

## BOARD OF DIRECTORS

Mr. Nitin Motani (*Chairman*)  
 Mr. Shailesh Shah (*Managing Director*)  
 Mr. Sharad Shah  
 Mr. Saurabh Motani  
 Mr. Maikal Raorani  
 Mr. Mahesh Shirodkar  
 Mr. Vijay Choraria

## REGISTERED OFFICE

C-58, TTC Industrial Area, Thane Belapur Road,  
 Pawane, Navi Mumbai - 400 705.

## AUDITORS

M/s. KALYANIWALLA & MISTRY  
 (Chartered Accountants)

## BANKERS

The Oriental Bank of Commerce  
 The Karur Vysya Bank Ltd.  
 The South Indian Bank Ltd.  
 Kotak Mahindra Bank Ltd.  
 The Dombivali Nagari Sahakari Bank Ltd.

## REGISTRAR & TRANSFER AGENTS

Link Intime India Pvt. Ltd.  
 C-13, Pannalal Silk Mills Compound  
 L.B.S. Marg, Bhandup (W),  
 Mumbai - 400 078.

## PAGE INDEX

GENERAL INFORMATION	1
NOTICE FOR AGM	2
DIRECTORS' REPORT	5
CORPORATE GOVERNANCE REPORT	9
MANAGEMENT DISCUSSION AND ANALYSIS	16
SECRETARIAL COMPLIANCE CERTIFICATE	18
<b>STANDALONE FINANCIAL RESULTS</b>	
AUDITORS' REPORT	22
BALANCE SHEET	25
PROFIT AND LOSS ACCOUNT	26
SCHEDULES	27
BALANCE SHEET ABSTRACT	44
CASH FLOW STATEMENT	45
STATEMENT REGARDING SUBSIDIARIES	46
<b>CONSOLIDATED FINANCIAL RESULTS</b>	
AUDITORS' REPORT	47
BALANCE SHEET	48
PROFIT AND LOSS ACCOUNT	49
SCHEDULES	50
CASH FLOW STATEMENT	62
SKAY INC.	63
SK STABEL INDUSTRIES PRIVATE LIMITED	68
SKY HEMMAY PVT. LTD.	79

# SKY INDUSTRIES LIMITED

## NOTICE

**NOTICE** is hereby given that the Twenty Second Annual General Meeting of the members of **SKY INDUSTRIES LIMITED** will be held on Thursday, the 29th day of September, 2011 at 11.00 a.m. at the Registered Office at C-58, TTC Industrial Area, Thane Belapur Road, Navi Mumbai – 400 705 to transact the following business:

### Ordinary Business

1. To receive, consider and adopt the Balance Sheet as at 31st March 2011 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Mahesh Shirodkar, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

### Special Business

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

“**RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the said Act, the consent of the Company be and is hereby accorded to re-appoint Mr. Maikal Raorani as a Wholetime Director of the Company for a period commencing from 1st October, 2011 to 30th September, 2012 (both days inclusive), on the terms and conditions and remuneration (including remuneration to be paid in the event of any loss, absence or inadequacy of profit during his term) as placed before the meeting with sanction to the Board of Directors of the Company or the Committee to revise the terms of re-appointment and/or vary or increase the remuneration and perquisites payable within the limits as provided for in the Act rules made there under.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized or cause to do all the acts, deeds and things and execute all such documents, instruments and writing as may be required to give effect to the aforesaid resolution.”

**By Order of the Board of Directors**

Sd/-  
**Maikal Raorani**

### Registered Office:

C-58, TTC Industrial Area,  
 Thane Belapur Road,  
 Pawne, Navi Mumbai – 400 705

**Place: Mumbai,**

**Date : 12<sup>th</sup> August 2011**

**NOTES:**

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN HIS PLACE AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- b) Proxies in order to be effective must be lodged with the Company not less than 48 hours before the time of the meeting.
- c) Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, with respect to Item No. 5-9 is annexed herewith and forms part of the Notice.
- d) Members are requested to :
  - immediately intimate change of address, if any, to the Company or the Registrar and Share Transfer Agent, Link Intime Pvt. Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai – 400 078 quoting reference of their folio number;
  - produce the Attendance Slip duly filled in for attending the Meeting;
  - bring copy of the Annual Report to the venue of the Meeting; and
  - write to the Company at least 7 days in advance of the Annual General Meeting for any information about accounts.
- e) The Register of Members and Share Transfer Books of the Company will remain closed from 19th September, 2011, to 23rd September, 2011 (both days inclusive).
- f) Pursuant to Section 205A of the Companies Act, 1956 any dividend remaining unpaid or unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund. No claims shall lie against the Fund or the Company thereafter. All the shareholders who have not encashed the dividend warrants for any year for which the dividend was declared are requested to encash the same.
- g) All the documents referred to in the Notice and Explanatory Statement are available for inspection at the Registered Office of the Company during office hours on all working days, between 11.00 a.m. and 1.00 p.m., upto the date of Annual General Meeting.

**Profile of the Directors liable to retire by rotation:**

**Mr. Mahesh Shirodkar:**

Mr. Mahesh Shirodkar, aged about 51 years, is a widely respected personality in the Travel Industry. His marketing insight and global knowledge has been immensely helpful to the Company.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**

**Item No.5**

Mr. Raorani, aged 38, B.E. (Electronics & Communications), MBA (Finance) has rich and vast experience of around 14 years in finance, accounts, legal and commercial functions.

The main terms of re-appointment of Mr. Maikal Raorani as Wholetime Director of the Company are given below:

1. The appointment of Mr. Maikal Raorani as a Wholetime Director of the Company shall be for a period commencing from 1st October, 2011 to 30th September, 2012, (both days inclusive).
2. Mr. Raorani shall exercise all such powers and perform all such functions and duties as may be entrusted to him by the Chairman/Managing Director and/or the Board of Directors of the Company and be subject to such restrictions as the Chairman /Managing Director and/or the Board of Directors of the Company may from time to time specify.
3. Mr. Raorani shall report to the Chairman/Managing Director and be responsible for all his actions to the Chairman/Managing Director as well as to the Board. Management of the whole or substantially the whole of the affairs of the Company will not vest in Mr. Raorani.
4. Mr. Raorani shall devote his whole time, attention and abilities during business hours to the business of the Company and undertake traveling in India and abroad for the same.
5. Remuneration: Mr. Raorani shall be entitled to the following emoluments, salary and perquisites and allowances, subject to the limits laid down under Sections 198, 309 read with Schedule XIII to the Companies Act, 1956 :

Salary, Perquisites and Allowance: Rs. 150,000/- per month. Increments will be decided upon from time to time by the Board / remuneration committee each year and will be merit based and take into account the Company's performance.

**Perquisites and Allowances:**

The perquisites and allowances include medical reimbursement; leave travel concession for self and family; medical/ accident

insurance, and such other perquisites in accordance with the rules of the Company or as may be agreed to by the Board of Directors.

For the purpose of calculating the above ceiling, the perquisites and allowances shall be evaluated as per Income - tax rules, wherever applicable. In the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

Benefits under the Provident Fund, the Superannuation Fund to the extent these either singly or put together, gratuity payable as per the rules of the Company, encashment of leave at the end of the tenure in accordance with the rules and regulations in force from time to time shall not be included in the computation of the ceiling on perquisites.

**Minimum Remuneration:**

In the event of loss or inadequacy of profits during any financial year, in the aforesaid period, the Company will pay remuneration by way of salary, perquisites and allowances not exceeding the limits specified in Section II of Part II of Schedule XIII to the Companies Act, 1956, subject to the requisite approvals being obtained.

6. Mr. Raorani shall not be paid any sitting fees for attending the meetings of the Board of Directors or committees thereof.
7. Mr. Raorani shall be entitled to reimbursement of all actual expenses, including on entertainment and travelling, incurred in the course of the Company's business.
8. In case of death of Mr. Raorani during the course of his employment, the Company will pay to his legal personal representatives the salary and other emoluments payable hereunder for the then current month.
9. Mr. Raorani shall not directly or indirectly engage himself in any business or activity substantially similar to or competing with the business or activity of the Company during the term of the Agreement.
10. Mr. Raorani shall not become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.
11. Mr. Raorani shall not divulge or disclose any information or knowledge obtained by him during his employment as to the business or affairs of the Company or any trade secrets or secret processes of the Company.
12. Mr. Raorani's employment shall be determined forthwith if he commits a breach of any of the aforesaid terms, disqualifies himself to act as a Director for any reason except inadvertent breach of Section 283 of the Companies Act, 1956, or becomes insolvent, makes any composition or arrangement with his creditors or ceases to be a Director of the Company.
13. Either party shall be entitled to terminate the Agreement at any time by giving the other party not less than 90 days' notice in writing in that behalf provided that the Company shall be entitled to terminate the Agreement by giving three months' salary in lieu of such notice.
14. All Notices shall be in writing and shall be sent to the Company's Registered Office and to the last known residential address of Mr. Raorani.
15. This Agreement with Mr. Raorani shall be the entire Agreement between the parties and shall supersede and cancel all prior arrangements, agreements, understandings, oral or written, on the subject matter.

Your Directors consider the aforesaid remuneration to be commensurate with the duties and responsibilities of Mr. Raorani as a Wholtime Director.

The Board recommends the Resolution for the approval of the members.

None of the Directors of the Company except Mr. Raorani is concerned or interested in the said Resolution.

Explanatory Statement together with the accompanying notice can be considered as an abstract of the terms under section 302 of the Companies Act.

**By Order of the Board of Directors**

Sd/-  
**Maikal Raorani**

**Registered Office:**

C-58, TTC Industrial Area,  
Thane Belapur Road,  
Pawne, Navi Mumbai – 400 705

**Place: Mumbai,**

**Date : 12<sup>th</sup> Aug, 2011**

# SKY INDUSTRIES LIMITED

## DIRECTORS' REPORT

**The Shareowners,  
Sky Industries Limited,  
Mumbai.**

The Directors take pleasure in submitting the 22<sup>nd</sup> Annual Report and Accounts for the year ended 31<sup>st</sup> March, 2011.

### FINANCIAL RESULTS AND OPERATIONS:

(Rs in Lacs)

Particulars	Current Year ended 31.03.2011	Previous Year ended 31.03.2010
Sales and other income	7823	6455
Profit before Depreciation, Interest, Tax and Appropriation	450	710
Less : Interest	288	246
Depreciation	216	205
Profit / (Loss) before tax	(54)	259
Provision for Taxation	19	89
Profit / (Loss) after taxation	(73)	170
Add : Prior Period Adjustments	0	4
Excess provision for tax adjusted	0	0
Balance brought forward	1535	1162
Balance available for Appropriation	1463	1329

### RESULTS OF OPERATIONS

The turnover during the year was Rs. 7823 Lacs as compared to previous years Rs. 6455 Lacs, an increase of about 21 %. The increase was partly due to carpet yarn manufacture, which was commenced in the ensuing year as well as increase in turnover in the hook and loop business.

### DIVIDEND

Owing to inadequate profits, the Directors have not recommended any dividend in the year under review.

### EXPORTS

During the year under review the Exports were at Rs. 1648 lacs, a drop from Rs. 2583 lacs in the previous year. The drop was mainly on account of conscious decision to avoid the risky European markets, which were largely instrumental in getting higher export orders in the previous year.

### INTERNATIONAL BUSINESS / SUBSIDIARY

Your Directors are pleased to inform that the performance of the subsidiary company, SKAY INC for the year ended 31st March, 2011 was satisfactory.

As required under Section 212 of the Companies Act, 1956, the audited statements of accounts, along with the report of the Board of the Directors and the respective Auditors' Report thereon of the subsidiary company, SKAY INC for the year ended 31st March, 2011, is annexed herewith.

### HUMAN RESOURCES

At present we have 336 (Three Hundred and thirty six members) in our family globally and we expect stable growth in same in this financial year. Your company encourages teamwork, along with individual excellence; develop a sense of belonging amongst employees by caring attitude.

### CORPORATE GOVERNANCE

A separate section on Corporate Governance forming part of the Director's report and the certificate from the Company's auditors confirming compliance of Corporate Governance norms as stipulated in Clause 49 of the Listing agreement with the Stock Exchanges is included in this report.

## AUDIT COMMITTEE

The details of the committee are given in the Corporate Governance report.

## MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing agreement with the Stock Exchanges is presented as a separate section forming part of this Annual Report.

## DIRECTORS

Mr. Mahesh Shirodkar, the Director of the Company, retire by rotation at the ensuing Annual General Meeting and, being eligible, offer himself for re-appointment.

Mr. Maikal Raorani's term of appointment as a Wholtime Director expires on 30th Sep 2011. He is eligible and has offered himself for re-appointment on the terms and conditions as stated in the agreement entered into with the Company.

Your Directors recommend the appointment and re-appointment of the aforesaid directors.

## AUDITORS

M/s Kalyaniwalla & Mistry, Chartered Accountants, Mumbai, hold office till the conclusion of the ensuing Annual General Meeting and have expressed their willingness and eligibility to continue, if re-appointed. The Company has received a certificate under Section 224 (1B) of the Companies Act, 1956 stating that the appointment, if made, will be within the limits as specified in that section.

You are requested to consider their re-appointment.

## AUDITOR'S REPORT

1. The company has not provided for interest and payment of income tax of Rs. 50,65,286/- pertaining to prior years' cumulative income tax dues, as the auditors have recommended that the refunds to be received against prior years income tax assessments due are not to be netted off.

The Notes on Accounts referred to in the auditors report are self-explanatory and therefore do not call for any further comments.

## DEPOSITS

The Company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956 during the year under review. However, the Company has filed the return under Section 58 of the Companies Act, 1956, as certain loans from shareholders fall under the purview of the aforesaid act.

## EMPLOYEES

The Company has no employee drawing remuneration in excess of limits specified under Section 217(2A) of the Companies Act, 1956.

## CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the Annexure forming part of this report.

## DIRECTORS RESPONSIBILITY STATEMENT

The Directors confirm:

- (a) that in preparation of the Annual Accounts, the applicable accounting standards have been followed and that no material departures have been made from the same ;
- (b) 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 at the end of the financial year and of the profit of the Company for the year;

- (c) 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 ;
- (d) that they have prepared the annual accounts on a going concern basis .

**TRANSFER OF UNPAID/UNCLAIMED AMOUNTS TO IEPF:**

The Company transferred unpaid / unclaimed dividend for a financial year 2002-03 to the Investor Education and Protection Fund established by the Central Government pursuant to Section 205C of the Companies Act, 1956, as of the date of this report.

**DE-LISTING OF SHARES**

The Company had applied for Voluntary Delisting of Shares from the Non-Regional Stock Exchanges viz. The Stock Exchange Ahmedabad, The Calcutta Stock Association Limited, The Jaipur Stock Exchange Limited.

The Stock Exchange, Ahmedabad vide their letter dated 31st March, 2004 have De-listed the Company's securities from their Stock Exchange. The approval from other Stock Exchanges are awaited.

**ACKNOWLEDGEMENTS**

Your Directors wish to thank all our customers, vendors, investors and bankers for their unstinted support. Above all, we wish to place on record our appreciation for the contribution made by all the employees of the Company, whose hard work and dedication has made possible the progress and growth of our Company.

**For and on behalf of the Board**

Sd/-

**Nitin K. Motani**  
**Chairman**

**Date: 12<sup>th</sup> August, 2011**

**Place: Mumbai**



**ANNEXURE 'A' TO DIRECTORS' REPORT**

INFORMATION REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULE, 1988.

**A. Conservation of Energy:**

- (a) Energy conservation measures taken:  
The production activity of the company is not energy intensive. However, all measures are being taken for optimizing energy usage.
- (b) Additional investment and proposals, if any being implemented for reduction of consumption of energy:  
The Company does not have immediate investment plan for conservation of energy.
- (c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:  
The Company has maintained energy cost at minimum level.
- (d) Total energy consumption and energy consumption per unit of production:

	Current Year	Previous Year
<b>ELECTRICITY</b>		
<b>Purchased Units</b>		
Units	<b>2766217</b>	1950104
Total Amt	<b>Rs 151.52 Lacs</b>	Rs 104.92
Lacs Rate/Unit	<b>Rs 5.48 Per Unit</b>	Rs 5.38 Per Unit
<b>COAL</b>		NIL
<b>FURNACE OIL</b>		
Units	<b>388144</b>	218995
Total Amt	<b>124.78 Lacs</b>	Rs 68.47 Lacs
Rate/Unit	<b>32.14 Per Unit</b>	Rs 31.27 Per Unit
<b>OTHERS</b>	<b>Nil</b>	Nil
Consumption per unit of production		
Standard (if any)	<b>Current Year</b>	<b>Previous Year</b>
Hook and Loop Tape Fasteners (Meter)		
Electricity (unit)/Meter	<b>0.02</b>	0.02
Elastics and Other Tapes (meter)		
Electricity (unit)/meter	<b>0.01</b>	0.01

**B. Technology Absorption**

**Research and Development**

1. Specific areas in which R & D carried out by the company:
  - The Company introduced various measures for upgrading its core machinery.
2. Benefits derived as a result of the above R & D:
  - Reduction in wastage and increase in production.
3. Further plan of action:
  - The Company plans to introduce various measures to help improve the production and reduce wastage further.
4. Expenditure on R & D:
  - The above measures didn't entail substantial expenditure on R & D.

**Technology absorption, adaptation and innovation:**

1. Effort, in brief, made towards technology absorption and innovation:
  - Developing various product lines with the present technology.
  - Overall efforts for reducing the manufacturing cost.
2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development import substitution etc.:
  - Upgrading products constantly with additional features.
  - Reduction in manufacturing cost through improvement in productivity and thereby offset general cost escalation in inputs.
3. Information about imported technology:
  - Not applicable.

**C. Foreign Exchange Earning and Outgo:**

The Exchange Earning: Rs. 1648 lacs

The Exchange outgo: Rs. 2740 lacs



# SKY INDUSTRIES LIMITED

## CORPORATE GOVERNANCE REPORT 2010-11

The Company is a listed company on Bombay Stock Exchange Limited. The report on Corporate Governance as per Clause 49 of the Listing Agreement is given hereunder:

### 1. Company's Philosophy on Code of Governance

Company's philosophy on Code of Governance as adopted by its board of directors is as under:

- To maintain the highest standards of transparency in all aspects of our interactions and dealings.
- To ensure the core values of the Company are protected.
- To ensure timely dissemination of all price sensitive information and matters of interest to our stakeholders.
- To ensure that the Board exercises its fiduciary responsibilities towards Shareholders and Creditors.
- To Comply with all the laws and regulations as applicable to the Company
- To promote the interest of all stakeholders including Customers, Shareholders, employees, lenders, Vendors and the Community.

### 2. Board of Directors

The Board of Directors along with its committees provides leadership and vision to the management and supervises the functioning of the company. The composition of the Board is governed by the Listing agreement executed with the Bombay Stock Exchange Limited, the Companies Act, 1956 and the provisions of the Articles of Association of the Company. The Board presently comprises of Seven Directors out of which two are Non-Executive Directors. The Managing Director is responsible for conduct of the business and day to day affairs of the Company.

None of the Directors on the Company's Board is a member of more than ten committees and Chairman of more than five committees across all the companies in which he is a Director. All the Directors have made necessary disclosures regarding Committee positions held by them in other companies. Also none of the Directors on board hold the office of Director in more than 15 companies.

The requisite information as enumerated in Annexure IA to Clause 49 of the listing agreement is being made available to the Board for discussion and their consideration. The maximum time gap between two Board meetings did not exceed 4 months.

The composition of the Board, attendance at Board meetings held during the year under review, number of Directorships, memberships and their shareholding in the company is given below:

#### Composition of Board of Directors

Sr. No.	Name of Director	PD/ED/ NED/ ID*	Attendance in Board Meetings		Attendance in Last AGM	Other Board		
			Held	Attended		Directorship **	Committee Chairmanship ***	Committee Membership
1.	Mr. Nitin K. Motani Chairman	PD-ED	5	5	Present	No	No	No
2.	Mr. Shailesh S. Shah Managing Director	PD-ED	5	5	Present	No	No	No
3.	Mr. Saurabh K. Motani	PD-ED	5	5	Present	No	No	No
4.	Mr. Sharad S. Shah	PD-ED	5	5	Present	No	No	No
5.	Mr. Maikal Raorani	ED	5	5	Present	No	No	3
6	Mr. Mahesh Shirodkar	NED-ID	5	@	Absent	No	2	3
7	Mr. Vijay Choraria	NED-ID	5	@	Present	9	3	7

\* PD – Promoter Director, ED-Executive Director, NED- Non Executive Director, ID-Independent Director

\*\* In Indian Public Limited Companies as on 31st March, 2011

\*\*\* In Audit and Shareholders Grievances Committee of Indian Public Limited Companies as on 31st March, 2011.

@ Leave of absence has been granted to the directors for the Board Meetings not attended by them.

#### Details of Board Meetings Held during the Year

Date of Board Meeting	29 May	31 Jul	12 Aug	15 Nov	12 Feb
Board Strength	7	7	7	7	7
No. of Directors Present	5	5	5	5	5

#### Availability of information to the members of the Board:

The Board has unfettered and complete access to any information within the Company, and to any employee of the Company.

## SKY INDUSTRIES LIMITED

### The information regularly supplied to the Board includes:

- Annual operating plans, budgets and updates.
- Capital budgets and updates.
- Quarterly results for the company and its operating divisions.
- Minutes of meetings of audit committee and other committees of the board.
- The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand and prosecution notices which are materially important. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems. Any material default in financial obligations to and by the company, or substantial non-payment for goods sold by the company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.
- Details of any joint venture or collaboration agreement. Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

### Materially significant related party disclosures:

There have been no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors, management, subsidiary or relatives except for those disclosed in the financial statements for the year ended March 31, 2011.

### Board Committees

Currently, the Board functions through Sub-committees namely, Audit Committee, Remuneration Committee, and the Shareholders' Committee.

The Board functions either as a full Board or through Committees. The names of the Sub-committees along with the details of the meetings conducted are given below:

### 3 Audit Committee:

Pursuant to the provision of the companies act, 1956 and the Listing Agreement, an Audit Committee under the Listing Agreement as well as under provision of the companies act, 1956. The Composition of the Audit Committee is as under:

Sr. No.	Name of Members	Attendance in Audit Committee Meetings	
		Held	Attended
1.	Mr. Vijay Choraria ( Chairman – Independent Director)	4	4
2.	Mr. Mahesh Shirodkar ( Member – Independent Director )	4	4
3.	Mr. Maikal Raorani (Member)	4	4

### Terms of References of Audit Committees

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
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