



HORIZON INFRASTRUCTURE LIMITED



29th Annual Report
2011-2012

ANNUAL GENERAL MEETING	
DATE	: September 28, 2012
DAY	: Friday
TIME	: 2.00 p.m.
PLACE	: Bombay Club Suite, Royal Bombay Yacht Club, Chhatrapati Shivaji Maharaj Marg, Apollo Bunder, Near Taj Mahal Hotel, Mumbai 400 001.

BOARD OF DIRECTORS

Mr. C. S. Sanghavi	Whole-time Director
Mr. Nikhil Gandhi	Director
Mr. Bhavesh Gandhi	Director
Mr. M. P. Vora	Director
Mr. S. A. Peeran	Director
Mr. J. Alexander*	Director
Mr. V. Ramanan**	Director

(* Appointed w.e.f. August 3, 2012)

(**Appointed w.e.f. August 14, 2012)

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COMPANY SECRETARY

Mr. Neeraj Rai

AUDITORS

Bharat Shah & Associates
Chartered Accountants
Mumbai - 400 009.

BANKER

IDBI Bank Limited

REGISTERED & CORPORATE OFFICE

SKIL House,
209, Bank Street Cross Lane,
Fort, Mumbai 400 023.

REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai 400 078.

Tel. No. : +91-22-25963838

Fax No. : +91-22-25946969

E-mail : rnt.helpdesk@linkintime.co.in



NOTICE

Notice is hereby given that the 29th Annual General Meeting of the Company will be held on Friday, September 28, 2012 at 2.00 p.m. at Bombay Club Suite, Royal Bombay Yacht Club, Chhatrapati Shivaji Maharaj Marg, Apollo Bunder, Near Taj Mahal Hotel, Mumbai - 400 001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2012 and the Profit and Loss Account for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares for the financial year ended March 31, 2012.
3. To appoint a Director in place of Mr. Bhavesh Gandhi, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. C.S. Sanghavi, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors of the Company and to fix their remuneration by passing with or without modification(s), the following resolution as an Ordinary Resolution:
“**Resolved That** M/s. Bharat Shah & Associates, Chartered Accountants, Mumbai, bearing ICAI Registration No. 101249W, retiring Auditors of the Company be and are hereby re-appointed as the statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS:

6. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
“**Resolved That** Mr. J. Alexander, who was appointed as an Additional Director on the Board of the Company, in terms of Section 260 of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) (‘the Act’) read with Articles of Association of the Company, with effect from August 3, 2012 by the Board of Directors and who holds office upto the date of this Annual General Meeting and is eligible for appointment as a Director of the Company and in respect of whom a notice has been received in writing under Section 257 of the Act, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”
7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
“**Resolved That** Mr. V. Ramanan, who was appointed as an Additional Director on the Board of the Company, in terms of Section 260 of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) (‘the Act’) read with Articles of Association of the Company, with effect from August 14, 2012 by the Board of Directors and who holds office upto the date of this Annual General Meeting and is eligible for appointment as a Director of the Company and in respect of whom a notice has been received in writing under Section 257 of the Act, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”
8. To consider, and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
“**Resolved That** pursuant to provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (‘the Act’) or any amendments thereto and subject to the provisions of Memorandum and Articles of Association of the Company and subject to the approval of the Central Government, if required and subject to such other approvals as may be necessary, the Company hereby approves the re-appointment of Mr. M. P. Vora as Managing Director of the Company for period upto May 31, 2012 upon the terms and conditions including remuneration as set out in the agreement which is also hereby approved with liberty to the Board to alter and vary the terms and conditions of the said Agreement, as may be agreed to between the Board and Mr. M. P. Vora.”
“**Resolved Further That** any one of the Directors and Company Secretary be and are hereby severally authorised to take such steps and do all other acts, deeds and things as may be necessary or desirable to give effect to this resolution.”
9. To consider, and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
“**Resolved That** pursuant to provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (‘the Act’) or any amendments thereto and subject to the provisions of Memorandum and Articles of Association of the Company and subject to the approval of the Central Government, if required and subject to such other approvals as may be necessary, the Company hereby approves the re-appointment of Mr. C.S. Sanghavi as Whole-time Director of the Company for a period of 1 (one) year commencing from August 27, 2012 as per the terms and conditions agreed between the Board and Mr. C.S. Sanghavi.”
“**Resolved Further That** any one of the Directors and Company Secretary be and are hereby severally authorised to take such steps and do all other acts, deeds and things as may be necessary or desirable to give effect to this resolution.”

Registered Office:

SKIL House,
209, Bank Street Cross Lane,
Fort, Mumbai 400 023.

Place: Mumbai

Date: August 14, 2012

By Order of the Board of Directors

Neeraj Rai
Company Secretary



NOTES:

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF /HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING.**
- 2) Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a duly certified copy of Board Resolution on the letterhead of the Company, signed by one of the Directors or Company Secretary or any other authorized signatory and/ or duly notarized Power of Attorney, authorizing their representatives to attend and vote on their behalf at the Meeting.
- 3) Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 is annexed hereto.
- 4) The members / proxies are requested to bring their copy of Annual Report and duly filled Attendance Slips for attending the Meeting.
- 5) The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, September 26, 2012 to Friday, September 28, 2012 (both days inclusive) for determining the shareholders entitlement for dividend, if any.
- 6) The Dividend on equity shares as recommended by the Directors for the year ended March 31, 2012, if declared at the meeting, will be paid on or after October 4, 2012:
 - (i) To those members whose names appear on the Company's register of members, after giving effect to all valid share transfers in physical form lodged with M/s Link Intime India Private Limited, Registrar and Share Transfer Agent of the Company on or before September 26, 2012.
 - (ii) In respect of shares held in electronic form, to those "deemed members" whose names appear in the statements of beneficial ownership furnished by National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') as at the opening hours of September 26, 2012.
- 7) The Company will disburse dividend vide ECS to those shareholders whose requisite particulars are available and to other shareholders vide dividend warrants. The intimation of dividend pay out / dispatch will be sent within the statutory period.
- 8) Members holding shares in physical form are requested to immediately notify change in their address, if any, to the Registrars and Share Transfer Agents, M/s. Link Intime India Private Limited, C – 13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai – 400 078, quoting their Folio Number(s).
- 9) Members desirous of obtaining any information concerning the accounts of the Company are requested to address their queries to the Company Secretary at least seven days in advance of the meeting so that the information required can be readily available at the meeting.
- 10) Notes on Directors seeking appointment/re-appointment as required under Clause 49 of the Listing Agreement are included in this notice.
- 11) All documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company during anytime between 10:00 a. m. to 12:00 noon on all days except Saturdays, Sundays and public holidays, upto the date of the Annual General Meeting.
- 12) The Members are requested to approach the Company for consolidation of folios, if shareholdings are under multiple folios;
- 13) Members are requested to quote the Ledger Folio or Client ID and DP ID Numbers in all Communications with the Company.

Registered Office:

SKIL House,
209, Bank Street Cross Lane,
Fort, Mumbai 400 023.

Place: Mumbai

Date: August 14, 2012

By Order of the Board of Directors

Neeraj Rai
Company Secretary

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO Section 173(2) OF THE COMPANIES ACT, 1956**ITEM NO.6**

Mr. J. Alexander was appointed as an Additional Director with effect from August 3, 2012 by the Board of Directors. He holds office in such capacity upto the date of this Annual General Meeting ('AGM') of the Company in terms of Section 260 of the Companies Act, 1956 ('the Act').

The Company has received a notice in writing under Section 257 of the Act from a Member of the Company along with a refundable deposit of ₹ 500 signifying an intention to propose Mr. J. Alexander as a candidate for the office of director.

Mr. J. Alexander is M.A. (English Language & Literature), Ph. d. (Philosophy) and he is a retired Indian Administrative Services (IAS) officer. Mr. J. Alexander has held important positions in his long professional career in IAS.

The Directors recommend this resolution for approval as an Ordinary Resolution.

None of the Director except Mr. J. Alexander is in any way concerned or interested in the above resolution.

ITEM NO.7

Mr. V. Ramanan was appointed as an Additional Director with effect from August 14, 2012 by the Board of Directors. He holds office in such capacity upto the date of this AGM of the Company in term of Section 260 of the Act.

The Company has received a notice in writing under Section 257 of the Act from a Member of the Company along with a refundable deposit of ₹ 500 signifying an intention to propose Mr. V. Ramanan as a candidate for the office of director.

Mr. V. Ramanan is a Bachelor in Commerce and he has held important positions in his long career with Indian Bank and he retired as a Senior General Manager of India Bank.

The Directors recommend this resolution for approval as an Ordinary Resolution.

None of the Director except Mr. V. Ramanan is in any way concerned or interested in the above resolution.

ITEM NO. 8:

The tenure of Mr. M.P. Vora, Managing Director of the Company was completed on February 13, 2012. Therefore, the Board of Directors extended his terms as Managing Director upto May 31, 2012 which was subject to approval of the Members. Although the extended tenure of Mr. M.P. Vora, Managing Director was completed on May 31, 2012, the approval of members is sought pursuant to the provisions of the Act for the extended period from February 14, 2012 to May 31, 2012.

Statement pursuant to Clause B (iv) of Part II of Schedule XIII to the Companies Act, 1956:

S. N.	Description	Information
1. General Information		
a)	Nature of industry	Infrastructure
b)	Date or expected date of commencement of commercial production	Not Applicable
c)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
d)	Financial performance based on given indicators(as on March 31, 2011)	Turnover: ₹ 28572.35 Lacs Profit after tax: ₹ 582.09 Lacs
e)	Export performance and net foreign exchange collaborations	Nil
f)	Foreign investments or collaborators, if any	Nil
2. Information about the Appointee		
a)	Background details	Mr. M. P. Vora holds graduate degree in Commerce as well as Arts and holds a Diploma in Mechanical Engineering, apart from being a Certified Associate of the Indian Institute of Bankers. He started his career as a banker. He has 28 years of banking experience and has held executive positions on the operational as well as on the administrative field. He also has 20 years of experience in infrastructure development & operations and its business development & financing.
b)	Past remuneration	Remuneration of ₹ 4 Lacs per month
c)	Recognition or awards	Nil
d)	Job profile and his suitability	Mr. M.P. Vora is having 20 years of experience in the field of infrastructure development & operations and in business development & financing. He has functioned in corporate world as a senior corporate advisor and as a director in various companies and in various other fields like setting up of infrastructure projects, port development, special economic zones/free trade and warehousing zones, railways & roads, IT/ITES, tourism, healthcare & education projects. He applies his banking & infrastructure development experience for the benefit of our Company.



e)	Remuneration proposed	Remuneration of ₹ 4 Lacs per month
f)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The remuneration of Mr. M.P. Vora is in consonance with the given criteria.
g)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	None
3. Other Information		
a)	Reasons of loss or inadequate profits	During the Financial Year ended on March 31, 2011 Company has paid ₹ 2,770.90 Lacs towards Interest on loan availed from Central Bank of India.
b)	Steps taken or proposed to be taken for improvement	Considering various projects in hand and in pipeline, the responsibilities involved in executing these Projects are voluminous right from bidding process of the project, financial closure to execution of the Projects. To implement these kinds of projects, experienced professionals from the industry are required. Competition in this sector is not restricted at national level but from various MNCs as well.
c)	Expected increase in productivity and profits in measurable terms	The Management is exploring the opportunity to increase the size of the business and activities.

4. Disclosures

- Mr. M.P. Vora, the only managerial personal, was paid monthly remuneration of ₹ 4 Lakhs (inclusive of all perquisites and allowances).
- The disclosures regarding remuneration of the Directors has been mentioned in the Corporate Governance Report as a part of the Annual Report.

The proposed resolution and this explanatory statement may be treated as an abstract of the terms and conditions of the appointment of Mr. M.P. Vora as Managing Director in terms of Section 302 of Companies Act, 1956.

The Board of Directors recommend the resolution for approval of members.

None of the Directors is interested in the aforesaid resolution except Mr. M.P. Vora.

ITEM NO. 9:

The tenure of Mr. C.S. Sanghavi, Whole-time Director of the Company was valid upto August 26, 2012. Therefore, the Board of Directors in their meeting held on August 14, 2012 extended the terms of Mr. C.S. Sanghavi, Whole-time Director for a further period of 1(one) year i.e. upto August 26, 2013. Mr. C. S. Sanghavi is BE and FIE and is having 36 years of experience in the Development Work, out of which, he has worked for 26 years with CIDCO and retired as a Chief Engineer & G.M. (Tech); GM (SEZ) CIDCO.

The terms of appointment of Mr. C. S. Sanghavi are as follows:

- Mr. C. S. Sanghavi, so long as he functions as such, shall not be paid any sitting fees for attending meeting of the Board of Directors or Committee thereof.
- Mr. C. S. Sanghavi as the Whole-time Director shall attend to the work of the Company faithfully, diligently and honestly and to the best of his ability and power, manage and conduct the business and affairs of the Company, do and execute all such acts, deeds, matters and things for carrying out such objects as may from time to time be assigned or entrusted to him by the Board or the Committee thereof.

Mr. C. S. Sanghavi is presently employed as head infrastructure and development in Horizon Country Wide Logistics Limited (HCWLL). He presently draws remuneration from HCWLL. Since Mr. C. S. Sanghavi draws remuneration from HCWLL, it is not intended to remunerate him from the Company.

The approval of the Members is sought for re-appointment of Mr. C.S. Sanghavi as a Whole-time Director of the Company on the terms and conditions as agreed between the Board and Mr. C.S. Sanghavi.

The Board of Directors recommend the resolution for approval of the Members.

None of the Directors is interested in the aforesaid resolution except Mr. C. S. Sanghavi.

Registered Office:

SKIL House,
209, Bank Street Cross Lane,
Fort, Mumbai 400 023.

Place: Mumbai

Date: August 14, 2012

By Order of the Board of Directors

Neeraj Rai
Company Secretary

Profile of Directors being Appointed/Re-appointed under Clause 49 of the Listing Agreement:

Name	: Mr. Bhavesh Gandhi	Mr. J. Alexander
Designation	: Non – Executive and Non - Independent	Non – Executive and Independent
Date of Birth	: January 21, 1966	August 8, 1938
Date of Appointment	: August 1, 1994	August 3, 2012
Other Directorships	: 1. SKIL Infrastructure Limited 2. Pipavav Defence and Offshore Engineering Company Limited 3. Donyi Polo Petrochemicals Limited 4. Mumbai SEZ Limited 5. Energy India Corporation Limited 6. Awaita Properties Private Limited 7. E Complex Private Limited 8. Navi Mumbai SEZ Private Limited 9. Urban Infrastructure Holdings Private Limited 10. SKIL Shipyard Holdings Private Limited 11. Bombay Chamber of Commerce & Industry 12. Nayroh Lifestyle and Leisure Infrastructure Limited	1. SKIL Karnataka Infrastructure Limited 2. Chemm Finance Limited 3. Namtech Electronic Devices Limited 4. Namtech Tai Limited 5. JPT Securities Limited 6. Symphony TV & Entertainments Private Limited 7. Lakeside Medical Centre Private Limited 8. Stumpp, Schuele & Somappa Private Limited 9. Karanja Infrastructure Private Limited 10. Transaction Analysts (India) Private Limited 11. Esmario Export Enterprises Private Limited 12. Varahi Infrastructure Private Limited 13. Mahakaleshwar Knowledge Infrastructure Private Limited
Committee Chairmanships	: Nil	Nil
Committee Memberships	: Member in Audit Committee of (i) E Complex Private Limited (ii) Donyi Polo Petrochemicals Limited (iii) Pipavav Defence and Offshore Engineering Company Limited Member in Shareholder's Grievance Committee of Pipavav Defence and Offshore Engineering Company Limited	Nil
Number of shares held in the Company	: 1,175,000	Nil
Inter-se relationship with other directors	: Brother of Mr. Nikhil Gandhi	None

Name	: Mr. C.S. Sanghavi	Mr. V. Ramanan
Designation	: Executive and Non Independent	Non – Executive and Independent
Date of Birth	: May 12, 1949	June 6, 1949
Date of Appointment	: August 27, 2009	August 14, 2012
Other Directorships	: 1. Varahi Infrastructure Private Limited 2. Metrotech Technology Park Private Limited 3. Mahakaleshwar Knowledge Infrastructure Private Limited	1. Metrotech Technology Park Private Limited 2. Mahakaleshwar Knowledge Infrastructure Private Limited
Committee Chairmanships	: Nil	Nil
Committee Memberships	: Nil	Nil
Number of shares held in the Company	: Nil	Nil
Inter-se relationship with other directors	: None	None



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 29th Annual Report of the Company together with the Audited Statement of Accounts for the year ended March 31, 2012.

FINANCIAL RESULTS:

The performance of your Company on standalone basis for the financial year ended March 31, 2012 as compared to the previous period is summarised below:

(₹ in Lacs)

Particular	2011-2012	2010-2011
Net Income	33406.76	28572.35
Less Expenditure	32356.68	27669.79
Profit before Depreciation & Taxation	1050.09	902.57
Less Depreciation	25.26	29.50
Operating Profit	1024.83	873.07
Provision for Tax / Deferred Tax	354.04	290.98
Profit after Tax	670.78	582.09
Balance carried forward to Balance Sheet	1992.04	1446.13

DIVIDEND:

Your Directors recommend for approval of the members at the ensuing Annual General Meeting payment of final dividend of 10% per equity share (₹ 1/- per equity share) for the financial year ended March 31, 2012.

REVIEW OF OPERATIONS:

During the financial year under review, the Company has earned a total income of ₹ 33406.76 lacs as against ₹ 28572.35 lacs for the previous year, thereby recording an increase of 16.92% as compared to the previous year.

The Profit After Tax as on March 31, 2012 amounted to ₹ 670.78 lacs as against ₹ 582.09 lacs for the previous financial year.

The Company continues to carry out infrastructure activities in various parts of the country.

SUBSIDIARY COMPANIES:

The Subsidiaries of your Company as on March 31, 2012 were:

- Mahakaleshwar Knowledge Infrastructure Private Limited
- Metrotech Technology Park Private Limited
- Varahi Infrastructure Private Limited

As per the provisions of Section 212 of Companies Act, 1956 ('the Act'), the holding Company is required to attach the Balance Sheet of all the subsidiary companies in the Annual Report of the Holding Company.

Pursuant to the General Circular No. (s) 2/2011 and 3/2011 dated February 8, 2011 and February 21, 2011 issued by the Ministry of Corporate Affairs, Government of India, the Board of Directors of your Company have given their consent for not attaching the balance sheets of all its subsidiaries along-with the Annual Report of the Company.

As the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet, the Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the registered office of the Company and that of the respective subsidiary companies. The Audited Consolidated Financial Statements of your Company along-with the Auditors' Report have been annexed to this Annual Report. Further, The Financial information for each subsidiary, as per the requirement of the said Circular, is annexed to the Consolidated Financial Statements.

DIRECTORS:

During the year under review, Mr. J. Alexander and Mr. V. Ramanan have been appointed as Additional Directors of the Company by the Board of Directors on August 3, 2012 and August 14, 2012 respectively, who shall hold office upto the date of the ensuing Annual General Meeting.

The Company has received notices in writing from members under Section 257 of the Companies Act, 1956 alongwith a refundable deposit of Rs 500/- each, proposing the candidature of Mr. J. Alexander and Mr. V. Ramanan for the office of Director of the Company. Taking into consideration the vast experience and expertise of Mr. J. Alexander and Mr. V. Ramanan, the Board recommends their appointment as a Director of the Company at the ensuing Annual General Meeting.

Mr. Bhavesh Gandhi, and Mr. C.S. Sanghavi, Directors of the Company, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment.

A brief profile of all these Directors containing details of their qualifications, expertise, other directorships, committee memberships etc. have been given in the notice of the ensuing Annual General Meeting.

Tenure of Mr. M.P. Vora, as Managing Director of the Company was completed on May 31, 2012. However, he continues to be the director of the Company. Further, Mr. S. Sundar, Mr. Dinkar Samant, Mr. Ajai Vikram Singh, Mr. A. Prasad and Mr. K.R. Chabria resigned with effect from June 25, 2012, April 27, 2012, June 25, 2012, July 19, 2012 and July 23, 2012 respectively.

The Board places on record its appreciation for the valuable contributions made by the Directors during their tenure.

FIXED DEPOSITS:

The Company has not accepted any deposits from the public or shareholders during the year.

CORPORATE GOVERNANCE:

As required by Clause 49 of the Listing Agreements entered into by your Company with the National Stock Exchange of India Limited and The Calcutta Stock Exchange Limited, a detailed Report on Corporate Governance is included in the Annual Report. The Company has obtained a Certificate from Mr. Virendra G. Bhatt, Practising Company Secretary regarding compliance of the conditions of Corporate Governance, as stipulated in Clause 49 of the Listing Agreement which is annexed to this Report.

MANAGEMENT DISCUSSION AND ANALYSIS:

A report on Management Discussion and Analysis as required under Clause 49 of the Listing Agreement is also annexed to this Report.

LISTING AGREEMENT COMPLIANCES:

The Company's equity shares are listed on the National Stock Exchange of India Limited ('NSE') and on The Calcutta Stock Exchange Limited ('CSE').

The Company has paid the annual listing fees for the year 2012-13 and has complied with the conditions of the Listing Agreement.

DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors further report that:

In terms of Section 217(2AA) of the Companies Act, 1956, the Directors would like to state that:

- 1) in the preparation of the annual accounts for the financial year ended March 31, 2012, the applicable accounting standards have been followed alongwith proper explanation relating to the material departures;
- 2) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012 and of the profit or loss of the Company for that year;
- 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 on a going concern basis.

**AUDITORS:**

M/s Bharat Shah & Associates, Chartered Accountants, the Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and being eligible, have expressed their willingness to continue.

The Company has received a letter from them to the effect that their re-appointment, if made, would be within the prescribed limits mentioned under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such reappointment within the meaning of Section 226 of the said Act.

AUDITOR'S REPORT:

The Auditor's Report to the Shareholders on the Accounts of the Company for the financial year ended March 31, 2012, is self-explanatory.

INTERNAL AUDITORS:

M/s. RSVA & Co. Chartered Accountants, Mumbai have been appointed as Internal Auditors for conducting internal audit of the Company. The Internal Auditors independently evaluate the internal controls systems, monitor implementation of the accounting systems & procedures and statutory compliances. The Audit Committee periodically reviews the reports of the Internal Auditors.

AUDIT COMMITTEE:

The composition of the Audit Committee is in compliance with Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. The Audit Committee was re-constituted on August 3, 2012 and further on August 14, 2012. The present Audit Committee comprises of Mr. J. Alexander as Chairman and Mr. S. A. Peeran, Mr. V. Ramanan and Mr. C.S. Sanghavi as Members. The Audit Committee has reviewed the Annual Accounts for the year ended March 31, 2012, annexed to this Report.

PARTICULARS OF EMPLOYEES:

During the financial year under review, none of the employees of the company is covered under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particular of Employees) Rules, 1975.

PERSONNEL:

The personnel relations of the Company remained cordial and peaceful throughout the year.

ENERGY / TECHNOLOGY / FOREIGN EXCHANGE:

Information in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is provided hereunder:

Conservation of Energy: Not Applicable

Technology absorption: Nil

Foreign Exchange Earnings: Nil

Foreign outgo during the year under review is ₹ 91.44 Lacs.

GREEN INITIATIVES IN CORPORATE GOVERNANCE:

The 'Green Initiative in Corporate Governance' programme was introduced by the Ministry of Corporate Affairs vide Circulars 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011, respectively, whereby Companies are permitted to send notices, documents including Annual Report, etc. in electronic mode. This reduces paper consumption to a great extent and allows Members to contribute towards a Greener Environment.

In this regard, Company had already issued a letter to all the Members giving them an advance opportunity to register their email address (and changes therein from time to time) with the Company so that the documents can be sent to them in the electronic mode. Accordingly, the Company has arranged to send the soft copies of these documents to the e-mail address of Members, wherever applicable. In case any of the Members would like to receive physical copies of these documents, the same shall be forwarded, free of cost, on written request to the Registrar and Share Transfer Agent of the Company i.e., Link Intime India Private Limited.

APPRECIATION:

Your Directors thank all the employees of the Company, the Bankers, the Clients, and Vendors and the Governmental Authorities for their support during the year under review and look forward to their continued support in the future.

For and on behalf of the Board

Place: Mumbai
Date: August 14, 2012

C.S. Sanghavi
Director

J. Alexander
Director