



HORIZON INFRASTRUCTURE LIMITED  
30<sup>th</sup> Annual Report

2012-2013



## ADJOURNED ANNUAL GENERAL MEETING

**DATE** : December 26, 2013  
**DAY** : Thursday  
**TIME** : 1500 Hours  
**PLACE** : Bombay Club Suite,  
Royal Bombay Yacht Club,  
Chhatrapati Shivaji Maharaj Marg,  
Apollo Bunder, Near Taj Mahal Hotel,  
Mumbai - 400 001

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## BOARD OF DIRECTORS

Mr. Nikhil Gandhi	Chairman & Whole-time Director
Mr. Bhavesh Gandhi	Vice Chairman
Mr. J. Alexander	Director
Ms. Gayathri Ramachandran	Director
Mr. V. Ramanan	Director
Mr. Ajay Khera	Director

## COMPANY SECRETARY

Mr. Nilesh Mehta

## AUDITORS

Bharat Shah & Associates,  
Chartered Accountants.

## BANKERS

IDBI Bank Limited  
Central Bank of India  
Union Bank of India

## REGISTERED & CORPORATE OFFICE

SKIL House,  
209, Bank Street Cross Lane,  
Fort, Mumbai - 400023.

## 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](mailto:rnt.helpdesk@linkintime.co.in)



## NOTICE OF ADJOURNED ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the adjourned 30<sup>th</sup> Annual General Meeting ("AGM") of the Members of Horizon Infrastructure Limited will be held on Thursday, December 26, 2013 at 1500 Hours 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. Item no. 1 of the Original Notice - "To receive, consider and adopt the Audited Balance Sheet as on March 31, 2013 and the Profit and Loss Account for the year ended on that date, together with the Reports of Directors and Auditors thereon."

### Registered Office

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

**By Order of the Board of Directors**

**Place:** Mumbai

**Date:** November 26, 2013

**Nilesh Mehta**

**Company Secretary**

### NOTES:

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY / 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) The Members / Proxies are requested to bring their copy of Annual Report and duly filled Attendance Slips for attending the Meeting.
- 4) Members holding shares in physical form are requested to immediately notify change in their address, if any, to the Registrar and Share Transfer Agents, Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078, quoting their Folio Number(s).
- 5) Members desirous of obtaining any information concerning the accounts of the Company are requested to address their queries to the Company Secretary atleast seven days in advance of the Meeting so that the information required can be readily made available at the Meeting.
- 6) All documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company during anytime between 1000 Hours to 1200 Hours on all days except Saturdays, Sundays and Public holidays, upto the date of the Annual General Meeting.
- 7) Members are requested to quote the Ledger Folio or Client ID and DP ID numbers in all communications with the Company.
- 8) Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically.
- 9) Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed dividends amounts lying with the Company as on September 28, 2012 (date of last Annual General Meeting) on the website of the Company ([www.horizoninfra.com](http://www.horizoninfra.com)), and also on the Ministry of Corporate Affairs website. Further, the said unpaid and unclaimed dividends amounts will be transferred to the Investor Education and Protection Fund as per provisions of the Section 205A of the Companies Act, 1956.



#### **ANNEXURE TO NOTICE:**

At the 30<sup>th</sup> AGM held on Monday, September 30, 2013, Members were informed that the Hon'ble High Court of Judicature at Bombay had passed an Order on September 20, 2013, approving the Scheme of Amalgamation and Arrangement between SKIL Infrastructure Limited ("SKIL"), Horizon Country Wide Logistics Limited ("HCWLL") and Fastlane Distriparks & Logistics Limited ("FDLL") with the Company (hereinafter referred to as "the Scheme") which became effective from September 28, 2013. The Members were also informed that the appointed date of the Scheme was April 1, 2011 and Registrar of Companies, Mumbai, Maharashtra, had granted approval for extension of time for holding of 30<sup>th</sup> AGM by three months.

Further, the proposal was put up before the Members, to consider adjournment of 30<sup>th</sup> AGM sine die, for the purpose of adopting the financials of the merged entity (i.e., after giving effect of the merger of SKIL, HCWLL and FDLL with the Company) and for considering declaration of dividend if any.

The Members considered the matter and unanimously resolved to adjourn 30<sup>th</sup> AGM sine die so as to consider and adopt the Audited Accounts for the year March 31, 2013 of the merged entity in the adjourned AGM and consider declaration of dividend or otherwise as per the recommendation of the Board of Directors.

Accordingly, after transacting all other business listed in the Original Notice dated August 27, 2013, the 30<sup>th</sup> AGM was adjourned sine die.

#### **Registered Office**

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

**By Order of the Board of Directors**

**Place:** Mumbai

**Date:** November 26, 2013

**Nilesh Mehta**  
**Company Secretary**



## DIRECTORS' REPORT

**Dear Members,**

Your Directors are pleased to present the 30<sup>th</sup> Annual Report of the Company together with the Audited Statement of Accounts for the year ended March 31, 2013.

At the outset, your Directors want to inform that 2013 marked a turning point for the Company as Hon'ble High Court of Judicature at Bombay approved the Scheme of Amalgamation and Arrangement between SKIL Infrastructure Limited ("SKIL"), Horizon Country Wide Logistics Limited ("HCWLL") and Fastlane Distriparks & Logistics Limited ("FDLL") (collectively referred to as "Transferor Companies") with the Company (hereinafter referred to as "the Scheme") on September 20, 2013, which became effective from September 28, 2013.

In view of the Scheme coming into effect and with the approval of Members of the Company, the 30<sup>th</sup> AGM held on September 30, 2013, was adjourned sine-die for adoption of merged Audited Accounts, together with the Reports of Directors and Auditors thereon.

### FINANCIAL RESULTS:

As the appointed date of the Scheme was April 1, 2011 and it became effective from September 28, 2013, the standalone financial results of your Company as on March 31, 2013, include the operations of Transferor Companies along with Company. The results for the year ended March 31, 2013 are, therefore, not comparable with the results of the previous year which were prepared on standalone basis.

	(₹ In Lacs)	
Particulars	2012-2013	2011-2012
Net Income	47059.90	33406.76
Less: Expenditure	67195.97	32356.68
Profit before Depreciation & Taxation	(20136.07)	1050.09
Less: Depreciation	104.85	25.26
Profit before Tax	(20240.92)	1024.83
Provision for Tax / Deferred Tax	0.00	354.04
Profit after Tax	(20240.92)	670.78
Balance carried forward to Balance Sheet	0.00	1992.04

### DIVIDEND:

In view of the mega exercise undertaken for merger and plans of expansion, it has been planned to deploy funds for taking up the opportunities for further growth of the Company and hence there will be a need to conserve the funds. Hence, your Board of Directors do not recommend dividend for the financial year ended March 31, 2013.

### REVIEW OF OPERATIONS:

It may be observed from the above that, while 2011-2012 financials are the standalone financial results of the Company, 2012-13 results are the merged financials of four Companies and are not comparable.

The Company is into Engineering, Procurement and Construction (EPC) business. Three Companies, which were merged have different activities but have synergies to enable the various activities to be brought under a single umbrella.

FDLL was hitherto developing a State of the Art Container Freight Stations (CFS) in an area of 73.15 acres near Jawahar Nehru Port, Navi Mumbai. First phase of construction is in progress.

HCWLL on the strength and experience accumulated over the last two decades, by the Promoter Company, had embarked upon an ambitious, Pan-India and Multi-segment Operations in the logistic field. HCWLL had plans to be a pioneer in the infrastructure development facilities across the country starting integrated logistic hub at various locations in India and creating a Pan-India network of CFS and Inland clearance depots, etc. including Free Trade Warehousing Zone.

SKIL, which has been a Holding Company of the Group, was conducting business through its subsidiaries and affiliates.

The finance cost in the Companies, on account of borrowings, can be taken as the sole reason for the losses during the year 2012-13.

### INCREASE IN AUTHORISED SHARE CAPITAL:

Your Directors inform that as per the Scheme, the Authorized Share Capital of the Company, after the Scheme coming into effect, shall be ₹ 9,100,000,000/- divided into 910,000,000 Equity Shares of ₹10/- each.

### ISSUE OF SHARES PURSUANT TO THE SCHEME:

Your Directors inform that as per the Scheme, 205,831,232 Equity Shares of ₹ 10/- each fully paid-up in the Company shall be issued and allotted to the shareholders of SKIL, HCWLL and FDLL, after the Scheme coming into effect, in the following manner:



- (i) 174,358,814 Equity Shares of ₹ 10/- to the shareholders of SKIL in the ratio of 11 Equity Shares of ₹ 10/- each of the Company for every 19 Equity Shares of ₹ 10/- each held by the shareholders in SKIL;
- (ii) 20,060,249 Equity Shares of ₹ 10/- to the shareholders of HCWLL in the ratio of 10 Equity Shares of ₹ 10/- each of the Company for every 68 Equity Shares of ₹ 10/- each held by the shareholders in HCWLL; and
- (iii) 11,412,169 Equity Shares of ₹ 10/- to the shareholders of FDLL in the ratio of 10 Equity Shares of ₹ 10/- each of the Company for every 65 Equity Shares of ₹ 10/- each held by the shareholders in FDLL.

Upon Scheme coming into effect, so far as the equity shares of HCWLL held by SKIL and the equity shares of FDLL held by HCWLL are concerned, the said equity shares of HCWLL and FDLL shall not get cancelled but shall, pursuant to the Scheme, stand transferred to and vested in the Trusts i.e. the HCWLL Trust and FDLL Trust respectively and continued to be held by the HCWLL Trust and FDLL Trust on the record date. The Company shall, without any further application, act, instrument or deed, issue new equity Shares of Company in lieu of HCWLL and FDLL Shares in the exchange ratio specified herein to the HCWLL Trust and FDLL Trust, as per the Scheme.

Since the Scheme has become effective, the Company shall, after the Authorised Share Capital of the Company is increased, make the aforesaid allotment.

After the allotment of shares as aforesaid, the Issued, Subscribed and Paid-up Capital of the Company shall increase from ₹ 1,074.00 Lacs to ₹ 21,657.12 Lacs.

#### **CHANGE OF NAME:**

Pursuant to and as envisaged in the Scheme, the name of the Company shall change from 'Horizon Infrastructure Limited' to 'SKIL Infrastructure Limited'. The Company is in the process of changing the name, as per statute.

#### **DIRECTORS:**

The Members at the 30<sup>th</sup> AGM held on September 30, 2013, approved the retirement of Mr. M. P. Vora as the Director of the Company and the appointment of Mr. C.S. Sanghavi as Whole-time Director of the Company for a period of six months w.e.f. August 27, 2013.

Pursuant to and as envisaged in the Scheme, the Board of Directors of the Company, in the Meeting held on November 14, 2013, appointed Mr. Nikhil Gandhi and Mr. Bhavesh Gandhi as Chairman and Vice Chairman of the Company respectively w.e.f. November 15, 2013.

Mr. C. S. Sanghavi resigned as the Director and Whole-time Director of the Company w.e.f. closure of working hours on November 14, 2013. The Board places on record, its appreciation for the valuable services rendered by him during his tenure as Whole-Time Director of the Company.

Mr. Nikhil Gandhi was appointed as a Whole-time Director of the Company w.e.f. November 15, 2013, subject to the approval of the Members.

Ms. Gayathri Ramachandran and Mr. Ajay Khera were appointed as an Additional Directors of the Company at the Board Meeting held on November 14, 2013 and November 26, 2013, respectively. Further, Mr. Ajay Khera was appointed as a Managing Director and Chief Executive Officer of the Company w.e.f. November 27, 2013 at the Board Meeting held on November 26, 2013, subject to the approval of the Members.

Consequent upon the appointment of Mr. Ajay Khera, as the Managing Director and Chief Executive Officer of the Company w.e.f. November 27, 2013; Mr. Nikhil Gandhi resigned as Whole-time Director w.e.f. closure of working hours on November 26, 2013.

The appointment of Ms. Gayathri Ramachandran and Mr. Ajay Khera as Directors shall be put up to Members at 31<sup>st</sup> AGM .

#### **SUBSIDIARY COMPANIES:**

Consequent to the merger of SKIL, HCWLL, FDLL with the Company, SKIL's and HCWLL's Subsidiary Companies have become Subsidiaries of Company. Since the Appointed Date of Merger is April 1, 2011, the subsidiaries of the Company as on March 31, 2013 were:

- Mahakaleshwar Knowledge Infrastructure Private Limited
- Metrotech Technology Park Private Limited
- Varahi Infrastructure Private Limited
- SKIL-Himachal Infrastructure & Tourism Limited
- Energy India Corporation Limited
- Gujarat Positra Port Company Limited
- SKIL Shipyard Holdings Private Limited
- SKIL Karnataka SEZ Limited
- Pipavav Electronic Warfare Systems Private Limited  
(Formerly Known as SKIL Strategic Deterrence Systems Private Limited)

- SKIL Advanced Systems Private Limited
- SKIL Midivisana Engineering Private Limited
- Pipavav Aero Infrastructure Private Limited
- SKIL Vision Aerial Solutions Private Limited
- Chiplun FTWZ Private Limited
- SKIL (Singapore) Pte. Limited (Foreign Company)

As per the provisions of Section 212 of the 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 has given its 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 Audited 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 Company, as per the requirement of the said Circular, is annexed to the Consolidated Financial Statements.

### **PARTICULARS OF LOANS/ADVANCES GIVEN TO SUBSIDIARY COMPANIES:**

Pursuant to Clause 32 of the Listing Agreement, the particulars of loans/advances given to Subsidiary, Associates, etc. of the merged entity have been disclosed in the Audited Accounts of the Company for the year March 31, 2013.

### **FIXED DEPOSITS:**

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

### **CORPORATE GOVERNANCE:**

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate Chapter on Corporate Governance practices followed by the Company together with a Certificate from Mr. Virendra G. Bhatt, Practicing Company Secretary, confirming compliance forms part of this Report.

### **DIRECTORS' RESPONSIBILITY STATEMENT:**

In accordance with the provisions of Section 217(2AA) of the Act, your Directors confirm that:

- a) in the preparation of the annual accounts for the financial year ended March 31, 2013, the applicable accounting standards have been followed along with proper explanation relating to the material departures.
- b) the selected accounting policies were applied consistently and the Directors 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, 2013 and of the loss of the Company for the year ended on that date.
- c) proper and sufficient care has been taken 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.
- d) the annual accounts have been prepared on a going concern basis.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

Management Discussion and Analysis Report of the merged entity, as stipulated in Clause 49 of the Listing Agreement is given in a separate section forming part of the Directors' Report in this Annual Report.

### **LISTING AGREEMENT COMPLIANCES:**

The Company's equity shares are listed on the National Stock Exchange of India Limited and on The Calcutta Stock Exchange Limited. The Company has paid the annual listing fees for the year 2013-14 and has complied with the conditions of the Listing Agreement.

### **AUDITORS:**

M/s. Bharat Shah & Associates, Chartered Accountants, Mumbai, bearing ICAI Registration No. 101249W, have been appointed as Statutory Auditors of the Company in the 30<sup>th</sup> AGM held on September 30, 2013. They shall hold office until the conclusion of 31<sup>st</sup> AGM.

**AUDITOR'S REPORT:**

The Auditors' Report to the shareholders on the Accounts of the Company for the financial year ended March 31, 2013, does not contain any qualification.

**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 Act and Clause 49 of the Listing Agreement. The present Audit Committee comprises Mr. V. Ramanan as Chairman, Mr. J. Alexander and Mr. Nikhil Gandhi as Members. The Audit Committee has reviewed the Audited Accounts of the merged Company for the year ended March 31, 2013, annexed to this Report.

**PARTICULARS OF EMPLOYEES:**

In terms of the provisions of Section 219(1)(b)(iv) of the Act, the Directors Report and Accounts are being sent to all the Members of the Company, excluding the statement of particulars of the employees under Section 217(2A) of the Act. In accordance with the provisions of Section 217(2A) of the Act and the rules framed there under i.e. the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of employees as required to be set out in the annexure to the Director's Report is available for inspection at the Registered Office of the Company. Any Member interested in obtaining a copy of the same may write to the Company Secretary at the Registered Office of the Company.

**PERSONNEL:**

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

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Considering the nature of the business of the Company, there are no particulars to be disclosed relating to the Conservation of Energy, Research and Development and Technology Absorption as required under Section 217(1)(e) of the Act read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, during the year under review.

Further, the Foreign Exchange Earnings during the year under review is Nil and the Foreign Exchange Outgo is ₹ 12.06 Lacs.

**GREEN INITIATIVES IN CORPORATE GOVERNANCE:**

The 'Green Initiative in Corporate Governance' program 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:**

The amalgamation of SKIL, HCWLL and FDLL with the Company would not have been possible without the support of shareholders, banking and investment community, financial institutions, stock exchanges and the regulating agencies, for which the Company is grateful. Your Directors take this opportunity to express sincere thanks to its clients and customers for their continued co-operation. The Directors express deep sense of appreciation to all the employees who continue to display their commitment towards the Company. Finally, the Directors wish to express their gratitude to the Members for their continued trust and support in new initiatives being taken by the Management.

**Registered Office**

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

**For and on behalf of the Board of Directors**

**Place:** Mumbai

**Date:** November 26, 2013

**Nikhil Gandhi**  
**Chairman and Whole-time Director**



## REPORT ON CORPORATE GOVERNANCE

In compliance with the Corporate Governance requirements as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges, a report on Corporate Governance is set out below:

### 1. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

The Company's philosophy on the Code of Corporate Governance envisions attainment of the highest levels of integrity, professionalism, transparency, accountability and fairness in respect of Company's operations, actions and achievement of highest internal standards in its governance. It aims to enhance shareholders' value and achieve the high standards of governance practices by putting in place a sound internal control system, timely disclosures and accurate information dissemination, for understanding risk profile and monitoring at every stage of the Company's operations.

### 2. BOARD OF DIRECTORS (the "Board"):

#### (i) Composition and Category of the Board & Number of other Directorship and Membership on other Board Committees as on March 31, 2013:

The composition of the Board is in conformity with Clause 49 of the Listing Agreement, which stipulates that at least one-third of the Board should comprise Independent Directors, if the Chairman of the Board is a Non-Executive Director.

As on March 31, 2013, the Board comprised Six Directors. Out of the Six Directors, one is Executive Director and the other five are Non- Executive Directors including two Independent Directors. The Chairman of the Board is a non-executive, Independent Director.

As mandated by Clause 49 of the Listing Agreement none of the Directors of the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees. All the Directors have made requisite disclosures regarding Board and Committee Memberships held by them in other Companies and the same have been duly recorded by the Board in its meetings from time to time. None of the Directors of the Company are inter-se related to each other except Mr. Nikhil Gandhi and Mr. Bhavesh Gandhi, who are brothers.

A detailed chart showing the names and categories of the Directors on the Board, number of other Directorships in Indian Public Limited Companies and Membership of the Committees of the Boards of such companies is given below. Other Directorships excludes Alternate Directorships, Indian Private Limited Companies, Section 25 Companies and Foreign Companies. Memberships/ Chairmanship of Board Committees include only Audit Committee and Shareholders'/ Investors' Grievance Committee:

Name of the Directors	Category of Directorship	Designation	Other Directorships as on March 31, 2013	Memberships/ Chairmanship in Committees of Board of other Public Companies as on March 31, 2013	
				Chairman	Member
Mr. J. Alexander	Non-Executive, Independent	Chairman	4	-	1
Mr. V. Ramanan	Non-Executive, Independent	Director	-	-	-
Mr. C. S. Sanghavi	Executive, Non Independent	Whole-time Director	1	-	1
Mr. Nikhil Gandhi	Promoter, Non Executive, Non independent	Director	10	1	4
Mr. Bhavesh Gandhi	Promoter, Non Executive, Non Independent	Director	6	1	3
Mr. M. P. Vora	Non Executive, Non Independent	Director	-	-	-

**Note:** Since the Corporate Governance Report is pertaining to the year ended March 31, 2013, any change in the composition of Board or Board Committees after the said date has not been incorporated in this Report.

#### (ii) Meetings and Attendance during the year ended March 31, 2013:

During the year 5 (Five) Board Meetings were held on May 30, 2012, May 31, 2012 (Adjourned Meeting of May 30, 2012), August 14, 2012, September 10, 2012, November 8, 2012 and January 22, 2013. The attendance of each Director at the said Board Meetings and at the 29th Annual General Meeting held on September 28, 2012, is given below:

Name of the Directors	No. of Board Meetings held during the period*	No. of Board Meetings attended	Attendance at the last AGM
Mr. J. Alexander	4	4	Y
Mr. V. Ramanan	4	4	Y
Mr. C. S. Sanghavi	5	4	Y
Mr. Nikhil Gandhi	5	3	N
Mr. Bhavesh Gandhi	5	0	N
Mr. M. P. Vora	5	0	N
Mr. S. Sundar \$	1	1	N
Mr. Dinkar Samant \$	0	0	N
Mr. Ajai Vikram Singh \$	1	1	N
Mr. A. Prasad \$	1	1	N
Mr. K. R. Chabria \$	1	0	N
Mr. S. A. Peeran \$	3	1	N



**Note:** - \* No. of Board Meetings held during the period reflects the No. of Meetings held in the tenure of the concerned Director in Financial Year 2012-2013

\$ Mr. S. Sundar, Mr. Dinkar Samant, Mr. Ajai Vikram Singh, Mr. A. Prasad, Mr. K.R. Chabria and Mr. S.A. Peeran were ceased to be Directors with effect from June 25, 2012, April 27, 2012, June 25, 2012, July 19, 2012, July 23, 2012 and September 29, 2012, respectively.

### 3. AUDIT COMMITTEE:

The Audit Committee of the Company is constituted in accordance with the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

#### (i) Brief description of terms of reference:

The terms of reference of the Audit Committee, inter alia, include the following:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible information is disclosed.
2. Recommending to the Board the appointment, re-appointment and removal of the statutory auditors, fixation of audit fee and also approval for payment for other services.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the Management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by Management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. Qualifications in the draft audit report.
5. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing, with the Management, performance of statutory and internal auditors, adequacy of the internal control systems.
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
9. Discussion with internal auditors any significant findings and follow up thereon.
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non- payment of declared dividends) and creditors.
13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
14. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
16. Carrying out any other function as may from time to time be required under any statutory, contractual or other regulatory requirement.

Review of information by Audit Committee:

1. Management Discussion & Analysis of financial condition and results of operations.
2. Statement of significant related party transactions, submitted by Management.
3. Management letters/letters of internal control weaknesses issued by the statutory auditors.
4. Internal audit reports relating to internal control weaknesses and
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

Further, Audit committee has been granted powers as prescribed under Clause 49 (II)(C) of the Listing Agreement.

#### (ii) Composition as on March 31, 2013:

As on March 31, 2013, the Audit Committee comprised three Members, viz. Mr. V. Ramanan (Chairman), Mr. J. Alexander and Mr. C.S. Sanghavi.