

SHANTIVIJAY JEWELS LTD.



ANNUAL REPORT 2009-2010



SHANTIVIJAY JEWELS LIMITED

BOARD OF DIRECTORS

PRADEEP KUMAR GODHA

(Chairman & Managing Director)

ANURAG GODHA

(Vice Chairman & Managing Director)

JEFFREY K. STERN

SHAMBHUKUMAR S. KASLIWAL

JAYANT B. SHAH

APURVA R. SHAH

TUSHAR A. MAVANI

REGISTERED OFFICE / WORKS

G 37, Gem & Jewellery Complex, Bldg. No. III,
SEEPZ, Andheri (E), Mumbai-400 096.

ADMINISTRATIVE OFFICE

L-1, Trident Hotel, Hilton Towers,
Nariman Point,
Mumbai-400 021.

BANKERS

Canara Bank
Overseas Branch,
Nariman Point,
Mumbai-400 021.

AUDITORS

B.F. Chordia & Co.
Chartered Accountants
17/1004, Indradarshan,
Oshivara Link Road,
Andheri (West), Mumbai-400 053.

REGISTRAR & TRANSFER AGENTS

Bigshare Services Pvt. Ltd.
E-2/3, Ansa Industrial Estate, Sakivihar Road,
Sakinaka, Andheri (E), Mumbai-400 072.

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NOTICE

NOTICE is hereby given that the 37th Annual General Meeting of the Members of SHANTIVIJAY JEWELS LIMITED will be held at G-37, Gem & Jewellery Complex, Building No. III, SEEPZ, Andheri (East), Mumbai 400 096 on **Tuesday, 10th August, 2010 at 10.00 A.M.** to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2010 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors, thereon.
2. To appoint a Director in place of Mr. Jeffrey K. Stern, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri. Tushar Mavani, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof for the time being in force) as also provisions of the Securities and Exchange Board of India (SEBI) (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the “ICDR Regulations”) and any other applicable law or laws, rules, regulations, guidelines, schemes and clarifications (including any amendments thereto or re-enactment thereof for the time being in force) and enabling provisions of the Memorandum of Association and Articles of Association of the Company, the Listing Agreement entered into by the Company with the Stock Exchange where the equity shares of the Company are listed and subject to such approvals, permissions, consents and sanctions as may be necessary of Government of India (“GOI”), Reserve Bank of India (“RBI”), Securities and Exchange Board of India (“SEBI”), Registrar of Companies (“ROC”) and all other appropriate authorities, within or outside India, and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “Board”) which the Board be and is hereby authorized to accept, if it thinks fit in the interest of the Company, the consent and approval of the Company be and is hereby accorded to the Board to issue, in the course of domestic/follow on/international offerings or qualified institutional placement to Domestic/Foreign Investors/ Institutional Investors/Foreign Institutional Investors, Qualified Institutional Buyers within the meaning of ICDR Regulations, Members, Employees, Non-Resident Indians, Companies or Bodies Corporate whether incorporated in India or abroad, Trusts, Mutual Funds, Banks/ Financial Institutions, Insurance

Companies, Pension Funds, Individuals or otherwise, whether members of the Company or not, through a public issue, a qualified institutional placement (QIP) within in the meaning of ICDR Regulations, preferential issue and/or any other kind of public issue or private placement, with or without over allotment / green shoe option, in one or more tranche(s), equity shares or any securities other than warrants which are convertible into or exchangeable with equity shares including Global Depository Receipts/Shares (“GDRs”) and/or American Depositary Receipts/ Shares (“ADRs”) and/or Foreign Currency Convertible Bonds (“FCCBs”) and/or Convertible Bonds/Debentures and/or Euro-Convertible Bonds and/or Preference Shares whether Cumulative/Redeemable/Partly Convertible/Convertible and/or Securities Partly or Fully Convertible into Equity Shares and/or Securities linked to Equity Shares and/or any instruments or Securities or such other types of Securities representing either Equity Shares or Convertible Securities, (hereinafter collectively referred to as “Securities”) whether rupee denominated or denominated in foreign currency, listed on any stock exchange inside India or any stock Exchange outside India, through an offer document and/or prospectus and/or offer letter and/or offering circular or through any other mode, on such terms and conditions including pricing, the form and the investor(s) to whom such Securities may be issued and all matters connected therewith as the Board may in its sole and absolute discretion deem fit or decide.

RESOLVED FURTHER THAT the total amount raised through the aforesaid issue or offer of Securities should not, together with the over-allotment option, if any, result in issue of further shares exceeding 29.98 lakhs equity shares of Rs.10/- each.

RESOLVED FURTHER THAT in case of qualified institutional placement of Securities within the meaning of ICDR Regulations, the total amount raised in such manner should not, together with the over-allotment option exceed five times the net worth of the Company as per audited balance sheet of the previous financial year.

RESOLVED FURTHER THAT the Securities issued may be redeemed and/or converted and/or exchanged, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, in a manner as may be provided in terms of their issue.

RESOLVED FURTHER THAT the pricing of the Securities and the pricing of any equity shares issued upon conversion of the Securities shall be in accordance with all applicable laws, regulations and Guidelines, issued by the SEBI.

RESOLVED FURTHER THAT if the allotment of Securities shall be to QIBs in accordance with the Qualified Institutional Placement in accordance with the ICDR Regulations, such Securities shall be fully paid up and the allotment of such Securities shall be completed within 12 months from the date of this resolution.

RESOLVED FURTHER THAT the relevant date for the determination of the pricing of the equity shares/securities

convertible into equity shares, that may be issued upon conversion or exchange of the Securities under the applicable SEBI Rules, Regulations and Guidelines is 11th July, 2010 i.e. the 30th day prior to the date of this Annual General Meeting.

RESOLVED FURTHER THAT :

- (i) the equity shares to be issued and allotted shall be subject to the provisions of the memorandum and Articles of Association of the Company; and
- (ii) the underlying equity shares unless otherwise stated, shall rank *pari passu* with the existing equity shares of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board, in consultation with the Lead Managers, Merchant bankers, Advisors, Underwriters and/or other persons appointed for this purpose, be and is hereby authorized to determine the form, terms and timing of the offering(s) including the investors to whom the Securities are to be allotted, number of Securities to be allotted in each tranche, issue price, face value, number of equity shares or other securities, the price, premium or discount on issue/conversion of securities, rate of interest, period of conversion or variation of the price or period of conversion or listings on one or more Stock Exchanges in India and/or outside India and related or incidental matters, as the Board in its sole and absolute discretion deem fit and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues in India and/or abroad and to do all acts, deeds, matters and things and to settle any question, difficulty or doubt that may arise in regard to any such issue, offer or allotment of Securities, utilization of the issue proceeds and in complying with any Regulations, as it may in its sole and absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT such of these Securities as are not subscribed may be disposed off by the Board in its absolute discretion in such manner as it may deem fit and as permissible by law.

RESOLVED FURTHER THAT the Securities, if any, issued in foreign markets shall be deemed to have been made abroad and/or in the market and/or at the place of issue of the Securities in the international market and may be governed by applicable foreign laws.

RESOLVED FURTHER THAT the Board be and is hereby authorized to appoint Lead Managers, Book-runners, Underwriters, Listing Agents, Trustees, Bankers, Guarantors, Custodians Depositories, Registrars, Legal Counsels, Advisors, and all such other Agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements,

memorandum, documents etc., as may be necessary, with such agencies and also to file any registration statement and any other document and any amendment thereto with any relevant authority for Securities listing and trading, to seek the listing of such Securities on one or more National or International Stock Exchange(s).

RESOLVED FURTHER THAT the consent of the Company be and is hereby granted in terms of Section 293(1)(a) and other applicable provisions of the Companies Act, 1956 and subject to all necessary approvals to the Board to secure, if necessary, all or any of the abovementioned securities to be issued, by the creation of mortgage and/or charge on all or any of the Company's immovable and/or moveable assets, both present and future, in such form and manner and on such terms as may be deemed fit and appropriate by the Board.

RESOLVED FURTHER THAT the issue to the holders of the Securities of the equity shares underlying the Securities shall be, *inter alia*, subject to the following terms and conditions:

- (i) in the event of the Company making a bonus issue by way of capitalisation of its profits or reserves prior to the allotment of the equity shares, the number of equity shares to be allotted shall stand augmented in the same proportion in which the equity share capital increases as a consequence of such bonus issue and the premium shall stand reduced pro tanto;
- (ii) in the event of the Company making a rights offer by issue of equity shares prior to the allotment of equity shares, the entitlement to the equity shares will stand increased in the same proportion as that of the rights offer and such additional equity shares shall be offered to the holders of the Securities at the same price at which the same are offered to the existing shareholders; and
- (iii) in the event of sub-division of shares, merger, amalgamation, takeover or any other re-organisation, the number of shares, the price and the time period as aforesaid shall be suitably adjusted.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or any Executive Director(s) or any other Officer(s) of the Company to give effect to the aforesaid Resolution."

BY ORDER OF THE BOARD

Sd/-

PRADEEP KUMAR GODHA
CHAIRMAN & MANAGING DIRECTOR

Registered Office:

G-37, Gem & Jewellery Complex,
Building No.III, SEEPZ, Andheri(East),
Mumbai 400 096.

Dated : 30th June, 2010

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE (ON POLL) INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business is annexed hereto and forms part of the Notice.
3. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company on any working day between 11.00 a.m. to 1.00 p.m. excluding Saturdays upto the date of the Annual General Meeting.
4. The Share Transfer Books and the Register of Members of the Company shall be closed from **Thursday, 5th August, 2010 to Tuesday, 10th August, 2010** (both days inclusive).
5. **The members are requested to note :**
 - (i) **Change of Address /Bank details :** Members holding shares in physical form are requested to inform M/s. Bigshare Services Private Limited, immediately of any change in their address and bank details. Members holding shares in dematerialized form are requested to intimate all changes with respect to their address, bank details, mandate etc. to their respective Depository Participants. These changes will then be automatically reflected in the

Company's records. This will help the Company to provide efficient and better service to the members.

- (ii) **Registrar and Share Transfer Agents : M/s. Bigshare Services Private Limited at E-2 & 3, Ansa Industrial Estate, Sakinaka, Andheri(E), Mumbai 400 072**, are Share Transfer Agents of the Company and the members are requested to send/address all their shares related matters/correspondence directly to them.
Our Registrar & Transfer Agent M/s. Bigshare Services Private Limited recently launched Gen-Next Investor Module i'Boss the most advanced tool to interact with shareholders. Please login into i'Boss (www.bigshareonline.com) and help us to serve you better.
- (iii) Corporate members are requested to send a duly certified copy of the board resolution authorising their representatives to attend and vote at the AGM.
- (iv) **Shares of the Company are traded compulsorily in dematerialized form** for all investors. Shareholders are requested to open an account with Depository Participants, if not done so far.
- (v) Section 109A of the Companies Act, 1956 provides for **Nomination** by the shareholders of the Company in the prescribed Form No. 2B for shares held in physical form. Bank forms will be supplied by the Company on request. Members holding shares in demat form may contact their respective Depository Participants for recording of nomination.
- (vi) Queries on accounts may please be sent to the Company 10 days in advance of the Annual general Meeting so that the answers may be made available at the meeting.

5. Brief resumes of Directors seeking re-election /re-appointment are as under:

Name of the Director	Mr. Jeffrey K. Stern	Shri. Tushar Mavani
Age	59 years	41 years
Date of Appointment	28.12.1994	30.06.2006
Qualification	He is a reputed businessman in jewellery in USA.	B.Com., L.L.B.
Expertise and experience in specific functional areas	He has vast experience in business administration and jewellery marketing. With his long association, the Company has been able to establish market for its product in USA.	Mr. Tushar Mavani is partner of M/s. Amarchand & Mangaldas & Suresh A. Shroff & Co., Advocates & Solicitors and has been in practice since 1991.
Chairmanship/ Directorship held in other public companies (excluding foreign) Companies	Director in : Stern International Limited, USA.	Director in : Kotak Mahindra Trusteeship Services Limited
Membership/Chairmanships of committees across public companies	Nil	Member in : Shareholders Grievances & Remuneration Committee of the Company

EXPLANATORY STATEMENT

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

Item No. 5

To augment long term funds to finance expansions, capital expenditure and long term working capital requirement for expansion of the existing business being planned and further to capture emerging business opportunities for growth, the Company has been considering to raise funds by issue of appropriate Securities.

Towards this an enabling resolution is proposed at Item No. 5 of the Notice to enable the Board to consider issue of appropriate Securities from amongst those described in the said resolution at appropriate time(s). These funds may be raised in one or more tranches/stages from time to time and could be raised either from domestic and/or international markets taking into account the costs and other related conditionality.

The proposed Special Resolution gives adequate flexibility in respect of working out the modalities of such issue as also to issue such securities /instruments in such tranche(s) at such time(s) and such price(s) as the Board may in its absolute discretion deem fit subject to the applicable laws, regulations and guidelines.

Under the provisions of Section 81 of the Companies Act, 1956 and the Listing Agreements executed by the Company with the Bombay Stock Exchange Ltd., the said offer of shares and/or Securities convertible into Shares to be issued by the Company would require consent of the Equity Shareholders by way of Special Resolution. The Special Resolution, if passed, will have effect of allowing the Board to issue and allot Securities to the investors who may or may not be the existing shareholders of the Company. In the

circumstances, the approval of the shareholders is being sought for issuing the shares/securities in terms of the Resolution.

Further, the said securities may be secured by way of mortgage of the Company's assets or in any other manner in favour of the security holders. As the documents to be executed between the security holders and the Company may contain, as per normal practice, the power to take over management of the Company in certain events of default, it is necessary for the Company to obtain shareholders' approval through resolution under Section 293(1)(a) of the Act, before creation of the said mortgage.

Your Directors believe that such issue would be in the interest of the Company and therefore recommend the said Resolution for your approval as such.

None of the Directors of the Company is, in any way, concerned or interested in this resolution save and except that the Directors may be deemed to be concerned or interested in the resolution to the extent of securities that may be offered/allotted to them and/or their relatives and/or concerns, if any, controlled by them.

BY ORDER OF THE BOARD

Sd/-

PRADEEP KUMAR GODHA
CHAIRMAN & MANAGING DIRECTOR

Registered Office:

G-37, Gem & Jewellery Complex,
Building No.III, SEEPZ, Andheri(East),
Mumbai 400 096.
Dated: 30th June, 2010

DIRECTORS' REPORT

TO THE MEMBERS OF SHANTIVIJAY JEWELS LIMITED

Your Directors present their 37th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2010

FINANCIAL RESULTS

(Rs. in Lakhs)

Particulars	Stand alone for the Company		Consolidated	
	2009-10	2008-09	2009-10	2008-09
Sales & Operating Income	4672.39	5474.78	6119.37	7233.95
Other Income	54.83	53.39	55.95	53.39
Total Income	4727.22	5528.17	6175.32	7287.34
Less : Operating costs	4728.88	5215.68	6068.08	6897.46
Depreciation	32.73	35.25	33.22	35.64
Operating Profit/(Loss)	(34.39)	277.24	74.02	354.24
Less : Interest	22.74	72.52	22.74	72.52
Extra-ordinary Items	—	—	—	—
Profit/(Loss) Before Tax	(57.13)	204.72	51.28	281.72
Less Provision for Taxation				
— Earlier Years	44.61	74.01	44.61	74.01
— Fringe Benefit Tax	—	2.04	—	2.04
— Deferred	(1.38)	(1.70)	(1.38)	(1.70)
Profit After Tax	(100.36)	130.37	8.05	207.37
Add : Surplus brought forward	451.86	321.49	1049.54	842.17
Profit available for appropriation	351.50	451.86	1057.59	1049.54
Appropriations :				
Transferred to General Reserve	—	—	—	—
Proposed Dividend	—	—	—	—
Tax on Dividend	—	—	—	—
Balance carried to Balance Sheet	351.50	451.86	1057.59	1049.54
Earning Per Share	(3.34)	4.34	0.27	6.91

DIVIDEND

In view of loss made during the year, your Directors have not recommended any dividend for the year under review.

OPERATIONS

During the year under review, Sales & Operating Income was Rs.4672.39 lakhs as against Rs. 5474.78 lakhs in the previous year. Consolidated Sales & operating Income have also been lower. Operating Loss has been Rs.34.39 lakhs as against Operating Profit of Rs. 277.24 lakhs in the previous year. Net Loss has been Rs.100.36 lakhs as against Net Profit of Rs. 130.37 lakhs in the previous year. The Company has incurred loss mainly on account of lower volumes due to adverse global factors, loss on account foreign currency rate fluctuations and increased raw material costs which in turn also affected margins. The Company has been able to contain loss by stringent controlled costs model and lower interest cost.

SUBSIDIARY COMPANIES

As required under Section 212 of the Companies Act, 1956, the audited statements of accounts of Shantivijay International Limited, Mauritius, Shantivijay Impex FZCO, Dubai, U.A.E. and Shantivijay Impex DMCC along with the reports of the Board of Directors and Auditors' Reports thereon for the financial year ended 31st March, 2010 are annexed.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Jeffrey K. Stern and Shri. Tushar Mavani retires by rotation and, being eligible, offer themselves for reappointment.

CORPORATE GOVERNANCE

Report on Corporate Governance compliance is included as a part of the Annual Report along with the Auditor's Certificate.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report prescribed under the Listing Agreement is included as a part of the Annual Report.

DISCLOSURE OF PARTICULARS

Particulars required under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to conservation of energy, research & development, technology absorption, foreign exchange earnings and outgo are given in the annexure to this Report.

There are no particulars to be disclosed under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended up to date.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956, we hereby state :

- (i) That in the preparation of the annual accounts for the Year ended March 31, 2010 the applicable accounting standards have been followed. There are no material departures from the applicable accounting standards;
- (ii) That the Directors had 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 at the end of the financial year and of the profit of the Company for that year;
- (iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in

accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (iv) That the Directors had prepared the annual accounts on a going concern basis.

COMPLIANCE CERTIFICATE

Compliance Certificate as required under Section 383A of the Companies Act, 1956 is attached hereto.

AUDITORS

B. F. Chordia & Co., Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for reappointment. You are requested to appoint Auditors and fix their remuneration.

ACKNOWLEDGEMENT

The Directors would like to place on record their appreciation for the valuable co-operation extended to the Company by the employees of the Company, Government Departments, Bankers, Suppliers, Customers and Investors at large for their continuous support to the Company.

FOR AND ON BEHALF OF THE BOARD

**Sd/-
PRADEEP KUMAR GODHA
CHAIRMAN & MANAGING DIRECTOR**

Place : Mumbai
Dated: 30th June, 2010

ANNEXURE TO DIRECTORS' REPORT

Particulars required under the Companies (Disclosure of particular in the Report of Board of Directors) Rules, 1988.

A. Conservation of Energy

As the Company is not covered in the list of industries required to furnish details in the Form 'A' relating to conservation of energy, the same is not given.

B. Technology Absorption

Research and Development (R&D)

1. Specific areas in which (R&D) carried by the Company.
 - Manufacture of jewellery as per international standard.
 - Process Software development for avoiding human error.
 - Conceptual designs.
 - Improvement in process of gold/platinum refining.
2. Benefits derived as a result of the above R&D.
 - Precision of manufacturing.
 - Improved quality of production.
 - Minimization of loss.
 - Achieved consistency in production quality.
 - Production with remarkable decrease in processing loss & better surface finish.
3. Future plan of action
 - Import of equipments, instruments etc. for further improvement in production as well as quality control.
4. Expenditure on R & D
 - Nil

Technology Absorption, Adaptation and Innovation

1. Efforts, in brief, made towards technology absorption, adoption and innovation
 - The Company keeps itself abreast of the technical developments and innovation in Company's line of products world wide and tries to bring about improvements in the product for better yield, quality and cost effectiveness, etc.

2. Benefits derived as a result of the above e.g. product improvement, cost reduction product development, import substitution etc.
 - As a result of above, the following benefits are achieved :
 - Cost Reduction.
 - Achievement in precision & quality.
 - Use of indigenous equipment as import substitute.
3. Imported Technology.
 - The Company has not imported any technology.

C. Foreign Exchange Earnings and Outgo

(Rs. in Lakhs)

	2009-10	2008-09
Foreign Exchange earned	4559.74	5133.04
Foreign Exchange used :		
CIF value of Imports :		
– Raw materials	458.74	226.34
– Stores & consumable including spares	13.97	19.24
– Finished Goods	129.60	189.23
Expenditure in foreign currency :		
– Travelling expenses	7.92	14.00
– Exhibition expenses & advance	11.82	10.91
– Bank Charges	0.65	0.91
– Membership & Subscription	0.00	0.04
– Sales Commission	19.17	19.64
	641.86	480.31

FOR AND ON BEHALF OF THE BOARD

Sd/-
PRADEEP KUMAR GODHA
CHAIRMAN & MANAGING DIRECTOR

Place : Mumbai
Dated : 30th June, 2010

REPORT ON CORPORATE GOVERNANCE

Your Company has complied in all material respects with the Corporate Governance Code as per Clause 49 of the Listing Agreement with the Stock Exchange. A Report on the Corporate Governance compliance is furnished below :

(1) Company's Philosophy on Corporate Governance

Good Corporate Governance helps enhancement of long term shareholder value and interest of other stakeholders. This is achieved through increased awareness for responsibility, transparency and professionalism and focus on effective control and management of the organization. The Board of Directors of the Company is committed to the consistent adherence to the corporate governance code and constant review of the Board processes, practices and the Management systems to maintain a greater degree of responsibility and accountability.

Mandatory Requirements :

(2) Board of Directors

The details of composition of the Board of Directors, which is in line with the stipulated requirements, and other relevant details are given below.

(3) Audit Committee

The Audit Committee has been constituted as per Section 292A of the Companies Act, 1956 and the guidelines set out in the Listing Agreements with the Stock Exchanges. The terms of reference inter alia include overseeing financial reporting process, reviewing periodic financial results, financial statements, internal control and internal audit systems, accounting policies and practices, related party transactions, performance of internal and statutory auditors, adequacy of internal audit function, discussions with internal and statutory auditors.

During the year 2009-10, four Audit Committee meetings were held on 27.06.2009, 28.07.2009, 29.10.2009 and 30.01.2010. The composition of the Audit Committee and other relevant details are given below :

Name of Director	Category	Profession	No. of meetings attended
Shri. S. S. Kasliwal, Chairman	Independent	Industrialist	3
Shri. Apurva Shah	Independent	Chartered Accountant	3
Shri. J. B. Shah	Independent	Business	4

Name of Director(s)	Category	No. of other directorship*	No. of Committee membership in all companies**		No. of Board Meetings attended	Attendance at last AGM
			Chairman	Member		
Shri Pradeep Kumar Godha	Chairman & Managing Director	Nil	Nil	1	5	Yes
Shri Anurag Godha	Vice- Chairman & Managing Director	Nil	Nil	1	4	No
Shri. Shambhukumar Kasliwal	Independent	3	1	Nil	3	No
Shri Apurva R. Shah	Independent	6	1	5	4	Yes
Shri. Jayant B. Shah	Independent	Nil	Nil	1	4	No
Shri. Tushar Mavani	Independent	1	1	Nil	4	No
Mr. Jeffrey K. Stern	Non-Executive	Nil	Nil	Nil	Nil	No

* excludes directorships held in private limited and overseas companies.

** includes Audit Committee & Shareholders' Grievance Committee only.

Board meetings : During the year 2009-10, five meetings were held on 23.05.2009, 27.06.2009, 28.07.2009, 29.10.2009 and 30.01.2010. The last Annual General Meeting (AGM) was held on 21.08.2009.