)-396 230

CORPORATE OFFICE

Raghuvanshi Mills Compound,
 11/12, Senapati Bapat Marg,
 Lower Parel (West),
 Mumbai- 400 013

REGISTRAR & TRANSFER AGENT

Bigshare Services Pvt. Ltd.
 E-2/3, Ansa Industrial Estate,
 Sakivihar Road, Saki Naka,
 Andheri (East), Mumbai - 400 072.

PLANTS

Kalameshvar, Nagpur (Maharashtra)
 Dombivali, Dist. Thane (Maharashtra)
 Wada, Dist. Thane (Maharashtra)
 Piperia, Silvassa (U.T.)

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ANNUAL GENERAL MEETING on Saturday 14th July 2011, at 12:30 p.m.,
 at 65, Krishna Nagar, Samarvani, Silvassa, (Union Territory), Silvassa (U.T.)

NOTICE

NOTICE is hereby given that the 30th Annual General Meeting of the Members of **KSL AND INDUSTRIES LIMITED** will be held on Saturday the 14th July, 2012 to transact the following business at 65, Krishna Nagar, Samarvani, Sivassa, (Union Territory) at 12.30 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Company's Audited Balance Sheet as at 31st March, 2012 and statement of Profit and Loss Account for the year ended on that date and Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Mahesh Prasad Mehrotra, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To reappoint Auditor and to fix remuneration and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provision of the Section 224, 225 and other applicable provisions, if any, of the Companies Act, 1956 M/s A. F. Khasgiwala & Co, Chartered Accountants (Firm Registration No.-105114W) be and is hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modification(s), the following Resolutions :

As Special Resolution

4. To Appoint Shri Manoj Kumar Sharma as Managing Director of the Company :

"RESOLVED THAT pursuant to the provisions of Section 269, 309, 310, and Schedule XIII and other applicable provisions of the Companies Act, 1956 and other statutes the decision of Board of Directors of the Company appointing Shri Manoj Kumar Sharma as Managing Director of the Company w.e.f. 28th April, 2012 for a period of 5 years on term and condition as contained in the agreement dated 28th April, 2012. The remuneration payable to Shri Manoj Kumar Sharma as Managing Director shall be as under :

Particulars	From 28 th April 2012
Salary	₹ 50,000/- per month or ₹ 6,00,000/- per annum
Commission on Net Profit	1% of the Net Profits as Calculated u/s 349, 350 of the Companies Act 1956
Maximum	₹ 12,00,000 per annum

RESOLVED FURTHER THAT for the purpose of the giving effect to the above Resolution the Board of the Directors of the Company be and is hereby authorized to take the such steps and to do all such acts, deeds , matters and things as are required under the Law."

NOTES :

1. A SHAREHOLDER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANOTHER PERSON (WHETHER A SHAREHOLDER OR NOT) AS HIS/HER PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. A PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING AND SHALL BE ENTITLED TO VOTE ONLY UPON A POLL.
2. Members are requested to note that the Company's equity shares are under compulsory demat trading for all investors, subject to the provisions of SEBI Circular No. 21/99 dated July 8, 1999. Members are, therefore, requested to dematerialize their shareholding to avoid inconvenience.
3. The instrument(s) appointing the Proxy, if any, shall be delivered at the Registered Office of the Company not less than forty eight (48) hours before the commencement of the Meeting and the instrument of proxy shall be treated as invalid in case of default.
4. The Register of Members and Share Transfer Register of the Company will remain closed from 12th July, 2012 to 14th July, 2012 (both days inclusive) to comply with Annual Book Closure requirements.
5. Members desiring any information on the Annual Accounts of the Company for the year ended 31st March, 2012 are requested to write to the Company at its Administrative Office Address at least 7 days in advance of the Annual General Meeting, so as to enable the Management to keep the information ready at the meeting.
6. Members holding shares under multiple folios in the identical order of names are requested to consolidate their holdings into one folio. Members are requested to immediately notify any change in their registered address specifying full address with Pin Code Number and quoting their Registered Folio Number to the Company.
7. All documents and agreements referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, except holidays, between 10.00 A.M and 1.00 P.M. up to the date of Annual General Meeting
8. **Green Initiatives in the Corporate Governance** : The Government of India-Ministry of Corporate Affairs has, vide the Circular No. 17/2011 dated 21st April, 2011, allowed service of documents to the shareholders in the electronic mode. Thus, having regard to the said Circular read with the Information Technology Act, 2000 and Section 53 of the Companies Act, 1956, the Company hereby requests the Members to register their E-mail Address and any change therein from time to time) with Bigshare Services Private Limited the Registrar and Share Transfer Agents of the Company. The Company proposes to send the future correspondences in electronic form to the Members whose E-mail Address is registered with the Registrar and Share Transfer Agents of the Company. Any Member desiring to receive the said correspondences in the physical form should inform the Company.

For and Behalf of the Board of Directors

Place: Mumbai
Date: 28th April, 2012

sd/-
Ajay Ramesh Gupta
Chairman

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

ITEM NO. 4 :

Shri Manoj Kumar Sharma has been appointed as a Managing Director by the Board of Directors of the Company on 28th April, 2012, in accordance with the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions of the Companies Act, 1956.

Shri Manoj Kumar Sharma is B.Tech and M.Tech in Textile. He has more than 22 years of vast experience of working in the Textile Industry.

Shri Manoj Kumar Sharma is not disqualified from being appointed as Managing Director in terms of Section 274(1)(g) of the Act. The Company has received the requisite Form 'DD-A' from Shri Manoj Kumar Sharma in terms of the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules 2003, confirming his eligibility for such appointment. Shri Manoj Kumar Sharma does not hold any shares in the Company.

The Board recommends the passing of this Resolution. Except Shri Manoj Kumar Sharma, none of the Directors are interested in this Resolution.

For and Behalf of the Board of Directors

Place: Mumbai
Date: 28th April, 2012

sd/-
Ajay Ramesh Gupta
Chairman

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 30th Annual Report and the Audited Statements of Accounts of your Company for the financial year ended 31st March, 2012.

FINANCIAL RESULTS:

	2011-2012 (₹ in Lacs)	2010-2011 (₹ in Lacs)
Revenue from operations	1,41,980.00	131335.06
Finance Cost	11190.37	8578.24
Depreciation and Amortization Expense	10,197.18	10,088.03
Profit before Exceptional and Extraordinary Items and Tax	(509.24)	8648.93
Profit/(Loss) before Tax	(9724.70)	70.69
Provision for Tax	0.00	14.09
Deferred Tax Assets/ (Liabilities)	466.36	(398.19)
Profit/(Loss) after Tax	(9258.34)	(341.59)

Note : Previous year figures have been regrouped / rearranged wherever necessary

DIVIDEND :

In view of inadequacy of profits, your Directors are unable to recommend any dividend on the equity shares for the year under review.

REVIEW OF OPERATIONS :

During the year, the Income from operations of Company has substantially increased to ₹ 1,41,980.00 Lacs as against ₹ 1,31,335.06 Lacs in respect of the previous Financial Year ended 31st March, 2011, registering a growth of around 6% over the previous Financial Year. The Profit before Depreciation, Interest and Tax is ₹ 11,514.81 Lacs in the Financial year ended 31st March, 2012 as against ₹ 18,597.91 Lacs in the previous Financial year ended 31st March, 2011. The Company has incurred Net Loss of ₹ 9,258.34 as on 31st March, 2012 as against Net Loss of ₹ 341.59 Lacs in the previous Financial year ended 31st March, 2011 due to heavy burden of Finance Cost and Depreciation.

CORPORATE DEBT RESTRUCTURING :

The Company has entered into the scheme of Debt Restructuring with the present Consortium Lenders, as the Company has suffered huge losses during the current year on account of volatility in the cotton prices, increase in power cost and heavy burden of Rate of Interest (Interest Rate increased from 11-12% to 15-17%) and the proposal for the same has been duly filed with Corporate Debt Restructuring Cell.

SUBSIDIARY COMPANY :

KSL And Industries Limited ("the Company") having Two subsidiaries Companies namely M/s. Actif Corporation Limited and M/s. Kalameshvar Textile Mills Limited.

Earlier M/s. Reward Real Estate Company Limited was the Subsidiary Company of the Company under Section 4 of the Companies Act, 1956 during the year the Company has sold its investment of 299,97,500 Equity Shares of M/s. Reward Real Estate Company Limited. Therefore M/s. Reward Real Estate Company Limited is no more subsidiary Company of the Company.

The Report and Accounts of the Subsidiary Companies are annexed to this Report along with the Statement pursuant to Section 212 of the Companies Act, 1956. However, in the context of the mandatory requirement to present consolidated accounts, which provides Members with a consolidated position of the Company including its Subsidiary, at the first instance, Members are being provided with the Report and Accounts of the Company and the Consolidated Accounts treating these as abridged accounts as contemplated by Section 219 of the Companies Act, 1956. Members who wish to receive the full Report and Accounts including the Report and Accounts of the Subsidiary Companies will be provided with it upon receipt of a written request. This will help save considerable cost in connection with printing and mailing of the Report and Accounts.

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and the Articles of the Company Shri Mahesh Prasad Mehrotra, Director, retire by rotation and, being eligible, offered him for re-appointment.

During the year Ms. Mrinal Tayal, w.e.f. 1st November, 2011 and Shri Saurabh Kumar tayal, w.e.f. 22nd March 2012 resigned as Directors of the Company. The Board of Directors place on record the valuable services rendered by them during their tenure as Directors of the Company.

AUDIT COMMITTEE:

The composition of Audit Committee is as given in the Report on Corporate Governance.

SHAREHOLDERS' / INVESTOR GRIEVANCE COMMITTEE:

The composition of Shareholders'/Investor Grievance Committee is as given in the Report on Corporate Governance.

REPORT ON CORPORATE GOVERNANCE:

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a Management Discussion and Analysis Report and a Corporate Governance Report are made as a part of this Annual Report.

A Certificate from the M/s. A. F. Khasgiwala & Co., Practicing Chartered Accountants and Shri Manoj Kumar Sharma, Managing Director

regarding Compliance of the conditions of Corporate Governance as stipulated by Clause 49 of the Listing Agreement is attached to this report.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (i) that in the preparation of the annual accounts for the financial year ended 31st March 2012, the applicable Accounting Standards had been followed along with proper explanation relating to material departures except revised AS-15 applicable to accounting treatment for gratuity and leave encashment which are accounted for on cash basis;
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were 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 the Statement of Profit & Loss of the Company for the year under review;
- (iii) that the Directors had 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 frauds and other irregularities;
- (iv) that the Directors had prepared the accounts for the financial year ended 31st March, 2012 on a going concern basis.
- (v) that the accounts have been prepared on the basis of Revised Schedule VI of the Companies Act, 1956. Accordingly the previous year figure have adjusted/ regroup/ rearrange to the confirm with the current year figures.

FIXED DEPOSITS:

The Company has not invited/received any fixed deposits from the public during the year under Report.

INSURANCE:

The properties, stock, assets of your Company are adequately insured.

ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars 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, regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the Annexure forming part of this Report.

CORPORATE SOCIAL RESPONSIBILITY :

As its operations have expanded to new geographies, the Company has retained a collective focus on the various areas of corporate sustainability that impact people, environment and the society at large founded on the philosophy that Society is not just another stakeholder in its business, but the prime purpose of it, the Company, across its various operations is committed to making a positive contribution in a number of ways.

During the year under review, we focused on providing residence to our labourers along with school & educational facilities to their children and also maintaining consistent duty towards fellow employees of our organisation.

LISTING AGREEMENT

Your Company is committed to the adoption of good Corporate Governance practices in letter and spirit. Under the revised Clause 49 of the Listing Agreement, your Directors are pleased to inform that Company has implemented all the mandatory stipulations prescribed under Clause 49. A Certificate from a Practicing Company Secretary in line with Clause 49 is annexed to and forms part of the Director's Report.

AUDITOR'S REPORT

The remarks made by the Auditors in their Report have been suitably dealt within the schedules and notes and therefore, do not call for any further clarification.

AUDITORS

M/s. A. F. Khasgiwala & Co., the Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting. The Company has received a letter from M/s. A. F. Khasgiwala & Co., Chartered Accountants, expressing their willingness to continue as Statutory Auditor of the Company. Necessary resolution for appointment of M/s. A. F. Khasgiwala & Co., Chartered Accountant as Statutory Auditors, from whom Company has received letter confirmation that their appointment if approved by Shareholder will be within limit prescribed u/s 224(i) of the Companies Act 1956, is placed for consideration and approval of the members of the Company.

COST AUDIT:

The Central Government's Cost Audit Committee Order specifies audit of Cost Accounting Records for certain products of the company every year. The Board of Directors, subject to the approval of the Central Government, have appointed M/s. J. K. Kabra & Co., Cost Accountants, as Cost Auditors to carry out this audit in respect of manufacture of textile products for the year ending 31st March 2012.

PARTICULARS OF EMPLOYEES

None of the employees drew remuneration of ₹ 60,00,000/- or more per annum/ ₹ 5,00,000/- or more per month during the year. This information is furnished as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

SAFETY, HEALTH AND ENVIRONMENT:

Sustained and meticulous efforts continue to be exercised by the Company at all plants of the Company, towards greener production and environment conservation. The Company perseveres in its efforts to indoctrinate safe and environmentally accountable behavior in every employee, as well as vendors, by rigid compulsory annual training and refresher courses, as well as frequent awareness programmed. Mock drills of emergency preparedness are regularly conducted at all the plants showing Company's commitment towards safety, not only of its own men and plants, but also of the society at large.

KSL AND INDUSTRIES LIMITED

Safety records, at all the plants showed considerable improvement and accident statistics showed downward trend. This was made possible by strict adherence to laid down procedures and following of international guidelines. Involvement of workers in all safety matters has been encouraged by their participation in shop floor safety meetings.

The health of employees and the environment in and around the Plant area have been given due care and attention. The Company continued to comply with the prescribed industrial safety environment protection and pollution control regulation at its production plant, through periodic checks of the system involved and constant monitoring to meet the standards set by the pollution control authorities, etc.

All the mills of the Company are eco-friendly and do not generate any harmful effluents. They have facilities for captive power generation as a stand-by arrangement, to meet any contingency. Safety devices have been installed wherever necessary, although both the spinning and knitting activities are known to be quite safe and free from usual hazards of water and air pollution.

INDUSTRIAL REALATIONS & HUMAN RESOURCES MANAGEMENT:

The Company is of firm belief that good Human Resource Management would ensure success though high performance. HR strategy and plans of the Company are deeply embedded with the organizational goals. In order to enhance the manpower productivity the goal is set to increase the production capacity of the various plants and rationalize the manpower through scientific study. All the operational goals of the top management emanate from the business plan. The goals of MD are shared with his subordinates who in turn share their goal with their respective subordinates and so on. Regular visits by HR team are being made to all the plants to meet the employees and also interaction meetings are conducted to get their feed back, based on which HR policies are improved continuously. The process has resulted in better employee relationship.

The Company lays due emphasis on all round development of its human resource. Hence training of the employees is aimed at systemic development of knowledge, skills, aptitude and team work. Training is designed for the development of personal skills necessary for the performance of the present job and to prepare them for future growth. Individual development is given top priority to groom high caliber manpower.

ACKNOWLEDGEMENT:

Your Directors place on record their appreciation of the assistance and support extended by Bankers, Consultants, Solicitors, Shareholders and Employees of the Company.

For and Behalf of the Board of Directors

Place : Mumbai
Date : 28th April, 2012

Sd/-
Ajay Ramesh Gupta
Chairman

ANNEXURE TO THE DIRECTORS' REPORT

Information as per 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 Directors' Report for the year 2011-12.

I. CONSERVATION OF ENERGY

- a) Energy conservation measures taken :
The Company has been making concerted efforts for enhancement in capacity utilization, cost competitiveness and quality through systematic process monitoring and adherence to technological norms. Sophisticated instruments are used for regulation and adjustment as per parameters. Efforts are also made for up gradation of the quality of the Plant Operation. Utilities are being combined for effective energy conservation.
- b) Additional Investments and Proposals being implemented for reduction of consumption of energy :
The Company, as a matter of policy, has a regular and ongoing program for investments in energy saving devices. Studies are being made to reduce energy consumption and make suitable investments in this area, if necessary.
- c) Impact of the measures (a) & (b) above for reduction of energy consumption and consequential impact on the cost of production of goods:
The Company has economized considerably the cost of power despite steep hike in the tariffs and is constantly exploring avenues for cost saving as an on-going process.
- d) TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION AS PER FORM A OF THE RULES IN RESPECT OF INDUSTRIES SPECIFIED IN THE SCHEDULE THEREOF

	Year ended 31.03.2012	Year ended 31.03.2011
A. Power and Fuel Consumption in respect of :		
1. Electricity		
(a) Purchased		
1. Units (KWH in Lacs)	470.38	313.95
2. Total amount (₹ in lacs)	3019.83	1648.24
3. Rate per unit (₹/unit)	6.42	5.25
(b) Own Generation		
(Through Diesel Generator/Furnace Oil	556.89	935.73
1. Units (KWH in Lacs)	9.06	9.06
2. Units per litre of fuel	12.07	7.01
3. Cost per unit (Rs/unit)	--.---	--.---
2. Coal	--.---	--.---
3. Furnace Oil	--.---	--.---
Others/Internal Generation		
B. Consumption per unit of production		
(Product : Yarn & Fabric)		
1. Electricity (KWH/Tonne)	6303.72	2406.68
2. Coal (Kgs.)	--.---	--.---
3. Furnace Oil (Ltrs.)	--.---	--.---
4. Steam (Tonnes)	--.---	--.---

Note : Since the Company manufactures different qualities of fabrics/yarn-s with product-mix changing significantly, there are no specific norms for per -unit of production.-

II. TECHNOLOGY ABSORPTION:

EFFORTS MADE IN TECHNOLOGY ABSORPTION AS PER FORM B OF THE ANNEXURE TO THE RULES.

1. Research and Development (R & D)
- a) Specified areas in which R & D Activities are carried out by the Company.
R & D activities are being carried out continuously to produce better quality of yarn and fabrics.
- b) Benefits derived as a result of the above
With the help of R & D activities, the Company has been able to produce quality yarn and fabrics of international standards.
- c) Future Plan of Action
Efforts aimed at cost reduction, improvement in quality of existing products and development of new process will continue.
- d) Expenditure on R & D
Expenditure on R & D is being booked under the respective heads of expenditure in the Profit & Loss Account as no separate account is maintained for the purpose.
2. Technology Absorption, Adaption and Innovation
The Company has not utilized any imported technology.

III. FOREIGN EXCHANGE EARNINGS AND OUT-GO :

- a) Activities relating to export Markets for products and services and export plan
- b) Foreign Exchange Outgo (₹ in Lacs)
- c) Foreign Exchange earned (₹ in Lacs)

The Company has set up an Export Division for export of premium quality yarns and garments.

Year ended 31.03.2012	Year ended 31.03.2011
626.91	705.27
Nil	Nil

For and Behalf of the Board of Directors

Sd/-

Ajay Ramesh Gupta
Chairman

Place : Mumbai
Date : 28th April, 2012

CORPORATE GOVERNANCE REPORT

This brief report on matters required to be stated on Corporate Governance pursuant to Clause 49 of the Listing Agreements is as under:

1. Company's Philosophy on Code of Governance

At **KSL AND INDUSTRIES LIMITED**, the concept of Corporate Governance does not mean only total transparency, integrity and accountability of the management team but also to maximize shareholder's value and protection of the interests of all the stakeholders. It includes the policies and procedures adopted by the Company in achieving its objective in relation to its shareholders, employees, customers, and suppliers, regulatory authorities and society at large.

The Revised Clause 49 of Listing Agreement has introduced Code of Conduct for its Directors and Executives so that they remain accountable to the shareholders and other beneficiaries for their actions.

It is a recognized philosophy of the company that effective and good Corporate Governance is a must, not only in order to gain credibility and trust, but also as a part of strategic management for the survival, consolidation and growth.

2.1 Board of Directors

The Board of Directors consists of 6 Directors.

During the year 2011-12, the board met 4 times on the following dates namely 28th April, 2011, 23rd July, 2011, 13th October 2011, 12th January 2012. There was no time gap of four months or more between any two meetings.

The name and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the 29th Annual General Meeting held on 9th July, 2011, as also the number of Directorships and Committee Memberships held by them in other Public Companies are given below:

Name	Category	Attendance Particulars		Number of other directorships and Total Committee member/Chairmanships		
		Board Meetings	Last AGM	Other Directorship In Indian Public Limited Companies	Committee Membership	Committee Chairmanship
Shri Saurabh Kumar Tayal**	NEC	4	Yes	7	6	2
Shri Ajay Ramesh Gupta#	MD	4	Yes	7	5	1
Shri Manoj Kumar Sharma@	MD	Nil	NO	-	-	-
Shri Rajshekhar S. Ganiger	ID	4	Yes	2	4	Nil
Shri Farindra Bihari Rai	NED	4	No	8	10	5
Shri Mahesh Prasad Mehrotra	ID	4	No	15	9	2
Shri Kailash Nath Bhandari	ID	4	No	12	4	1
Ms. Mrinal Tayal*	NED	3	No	5	Nil	Nil

* Resigned w.e.f. 1st November, 2011

**Resigned w.e.f. 22nd March, 2012,

@ Appointed w.e.f. 28th April, 2012,

Step Down from as Managing Director and still continue as NED w.e.f. 28.04.2012

"NEC" = Non Executive Chairman, "MD" = Managing Director, "ID" = Independent Director, NED = Non- Executive Director.

2.2 Appointment and Re-appointment of Directors

As required under Clause 49(VI) of the Listing Agreement the brief details of the directors seeking appointment/ re- appointment at the ensuing Annual General Meeting are furnished hereunder :

Sl. No.	Name of Director	Brief Resume	Area of Expertise	Other Directorships	Other Committee Memberships	Other Committee Chairmanship
1.	Shri M. P. Mehrotra	B. Com, L.L.B., F.C.A., and vast experience of working finance sectors. in legal and Finance Sectors	Accounts & Audit, Legal, Taxation and Finance	15	9	2

2.3 Non-Executive Directors Compensation Disclosures

Details of Sitting Fees paid to Non-Executive Directors of the Company during the year is as follows:

Sr. No.	Name of Director	Category	Attendance Particulars	
			Board Meetings	Sitting Fees Paid (₹)
1.	Shri M. P. Mehrotra	ID	4	40,000/-
2.	Shri K. N. Bhandari	ID	4	40,000/-
3.	Shri Rajshekhar S. Ganiger	ID	4	40,000/-
4.	Shri Farindra Bihari Rai	ID	4	40,000/-
5.	Ms. Mrinal Tayal	ID	3	30,000/-
	Total			1,90,000/-

Board Committees

The requirement that a Director shall not be a member of more than 10 committees and Chairman of more than 5 committees has been complied with while constituting the Committees of Director.

3.1 Audit Committee

The Board of Directors of the Company has constituted an Audit Committee. The Audit Committee comprises of Shri Farindra Bihari Rai as the Chairman and Shri Mahesh Prasad Mehrotra & Shri Rajshekhar Ganiger as the members of the Committee.

The constitution of Audit Committee meets with the requirements of Section 292A of the Companies Act, 1956 and Clause 49(II)(A) as introduced by the Companies (Amendment) Act, 2000.

The scope of the activities of the Audit Committee is as set out in Clause 49 of the Listing Agreement read with the Section 292A of the Companies Act, 1956. The terms of reference of the Audit committee are as follows:

- Overview of the company's financial reporting process and the disclosure of its financial information.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- Reviewing with management the annual financial statements before submission to the board, focusing primarily on (i) any changes in accounting policies and practices (ii) major accounting entries based on exercise of judgment by management (iii) qualifications in draft audit report (iv) significant adjustments arising out of audit (v) the going concern assumption (vi) compliance with accounting standards (vii) compliance with stock exchange and legal requirements concerning financial statements and (viii) any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large.
- Reviewing with the Management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit functions.
- Discussion with internal auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with external auditors before the audits commences nature and scope of audit as well as has post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

During the year 2011-12, the Audit Committee met 4 times on the following dates namely 28th April, 2011, 23rd July 2011, 13th October 2011 and 12th January 2012. The composition of the Audit Committee and the details of Audit Committee Meetings attended by the Members are given hereunder:

Name of Member	Designation	Attendance
Shri Farindra Bihari Rai	Chairman	3
Shri Rajshekhar Ganiger	Member	4
Shri Mahesh Prasad Mehrotra	Member	4

3.2 Remuneration Committee

The Company does not have a Remuneration Committee. The remuneration payable to the Managing Director and the sitting fees paid to the Non-Executive Directors is approved by the Board of Directors within the overall limits fixed by the Members of the Company at the General Meetings.

Remuneration to Managing Director and Non-Executive Directors for the year 2011-12.

Name	Salary	Commission	Sitting Fees	Amount
Shri Ajay Ramesh Gupta	₹ 6,00,000	Nil	Nil	₹ 6,00,000
Non-Executive Directors	Nil	Nil	₹ 1,90,000	₹ 1,90,000

3.3 Shareholders'/ Investors' Grievance Committee

The Shareholders'/ Investors' Grievance Committee of the Company has been re-constituted in the meeting of the Board of Directors held on 24th July, 2009. The Committee now comprises of Shri Saurabh Kumar Tayal, Shri Farindra Bihari Rai and Shri Rajshekhar Ganiger as the Members of the Committee. Shri Saurabh Kumar Tayal is the Chairman of the Committee.

The Committee, inter alia, looks into redressing of shareholders'/investors' complaints like transfer of shares, non-receipt of balance sheet, non-receipt of dividends etc. The Committee oversees the performance of the Company and recommends measures for overall improvement of the quality of investor services. The Board of Directors has delegated the power for approving transfer of securities to the Managing Director and Chairman of the Company.

During the year 2011-12, the Shareholders'/Investors' Grievance Committee met 4 times on the following dates namely 27th April, 2011, 22nd July 2011, 12th October 2011 and 11th January 2012.

Name of Member	Designation	Attendance
Shri Saurabh Kumar Tayal	Chairman	4
Shri Farindra Bihari Rai	Member	4
Shri Rajshekhar Ganiger	Member	2

No of Shareholder's Complaint received so far : 4
 Complaints solved to the satisfaction of shareholders : 4
 Number of pending complaints : Nil

3.4 Management and Finance Committee:

The Board of Directors of the Company has constituted Management and Finance Committee in their meeting held on 28th April, 2011. The Management and Finance Committee comprises of Shri Manoj Kumar Sharma as the Chairman, Shri Farindra Bihari Rai and Shri Ajay Ramesh Gupta as the members of the Committee. The Committee is formed to take the decisions and to pass the necessary Resolutions on the day-to-day matters of the Company, on behalf of the Board of Directors.

During the year 2011-12, the Management and Finance Committee met 14 times. The composition of the Management and Finance Committee and the details of the Meetings of the members are given hereunder:

Name of Member	Designation	Attendance
Shri Saurabh Kumar Tayal *	Chairman	14
Shri Manoj Kumar Sharma **	Member	Nil
Shri Farindra Bihari Rai	Member	14
Shri Ajay Ramesh Gupta	Member	14

* Resigned w.e.f. 22nd March, 2012.

** Appointed w.e.f. 28th April, 2012.

4. General Body Meetings

The last three Annual General Meetings of the Company were held as under :-

Year	Location	Date	Time
2010-11	65, Krishna Nagar, Samarvani, Silvassa (U.T.)	9 th July, 2011	11.30 A.M.
2009-10	65, Krishna Nagar, Samarvani, Silvassa (U.T.)	17 th July, 2010	11.30 A.M.
2008-09	65, Krishna Nagar, Samarvani, Silvassa (U.T.)	31 st July, 2009	11.30 A.M.

5. Disclosures:

Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors of the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large:

None of the transactions with any of the related parties were in conflict with the interests of the Company.

Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory