

# 32nd ANNUAL REPORT

2013 - 2014



TOTAL *Perfection* 100% Satisfaction

**SANTOSH** Fine-Fab Ltd. Mumbai



## **32<sup>nd</sup> ANNUAL REPORT 2013-2014**

### **SANTOSH FINE-FAB LIMITED**

(CIN:L17112MH1981PLC025443)

#### **REGISTERED OFFICE**

112/113, SANJAY BUILDING NO.6,  
MITTAL ESTATE, ANDHERI (E),  
MUMBAI 400 059.

### **BOARD OF DIRECTORS**

SHRI SANTOSH R.TULSIYAN	CHAIRMAN & MANAGING DIRECTOR
SHRI SUBHASH R. TULSIYAN	EXECUTIVE DIRECTOR
SHRI ASHOK V. TULSIYAN	DIRECTOR
SHRI SANJEEV D.SARAN	DIRECTOR
SHRI RADHABALLABH TIBREWALA	DIRECTOR
SHRI ASHARAM S.RUNGTA	DIRECTOR

#### **AUDITORS**

M/S. BHUWANIA & AGRAWAL ASSOCIATES  
CHARTERED ACCOUNTANTS

#### **BANKERS**

STATE BANK OF INDIA

#### **FACTORY**

PLOT NO. L-40, F1/22,  
M.I.D.C., TARAPUR,  
POST : BOISOR, DIST. : THANE.  
MAHARASHTRA.

#### **SHARE TRANSFER AGENTS**

ADROIT CORPORATE SERVICES PVT.LTD.  
19,JAFERBHOY INDUSTRIAL ESTATE, 1<sup>ST</sup> FLOOR,  
MAKWANA ROAD, MAROL NAKA,  
ANDHERI EAST, MUMBAI 400 059.



**NOTICE**

Notice is hereby given that the Thirty Second Annual General Meeting of the Members of SANTOSH FINE-FAB LIMITED will be held at 112/113, Sanjay Bldg No. 6, Mittal Estate, Mumbai – 400 059 on Friday, the 19th September, 2014 at 11.30 A.M. to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2014 and the Balance Sheet as on that date together with the Directors' and Auditors' Reports.
2. To appoint a Director in place of Shri Radhaballabh Tibrewal (DIN: 00323570), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Asharam S Rungta (DIN: 00320409), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and in this regards to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s Bhuwania & Agrawal Associates, Chartered Accountants (Registration No 101483W), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next Annual General Meeting of the Company at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

**SPECIAL BUSINESS:**

5. To consider and, if thought fit, to pass, with or without modification(s), the following as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956), the consent of the Company be and is hereby accorded to the reappointment of Mr. Santosh R Tulsiyan (holding DIN 00310573), as the “Managing Director” of the Company for a period of five years effective from 5th October, 2014, on the terms and conditions of appointment and remuneration as contained in the draft agreement, a copy whereof initialed by the Chairman for the purpose of identification is placed before the meeting, and the Board of Directors be and is hereby authorised to alter and vary such terms of appointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013 (corresponding to Schedule XIII to the Companies Act, 1956), as may be agreed to by the Board of Directors and Mr. Santosh Tulsiyan.”

6. To consider and, if thought fit, to pass, with or without modification(s), the following as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956), approval of the members be and is hereby accorded to the appointment for a period of five years commencing from 5th October, 2014 of and payment of remuneration to Shri Subhash R. Tulsiyan (DIN :00308899) as the Executive Director of the Company, on the terms and conditions as are set out in the Draft Agreement, a copy whereof initialed by the Chairman for the purpose of identification is placed before the meeting, and the Board of Directors be and is hereby authorised to alter and vary such terms of appointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013 (corresponding to Schedule XIII to the Companies Act, 1956), as may be agreed to by the Board of Directors and Mr. Subhash Tulsiyan.”

**NOTES:**

1. The relative Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (Act) in respect of the business under Item Nos. 5 & 6 of the Notice, is annexed hereto.
2. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. Members/Proxies should bring the attendance slip duly filed in for attending the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 17th September, 2014 to Friday, the 19th September, 2014 (both days inclusive).
5. The Securities & Exchange Board of India has made trading in the shares of the Company compulsory in dematerialized form for all investors with effect from 30th April, 2001. The Equity Shares of the Company have been allotted International Securities Identification Number (ISIN) INE612D01018.
6. Since the Company's shares are traded compulsorily in dematerialized form, to ensure better service and elimination of risk of holding shares in physical form, we request shareholders holding shares in physical form to dematerialize their shares at the earliest.



7. Equity Shares of the Company are listed on the Bombay Stock Exchange Limited. The Company has paid the annual listing fee to the Bombay Stock Exchange Limited.

8. The Ministry of Corporate Affairs (Ministry), Government of India, has taken a Green Initiative in Corporate Governance by allowing paperless compliances by companies through electronic mode. As per the Circular No. 17/2011 dated 21.04.2011 and Circular No.18/2011 dated 29.04.2011 issued by the Ministry of Corporate Affairs, companies can now send various notices /documents (including notice calling Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors Report etc) to their shareholders through electronic mode, to the registered email addresses of the shareholders.

9. In terms of Circular No. 17/2011 dated 21.04.2011 and Circular No.18/2011 dated 29.04.2011 issued by the Ministry of Corporate Affairs, under Green initiative in the Corporate Governance all the members are requested to intimate their e-mail address to the Company's Registrar and Transfer Agents, so as to enable the company to send the Annual Report and Accounts, Notices and other documents through electronic mode to their email address. Notices/documents including the Annual Report are now being sent by electronic mode to the shareholders whose e-mail address has been registered with the Company. Members who would like to receive such notices/ documents in electronic mode in lieu of physical copy and who have not registered their e-mail addresses so far or who would like to update their e-mail addresses already registered, are requested to register/update their e-mail addresses: - In respect of electronic shareholding - through their respective Depository Participants; - In respect of physical shareholding - by sending a request to the Companies Share Transfer Agent at (Email id) mentioning therein Company's name, their folio no and email address.

10. A brief resume of the directors proposed to be reappointed vide item nos. 2 and 3 in the Notice are as follows:  
Shri Radhaballabh Tibrewal (DIN: 00323570) possesses vast knowledge and experience by virtue of his long association with the textile industry. He has been associated the company since September, 2002.

Shri Asharam S Rungta (DIN: 00320409) is a Chartered Accountant and has over 23 years experience of Finance and Administration in the textile industry. He has been associated with the company since April, 2002.

11. As per the provisions of the Companies Act, 1956, facility for making nominations is available to the shareholders in respect of the shares held by them in the prescribed Form No.2B. Shareholders are requested to avail this facility.

12. Members intending to require information about the accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.

13. Members are requested to consolidate the multiple folios existing in the same names and in identical orders so as to facilitate better and efficient service. Consolidation of folios does not amount to transfer of shares and therefore, no stamp duty or other expenses are payable.

BY THE ORDER OF THE BOARD

(SANTOSH R TULSIYAN)  
MANAGING DIRECTOR

Registered Office:  
112/113, Sanjay Bldg No.6,  
Mittal Estate,  
Mumbai 400059.  
Dated: 29.05.2014

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IS AS FOLLOW:**

Item 5&6: Shri Santosh R. Tulsiyan was appointed as the Managing Director and Shri Subhash R. Tulsiyan were appointed as the Executive Director for a period of five years with effect from 05-10-2009, The Board of Directors of the Company has re-appointed Shri Santosh R. Tulsiyan as the Managing Director and Shri Subhash R. Tulsiyan as the Executive Director for a further period of five years commencing from 05-10-2014. The terms and conditions including remuneration payable to them are set out in the draft of the agreement to be entered into between Company and Shri Santosh R. Tulsiyan and Shri Subhash R. Tulsiyan respectively which contains the following principle terms and conditions:

1. Remuneration:  
Shri Santosh R. Tulsiyan: Salary: Rs.50000/- p.m.  
Shri Subhash R. Tulsiyan: Salary: Rs.50000/- p.m.

Perquisites and allowances: In addition to the salary, the Managing Director and the Executive Director shall also be entitled to perquisites like accommodation, house maintenance allowance, together with utilities thereof such as gas, electricity, water, furnishings, repairs, medical reimbursement, accidental insurance, leave travel concession for himself and his family, club fees etc. in accordance with the Rules of the Company or as may be agreed to by the Board of Directors. Such perquisites to be restricted to Rs.2.40 Lac per annum or such other limit as may be permitted by the competent authority.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the Income Tax Rules, wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual cost. However, provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for calculating the said ceiling. Similarly, the Company's contribution to Provident Fund, Superannuation and Annuity fund, to the extent these either singly or together are not taxable under the Income tax Act, 1961, Gratuity payable under the Rules of the Company and encashment of leave at the end of tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

Overall Remuneration: The aggregate of salary and perquisites in any one financial year shall not exceed the limits prescribed or to be prescribed from time to time under Section 198, 309 and other applicable provision of the Companies Act, 1956, read with Schedule XIII to the said Act as may for the time being be in force.

Minimum Remuneration: In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of the Managing Director and the Executive Director, the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under Section II of the Schedule XIII to the Companies Act, 1956.

The draft Agreement between the Company and Shri Santosh R. Tulsiyan and Shri Subhash R. Tulsiyan respectively, are available for inspection by the members of Company at its Registered Office on any working day upto the date of ensuing Annual general Meeting between 11.00 a.m. to 1.00 p.m..

The above payment of remuneration has been approved by the Remuneration Committee. In compliance with the provision of the Companies Act, 1956, the terms of appointment and the terms of remuneration specified above are now being placed before the members in the General Meeting for their approval.

Shri Santosh R. Tulsiyan being director is relative of Shri Subhash R. Tulsiyan and is concerned or interested in the resolution at item no.5.  
Shri Subhash R. Tulsiyan, being director is relative of Shri Santosh R. Tulsiyan and is concerned or interested in the resolution at item no.6.



**DIRECTORS' REPORT  
TO THE MEMBERS,**

Your Directors present to you the Thirty Second Annual Report of the Company with the Audited Statement of Accounts for the year ended on 31st March, 2014.

**FINANCIAL RESULTS**

PARTICULARS	(RS. IN LACS)	
	2013-2014	2012-2013
Sales and other Income	3338.79	3239.07
Profit before Tax	33.38	42.36
Profit after Tax	22.86	28.27
Profit brought forward	165.11	136.84
Balance available for appropriation	187.97	165.11
Total Balance carried forward to balance Sheet after all adjustments	187.97	165.11

**DIVIDEND**

Due to insufficient profits, your directors express their inability to recommend payment of dividend for the year under review.

**DIRECTORS**

Shri Radhaballabh Tibrewal (DIN: 00323570) and Shri Asharam S Rungta (DIN: 00320409), Directors of the Company, retire by rotation and being eligible offer themselves for re-appointment. The Board recommends their re-appointment.

**AUDITORS**

Your company's auditors M/s Bhuwania & Agrawal Associates retire and are eligible for reappointment. You are requested to re-appoint auditors and fix their remuneration.

**CORPORATE GOVERNANCE**

A separate section on Corporate Governance is included in the Annual Report and the Certificate from the Company's auditors confirming the compliance of conditions on Corporate Governance as stipulated in the said clause 49 of the Listing Agreement is annexed thereto.

**COMPLIANCE CERTIFICATE**

The Ministry of Corporate Affairs, vide notification dated 5th January, 2009 extended the exemption for appointment of Company Secretary in the whole time employment of the Company from a paid up capital of Rs. 2 crores to Rs. 5 crores. However, the Companies in question are required to furnish a Compliance Certificate from a Company Secretary in whole time practice. The Compliance Certificate obtained from Mrs. Lalita Lath, a Practicing Company Secretary is annexed.

**PERSONNEL**

During the year under review no employee has drawn salary exceeding the limits stated in Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

**CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO**

Information pursuant to section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of Directors) Rules, 1988 are set out in the annexure "A" forming part of this report.

**COST AUDIT**

In pursuance to the directives issued by the Government of India, the Board of directors of the Company has appointed Mr. V.C. Kothari, Cost Accountant, as the Cost Auditor to audit the cost accounts relating to "Textiles" for the year ended 31st March, 2014.

**INDUSTRIAL RELATION**

The relations between the employees and the Management have remained cordial throughout the year.

**DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors confirm:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- that they 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 for that period;
- that they 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;
- that they have prepared the annual accounts on a going concern basis.

**ACKNOWLEDGMENT**

We owe all our employees, customers, bankers and suppliers, our gratitude for their cooperation and continued support.

FOR AND ON BEHALF OF THE BOARD

(SANTOSH R. TULSIYAN)  
MANAGING DIRECTOR

Place : Mumbai.  
Dated: 29.05.2014



## ANNEXURE "A" TO THE DIRECTORS' REPORT

### A) CONSERVATION OF ENERGY

ENERGY CONSERVATION MEASURES TAKEN BY THE COMPANY:

#### ELECTRICAL ENERGY

- Regular maintenance
- Better utilization of running machine
- Improving electricity power factor
- Monitoring the overall energy consumption and corrective measures.

#### FUEL & OIL CONSUMPTION

Regular maintenance and monitoring the consumption with corrective measures

#### ADDITIONAL INVESTMENT AND PROPOSALS IF ANY BEING IMPLEMENTED FOR REDUCTION OF CONSUMPTION OF ENERGY

Changes have generally been evolutionary in nature and as such no major additional capital is envisaged

#### IMPACT OF THE ABOVE MEASURES

Optimization and control of energy related cost helps your company to remain competitive in markets.

#### TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION AS PER FORM "A" HERE UNDER POWER AND FUEL CONSUMPTION

FOR THE YEAR ENDED  
31ST MARCH, 2014

#### ELECTRICITY

1. Purchase units of electric (KWH)	666356
2. Total amount - Rs.	3122825
3. Rate/unit - Rs.	4.69

### OWN GENERATION

1. Through Diesel generator units (KWH)	22940
Units per Litre of diesel oil	3.70
Cost/unit Rs	15.53
2. Through stream turbine/generator	NIL
3. Furnace Oil	NIL
4. Other internal generations	NIL

### RESEARCH AND DEVELOPMENT (R & D)

- 1) Specific area in which R & D carried out by the Company product & quality improvement, development of new designs / product cost control and energy conservation.
- 2) Benefits derived as a result of the above R & D. The R & D activities have resulted in conserving of new materials higher productivity & containing the costs all rounds.
- 3) Expenditure on R & D being treated as an integral part of manufacturing process & hence no separate records for the expenditure incurred under this head are being maintained.

### B. TECHNOLOGY ABSORPTION ADOPTION AND INNOVATION

No technology has been imported by the company. Technology innovation and changes wherever possible are being absorbed and adopted.

### C. FOREIGN EXCHANGE EARNING AND OUTGO

Foreign Exchange Earning Rs.	1035.01 Lacs
Foreign Exchange Outgo Rs.	47.92 Lacs

### SECRETARIAL COMPLIANCE CERTIFICATE

COMPANY NO. 11-025443.  
AUTHORISED SHARE CAPITAL : RS. 4,00,00,000/-  
PAID UP SHARE CAPITAL : RS. 3,43,20,652/-

The Members,  
M/S SANTOSH FINEFAB LIMITED  
112/113, SANJAY BUILDING NO 6,  
MITTAL ESTATE, A.K.ROAD,  
MUMBAI-400059.

I have examined the registers, records, books and papers M/S SANTOSH FINEFAB LIMITED (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the year ended on March 31, 2014. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company and its officers, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in ANNEXURE - 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as required with the Registrar of Companies or other authorities as prescribed under the Act and the rules made there under wherever applicable as per ANNEXURE - 'B'.



3. The Company being a Public Limited Company, comments not required.
4. The Board of Directors duly met convened and conducted board meetings in each quarter in the financial year from from 1st April 2013 to 31st March 2014 in respect of which Meetings notices were given and the proceedings were properly recorded in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members during the financial year and necessary compliances have been made.
6. The Company held its Annual General Meeting during the year in time i.e. on 21st September, 2013 and in respect of which proper notice was given and proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting were held during the financial year.
8. The Company has not given or advanced any amount as defined in Section 295 of the Companies Act, 1956.
9. The Company has not entered into contracts falling within the purview of Section 297 of the Act.
10. The Company was not required to make entries in the register maintained under Section 301 of the Companies Act, 1956.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approval from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company has :
  - i. duly complied with the requirements of Section 217 of the Act.
  - ii. other clauses are not applicable.
14. The Board of Directors of the Company is duly constituted.
15. There was no appointment of Managing Director / Whole Time Director / Manager during the financial year.
16. The company has not appointed any Sole Selling Agents during the financial year.
17. The Company was not required to obtain any approvals of the Company Law Board, Regional Director, Registrar and / or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any Equity Shares during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has not issued any preference shares/debentures and hence the question of redemption of preference shares/debentures does not arise during the financial year under review.
22. There were no transactions necessitating the Company to keep in abeyance the rights of dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The Company has complied with the provisions of 293 (1) (d) of the Act.
25. The Company has not made Investments/loans/advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from the one state to another during the year under scrutiny.



27. The Company has not altered the provisions of the Memorandum with respect to the Object of the Company during the year under scrutiny.

28. The Company has not altered the provisions of the Memorandum with respect to Name of the company during the year under scrutiny.

29. The Company has not altered the provisions of the Memorandum with respect to Share Capital of the company during the year under scrutiny.

30. The Company has not altered its Articles of Association during the year.

31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment has been imposed on the Company during the financial year, for offences under the Act.

32. The Company has not received any money as security from its employees during the financial year.

33. The Company is regular in depositing its contribution towards Provident Fund during the financial year.

Sd/-

[LALITA LATH]

ACS : 16854 ; COP : 5310.

Place : Mumbai

Date : 29th May, 2014.

#### ANNEXURE - 'A' TO THE SECRETARIAL COMPLIANCE CERTIFICATE

Name of the Company: M/S SANTOSH FINE FAB LIMITED.

##### DETAILS OF REGISTERS MAINTAINED :

Sr No.	Section Number	Name Of Register
1.	108	Share Transfer Register
2.	150	Register of Members
3.	193	Minutes of all meetings of Board of Directors
4.	193(1)	Minutes of General Meetings
5.	301	Register of Contracts.
6.	303	Register of Directors.
7.	125	Register of Charges
8.	307	Register of Directors Shareholding

#### ANNEXURE - 'B' TO THE SECRETARIAL COMPLIANCE CERTIFICATE

Name of the Company: M/S SANTOSH FINE FAB LIMITED.

##### DETAILS OF FORMS FILED WITH THE REGISTRAR OF COMPANIES :

Sr No.	Document/ Under Section	Filed on	Whether filed in time	Whether additional fee paid
1.	Annual Return. U/s. 159. Form 20B	19/11/2013	Yes	No.
2.	Balance Sheet U/s. 210. Form 23ACXBRL & 23ACA	19/11/2013	No	Yes
3.	Secretarial Compliance Certificate U/s. 383A. Form 66	25/10/2013	No	Yes
4.	Form 23B	20/10/2013	Yes	No.
5.	Form 23C	20/06/2013	Yes	No

Sd/-

[LALITA LATH]

ACS : 16854 ; COP : 5310.

Place : Mumbai

Date : 29th May, 2014.



**COMPLIANCE REPORT ON CORPORATE GOVERNANCE**

The Securities and Exchange Board of India (SEBI) has introduced a Code of Corporate Governance for implementation by companies listed on the Stock Exchanges. Accordingly, the Code was implemented by effecting amendments to the Listing Agreements of the Stock Exchanges with which the Company is listed. The following is a report on the Corporate Governance Code as implemented by your Company.

**1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the organization. Good Corporate Governance leads to long-term shareholder value and enhance interest of other stakeholders. It brings into focus the fiduciary and the trusteeship role of the Board to align and direct the actions of the organization keeping in mind the interests of shareholders, stakeholders and the society.

**2. BOARD OF DIRECTORS**

- a) The Company has an optimum combination of executive and non-executive directors. The Board is chaired by the Chairman & Managing Director.
- b) The names and categories of the Directors on the board, their attendance at Board Meeting during the year and at the last Annual General Meeting, number of other directorship held by them in other companies are as follows:

Name of Director	Category	Attendance at		No. of other Directorship*	Membership of Other Board Committees
		Board Meetings	AGM 20.09.2013		
Santosh R. Tulsiyan	Chairman & Managing Director	4	Yes	Nil	Nil
Subhash R. Tulsiyan	Executive Director	4	Yes	Nil	Nil
Ashok V. Tulsiyan	Director	4	Yes	1	Nil
Sanjeev D. Saran	Independent Non executive	1	No	Nil	Nil
Asharam S. Rungta	Independent Non executive	4	Yes	Nil	Nil
Radhaballabh Tibrewala	Independent Non executive	3	Yes	Nil	Nil

\* This excludes directorships held in Private Limited Companies.

- (c) During the financial year four Board meetings were held on the following dates:  
29.05.2013, 08.08.2013, 08.11.2013 & 04.02.2014.

**3. AUDIT COMMITTEE**

Role of the Audit Committee and its terms of reference include:

1. To focus its attention on subjects relating to accounting standards, internal controls and financial policies.
2. To oversee the Company's financial reporting process and disclosure of its financial information.
3. To review the financial statement before submission to the Board of Directors.
4. To recommend appointment, re-appointment, removal of Statutory Auditors and fixation of the audit fee.
5. To ensure that there are adequate mechanism for prevention and detection of frauds.
6. To hold discussion with Management regarding the internal control system.
7. To hold prior discussion with external auditors regarding scope and nature of audit before commencement of the audit and also to have post audit discussion on areas of concern.
8. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in the case of non-payment of declared dividend) and creditors.

During the financial year 2013-14 the committee met on 29th May, 2013, 08th August, 2013, 08th November, 2013, and on 04th February, 2014. Mr. Asharam S Rungta chaired the meetings. The names of members, chairman and particulars of the meeting and attendance of members during the year are as follows:

<u>SR.NO.</u>	<u>NAME OF MEMBERS</u>	<u>CATEGORY</u>	<u>NO. OF MEETING ATTEND</u>
1	Asharam S. Rungta, Chairman	Independent/ Non-Executive	4
2	Sanjeev D. Saran	Independent/ Non-Executive	1
3	Radhaballabh Tibrewala	Independent/ Non-Executive	3



#### 4. REMUNERATION COMMITTEE:

Remuneration Committee has been constituted to recommend/review the remuneration package of the Managing/Whole time Directors based on performance and defined criteria.

<u>SR.NO.</u>	<u>NAME OF MEMBERS</u>	<u>CATEGORY</u>	<u>No. of Meeting Attend</u>
1	Radhavallabh Tibrewala, Chairman	Independent/ Non-Executive	-
2	Sanjeev D. Saran	Independent/ Non-Executive	-
3	Asharam S. Rungta	Independent/ Non-Executive	-

The Committee did not meet during the year. As there was no need to transact any business

Details of remuneration paid to all the directors for the year ended 31st March, 2014 are as follows :

<u>Director</u>	<u>Relationship With other Directors</u>	<u>Business Relationship</u>	<u>Loans &amp; Advance From The Company</u>	<u>Sitting Fees</u>	<u>Salary &amp; Contribution to fund</u>	<u>Commission</u>	<u>Total</u>
Santosh R. Tulsian	Brother of Subhash Tulsian	Promoter	Nil	Nil	240000	Nil	240000
Subhash R. Tulsian	Brother of Santosh Tulsian	Promoter	Nil	Nil	240000	Nil	240000
Ashok V. Tulsian	None	Promoter	Nil	Nil	Nil	Nil	Nil
Sanjeev D. Saran	None	None	Nil	Nil	Nil	Nil	Nil
Asharam S. Rungta	None	None	Nil	Nil	Nil	Nil	Nil
Radhaballabh Tibrewala	None	None	Nil	Nil	Nil	Nil	Nil

#### 5. INVESTORS GRIEVANCE COMMITTEE

The terms of reference mandated by your Board, which is also in line with the statutory and regulatory requirements, are:

- To redress Shareholders and Investors complaints;
- To reviews all matters connected with the securities transfers;
- To review status of legal cases involving the investors where the Company has been made a party.

The composition, names of the members, chairman, particulars of the Meetings and attendance of the members during the year are as follows:

<u>SR.NO.</u>	<u>NAME OF MEMBERS</u>	<u>CATEGORY</u>	<u>NO. OF MEETING ATTENDED DURING THE YEAR 2013-14</u>
1	Subhash R. Tulsian	Non-Independent/ Executive	4
2	Asharam S. Rungta	Independent/ Non-Executive	4
3	Radhaballabh Tibrewala	Independent/ Non-Executive	3

During the year the Investor Grievance Committee held its Meetings on the following dates:  
29th May, 2013, 08th Aug, 2013, 08th November, 2013, and on 04th February, 2014.

#### NAME AND DESIGNATION OF COMPLIANCE OFFICER:

**SAJJAN AGARWAL**  
Secretarial Officer

Details of shares in physical form lodged for transfer during 2013-14 are as follows:

<u>Sr. No.</u>	<u>Total No. of Transfer Deed Received</u>	<u>Dispatched within 30 days of receipt</u>	<u>Dispatched after 30 days of receipt</u>
1	NIL	NIL	NIL

#### 6. GENERAL BODY MEETINGS

The location and time of the Annual General Meetings held during the last 3 years are as follows: