



## NOTICE

NOTICE IS HEREBY GIVEN that the 21st Annual General Meeting of the Members of KRITI INDUSTRIES (INDIA) LIMITED will be held on Saturday the 24th of September, 2011 at 3.00 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 31st March, 2011 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 31st March, 2011.
3. To appoint a Director in place of Mr. Sajjan Singh Mehta, who is liable to retire by rotation, and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. S.S. Kothari, who is liable to retire by rotation, and being eligible offers himself for re-appointment.
5. To consider and if thought fit, to pass with or without modifications, if any, the following resolution as Ordinary Resolution.

"RESOLVED THAT M/s R.D. Asawa & Co., Chartered Accountants, be and are hereby appointed as the Auditors of the Company, in place of M/s Subhash Deshpande & Co., who has shown their inability to continue as Auditors of the Company, to hold the office of Auditors from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting of the Company on such remuneration as may be decided by the Board of Directors of the Company."

### 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 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 Company hereby accord its approval to the re-appointment of Smt. Purnima Mehta as the Whole-Time Director designated as the Executive Director of the Company for a further period of 5 years with effect from 1st July, 2011 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 Smt. Purnima Mehta notwithstanding that in any financial year of the Company during her tenure as Whole-time Director, the Company has made no profit or profits are inadequate."

Place: Indore  
Date: 25 July, 2011

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. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Company has already notified closure of Register of Members and Share Transfer Books from 18th September, 2011 to 24th September, 2011 (both days inclusive) for the determining the names of members eligible for dividend on equity shares, if declared at the meeting.
  - (a) The Dividend on equity shares if declared at the meeting, will be credited/dispatched between 26th September, 2011 and 1st October, 2011. To those members whose names shall appear on the Company's Register of Members on 18th September, 2011 in respect of the shares held in dematerialised form, the dividend will be paid to members, those names are furnished by NSDL/CDSL as beneficial owners as on that date.
3. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend, the Company or its Registrar and Transfer Agent cannot act on any request received directly from the members holding shares in electronic form for any change of bank



particulars or bank mandates, such changes are to be advised only to the depository participant of the members.

4. Relevant documents referred into the accompanying notice are open for inspection by the members at the Registered office or Corporate Support Center of the Company on all working days between 11.00 A.M. to 1.00 P.M. upto the date of meeting.
5. Members who are holding shares in identical order of names in more than one folio are requested to send to the Company the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the members after making requisite changes thereon.
6. Members desires of obtaining any information concerning Accounts and Operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.
7. The Company has connectivity with the CDSL & NSDL and equity shares of the Company may also be held in the Electronic form with any Depository Participant (DP) with whom the members/ investors having their depository account. The ISIN No. For the Equity Shares of the Company is INE798K01010. In case of any query/difficulty in any matter relating thereto may be addressed to the Share Transfer Agents Ankit Consultancy Pvt. Ltd., Electronic Complex, Pardeshi Pura, Indore (M.P.) 452 010.
8. As per the provisions of the Companies Act, 1956, facility for making nominations is now available to INDIVIDUALS holding shares in the Company. The Nomination Form-2B prescribed by the Government can be obtained from the Share Transfer Agent or may be down load from the website of the Ministry of Corporate affairs.
9. The SEBI has mandated the submission of PAN by every participant in securities market, members holding shares in electronic form are therefore, requested to submit the PAN to their depository participant with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN details to the Company's Share Transfer Agent, M/s Ankit Consultancy Pvt. Ltd., Indore.
10. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliance by the Companies and has issued circulars stating that service of notice/documents including annual report can be sent by email to its members. To support these green initiative of the government in full measures, members who have not registered their email address, so far are requested to register their email address, in respect of electronic holdings with the CDSL/NSDL. Members holding

shares in physical form then also please update your e-mail id at <http://www.ankitonline.com>.

11. All the shareholder are requested to take interested in opting for ECS facility, he/ she may please send to our Registrar and Transfer Agent "Ankit Consultancy Private Limited" the ECS MANDATE FORM contained in the last page of the Annual report by enclosing a blank cheque leaf or a cancelled cheque for the purpose of noting the MICR details. The ECS mandate details provided by an investor will be used for payments in respect of shares held by such investor.  
  
In case the investor is holding the shares in demat form, such investor may please contact his/her Depository Participant for recording the ECS mandate.
12. Brief resume of directors those proposed to be appointed, nature of their expertise in specific functional areas, names of companies, in which they hold directorship, shareholding and relationship between directors inter-se stipulated under Clause No.49 of the Listing Agreement with the stock exchanges, or provided here under:

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

ITEM NO. 6

Annual General Meeting held on 25th August 2006 re-appointed Smt. Purnima Mehta as Whole Time Director of the Company for a period of five years w.e.f. 1st July 2006. Smt. Purnima Mehta is B.A. (Hons.) in Economics and has also done her MBA. She has in-depth experience of 18 years in trade and industry. The Board of Directors of the Company is of the opinion that under the initiative and direction of Smt. Purnima Mehta, the Company has benefited in its overall operations. Hence the Board of Directors recommends the following resolution for re-appointment of Smt. Purnima Mehta Whole Time Director & designated as the Executive Director of the Company w.e.f. 1st July, 2011 for the approval of the members in ensuing Annual General Meeting of the Company on the following terms and conditions.

- a) Salary : Rs. 150000/- per month
- b) Perquisites and allowances: Rs. 37500/- per month  
The perquisites and allowances shall include House Rent Allowances, Medical Allowances and Payment of club fees.
- c) Commission: Payable for each financial year @ 1% of the net profit as computed in accordance with the provisions of Section 349 & 350 of the Companies Act, 1956.
- d) Exempted perquisite not computed within the provisions of Schedule XIII.
  - a. Company's Contribution towards to EPF and Superannuation funds as per rules of the Company.



- b. Leave encashment at the end of the tenure as per rules of the Company.
- c. Payment of gratuity as per the payment of Gratuity Act.
- e) Reimbursements and other facilities; not considered as perquisites:
  - I. Reimbursement of expenses incurred for travelling, entertainment, boarding and lodging during business trips purpose.
  - II. Reimbursement / expenses on Telephone, Internet facility and cell phone.
  - III. The Company shall provide car with driver or reimbursement of the car expenses if taken on hire.

Minimum Remuneration: In the event of inadequacy or absence of profits in any financial year during the tenure, the remuneration as set above in (a), (b), (d) and (e) shall be the minimum remuneration payable to her.

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

Smt. Purnima Mehta herself, Shri. Shiv Singh Mehta, being relative may be deemed to be interested in the resolution.

Additional information relevant for the approval of the remuneration payable to Smt. Purnima Mehta

#### 1. General Information:

- a. Nature of Industry: The Company is engaged in manufacturing, processing, buying, selling, reselling and 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 31st March, 2011 and for the year ended 31st March, 2010 are:

Particular	31.03.2011 (Rs. in crores)	31.03.2010 (Rs. in crores)
Income from operation	277.82	416.89
Profit before depreciation	10.19	16.73
Profit Before Tax	7.42	12.32
Profit after tax	4.96	9.11

#### d. Export Performance:

- ❖ Foreign exchange earned for the financial year ended 31st March 2011: Rs. NIL
- ❖ Foreign exchange earned for the financial year ended 31st March 2010: Rs. 5563.65 Lacs.

#### 2. Information about the appointee:

- a. Background Details: Smt. Purnima Mehta is a B.A. (Hons.) and M.B.A. She has over 18 years of diverse experience in the Corporate Sector.
- b. Past Remuneration drawn (during 2010-2011) : 9 Lacs
- c. Job Profile and Suitability: Smt. Purnima Mehta exercises substantial powers of management, subject to the superintendence, control and direction of the Board of Directors/Chairman of the Company. She is responsible for the operations and affairs of all Divisions of the Company. Taking into consideration her qualifications and expertise, Smt. Purnima Mehta is best suited for the responsibilities assigned to her 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 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.



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

Name of the Director	Smt. Purnima Mehta	Shri Sajjan Singh Mehta	Shri S.S. Kothari
Date of Birth	25-05-1960	26-07-1927	15-06-1930
Date of Appointment	01-10-1999	16-03-1990	24-04-1992
Expertise in specific area	Accounts & Finance, Purchase, IT, HR and Administration.	Marketing & Administration	Company Law, Taxation, Accounting & Economics
Qualification	B.A. (Hons), M.B.A, PGDBM	B. Sc	Ph. D (Econ.), FCA
List of Outside Directorship held	Kriti Nutrients Ltd. Kasta Pipes Pvt. Ltd. Shipra Pipes Pvt. Ltd. Chetak Builders Pvt. Ltd. Kriti Auto Accessories Pvt. Ltd. Sakam Trading Pvt. Ltd.	Sakam Trading Private Ltd. Chetak Builders Private Ltd. Kriti Specialities Private Ltd.	Jay Shree Tea & Industries Ltd. Maharaja Shree Umaid Mills Ltd. Kothari Management & Industrial Consultants Pvt. Ltd.
Chairman/ Member of the committees of the Board of Directors of the Company	None	Chairman : Investors Grievances Committee	None
Chairman / member of the Committees of Director of other companies in which he/she is a Director			
(a) Audit Committee	None	None	Jay Shree Tea & Industries Ltd. Maharaja Shree Umaid Mills Ltd.
(b) Investors' Grievance Committee	None	None	Jay Shree Tea & Industries Ltd. Maharaja Shree Umaid Mills Ltd.
(c) Remuneration Committee	None	None	Jay Shree Tea & Industries Ltd.
No. & Percentage of Shares held	No. of Shares: 125592  Percentage of Shares held: 0.25%	No. of Shares: 860724  Percentage of Shares held: 1.74%	Nil



## DIRECTORS' REPORT

Your Directors have the pleasure in presenting the 21st Annual Report together with Audited Accounts of the Company for the year ended on 31st March, 2011.

### FINANCIAL RESULTS

The performance of the Company for the financial year ended 31st March, 2011 is summarized below:

(Rs. in Lacs)

PARTICULARS	Current Year 2010-11	Previous Year 2009-10
Total Income	27782.78	41689.19
Profit before Interest, Depreciation & Taxes	1949.36	3034.06
Less: Interest	930.70	1361.48
Profit before depreciation	1018.66	1672.58
Less: Depreciation	277.14	440.83
Profit/ (Loss) after depreciation	741.52	1231.75
Provision for Taxation	245.55	320.82
Net Profit/(loss)	495.97	910.93
Add: Balance Brought Forward	695.08	688.92
Profit available for Appropriation	1191.06	1599.85
Proposed Dividend	74.41	74.41
Corporate Dividend Tax	12.07	12.64
Transferred to General Reserve	400.00	782.72
Transferred to Contingency Reserve	25.00	35.00
Balance Carried over to Balance Sheet	679.58	695.08

### YEAR IN RETROSPECT

The Company has achieved total Turnover of Rs. 27782.78 lacs and Profit before Tax Rs. 741.52 lacs and Profit after Tax Rs. 495.97 lacs.

During the year the Company has undertaken expansion of capacity for manufacture of PVC/ HDPE pipes & fittings and Drip Irrigation.

### DIVIDEND:

In view of the improved performance of the company, your directors are pleased to recommend a dividend of 15% for the year ended 31st March, 2011 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, 2011 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, 2011 on a going concern basis.

### SUBSIDIARY COMPANY:

Kriti Auto & Engineering Plastics Private Limited, wholly owned subsidiary of the company, achieved gross turnover of Rs. 2634.17 lacs representing a profit after tax of Rs. 68.28 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.

### AUDITORS AND AUDITOR REPORT

M/s. Subhash Deshpande & Co., Chartered Accountant, Indore the Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and has shown their inability to continue as Auditors of the Company.

Company has received notice from a member of the Company under section 190 of the Companies Act, 1956 for appointment of M/s R.D. Asawa & Company, Chartered Accountants, as the Auditors of the Company from the conclusion of ensuring Annual General Meeting.

Shri R. D. Asawa of M/s. R. D. Asawa & Co. Chartered Accountant, was the signing partner of M/s. Subhash Deshpande & Co. in the earlier years.

The observation of Auditors in their report read with the relevant



notes to accounts in Schedule "P" are self-explanatory and do not require further explanation

**DIRECTORS:**

Shri Sajjan Singh Mehta and Shri S.S. Kothari, retire by rotation at the 21st Annual General Meeting and being eligible offers themselves for re-appointment.

**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 is annexed hereto and forms part of this report.

**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, and 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,

Place: Indore

Date: 25th July, 2011

Shiv Singh Mehta  
Managing Director

**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 2011.

**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) Information in respect of Pipes & Fittings is not applicable under Section 217(1)(e) of the Companies Act, 1956.**

**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)

	2010-11	2009-10
1. Earning		
FOB rate of Export	0.00	5563.65
2. Outgoing		
a) CIF Value of Imports	5519.94	11712.04
b) Expenditure in Foreign Currency	68.41	26.86



## 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 longer-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:

### I. BOARD OF DIRECTORS

#### Composition of Board

The Board of Directors of the Kriti Industries (India) Limited 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

Shri Sajjan Singh Mehta and Shri S. S. Kothari 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	Shri Sajjan Singh Mehta	Shri S.S. Kothari
Date of Birth	26-07-1927	15-05-1930
Date of Appointment	16-03-1990	24-04-1992
Expertise in specific area	Marketing & Administration	Company Law, Taxation, Accounting & Economics
Qualification	B. Sc	Ph. D (Econ.), FCA
List of Outside Directorship held	Sakam Trading Private Limited Chetak Builders Private Limited	Jay Shree Tea & Industries Limited Maharaja Shree Umaid Mills Limited Kothari Management & Industrial Consultants Pvt. Limited
Chairman/ Member of the committees of the Board of Directors of the Company	Chairman: Investors Grievances Committee	Member: Auditors Committee
Chairman / member of the Committees of Director of other companies in which he/she is a Director		
(a) Audit Committee	None	Jay Shree Tea & Industries Limited Maharaja Shree Umaid Mills Limited
(b) Investors' Grievance Committee	None	Jay Shree Tea & Industries Limited Maharaja Shree Umaid Mills Limited
(c) Remuneration Committee	None	Jay Shree Tea & Industries Limited
No. & Percentage of Shares held	No. of Shares: 860724 Percentage of Shares held: 1.74%	Nil



The composition of the Board of Directors and the number of board committee in which they are chairman/ member as on 31st March, 2011 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	Three	Nil	Nil
Shri V. M. 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	Three
Shri Manoj Fadnis	Independent & Non-Executive Director	Five	Two	One
Shri Rakesh Kalra	Independent & Non-Executive Director	Two	Nil	Nil
Shri Somnath Ghosh	Independent & Non-Executive Director	Two	Nil	Two

#### Board Procedure

During the year under review, five 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 21st April, 2010; 19th May, 2010; 31st July, 2010; 12th November, 2010 and 29th January, 2011.

#### 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 27th September, 2010
Shri Sajjan Singh Mehta	5	5	Yes
Dr. S. S. Kothari	5	0	No
Shri Vinod Bhole	5	5	No
Smt. Purnima Mehta	5	5	Yes
Shri Shiv Singh Mehta	5	5	Yes
Shri Manoj Fadnis	5	4	Yes
Shri Rakesh Kalra	5	2	No
Dr. Somnath Ghosh	5	2	Yes

## II. 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, 2011 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

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 2010-11 on 19th May, 2010, 29th July, 2010, 12th November, 2010 and 29th January, 2011. The attendance of each member of the committee is as under:

Name of the Director	No. of Meeting attended
Shri Manoj Fadnis	4
Shri V. Bhole	4
Shri Rakesh Kalra	1

## 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
Shri Somnath Ghosh	Member

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

## Remuneration to Managing Director and Executive Director

The terms of remuneration of Shri Shiv Singh Mehta, Managing Director has already been fixed by the Board of directors and approved by the shareholders at Annual General Meeting. During the financial year 2010-11, the particulars of remuneration paid to Managing Directors are as under: -

(Rs. in Lacs)

Name of the Director	Salary (Rs. per Year)	Perquisites (Rs. per Year)	Commission	Period of Contract
Shri Shiv Singh Mehta	30	6	5%	3 years starting from 1st October, 2010

## Remuneration of Non- Executive Directors.

The details of remuneration paid to the Non-Executive Directors during the financial year 2010-11 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	5000
2	Dr. S.S. Kothari	1000
3	Shri V. Bhole	9000
4	Shri Manoj Fadnis	9000
5	Dr. Somnath Ghosh	2000
6	Shri Rakesh Kalra	3000

## 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 web site. 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 within 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

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
2007-2008	Hotel Crown Palace, Indore - 452 001	29th September, 2008	4.00 P. M.
2008-2009	"Chetak Chambers", 4th Floor, 14 R.N.T. Marg, Indore - 452 001	30th September, 2009	4.00 P. M.
2009-2010	"Chetak Chambers", 4th Floor, 14 R.N.T. Marg, Indore - 452 001	27th September, 2010	4.00 P. M.

#### GENERAL SHAREHOLDER INFORMATION

##### Annual General Meeting

The 21st Annual General Meeting of the Company will be held on Saturday, the 24th September, 2011 At 3.00 P.M. at 4th Floor Chetak Chambers, 14 R. N. T. Marg, Indore-452001 (M.P.)

##### Financial Calendar for the year 2011-12 (Provisional)

a.	Results for the first quarter ending 30th June, 2011	By end of July, 2011
b.	Results for the second quarter ending 30th September, 2011	By end of October, 2011
c.	Results for the Third quarter ending 31st December, 2011	By end of January, 2012
d.	Results (Audited) for the fourth quarter ending 31st March, 2012	By end of May, 2012
e.	Annual General Meeting for the year ending March, 2012	By end of September, 2012

##### Book Closure Dates

The Company's Share Transfer Book will remain closed from 18th September, 2011 to 24th September, 2011 (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 (Maharashtra) and Madhya Pradesh Stock Exchange Limited, Indore (M.P.). The Company has paid annual listing fee for the year 2011-12.

##### Stock Code

BSE	:-	526423
NSDL & CDSL-ISIN	:-	INE 479D01038