

An abstract graphic consisting of several thick, curved bands of color (blue, red, yellow, light blue, and purple) that sweep across the page from the top left towards the bottom right, creating a sense of movement and flow.

30th

Annual Report 2010-11

At NCL Success is not a Destination,
IT IS A JOURNEY...

NCL INDUSTRIES LIMITED



Serving Building Industry
Since 28 Years



NAGARJUNA CEMENT

Extra
The Ordinary Portland Cement
α

OPC 43, 53, 53.S Grades and PPC.



BOARD OF DIRECTORS

Chairman

Mr. R. Anand

Directors

Mr. Vinodrai V. Goradia

Mr. G.D.L.S.N.Raju (upto 31 /05/ 2011)

Mr. M. Bhaskara Rao (IREDA Nominee)

Mr. M. Kanna Reddy

Mr. K. Madhu

Mr. Ashven Datla (from 01/06/ 2011)

Mr. Kamlesh Gandhi

Mr. P.S. Reddy

Mr. K. Gautam - Executive Director

Mr. P.N. Raju - Executive Director

Mr. S. S. Raju - Joint Managing Director
(upto 31 /05/ 2011)

Mr. K. Ravi - Managing Director

COMPANY SECRETARY

Mr. T. Arun Kumar

AUDITOR

P.V. Ratnam

Chartered Accountant

BANKERS

Axis Bank Ltd

Canara Bank

Central Bank of India

Corporation Bank

IDBI Bank Ltd

Indian Renewable Energy Dev. Agency Ltd

Oriental Bank of Commerce

State Bank of Hyderabad

State Bank of India

State Bank of Mysore

FACTORIES

CEMENT DIVISION

UNIT – I

Simhapuri,
Mattampally Mandal,
Nalgonda Dist
Andhra Pradesh
Pincode - 508204

UNIT – II

Kadimpothavaram,
Village, Kondappalli,
Krishna District,
Andhra Pradesh
Pincode - 521228

BOARDS DIVISION

UNIT – I

Simhapuri,
Mattampally Mandal,
Nalgonda Dist
Andhra Pradesh
Pincode - 508204

UNIT – II

Bhothanwali Village,
Paonta Sahib,
Sirmour District,
Himachal Pradesh
Pincode - 173025

PREFAB DIVISION

UNIT – I

Plot No. 34/A, IDA,
Jeedimetla,
Hyderabad
Andhra Pradesh
Pincode - 500 055

UNIT – II

Bhothanwali Village,
Paonta Sahib,
Sirmour District,
Himachal Pradesh
Pincode - 173025

ENERGY DIVISION

UNIT – I

Pothiredypadu, Head
Regulator, Chabolu Village,
Pothulapadu Post,
NandikotkurTQ.
Kurnool District
Andhra Pradesh
Pincode - 518402

UNIT – II

RBHLC Zero Mile Point,
Tungabhadra Dam,
Tungabhadra Board,
Amaravathi Village,
Hospet
Karnataka
Pincode - 583225

Regd. & Admn. Office

7th Floor, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad - 500 001.

Tel : 91 (040) - 23203637, 23202548, 23204243 Fax : 91 (040) - 23202496, 23203417

E-mail : ncl@nclind.com

Website : www.nclind.com



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**AGM on Friday the 30th September, 2011 at 10.30 A.M. at
Bharatiya Vidya Bhavan, King Koti Road, Hyderabad- 500 029.**



Notice is hereby given that the 30th Annual General Meeting of NCL Industries Limited will be held on Friday, the 30th September, 2011 at 10.30 AM at Bharatiya Vidya Bhavan, King Koti Road, Hyderabad- 500 029, to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the company as at 31st March 2011 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr.P.S.Reddy who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr.Kamlesh Gandhi who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

6. To consider and if thought fit, pass, with or without modification, the following resolution as an Ordinary Resolution.

“RESOLVED that Mr. Ashven Datla who was appointed as an Additional Director of the Company with effect from 1st June 2011, and holds office till the date of this meeting in terms of Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director, liable to retire by rotation.”

7. To consider and if thought fit, pass, with or without modification, the following resolution as a Special Resolution.

“RESOLVED that in accordance with the provisions of Section 198, 269, 309 read with Schedule XIII and other applicable provisions, if any of the Companies Act 1956, the re-appointment of Mr. K Ravi as Managing Director for a period of five years with effect from 1st April 2011 at the following remuneration, be and is hereby approved.”

Salary: Rs. 4,00,000/- per month (with an annual increment of Rs. 60,000/- per Month)

Commission: 1.5 % of the net profit of the Company computed in a manner laid down under section 198 of the Companies Act, 1956.

Perquisites: In addition to salary, perquisites allowed as follows:

Housing/HRA: @ 40% of the salary

Medical Reimbursement: Expenses incurred for self and family subject to a ceiling of one month's salary in each year or 3 months salary in a block of 3 years.

Leave Travel Concession: for self and family subject to ceiling of one month's salary in each year. 'Family' means wife, dependent children and dependent parents of Mr. K.Ravi.

Company's contribution to Provident Fund and Superannuation Fund shall be as allowed under the Income Tax Act and Rules and as per the Rules of the company.

Gratuity: Equal to half month's salary for each completed year of service as per the Rules of the Company.

Conveyance: Free use of Company's car with driver for Company's business.

Telephone/Cell Phone: Free, except for personal long distance calls which shall be billed.

Entertainment Expenses: He shall be entitled to reimbursement of entertainment expenses actually and properly incurred for the business of the Company.

Encashment of Leave: One full pay and allowances not exceeding onemonth's leave for every twelve months of service, subject to the condition that the leave accumulated, but not availed of shall be dealt with as per the Income Tax Act, 1962 and Rules made there under.

He will not be eligible for any sitting fees of the Company's Board/Committee Meetings.”

“FURTHER RESOLVED that in the case of inadequacy of profits in any year, the remuneration payable to him shall be limited to the applicable ceiling prescribed under Schedule XIII to the Companies Act, 1956 (Para B of Section II), which at present is Rs. 4,00,000/- per Month.”

8. To consider and if thought fit, pass, with or without modification, the following resolution as an Ordinary Resolution.

“RESOLVED that in accordance with the provision of Sections 198, 309, 310 read with Schedule XIII of the Companies Act, 1956, and other applicable provisions, if any of the Companies Act 1956, the revision in remuneration of Mr. P.N. Raju, Executive Director with effect from 1st April, 2011 at the following terms, be and is hereby approved.”



Salary: Rs. 2,00,000 /- per month (with an annual increment of Rs. 30,000/- per month)

Commission: 0.5 % of the net profit of the company computed in a manner laid down under section 198 of the Companies Act, 1956.

Perquisites: In addition to salary, perquisites allowed as follows:

Housing/HRA: @ 40% of the salary

Medical Reimbursement: Expenses incurred for self and family subject to a ceiling of one month's salary in each year or 3 months salary in a block of 3 years.

Leave Travel Concession: for self and family subject to ceiling of one month's salary in each year. 'Family' means wife, dependent children and dependent parents of Mr.P.N.Raju.

Company's contribution to Provident Fund and Superannuation Fund shall be as allowed under the Income Tax Act and Rules and as per the Rules of the company/equivalent Special Allowance as may be opted by the appointee.

Gratuity: Equal to half month's salary for each completed year of service as per the Rules of the Company.

Conveyance: Free use of company's car with driver for company's business.

Telephone/Cell Phone: Free, except for personal long distance calls which shall be billed.

Encashment of Leave: One full pay and allowances not exceeding one month's leave for every twelve months of service, subject to the condition that the leave accumulated, but not availed of shall be dealt with as per the Income Tax Act, 1962 and Rules there under.

He will not be eligible for any sitting fees of the company's Board/Committee meetings."

"FURTHER RESOLVED that the above remuneration be paid as Minimum Remuneration in the event of inadequacy of profits."

9. To consider and if thought fit, pass, with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED that in accordance with the provision of Sections 198, 309, 310 read with Schedule XIII of the Companies Act, 1956, and other applicable provisions, if

any of the Companies Act 1956, the revision in remuneration of Mr.K.Gautam Executive Director with effect from 1st April, 2011 at the following terms, be and is hereby approved."

Salary: Rs. 1,00,000 /- per month (with an annual increment of Rs. 10,000/- per month)

Perquisites: In addition to salary, perquisites allowed as follows:

Housing/HRA: @ 40% of the salary

Medical Reimbursement: Expenses incurred for self and family subject to a ceiling of one month's salary in each year or 3 months salary in a block of 3 years.

Leave Travel Concession: for self and family subject to ceiling of one month's salary in each year. 'Family' means wife, dependent children and dependent parents of Mr.K.Gautam.

Company's contribution to Provident Fund and Superannuation Fund shall be as allowed under the Income Tax Act and Rules and as per the Rules of the company.

Gratuity: Equal to half month's salary for each completed year of service as per the Rules of the Company.

Conveyance: Free use of Company's car with driver for Company's business.

Telephone/Cell Phone: Free, except for personal long distance calls which shall be billed.

Encashment of Leave: One full pay and allowances not exceeding one month's leave for every twelve months of service, subject to the condition that the leave accumulated, but not availed of shall be dealt with as per the Income Tax Act, 1962 and Rules there under.

He will not be eligible for any sitting fees of the Company's Board/Committee meetings."

"FURTHER RESOLVED that the above remuneration be paid as Minimum Remuneration in the event of inadequacy of profits."

10. To consider and if thought fit, pass with or without modification, the following resolution as a Special Resolution.

"RESOLVED that pursuant to the provisions of Section 314(1), Sec 314(1B) and other applicable provisions, if any, of the Companies Act, 1956, the payment of a



remuneration of Rs. 75,000/- per month from 1st November, 2010, and Rs. 84,188/- per month from 1st June, 2011 on a Cost to the Company basis to Mr. Nirmal Goradia, Vice President (Exports) be and is hereby approved.”

“FURTHER RESOLVED that the Board of Directors be and is hereby authorized to grant such increments as they may deem fit to Mr. Nirmal Goradia, within the ceilings prescribed by Section 314 of the Companies Act, 1956.”

11. To consider and if thought fit, pass with or without modification, the following resolution as a Special Resolution.

“RESOLVED that pursuant to the provisions of Section 314(1) and other applicable provisions, if any, of the

Companies Act, 1956, the payment of a remuneration of Rs. 57,101/- per month from 1st June, 2011 on a Cost to the Company basis to Mr. Utkal Goradia, Manager (Materials) be and is hereby approved.”

“FURTHER RESOLVED that the Board of Directors be and is hereby authorized to grant such increments as they may deem fit to Mr. Utkal Goradia, within the ceilings prescribed by Section 314 of the Companies Act, 1956.”

By Order of the Board
For NCL INDUSTRIES LIMITED

Place: Hyderabad
Date : August 12, 2011

T. ARUN KUMAR
Company Secretary

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy instead of himself to attend and vote only in a poll and the proxy need not be a member. Proxies in order to be effective should be duly stamped, completed and signed and must be received by the company not less than 48 days before the Annual General Meeting.
2. Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business is annexed hereto.
3. Shareholders seeking any information with regard to accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
4. The Register of Members and Share Transfer Registers will remain closed from 23rd September, 2011 to 30th September, 2011 (both days inclusive) on account of the Annual General Meeting and Dividend payment.
5. The Dividend as recommended by the Board, if approved at the Meeting, will be paid to those members whose names appear on the Register of Members as on 30th September 2011, or to their nominees. In respect of shareholding in dematerialised form, dividend will be paid to the beneficial owners as at the end of business on 22nd September 2011, as per details to be furnished by the depositories for the purpose.
6. Members holding shares in physical mode are requested to provide their Bank Account Number, Name and Address of the Bank / Branch to the Registrar of the Company to enable the company to incorporate the same in the dividend warrant, in order to prevent against fraudulent encashment of dividend.
7. Members holding shares in electronic form are requested to inform the changes, if any, in their address or bank particulars etc., to the Depository Participant with whom the demat account is maintained.
8. Individual shareholders can avail the facility of nomination. Shareholders holding shares in physical form may write to the Registrar for assistance. Shareholders holding in electronic form may approach their DP with whom they maintain their account.
9. In terms of clause 49(IV)(G) of the Listing Agreement, brief resumes of Directors proposed to be re-appointed at the Meeting are given. The resume of Mr. K Ravi, Managing Director proposed to be re-appointed under the Special Business is included as a part of Explanatory Statement to Item 7.
10. Members are also requested to lodge their e-mail ID's along with name and Folio/Client ID No. etc to our Registrars and Share Transfer Agents Address to enable us to send all future communications including Annual Reports through e-mode.



Brief Resume of Directors proposed to be appointed/ re-appointed.

Mr.Ashven Datla

Mr. Ashven Datla is a MBA(Finance) from University of Hartford, CT, USA and Managing Director of NCL Wintech India Limited. Earlier, he was employed with several prestigious organizations like GE, IBM, Bank of America and Deloitte. He is at present a director in Khandaleru Power Company Ltd, NCL-VST Infra Ltd, and Nagarjuna Cerachem Pvt. Ltd.

He is currently holding 1,37,162 shares in the Company.

Mr.P.S.Reddy

Mr. P. S. Reddy (58 years) is a graduate in commerce and an associate member of Indian Institute of Bankers. He started his career as a Commercial Banker with SBI in 1975 and later moved to Citibank in 1987 to set up the Investment Bank for Citibank in South India. Thereafter he was heading the Merchant Bank for Western and Southern India before turning entrepreneur in 1990. Over the last 20 years he runs a Investment Banking advisory firm and has been associated with a number of mid sized companies.

He currently holds 25,218 Equity shares in the Company

Mr. Kamlesh Gandhi

Mr.Kamlesh Gandhi (61 years) has extensive experience spanning over 35 years in the field of Capital and Financial markets in India and has been a member of BSE for over 14 years. He has been involved in raising funds in over 320 capital issues placement of equities of several companies with retail, high net worth and Institutional Investors, both domestic and overseas. Starting his career with Champaklal Investment & Financial Consultancy Ltd, (CIFCO), Mumbai, he has been responsible for initiating and building the capabilities to offer Equity related capital market services to companies, setting up Investment Management Services division and ramping up the stockbroker activities of two well known stock broking and investment banking firms in India - Centrum Capital Limited and Religare Capital Markets Limited. He was also on the Board of Directors of Association of Merchant Bankers of India (AMBI) for 4 years since its inception and was again Director of AMBI for 2 years from 2004 to 2006. He is also one of the founder Directors of Stock Brokers Underwriters Association and served the organization for 6 years.

He is currently on the Board of Bhagyanagar India Limited, Kirloskar Electric Company Limited, Boruka power Corporation Ltd, Bodhtree Consulting Ltd, Best & Crompton

Engineering projects Ltd, Lalbawa Investment& Trading Company (P) Ltd and Ogene Systems India (P) Ltd.

He does not hold any equity shares in the Company.

Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956

ITEM NO. 6

Mr.Ashven Datla was appointed as an Additional Director by the Board of Directors in its meeting held on 30 May, 2011, w.e.f. 1st June, 2011. According to Section 260 of the Companies Act 1956, he holds office up to the ensuing Annual General Meeting.

Notice pursuant to Section 257 of the Companies Act, 1956 together with requisite deposits have been received from some members proposing the candidature of Mr. Ashven Datla to the office of Director. A brief resume of Mr. Ashven Datla is already given as a part of this notice.

The Board recommends this resolution for your approval.

Mr. Ashven Datla is the son in Law of Mr. K Ravi, Managing Director. Hence Mr. K Ravi and his brother Mr. K Madhu may be treated as interested in the proposed resolution.

ITEM NO.7

At its meeting held on 30th May, 2011, the Board of Directors have re-appointed Mr. K.Ravi as Managing Director for a period of 5 years w.e.f 1st April, 2011. Further, as per the recommendation of the Remuneration Committee and as prescribed in Schedule XIII of the Companies Act, 1956, the remuneration of Mr. K.Ravi has been fixed at a Salary of Rs, 4,00,000/ per month, Commission of 1.5% of the Net Profits and other perks as detailed in the resolution.

Based on the Net Profits for the year ended 31st March 2011, the remuneration fixed is well within the ceiling prescribed by Section 198 of the Companies Act, 1956. The Board, however, also decided that the consent of the shareholders, as warranted by Para 1(B), Part II, Section II to Schedule XIII of the Companies Act, 1956, be obtained in the ensuing General Meeting of the Company for payment of the above remuneration as Minimum Remuneration in the event of inadequacy of profits.

According to Section 269 of the Companies Act, 1956, read with Para B, Part II, Section II of Schedule-XIII to the said Act, the re-appointment of Managing Director requires the approval of the shareholders in General Meeting by way of a Special Resolution.

The information as required under Schedule XIII to the Companies Act, 1956 is as under:-



I. GENERAL INFORMATION:

- (1) Nature of Industry – The Company is operating in four segments -Cement, Boards, Prefab products and Hydel Power.
- (2) Date of commencement of commercial operation – 16th February, 1984.
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus – Not Applicable.
- (4) Financial Performance: (Rs. In Lakhs)

Financial	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Parameters					
Turnover	19589.25	27648.64	42639.47	34113.66	56566.20
Net Profit (as computed u/s. 198)	3017.57	4279.47	4458.64	2452.13	2968.71
Net profit as per profit and loss Account	2764.69	2956.93	2985.08	1170.78	2341.29
Amount of Dividend paid#	739.50	965.78	989.18	408.75	609.08
Rate of dividend Declared	20%	25%	25%	10%	15%*

including dividend Tax

* Dividend Proposed

- (5) Export performance: Rs.563.61 Lakhs Foreign Currency Earnings- FOB basis for the financial year 2010-11.
- (6) Foreign investments or collaborators, if any – (a) The Company manufactures Bison Panel, which is basically a multi-purpose Cement Bonded Particle Board (CBPB) in Technical Collaboration with BISON WERKE of Germany. (b) The Company has entered into a Joint Venture agreement with VST-Verbundschalungstechnik GmbH, Austria for erecting high rise building using the VST Technology. A joint venture company called NCL VST infra limited has been formed to take up the activity.

II. INFORMATION ABOUT THE APPOINTEE:

- (1) **Background Details** - Mr. K Ravi (57 years), is a Diploma holder in Electrical Engineering, and has over 25 years experience in managing industrial units. He successfully implemented the hydel power project of NCL Energy Ltd. Apart from being the Managing Director of NCL Industries Ltd., Mr.Ravi holds directorship in Khandaleru Power Company Ltd, NCL-VST Infra Ltd, Kakatiya Industries Pvt. Ltd., Nagarjuna Cerachem Pvt. Ltd., Deccan Nitrates Pvt. Ltd and Vikram Chemicals Private Ltd.

(2) Past remuneration

Financial Year	Total Remuneration (Rs.)
2010-11	Rs. 79.07/- lakhs
2009-10	Rs. 55.40/- lakhs
2008-09	Rs. 95.25/- lakhs

- (3) **Recognition or awards:** Not Applicable
- (4) **Job profile and his suitability** – Mr.K.Ravi is the overall in- charge of operations of the Company. Subject to the superintendence, direction and control of the Board, the day to day management and administration of the Company is vested with the Managing Director.
- (5) **Remuneration proposed** - as set out in the resolution for the Item No 7 .The remuneration proposed to be paid to the Managing Director has the approval of the Remuneration Committee.
- (6) **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:** The proposed remuneration is comparable to the remuneration being paid to the Managing Director or other companies of similar size and operations.
- (7) **Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel, if any** - Besides, the remuneration proposed, and his holding of 16,47,625 equity shares in the Company, Mr. K Ravi



does not have any other pecuniary relationship with the Company.

Your Directors recommend that the resolution be passed.

None of the Directors except Mr. K. Ravi and Mr. K. Madhu, his brother are interested in the proposed resolution.

ITEM NO. 8

Mr.P.N.Raju was re-appointed as an Executive Director by the Board of Directors of the Company for a period of 5 years w.e.f. 01.08.2009. In recognition of the contribution made by him, and considering the growth achieved by the Company, the Board in its Meeting held on 30th May, 2011 has decided to increase his remuneration with effect from 1st April 2011. The increase is in accordance with the conditions specified in Schedule XIII of the Companies Act, 1956.

According to Section 310 of the Companies Act, 1956, read with schedule XIII of the said Act, increase in remuneration validly made by resolution of the Board of Directors needs to be ratified in the next General Meeting of the Company.

Your Directors recommend that the resolution be passed.

None of the Directors, except Mr. P.N.Raju is interested in the proposed resolution.

ITEM NO. 9

Mr. K.Gautam was appointed as Executive Director of the Company for a period of 5 years w.e.f. 1 August, 2009. In recognition of the contribution made by him, and considering the growth achieved by the Company, your Board of Directors had in their meeting held on 30th May 2011, increased his salary w.e.f 1st April 2011.

The increase in remuneration is in accordance with the conditions specified in schedule XIII of the Companies Act 1956.

According to Section 310 of the Companies Act, 1956, read with schedule XIII of the said Act, increase in remuneration validly made by resolution of the Board of Directors needs to be ratified in the next General Meeting of the Company.

The Board recommends this resolution for your approval.

None of the Directors, except Mr. K.Madhu and Mr.K.Ravi deemed to be interested in the proposed resolution.

Item 10

Members may recall that at the 28th Annual General Meeting held on 29th September 2009, they have passed a Special Resolution approving the appointment of Mr. Nirmal Goradia as Vice President (Commercial) at a salary of Rs. R. 49,900/- per month

Mr. Nirmal Goradia is the son of Mr. Vinodrai Goradia, Director. Holding of any office of profit by and payment of remuneration to a relative of any director are governed by the provisions of Section 314 of the Companies Act, 1956. This Section requires the approval of the shareholders and/or the approval of the central government if the remuneration is beyond prescribed ceilings.

Subsequently, the Board at its meeting held on 13th November, 2010 approved the appointment and re-designated Mr. Nirmal Goradia as Vice President (Exports) with enhanced responsibilities, and the payment of remuneration of Rs. 75,000/- per month, subject to the approval of Central Government since the approval of the Central Government was required for any payment beyond Rs. 50,000/- per month as per the prevailing ceilings under Section 314(1B) of the Companies Act, 1956. The Board also decided that till the approval of the enhanced remuneration by the Central Government, Mr. Nirmal Goradia shall draw the remuneration to the extent permitted by Section 314.

Subsequently, vide Notification No. G.S.R.357 (E) Dated 2nd May, 2011, the Ministry of Corporate Affairs enhanced the ceiling of payment of remuneration with the approval of the Special Resolution upto Rs 2,50,000/- per month, without the approval of the Central Government.

At the meeting held on 12th August, 2011 the Board of Directors of the Company granted an increment to Mr. Nirmal Goradia, revising his remuneration to Rs. 84,188/- per month with effect from 1st June, 2011.

Your Directors seek your approval for the above remuneration paid/payable to Mr. Nirmal Goradia, and grant him increments within the ceilings prescribed under the provisions of Section 314 of the Companies Act, 1956.

Your directors recommend that the resolution be passed.

Item 11

Members may recall that at the Extra-Ordinary General Meeting held on 30th July, 2007 they have passed a Special Resolution approving the appointment of Mr. Utkal Goradia as Manager, (Administration) at a salary of Rs. 30,604/- per month (on cost to the company basis). The Resolution also authorized the Board to grant him increments so that his total remuneration would not exceed Rs. 50,000/- per month.

Mr. Utkal Goradia is the grandson of Mr. Vinodrai Goradia, Director. Holding of any office of profit by and payment of remuneration to a relative of any director are governed by the provisions of Section 314 of the Companies Act, 1956. This Section requires the approval of the shareholders and/or the approval of the central government if the remuneration is beyond prescribed ceilings.

At its meeting held on 12th August, 2011, the Board approved payment of an increased remuneration of Rs. 57, 101/- per month to Mr. Utkal Goradia, with effect from 1st June, 2011. This remuneration is subject to the approval of the Shareholders through a Special Resolution, as required by Section 314 of the Companies Act. 1956.

Your Directors seek your approval for the above remuneration paid/payable to Mr. Utkal Goradia, and grant him increments within the ceilings prescribed under the provisions of Section 314 of the Companies Act, 1956.

Your directors recommend that the resolution be passed.