



## NOTICE

NOTICE IS HEREBY GIVEN that the 20th Annual General Meeting of the Members of KRITI INDUSTRIES (INDIA) LIMITED will be held on Monday the 27th of September, 2010 at 4.00 P.M. at Corporate Support Center situated at 4th Floor "Chetak Chambers", 14 R. N. T. Marg, Indore (M.P.)-452001 to transact the following businesses:

### ORDINARY BUSINESS

1. To receive, consider and adopt Audited Balance Sheet as at 31<sup>st</sup> March 2010 and the Profit and Loss Account for the year ended on that date together with the Directors' report and Auditors' report thereon.
2. To declare Dividend for the Financial Year ended on 31<sup>st</sup> March 2010.
3. To appoint a Director in place of Mr. Rakesh Kalra, who is liable to retire by rotation, and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Dr. Somnath Ghosh, who is liable to retire by rotation, and being eligible offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration

### SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modifications, if any, the following resolution as **Special Resolution**.

"RESOLVED THAT pursuant to the provisions of Sections 269, 309, 314 316 read with Schedule XIII thereof (including any statutory modification or re-enactment thereof, for the time being in force) and other applicable provisions, if any, of the Companies Act 1956 the members of the Company hereby accord their approval to the re-appointment of Mr. Shiv Singh Mehta who is already the Managing Director of another company, namely Kriti Nutrients Limited, as the Managing Director of the Company for a further period of three years with effect from 1st October, 2010 on the remuneration and terms and conditions mentioned in the explanatory statement annexed hereto.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to increase, reduce, alter or vary the terms of remuneration in such manner from time to time as the Board may deem fit within the limits specified in Schedule XIII of the said Act, as existing or as amended, modified or re-enacted from time to time.

RESOLVED FURTHER THAT pursuant to Section 198 and all other applicable provisions of the Companies Act, 1956, the remuneration as set out in the enclosed explanatory statement be paid as minimum remuneration to Mr. Shiv Singh Mehta notwithstanding that in any financial year of the Company during his tenure as Managing Director, the Company has made no profit or profits are inadequate."

7. To consider and if thought fit, to pass with or without

modifications, if any, the following resolution as **Special Resolution**.

"RESOLVED THAT pursuant to the provisions of Section 314 (1B) and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of Central Government and the rules and regulations thereto, the consent of the members be and is hereby accorded to the re-appointment of Ms. Devki Mehta, a relative of the directors of the company, to hold and continue to hold the office or place of profit as an employee of the company w.e.f 1st October 2010 on remuneration and terms and conditions mentioned in the explanatory statement annexed hereto."

Place : Indore

Date : 31.07.2010

By order of the Board,

Shiv Singh Mehta  
Managing Director

### Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM IN ORDER TO BE VALID AND EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE AFORESAID MEETING.
2. The Register of Members and Share Transfer Books of the Company will be closed from 21<sup>st</sup> September 2010 to 27<sup>th</sup> September 2010 (both days inclusive) for the purpose of Annual General Meeting.
3. **DIVIDENDS**  
The Dividend, if approved by members at the ensuing Annual General Meeting, will be paid to those members whose names stand registered on 27<sup>th</sup> September 2010.
  - i. As members in the Register of Members; and
  - ii. As beneficial owners as per details furnished by the Depositories for this purpose.

Members are requested to inform the Company immediately, if not already informed, particulars of Bank Account, i.e, Name and address of the Bank and its Branch and the type of account and its number for the purpose of inclusion of particulars on the Dividend Warrant to minimise the risk of fraudulent encashment.
4. As per the provisions of Section 109 of the Companies Act, 1956, facility for making nomination is now available to the shareholders in respect of the shares held by them. Nomination forms can be obtained from the Registrar of the Company.
5. Members attending the meeting are requested to bring with them the attendance slip duly filled in to be handed at the entrance of the meeting hall. They are requested to bring their copy of the Annual Report to the meeting.



6. Members are requested to:
  - A. Notify immediately any change in their address to the Company quoting their folio numbers.
  - B. Send to the Company details of all folios, if holding shares in identical order of names in more than one folio, together with the Share Certificates for consolidating the folios into one. The Share Certificates will be returned to members after making the requisite endorsement thereon.
  - C. Write to the Company at least 7 days before the date of the meeting, if any information with regard to accounts is required, so as to enable the management to keep the information ready.
7. The relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under item no. 6 & 7 as set out above is annexed hereto.

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

##### ITEM NO. 6

The existing tenure of Mr. Shiv Singh Mehta as Managing Director of the company is expiring on 30th September, 2010. Upon the recommendation of Remuneration Committee of the board, the Board of Directors at its meeting held on 31st July 2010 has passed the resolution for his re-appointment as the Managing Director w.e.f. 1st October, 2010 for a further period of three years.

Mr. Shiv Singh Mehta is a founder and key promoter of the Company and under his dynamic leadership, initiatives and directions, the Company has benefited in its overall operations. His devotion, vision and experience are essential for the continuing growth of the Company. Hence the Board of Directors recommends the resolution for the re-appointment of Mr. Shiv Singh Mehta w.e.f. 1st October, 2010 for the approval of member in ensuing Annual General Meeting of the Company on the following terms and conditions.

- a) Salary : Rs. 250000/- per month
- b) Perquisites and allowances: Rs. 50000/- per month  
The perquisites and allowances shall include House Rent Allowances, Medical Allowances and Leave travel concession.
- c) Commission: Payable for each financial year subject to the overall maximum ceiling of 5% of the net profit as computed in accordance with the provisions of Section 349 & 350 of the Companies Act, 1956 inclusive of salary, perquisites and allowances as per (a) and (b) above.
- d) Reimbursement and other facilities; not considered as perquisites :
  - i. Reimbursement of expenses incurred for travelling, boarding and lodging during business trips; expenses of telephone at residence and cell phone;
  - ii. Provision of car with driver;
  - iii. Payment of club fees.
- e) Minimum Remuneration: In the event of loss or inadequacy of profits in any financial year during

the tenure, the company has no profit or its profits are inadequate, the remuneration as set above in (a) & (b) shall be the minimum remuneration payable.

- f) No sitting fees shall be payable for attending the board meeting or committee meeting thereof.

The notice and explanatory statement may be treated as an abstract of the terms and conditions of appointment and remuneration payable to Mr. Shiv Singh Mehta, as required under Section 302 of the Companies Act. 1956.

Mr. Shiv Singh Mehta himself, Mrs. Purnima Mehta, Mr. Sajjan Singh Mehta and Mr. S.S. Kothari being relatives of Mr. Shiv Singh Mehta may be deemed to be interested in the resolution.

#### Additional information relevant for the approval of the remuneration payable to Mr. Shiv Singh Mehta

##### 1. General Information:

- a. Nature of Industry: The Company is engaged in manufacturing, processing, buying, selling, reselling, export, import of pipes and fitting P.V.C. extrusions, LDPE, HDPE etc.
- b. Date or expected date of commencement of commercial production: The Company was incorporated on 12th March, 1990 and the commercial production is carried out since then.
- c. Financial performance as per Audited Financial Results for the year ended 31<sup>st</sup> March, 2010 and for the year ended 31<sup>st</sup> March, 2009 are:

Particular	31.03.2010 (Rs. In crores)	31.03.2009 (Rs. In crores)
Income from operation	415.50	570.53
Profit before depreciation	16.73	20.61
Profit Before Tax	12.32	(2.46)
Profit after tax	9.11	(2.61)

##### d. Export Performance:

- \* Foreign exchange earned for the financial year ended 31st March 2010: Rs. 5563.65 Lacs
- \* Foreign exchange expenditure for the financial year ended 31st March 2010: Rs. 26.86 Lacs

##### 2. Information about the appointee:

- a. Background Details: Mr. Shiv Singh Mehta is a B.E. and M.B.A. He has over 33 years of diverse experience in the Corporate Sector.
- b. Past Remuneration drawn (during 2009-2010) : Rs. 32.88 Lacs
- c. Job Profile and suitability: Mr. Shiv Singh Mehta exercises substantial powers of management, subject to the superintendence, control and direction of the Board of Directors/Chairman of the Company. He is responsible for the operations and affairs of the Company. Taking into consideration his qualifications and expertise, Mr. Shiv Singh Mehta is best suited for the responsibilities assigned to him by the Board of Directors.
- d. Remuneration Proposed : as above



- e. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person: The remuneration proposed is commensurate with the remuneration packages paid to similar senior level appointees in other Companies.

**3. Other information:**

- a. Steps taken or proposed to be taken for improvement of profitability: The company has taken the following steps for improvement in performance during the past Two years.
- \* Improved market service and customer interaction
  - \* Sharp focus on big scale cost reduction.
  - \* Dealer rationalization and emphasis on collection.
  - \* Training program for employees.
  - \* Continuous product improvement.
- b. Expected increase in productivity and profits in measurable terms: The above steps taken by the company have resulted in increase in company's profit. The improvement is expected to continue in the current year and beyond.

Your Board proposes resolution, as set out in Item No 6 as a

Special Resolution.

**ITEM NO. 7**

Ms. Devki Mehta is working in the company as Manager-Special projects and her present tenure will end on 30th September 2010. The Board of Directors at their meeting held on 31st July 2010 re-appointed Ms. Devki Mehta as an "Assistant General Manager- Special Projects" w.e.f. 1st October 2010 on a consolidated monthly salary slab (cost to the company) of Rs. 70000-10000-90000 for a period of 2 years i.e. up to 30th September 2012.

Ms. Devki Mehta is a BE (Civil) Gold Medalist from SGSITS, Indore and MBA from S.P. Jain Institute, Mumbai.

Payment of remuneration to the relative of the director attracts provisions of Section 314(1B) of the Companies Act, 1956 and requires consent of shareholders of the company by way of special resolution subject to approval of Central Government. Ms. Devki Mehta being the relative of Mr. Shiv Singh Mehta, Mrs. Purnima Mehta, Mr. Sajjan Singh Mehta and Dr. S. S. Kothari, consent of shareholders is being sought under Section 314(1B) as a special resolution.

The Board commends the resolution for approval. None of the Directors, except Mr. Shiv Singh Mehta, Mrs. Purnima Mehta, Mr. Sajjan Singh Mehta and Dr. S. S. Kothari are interested in the said resolution.

**Details of the directors seeking reappointment at the Annual General Meeting**

Name of the Director	Mr. Rakesh Kalra	Dr. Somnath Ghosh	Mr. Shiv Singh Mehta
Date of Birth	11.09.1949	31.05.1953	03.03.1954
Date of appointment	24.06.2006	03.03.2009	12.03.1990
Expertise in Specific areas	Mechanical	Human Resource Management, Organizational Design and Institutional Development	Finance, Marketing, Technical and Business Administration.
Qualification	B.E.	M.A., M.Phil, Ph.D.	B.E. , M.B.A.
List of Outside Directorship held	1. Mahindra Navistar Automotives Ltd. 2. Mahindra Navistar Engines Pvt. Ltd.	1. KBS Bank Ltd. 2. PAN Network Pvt. Ltd. 3. Kriti Nutrients Ltd.	Rajratan Global Wires Ltd. Kriti Nutrients Ltd. Kriti Auto & Engineering Plastics Pvt. Ltd. Sakam Trading Pvt. Ltd.
Chairman/ Member of the committees of the Board of Directors of the Company	Audit Committee - Member; Remuneration Committee- Chairman	Remuneration Committee - Member Investors' Grievance Committee- Member	Investor's Grievance Committee- Member Financial Committee -Chairman
Chairman / member of the Committees of Director of other companies in which he/she is a Director			
(a) Audit Committee	Nil	Nil	Rajratan Global Wires Limited
(b) Investors' Grievance Committee	Nil	Kriti Nutrients Limited	Rajratan Global Wires Limited Kriti Nutrients Limited
(c) Remuneration Committee	Nil	Kriti Nutrients Limited	Rajratan Global Wires Limited



## DIRECTORS' REPORT

Your Directors have the pleasure in presenting the 20th Annual Report together with Audited Accounts of the Company for the year ended on 31st March, 2010.

### FINANCIAL RESULTS

The performance of the Company for the financial year ended 31st March 2010 is summarized below:

PARTICULARS	(Rs. In Lacs)	
	CURRENT YEAR 2009-10	PREVIOUS YEAR 2008 - 09
Total Income	41689.19	57118.78
Profit before Interest, Depreciation & Taxes	3034.06	2082.55
Less: Interest	1361.48	1876.41
Profit before depreciation	1672.58	206.14
Less: Depreciation	440.83	452.31
Profit/ (Loss) after depreciation	1231.75	(246.17)
Provision for Taxation	320.82	14.75
Net Profit/(loss)	910.93	(260.92)
Less: Prior year Income/Expenditure	0.00	10.37
Add: Transfer from reserves	0.00	235.00
Add: Balance Brought Forward	688.92	725.22
Profit available for Appropriation	1599.85	688.93
Proposed Dividend	74.41	0.00
Corporate Dividend Tax	12.64	0.00
Transferred to General Reserve	782.72	0.00
Transferred to Contingency Reserve	35.00	0.00
Balance Carried over to Balance Sheet	695.08	688.92

### YEAR IN RETROSPECT

Year 2008-09 was a difficult year. Company felt strain of global economic upheaval. The year under review was an important milestone. Company improved its working and overall performance. It also demerged solvent division and engineering moulding division into separate companies pursuant to High Court order. Hence the above results comprises of first nine months of solvent and engineering moulding division and twelve months of plastic division.

### DIVIDEND

In view of the improved performance of the company, your directors are pleased to recommend a dividend of 15% for the year ended 31.03.2010 on 49603520 equity shares of Rs. 1/- each aggregating to Rs. 74.41 lacs.

### CORPORATE GOVERNANCE:

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

### SECRETARIAL COMPLIANCE CERTIFICATE:

In pursuance of Section 383A of the Companies Act, 1956, a certificate issued by Company Secretary in whole time practice is enclosed herewith and forming part of this report.

### DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors hereby confirm that: -

1. In the preparation of Annual Accounts, the applicable accounting standards have been followed along with the proper explanation relating to material departures.
2. The Directors have selected such accounting policies and applied them consistently and have made judgment and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at end of the financial year ended 31st March, 2010 and of the Profit and Loss Account of the Company for that period.
3. The Directors 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.
4. The Directors have prepared the Annual Accounts for the year ended 31st March 2010 on a going concern basis.

### SUBSIDIARY COMPANY:

Post demerger for three months, Kriti Auto & Engineering Plastics Private Limited, Company's wholly owned subsidiary, achieved gross turnover of Rs. 549.04 lacs representing a profit after tax of Rs. 32.48 lacs.

The statement pursuant to Section 212 of the Companies Act, 1956 containing the details of the Company's subsidiary is attached. The copies of the Balance sheet, Profit & Loss account, Director's Report, Auditor's Report etc. are attached herewith.

### DIRECTORS:

Mr. Rakesh Kalra and Dr. Somnath Ghosh retire by rotation and being eligible offers themselves for re-appointment.

Mr. Prakash M. Pethe resigned as a director of the company w.e.f 27.01.2010. The Board places on record its appreciation for the valuable services rendered by him during his tenure.

### STATUTORY INFORMATION:

#### PUBLIC DEPOSIT:

The company has not received/accepted any deposits from public during the year under review.

#### PARTICULARS OF EMPLOYEES

The Company does not have on its roll any employee drawing remuneration attracting provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.


**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO**

Information as per section 217(1)(e) read with Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 are given in the Annexure-A forming part of the report.

**AUDITORS**

M/s. Subhash Deshpande & Co., Chartered Accountant, Indore the Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

**INDUSTRIAL RELATIONS**

Your directors wish to place on record their appreciation for the contribution made by the company's workforce at all levels of operations for the success and progress of the company.

**ACKNOWLEDGEMENT**

Your Directors place on record their appreciation of the co-operation and assistance extended by the Central / State Government, Financial Institutions, Banks. The Directors also convey their sincere thanks for the continued support given to the Company by the esteemed shareholders, suppliers, dealers and valued customers.

FOR & ON BEHALF OF THE BOARD,

**S. S. Mehta**  
(Chairman)

Place : Indore  
Date : 31st July, 2010

**ANNEXURE**

Information as per Section 217(1) (e) read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules 1988 and forming part of the Directors' Report for the year ended 31st March 2010.

**A CONSERVATION OF ENERGY**
**(a) Energy Conservation measures taken:**

- (1) Energy conservation devices have been installed and the equipments are maintained properly to reduce energy consumption.
- (2) New systems are being devised to reduce electric power, fuel and water consumption.

**(b) Additional Investment and proposals for reduction of consumption of energy.**

By relocating, modifying the available equipment, energy, conservation measures are being implemented and major investments have not been made for equipments so far.

**(c) Impact of above measures:**

The above measures have resulted in energy saving and subsequent decrease in the cost of production.

**(d) Total energy consumption and energy consumption per unit of production:**
**ii) Through Steam Turbine/**

Generator Unit/Unit per ltr. of

Diesel oil Cost/Unit

Nil

Nil

**2. Coal (specify quality & where used)**

RDM/Steam B

Grade used in Boiler

Quantity (Tones)

7104.96

11572

Total Cost

25639686.05

46288480

Average Rate

3608.69

4000.00

**3. Furnace Oil**

Quantity (K.Ltr.)

-

-

Total Amount

-

-

Average Rate

-

-

**4. Others/internal Generation**

Total Cost

-

-

Quantity

-

-

Rate/Unit

-

-

**CONSUMPTION PER UNIT OF PRODUCTION**
**A. POWER AND FUEL CONSUMPTION**

	2009-10	2008-09
1. Electricity		
a) Purchased Units	15034497	18890789
Total Amount	71215960	84650272
Rate/Unit (Average Rs.)	4.74	4.48
b) Own Generation		
i) Units	146204	59247
Units per ltr. of Diesel Oil	2.73	3.38
Cost per unit (Rs.)	14.12	10.10

	EXTRACTION	REFINERY	LECITHIN
Electricity			
(Units per ton)	45.56	67.96	112.91
Coal (Specify quality)			
(Kg. per ton)	97.50	167.60	332.89

Note: Information in respect of Pipes & Fittings has not been provided, as Form "A" under Section 217(1)(e) of the Companies Act, 1956, is not applicable to these units.

**FORM - B****(A) (I) Research and Development (R & D)**

Specific areas in which R & D is being carried out by the Company.

The company undertakes upgradation of its products as a continuous process. New products and process equipments have been developed resulting in improved efficiency of operations.

**(II) Benefits derived**

With the installation of various additional equipments it was possible to achieve consistency in production and quality of products.

**(B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

The Company does not have any imported technology and hence the details required to be given for the imported technology is not applicable

**(C) FOREIGN EXCHANGE EARNING & OUTGO****(Rs. In Lacs)****2009-10    2008-09**

1. Earning		
FOB rate of Export	<b>5563.65</b>	12596.45
2. Outgoing		
a) CIF Value of Imports	<b>11712.04</b>	2122.12
b) Expenditure in Foreign Currency	<b>26.86</b>	45.77



## Corporate Governance Report

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Kriti group is committed to the adoption of best governance practices and is instill in company's vision, processes, and structures to make decisions that ensure long term sustainability and thus creating value for all its stakeholders continuously. On the same lines the Company has always followed fair business and corporate practices while dealing with the shareholders, employees, customers, creditors, lenders and the society at large.

In line with this philosophy, the company continuously strives for excellence through adoption of best governance. Your company is compliant with all the provisions of Clause 49 of the Listing Agreement of the Stock Exchange. The details of compliance are as follows:

#### 1. BOARD OF DIRECTORS

##### Composition of Board

The Board of Directors of the KIIL consists of an optimum combination of executive, non-executive and independent directors, to ensure the independent functioning of the board. The Board consists of eight Directors. Out of which six are non-executive directors. Four out of the six non-executive directors are independent.

The Board of Directors has an adequate representation of professional, qualified, Non-Executive and Independent Directors. Decisions at the Board and Committee meetings are taken unanimously.

##### Directors retiring by rotation and seeking for re-appointment

Mr. Rakesh Kalra and Dr. Somnath Ghosh are the directors liable to retire by rotation and being eligible offer themselves for re-appointment.

As required under Clause 49 of the Listing Agreement, information such as brief resume, nature of expertise and other directorships is given here below.

Name of the Director	Mr. Rakesh Kalra	Dr. Somnath Ghosh
Date of Birth	11.09.1949	31.05.1953
Date of appointment	24.06.2006	03.03.2009
Expertise in Specific areas	Mechanical Engineeering	Human Resource Management, Organizational Design and Institutional Development
Qualification	B.E.	M.A., M.Phil, Ph.D.
List of Outside Directorship held	1. Mahindra Navistar Automotives Ltd. 2. Mahindra Navistar Engines Pvt. Ltd.	1. KBS Bank Ltd. 2. PAN Network Pvt. Ltd. 3. Kriti Nutrients Ltd.
Chairman/ Member of the committees of the Board of Directors of the Company	Audit Committee - Member; Remuneration Committee- Chairman	Remuneration Committee - Member Investors' Grievance Committee- Member
Chairman / member of the Committees of Director of other companies in which he/she is a Director		
(a) Audit Committee	Nil	Nil
(b) Investors' Grievance Committee	Nil	Kriti Nutrients Limited
(c) Remuneration Committee	Nil	Kriti Nutrients Limited

The composition of the Board of Directors and the number of board committee in which they are chairman/ member as on 31.03.2010 are as under:



Name	Category	No. of Directorship in other Public Limited Companies	No. of Committee position held in other Public Limited Companies	
			Chairman	Member
Shri Sajjan Singh Mehta	Promoter & Non-Executive Director	Nil	Nil	Nil
Dr. S. S. Kothari	Non-Executive Director	Two	Nil	Nil
Shri V. Bhole	Nominee Director- IDBI	Nil	Nil	Nil
Smt. Purnima Mehta	Promoter & Executive Director	One	Nil	One
Shri Shiv Singh Mehta	Promoter & Executive Director	Two	One	Two
Shri Manoj Fadnis	Independent & Non-Executive Director	Four	Two	One
Shri Rakesh Kalra	Independent & Non-Executive Director	One	Nil	Nil
Dr. Somnath Ghosh	Independent & Non-Executive Director	Two	Nil	Two

#### Board Procedure

During the year under review, six meetings of the Board of Directors were held. The dates of the meetings were decided in advance and key information was placed before the Board. The Board of Directors meetings were held on 30th June, 2009; 29th July, 2009; 21st August, 2009; 26th October, 2009; 12th January, 2010; 27th January, 2010.

#### Attendance record of Directors

The record of attendance of the directors at Board Meetings held during the year and at the last Annual General Meeting were:

Name	No. of Board Meetings held during the year	No. of Board Meetings Attended	Attendance at the last AGM held on 30th September 2009
Shri Sajjan Singh Mehta	6	6	Yes
Dr. S. S. Kothari	6	1	No
Shri Vinod Bhole	6	6	No
Smt. Purnima Mehta	6	6	Yes
Shri Shiv Singh Mehta	6	6	Yes
Shri Manoj Fadnis	6	6	Yes
Shri Rakesh Kalra	6	0	No
Dr. Somnath Ghosh	6	4	Yes
Shri Pravin Kasliwal*	6	2	No
Shri Prakash Pethe#	6	2	Yes

\*Resigned from the directorship w.e.f. 30.09.2009

# Resigned from the directorship w.e.f. 27.01.2010

#### AUDIT COMMITTEE

##### (A) Terms of reference

The Audit Committee has adequate powers and detailed terms of reference to play effective role as required under the provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

##### (B) Constitution and Composition

The terms of reference of the audit committee are extensive and include all that is mandated in clause 49 of the Listing Agreement with the Stock Exchange and Section 292A of the Companies Act, 1956. The Company has complied with the requirements of clause 49(II)(A) of the Listing Agreements as regards composition of the Audit Committee.

The Audit Committee of the Company as on 31st March 2010 comprises of the following Directors of the Company.

Name of the Director	Designation
Shri Manoj Fadnis	Chairman
Shri V. M. Bhole	Member
Shri Rakesh Kalra	Member
Shri Prakash M. Pethe*	Member*

\* W.E.F. 27.01.2010, Shri Prakash M. Pethe ceases to be the member of the audit committee.

All the three members of the audit committee are non-executive directors and independent directors.




**(c) Meeting and attendance during the year**

Four meetings were held during the financial year 2009-10 on 29th June 2009, 29th July, 2009, 26th October, 2009 and 27th January, 2010. The attendance of each member of the committee is as under:

Name of the Director	No. of Meeting attended
Shri Manoj Fadnis	4
Shri Prakash M. Pethe	2
Shri V. Bhole	4
Shri Rakesh Kalra	0

**III. SUBSIDIARY COMPANY**

The Audit committee of the company reviews the financial statements of the subsidiary company. The minutes of the Board meetings were placed before the Board of Directors of the Company for their review.

**REMUNERATION OF DIRECTORS**
**(A) Terms of reference**

The Remuneration Committee recommends remuneration, promotions, increments etc. for the whole time directors and relative of the directors to the Board for approval

**(B) Constitution and Composition**

The Remuneration Committee of the Company as on 31st March, 2010 comprises of the following Directors of the Company.

Name of the Director	Designation
Shri Rakesh Kalra	Chairman
Shri Manoj Fadnis	Member
Dr. Somnath Ghosh	Member

All the three members of the remuneration committee are non-executive and independent director.

**Remuneration to Managing Director and Executive Director**

The terms of remuneration of Shri Shiv Singh Mehta, Managing Director and Smt. Purnima Mehta, Executive Director has already been fixed by the Board of directors and approved by the shareholders at Annual General Meeting. During the financial year 2009-10, the particulars of remuneration paid to Whole-time Directors are as under: -

(Rs. in Lacs)

Name of the Director	Salary (Rs.)	Perquisites	Commission	Period of Contract
Mr. Shiv Singh Mehta	32.88	-	12.50	3 years starting from 1st October 2007
Mrs. Purnima Mehta	10.04	-	-	5 years starting from 1st July 2006
Total	42.92	-	12.50	

**Remuneration of Non- Executive Directors.**

The details of remuneration paid to the Non-Executive Directors during the financial year 2009-10 are given below. Non-Executive Directors are not entitled for any remuneration other than the sitting fees.

S No.	Name of the Non-Executive Director	Sitting Fees (Rs.)
1	Shri Sajjan Singh Mehta	6000
2	Dr. S.S. Kothari	1000
3	Shri Pravin Kasliwal	2000
4	Shri V. Bhole	10000
5	Shri Manoj Fadnis	10000
6	Dr. Somnath Ghosh	4000
7	Shri Prakash M. Pethe	4000

**DISCLOSURES**
**A. Disclosure regarding materially significant related party transactions:**

The Company has not entered into any transactions of material nature with the promoters or directors or their relatives or any Companies or firms in which they are directly or indirectly interested, that may have any potential conflict with the interests of the Company.

**B. Disclosure of non-compliance by the Company:**

There was no instance of non-compliance on any matter related to the capital markets, during the last three years.

**COMMUNICATION TO SHAREHOLDERS**

The Company publishes quarterly and yearly results as required under the Listing Agreement in the prescribed format. The results are also sent to the Stock Exchanges for general information and for posting the same on their website. The notice of the AGM along with the report is sent to the shareholders well in advance of the AGM. The gist of the notice is also published in the newspapers. In addition, the Stock Exchanges are also notified of any important developments that may materially affect the working of the Company. Disclosures with regard to the shareholding pattern, change in major shareholding etc. is also periodically sent to the Stock Exchanges as required under the SEBI Take-Over Regulations.

**LISTING**

The Company's shares are traded on BSE and MPSE.

Management Discussion and Analysis Report form part of the Annual Report.

**INVESTORS' GRIEVANCE COMMITTEE**

The Board of Directors of the Company constituted the Investors' Grievance Committee consisting of:

Name of the Director	Designation
Shri Sajjan Singh Mehta	Chairman
Dr. Somnath Ghosh	Member
Shri Shiv Singh Mehta	Member
Shri Pravin Kasliwal*	Member

\*Resigned w.e.f. 30.09.2009

Except Shri Shiv Singh Mehta, other members are non-executive directors. The Committee specifically looks into the shareholders' and investors' complaints on matters relating to transfer of shares, non-receipt of annual report and dividend warrants etc. In addition, the committee also looks into matters, which can facilitate better investor services and relations.

**INFORMATION ON GENERAL BODY MEETINGS**

The details of the location and time for last three Annual General Meetings are given hereunder: -

Year	Location	Date	Time
2006-2007	Hotel President Planet, 3, R.N.T. Marg, Indore - 452 001	29 <sup>th</sup> September, 2007	4.00 P. M.
2007-2008	Hotel Crown Palace, Indore - 452 001	29 <sup>th</sup> September, 2008	4.00 P. M.
2008-2009	" Chetak Chambers", 4th Floor, 14 R.N.T. Marg, Indore - 452 001	30 <sup>th</sup> September, 2009	4.00 P. M.

**GENERAL SHAREHOLDER INFORMATION****Annual General Meeting**

The 20<sup>th</sup> Annual General Meeting of the Company will be held on Monday, the 27<sup>th</sup> September 2010 at 4.00 P.M. at 4th Floor Chetak Chambers, 14 R. N. T. Marg, Indore.

**Financial Calendar for the year 2010-11 (Provisional)**

a.	Results for the first quarter ending 30th June, 2010	By end of July, 2010
b.	Results for the second quarter ending 30th September, 2010	By end of October, 2010
c.	Results for the Third quarter ending 31st December, 2010	By end of January, 2011
d.	Results (Audited) for the fourth quarter ending 31st March, 2011	By end of May, 2011

**Book Closure Dates**

The Company's Share Transfer Book will remain closed from 21<sup>st</sup> September 2010 to 27<sup>th</sup> September 2010 (both days inclusive) for purpose of Annual General Meeting.

**Listing on Stock Exchanges**

The Company's shares are presently listed on the Bombay Stock Exchange Limited, Mumbai and Madhya Pradesh Stock Exchange, Madhya Pradesh. The Company has paid annual listing fee for the year 2010-11.