

BOARD OF DIRECTORS

Mr. Nitin Motani (*Chairman*)
 Mr. Shailesh Shah (*Managing Director*)
 Mr. Shard Shah
 Mr. Saurabh Motani
 Mr. Maikal Raorani
 Mr. Mahesh Shirodkar (Till 31-7-2012)
 Mr. Vijay Choraria

REGISTERED OFFICE

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

AUDITORS

Kalyaniwalla & Mistry (Outgoing)
 Thanawala & Co (From this AGM)

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.

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NOTICE

NOTICE is hereby given that the Twenty Third Annual General Meeting of the members of **SKY INDUSTRIES LIMITED** will be held on Thursday, the 20th day of December, 2012 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 2012 and the Statement of Profit and Loss 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. Vijay Choraria, 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 a **Special 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, 2012 to 30th September, 2013 (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.”

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 198, 269, 309 and other applicable provisions, if any, of the Companies Act 1956, read with Schedule XIII to the said act and such other consents as may be required from various bodies, the consent of the company be and is hereby accorded to appoint **Mr. Nitin Motani** as Chairman / Executive Director of the company for a period of 3 (Three)years commencing from 1st October 2012 to 30th September 2015 (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 profits during his term) as placed before the meeting with sanction to the board of directors of the company or the remuneration 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 and/or as may be approved by the Central Government.

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

6. 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 198, 269, 309 and other applicable provisions, if any, of the Companies Act 1956, read with Schedule XIII to the said act and such other consents as may be required from various bodies, the consent of the company be and is hereby accorded to appoint **Mr. Shailesh Shah** as Managing Director of the company for a period of 3 (Three)years commencing from 1st October 2012 to 30th September 2015 (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 profits during his term) as placed before the meeting with sanction to the board of directors of the company

or the remuneration 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 and/or as may be approved by the Central Government.

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

7. 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 198, 269, 309 and other applicable provisions, if any, of the Companies Act 1956, read with Schedule XIII to the said act and such other consents as may be required from various bodies, the consent of the company be and is hereby accorded to appoint **Mr. Sharad Shah** as Executive Director of the company for a period of 3 (Three) years commencing from 1st October 2012 to 30th September 2015 (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 profits during his term) as placed before the meeting with sanction to the board of directors of the company or the remuneration 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 and/or as may be approved by the Central Government.

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

8. 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 198, 269, 309 and other applicable provisions, if any, of the Companies Act 1956, read with Schedule XIII to the said act and such other consents as may be required from various bodies, the consent of the company be and is hereby accorded to appoint **Mr. Saurabh Motani** as Executive Director of the company for a period of 3 (Three) years commencing from 1st October 2012 to 30th September 2015 (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 profits during his term) as placed before the meeting with sanction to the board of directors of the company or the remuneration 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 and/or as may be approved by the Central Government.

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

By Order of the Board of Directors

Sd/-
Nitini Motani

Place: Mumbai,
Date : 16th Nov 2012

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. 4-8 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 16th December, 2012, to 19th December, 2012 (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. Vijay Choraria:

Mr. Vijay Choraria, aged about 51 years, is a widely respected personality in the Finance Industry. His Financial 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. 4

Mr. Raorani, aged 39, 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, 2012 to 30th September, 2013, (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. 1,00,000/- 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.
7. 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.

Item Nos. : 5 to 8

The Company is in growth phase and also facing many challenges. Since the business environment is extremely competitive, the company will take some more time to earn substantial profits. The duties and responsibilities of the Directors have since increased manifold. However, they are facing new challenges with more determination.

Hence it was recommended by the Board of Directors upon receiving the recommendations of the remuneration committee, having at their meeting passed resolutions for the appointment of the following Directors on the terms and conditions as mentioned herein.

Terms of Appointment:

Salary

Name of Director	Salary/Month
Mr. Nitin Motani	Rs.2,50,000
Mr. Shailesh Shah	Rs.2,50,000
Mr. Sharad Shah	Rs.2,50,000
Mr. Saurabh Motani	Rs.2,50,000

Additional Terms:

The remuneration is inclusive of Salary and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, together with reimbursement, leave travel concession for self and family, club fees, medical / accident insurance and such other perquisites and allowances in accordance with the rules of the company or may be agreed to by the Board of Directors.

For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per Income Tax Rules, where ever applicable. In the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

Benefits under the Provident fund scheme, the company's pension/Superannuation Fund scheme in accordance with the Company's rule and regulations in force from time to time shall not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable, under the Income Tax Act 1961. Gratuity payable as per the rules of the company and encashment of leave at the end of the tenure shall not be included in the computation of limits for the remuneration as aforesaid.

Provision for use of the company's car for official duties and telephone at residence (including payment for local and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

Minimum Remuneration:

Notwithstanding anything contained herein, where in any financial year during the currency of the tenure, the company has no profits or its profits are inadequate, the company will pay remuneration by way of salary, perquisites and allowances as specified above.

Your Directors recommends the resolutions for the approval of the members.

None of the directors except the above mentioned are deemed to be concerned or interested in the said Resolutions.

By Order of the Board of Directors

Sd/-

Nitin Motani

Place: Mumbai,

Date : 16th Nov 2012

DIRECTORS' REPORT

**The Members,
Sky Industries Limited,
Mumbai**

The Directors take pleasure in submitting the 23rd Annual Report and Accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS AND OPERATIONS:

Particulars	(Rs in Lacs)	
	Current Year ended 31.03.2012	Previous Year ended 31.03.2011
Sales and other income	8162	7823
Profit before Depreciation, Interest		
Tax and Appropriation	(32)	450
Less: Interest	318	213
Depreciation	194	216
Profit / (Loss) before tax	(544)	(54)
Provision for Taxation	(72)	19
Profit / (Loss) after taxation	(472)	(73)

RESULTS OF OPERATIONS

The turnover during the year was Rs. 8162 Lacs as compared to previous years Rs. 7823 Lacs, an increase of about 4%. The Company faced external pressures as well as managed to overcome a mini crisis in form of labour unrest at its Vashi plant.

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. 1406 lacs, a drop from Rs. 1648 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, 2012 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, 2012, 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. Vijay Choraria, 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 Whole time Director expires on 30th Sep 2012. 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.

Mr. Nitin K Motani, Chairman, Mr. Shailesh S Shah, Managing Director, Mr. Saurabh K Motani and, Mr. Sharad S Shah's term of appointment as Whole time directors also expires on 30th September 2012. They are eligible and have offered themselves for re appointment on the terms and conditions as stated in the Board resolution of the company.

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

Mr. Mahesh Shirodkar has resigned as Director w.e.f. 31st July 2012 owing to other commitments. The Board puts on record sincere appreciation for his contribution and valuable inputs to the Company during the course of his association with the Company.

AUDITORS

M/s Kalyaniwalla & Mistry, Chartered Accountants, Mumbai, hold office till the conclusion of the ensuing Annual General Meeting and have expressed their inability to continue as Statutory Auditors of the Company. M/s V. K. Thanawala, Chartered Accountants, Mumbai, being eligible have expressed their willingness to serve as Statutory Auditors of company. 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

The Auditors have made certain qualifications in their report. The same are being addressed as below:

Remark: "The Company has not complied with the provisions of Sec 309 of the Companies Act read with Schedule XIII and not applied to the Central Government for seeking approval for the payment of managerial remuneration of Rs. 90,98,400/-."

Response: The Managerial Remuneration is as per Schedule XIII read with Section 198 and Section 309 of the Companies Act, 1956. The Salaries Paid to each individual managing and Whole-time Director is / are well within the Limits as specified by the Companies Act, 1956;

There were no violation or excess payment of any remuneration other than what was approved by the members at their meeting held on 31st October 2009. The Remuneration committee of the company also confirms the same.

Remark: "The Company has not passed a Special Resolution in general meeting for appointment of a relative of a director holding a place of profit u/s 314 of the Companies Act 1956."

Response : Payment made to one of Relative of the Director is in compliance with Section 314 read with Notification GSR 289(E) dt 31/03/2011. There were no violation of the said provision of the Companies Act, 1956. Hence there was no need to pass any special resolution by members.

The Salary paid for the entire year was of Rs. 4,20,000/- and per month was of Rs.60,000/-.

Remark: "The Company has not provided for diminution in the value of investments in its subsidiary of Rs. 35,60,515/- as at the year end as required by paragraph 19 of Accounting Standard (AS) 13- Accounting for Investments issued by the Institute of Chartered Accountants of India. This has resulted in understatement of loss for the current year and overstatement of Reserves by Rs. 35,60,515/-".

"We further report that without considering the items mentioned in the paragraphs 4 and 5 above, had the observations made by us in paragraph 6, been considered, loss for the period would have been Rs. 5,08,10,065/- as against the reported figure of Rs. 4,72,49,550/-. The Reserves would have been Rs. 9,54,86,508/- as against the reported figure of Rs. 9,90,47,023/-."

Response : The aforesaid investment pertain to the subsidiary M/s Skay Inc, based in USA. Owing to difficult global conditions, the subsidiary has made losses, and pursuant to the AS 13, the provision of the same needs to be made. The Company's investment is from a long term horizon. The view of the management is that with improvement in global sentiments, the subsidiary Company is expected to be back in black, and hence impact of diminution in value of subsidiary has not been made.

Remark: "The Company has contravened the provisions of Sec.58A, 58 AA of the Companies Act, 1956 and rules framed there under"

Response: The Company complied with the acceptance of Deposits rule. One of the deposit , which was a part of the trade advance was considered by the management as public Deposit. This was due to the shut down of the Vashi factory and the resultant failure to fulfill its commercial commitments. The Interest rate as per trade rate and the trade deposit was for a limited period of 6 months and returned back before 31st March 2012; However because of closure of factory, we took it as FD by public. Other Deposits have been collected from the shareholders in compliance with section 58A and the rate of interest was not more than 9%. The interest rate is well with in the interest rate payable to any fixed deposit.

Remark : The Company has not maintained cost records as prescribed by the Central Government under Sec 209(1) (d) of the Companies Act 1956, in respect of its products/activities"

Response: Due to part operations at our factory units and one of the unit at Vashi going through labour unrest, the company did not appoint the Cost Accountants as prescribed by the Central Government. The Process has been initiated and the appointment shall be complied with shortly.

Remark: The Company has an undisputed income tax dues of Rs. 93,65,004, VAT dues of Rs. 10,000 and employees profession tax of Rs. 14,400/-."

Response: The provision of income tax is against past years' income tax liability. Till these years, Sky had a practice of netting of the income tax to be paid against the refund of income tax to be received (pertaining to previous years 2002-03 etc.). But Auditors' going by the conservative principle of accounting recommended providing for the same and did not take into account the refund receivables. Further, interest on the amount has been calculated on a notional basis which will reduce eventually.

Remark: The Management has conducted physical verification of inventory at reasonable intervals except in respect of Vashi location.

Response: During the year under preview, owing to labour unrest and security threat at Vashi plant, the physical stock taking of inventory has not been conducted. The difference between the book stock and physical stock however is highly insignificant.

Remark: According to the information and explanations given to us and based on the documents and records produced to us, the company has not defaulted in repayment of dues to banks and financial institutions except for dues of Rs. 6,70,739/- to a bank.

Response: The Auditors have made this note in relation to one of vehicle loans being shown as unpaid in Dombivli Nagari Sahakari Bank Ltd., owing to a system error, which was detected after the end of financial year. The same has then been rectified and is now being serviced regularly. The said loan is one among eight vehicle loans that the Company has availed from the said bank and the monthly repayment is not significant in value.

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)(c) 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/Loss 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 .

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 : 16th Nov 2012

Place : Mumbai