

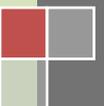
2015

RESEARCH STUDY REPORT
ON ASSESSMENT OF
CORPORATE
GOVERNANCE PRACTICES
IN SMALL AND MEDIUM
ENTERPRISES IN
ANDHRA PRADESH,
TELANGANA AND
MAHARASHTRA

Submitted to National Foundation for
Corporate Governance

Survey Report

ADMINISTRATIVE STAFF COLLEGE OF INDIA



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Survey Report 1

COASTAL CORPORATION LIMITED

1. Company profile :

1.1 Incorporation

Coastal Corporation Limited (Coastal) was incorporated in 1981, under the Companies Act, 1956. It is one of the largest processors and exporters of seafood in India. The company is headquartered at Vishakhapatnam, Andhra Pradesh. It exports a wide range of seafood to countries such as U.S, Europe, Middle East and Japan.

Coastal has processing facilities at Visakhapatnam, which are approved by the USFDA, European Union and Russian authorities. The company has created a remarkable reputation for its brands in the overseas market, based on its inherent strengths, expertise and experience attained over the decades. It is well positioned to leverage the opportunities in the global market and is confident of sustaining the spectacular growth rate it has been achieving since inception. Its brands are well established in international markets and it has tremendous scope for expansion.

Coastal Corporation has invested in a technologically advanced processing plant that is designed to process 70 metric tons a day of finished products. Further, the plants are designed to process a wide range of products from simple block frozen products to high value, ready-to-eat cooked products. It has set up purchase centers along the coast of Andhra Pradesh, with well trained supervisors coupled with infrastructure facilities like cold storage, ice plants, etc. It has a fleet of insulated trucks and refrigerated vehicles to transport the raw material from the purchase centers to the factories.

The promoters have requisite knowledge, considerable expertise and long experience in the seafood industry. The objectives of Coastal are to provide superior products with consistent quality, prompt service and

competitive prices. It has three brands – Coastal, Coastal Gold and Coastal Premium which are very popular abroad. It also produces local brands for direct supply to consumer markets in Europe.

1.2 Financial Performance

During 2013-14, Coastal generated sales revenue of Rs.206.06 crores as compared to Rs.143.15 crores in the previous year. The expenditure incurred was Rs.206.97 crores as against Rs.146.17 crores during the previous year. The net profit after tax was Rs.16.56 crores as compared to Rs.8.22 crores in 2012-13. It was able to protect its exposure to the dollar rupee fluctuations, through effective hedging transactions. During the financial year 2013-14, there has been a major increase in other expenses due to a remittance of Rs.106.76 lakhs to NHAI. The summary of financials is given in Annexure 1.

The company has received SE 1B rating indicating "Highest Performance Capability and Moderate Financial Strength" from CRISIL.

The company is exposed to dollar-rupee volatility which has been effectively managed through hedging transactions.

1.3 Employee Profile/ Human Resources:

Coastal employs over 300 people, in different functions such as Research & Development, Processing, Sales and Infrastructure support. A highly competent and experienced executive team formulates the strategies. The manufacturing units are located at places where employees with requisite skill sets are available. The relationship with the employees is cordial. The employee expenses have gone up by 110% from Rs.208.87 lakhs to Rs.440.50 lakhs in 2013-14 consequent to the increased level of operations.

1.4 Shareholding pattern

The shareholding of the promoters is only 27.24%, with the public shareholding being 35%, indicating a widely dispersed shareholding. The low promoter holding indicated that the stakes of the promoter are low and hence governance would be under public scrutiny. Accordingly the promoters would need approval from the bodies corporate and public to pass even general resolutions, hence the governance would need to be transparent. The shareholding pattern is given in Table 1 below:

Table1

Shareholding Pattern		
S. No.	Particulars	%
1	Indian promoters	27.24
2	Bodies Corporate	35.19
3	Public	35.32
4	Non residents	2.25
	Total	100.00

2. Corporate Governance Philosophy:

Coastal has stated that it follows the best practices in corporate governance to ensure protection of the rights and interest of its stakeholders, customers, suppliers. It continuously strengthens its broad policies of corporate governance viz. equality, fairness, transparency, integrity, openness and accountability. These are the guiding principles of management, along with focus on investors/customers. The management periodically reviews the corporate governance practices.

2.1 Vision

The vision statement has been put-up on the website. It is observed that Coastal has a well articulated vision statement which takes into

account the safety and socio economic responsibilities also. The vision statement is given below:

- a) Advanced Planning Techniques and strategic supervision by the Board of Directors;
- b) Excellent co-ordination at all levels of management to achieve the tasks.
- c) Immediate attention towards customers' requirements and public relations.
- d) Cautious approach in operations, rendering services efficiently and effectively to the clients
- e) Adequate response towards socio-economic responsibilities.
- f) Focus on protecting the safety of the clients and the employees.
- g) To design the standards, policies, procedures and best practices in addition to the existing policies.
- h) To grow the company and to generate long term business results and expanding market presence.
- i) To retain the talented and dedicated employees.

2.2 Mission

The mission statement is given below:

“To deliver the company’s customers with the highest quality and safe seafood products at competitive prices.”

2.3 Values

The products are being processed to meet the internationally recognized requirements of European Union and United States authorities. Coastal takes pride on being able to deliver the best quality seafood to discerning customers around the world. It believes in providing its customers with premium quality natural shrimps the way nature intended. This implies that the company uses only eco-friendly, sustainable shrimp farming methods. The company’s methods of production are based on the UN’s Food and Agriculture Organization (FAO) definition of “Sustainable Development”.

2.4 Quality Policy

According to the quality policy stated by Coastal, it adopts sustainable aquaculture and environmentally friendly processes. Since maintaining the quality of its products is critical to its success, it is committed to uphold the highest quality and hygienic standards for its products. It is implementing HACCP, GMP and SSOP quality control systems to deliver high quality products to its customers. The management believes in achieving a leadership position in seafood exports by providing quality products and customer support services. Coastal adheres to all relevant national and international quality standards as well as applicable regulatory and legal requirements for the production of seafood. The quality policy is reviewed at periodic intervals to measure its effectiveness. Coastal maintains a high-level of technical capabilities through its professional and experienced workforce supported by modern techniques and technologies, while encouraging innovation.

2.5 Environment, Health & Safety (EHS) Policy:

Coastal is maintaining the best environmental, health and safety standards at the work place.

2.6 Corporate Governance Compliance:

Coastal has been continuously following the best practices in corporate governance while ensuring the protection of the rights and interests of all its stakeholders. As required by Clause 49 of the Listing Agreement, Coastal submits a Report on Corporate Governance to the Stock Exchanges every quarter. It also obtains a Compliance Certificate required under Section 203 of the Companies Act, 2013, from the Practicing Company Secretary which states that all the requisite compliances in the financial year have been obtained. Coastal places great importance on its investors and customers. It periodically reviews its corporate governance practices. A code of conduct has been

formulated for the Board Members and Senior Management Personnel of the company. The Code has been posted on the company's Website. The Managing Director has also signed a declaration that all the Directors and concerned Executives have affirmed compliance with the Code.

3. Board Structure :

3.1 Composition of the Board

The composition of the Board as on 31st March 2014 is shown in Table 2 below:

Table 2

List of the Directors 2013-14		
S. No.	Name	Designation
1	Mr. T.Valsaraj	Promoter – Managing Director
2	Mr. G.V.V.Satyanarayana	Director – Finance
3	Mrs. Jeeja Valsaraj	Director
4	Prof. Kamireddi Venkateswara Rao	Independent Director
5	Mr. S.Rajaram	Independent Director
6	Mr. Dilip Anant Biwalkar	Independent Director

The Board comprises of six directors out of which three are independent. The composition of the Board is in accordance with Section 149 of the Companies Act 2013, which mandates the appointment of independent directors. There is also a woman director on the Board.

Profile of Directors:

Mr. Thotolli Valsaraj has been the Managing Director since January 27, 2011. Mr. Valsaraj has been an Independent Director of Sharat Industries Ltd. since September 30, 2014.

Mr. Ganta Veera Venkata Satyanarayana is a qualified Chartered Accountant and is the Director of Finance and has also served as its Compliance Officer. Mr. Satyanarayana is a Whole-Time Director and previously served as its Non-Executive Independent Director.

Mrs. Jeeja Valsaraj is a Non- Executive Director of the company. She is a Member of Audit Committee and Member of CSR Committee.

Prof. Venkateswara Rao Kamireddy has good working knowledge, experience and has strong inter personal and administrative skills.

Mr. Sirangu Rajaram has been a Non-Executive Independent Director of Coastal Corporation Limited since July 2, 1984. Mr. Rajaram has experience in Marine Exports. His educational qualifications include Marine Biology. He is the Chairman of Audit Committee and Nomination & Remuneration Committee. He is a Member of Stakeholders' Relationship Committee.

Mr. Dilip Anant Biwalkar is a Non-Executive Independent Director, Member of Nomination & Remuneration Committee and Member of Compensation Committee.

3.2 Appointment of Company Secretary & Duties

As part of good Corporate Governance and as per Section 203 of the Companies Act, 2013 Coastal has appointed a Whole Time Company Secretary who is a member of the Institute of Company Secretaries of India. She was also appointed as the Compliance Officer of the Company in February, 2015.

4. Board Processes :

4.1 Frequency of Meetings

The Table 3 below shows the list of Board Meetings held during 2013-14. It is seen that seven meetings of the Board were held in the year. As per the Listing Agreement and Companies Act, 2013 the Directors are supposed to hold minimum 4 meetings in a calendar year and the maximum gap between two meetings should not be more the 120 days. Since Coastal has held seven meetings it indicates better control

over the affairs, more commitment from the directors and demonstrates the spirit of good governance.

Table 3

List of Board Meetings - 2013-14		
S. No.	Date	Gap in Months
1	29.05.2013	-
2	31.07.2013	1
3	28.08.2013	0
4	05.10.2013	1
5	05.11.2013	0
6	23.12.2013	0
7	12.02.2014	1

4.2 Attendance of Directors

The Table 4 below shows the Directors' Attendance in board meetings held during 2013-14. It is seen that one director was absent for 3 meetings and two directors were absent for 2 meetings. It is observed that only the independent directors were absent at the meetings, but all the executive directors were present at all the meetings.

Table 4

Directors' Attendance - 2013-14				
S. No.	Name	Meetings Held	Meetings Attended	Meetings Absent
1	Mr. T.Valsaraj	7	7	0
2	Mr. G.V.V.Satyanarayana	7	7	0
3	Mrs. Jeeja Valsaraj	7	7	0
4	Mr. S.Rajaram	7	4	3
5	Prof. Kamireddi Venkateswara Rao	7	5	2
6	Mr. Dilip Anant Biwalkar	7	5	2

4.3 Agenda of Board Meetings

Based on our discussions with the Company Secretary it was reported that the following items are included in the Board agenda and the frequency of discussion is also given. It is observed that financial performance and operating results are being reviewed every quarter. However, discussions on strategy – such as growth opportunities and business development are not being discussed regularly.

Table 5

Board Agenda Items	
Agenda Item	Frequency
Action Taken Report	Every Meeting
Minutes of last Meeting	Every Meeting
Leave of Absence to Directors	As and when required
Change in composition of the Board of Directors	As and when required
Investment in shares of corporate	As and when required
Review of Operations Review of Financial Performance	Quarterly
Growth Strategies – New markets, new products	As and when required
Constitution and review of Board Committees and their reports	As and when required
Review of Legal Compliances	As and when required
Any other	As and when required

5. Board Committees:

The following committees of Board have been constituted.

- a. Audit Committee
- b. Stakeholders' Relationship Committee
- c. Nomination & Remuneration Committee
- d. Corporate Social Responsibility Committee

5.1 Audit Committee

The Audit Committee has been constituted with a majority of independent directors, as per Sec. 177 of the Companies Act, 2013. The powers and responsibilities of the Audit Committee are in accordance with Sec 177 of the Companies Act 2013. During the year 2013-14, five Audit Committee Meetings were held & all members attended all meetings.

The list of members comprising the Audit Committee is given in table 6 below:

Table 6

Audit Committee Members		
S. No	Name of the member	Role
1.	Sri S.Rajaram	Chairman
2.	Prof. Kamireddi Venkateswara Rao	Member
3.	Smt Jeeja Valsaraj	Member

5.2 Director Attendance

During the year 2013-14, five Audit Committee Meetings were held. All directors were present at all meetings.

5.3 Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee has been constituted with a majority of independent directors, as per Sec. 178 of the Companies Act, 2013. In Coastal, The Committee has all independent directors as per Table 7 below. The powers and responsibilities of the Committee are in accordance with Sec 178 of the Companies Act 2013. The Committee reviewed the complaints received from the investors during the period 2013-14. All complaints were resolved to the satisfaction of the investors and there were no pending letters/complaints as on 31st

March 2014. During the year 2013-14, four Committee Meetings were held and all directors were present.

Table 7

Stakeholders' Relationship Committee Members		
S. No.	Name of the member	Role
1.	Sri G.V.V. Satyanarayana	Chairman
2.	Sri Sirangu Rajaram	Member
3.	Prof. Kamireddi Venkateswara Rao	Member

5.4 Nomination and Remuneration Committee

The Nomination & Remuneration Committee is comprised of all independent directors as given in Table 8 below:

Table 8

Nomination and Remuneration Committee Members		
S.No	Name of the member	Role
1.	Sri Sirangu Rajaram	Chairman
2.	Prof. Kamireddi Venkateswara Rao	Member
3.	Sri Dilip Anant Biwalkar	Member

During the period 2013-14, the Committee met once on 18-4-2013 and all members were present.

The terms of reference are in accordance with Sec 178 of the Companies act, 2013.

The terms of reference of Remuneration Committee are:

1. To identify persons who are qualified to become Directors or who can be appointed in the senior management.
2. To recommend to the Board, the appointment/removal of Directors and senior management personnel.
3. To carry out evaluation of every Director's performance.

4. To formulate criteria for determining qualifications positive attributes and independence of a Director..
5. To recommend to the Board, a policy relating to remuneration for directors, Key managerial Personnel and other senior employees.

5.5 Corporate Social Responsibility Committee:

The Board has constituted a CSR Committee as per Sec. 135 of the Companies Act, 2013 in May 2014. The terms of reference are in line with Sec. 135 Sub Sec. 5 of the above Act. The Committee comprises of the members, as given in Table 12 below.

Table 12

Corporate Social Responsibility Committee Members		
S. No.	Name of the member	Role
1.	Sri G V V. Satyanarayana	Chairman
2.	Prof. Kamireddi Venkateswara Rao	Independent Director
3.	Smt. Jeeja Valsaraj	Director

6 Process Enablers

6.1 Internal Controls

According to the report of the Statutory Auditors, for the financial year ended 31st March, 2014, there is generally an adequate internal control procedure, commensurate with the size of the company and the nature of its business, for the purchase of inventories and fixed assets, payment for expenses and for sale of goods.

There was a delay in creation of charges in favour of Bank of India by 153 days which was condoned.

6.2 Whistle Blower Policy

Coastal has formulated a whistle blower policy, which has been put up on its website.

7 Transparency & Disclosures

7.1 Annual Report

Adequate disclosures have been made in the Annual Report for the financial year ended 31st March, 2014 in accordance with the legal requirements.

7.2 Related Party Transactions

The related party transactions are given in Table 13 below.

Table 13

Related Party Transactions 2013-14					
S. No.	Name of the Party	Relationship	Nature of transaction	Amount Rs. in lakhs	Balance outstanding on 31.3.14 Rs in lakhs
1	Sri T. Valsaraj	Managing Director	Remuneration Amount paid Amount received	21.00 47.79 47.75	-
2	T.V.R.Estates & Resorts Pvt. Ltd.	Associate Company	Amount paid Amount Received	3.02 0.00	-
3	Balaji Sea Foods Ltd.	Associate Company	Amount paid Amount Received	21.13 21.13	-
4	Coastal Developers Pvt. Ltd	Associate Company	Amount paid Amount Received	45.37 45.37	-
5	Snehadhara Consultants	Associate Firm	Amount paid Amount Received	0.40 0.40	-
6	Sai Srekara Realtors & Fisheries	Associate Firm	Amount paid Amount Received	3.85 4.41	0.16 (Dr)
7	Sri GVV Satyanarayana	Director Finance	Remuneration Amount Received/paid	18.00	1.37 (Cr)

The Board has stated that there are no materially significant related party transactions. The Register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval. The Company has complied with all the mandatory disclosure requirements under Clause 49 of the Listing agreement. As per the report of the Statutory Auditors, the Company has advanced Rs.66.50 lakhs to two companies in which two of the directors are interested. (M/s. Balaji Sea foods Ltd. Rs.21.13 Lakhs. M/s Coastal Developers Private Ltd. Rs.45.37 Lakhs) and there are no outstanding balances as on 31.03.2014. These amounts are insignificant compared to the turnover of the company which was Rs 206 crores in 2013-14.

7.3 Website Information

Coastal has a website through which it disseminates information on its activities to its stakeholders. The website contains details of its products. The Annual Reports for the last 5 years, quarterly financial results and shareholding pattern are available on the website.

BALANCE SHEET			
A	EQUITY AND LIABILITIES	2013	2014
1	Shareholders' funds		Rs
	(a) Share capital	127,67,142	128,53,072
	(b) Reserves and surplus	1414,77,755	2503,97,803
		1542,44,897	2632,50,875
2	Non-current liabilities		
	(a) Long Term Borrowings	461,42,851	404,89,857
	(b) Deferred tax liabilities (net)	42,45,843	104,21,499
	(c) Other long-term liabilities	9,29,853	280,83,628
	(d) Long-term provisions		
		513,18,547	789,94,984
3	Current liabilities		
	(a) Short-term borrowings	2397,02,751	4499,76,323
	(b) Trade payables	964,45,716	1102,26,960
	(c) Other current liabilities	346,92,449	290,38,277
	(d) Short-term provisions	88,29,377	672,22,511
		3796,70,293	6564,64,071
	TOTAL EQUITY AND LIABILITIES	5852,33,737	9987,09,930
B	ASSETS	2013	2014
1	Non-current assets		
	(a) Fixed assets		
	(i) Tangible assets	2819,92,629	3237,15,575
	(ii) Intangible assets	75,799	51,368
	(iii) Capital work-in-progress		
	(iv) Intangible assets under development		
		2820,68,428	3237,66,943
	(b) Non-current investments		
	(c) Deferred tax assets (net)		
	(d) Long-term loans and advances	55,13,562	109,14,148
	(e) Other non-current assets	65,32,380	396,69,629
		2941,14,370	3743,50,720
2	Current assets		
	(a) Current investments		
	(b) Inventories	1104,30,237	3032,39,791
	(c) Trade receivables	837,95,209	1560,79,599
	(d) Cash and cash equivalents	197,97,197	261,69,770
	(e) Short-term loans and advances	770,96,724	1388,70,050
	(f) Other current assets		
		2911,19,367	6243,59,210
	TOTAL ASSETS	5852,33,737	9987,09,930

Annexure 1 Contd,

PROFIT & LOSS ACCOUNT		
	2013	2014
INCOME		Rs.
Revenue from operations (net)	14314,60,283	20606,04,498
Other Operating Income	1537,98,383	2397,64,944
Other income	8,62,553	31,20,695
TOTAL INCOME	15861,21,219	23034,90,137
EXPENSES		
Cost of materials consumed	11397,12,783	17696,42,426
Manufacturing Expenses	1070,70,120	46,90,672
Stock Adjustment	(80,85,540)	(1856,23,070)
Processing & Shipment expenses	1920,16,857	3155,19,552
Employee benefits expense	208,87,645	440,50,396
Other expenses	100,43,831	1213,73,992
Loss on sale of Assets	79,926	
TOTAL EXPENSES	14617,25,622	20696,53,968
Profit / (Loss) before Interest, Depreciation & Amortisation, Exceptional items and Tax	1243,95,597	2338,36,169
Depreciation and amortisation expense	100,19,198	156,34,498
Finance costs	320,94,875	525,69,467
Profit / (Loss) before Interest, Depreciation & Amortisation, Exceptional items and Tax	822,81,524	1656,32,204
Prior Year Expenses	5,890	21,926
Profit / (Loss) before Tax	822,75,634	1656,10,278
Current tax expense	244,28,356	505,14,575
Deferred tax	30,28,177	61,75,656
	274,56,533	566,90,231
Profit / (Loss) after Tax	548,19,101	1089,20,047
Dividend on Preference Shares	27,34,106	
Earnings Per Share(Rs)		
Basic & diluted	40.08	85.69

Survey Report 2

ZEN TECHNOLOGIES LIMITED

1. Company profile :

1.1 Incorporation

Zen Technologies Limited (Zen) was incorporated in 1993 under the Companies Act, 1956 and is engaged in the business of developing state-of-the-art training simulators for weapons & allied defense equipment. Over the years, Zen has developed expertise in designing, developing and manufacturing various types of training equipment and simulators. It has supplied more than 50 simulators to over 100 customers. Its major customers are the defence service providers, State Police, para military services and the Navy of a South-East Asian country.

Zen attaches special importance to its R & D activities and has invested in sophisticated software tools and skilled manpower. Its R & D unit at Hyderabad is recognized by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India.

1.2 Financial Performance

Zen is a profit-making and dividend-paying company. The financial statements are given in Annexure 1.

Zen recorded a turnover of Rs.46.35 crores in 2013-14 as against Rs.37.11 crores in the year 2012-13, an increase of nearly 25%. However, the sales of the current year are lower than budgeted, due to delay in receipt of orders and cancellation of tenders. The net profit after tax was only Rs.9.33 lakhs as against Rs.4.70 crores for the previous year. The Earnings per Share is Rs.0.12 as compared to Rs.5.29 last year. The steep decline in the profit after tax is mainly due

to the increase in R&D expenditure by nearly 62%, from Rs.9.16 crores to Rs.14.85 crores.

The order book size as on 31 March 2014 was increased significantly to Rs.3.84 crores as against Rs.0.96 crores for the previous year. Zen's R&D unit has developed certain products which are expected to become commercially viable in about two years and have substantial scope for revenue generation.

The equity shares are listed on the BSE Limited, Mumbai and National Stock Exchange Limited, Mumbai. Zen has been assigned SME2 by CRISIL which reflects a high level of credit worthiness.

1.3 Employee Profile

Zen's employee strength stands at 246 as on 31.03.2014 compared to 243 last year. The employee cost is 13.01 % of sales as on 31.03.2014, as compared to 15.3% in the previous year. The employee expenses have increased this year but their % to sales has reduced.

1.4 Shareholding pattern

The shareholding pattern is given in Table 1 below.

Table 1

Shareholding Pattern as on 31-12-2014		
S. No.	Particulars	%
1	Indian Promoters	59.44
2	Public	40.56
	Total	100

It is observed that the promoters hold more than 51% of the shares and the public holds 40.56%, which indicates a widely dispersed public shareholding. The large promoter holding indicates that the promoters have a high stake in ensuring the profitable performance of the company. Also, since they hold more than 50%, they can easily get the

general and special resolutions passed at the AGMs. The public shareholding of 40.56% is widely dispersed.

2. Corporate Governance Philosophy:

Zen is committed to achieving good corporate governance. It aims to achieve the objective of enhancing the shareholders' value by ensuring benefited relationship with stakeholders and protecting their interests. It believes that its business strategy and plans should be consistent with the welfare of all its stakeholders, which will result in long term benefit and sustained growth. Zen has been practicing the principles of good corporate governance with commitment and sincerity. Its principle of corporate governance comes from the belief that the high standards of ethics, timely disclosures, accountability and transparency are necessary in preserving shareholders' trust and creating wealth. The philosophy of Zen is to improve its performance and offer its customers the best value for money. Its goal is to be the most respected provider of training simulators by the security forces by delivering on its promises to its customers, shareholders, employees and the community.

2.1 Corporate Social Responsibility Policy

Zen has formulated a CSR policy that is designed to fulfill its responsibility as a corporate citizen. The policy lays down the guidelines and mechanisms for carrying out socially useful activities/projects and programs for the welfare and sustainable development of the community at large.

2.2 Vision

The vision statement has been given as follows on the website:

“To be a leading Defense Solutions Provider”.

The vision statement is extremely short and crisp but does not address social issues.

2.3 Mission

The mission statement has been given on the website as follows:

“To achieve objectives through innovative and cost effective solutions”.

2.4 Values

Zen does not have a values statement.

2.5 Code of Conduct for Corporate Governance

Zen has formulated a code of conduct for the Board of Directors and Senior Management to ensure that integrity and respect serve as the overarching principles for the conduct of its business. The code has been put up on the website and is shared with its customers and all its business partners. The Managing Director has confirmed the acceptance of the code by all directors and senior management of the company.

2.6 Environment, Health & Safety (EHS) Policy

All regular employees are covered under medical insurance policy up to Rs.2,00,000/-.

3. Board Structure :

3.1 Composition of the Board

The Board comprises of five directors, of which two are Executive Directors and three are Independent Directors, including one woman director. The Chairman and Managing Director is an executive director and there is no separation of these positions. The composition of the Board is in accordance with Clause 49 of the Listing Agreement and section 149 of the Companies Act 2013.

The constitution of the Board during 2013-14 is given in Table 2 below:

Table 2

Composition of Directors 2013-14			
S. No.	Name	Designation	Date of Appointment
1	Mr Ashok Atluri	Chairman & Managing Director	14-06-1994
2	Mr Midathala Ravi Kumar	Whole Time - Executive Director	29-06-1993
3	Mr Davuluri Satish Babu	Independent Director (up to 28-9-2013)	02-02-2004
4	Comde Sarvotham Rao	Independent Director	30-03-2005
5	Mr Utpal H Sheth	Independent Director (up to 28-9-2013)	30-06-2008
6	Mr Gajjala Prasad	Independent Director	09-11-2012
7	Mrs Madati Sridevi	Independent Director (w.e.f. 5 -2-2014)	05-02-2014

Profile of Directors:

Mr. Ashok Atluri, Chairman and Managing Director, is a PG Diploma in Applied Computer Science, and is instrumental in designing the simulators. He received the "Small Scale Entrepreneur of the Year" award from Hyderabad Management Association in 1998.

Mr. M. Ravi Kumar, Whole Time Director, has 20 years of experience in the software industry. He worked in Bureau of Data Processing Services (BDPS) (1979-85), Nova Computers Private Limited (1986-90) and as Director at the Institute of Engineers. He is a technocrat and an expert in Systems Programming and Robotics. He is actively involved in the design and development of the present range of simulators, as Head, R&D Division. He is the person behind the successful development of Zen-SATS and currently administers the development of Zen AWeSim™ and Zen TacSim™.

Commodore (Retd.) Sarvotham Rao, Independent Director, has served in various capacities in Indian Navy, Ordnance Factories, Naval Armament, Missile & Torpedo Depot and Bharat Dynamics Limited (BDL). He has a specialization in Quality Assurance of

Armament, Torpedoes and Missiles. He is a Post Graduate in Armament Technology and trained on Torpedoes in UK. He was also a Faculty member in the Institute of Armament Technology for 3 years and served 4 years in Navy in Research and Development Establishment to develop underwater weapons.

At BDL, he looked after corporate functions and was in charge of operations of 5 Production Divisions in the capacity of Director (Technical) for 4 ½ years. He was appointed as Chairman & Managing Director of BDL in July 1994. During his tenure as Chairman & Managing Director, BDL diversified its product range and entered into Naval Systems production.

Mr. G Prasad, Independent Director, is a Bachelor of Commerce and Fellow Member of the Institute of Chartered Accountants of India. He is a partner of Nataraja Iyer & Co., Chartered Accountants, Hyderabad. He has more than 35 years of experience in audit and taxation matters of medium and large corporates, banks and financial institutions.

Ms. M Sridevi, Independent Director, is a Bachelor of Commerce and Fellow Member of the Institute of Company Secretaries of India. She is an associate of M/s G.P. Associates, Chartered Accountants, Hyderabad. She also holds a degree in Bachelor of Law and has done her Diploma in Business Administration. She has more than 10 years of experience in Corporate Secretarial matters.

It is observed from the profile of the Board, that it is sufficiently diversified in terms of technical expertise, financial and legal knowledge. Further there is also diversity in terms of gender. It also has the requisite number of independent directors. However, the Chairman holds an executive position due to which there could be a conflict of interest in terms of the Chairman being able to challenge the managerial decisions.

3.2 Appointment of Company Secretary & Duties

Zen has a full time Company Secretary looking after legal and secretarial matters.

4 Board Processes:

4.1 Frequency of Meetings

The frequency of the Board meetings during 2013-14 and gap between two meetings is given in Table 3 below. It is observed that the five meetings were held which is in compliance with the legal requirements.

Table 3

Board Meetings 2013-14		
S. No.	Date	Gap in Months
1	22/04/2013	
2	30/05/2013	1
3	03/08/2013	2
4	19/10/2013	2
5	05/02/2014	3

4.2 Directors' Attendance at Meetings

The directors' attendance at meetings during 2013-14 is given in table 4 below. All the directors attended all board meetings held during their tenure. This shows that the directors are effectively fulfilling their responsibilities and are committed to their duties of attendance at the meetings.

Table 4

Attendance of Directors at Board Meetings - 2013-14				
S. No.	Name	Meetings Held	Meetings Attended	Meetings Absent
1	Mr Ashok Atluri	5	5	-
2	Mr Midathala Ravi Kumar	5	5	-
3	Mr Davuluri Satish Babu*	3	3	-
4	Cmde Sarvotham Rao	5	5	-
5	Mr Utpal H Sheth*	3	-	3
6	Mr Gajjala Prasad	5	5	-
7	Mrs Madati Sridevi**	1	1	-

* Up to 28.9.2013 ** appointed on 5-2-2014

4.3 Agenda of Board Meetings

The agenda of the meetings and the frequency of consideration by the Board has been given in table 5 below. As can be observed, the Board has given due importance to the discussion of the quarterly results both operational and financial. In a discussion with the company secretary we were informed that the Chairman & Managing Director presents the results for the quarter, which is then discussed in detail with the members of the Board. Further, the Company Secretary makes a presentation on the statutory secretarial compliances which is also discussed with the Board. The strategic issues are being discussed as necessary. The Board discusses the legal compliances and operational results at every Board Meeting indicating their importance.

Table 5

Board Agenda Items	
Description	Frequency
Action Taken Report	Every Meeting
Confirmation of Minutes of previous Board & Committees Meetings	Every Meeting
Leave of Absence to Directors	Every Meeting
Review of Results -Operations -Financial Presented by Chairman and Managing Director	Quarterly
Review of Statutory Secretarial Compliances: Presented by Company Secretary -Certificates of Compliance -Statutory Certificates	Quarterly
Strategic Issues - Growth Opportunities	As and when required
Appointment of Key Management Personnel as recommended by Nomination and Remuneration Committee	As and when required
Budget Approvals	Annual
Employee Related Issues	As and when required
Admin Related	As and when required

5 Board Committees :

The following Board committees have been constituted:

- Audit Committee
- Stakeholders Relationship Committee
- Nomination & Remuneration Committee
- Compensation Committee
- Corporate Social Responsibility Committee

5.1 Audit Committee

The Audit Committee was reconstituted during the year 2013-14, with the Independent Directors forming a majority. The Chairman of the Audit Committee is a fellow member of the Institute of Chartered Accountants of India and all the members of the Committee are financially literate and have adequate accounting knowledge. Accordingly, the composition of the Audit Committee is in conformity with Clause 49 of the listing agreement entered into with Stock Exchange.

The members of the Audit Committee are given in Table 6 below.

Table 6

Audit Committee Members		
S. No.	Name of the member	Role
1	Mr Gajjala Prasad	Chairman
2	Cmde Sarvotham Rao	Member
3	Mr Davuluri Satish Babu	Member upto Sept 28, 2013
4	Mr Ashok Atluri	Member

Audit Committee Meetings

During the financial year ended 31st March, 2014 four meetings were held of the Audit Committee on 30/05/2013, 03/08/2013, 19/10/2013 and 05/02/2014. The details of the attendance reveal that all the members holding office on the respective dates attended the same.

5.2 Stakeholders' Relationship Committee

The Board has constituted a Stakeholders' Relationship Committee with powers and responsibilities in accordance with the provisions of Sec. 178 of the Companies Act, 2013.

The members of the Stakeholders' Relationship Committee are as shown in the Table 7 below:

Table 7

Stakeholders' Relationship Committee Members		
S. No.	Name of the Director	Role
1	Mr Davuluri Satish Babu	Chairman up to 28-9-2013
2	Mr Gajjala Prasad	Chairman from 28-9-2013 till date
3	Mr Ashok Atluri	Member
4	Mrs Madati Sridevi	Member w.e.f. Feb 5, 2014

5.3 Nomination and Remuneration Committee

The Board has constituted a Nomination & Remuneration Committee as required under Sec.178 the Companies Act, 2013 and Clause 49 of the Listing Agreement. The objective of the Nomination and Remuneration Committee is to recommend/review the appointment and remuneration of Managing Director, Whole Time Directors and Senior Management The Committee was reconstituted during the year with induction of Mr. Ashok Atluri, Chairman and Managing Director as a Member. The composition of the Committee is given in Table 8 below

Table 8

Nomination and Remuneration Committee Members		
S. No.	Name of the Member	Role
1	Cmde Sarvotham Rao	Chairman
2	Mr Gajjala Prasad	Member
3	Mr Davuluri Satish Babu	Member up to 28-9-2013
4	Mrs Madati Sridevi	Member w.e.f 05-02-2014
5	Mr Ashok Atluri	Member w.e.f 24-05-2014

During the year 2013-14, one meeting on 3 August 2013 was held for the revision in terms of reappointment of Mr M Ravi Kumar, Whole Time Director.

5.4 Corporate Social Responsibility (CSR) Committee

In accordance with Sec.135 of the Companies Act, 2013, the CSR Committee was constituted in the Board Meeting held on 24 May 2014 and the members are as shown in Table 9 below.

Table 9

Corporate Social Responsibility Committee Members		
S. No.	Name of the member	Designation
1	Mr Gajjala Prasad	Chairman
2	Mr Ashok Atluri	Member
3	Mr M Ravi Kumar	Member

5.5 Compensation Committee

The Board has reconstituted Compensation Committee during the year consisting of four members as shown in Table 10 below. The Committee did not meet during the year 2013-14.

Table 10

Compensation Committee Members		
S. No.	Name of the Member	Role
1	Mr Ashok Atluri	Chairman
2	Mr Davuluri Satish Babu	Member upto 28-9-2013
3	Mr Gajjala Prasad	Member
4	Mrs Madati Sridevi	Member wef 05-02-2014

6 Process Enablers

6.1 Process Manuals

Zen has an ISO 9001:2008 (QMS), ISO 27001:2005 (ISMS) certification and is a CMMI Level 3 Company certification. It operates under the requisite process manuals.

6.2 Internal Controls

According to the report of the statutory auditors for the financial year ended 31st March, 2014, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories and fixed assets and payment for expenses and for sale of goods.

7 Transparency & Disclosure

7.1 Related Party Transactions

The Related party transactions as required by AS-18 are given in Table 11 below.

Table 11

Related Party Transactions 2013-14					
S. No.	Name of the Party	Relationship	Nature of transaction	2013-14	2012-13
a) Transactions during the years				Rs. In Lakhs	
1	Mr Ashok Atluri Chairman & Managing Director	Key Management Personnel	Remuneration	33.60	33.60
2	Mr Ashok Atluri Chairman & Managing Director	Key Management Personnel	Commission	-	-
3	Mr Kishore Dutt Atluri President	Key Management Personnel (Brother of Mr.Ashok Atluri)	Remuneration	22.80	22.80
4	Mr M Ravi Kumar Whole-Time Director	Key Management Personnel	Remuneration	30.75	22.20

Table 11 Contd.

Related Party Transactions 2013-14					
S. No.	Name of the Party	Relationship	Nature of transaction	2013-14	2012-13
b) Receivables				Rs. In Lakhs	
1	Version 2 Games Limited	Wholly owned Subsidiary	Debtors	0.95	9.00
2	Version 2 Games Limited	Wholly owned Subsidiary	Investment	5.00	5.00

The related party transactions are not significant compared to companies turnover. Most of the transactions relate to Directors' remuneration.

7.2 Annual Report

Adequate disclosures have been made in the Annual Report for the financial year ended 31st March, 2014 in accordance with the legal requirements.

7.3 Website Information

The web site has the following information:

- Annual Report for 10 years.
- Financial performance for the last 10 years,
- Report on Corporate Governance,
- Shareholding pattern
- Details of products in Defence, Homeland Security, Driving & Mining categories
- Management and Governance Structure
- Code of Conduct for Board of Directors and Senior Management.

- Report on Corporate Governance along with the certificate from the Statutory Auditor with respect to the compliance of Corporate Governance as per Clause 49 of the Listing Agreement

The information disclosed on the website fulfils customer and investor requirements.

BALANCE SHEET			
A	EQUITY AND LIABILITIES	2013	2014
1	Shareholders' funds		Rs
	(a) Share capital	88,884,320	77,160,060
	(b) Reserves and surplus	984,320,193	908,450,258
		1,073,204,513	985,610,318
2	Non-current liabilities		
	(a) Long Term Borrowings	18,460,630	44,399,836
	(b) Deferred tax liabilities (net)		
	(c) Other long-term liabilities		
	(d) Long-term provisions	4,083,855	5,238,411
		22,544,485	49,638,247
3	Current liabilities		
	(a) Short-term borrowings	102,701,293	124,765,246
	(b) Trade payables	13,042,948	20,933,856
	(c) Other current liabilities	35,297,391	92,865,403
	(d) Short-term provisions	10,399,021	9,027,341
		161,440,653	247,591,846
	TOTAL EQUITY AND LIABILITIES	1,257,189,651	1,282,840,411
B	ASSETS	2013	2014
1	Non-current assets		
	(a) Fixed assets		
	(i) Tangible assets	272,843,340	438,748,384
	(ii) Intangible assets	19,103,373	49,221,452
	(iii) Capital work-in-progress	29,006,320	10,355,919
	(iv) Intangible assets under development		
		320,953,033	498,325,755
	(b) Non-current investments	500,000	500,000
	(c) Deferred tax assets (net)		
	(d) Long-term loans and advances	171,313,877	59,136,424
	(e) Other non-current assets		
		492,766,910	557,962,179
2	Current assets		
	(a) Current investments		
	(b) Inventories	52,132,765	98,476,010
	(c) Trade receivables	129,095,481	114,649,213
	(d) Cash and cash equivalents	466,237,115	420,229,989
	(e) Short-term loans and advances	107,494,850	88,371,442
	(f) Other current assets	9,462,530	3,151,578
		764,422,741	724,878,232
	TOTAL ASSETS	1,257,189,651	1,282,840,411

PROFIT & LOSS ACCOUNT		
	2013	2014
INCOME		Rs
Revenue from operations (net)	371,128,048	463,524,959
Other income	46,605,426	35,359,812
TOTAL INCOME	417,733,474	498,884,771
EXPENSES		
Cost of materials consumed	96,180,371	125,724,090
Manufacturing Expenses	14,286,219	15,887,017
Stock Adjustment	(6,310,000)	(3,680,000)
Employee benefits expense	56,781,616	60,945,842
Other expenses	164,535,373	258,434,271
TOTAL EXPENSES	325,473,579	457,311,220
Profit / (Loss) before Interest, Depreciation & Amortisation, Exceptional items and Tax	92,259,895	41,573,551
Depreciation and amortisation expense	18,401,282	15,695,927
Finance costs	18,392,788	24,753,799
Profit / (Loss) before Interest, Depreciation & Amortisation, Exceptional items and Tax	55,465,825	1,123,825
Prior Year Expenses	(606,177)	
Profit / (Loss) before Tax	56,072,002	1,123,825
Current tax expense	9,063,861	190,519
Deferred tax		
	9,063,861	190,519
Profit / (Loss) after Tax	47,008,141	933,306
Earnings Per Share(Rs)		
Basic & diluted	5.29	0.12

Survey Report 3

CHEMTECH INDUSTRIAL VALVES LIMITED

1 Company profile :

1.1 Incorporation

Chemtech Industrial Valves Private Limited (Chemtech) was incorporated in 1997, under the provisions of the Companies Act, 1956. In 2013, it was converted from a private limited company to a public limited company. It is engaged in the manufacture of carbon steel and stainless steel industrial valves. It supplies various types of valves to companies in the steel, oil and gas, pharmaceuticals, chemicals, fertilizers, nuclear energy and defence industries. It diversified into the business of trading in steel wire rods in the year 2012-13.

It has five manufacturing locations and recently acquired a state-of-the-art manufacturing unit in Maharashtra, for the manufacture of high quality valves. It sells its valves under the brand name "CHEMTECH" in India and abroad. Chemtech is an ISO 9001-2008 certified company.

Promoters : Chemtech was promoted by Mr. Pradeep Badkur and Mr. Ignatious Inasu, who collectively have over 40 years of experience in the valve industry.

1.2 Financial Performance

The financial statements are given in Annexure 1. It is seen that although the sales have increased by 38.6% from Rs.2268.56 lakhs in 2012-13 to Rs.3144.22 lakhs in 2013-14, Chemtech reported a loss of Rs.166.00 lakhs in 2013-14 as compared to a profit of Rs.77.00 lakhs in 2012-13. It is observed that the purchase of traded products has

increased significantly in 2013-14 which could be the reason attributable the loss.

The equity shares are listed on the SME platform of the Bombay Stock Exchange.

1.3 Employee Profile

As on July 31, 2013, there were 93 employees on the rolls. The breakup is given in Table 1. The permanent employees at the plants include personnel in manufacturing activities such as machine operations, assembling and testing of products, quality, and receipt and dispatch of materials.

Table 1

Employee Strength as on July 31, 2013		
S. No.	Category	No. of Employees
1	Directors /Key Management Personnel	12
2	Managers/Executives	22
3	Semi -skilled and Unskilled Labour	59
	TOTAL	93

There was an increase in employee expenses of 40.82% to Rs.158.55 lakhs in 2013-14 from Rs.112.59 lakhs in 2012-13. The employee expenses as a percentage of sales was 5.7% in 2013-14 and 7.0% in 2012-13. Chemtech provides the statutory benefits and does not provide any other benefits to the employees.

1.4 Shareholding profile

The shareholding profile is shown in Table 2 below. During 2013-14, Chemtech made a public issue of 49,52,000 equity shares of Rs.10/- each fully paid for cash at a price of Rs.15/- per equity share. The major shareholding is held by promoters, about 57%, and balance 43%

is with the public. The promoter have sufficient stake in the company and would ensure good governance.

The promoter shareholding is sufficient to pass all General Resolutions without the support of the public.

Table 2

Shareholding Profile as on 16th December 2014		
S. No.	Shareholder	%
1.	Indian promoters	56.75
2.	Bodies Corporate	0.28
3.	Public	42.97
	Total	100.00

2 Corporate Governance Philosophy :

Chemtech has complied with the corporate governance requirements in accordance with Clause 52 of the SME listing agreement. It is committed to following good corporate governance practices based on the principles of accountability and transparency in its dealings with its stakeholders.

2.1 Vision

Chemtech has put up the following Vision Statement on its website:

“Chemtech Industrial Valves Limited being a responsible corporate citizen has always adhered to a policy of being a One Stop Valve Manufacturer for its clients, not only for their conventional but specialized requirements equally.

“Chemtech’s world class manufacturing facilities, coupled with our technical prowess, have made us a “supplier of the choice” in major industry segments such as Steel, Oil & Gas, Power, Fertilizers and Chemicals within India and now our vision is to achieve this status internationally also”.

“Chemtech has plans to further strengthen its position in the specialty valve segments for nuclear power industry, thus carrying forward our

core principle of being not just conventional but a very resourceful valve manufacturer”.

As can be observed from the above, vision statement, it is well articulated and emphasizes leadership in valve manufacturing business in both domestic and international markets. The vision statement specifies responsible citizenship. Future thrust areas have also been identified and is based on the principle of being not just a conventional but a very resourceful valve manufacturer.

2.2 Mission

The mission statement is not available on the website.

2.3 Values

There is no formal statement of values.

2.4 Code of Conduct for Employees

Chemtech has formulated a code of conduct for its employees and posted it on the website. The purpose of the Code is to follow ethical and transparent processes in managing the affairs of the company and to sustain the trust and confidence reposed in the officers by the shareholders. The officers are expected to understand, comply with and uphold the provisions of the Code in their day-to-day functioning. In addition, internal rules and regulations, govern the conduct of all permanent employees.

2.5 Code of conduct of Corporate Governance

Chemtech has also formulated a code of conduct for its Board Members and Senior Management Personnel. The principles prescribed in the Code lay down the standards of compliance and ethics, as required by Clause 52 of the Listing Agreement with the SME Platform of Bombay Stock Exchange Limited (BSE). The

Managing Director has issued a compliance certificate stating that all the directors have affirmed compliance with the code.

2.6 Environment, Health & Safety (EHS) Policy:

Chemtech believes that ensuring the health and safety of its employees is critical to the successful conduct of its business and operations. It has stated its commitment to complying with the applicable health, safety and environmental regulations in its operations. It is also committed to strive towards overall engagement of its workforce, partners, stakeholders, interested parties, suppliers and customers to ensure safe working conditions.

Chemtech's activities in Maharashtra are subject to wide range of Government rules and regulations pertaining to health, safety and environment protection.

Asset insurance policies have been taken against major risks and disasters, including marine cargo voyage policy for the goods in transit. It has taken a Group Personal Accident Insurance Policy covering forty workers at the factory.

3. Board Structure :

3.1 Composition of the Board

The Board consists of eight directors of which four are Independent Directors, which constitutes 50% of the board strength. The Table 3 below gives the list of Board members together with their date of appointment. It is observed that three out of four executive directors are from the Badkur family.

Table 3

List of Board Directors During 2013-14			
S. No.	Name	Designation	Date of Appointment
1	Pradeep Shikharchand Badkur	Chairman and Executive Director	15-01-1997
2	Harsh Pradeep Badkur	Managing Director	16-05-2013
3	Ignatious David Chittatukarakaran Inasu	Whole-Time Executive Director	16-05-2013
4	Namrata Pradeep Badkur	Executive Director	30-09-2011
5	Amit Kumar Jain	Independent Director	08-08-2013
6	Niranjay Amritlal Choudhary	Independent Director	08-08-2013
7	Rajnikant Hemchandra Panday	Independent Director	08-08-2013
8	Amitabh Rameshchand Luhadia	Independent Director	08-08-2013

Directors' Profile

Mr. Pradeep Shikharchand Badkur is the Promoter and Chairman of the Board. He is a commerce graduate from G.S. College of Commerce, Nagpur and is an entrepreneur who has nurtured various businesses. Mr. Badkur is responsible for the major policy decisions of the company, and plays a vital role in formulating and implementation of business strategies. His other business interests include plastic moulding and real estate industry. Mr. Badkur is an active member of the Jain Social Club, Mumbai and Lions Club, Mumbai.

Mr. Harsh Pradeep Badkur is the Promoter and Managing Director of the company. He is a post graduate in family management business from S. P. Jain Institute of Management and Research, Mumbai. He is presently heading the Finance Department. He has been instrumental in building relationships globally. He envisages 'Chemtech' to be a

global brand and a truly professional organization. His vision for the company is that it should be known not only as the manufacturer of conventional & standard valves but also as one that can address the most complex and unique process applications.

Mrs. Namrata Pradeep Badkur is the Promoter and Executive Director of the company. She is a graduate from M.H. College of Home Science & Science for Women, Jabalpur, Madhya Pradesh. She is involved in the Board level decisions of the Company.

Mr. Ignatious David Chittatukarakaran Inasu is a Whole-time Director of the Company. He holds a diploma in Mechanical Engineering from Kerala and Associate Membership of The Institution of Engineers (India). He has been associated with the company since its inception. He is responsible for the day-to-day operations and is the Technical Director. He is responsible for all the design related aspects of the products and is actively involved in the marketing of products also.

Mr. Niranjay Amritlal Choudhary is a Non-Executive Independent Director of the company. He did his Masters in Commerce and LLB from Dr. Harisingh Gour Vishwavidhyalaya, Sagar (M.P.). He has vast knowledge and experience in the field of accounts, finance and legal matters.

Dr. Rajnikant Hemchandra Panday is a Non-Executive Independent Director of the company. He is an MBBS from Vikram University, Ujjain. He has rich experience in the field of medicine and has his own medical practice.

Mr. Amit Kumar Jain is a Non-Executive Independent Director of the Company. He has completed his Graduation in Commerce from P.M.B. Gujarati Commerce College, Indore. He has vast knowledge and experience into the field of accounts, audit, taxation, and company law matters.

Mr. Amitabh Rameshchand Luhadia, is a Non-Executive Independent Director of the Company. He is an under graduate and completed his Second Year B.Com from Khalsa College, University of

Mumbai. He is engaged in his family business of manufacturing of plastic gloves for over two decades and is actively involved in the operational activities of his business.

The Board has requisite technical, financial and legal expertise.

3.2 Appointment of Company Secretary & Duties

Chemtech has a full time Company Secretary looking after legal and secretarial matters.

4 Board Processes :

4.1 Frequency of Meetings

The Table 4 below gives the number of Board meetings held during the period 2013-2014. It is observed that twelve Board meetings were held, which is much more than the legal requirement. It is observed that in some cases even two meetings have been held in one month. Although the high frequency suggests that the Board is taking keen interest in the affairs of the company, probably the Board needs to delegate some of its powers

Table 4

List of Board Meetings in 2013-14					
S. No.	Date	Gap in Months	S. No.	Date	Gap in Months
1	22/04/2013	0	7	08/08/2013	0
2	16/05/2013	0	8	28/08/2013	0
3	21/05/2013	0	9	26/11/2013	2
4	16/06/2013	0	10	04/01/2014	1
5	31/07/2013	0	11	25/01/2014	0
6	01/08/2013	0	12	31/03/2014	1

4.2 Attendance of Directors

A summarized attendance of the Board members at the meetings is given in Table 5. It is observed that the independent directors could

attend only 5 meetings during the year, due to reconstitution of the Board during the later part of the year. Thus, all directors were present at all meetings held during their tenure.

Table 5

Directors' Attendance at Meetings in 2013-14			
S. No.	Name	Meetings Held	Meetings Attended
1	Mr. Pradeep Shikharchand Badkur	7	7
2	Mr. Harsh Pradeep Badkur	7	7
3	Mr. Ignatious David Chittatukarakaran Inasu	7	7
4	Ms. Namrata Pradeep Badkur	7	7
5	Ms. Jimmy Ignatious Chittatukarakaran	7	4
6	Mr. Amit Kumar Jain*	5	5
7	Mr. Niranjay Amritlal Choudhary*	5	5
8	Mr. Rajnikant Hemchandra Panday*	5	5
9	Amitabh Rameshchand Luhadia*	5	5

*appointed on 8/8/2013

4.3 Agenda of Board Meetings

The Agenda of the Board meetings comprised of operational and administrative items, depending on their relevance to the business. In addition, strategic items are also discussed. The list of items discussed at the Board Meetings is given in Table 6 below:

Table 6

Items Discussed	
Description	Frequency
Action Taken Report	Every Meeting
Confirmation of Minutes of previous Meeting	Every Meeting
Leave of Absence to Directors	As and when required
Employee Related Issues – Selection, Training, Resignation etc.	As and when required
Employee Related Issues – Promotions, Performance, Bonus, Labour wage settlement	Quarterly
Operations Related Issues – Pricing, Bidding for Contracts, production capacity	Monthly
Strategic issues – Replacement, Expansion & Diversification	Monthly
Growth Strategies – New opportunities	No Details.
Logistics Related	No Details.
Admin Related	As and when required
Any other	As and when required

5 Board Committees :

The following committees of Board have been constituted.

- Audit Committee
- Stakeholders Relationship Committee
- Nomination & Remuneration Committee
- IPO Committee

5.1 Audit Committee

The Board has constituted an Audit Committee, as per the provisions of Section 177 of the Companies Act, 2013 and Clause 52 of the SME Listing Agreement. All the members of the Audit Committee are

financially literate. According to the discussions with the company secretary, the management is responsible for the internal controls and the financial reporting system while the statutory auditors are responsible for carrying out independent audits of the books of accounts in accordance with the generally accepted auditing practices and for issuing reports based on such audits.

The Audit Committee comprises of all Independent Directors as its members as given Table 7 below.

Table 7

Audit Committee Members as on 31-03-2014		
S. No.	Name of Directors	Designation
1	Amit Kumar Jain	Chairman
2	Niranjay Amritlal Choudhary	Member
3	Harsh Pradeep Badkur	Member

Attendance at Audit Committee Meetings

During 2013-14, only one audit committee meeting was held on 14th March 2014, and all members were present.

The terms of reference and the scope of the Audit Committee are in accordance with the provisions of Sec. 177 of the Companies Act, 2013.

5.2 Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee comprises of a majority of independent directors and its members are as shown in Table 8 below:

Table 8

Stakeholders' Relationship Committee Members as on 31-03-2014		
S. No.	Name of Directors	Designation
1	Mr. Niranjay Amritlal Choudhary	Chairman
2	Dr. Rajnikant Hemchandra Panday	Member
3	Mr. Pradeep Shikharchand Badkur	Member

The terms of reference of the committee are to monitor the response to investor questions and grievances, approving share transfers and transmissions including review of cases for refusal of transfer/transmission of shares and debentures, queries and grievances.

The terms of reference and the scope of the Stakeholders' Relationship Committee are in accordance with the provisions of Sec.178 of the Companies Act, 2013.

5.3 Nomination & Remuneration Committee

The Board has constituted a Nomination & Remuneration Committee, with all Independent Directors as its members and its meeting was held on August 8, 2013. The committee is comprised of members as shown in Table 9 below:

Table 9

Remuneration Committee Members as on 31-03-2014		
S. No.	Name of Directors	Designation
1	Mr. Amit Kumar Jain	Chairman
2	Mr. Niranjay Amritlal Choudhary	Member
3	Dr. Rajnikant Hemchandra Panday	Member

The terms of reference of the Committee are in accordance with Sec.178 of the Companies Act, 2013:

- a. To recommend to the Board the remuneration packages of the Key Managing Personnel & Executive Directors' salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.;
- b. To review, assess and recommend to the Board, the appointment of Executive Directors and their remuneration, and the sitting fees payable to Non-Executive Independent Directors.
- c. To consider and recommend human resource policies relating to compensation and performance of the key management personnel.

5.4 IPO Committee

The Board has constituted an IPO Committee for the purpose of the initial public offering only. It comprises of the members as given in table 10 below:

Table 10

IPO Committee Members		
S. No.	Name of Directors	Designation
1	Mr. Pradeep Shikharchand Badkur	Chairman
2	Mr. Ignatious David Chittatukarakaran Inasu	Member
3	Mr. Amit Kumar Jain	Member

Terms of reference of IPO Committee

- To decide on the actual size of the IPO, including any offer for sale by promoters/shareholders, and/or reservation for employees or shareholders of promoting companies or

shareholders of group companies and/or any other reservations or firm allotments as may be permitted, timing, pricing and all the terms and conditions of the issue of the shares, including the price, and to accept any amendments, modifications, variations or alterations thereto;

- To appoint and enter into arrangements with the book running lead manager, co-managers to the issue, underwriters to the issue, syndicate members to the issue, advisors to the issue, stabilizing agent, brokers, escrow collection bankers to the issue, registrars and transfer agents, legal advisors to the Company, legal advisors as to Indian and overseas jurisdictions, advertising and/or promotion or public relations agencies and any other agencies or persons;
- To finalize, settle and to execute and deliver or arrange the delivery of the offer documents (the Draft Prospectus, Final Prospectus (including the draft international wrap and final international wrap.

6. Process Enablers

6.1 Quality Policy

A well drafted quality policy has been formulated and posted on the website, which emphasizes Chemtech's commitment to meeting the highest standards of quality. It also ensures total quality and timely delivery of the products to meet its customers' requirements. As per the policy, its products conform to national and international standards such as ASTM, IS, BIS, API, ANSI, ASME, BS, GOST, JIS & DIN.

The quality policy is given below:

Chemtech endeavors to ensure product quality through

- regular improvement of effectiveness of the quality management systems planned and developed in coordination with other management functions

- creating an environment, which encourages all the employees to achieve improvements and excellence
- participating in training and educational programs to manage health and safety risks, both on and off the job.

6.2 Internal Controls

According to the report of the statutory auditors for the financial year ended 31st March, 2014, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses and for the sale of goods.

7 Transparency & Disclosure

7.1 Annual Report

Adequate disclosures have been made in the Annual Report for the financial year ended 31st March, 2014 in accordance with the legal requirements.

7.2 Related Party Transactions

The related party transactions with companies in which the directors are interested have been disclosed in the Annual Report are given in Annexure 2. It is observed that the transactions are not significant compared to the sales revenue.

According to the report of the statutory auditors, Chemtech has taken loans from 10 parties listed in the register of entities in which the directors are interested, which is maintained under Section 301 of the erstwhile Companies Act, 1956. The year-end balance of loan taken from such parties was nil (previous year Rs.200.00 lakhs) and the maximum balance outstanding in 2013-14, is Rs.424.45 lakhs (previous year Rs 221.91lakhs) and the terms and conditions are not prejudicial to the company's interests. According to the auditors' reports. Chemtech is regular in repaying the interest and installments and has not defaulted as on date.

Chemtech has granted loans to 2 entities (previous year 6 entities) listed in the register maintained under section 189 of the Companies Act, 2013. The period-end balance of loan given to such parties was Rs.13.19 lakhs (previous year Rs.13.19 lakhs) & maximum balance outstanding during the period is Rs.13.42 lakhs (previous year Rs. 365.21 lakhs). These parties are regular in repaying as the same is payable on demand. There is no outstanding amount.

According to the Statutory Auditors, the transactions in pursuance of contracts or arrangements entered in the register maintained under section 189 of the Companies Act, 2013 and exceeding Rs.5.00 lakhs in respect of any party during the year have been made at prices, which are reasonable, having regard to prevailing market price at the relevant time.

7.3 Website Information

Chemtech disseminates information on its activities to its stakeholders, through information posted on its web site. The Annual Reports for the last 2 years are displayed on the website together with the reports on Corporate Governance, Shareholding Pattern etc.

The details of product categories along with approved list of customers both in India and overseas are also available.

Annexure 1

BALANCE SHEET			
A	EQUITY AND LIABILITIES	2013	2014
1	Shareholders' funds		Rs
	(a) Share capital	5,500,000	114,873,330
	(b) Reserves and surplus	39,688,558	21,409,652
		45,188,558	136,282,982
2	Non-current liabilities		
	(a) Long Term Borrowings	95,428,239	101,572,945
	(b) Deferred tax liabilities (net)	2,729,724	4,863,058
	(c) Other long-term liabilities	2,947,911	2,459,034
	(d) Long-term provisions	756,059	439,089
		101,861,933	109,334,126
3	Current liabilities		
	(a) Short-term borrowings	80,733,241	45,518,628
	(b) Trade payables	26,801,483	44,741,490
	(c) Other current liabilities	22,209,989	18,575,613
	(d) Short-term provisions	1,795,000	
		131,539,713	108,835,731
	TOTAL EQUITY AND LIABILITIES	278,590,204	354,452,839
B	ASSETS	2013	2014
1	Non-current assets		
	(a) Fixed assets		
	(i) Tangible assets	157,428,498	162,050,773
	(ii) Intangible assets		
	(iii) Capital work-in-progress	291,000	353,000
	(iv) Intangible assets under development		
		157,719,498	162,403,773
	(b) Non-current investments	537,752	537,752
	(c) Deferred tax assets (net)		
	(d) Long-term loans and advances	303,710	1,067,550
	(e) Other non-current assets	2,151,670	5,679,549
		160,712,630	169,688,624
2	Current assets		
	(a) Current investments		
	(b) Inventories	67,956,966	39,418,681
	(c) Trade receivables	37,033,685	71,745,003
	(d) Cash and cash equivalents	7,103,357	66,630,793
	(e) Short-term loans and advances	1,989,323	1,665,369
	(f) Other current assets	3,794,243	5,304,369
		117,877,574	184,764,215
	TOTAL ASSETS	278,590,204	354,452,839

Annexure 1 Contd.

PROFIT & LOSS ACCOUNT		
	2013	2014
INCOME		Rs
Revenue from operations (net)	226,856,801	314,422,521
Other income	1,089,892	7,521,763
TOTAL INCOME	227,946,693	321,944,284
EXPENSES		
Cost of materials consumed	84,291,536	49,106,644
Stock Adjustment	(31,898,412)	28,183,062
Purchase of Stock in Trade	98,221,684	182,367,880
Employee benefits expense	15,855,247	17,798,462
Other expenses	28,152,023	27,824,907
TOTAL EXPENSES	194,622,078	305,280,955
Profit / (Loss) before Interest, Depreciation & Amortisation, Exceptional items and Tax	33,324,615	16,663,329
Depreciation and amortisation expense	5,185,677	8,271,275
Finance costs	17,398,609	22,218,103
Profit / (Loss) before Interest, Depreciation & Amortisation, Exceptional items and Tax	10,740,329	(13,826,049)
Prior Year Expenses	56,833	692,572
Profit / (Loss) before Tax	10,683,496	(14,518,621)
Current tax expense	1,795,000.00	
Deferred tax	1,164,490	2,133,334
	2,959,490	2,133,334
Profit / (Loss) after Tax	7,724,006	(16,651,955)
Earnings Per Share(Rs)		
Basic & diluted	2.01	-2.47

Annexure 2

(Figs. Rs. in Lakhs)

Related Party Transactions 2013-14					
Nature of Transactions	Year	Key Management Personnel	Relative of Key Management Personnel	Enterprises over which major Shareholders Exercise Significant Influence	Total
A. Loan Transaction					
(I) Taken During the Year	C.Y.	140.00	4.00	121.46	265.46
	P.Y.	--	--	20.75	20.75
Closing Balance	C.Y.	--	--	--	--
	P.Y.	--	--	200.00	200.00
(II) Loans & Advances Given	C.Y.	--	--	0.23	0.23
	P.Y.	131.23	--	122.67	253.90
Closing balance	C.Y.	--	--	13.19	13.19
	P.Y.	--	--	13.19	13.19
B. Director remuneration	C.Y.	17.00	--	--	17.00
	P.Y.	17.74	--	--	17.74
C. Salary	C.Y.	--	15.98	--	15.98
	P.Y.	--	7.60	--	7.60
D. Fixed Assets Purchase	C.Y.	--	--	--	--
	P.Y.	--	--	28.35	28.35
E. Insurance	C.Y.	--	--	--	--
	P.Y.	1.00	--	--	1.00
F. Reimbursement of Credit card	C.Y.	6.85	1.00	--	7.85
	P.Y.	6.67	--	--	6.67
G. Equity share allotted	C.Y.	300.40	100.00	--	400.40
	P.Y.	--	--	--	--
H. Share application Money received and repaid	C.Y.	20.00	--	--	20.00
	P.Y.	--	--	--	--

Survey Report 4

WOMEN'S NEXT LOUNGIERIES LIMITED

1 Company profile :

1.1 Incorporation

Women's Next Loungeries Limited (WNLL), formerly known as Shree Shiv Lingeries Private Limited was incorporated on 22nd December 2010, under the Companies Act, 1956. It is engaged in the business of manufacturing of ladies garments and allied activities. The company is engaged in the design, manufacture and marketing of extensive range of products which under the brand names Valentine Pink and Women Next. These products are also offered in customized designs based on customer requirements. The main raw material is man-made yarn, which is sourced from Bhiwandi, which is a global centre for sourcing this material. WNLL's manufacturing facility which is also located in Bhiwandi, is a state of the art plant with stitching and cutting machines manufactured by world leaders backed by world class infrastructure. The manufacturing process is automated to the extent possible. The company has a presence in more than 13500 retail outlets as on 31 March, 2012 and plans to open exclusive brand outlets. Further, it is also in the process of expanding its manufacturing capacity and setting up world class designing capabilities with a design studio.

1.2 Financial Performance

During 2013-14, the company has shown a marked improvement in sales. Its sales turnover has increased more than 18% from Rs.32.23 crores during FY 2012-13 to Rs.38.06 crores during FY 2013-14. However, the Profit after Tax decreased to Rs.65.82 lakhs during FY 2013-14 as compared to Rs.67.30 lakhs during FY 2012-13. The summary of financials is given in Annexure 1.

The company's shares are listed on the SME platform of the Bombay Stock Exchange (BSE Ltd.).

1.3 Employee Profile:

The Company recognizes that its human resource is its strength in realizing its goals and objectives. The employee cost as a % of sales was 1.19% in 2012-13 and 0.97% in 2013-14 indicating that employee costs are rather low due to extensive automation.

1.4 Shareholding Pattern

The promoter holds 98.9% of the shares, indicating a highly concentrated profile. The shareholding pattern is shown in Table 5 below:

Table 5

Shareholding Pattern as on 31st March 2014			
S. No.	Category	No. of Shares	%
1	Anand Khimji Bhai Bhanushali	3	0.00
2	Anilkumar H Sinha	300	0.02
3	Bhavesh T Bhanushali	1483497	98.90
4	Mala Sureshkumar Jain	300	0.02
5	Mohan Surji Mav	300	0.02
6	Neepa Mohan Mav	300	0.02
7	Premila Bhavesh Bhanushali	15000	1.00
8	Suresh Jivraji Jain	300	0.02
Total:			100.00

Subsequent to the public issue, the promoter holding has been diluted to 59.94%. Hence the governance would not be subject to public scrutiny.

2 Corporate Governance Philosophy :

According to the company, Corporate Governance is based on the principles of transparency, disclosure, fairness, integrity, accountability and commitment

to values. It believes in adopting the best practices in the areas of Corporate Governance. WNL's philosophy on Corporate Governance is to enhance the long-term economic value of the company and its stakeholders including shareholders and society at large through attainment of highest levels of transparency, accountability, professionalism and equity in all facets of its operations.

The Company envisions being a globally preferred business associate with responsible concern for society and stakeholders value. The Company is committed to ethical values and self discipline through standards of good governance based on transparency, fairness, purposefulness, trust, responsibility, checks and balances directed at sustaining shareholders interest and overall organizational goals. It focuses its resources and strategies for creation and safeguarding of shareholders wealth and at the same time protect interest of all stakeholders.

The Company is compliant with the requirements as prescribed in Clause 52 of the Listing Agreement. A Certificate from a practicing Company Secretary conforming compliance with all the conditions of Corporate Governance as stipulated in Clause 52 of the listing agreement with the Stock Exchange has been obtained by the company.

2.1 Vision

The vision statement is not available on the website.

2.2 Mission

The mission statement is not available on the website.

2.3 Values

There is no formal statement of values.

2.4 Environment, Health & Safety (EHS) Policy:

According to the directors' report regular supervision and controls are being maintained for the conservation of energy and the company has achieved efficient plant operation and international product quality.

2.5 Corporate Governance Code:

According to the management, the company is fully committed to and continues to follow procedures and practices in conformity with the Code of Corporate Governance contained in the Listing Agreement.

The Code of Business Conduct and Ethics for Directors/ Management Personnel as adopted by the Board, is a comprehensive Code applicable to Directors and Management Personnel. The Code lays down in detail, the standards of business conduct, ethics and governance. The Board and Management Personnel are responsible for, and are committed to, setting the standards of conduct contained in this Code and for updating these standards, as appropriate, to ensure their continuing relevance, effectiveness and responsiveness to the needs of stakeholders as also to reflect corporate, legal and regulatory developments. A copy of the Code has been put on the Company's website and the Managing Director has affirmed compliance with Code by all Directors.

3 Board Structure :

3.1 Composition of the Board

As on March 31, 2014, the Board of Directors consists of six Directors. The Chairman & Managing Director is an Executive Director and is a combined position. Half of the Board consists of Independent Directors. The Board has an appropriate mix of skills and experience, as well as a judicious mix of Executive and Non-Executive Directors. The composition of the Board of Directors is given in Table 1 below:

Table 1

List of Directors as on 31-3-2014		
S. No.	Name of Director	Category
1	Mr. Bhavesh T. Bhanushali	Chairman & Managing Director
2	Mrs. Premila Bhanushali	Executive Director
3	Mr. Anand Bhanushali	Executive Director
4	Mr. Pawan Puri	Non Executive, Independent
5	Mr. Gaurav Arora	Non Executive, Independent
6	Mr. Jaiprakash R. Singh	Non Executive, Independent

Profile of Directors:

Mr. Bhavesh Tulsidas Bhanushali is an experienced designer, cloth analyst and has good knowledge of the latest production methods. He is the engine behind this company. His strengths include identifying the latest market trends, designing products based on the latest trends, sourcing the best material at best rate and ensuring quality manufacturing.

Mrs. Premila Bhanushali holds a Bachelor's degree in Commerce and has about six years of experience in the ladies garments industry. She is a fashion designer by profession and oversees the designing department of the Company. She handles a team of designers, who constantly work towards the designing of the products, which is one of the core activities in the lingerie industry.

Mr. Anand Bhanushali has experience of about five years in the lingerie industry. He has been associated with the Company since inception. He looks after the day to day management of the centralised warehousing facility and marketing operation located at Bhiwandi. He joined the Board of Directors in 2013.

Mr. Pawan Puri, aged 56 years is a practicing Chartered Accountant, Partner at M/s Pawan Puri and Associates and has over 30 years of experience in the field of Finance & Accounts.

Mr. Gaurav Arora is an MBA in International business from Indian Institute of Foreign Trade. He is an effective leader having diverse experience within the retail lending and SME & MSME space with a record of successfully launching new and existing products. He has experience and proven track record across the following functions- Sales and Distribution Management, Channel Development and Expansion, Product Development, Process Design and Implementation, Training and Manpower Development, Profitability Management, Governance and compliance, Cross selling Initiatives, Service Quality and Team building. He has more than 10 years of work experience where he has worked with organizations like Standard Chartered Bank, Reliance Capital & Dhanalakshmi Bank.

Mr. Jaiprakash Singh is currently working as a Company Secretary in whole time practice under the name Jaiprakash R Singh and Associates. He has over 28 years of experience in handling work relating to incorporation, liquidation, annual filing, FEMA related works, Due Diligence etc., He has also worked as a merchant banker and handled various Initial Public Offers and represented company before various banks, Financial institutions, SEBI, Stock Exchanges etc.,

3.2 Appointment of Company Secretary & Duties

WNLL has a full time Company Secretary looking after legal and secretarial matters.

4 Board Processes :

4.1 Frequency of Meetings

During the year 2013-14, twelve Board Meetings were held. The dates of Board Meetings are given in Table 2 below. The frequency of meetings is too high and probably there needs to be better delegation of powers.

Table 2

List of Board Meetings in 2013-14		
S. No.	Date	Gap in Months
1	24/04/2013	
2	05/06/2013	1
3	12/06/2013	0
4	12/07/2013	0
5	21/09/2013	1
6	14/10/2013	0
7	15/10/2013	0
8	29/10/2013	0
9	12/11/2013	0
10	03/12/2013	0
11	23/01/2014	0
12	14/02/2014	0

4.2 Attendance of Directors

A summarized attendance of the Directors at the meetings is given in Table 3. It is observed that 2 independent directors were not present at the Board meeting held during their tenure.

Table 3

Details of Attendance of Directors 2013-14				
S. No.	Name of the Director	Meetings held	Meetings Attended	Meetings Absent
1	Mr. Bhavesh Bhanushali	12	12	0
2	Mrs. Premila Bhanushali	12	12	0
3	Mr. Anand Bhanushali*	1	1	0
4	Mr. Pawan Puri*	1	1	0
5	Mr. Gaurav Arora*	1	-	1
6	Mr. Jaiprakash R. Singh*	1	-	1

* Appointed in Feb, 2014.

4.3 Agenda of Board Meetings

The agenda of the meetings and the frequency of consideration by the Board has been given in Table 4 below. As can be observed, the Board has given due importance to the discussion of the quarterly results both operational and financial. In a discussion with the company secretary, we were informed that the Managing Director presents the results for the quarter, which is then discussed in detail with the members of the Board. Further, the Company Secretary also makes a presentation on the statutory secretarial compliances which is also be discussed with the Board. The strategic issues are being discussed as necessary. The Board also seems to be placing importance on the legal compliances and operational results.

Table 4

Board Agenda Items	
Item	Frequency
Action Taken Report	Every Meeting
Confirmation of Minutes of previous Meeting of Board & Committees	Every Meeting
Leave of Absence to Directors	Every Meeting
Review of Results -Operations -Financial	Quarterly
Review of Statutory Secretarial Compliances	Quarterly
Strategic Issues - Growth Opportunities	As and when required
Appointment of Key Management Personnel as recommended by Nomination and Remuneration Committee	As and when required
Budget Approvals	Annual
Employee Related Issues	As and when required
Admin Related	As and when required

5. Board Committees :

As of 31st March 2014, the Board has constituted two committees, as follows:

- Audit Committee.
- Shareholder's/Investor's Grievance Committee.

5.1 Audit Committee

The Audit Committee is constituted on February 14, 2014, in line with the provisions of Section 175 of the Companies Act, 2013, read with Clause 49 of the Listing Agreement.

The Audit Committee is comprised of Executive and Independent Directors as per the requirements of Clause 49 of the Listing Agreement. The members of the Audit Committee are financially literate and also legal and management expertise. The Finance Controller and Statutory Auditors are invited to attend the committee meetings. The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Audit Committee. Composition of Audit is shown in Table 5 below.

Table 5

Audit Committee Members 2013-14			
S. No	Name of the Director	Status	Nature of Directorship
1	Mr. Pawan Puri	Chairman	Independent Director
2	Mr. Gaurav Arora	Member	Independent Director
3	Mr. Bhavesh Bhanushali	Member	Executive Director

The Audit Committee reviews, acts and reports to the Board of Directors, with respect to:

- discussion and review of quarterly, half yearly and annual financial results;
- review of the adequacy of the internal control system with the Management, Internal Auditors and Statutory Auditors;
- review of Company's financial reporting processes, changes in the Accounting Policies and its compliance with regulatory guidelines;
- review of financial and risk management system;
- Recommendation for appointment of Statutory Auditors and the remuneration payable to them.

The Committee also reviews the observations of the Internal and Statutory Auditors along with the comments and action taken thereon by the management and invites senior executives to its meetings as and when necessary.

Director Attendance at Audit Committee Meetings

During the year 2013-14 there has been no meeting of the Audit Committee. Although the Companies Act is silent about the frequency of audit committee meetings, as per secretarial standards and listing agreement, audit committee should meet at least four times in a year and not more than four months gap should be between two meetings.

5.2 Shareholders'/Investors' Grievance Committee:

The Stakeholders' Relationship Committee comprises of a majority of independent directors and its members are as shown in Table 6 below:

Table 6

Shareholders' / Investor Grievance Committee Members		
S. No.	Name of Directors	Designation
1	Mr.Gaurav Arora	Chairman
2	Mr.Pawan Puri	Member
3	Mr.Jaiprakash singh	Member

Terms of Reference of Shareholders'/Investors' Grievance Committee:

- i. issue of Duplicate Share Certificates;
- ii. matters connected with transfer/credit of Securities
- iii. redressal of Investors' / Shareholders' complaints related to non-receipt of declared dividend, transfer of shares, non-receipt of annual reports, non receipt of duplicate share certificates, etc. The committee has been formed in the company's Board Meeting held on February 14, 2014 and held no meeting till 31st March, 2014.

6 Process Enablers

6.1 Internal Control Systems and their adequacy:

According to the statutory auditors, the company has adequate internal control systems commensurate for the business processes in respect of all operations, financial reporting, compliance with laws and regulations etc. The management information system forms an effective tool for monitoring and controlling all operating parameters. Regular internal audits ensure that responsibilities are executed effectively. The Audit Committee reviews the adequacy of internal controls on regular basis.

6.2 Code of Conduct for Directors

WNLL has formulated a code of conduct for its directors and posted it on the website. The purpose of the Code is to follow ethical and transparent processes in managing the affairs of the company and to sustain the trust and confidence reposed in the directors by the shareholders. All Directors are required to act within the authority conferred upon them and entrusted with a duty to take informed decisions and policies in the best interest of the company and its shareholders/stakeholders. In addition, internal rules and regulations, govern the conduct of all permanent employees.

7 Transparency & Disclosure

7.1 Related Party Transactions

Table 7 below shows the related party transactions. There are no significant related party transactions compared to the sales revenue.

Table 7

Related Party Transactions			
S. No.	Name of the Party	Nature of Transaction	2013-14 Rs. in lakhs
1	Bhavesh Bhanushali	Director's Remuneration	9.00
2	Premila Bhanushali	Director's Remuneration	3.00
3	Anand Bhanushali	Director's Remuneration	0.64
4	Shiv Apparels	Purchase	139.32

7.2 Annual Report

Adequate disclosures have been made in the Annual Report in accordance with the legal requirements.

7.3 Website Information

The company's website has a separate dedicated section 'Investor Relations' where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form. Details of company's brands of products are also available on the website.

Annexure 1

BALANCE SHEET			
A	EQUITY AND LIABILITIES	2013	2014
1	Shareholders' funds		Rs
	(a) Share capital	5,000,000	15,000,000
	(b) Reserves and surplus	10,471,423	7,053,157
		15,471,423	22,053,157
2	Non-current liabilities		
	(a) Long Term Borrowings	57,000,000	807,618
	(b) Deferred tax liabilities (net)		58,980
	(c) Other long-term liabilities		
	(d) Long-term provisions		
		57,000,000	866,598
3	Current liabilities		
	(a) Short-term borrowings	55,102,875	107,857,891
	(b) Trade payables	124,773,462	38,598,253
	(c) Other current liabilities	4,363,745	3,907,111
	(d) Short-term provisions	4,850,000	3,563,760
		189,090,082	153,927,015
	TOTAL EQUITY AND LIABILITIES	261,561,505	176,846,770
B	ASSETS	2013	2014
1	Non-current assets		
	(a) Fixed assets		
	(i) Tangible assets	10,306,146	11,362,598
	(ii) Intangible assets		
	(iii) Capital work-in-progress		
	(iv) Intangible assets under development		
		10,306,146	11,362,598
	(b) Non-current investments		
	(c) Deferred tax assets (net)		
	(d) Long-term loans and advances		
	(e) Other non-current assets	130,700	843,400
		10,436,846	12,205,998
2	Current assets		
	(a) Current investments		
	(b) Inventories	107,545,120	96,045,908
	(c) Trade receivables	140,110,452	64,127,876
	(d) Cash and cash equivalents	57,681	431,382
	(e) Short-term loans and advances	3,411,406	4,035,606
	(f) Other current assets		
		251,124,659	164,640,772
	TOTAL ASSETS	261,561,505	176,846,770

PROFIT & LOSS ACCOUNT		
	2013	2014
INCOME	Rs	
Revenue from operations (net)	322,329,189	380,666,668
Other income		157,614
TOTAL INCOME	322,329,189	380,824,282
EXPENSES		
Cost of materials consumed	329778494	343378971
Manufacturing Expenses		
Stock Adjustment	(41,840,333)	(1,829,407)
Employee benefits expense	3,839,670	3,701,514
Other expenses	12,017,793	13,310,029
TOTAL EXPENSES	303,795,624	358,561,107
Profit / (Loss) before Interest, Depreciation & Amortisation, Exceptional items and Tax	18,533,565	22,263,175
Depreciation and amortisation expense	423,645	453,083
Finance costs	8,369,887	11,331,388
Profit / (Loss) before Interest, Depreciation & Amortisation, Exceptional items and Tax	9,740,033	10,478,704
Prior years expenses		300,330
Profit / (Loss) before Tax	9,740,033	10,178,374
Current tax expense	3,000,000	3,563,760
Deferred tax	10,000	72,080
	3,010,000	3,635,840
Profit / (Loss) after Tax	6,730,033	6,542,534
Earnings Per Share(Rs)		
Basic	4.49	4.39
Diluted	4.49	4.39

Survey Report 5

HIND RECTIFIERS LIMITED

1 Company profile :

1.1 Incorporation

Hind Rectifiers Limited (HIRECT) was incorporated in 1958, in collaboration with Westinghouse, Brake & Signal, U.K, under the Companies Act 1956. It is engaged in the business of developing, designing, manufacturing and marketing Power Semiconductor, Power Electronic Equipment and Railway Transportation Equipment.

In 2001, facilities were setup at Bhandup in Mumbai for the manufacture of power equipment for Indian Railways. In 2007, two more plants were setup at Dehradun, Uttarakhand to manufacture power equipment for Railways.

HIRECT is operating in the niche of power electronics and DC wound business. Its customers include Indian Railways, large and medium corporate and multinational companies. HIRECT is well positioned to leverage opportunities in power generation and pollution control equipment, which are likely to increase with the renewal of the thrust on infrastructure. In addition, the Railways business segment also represents a huge growth opportunity. Although the Railways is a major customer and contributes a large percentage of the sales turnover of HIRECT, increased competition from existing players and new entrants has affected its business. HIRECT is making efforts to increase its sales from the Dehradun plant as the margins from this plant are higher.

1.2 Financial Performance

In 2013-14, the sales turnover was Rs.9,671.66 lakhs in 2013-14, as compared to Rs.13,621.65 lakhs in 2012-13, which represents a reduction of 29%. This was due to the reduction in investment for infrastructure and capital goods sector in 2013-14. With increased competition, price realizations have come down, which coupled with the decline in business from the Railways has exerted a downward pressure on the margins. Further, HIRECT has substantial dollar imports and the rupee-dollar volatility in the 1st half of the year has adversely impacted the bottom line. Consequently, HIRECT recorded a loss of Rs.706.17 lakhs for 2013-14 as compared to a profit of Rs.1100.00 lakhs in 2012-13. HIRECT declared a 10% dividend In 2013-14, although it made a loss.

HIRECT is making efforts to improve performance during the current year by commercialization of new products and cost reduction through value engineering. With the expected growth in the infrastructure and capital goods sector, the overall performance in the next financial year is likely to improve substantially. HIRECT is planning to grow its exports business and thereby reduce its dependence on Railways.

The equity shares are listed in the Bombay Stock Exchange and the National Stock Exchange.

The financial statements are given in Annexure 1

1.3 Employee Profile

HIRECT recognizes that human resources are extremely important in achieving its long term objectives. The top management honors the dignity of the all employees and highly values them. It gets a good response from fresh engineers at campus placements and many of them continue their careers with the company. The industrial relations with the union are cordial and peaceful. HIRECT has a succession planning process wherein employees potential to occupy key positions is identified and developed.

Employee cost as a % to net sales was 16.17% in 2013-14 as compared to 11.62% in 2012-13, due to a drop in sales turnover, the percentage has substantially increased.

1.4 Shareholding pattern

The Table 1 below shows the shareholding pattern. It is seen that promoters hold 44%, which is less than the majority holding. The public hold 35%, indicating a widely dispersed shareholding pattern. The promoter stakes are not very high and the promoters would need to consider the majority opinion to pass general resolutions. The non resident Indians also hold 16% of the shares. Therefore the governance and the decisions of the management would be subject to public scrutiny.

Table 1

Shareholding Pattern 2013-14		
S. No.	Particulars	%
1	Promoters & Associates	44.53
2	Institutions	0.08
3	NRIs	16.85
4	Bodies Corporate	2.63
5	Public	35.91
Total		100.00

2 Corporate Governance Philosophy :

HIRECT's philosophy of corporate governance is guided by its commitment to meet the aspirations of all stakeholders. It is committed to do business in an efficient, responsible, honest and ethical manner. The core values of the governance process include independence, integrity, accountability, transparency, responsibility and fairness. It is committed to conducting its business in accordance with the applicable laws, rules and regulations and highest standards of business ethics. It is committed to maintain the highest

standards of Corporate Governance and fulfill the requirements mandated by SEBI.

2.1 Vision

HIRECT's vision statement is given as follows:

- Inspiring, nurturing and empowering the next generation of professionals.
- Achieving continuous improvements through innovation and state of the art technology.
- Committing to highest standards in health, safety, security and environment.
- The Corporate Governance structure specifies the distribution of rights, responsibilities and owners among different participants in the organization. All strategic decisions regarding investment, diversification, major decisions regarding procurement, commercial and finance are proceeded ahead after approval of the Board.
- The Company is committed to enhance shareholder's value in the fair and transparent manner and has been in the forefront for bench marking itself with the best business practices globally.
- Strong Governance has indeed helped the Company to deliver wealth to its shareholders in the form of uninterrupted dividends.

The vision statement is well drafted and addresses all aspects of business including health, safety, security and environment.

2.2 Mission

HIRECT has not put up a Mission statement on its website.

2.3 Values

HIRECT has not put up a values statement on its web site, but its values are captured in the vision statement.

2.4 Code of Conduct

A Code of Conduct has been formulated for the Directors and senior management personnel. The Directors and senior management personnel have submitted their affirmation on compliance with the code for the period 2013-14. This Code has been formulated to facilitate ethical behavior and foster a culture of accountability and integrity. The Code of Conduct is available on the website of the company.

2.5 Environment, Health & Safety (EHS) Policy :

HIRECT has taken all the necessary steps for safety and pollution control and environmental protection at its plants. However there is no stated Environment Health & Safety Policy.

2.6 Corporate Governance Compliance

The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement has been disclosed as part of the Annual Report. The certificate from the Auditors, confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the listing agreement has been obtained.

3 Board Structure :

3.1 Composition of the Board

The Board as on 31st March, 2014 consists of ten Directors. There are two Executive Directors and eight Non Executive Directors. The Executive Directors are – the Chairman & Managing Director and the Executive Vice Chairperson.

The positions of the Chairman and Managing Director have not been separated.

There are three Non Executive Directors who are not independent and remaining five Non Executive Directors are Independent Directors.

As per clause 49 of the Listing Agreement, the Board should have an optimum combination of Executive and Non Executive Directors. It is observed that about 4/5th of the Directors are Non Executive Directors. Five out of the eight Non Executive Directors are Independent Directors which is more than one half of the total size of the Board. This ensures that the desired level of independence, functioning and decision making is present and is also in accordance with the Clause 49 of the Listing agreement.

The Board is sufficiently diversified in terms of technical expertise, financial literacy and legal knowledge

The details of composition of the Board are given in Table 2 below:

Table 2

Directors as on 31.03.2014			
S. No.	Name of the Director	Designation	Date of Appointment
1	Shri S. K. Nevatia	Chairman & Managing Director, Non Independent, Executive	01-04-1973
2	Smt. Uma Nevatia	Executive Vice Chairperson Executive	24-03-2000
3	Shri D. R. Mehta	Independent	29-05-1992
4	Shri Niraj Ramkrishna Bajaj	Non Executive	24-03-1998
5	Shri Bharat Swaroop	Non Executive	04-12-1990
6	Shri Pawan Kumar Golyan	Non Executive	24-03-1998
7	Shri V. K. Bhartia	Independent	18-04-2007
8	Shri Binod Patodia	Independent	18-04-2007
9	Shri Pradeep Goyal	Independent	28-03-2008
10	Shri Parimal Merchant	Independent	07-02-2013

Directors' Profile

Mr. Sushil Kumar Nevatia is the Executive Chairman of the Board and Managing Director. He is a qualified M.I.B.M. from London. He has experience of over 55 years in Semi Conductor Devices, Power Electronic Products and Loco Transformers business. He started his

career with Mukund Limited and worked with them for 5 years before starting HIRECT in April, 1958.

Mrs. Uma S. Nevatia serves as the Executive Vice Chairperson and Director of the company.

Mr. D. R. Mehta, M.B.A. from Wharton School of Finance, University of Pennsylvania, Philadelphia, USA, has a varied background of more than 40 years experience in overseeing corporate departments and functions as top management with a total experience of 55 years.

Mr. Niraj Bajaj, MBA graduate from Harvard University, USA and working with Bajaj Group as a Director and having total experience of more than 30 years.

Mr. Bharat Swaroop is a Non Independent Non-Executive Director. He is a Commerce graduate from Mumbai University and working with M/s. L. H. Sugar Factories Ltd., as a Promoter Executive Director and has experience of more than 32 years. He is a Director of L. H. Sugar Factories Ltd and Sushev Agriculture Pvt. Ltd.

Mr Pawan Kumar Golyan is Non Independent Non-Executive Director. He is a Commerce graduate from Kathmandu University and is working with Golyan Group as a Director and has experience of more than 28 years.

Mr Vijay Kumar Bhartia is an Independent Non-Executive Director. He is a graduate from Mumbai University and was formerly holding a senior position with Raymond Ltd., and is presently associated with the same company as an Advisor and having total experience of more than 45 years. He is a Director of Color Plus Fashions Ltd, J. K. Ansell Ltd, Celebrations Apparel Ltd, Everblue Apparel Ltd, Vijesh Marketing Pvt. Ltd and Rainbow Weavers & Processors Pvt. Ltd.

Mr. Pradeep Vedprakash Goyal is an Independent Non-Executive Director. Mr. Goyal has done his Master's in Engineering from MIT, USA and is working with Pradeep Metals Ltd., as a Chairman & Managing Director and has total experience of 32 years in different fields. His other Directorships are: Pradeep Metals Ltd. Uniphos Enterprises Ltd. United Phosphorous Ltd. Entegra Ltd. Janakalyan

Sahakari Bank Ltd. Esvee Pharma Pvt. Ltd. S.V. Shah Construction Pvt. Ltd. B.S. Metal Pvt. Ltd.

Mr. Binod Kumar Patodia is an Independent Non-Executive Director. He is an Engineering Graduate from BITS, Pilani and is working with M/s. GTN Textiles Ltd., as a Vice Chairman & Managing Director He has total experience of 40 years. His other directorships include: GTN Textiles Ltd. GTN Enterprises Ltd. Hindustan Polyamides & Fibres Ltd. India Thermit Corporation Ltd. Patspin Apparels Pvt. Ltd. Patodia Exports & Investments Pvt. Ltd. Umang Finance Pvt. Ltd. Beekaypee Credit Pvt. Ltd. Madanlal Brijlal Pvt. Ltd

Mr. Parimal Merchant has graduated from Mumbai with a Bachelor's in Commerce and Law and has completed ICWA. He has been associated with S. P. Jain Institute of Management & Research for the past 18 years. His professional career includes over 35 years work experience in Capital Markets, Consultancy and Teaching. At present, he is the Director of the Centre for Family Managed Business at the Institute.

3.2 Appointment of Company Secretary & Duties

HIRECT has appointed a whole time Company Secretary from 2nd February 2015. Prior to this, they used to avail the services of a practicing Company Secretary. HIRECT has a team which ensures that all legal and statutory compliances are fulfilled well in time.

4 Board Processes :

4.1 Frequency of Meetings

The Board of Directors conducted 4 meetings during the financial year 2013 - 2014 as shown in Table 3 below

Table 3

List of Board Meetings in 2013-14		
S. No.	Date	Gap in Months
1	31.05.2013	
2	12.08.2013	2

3	14.11.2013	3
4	11.02.2014	3

The dates and timings of the meetings were decided well in advance. The maximum time gap between any two meetings is in compliance with the requirement of not more than four months as specified in clause 49 of the Listing Agreement.

4.2 Attendance of Directors

The details of attendance of Directors at Board Meetings held during the financial year 2013- 2014, are given Table 4 below. It is observed that although four directors attended all the meetings, some directors did not attend a single meeting during the year, while some attended just one or two meetings.

Table 4

Details of Attendance of Directors 2013-14				
S. No.	Name of the Director	Meetings held	Attended	Absent
1	Shri S.K. Nevatia	4	4	-
2	Smt. Umadevi S. Nevatia	4	4	-
3	Shri D.R. Mehta	4	4	-
4	Shri Niraj Ramakrishna Bajaj	4	4	-
5	Shri Bharat Swaroop	4	2	2
6	Shri Pawan Kumar Golyan	4	3	1
7	Shri V.K. Bhartia	4	3	1
8	Shri Binod Patodia	4	-	4
9	Shri Pradeep Goyal	4	1	3
10	Shri Parimal Merchant	4	3	1

4.3 Agenda of Board Meetings

From a discussion with the officials of the Company it is observed that the following items are discussed in Board Meeting given in Table 5

below. The Board is routinely presented with all information under the above heads whenever applicable and materially significant. The Directors are briefed about all business related matters, risk assessment, product-market conditions, competition and new initiatives. The agenda is quite comprehensive and covers the relevant aspects.

Table 5

Items Discussed	
Agenda Item	Frequency
Action Taken Report	Quarterly
Confirmation of the Minutes of previous Board Meeting	Quarterly
Leave of Absence to Directors	As and when required
Employee Related Issues –Selection, Training, Resignation etc.	As and when required
Employee Related Issues – Promotions, Performance, Bonus, Labour wage settlement	Quarterly
Operations Related Issues – Pricing, Bidding for Contracts, production capacity	Quarterly
Strategic issues –Replacement, Expansion & Diversification	Quarterly
Growth Strategies – New markets, new products	As and when required
Logistics Related	-
Administration Related	As and when required
Any other	As and when required

5 Board Committees :

The Board has constituted Committees which conform to the requirements of clause 49 of the Listing Agreement and the relevant sections of the Companies Act, 2013. These Committees are constituted to improve

Corporate Governance, promote transparency and enhance the credibility of the financial disclosures.

The Board has constituted the following Committees:

- Audit Committee
- Stakeholders Relationship Committee
- Nomination & Remuneration Committee

5.1 Audit Committee

Composition of Audit Committee

The Composition of Audit Committee is given in Table 6 below:

Table 6

Audit Committee Members		
S. No.	Name of the member	Designation
1.	Shri V. K. Bhartia	Chairman
2.	Shri D. R. Mehta	Member
3.	Shri Pradeep Goyal	Member
4.	Shri Parimal Merchant	Member

The Audit Committee comprises of four Independent Directors. and other executives as necessary are invited to attend the meetings.

Shri S. K. Nevatia, Chairman & Managing Director and Shri A. K. Nemani, Chief Financial Officer of the Company are permanent invitees to the Audit Committee Meeting. In addition, representatives of the statutory & internal auditors and other executives as necessary attend these meetings.

The Audit Committee has been constituted with the powers and roles that are in accordance with Section 177 of the Companies Act 2013 and Clause 49 of the Listing Agreement. The terms of reference of the Audit Committee are in conformance with the provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing

Agreement. The Committee acts as a link between the Management, Statutory Auditors and the Board of Directors. The Committee exercises oversight on the financial reporting system, reviews Quarterly & Annual Financial Results and submits its observations to the Board of Directors. It also reviews the internal audit reports & internal control system, audit methodology and process, major accounting policies and compliance with accounting standards. The Committee also reviews the legal compliance reporting system.

The Committee met four times during the year as shown in Table 7 below in conformance with the Companies Act requirements:

Table 7

Audit Committee Meetings during 2013-14		
S. No	Date	Gap in Months
1	31.05.2013	0
2	12.08.2013	2
3	14.11.2013	2
4	11.02.2014	2

Director Attendance at Audit Committee Meetings

The directors' attendance in meetings is given in table 8 below. It is seen that one director has been absent at three meetings.

Table 8

Audit Committee – Details of Attendance				
S. No.	Name of the Member	Meetings held	Meetings Attended	Meetings Absent
1.	Shri V. K. Bhartia	4	3	1
2.	Shri D. R. Mehta	4	4	0
3.	Shri Pradeep Goyal	4	1	3
4.	Shri Parimal Merchant	4	3	1

5.2 Stakeholders' Relationship Committee:

The Shareholders' Relationship Committee was constituted on April 18, 2007 to strengthen the investor relations and to look into issues relating to shareholder grievances pertaining to transfer of shares, non receipt of dividends, non receipt of Annual Report, issues concerning de-materialization etc. The Committee is comprised of all independent directors. Shri A. K. Nemani, Chief Financial Officer, is designated as the Compliance Officer. The Company has designated an e-mail address exclusively for the purpose of registering complaints by investors electronically. This e-mail ID is displayed on the Company's website. There were no investor complaints pending as on 31st March, 2014.

The list of Committee Members and during the year 2013-14 is given in Table 9 below.

Table 9

Stakeholders' Relationship Committee Members		
S. No	Name of the Member	Position
1	Shri V. K. Bhartia	Chairman
2	Shri D. R. Mehta	Member
3	Shri Pradeep Goyal	Member
4	Shri Parimal Merchant	Member

Attendance of Stakeholders' Relationship Committee Members is given in table 10 below. It is observed that one director has not attended a single meeting during the year.

Table 10

Shareholders' Grievance Committee – Details of Attendance				
S. No.	Name of the Member	Meetings held	Meetings Attended	Meetings Absent
1	Shri V. K. Bhartia	2	1	1
2	Shri D. R. Mehta	2	2	0
3	Shri Pradeep Goyal	2	0	2
4	Shri Parimal Merchant	2	2	0

5.3 Nomination and Remuneration Committee/ Compensation Committee:

The Board has constituted a Nomination & Remuneration Committee, on 30th August 2003, which being a non-mandatory requirement, is reconstituted from time to time. The present composition of the Remuneration Committee is shown in Table 11 as below. It is observed that it is comprised of independent directors only.

The terms of reference of the Committee are to review and approve the salary, commission, perks and other employment conditions for the Executive Directors.

During the year ended March 31, 2014, no meeting of the Committee was held.

Table 11

Remuneration Committee Members		
S.No.	Name of the Member	Position
1	Shri V. K. Bhartia	Chairman
2	Shri Binod Patodia	Member
3	Shri D. R. Mehta	Member

6 Process Enablers

6.1 Process Manuals

HIRECT is a ISO 9001-2008 company and has established process manuals for production, after sales customer service, procurement, finance etc.

In 2013-14, the semi-conductor division was accredited with UL certification and "Conformité Européene" (CE) certification which means adherence to European Conformity.

6.2 Internal Controls

According to the report of the statutory auditors for the financial year ended 31st March, 2014, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods.

7 Transparency & Disclosure

7.1 Related Party Transactions:

HIRECT has entered into related party transactions with companies in which the directors are interested and this has been specifically stated in the Annual Report as shown in Table 12 below. The quantum is not significant compared to the turnover of Rs.96.00 crores

Table 12 (Figs in Rs. lakhs)

Related Party Transactions 2013-14				
S. No.	Nature of transaction	Key Management Personnel	Relative of Key Management	Total
1	Remuneration	67.28 (78.62)	27.87 (27.80)	95.15 (106.42)
2	Rent	-- --	(3.90) (3.90)	(3.90) (3.90)

7.2 Annual Report

Adequate disclosures have been made in the Annual Report for the financial year ended 31st March, 2014 in accordance with the legal requirements. It is always the Company's endeavor to present unqualified financial statements. There are no audit qualifications in the financial statement for 2013-14.

7.3 Website Information

HIRECT has a web site through which the company disseminates information on its activities to its various stakeholders. The Annual Reports for the last 6 years are available on the website along with Quarterly results, Corporate Governance Report, Shareholding Pattern and Code of Conduct for Directors. The details of products and customer services are given in the website for the information of the customers along with an E-Brochure.

Annexure 1

BALANCE SHEET			
A	EQUITY AND LIABILITIES	2013	2014
1	Shareholders' funds	Rs in lakhs	
	(a) Share capital	301.16	301.16
	(b) Reserves and surplus	6,747.74	6,254.79
		7,048.90	6,555.95
2	Non-current liabilities		
	(a) Long Term Borrowings	25.08	7.30
	(b) Deferred tax liabilities (net)		
	(c) Other long-term liabilities	19.26	19.26
	(d) Long-term provisions	176.52	182.33
		220.86	208.89
3	Current liabilities		
	(a) Short-term borrowings	1,877.60	2,240.41
	(b) Trade payables	1,456.28	1,820.68
	(c) Other current liabilities	497.94	428.45
	(d) Short-term provisions	318.76	63.60
		4,150.58	4,553.14
	TOTAL EQUITY AND LIABILITIES	11,420.34	11,317.98
B	ASSETS	2013	2014
1	Non-current assets		
	(a) Fixed assets		
	(i) Tangible assets	1,582.12	1,489.80
	(ii) Intangible assets	145.13	104.72
	(iii) Capital work-in-progress		1.19
	(iv) Intangible assets under development		
		1,727.25	1,595.71
	(b) Non-current investments		
	(c) Deferred tax assets (net)	59.50	272.80
	(d) Long-term loans and advances	212.98	263.49
	(e) Other non-current assets	267.00	286.69
		2,266.73	2,418.69
2	Current assets		
	(a) Current investments		
	(b) Inventories	2,603.05	3,006.69
	(c) Trade receivables	5,722.21	5,290.96
	(d) Cash and cash equivalents	440.35	141.75
	(e) Short-term loans and advances	388.00	459.89
	(f) Other current assets		
		9,153.61	8,899.29
	TOTAL ASSETS	11,420.34	11,317.98

Annexure 1 Contd.

(Fig in Rs.lakhs)

PROFIT & LOSS ACCOUNT		
	2013	2014
INCOME		
Revenue from operations (net)	13,621.65	9,671.66
Other income	24.25	45.93
TOTAL INCOME	13,645.90	9,717.59
EXPENSES		
Cost of materials consumed	9,734.45	7,177.56
Purchase of Stock in Trade	355.38	218.20
Stock Adjustment	(545.55)	65.63
Employee benefits expense	1,583.19	1,564.00
Other expenses	1,077.69	998.92
TOTAL EXPENSES	12,205.16	10,024.31
Profit / (Loss) before Interest, Depreciation & Amortisation, Exceptional items and Tax	1,440.74	(306.72)
Depreciation and amortisation expense	234.67	228.67
Finance costs	95.38	170.78
Profit / (Loss) before Interest, Depreciation & Amortisation, Exceptional items and Tax	1,110.69	(706.17)
Prior Year Expenses	(0.01)	(0.33)
Profit / (Loss) before Tax	1,110.70	(705.84)
Current tax expense	222.50	
MAT Credit	(125.00)	
Deferred tax	0.43	(213.30)
	97.93	(213.30)
Profit / (Loss) after Tax	1,012.77	(492.54)
Earnings Per Share(Rs)		
Basic & diluted	6.73	-3.27

Survey Report 6

AGRIMONY COMMODITIES LIMITED

1 Company profile :

1.1 Incorporation

The Company was incorporated as 'Sahjanand Enterprises Private Limited' under the Companies Act, 1956. The name was changed to Transparent Commodities Private Limited in 2011. The Company converted itself into a public limited company and concurrently changed its name to 'Agrimony Commodities Limited' (Agrimony) on 7th August, 2013.

Agrimony was initially engaged in the business of imports and exports, however, subsequent to a change in management in 2010, it commenced trading in commodities and discontinued the import export business. Agrimony had another change in management in 2013 after which the business of trading of commodities, was further strengthened. It has a fully owned subsidiary named "Advantage Commodities Private Limited" which is a member of the Multi Commodity Exchange of India Limited (MCX). It started futures trading in commodities for a large cross section of market participants such as producers, processors, traders and corporates, due to which it has achieved spectacular growth.

Agrimony provides services in trading commodities such as bullion (gold, silver), energy (crude oil, natural gas), metals, food grains (rice, maize), spices, oil and oil seeds etc. It has a diversified client base that includes HNIs, retail customers, corporate clients and others.

Promoters

The Promoters of the Company are Mr. Anandarao B. Gole and Jairaj V. Bafna. Mr. Anandarao is engaged in the business of trading in agricultural products for the last two decades. Mr. Jairaj is an MBA with over five years experience in commodity and currency trading. The equity shares are listed in the Bombay Stock Exchange in SME platform.

1.2 Financial Performance

Agrimony recorded spectacular growth in the year 2013-14 with the revenue for operations recording a growth of 2000 times to reach Rs.41.73 crores from just Rs.2 lakhs, in 2012-13. This spectacular growth can be attributed to the change in management in 2013. However, the profit after tax increased to Rs.6.25 lakhs as against Rs.1.96 lakhs in 2012-13, in spite of the spectacular growth in revenues. This indicates that expenditures have increased disproportionately. In fact, there has been a major increase in the purchase of traded goods.

The financial statements are given in Annexure 1

1.3 Employee Profile

Agrimony regards its employees as assets and recognizes that its human resource is its strength in realizing its goals and objectives. It accords high priority to training and development of its employees. It spends 0.13% of its sales on employee costs. This year employee costs have reduced as compared to last year by 25%.

1.4 Shareholding pattern

The shareholding pattern is given in Table 1 below. As can be observed the promoter holding is 27.44% and the rest 67.29% is widely dispersed with public. This indicates that the promoter stake is low and the approval of non promoter holdings would be needed to

pass general resolutions. This indicates the necessity of good governance.

Table 1

Shareholding Pattern 2013-14		
S. No.	Particulars	%
1	Indian promoters	27.44
2	Bodies corporate	5.27
3	Others	67.29
	Total	100

2. Corporate Governance Philosophy

According to Agrimony, Corporate Governance is a powerful medium to serve the long-term interest of all the shareholders, creditors, customers, employees and other stakeholders. Corporate Governance strengthens investors and creditors trust and ensures a long-term partnership that helps in fulfilling the quest for achieving significant growth and profits.

2.1 Vision

The vision statement is not available on the website.

2.2 Mission

The mission statement is not available on the website.

2.3 Values

The values statement is not available on the website.

2.4 Code of Corporate Governance

Agrimony has formulated a Code of Corporate Governance in compliance with the provisions of Clause 52 of the Listing Agreement with Stock Exchanges. All the Board members and senior management personnel have confirmed adherence to this Code, in line

with their philosophy on Corporate Governance. The purpose of the Code is to reflect ethical business practices and good principles of behavior of the Board Members and Senior Management Personnel. The code is put up on the company's website. Agrimony has also formulated Discipline Rules which govern the conduct of all employees including the Functional Directors and Senior Management Personnel. The report on compliance has also been published on the website. As disclosed on the website and the annual report, Agrimony is fully compliant with the mandatory requirements of Clause 52 of the Listing Agreement.

2.5 Environment, Health & Safety (EHS) Policy:

The Environment, Health and Safety (EHS) policy has not been posted on the website or stated in the Annual Report.

3 Board Structure :

The Board acts with autonomy and independence in exercising strategic supervision, discharging its fiduciary responsibilities and ensuring that the management observes the highest standards of ethics, transparency and disclosure. All Board members have full access to information related to the effective functioning of the Board.

3.1 Composition of the Board

The Board is comprised of five Directors of which three are independent and two are executive directors. The Independent Directors have the requisite qualifications and experience which would be relevant and would enable them to contribute effectively in their capacity as an Independent Directors. The constitution of the Board is in conformity with the provisions of Clause 52 of the SME Listing Agreement of the Stock Exchange.

The details of the Board as on March 31, 2014 are given in Table 2.

Table 2

Composition of Board – 2013-14			
S. No.	Name	Designation / Nature of Directorship	Date of Appointment
1	Mr. Anandrao B. Gole	Chairman & Managing Director (Executive)	13-08-2013
2	Mr. Jairaj Bafna	Chief Financial Officer & Executive Director	16-07-2013
3	Mr. Suresh Kulkarni	Independent Director	16-07-2013
4	Mr. Mani Ananthanarayan	Independent Director	16-07-2013
5	Mr. Satish Chand Bokdia	Independent Director	30-09-2013

Profile of Directors

Mr. Anandrao B.Gole, aged 48 years, is the Chairman & Managing Director of the company. He is currently Director of Mumbai District Co-operative Bank and has an experience of more than 5 years in the banking industry. He has vast experience of trading in agricultural products and has a wide network amongst the commodity traders and agriculturalists in the region of Maharashtra and Karnataka.

Mr. Jairaj Bafna is aged 27 years, is an Executive Director. He has completed his Bachelors in Accounting & Finance from University of Mumbai and MBA in Finance from ITM Mumbai. He has an experience of over 6 years in handling client portfolios and advising on investment options.

Mr. Mani Ananthanarayan, aged 50 years, is a Non-Executive, Independent Director. He holds a Bachelor's in Commerce from University of Mumbai. He is a Company Secretary, Cost Accountant and a Master of Law by profession. He has experience of more than 30 years in General Management and in areas relating to Accounting, Corporate Law, Taxation, Finance & Management Consultancy. He has held senior positions such as Chief Financial Officer and Company Secretary in listed companies, FMCG and multinational companies. He

is currently rendering professional & advisory services to corporate clients.

Mr. Suresh Kulkarni, aged 61 years, is a non-executive independent Director. He holds a Bachelors' degree in Commerce and completed his Master's in Commerce from University of Mumbai. He has also completed his CAIB from The Indian Institute of Bankers He has experience of over 20 years in legal advisory services.

Mr. Satish Chand Bokdia has been Non-executive & Independent Director of Agrimony Commodities Ltd. since September 30, 2013. Mr. Bokdia has an experience of over 7 years in the field of audit, accounting, taxation and consulting & business advisory. He has his own practice. He is a Fellow Member of the Institute of Chartered Accountants of India. He holds a bachelors' degree in commerce from Mumbai University

3.2 Company Secretary

Agrimony has a full time Company Secretary looking after legal and secretarial matters.

4. Board Processes :

4.1 Frequency of Meetings

The Board meetings are scheduled a week in advance to give sufficient notice to members and to ensure their participation in the meetings. However, in case of urgent decisions, the Board's approval is taken by circular resolution, which is ratified in the subsequent Board meeting.

During 2013-14, twenty Board Meetings were held in which is much more than the minimum number as required under the provisions of the Listing Agreement. However, it shows that the Board is meeting very often and some directors may not be present at all meetings. The reason for such high frequency of meetings indicates that the Board should delegate its powers.

4.2 Attendance of Directors

It is noticed that although twenty meetings were held, some directors were present only in ten and the Managing Director could not attend three meetings. Table 3 below shows the attendance of Directors at Board Meetings.

Table 3

Attendance of Directors – 2013-14			
S. No.	Name	Meetings Held	Meetings Attended
1	Mr. Krishnakant Choksi Date of Cessation -16/07/2013	20	3
2	Mrs. Raksha Choksi Date of Cessation -16/07/2013	20	3
3	Mr. Ankur Choksi Date of Cessation -22/07/2013	20	4
4	Mrs. Neepa Choksi Date of Cessation -22/07/2013	20	4
5	Mr. Anandrao B. Gole Date of Appointment-13/08/2013	20	14
6	Mr. Jairaj Bafna Date of Appointment-16/07/2013	20	17
7	Mr. Suresh Kulkarni Date of Appointment-16/07/2013	20	17
8	Mr. Mani Ananthanarayan Date of Appointment-16/07/2013	20	17
9	Mr. Satish Chand Bokdia Date of Appointment-30/09/2013	20	10

5. Board Committees :

The Board has constituted the following Committees:

1. Audit Committee
2. Stakeholders' Relationship Committee
3. Nomination & Remuneration Committee

5.1 Audit Committee

The Audit Committee was constituted as per section 177 of the act on 13th December, 2013. The Audit Committee consists of all Independent Directors. All members of the Audit Committee are financially literate and have accounting and financial management expertise. The Company Secretary is the secretary of the Audit Committee.

The Constitution of the Audit Committee during the financial year ended March 31, 2014 is given in Table 4 below:

Table 4

Members of Audit Committee 2013-14		
S. No.	Name of the Director	Designation
1	Mr. Satish Chand Bokdia	Chairman
2	Mr. Suresh Kulkarni	Member
3	Mr. Mani Ananthanarayan	Member

During the period under review there were no meetings held of the Audit Committee.

Terms of Reference of Audit Committee

The Terms of reference of the Audit Committee under Sec.177 of Companies Act, 2013 include:

- Overseeing the Company's financial reporting process.
- Appointment, removal and terms of remuneration of internal auditor
- Reviewing the quarterly financial statements before submission to the board of directors for their approval, monitoring the statement of uses/application of funds raised through an issue

- Reviewing the performance of statutory and internal auditors and adequacy of the internal control systems
- Reviewing management letters & letters of internal control weaknesses

5.2 Stakeholders' Relationship Committee:

As per section 178 of the Companies act, 2013, the Stakeholders' Relationship Committee has been constituted with all independent directors to attend to the shareholders' and investors' complaints/grievances.

The constitution of the Committee during the financial year ended March 31, 2014 is given in Table 5 below:

Table 5

Members of Stakeholders' Relationship Committee		
S. No.	Name of the Director	Designation
1	Mr. Suresh Kulkarni	Chairman
2	Mr. Satish Chand Bokdia	Member
3	Mr. Mani Ananthanarayan	Member

During the period under review, the Committee met once on 20th March, 2014 and all the members were present.

The Company Secretary is the secretary of the Committee.

Number of Shareholders' Complaints received during the year: Nil

5.3 Nomination & Remuneration Committee

As per Listing Agreement, the Remuneration Committee was constituted on December 13, 2013. The constitution of the Remuneration Committee during the financial year ended March 31, 2014 is given Table 6 below:

Table 6

Members of Nomination & Remuneration Committee		
S. No.	Name of the Director	Designation
1	Mr. Mani Ananthanarayan	Chairman
2	Mr. Suresh Kulkarni	Member
3	Mr. Satish Chand Bokdia	Member

The terms of reference for the Remuneration Committee include:

- Review the criteria of payment of Managerial remuneration.
- Review Managerial remuneration and recommend revision to the Board.

The terms of reference are in accordance with the listing agreement.

During the period under review there were no meetings held of the Committee. The Company Secretary is the secretary of the Remuneration Committee.

6. Process Enablers

6.1 Internal Controls

As per the report of the statutory auditors, for the financial year ended 31st March, 2014. there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods.

6.2 Whistle Blower Policy

Agrimony has adopted a Whistle Blower Policy cum Vigil Mechanism. The objectives of the Whistle Blower Policy/ Vigil Mechanism are to ensure that the employees and the management can raise their concerns about actual or suspected fraud, unethical behavior or violation of the Code of Conduct or Ethics. The Board reviews the findings and action taken on matters initiated through this mode. In the

opinion of the Board, there are no cases where any person was denied access to the grievance process set up by the company.

7. Transparency & Disclosure

Agrimony is in compliance with the mandatory requirements as prescribed in Clause 52 of the SME Listing Agreement. It has also adopted certain non – mandatory requirements of Clause 52 such as providing the Chairman with resources required by him to discharge his responsibilities and adopting the whistle blower policy.

The details of the utilization of the proceeds raised through Initial Public Offer of equity shares for FY 2013-14 are disclosed to the Audit Committee. The company has not utilized these funds for the purposes other than those mentioned in the Prospectus, except deploying funds not immediately required, in Interest Bearing Inter Corporate deposits.

7.1 Annual Report

Adequate disclosures have been made in the Annual Report in accordance with the legal requirements. As per the report of the statutory auditors, the company has granted loans to bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013. The maximum amount outstanding during the year was Rs.2.57 crores and the year-end balance of such loan amounted to Rs.2.57 crores.

7.2 Related Party Transactions

The details of the related party transactions have been disclosed in the notes on accounts in the Annual Report. As stated in the Annual Report, there were no materially significant transactions with related parties or subsidiaries, that may have potential conflict with the interests of the Company at large.

Table 7 (Figures in Rs. lakhs)

Related Party Transaction 2013-14			
Name	Transaction	2013-14	Outstanding as on 31.03.2014
Mr. Ankur Choksi	Purchase of Shares	35.00	-
Mr. Raksha Choksi	Purchase of Shares	35.00	-
Mr. Kirshnakant Choksi	Purchase of Shares	17.50	5.00
Mr. Anandrao Gole	Remuneration	1.50	
M/s. Artha Vrddhi Securities Ltd	Advances	299.63	295.17

7.3 Website Information

The Annual Reports for the last 3 years, Report on Corporate Governance, Shareholding Pattern, Quarterly financial results & the details of the Management are provided for the information of investors. The Code of Conduct for Board members and Senior Management Personnel are displayed on the website. However only a brief description about the services offered by the company are available on the website.

Annexure 1

BALANCE SHEET			
A	EQUITY AND LIABILITIES	2013	2014
1	Shareholders' funds	Rs	
	(a) Share capital	1,000,000	113,900,000
	(b) Reserves and surplus	16,461,623	17,087,425
		17,461,623	130,987,425
2	Non-current liabilities		
	(a) Long Term Borrowings		
	(b) Deferred tax liabilities (net)	17,156	121,805
	(c) Other long-term liabilities		
	(d) Long-term provisions		
		17,156	121,805
3	Current liabilities		
	(a) Short-term borrowings		8,881,873
	(b) Trade payables		161,690,585
	(c) Other current liabilities		18,080,218
	(d) Short-term provisions	178,189	525,093
		178,189	189,177,769
	TOTAL EQUITY AND LIABILITIES	17,656,968	320,286,999
B	ASSETS	2013	2014
1	Non-current assets		
	(a) Fixed assets		
	(i) Tangible assets	814,755	2,858,090
	(ii) Intangible assets		16,834
	(iii) Capital work-in-progress		
	(iv) Intangible assets under development		
		814,755	2,874,924
	(b) Non-current investments	9,615,572	13,767,561
	(c) Deferred tax assets (net)		
	(d) Long-term loans and advances	266,459	901,712
	(e) Other non-current assets		2,601,144
		10,696,786	20,145,341
2	Current assets		
	(a) Current investments		
	(b) Inventories		
	(c) Trade receivables	230,755	231,985,411
	(d) Cash and cash equivalents	91,241	11,438,460
	(e) Short-term loans and advances	6,638,187	56,004,798
	(f) Other current assets		712,989
		6,960,183	300,141,658
	TOTAL ASSETS	17,656,969	320,286,999

Annexure 1 Contd.

PROFIT & LOSS ACCOUNT		
	2013	2014
INCOME		Rs.
Revenue from operations (net)	2,30,755	4173,98,430
Other income	9,68,567	9,12,244
TOTAL INCOME	11,99,322	4183,10,674
EXPENSES		
Cost of materials consumed		
Purchase of stock in trade		4151,66,266
Stock Adjustment		
Employee benefits expense	7,50,357	5,64,584
Other expenses	1,52,668	7,27,388
TOTAL EXPENSES	9,03,025	4164,58,238
Profit / (Loss) before Interest, Depreciation & Amortisation, Exceptional items and Tax	2,96,297	18,52,436
Depreciation and amortisation expense	11,533	5,93,270
Finance costs		12,068
Profit / (Loss) before Interest, Depreciation & Amortisation, Exceptional items and Tax	2,84,764	12,47,098
Extraordinary Items		2,34,646
Exceptional Items		2,500
Profit / (Loss) before Tax	2,84,764	10,09,952
Current tax expense	71,000	2,79,500
Deferred tax	17,156	1,04,649
	88,156	3,84,149
Profit / (Loss) after Tax	1,96,608	6,25,803
Earnings Per Share(Rs)		
Basic & diluted	1.97	0.95

Survey Report 7

JENBURKT PHARMACEUTICALS LTD.

1 Company profile :

1.1 Incorporation

Jenburkt Pharmaceuticals Limited (Jenburkt) was originally incorporated as a Private Limited Company on 10th June, 1985 in Mumbai under Companies Act, 1956 and later converted into a Public Limited Company on 4th January, 1994.

Jenburkt is engaged in the manufacture of pharmaceutical and healthcare products. It owns 85 brands which are sold through a wide network of more than 1000 stockists and 25 superstockists. It also sells directly to large customers such as Government & Semi-Government Institutions, Missionary Hospitals and Public Sector Enterprises. Currently, it is exporting its products to 15 countries. It has set up state-of-the-art manufacturing facilities in Gujarat, fulfilling the stringent quality standards of its international customers. It has a progressive lineage of manufacturing high quality formulations backed by a strong global Research & Development unit, which is also approved by Ministry of Science & Technology, Government of India. Although the pharmaceutical industry is heavily regulated by the National Pharmaceutical Pricing Authority, a very small proportion of Jenburkt's products are under price control.

Jenburkt's objective is to leverage its world-class resources in the clinical trials business to partner with international players and jointly explore opportunities in the high growth segments of the pharmaceutical industry.

1.2 Financial Performance

Jenburkt recorded a sales turnover of Rs.7622.45 lakhs for the financial year 2013-14 as compared to Rs.6934.26 lakhs in 2012-13, an increase of approximately 10%. The profit after tax increased to Rs.750.64 lakhs in 2013-14, as compared to Rs.621.53 lakhs in 2012-13, recording an increase of more than 20%. The earnings per share also increased from Rs.13.37 in 2012-13 to Rs.16.14 in 2013-14. CRISIL has assigned the company SME2 rating, which reflects a high credit rating.

The equity shares are listed on the SME platform of the Bombay Stock Exchange.

The financial statements are given in Annexure 1.

1.3 Employee Profile

Jenburkt has a well defined process to develop and manage its talent base. It conducts regular workshops and orientation programmes for different levels of employees such as field staff, plant and head office staff. Leadership development programmes are also being conducted for senior officers. It maintains cordial relations with its employees.

The employee cost is 22.3% of sales in 2013-14, as compared to 22.8% of sales in 2012-13. The employee cost increased by 7% over the previous year. Since the company has 600 employees on its rolls, the increase in the employee cost is commensurate with the number of employees, although it is higher compared to other companies in the manufacturing sector.

1.4 Shareholding pattern

The shareholding pattern is given in Table 1 below. It is observed that the promoters hold less than 50% of the shares, indicating a widely dispersed shareholding. The public shareholding is just more than 50% which indicates that governance structures and decisions would be subject to public scrutiny. The non-resident shareholding is marginal.

Table 1

Shareholding Pattern 2013-14		
S. No.	Particulars	%
1	Indian Promoters	46.82
2	Non Promoter Holding	53.18
	Non resident	0.76
	Directors & Relatives	0.12
	Bodies Corporate	1.76
	Public	50.54
	Total	100.00

2 Corporate Governance Philosophy:

Jenburkt has formulated its philosophy on Corporate Governance and stated it in its Annual Report. According to it, Corporate Governance is a set of systems, guidelines and policies that are translated into best corporate practices. It ensures accountability, transparency and fairness in the affairs of the company and all the transactions carried out by it. It also helps in communicating and training the employees in fostering a culture of compliance at every level of the organization. The Corporate Governance policy is in compliance with clause 49 of the Listing Agreement.

2.1 Vision

The vision statement is not available on its website.

2.2 Mission

The mission statement is not available on its website.

2.3 Values

Jenburkt has a values statement where it has stated that its values are Team spirit, Consistency, Reliability, Stability, Trust, Integrity, Courage,

Innovation and Commitment. It is constantly working to offer quality healthcare and its strong values prove to be the driving force in delivering excellence.

2.4 Environment, Health & Safety (EHS) Policy:

Jenburkt works towards implementing policies to protect the environment, health and safety of its employees.

2.5 Corporate Governance Code:

Jenburkt has a corporate governance code, which contains the fundamental provisions of business conduct at all levels of the organization, with a standard of ethics. The code is applicable to Board Members and Senior Management Personnel. The Board of Directors under its policy of transparency and integrity is strictly following the code of business conduct and also the code of prohibition of insider trading. The interest of all the stakeholders, shareholders and employees are taken care of and equally protected. The Managing Director has confirmed that the Board and all the senior management personnel have complied with the Code of Business Conduct.

3 Board Structure :

The Board provides guidance, direction and oversight by exercising independence, strategic supervision, discharging fiduciary responsibilities and ensuring highest standard of ethics and transparency.

3.1 Composition of the Board

The Board of Directors is constituted, in compliance with section 144 of the Companies Act, 2013 and clause 49 of the Listing Agreement of Stock Exchange. There are five directors on the Board as on 31/3/2014, of which three are independent and two are executive directors.

The Table 2 below shows the composition of Board.

Table 2

Composition of Board of Directors as on 31st March 2014		
S. No.	Name	Designation
1	Uttam N. Bhuta (Promoter)	Chairman & Managing Director (Died during the year)
2	Ashish U. Bhuta	Chairman and Managing Director
3	Bharat V. Bhate	Independent
4	Rameshchandra J. Vora	Independent
5	Arun R. Raskapurwala	Independent
6	Dilip H. Bhuta	Whole Time Executive Director

Profile of directors

Mr. Ashish U. Bhuta - Chairman and Managing Director. He holds a Masters degree in Financial Management and Post Graduate Diploma in Patent Law and Practice. His experience spans nearly all the functions and departments in the Company.

Mr Bharat Vasant Bhate - holds a Master of Pharmacy degree from University of Mumbai. He was associated with the pharmaceutical industry, since 1977, he has served in various companies, including multinational companies in India and abroad, as the Research & Development Manager and has been responsible for guiding and controlling entire pharmaceutical project development.

Mr Rameshchandra Vora – has an experience of over 3 decades in construction and trading activity.

Mr Arun R. Raskapurwala - has a bachelor's degree in commerce from University of Mumbai. He has almost five decades of experience in the business of Textiles & Electrical. He has a background in Administration and Finance.

Mr Dilip. H. Bhuta - is a veteran in finance. He holds a degree in commerce and is a Certified Associate of Indian Institute of Bankers

(CAIIB). During his long tenure of 41 years and 8 months in Bank of Baroda, he rose from humble beginnings as a clerk to become the Managing Director of BOB Cards Ltd.

3.2 Appointment of Company Secretary & Duties

Jenburkt has a full time Company Secretary looking after legal and secretarial matters.

4. Board Processes :

4.1 Frequency of Meetings

The Board of Directors met five times during the Financial Year 2013-14. The maximum time gap between any two Board meetings was not more than four calendar months as seen from the Table 3 below. The number of meetings held during the year is optimum.

Table 3

List of Board Meetings in 2013-14		
S. No.	Date	Gap in Months
1	30.05.2013	
2	29.06.2013	0
3	16.07.2013	0
4	29.10.2013	3
5	29.01.2014	3

4.2 Attendance of Directors

The number of meetings is not too frequent and hence the directors have all been present.

The attendance of Directors at Board Meetings is given in Table 4 below shows that all directors attended all the Board Meetings held during their tenure of office.

Table 4

Directors' Attendance at Meetings 2013-14				
S. No.	Name	Meetings Held	Meetings Attended	Meetings Absent
1	Uttam N. Bhuta*	5	1	4
2	Ashish U. Bhuta	5	5	0
3	Bharat V. Bhate	5	5	0
4	Rameshchandra J. Vora [@]	5	4	1
5	Arun R. Raskapurwala	5	5	0
6	Dilip H. Bhuta [@]	5	3	2

*Died during the year.

@ Directors for part of the year

Board Agenda

Board Agenda items are given in Table 5 below:

Table 5

Board Agenda Items	
Agenda Item	Frequency
Action Taken Report	Every Meeting
Minutes of last Meeting	Every Meeting
Leave of Absence to Directors	As and when required
Change in composition of the Board of Directors	As and when required
Investment in shares of corporate	As and when required
Review of Operations	Quarterly
Review of Financial Performance	
Growth Strategies	As and when required
Constitution and review of Board Committees and their reports	As and when required
Review of Legal Compliances	As and when required
Any other	As and when required

5 Board Committees :

The Board of Directors is effectively supported by the various committees constituted by it. The following committees have been constituted:

- Audit Committee
- Stakeholder Relationship Committee
- Nomination & Remuneration Committee
- Corporate Social Responsibility Committee

5.1 Audit Committee

The Audit Committee consists of three directors, all of whom are independent directors. This is in accordance with clause 49 of the listing agreement and Section 177 (2) of the Companies Act, 2013. The terms of reference of the Audit Committee are in accordance with Clause 49 of the listing agreement and Section 177 of the Companies Act, 2013. The Company Secretary acts as the Secretary to the Committee. The members of the audit Committee are given in Table 6 below.

Table 6

Audit Committee Members		
S.No	Name of the member	Role
1.	Shri Bharat V. Bhate	Chairman
2.	Shri Rameshchandra J. Vora	Member
3.	Shri Arun R. Raskapurwala	Member
4.	Shri Dilip H. Bhuta	Member

Four meetings of the Audit Committee were held and all the members were present. The Table 7 below gives the dates on which the Audit Committee meetings were held.

Table 7

Audit Committee Meetings 2013-14		
S. No.	Date	Gap in Months
1	30.05.2013	-
2	16.07.2013	1
3	29.10.2013	2
4	29.01.2014	2

5.2 Stakeholders' Relationship Committee

This Committee monitors the registrar and share transfer agent's (RTA's) activities and approves transfers, transmissions, splitting, dematerialization of shares and issuance of duplicate share certificates, etc. and addresses all types of investor complaints. The Committee also formulates and implements steps to improve the service standards towards the investors.

During the year, 7 complaints were received and all of them were resolved. No complaint was pending / outstanding as on 31 March, 2014. No share transfers were pending as on 31 March, 2014.

Shri Ashish R. Shah is the Company Secretary and Compliance Officer of the Company.

Constitution of the Committee:

The Committee comprises of two independent and non-executive directors and two executive directors. The members of the Committee is given in table 8 below:

Table 8

Stakeholders' Relationship Committee Members		
S. No	Name of the member	Role
1	Bharat V. Bhate	Chairman
2	Uttam N. Bhuta	Member
3	Rameshchandra J. Vora	Member
4	Ashish U. Bhuta	Member

Five meetings were held during the year and some directors could not attend all meetings. Mr Ashish Bhuta has attended only one meeting. Details are given in Table 9 and Table 10 below:

Table 9

Stakeholders' Relationship Committee Meetings - 2013-14		
S. No	Date	Gap in months
1	30.05.2013	-
2	16.07.2013	1
3	29.10.2013	2
4	29.01.2014	2
5	11.03.2014	1

Table 10

Attendance of Directors Stakeholders' Relationship Committee 2013-14			
S. No	Name of the member	Meetings Held	Meetings Attended
1	Bharat V. Bhate	5	5
2	Uttam N. Bhuta	5	1
3	Rameshchandra J. Vora	5	5
4	Ashish U. Bhuta	5	3

5.3 Nomination and Remuneration Committee:

The Nomination and Remuneration Committee's constitution and terms of reference are in compliance with clause 49 of the Listing Agreement and Sec 178 of the Companies Act, 2013.

The Committee comprises of three independent directors. The Committee met once during the year, i.e. on 16.07.2013 and all the

members attended the meeting. The details of Remuneration Committee Members are given in Table 11 below

Table 11

Remuneration Committee Members – 2013-14		
S. No.	Name of the Member	Role
1	Shri Rameshchandra J. Vora	Chairman
2	Shri Bharat V. Bhate	Member
3	Shri Arun R.Raskapurwala	Member

5.4 Corporate Social Responsibility (CSR) Committee

CSR Committee was constituted on 30th May 2014 by the Board, in terms of clause 49 of the Listing Agreement & Section 135 of the Companies Act, 2013 to monitor the CSR policy. The composition of the Committee is given in Table 12 below:

Table 12

Corporate Social Responsibility Committee members		
S. No	Name of the member	Role
1.	Shri Ashish U. Bhuta	Chairman
2.	Shri Dilip H. Bhuta	Member
3.	Shri Arun R. Raskpurwala	Independent Director

6 Process Enablers

6.1 Internal Controls

According to the report of the Statutory Auditors, Jenburkt has sound internal control processes and systems to ensure proper asset management and operational efficiency. It always ensures compliance with all applicable rules, regulations, laws, etc.

The Audit Committee and the internal auditors ensure that proper checks & controls are applied on the financial functions. The Quality

Control and the Quality Assurance Departments ensure that the quality of all the products meet the WHO standards.

Jenburkt has well defined procedures to inform the Board Members about risk assessment and minimization techniques. A **Risk Management Committee** reviews these procedures periodically, to ensure that the risk is managed through a properly defined framework.

6.2 Regulatory Approvals:

According to the company's website, Jenburkt has applied to the Drugs Controller General of India for permission to introduce fixed dose formulations and is awaiting their clearance. During the current year, Jenburkt has filed dossiers for export of 28 products.

7. Transparency & Disclosure

7.1 Related Party Transactions

There are related party transactions with companies in which the directors are interested and this has been specifically stated in the Annual Report. Considering the size of operations of the company the amounts involved in the related party transactions are not significant.

Table 13 (Figures in Rs. lakhs)

Related Party Transactions 2013-14				
S. No.	Nature of Expenditure	Name of Person/Entity	Amount Paid	
			31-3-2014	31-3-2013
1.	Remuneration	Directors	105.74	98.24
2.	Dividend	Directors, Relatives and Associate Enterprise	90.84	73.90
3.	Rent	Associate Enterprise	37.80	30.00
4.	Security Deposit	Associate Enterprise	30.00	30.00

7.2 Annual Report

Adequate disclosures have been made in the Annual Report for the financial year ended 31st March, 2014 in accordance with the legal requirements.

7.3 Website Information

Jenburkt disseminates information through its website. The Annual Report, for the last 6 years, report on corporate governance, shareholding pattern and Financial Results are displayed for the information of investors. The details of products in different pharmaceutical categories are available for prospective customers. The details on the management, Code of Conduct for Board of Directors and Senior Management are also available.

Annexure 1

BALANCE SHEET			
A	EQUITY AND LIABILITIES	2013	2014
1	Shareholders' funds	Rs in lakhs	
	(a) Share capital	464.93	464.93
	(b) Reserves and surplus	1,800.17	2,265.73
		2,265.10	2,730.66
2	Non-current liabilities		
	(a) Long Term Borrowings	2.35	3.61
	(b) Deferred tax liabilities (net)	112.00	119.68
	(c) Other long-term liabilities	250.38	257.62
	(d) Long-term provisions	515.08	515.08
		879.81	895.99
3	Current liabilities		
	(a) Short-term borrowings	455.44	193.54
	(b) Trade payables	306.30	410.20
	(c) Other current liabilities	481.13	400.23
	(d) Short-term provisions	507.43	576.00
		1,750.30	1,579.97
	TOTAL EQUITY AND LIABILITIES	4,895.21	5,206.62
B	ASSETS	2013	2014
1	Non-current assets		
	(a) Fixed assets		
	(i) Tangible assets	1,416.60	1,354.85
	(ii) Intangible assets	6.04	2.20
	(iii) Capital work-in-progress		-
	(iv) Intangible assets under development		
		1,422.64	1,357.05
	(b) Non-current investments	31.21	31.21
	(c) Deferred tax assets (net)		
	(d) Long-term loans and advances		
	(e) Other non-current assets		0.30
		1,453.85	1,388.56
2	Current assets		
	(a) Current investments		
	(b) Inventories	771.64	650.34
	(c) Trade receivables	601.94	548.31
	(d) Cash and cash equivalents	1,140.75	1,674.80
	(e) Short-term loans and advances	42.77	30.89
	(f) Other current assets	884.28	913.71
		3,441.38	3,818.05
	TOTAL ASSETS	4,895.23	5,206.61

Annexure 1 Contd.

PROFIT & LOSS ACCOUNT		
	2013	2014
INCOME		Rs in lakhs
Revenue from operations (net)	6,934.25	7,622.45
Other income	111.95	161.17
TOTAL INCOME	7,046.20	7,783.62
EXPENSES		
Cost of materials consumed	664.92	649.75
Purchase of Stock in Trade	1,709.23	1,824.27
Stock Adjustment	(88.62)	77.07
Employee benefits expense	1,580.66	1,696.57
Other expenses	2,056.93	2,223.11
TOTAL EXPENSES	5,923.12	6,470.77
Profit / (Loss) before Interest, Depreciation & Amortisation, Exceptional items and Tax	1,123.08	1,312.85
Depreciation and amortisation expense	148.29	155.31
Finance costs	93.80	126.50
Profit / (Loss) before Interest, Depreciation & Amortisation, Exceptional items and Tax	880.99	1,031.04
Exceptional Items	1.39	1.85
Profit / (Loss) before Tax	882.38	1,032.89
Current tax expense	264.00	289.93
MAT Credit		
Deferred tax	(3.15)	(7.68)
	260.85	282.25
Profit / (Loss) after Tax	621.53	750.64
Earnings Per Share(Rs)		
Basic & diluted	13.37	16.15

Survey Report 8

COMFORT COMMOTRADE LIMITED

1 Company profile :

1.1 Incorporation

Comfort Commotrade Limited (CCL) was initially incorporated in Mumbai as "Comfort Commotrade Private Limited" on 5th November, 2007 under the Companies Act, 1956. It was subsequently converted into a public limited company.

It is engaged in the business of trading in commodities such as bullion (gold, silver), energy (crude oil, natural gas), metals, food grains (rice, maize), spices, oil and oil seeds and others and is a member of MCX and NCDEX

Promoters

The promoters are Mr. Anil Agrawal and Mrs. Annu Agrawal. They have significant experience in the field of finance, capital markets, business advisory and related activities. Mr Anil Agrawal is a Chartered Accountant. Mrs. Annu Agrawal is a graduate in Arts.

1.2 Financial Performance

CCL's revenue from operations decreased by nearly 50% from Rs.44.50 lakhs to Rs.22.80 lakhs. However, other income increased by nearly 50% from Rs.49.60 lakhs to Rs.89.27 lakhs. Although the revenue from operations has reduced, the PAT has increased mainly due to increase in other income and reduction in other expenses.

The EPS has recorded a significant increase from Rs.0.15 to Rs.0.47. The tangible assets have reduced from Rs 9.79 lakhs in 2012-13 to Rs.8.93 lakhs in 2013-14. The cash balance has increased significantly and is at Rs.1.66 crores. Although the long term loans and advances have decreased from Rs.9.10 crores to Rs.8.89 crores in 2013-14 they constitute a major component of the assets.

The equity shares are listed on the SME platform of Bombay Stock Exchange.

The financial statements are given in Annexure 1

1.3 Shareholding pattern

The shareholding pattern is given in Table 1 below. It is observed that the promoters hold 40% and public holds 52%. This indicates that its governance would be subject to public scrutiny as the promoters would not be able to pass a Resolution on their own.

Table 1

Shareholding Pattern as on 31-3-2014		
S. No.	Particulars	%
1	Indian Promoters	40.12
2	Bodies Corporate	7.65
3	Public	52.23
	Total	100

1.4 Employee Profile

The company has only a strength of 3 employees as on 31st March, 2014

2 Corporate Governance Philosophy:

CCL has stated its Corporate Governance Philosophy in its Annual Report, according to which CCL has stated its commitment to provide fair, transparent and equitable treatment to all its stakeholders. CCL has a set of rules that define the relationship between the stakeholders and the management and the way it operates. Governance includes the structure and the relationship which determine corporate direction and performance. Corporate governance is a journey towards sustainable value creation and is always an upward moving target. Corporate Governance has always been an integral and indispensable practice of conducting business for more than five years.

CCL has stated that it follows high standards of corporate governance practices which include:

- Non executive Directors on Board, representing around 83.33% of Board strength
- 3 Directors are independent directors and represent about 50% of the Board strength
- Consistent monitoring and improvement of the human and physical resources.
- Introducing regular checks and audits and continuous improvement in already well defined systems and procedures.
- Board/Committee meetings at regular intervals to keep the Board informed of the recent happenings.

According to the company's report on corporate governance one of the Whole Time Directors plays an important role in the implementation of corporate governance processes. He ensures that the Board procedures are followed and reviewed regularly and that all relevant information/ documents/ details are made available to Directors and Senior Managerial personnel (who are invited to attend the meeting) for effective decision making. All the Directors and Senior Managerial Personnel have access to the advice and services of the Whole Time Director.

2.1 Vision

The Vision statement has not been posted on its website.

2.2 Mission

The Mission statement has not been posted on its website.

2.3 Values

CCL has stated that its a value-driven organization and its values direct its growth and success. The value statement is as follows:

Integrity: Integrity is fundamental to the business. The company adheres to moral and ethical principles in everything it does. The reputation, based on the high standards of integrity, is invaluable.

Teamwork: The company believes extensive teamwork is what makes it possible to work together towards a common goal. The company values and respects each individual's commitment to group effort.

Client Focus: The company always puts the interest of its clients before its own. The company understands its client's needs, seek new opportunities for them and delivers unique solutions as per their expectations. The success of its clients is the biggest reward for the company.

Innovation: The company understands the client's needs and develops solutions for the most complex or the simplest, the biggest or the smallest transactions, whether for individuals, corporations or institutions. Creativity and innovation are behind the key essentials for everything the company does. It encourages new ideas which help it capture unique opportunities.

Implementation: The company's expertise, experience and continuous focus on the quality of execution ensure effective implementation of its strategies.

Performance: The company believes in development of its people and continuously hones their skills, setting higher targets of performance. The company strives to attract, develop and retain the best talent and it recognizes and rewards talent based on merit.

Partnership: The Company's relationship with all its stakeholders reflects its spirit of partnership. Clients see the company as trusted advisor, shareholders see the company as partners and employees see the company as family. The company respects, trust and supports all its stakeholders.

The company believes in demonstrating high level of accountability, maintaining high standards of transparency, timely disclosures and dissemination of price sensitive information, ensuring compliance with all applicable laws and regulations and conducting business in an ethical manner.

2.4 Code of Conduct

A Code of Conduct, has been formulated for the Board Members and Senior Management Personnel of the Company which is posted on the website. CCL believes in strengthening investors' trust and confidence, thereby ensuring a long-term partnership with them. CCL believes that good corporate governance enables the Board to direct and control the affairs of the company in an efficient manner. Based on this, the Board of Directors and senior management personnel of the Company has adopted the Code of Conduct as a guide to ethical business practices.

2.5 Environment, Health & Safety (EHS) Policy :

CCL has not made a statement of its Environment, Health & Safety Policy on its website.

3 Board Structure :

3.1 Composition of the Board

The Board comprises of 6 Directors of which one is an Executive Director and five are Non-Executive Directors. The Board comprises of Independent, professionally competent and acclaimed Non Executive Directors including one women Director. The table 2 below gives the list of directors as on 31st March, 2014.

Table 2

Directors as on 31 st March, 2014		
S. No.	Name	Designation
1	Mr. Anil Agrawal	Whole Time Director
2	Mr. Bharat Shiroya	Non Executive Non Independent
3	Mrs. Annu Agrawal *	Additional Director Non Executive Non Independent
4	Mr. Anil Nevatia	Independent
5	Mr. Sushil Jain	Independent
6	Mr. Jugal C. Thacker*	Additional Director

* Appointed on August 2, 2014

Profile of directors

Mr. Anil Beniprasad Agrawal, aged 53, is Whole Time Director. He is a Chartered Accountant and qualified Cost and Works Accountant from ICAI and ICWAI respectively. He has more than 30 years of experience in the field of finance, capital markets, business advisory and related activities. He is one of the trustees of Seth Govindaram Charitable Trust which carries out charitable activities in Mumbai. The Board has the advantage of his wide experience in the financial services field. He is responsible for overall management of business of the company. He has been a part of management of the company since incorporation and he is designated as Whole Time Promoter Director of the Company since 24th February, 2012.

Mr. Bharat Shiroya, aged 45, is the Non-Executive Non-Independent director. He is a an M.B.A from National Institute of Management. He has more than 19 years of experience in securities and financial services. He is qualified for derivatives trading on the stock exchange. He has been designated as the Director in 2007.

Mrs Annu Agrawal, aged 48 years is a Promoter, Non Executive Director. She is a Graduate and has more than 11 years experience in the field of capital market including market research, dealing & execution.

Mr. Anilkumar Shivkaran Nevatia, aged 52 years is an Independent Director of the Company. He has completed his graduation in commerce and is a fellow member of ICAI. He is a practicing Chartered Accountant since 1988. He has more than 27 years of experience in the field of commerce, finance, audit and taxation. As an Independent Director of the Company and Chartered Accountant by profession, he brings value addition to the Company. He has been appointed as an Independent Director of the Company since 16th April, 2012.

Mr. Sushil K. Jain, aged 55 years is an Independent Director. He is a Bachelor of Commerce and L.L.B. (Gen) and has successfully passed

intermediate course of Chartered Accountants from ICAI. He is a financial consultant since last 28 years. He has been appointed as Independent Director of the Company since 16th April, 2012.

Mr Jugal Chandrakant Thacker, aged 52 years is a qualified Chartered Accountant by profession and has experience in finance and investment Field.

3.2 Appointment of Company Secretary & Duties

CCL does not have a full time Company Secretary.

4 Board Processes :

4.1 Board Meetings

Board meetings are being conducted in compliance with the legal requirements. During the year 2013-14, six board meetings were held. The maximum time-gap between any two consecutive meetings did not exceed four months.

4.2 Frequency of Meetings

Table 3 below shows the frequency of Board Meetings. The Board meetings are being held with sufficient gap between 2 meetings.

Table 3

List of Board Meetings in 2013-14		
S. No.	Date	Gap in Months
1	30-05-2013	
2	17-08-2013	2
3	31-10-2013	2
4	09-11-2013	0
5	07-02-2014	2
6	18-02-2014	0

4.3 Attendance of Directors

The details of attendance of Directors at Board Meetings is given Table 4 below. It is seen that all directors were present at all meetings.

Table 4

Details of Attendance of Directors 2013-14			
S. No.	Name	Meetings Held	Meetings Attended
1	Mr. Anil Agrawal	6	6
2	Mr. Bharat Shiroya	6	6
3	Mrs. Annu Agrawal *	NA	NA
4	Mr. Anil Nevatia	6	6
5	Mr. Sushil Jain	6	6
6	Mr. Jugal C. Thacker*	NA	NA

* Appointed on August 2,2014.

4.4 Agenda of Board Meetings

The board meetings are scheduled well in advance and the notice of each board meeting is given in writing to all the directors. In case any of the Directors requires certain issues to be discussed he/she usually sends the detailed agenda together with the relevant annexure to each of the directors in advance through the company secretary. The Board reviews periodically reports confirming compliance with the laws applicable to CCL and steps taken by it to rectify instances of non-compliance, if any. Table 5 below shows the Items discussed at Board Meetings:

Table 5

Items Discussed	
Agenda Item	Frequency
Action Taken Report	Quarterly
Confirmation of Minutes of previous Board Meeting	Quarterly
Leave of Absence to Directors	As and when required
Annual operating plans and budgets, capital budgets and updates	Annual
Minutes of meetings of audit and shareholder's grievance committees	Quarterly
Strategic issues – Trading of commodities	Quarterly
Appointment/Acceptance of resignation of Independent Directors	As and when required
Non compliance, if any of regulatory, statutory or listing requirements as well as investor services	Quarterly
Any other	As and when required

5 Board Committees :

The Board has constituted the following Board committees of Directors:

- Audit Committee
- Shareholder's Grievance Committee

5.1 Composition of Audit Committee

The Audit Committee consists of one executive director & two independent directors which is in compliance sec 177 of the Companies Act 2013 and clause 52 of the listing agreement with the stock exchange. Table 6 below shows the Members of Audit Committee.

Table 6

Audit Committee Members – 2013-14		
S. No.	Name of the Director	Designation
1	Mr. Anilkumar Shivkaran Nevatia	Chairman-
2	Mr. Sushil K. Jain	Member
3	Mr. Anil Agrawal	Member

5.2 Director Attendance at Audit Committee Meetings

Audit Committee has met four (4) times during the financial year ended 31st March 2014. It is observed from Table 7 below that all directors were present at all meetings.

Table 7

Attendance of Directors 2013-14				
S. No	Date	Directors Present	Directors Absent	Total
1	30-05-2013	4	-	4
2	12-08-2013	4	-	4
3	09-11-2013	4	-	4
4	07-02-2014	4	-	4

5.3 Stakeholders' Relationship Committee

The composition of the stakeholders' relationship committee is given in Table 8 below

Table 8

Stakeholders' Relationship Committee Members 2013-14		
S. No.	Name of the Director	Designation
1	Mr. Bharat Shiroya	Chairman -Executive
2	Mr. Sushil K. Jain	Independent Member
3	Mr. Anil Agrawal	Executive Member

Role of Shareholders'/Investors' Grievance Committee

The terms of reference of Shareholders' / Investors' Grievance Committee as per Sec.178 of the Companies Act, 2013 are:

- The redressal of investors complaints viz. non-receipt of annual report, dividend payments etc.
- Matters related to share transfer, issue of duplicate share certificate, dematerializations.
- Also delegates powers to the executives of the Company to process transfers etc.

There are no outstanding complaints received from shareholders at the close of financial year and has no transfers are pending at the close of the financial year.

Composition and Attendance:

The Board has delegated the powers to approve transfer of shares etc., to this Committee of Three (3) Directors. The quorum for functioning of the committee is any two (2) directors present. The composition and attendance of shareholders / Investors Grievance Committee as on 31st March 2014 is given Table 10 below.

Table 10

Shareholders /Investors' Grievance Committee Members		
Name of the Member	Position	Category
Mr. Bharat N Shiroya	Chairman	Non Independent & Non Executive Director
Mr. Sushil K. Jain	Member	Independent & non Executive Director
Mr. Anil B Agrawal	Member	Non Independent & Executive Director

Four (4) meetings of the committee were held during the year, attended by all members of the Committee.

There are no outstanding complaints at the close of financial year which were received from shareholders during the year. The Company has no transfers pending at the close of the financial year.

6 Process Enablers

6.1 Internal Control System and Adequacy:

The Internal Control System has been designed to provide reasonable assurance that assets are safeguarded and, transactions are executed in accordance with authorizations. Further, these are properly recorded in the accounting system which is adequate for preparation of financial statements and other financial information. Internal checks are conducted on a periodical basis to ascertain the adequacy and effectiveness of internal control system. The management has put in place internal systems for review and monitoring of nonperforming assets and to take corrective action for effecting recoveries.

There was no reported case of non-compliance and/or levy of any penalties, imposition of strictures by the Stock Exchange or SEBI or any other statutory authority on any matter related to capital markets during 2013-14.

7 Transparency & Disclosure

7.1 Annual Report

Adequate disclosures have been made in the Annual Report for the financial year ended 31st March, 2014 in accordance with the legal requirements.

7.2 Related Party Transactions

No materially significant related party transactions were entered into by CCL with its Promoters or Directors, which could be deemed to be potentially conflicting with the interests of the company.

Related Party Transactions policy is framed as per the new amendments to Clause 52 of the Listing Agreement entered by the Company with the Stock Exchanges

Related Party Transactions during 2013-14 are given in Table 11 below.

Table 11

Related Party Transaction 2013-14						(Rs lakhs)
S. No.	Particulars	Key Managerial Personnel	Relatives of Key Managerial Personnel	Associates	Subsidiary	
A	Equity Contribution	-	-	-		41.71
	Shyam Trade Link PTE Ltd	-	-	-		0.62
	Anjali Tradelink FZE	-	-	-		41.09
B.	Rent Paid	1.14 (1.14)	-	-		-
	Anil Agrawal HUF	1.14. (1.14)	-	-		-
C.	Demat Charges Paid	-	-	0.01 (0.01)		-
	Comfort Securities Ltd	-	-	0.01 (0.01)		-

7.3 Website Information

The Annual Reports for the last 2 years, Financial Results, Shareholding Pattern Corporate Governance Report are available on the website. Detailed information on services offered by CCL for prospective customers is provided on the website .However, the information for customers needs to be updated.

Annexure 1

BALANCE SHEET			
A	EQUITY AND LIABILITIES	2013	2014
1	Shareholders' funds		Rs
	(a) Share capital	100,200,000	100,200,000
	(b) Reserves and surplus	5,418,383	7,779,788
		105,618,383	107,979,788
2	Non-current liabilities		
	(a) Long Term Borrowings		
	(b) Deferred tax liabilities (net)	160,259	221,803
	(c) Other long-term liabilities		
	(d) Long-term provisions		
		160,259	221,803
3	Current liabilities		
	(a) Short-term borrowings	365,306	
	(b) Trade payables	4,766,361	2,562,398
	(c) Other current liabilities	538,047	718,254
	(d) Short-term provisions	953,800	3,853,480
		6,623,514	7,134,132
	TOTAL EQUITY AND LIABILITIES	112,402,156	115,335,723
B	ASSETS	2013	2014
1	Non-current assets		
	(a) Fixed assets		
	(i) Tangible assets	979,921	893,861
	(ii) Intangible assets	1,800,000	1,600,000
	(iii) Capital work-in-progress		
	(iv) Intangible assets under development		
		2,779,921	2,493,861
	(b) Non-current investments	7,783,570	4,171,230
	(c) Deferred tax assets (net)		
	(d) Long-term loans and advances	91,401,945	88,967,109
	(e) Other non-current assets	935,039	701,280
		102,900,475	96,333,480
2	Current assets		
	(a) Current investments		
	(b) Inventories		
	(c) Trade receivables	239,511	863,374
	(d) Cash and cash equivalents	7,053,993	16,692,512
	(e) Short-term loans and advances	1,532,541	1,342,181
	(f) Other current assets	675,636	104,177
		9,501,681	19,002,244
	TOTAL ASSETS	112,402,156	115,335,724

PROFIT & LOSS ACCOUNT		
	2013	2014
INCOME		Rs.
Revenue from operations (net)	44,50,683	22,81,470
Other income	49,60,811	84,27,595
TOTAL INCOME	94,11,494	107,09,065
EXPENSES		
Cost of materials consumed		
Purchase of stock in trade		
Stock Adjustment		
Employee benefits expense	8,73,619	10,61,777
Other expenses	60,46,046	30,11,019
TOTAL EXPENSES	69,19,665	40,72,796
Profit / (Loss) before Interest, Depreciation & Amortisation, Exceptional items and Tax	24,91,829	66,36,269
Depreciation and amortisation expense	2,66,311	3,49,060
Finance costs	8,929	9,887
Profit / (Loss) before Interest, Depreciation & Amortisation, Exceptional items and Tax	22,16,589	62,77,322
Extraordinary Items		
Exceptional Items		
Profit / (Loss) before Tax	22,16,589	62,77,322
Current tax expense	9,53,800	15,08,900
Deferred tax	1,11,976	61,544
Prior years tax expense	42938	893
	11,08,714	15,71,337
Profit / (Loss) after Tax	11,07,875	47,05,985
Earnings Per Share(Rs)		
Basic & diluted	0.15	0.47

Survey Report 9

MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED

1 Company profile :

1.1 Incorporation

MITCON Consultancy & Engineering Services Ltd. (MITCON) was incorporated in 1982, as a technical consultancy organization, promoted jointly by ICICI, IDBI, IFCI, SICOM, MIDC, MSSIDC and various banks.

It provides a range of consultancy services and specializes in providing startup consultancy services to entrepreneurs from small and medium enterprises. It is a professionally managed company.

It is headquartered at Pune and has a presence across the country through its offices at Mumbai, New Delhi, Ahmedabad, Chennai, Bangalore and Nagpur.

It is an ISO 9001:2008 certified company,

1.2 Financial Performance

MITCON generated revenue from operations, of Rs.4049.06 lakhs in 2013-14, as compared to Rs. 4666.57 lakhs in 2012-13, which represents a 13.2% decrease over the previous year. The Profit after Tax was Rs.708.90 lakhs, as against Rs.991.79 lakhs in 2012-13, which was a drop of 29% . This is attributable to the overall recession in the economy. The summary of financials is given in Annexure 1.

The equity shares are listed on the on SME Platform (EMERGE) of National Stock Exchange. MITCON has received a "superior fundamental" rating by CRISIL.

1.3 Employee Profile

MITCON believes that Human Resources are its core strength. Its Human Resources philosophy is to establish and build a strong performance and competency driven culture with a sense of accountability and responsibility. It has taken pragmatic steps for strengthening organizational competency through involvement and development of employees as well as installing effective systems for improving the productivity, and accountability at functional levels.

In order update the employees' skills and knowledge, training is provided to them. The rationalization and streamlining of the workforce is a continuous process. The industrial relations were cordial throughout the year.

None of the employees was in receipt of remuneration of more than Rs.60 lakhs per annum or Rs. 5 lakhs per month (if employed for part of the year), except the Managing Director. At the end of the year, MITCON had 214 employees as shown in Table 1 below.

Table 1

Employee Profile during 2013-14		
S. No.	Category	Number of Employees
1	Professionals	132
2	Management Staff	18
3	Support Staff	64
	TOTAL	214

Employee cost as a % to net sales was 27.98% in 2013-14 as compared to 24.66% in 2012-13 due to fall in the revenue of the company in 2013-14 by 14%.

1.4 Shareholding pattern

The shareholding pattern is given in table 2 below. It is seen that there is no promoter holding and the shares are held by the financial

institutions and banks. The public holds 38.46% only and the institutions being the major shareholders, the governance structures would be extremely strong.

Table 2

Shareholding Pattern 2013-14		
S. No.	Particulars	%
1	Indian Promoters	0
2	Financial Institutions and Banks	56.23
3	Foreign Institutional Investors	1.24
4	Bodies Corporate	4.07
5	Others	38.46
	Total	100

2 Corporate Governance Philosophy :

MITCON believes that Corporate Governance signifies ethical business behavior in every sphere and with all constituents. This ethical business behavior can be ingrained in the character of the organization through tradition, value, systems and commitment to the later as much as the spirit of laws and regulations. Corporate Governance emerges as the cornerstone of the MITCON's governance philosophy of the trusteeship, transparency, accountability and ethical corporate citizenship.

In its endeavor to adopt the best Corporate Governance and disclosure practices, MITCON complies with the requirements of the Clause 52 of the Listing Agreement, entered with National Stock Exchange. A practicing Company Secretary's certificate in respect of its compliance with the Corporate Governance requirements has been obtained.

2.1 Vision

The vision statement demonstrates its commitment to total client satisfaction and enhancing stakeholders' value. The statement also includes its efforts to integrate environmentally responsible consulting

into the framework of every client's project to maximize value and reduce the environmental footprint. It is committed to contributing to the economic and environmental growth of the society. It believes in the fact that knowledge is everywhere but expertise lies within.

The vision statement is well drafted and provides a comprehensive perspective on the business and the environmental aspects also.

2.2 Mission

MITCON does not have a Mission statement

2.3 Values

MITCON does not have a Values statement

2.4 Code of Conduct

MITCON has formulated a Code of Conduct to enhance ethical and transparent process in managing the affairs. The Board and Senior Management Personnel are expected to understand, adhere to, comply with and uphold the provisions of this Code and the standards laid down therein. The Managing Director has confirmed the acceptance of code by all directors and senior management of the company.

2.5 Environment, Health & Safety (EHS) Policy

MITCON has formulated a Corporate Social Responsibility (CSR) Policy that addresses the social, environmental and economic needs of the marginalized/ underprivileged sections of the society. The CSR strategy is aligned with MITCON's vision and goals. MITCON adopts an approach that integrates the solutions to these problems into its corporate strategies so as to benefit these communities and thereby create social and environmental impact.

3 Board Structure :

3.1 Composition of the Board

MITCON's Board is a combination of Executive and Non-Executive Directors, to ensure independent functioning of the Board. The Board comprises of nine directors including a non-executive chairman. There are eight are non-executive Independent Directors & one Managing Director. The Composition of the Board is in conformity with Clause 52 of the listing agreement entered with the stock exchange and in fact far exceeds the percentages of independent directors prescribed in the above agreement.

Table 3

List of the Directors 2013-14			
S. No.	Name of the Director	Designation	Category
1	Mr. Anand T. Kusre	Chairman	Independent
2	Dr. Pradeep Bavadekar	Managing Director	Executive Director
3	Mr. Omprakash V. Bundellu	Director	Independent
4	Mr. Ashok Mahajan	Director	Independent
5	Mr. Gautam Meour	Director	Independent
6	Mr. S. Thiruvadi	Director	Independent
7	Mr. Ananta P. Sarma	Director	Independent
8	Mr. Vineet Suchanti	Director	Independent
9	Mr. Harkesh Kumar Mittal	Director	Independent

3.2 Profile of Directors

Mr. A. T. Kusre, Ex-Advisor, ICICI Bank Ltd. is the Chairman of the Company. He holds a Masters of Technology from Indian Institute of Technology, Bombay, Maharashtra. He has over 25 years of experience in technology development and commercialization. He specialises in providing mentorship and guidance to start-ups, organizing entrepreneurship development programmes and providing consultancy services to small and medium enterprises, sectoral case studies (especially in the field of bio-technology), covering growth technology issues and policies.

Dr. Pradeep Bavadekar, Managing Director, e has greatly contributed in expanding the business and operations of the Company. He holds a Masters of Business Administration in Marketing Management and a Ph. D. in Business Administration from University of Pune. He has over 30 years of work experience in the field of manufacturing, sales & marketing, management and technical consultancy.

Mr. Omprakash Venkatswamy Bundellu has more than 37 years of experience in commercial banking and development banking. He has all-round experience in the multifarious operations of Commercial Banking, International Banking and Treasury. He served as a Director of IDBI Home finance Limited. Mr. Bundellu holds a Bachelor's degree in Science from University of Mumbai and Master's degree in Science and financial management from University of Mumbai.

Lt. Col. Mahajan had a distinguished career in the Indian Army and has handled successfully several assignments in the army at various locations. He has a vast and rich experience in Administration, Management of Industrial Units, Human Resource Development and Training and Administration and monitoring of different sectors. He is a Graduate from the National Defence Academy, Khadakwasla and Indian Military Academy, Dehradun and has a post graduate diploma in Personnel Management, International Trade and in Computers.

Mr. Gautam Meour serves as the General Manager of IFCI Limited and served as its Vice President. Mr. Meour serves as a Director of I C Textiles Limited. He served as an Independent Non-Executive Director at Punjab Alkalies and Chemicals Ltd., since February 13, 2012 until February 12, 2014. He served as an Independent Non Executive Director of LML Ltd. until July 31, 2009.

Mr. Ananta P. Sarma, Managing Director and CEO, SIDBI Venture Capital Limited, is a B.Tech (Mechanical Engineering) from IIT Kharagpur and Certified Associate of the Indian Institute of Banking and Finance. He is having over 30 years of experience in banking and industry. He started his career with Tata Motors Limited in 1982. He joined IDBI Bank Limited in 1988 and was part of its Venture Capital, Technology upgradation and Energy Conservation team for 10 years and later in the Corporate Advisory and Merchant Banking team. He was also Executive Vice President and Head of Investment Banking at IDBI Capital Market Services Limited. He has led SIDBI Venture Capital Ltd's efforts to obtain financial closure of India Opportunities Fund targeting investment in Micro Small and Medium Enterprises and establishment the Samridhi Fund targeting investment in socially relevant ventures in the underserved states of India.

Mr. S. Thiruvadi, Managing Director, Canbank Venture Capital Fund Limited, is an Engineering Graduate with additional qualifications of MBA (Banking & Finance) and Certified Associate of Indian Institute of Bankers. He brings with him an experience of over 30 years in banking with exposure in Corporate Credit, Project Finance, Loan Syndication, SME Portfolio, Export/Import Credit, General Banking and VC/PE Industry. Presently he is on the Board of several other Companies.

Mr. Vineet Suchanti, Managing Director, Keynote Corporate Services Limited, holds a Masters of Business Administration and Bachelors degree in Commerce. He has over 13 years of experience in Investment Banking and Capital Markets. He has worked on successfully raising Debt and Equity for over 200 mid-market Indian companies. On the Debt side, he has been involved with various fund

raising transactions in the form of Term Finance, Asset Finance, Debentures, External Commercial Borrowings, Trade Finance etc. On the Equity side, he worked on the transactions like Private Equity, IPOs and PIPE. He was also involved in the formation of one the first Real Estate Venture Capital Fund in India. He is regular contributor to leading financial journals/media on views relating to Investment Banking and Capital Markets.

Dr. Harkesh Kumar Mittal is an Honorary Advisor at 91SpringBoard. Dr. Mittal serves as Advisor and Head of G.O.I. Ministry of Science and Technology. Dr. Mittal is an Advisor and member Secretary at National Science & Technology Entrepreneurship Development Board (NSTEDB); Secretary for Technology Development Board (TDB) of Indian govt. He provides financial and institutional assistance to technologists for commercializing their tech/research.

4 Board Processes:

The Board meets at least once a quarter. Board meetings are governed with a structured agenda and all major agenda items, backed up by comprehensive background information, are generally sent well in advance to the directors to enable them to participate effectively at the meetings and to discuss and decide on business policy/and strategy apart from other Board business such as reviewing the quarterly performance and financial results. The Directors can recommend the inclusion of any matter for discussion in consultation with the Chairman. The Controller of Finance is normally invited to the Board meetings to provide necessary insights into the financial performance and provide insights in developing corporate strategies. The minutes of the meetings of the Board are individually circulated to all directors and confirmed at the subsequent Board Meeting. The finalized copies of the Minutes of the various Committees of the Board are also individually given to the members and thereafter tabled at the subsequent Board Meeting for the Board's view thereon.

4.1 Frequency of Meetings

Details of Board Meetings are given Table 4 below

Table 4

Details of Frequency of Board Meetings 2013-14		
S. No.	Date of Meeting	Gap between Meeting
1	07/06/2013	
2	12/07/2013	0
3	11/09/2013	2
4	07/10/2013	0
5	28/10/2013	0
6	30/12/2013	1
7	07/03/2014	2

4.2 Attendance of Directors

Attendance of Directors at the 7 Board Meetings held during 2013-14 is shown in Table 5 below

Table 5

Details of Attendance of Directors 2013-14				
S. No.	Name of the Director	Meetings Held	Meetings Attended	Meetings Absent
1	Mr. Anand T. Kusre	7	7	0
2	Dr. Pradeep Bavadekar	7	7	0
3	Mr. Omprakash V. Bundellu	7	5	2
4	Mr. Ashok Mahajan	7	6	1
5	Mr. Gautam Meour*	7	0	7
6	Mr. S. Thiruvadi**	7	1	6
7	Mr. Ananta P. Sarma**	7	1	6
8	Mr. Vineet Suchanti	7	1	6
9	Mr. Harkesh Kumar Mittal	7	-	7
10	Mr. M. V. Ashok [#]	7	-	7
11	Mr. Surajit Roy ^{##}	7	2	5

*Appointed with effect from 30th December, 2013

** Appointed with effect from 27th March, 2014

#Resigned as a Director of the Company w.e.f. 12th July, 2013

##Resigned as a Director of the Company w.e.f. 30th Dec., 2013

Table 6 below shows the Items discussed at Board Meetings.

Table 6

Items Discussed	
Agenda Item	Frequency
Action Taken Report	Quarterly
Confirmation of Minutes of previous Board Meeting	Quarterly
Leave of Absence to Directors	As and when required
Annual operating plans and budgets, capital budgets and updates	Annual
Minutes of meetings of audit and shareholder's grievance committees	Quarterly
Strategic issues	Quarterly
Appointment/Acceptance of resignation of Independent Directors	As and when required
Non compliance, if any of regulatory, statutory or listing requirements as well as investor services	Quarterly
Any other	As and when required

5 Board Committees :

- Audit Committee
- Remuneration Committee
- IPO Committee
- Shareholders'/Investors' Grievance Committee

5.1 Audit Committee

The constitution, role and the powers of the Audit Committee of the are as per the guidelines set out in the Listing Agreement entered with Stock Exchange and the provisions of Section 177 of the Companies

Act, 2013. The Committee also acts as a link between the Statutory and Internal Auditors and the Board of Directors. It reviews the various reports placed before it by the Management and also addresses the larger issues. It examines and considers those facts that could be of vital concern including adequacy of internal controls, reliability of financial statements and other management information, adequacy of provisions and adequacy of disclosures and compliance with all relevant statutes.

The terms of reference of the Audit Committee is according to section 177 (4) of the Companies Act 2013.

As on 31st March 2014, the Audit Committee comprised of all independent directors as shown in Table 7 below

Table 7

Audit Committee Members		
S. No.	Name of the member	Designation
1	Mr. Anand T. Kusre	Chairman
2	Mr. Omprakash V. Bundellu	Member
3	Mr. Ashok Mahajan	Member

Attendance of Directors

The Audit Committee meetings are usually attended by the Managing Director, Controller of Finance, the representatives of Statutory Auditors and Internal Auditors as and when necessary.

The Company Secretary acts as a Secretary of the Committee.

The dates on which the Audit Committee Meetings were held and the attendance of the Members at the said meetings is as shown in Table 8 below

Table 8

Attendance of Directors Audit Committee 2013-14				
S. No	Date	Directors Present	Directors Absent	Total
1	12/07/2013	2	1	3
2	07/10/2013	2	1	3
3	27/03/2014	3	0	3

5.2 Remuneration Committee

The terms of reference of the Remuneration Committee includes the following:

Appointment, re-appointment, determination, fixation of the remuneration (including salaries and salary adjustments, incentives/benefits bonuses, stock options) and revision in the remuneration payable to the Managing Director from time to time. Compensation and performance targets.

Other key issues/matters as may be referred by the Board or as may be necessary in view of the provisions of the Listing Agreement or any statutory provisions.

As on 31st March, 2014, the Committee comprises of the Members shown in Table 9 below:

Table 9

Remuneration Committee Members 2013-14		
S. No.	Name of the member	Category
1	Mr. Anand T. Kusre	Chairman - Non Executive - Independent
2	Mr. Omprakash V. Bundellu	(Member) Non Executive - Independent
3	Mr. Ashok Mahajan	(Member) Non Executive - Independent
4	Mr. Harkesh Kumar Mittal	(Member) Non Executive - Independent

Remuneration Policy aims to assess employee performance based on the skills and performance of the individual employees. The company has developed remuneration package which endeavors to attract, retain, harness and motivate the work force.

During the year under review, no committee meeting was held.

5.3 IPO Committee

The Board had constituted this committee to oversee the matters related to Initial Public Offering. As on 31st March 2014, the IPO Committee comprised of the members as shown in Table 10 below:

Table 10

List of IPO Committee Members		
S. No.	Name of the member	Category
1	Mr. Anand T. Kusre	(Chairman) Non Executive - Independent
2	Dr. Pradeep Bavadekar	(Member) Managing Director
3	Mr. Omprakash V. Bundellu	(Member) Non Executive - Independent
4	Mr. Ashok Mahajan	(Member) Non Executive - Independent

The IPO committee meetings are usually attended by the Controller of Finance and the Company Secretary.

The dates on which the IPO Committee Meetings were held and the attendance of the Members at the said meetings are is given in Table 11 below:

Table 11

Attendance of Directors - IPO Committee 2013-14				
S. No	Date	Directors Present	Directors Absent	Total
1	16/08/2013	4		4
2	10/12/2013	3	1	4

5.4 Shareholders'/Investors' Grievance Committee

The Board has constituted Shareholders' /Investors' Grievances Committee of Directors to look into the redressal of complaints of investors such as transfer or credit of shares to Demat accounts, non-receipt of dividend/notices/annual reports etc as per clause 52 of the listing agreement. The Shareholders/Investors Grievance Committee deals with various matters relating to: -

1. To approve and register transfer and/ or transmission of all classes of shares;
2. Redressal of shareholders and investor complaints e.g. transfer of shares, non receipt of balance sheet/ annual report, non-receipt of declared dividend, interest, notices etc.;
3. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
4. To sub-divide, consolidate and issue duplicate share certificates on behalf of our Company; and
5. To do all such acts, things, or deeds as may be necessary or incidental to the exercise of the above powers.

As on 31st March, 2014, the Committee consists of the Members as shown in Table 12 below :

Table 12

Shareholders' /Investors' Grievance Committee Members 2013-14		
S. No.	Name of the member	Category
1	Mr. Anand T. Kusre	(Chairman) Non Executive - Independent
2	Dr. Pradeep Bavadekar	(Member) Managing Director
3	Mr. Omprakash V. Bundellu	(Member) Non Executive – Independent
4	Mr. Ashok Mahajan	(Member) Non Executive – Independent

Composition and attendance:

During the year under review, the meeting of the shareholders'/ Investor's Grievance Committee was held on 27th March, 2014 in which all members were present.

Mr. Madhav Oak, Company Secretary is the Compliance Officer effective from 1st November, 2014.

Requests/Grievances/complaints received & resolved for the period from 1st November, 2013 to 31st March, 2014 are 2.

6 Process Enablers

6.1 Process Manuals

MITCON has ISO 9001, QS9000, TS 16949, EMS 14001 I OHSAS I HACCP Certification and operates under the requisite process manuals.

6.2 Internal Control System and Adequacy

MITCON has an adequate internal control system commensurate with the size of the company and the nature of its business. It also has internal control system for speedy compilation of accounts and Management Information Reports and to comply with applicable laws and regulations.

6.3 Whistle Blower Policy

According to the statutory auditor's report, MITCON believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. MITCON is committed to developing a culture where it is safe for all directors and employees to raise concerns about any poor or unacceptable practice and any event of misconduct. The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects

directors/employees wishing to raise a concern about serious irregularities within the company.

7 Transparency & Disclosure

7.1 Annual Report

Adequate disclosures have been made in the Annual Report for the financial year ended 31st March, 2014 in accordance with the legal requirements.

7.2 Related Party Transactions

Related party transactions are not significant as given in Table 13 below:

Table 13

Related Party Transactions 2013-14			
S. No.	Nature of transactions/ relationship / Name of No. Related Party	2013-14 Rs Lakhs	2012-13 Rs Lakhs
1	Salary */ perquisites / dividend Key Management Personnel (KMP) Dr. Pradeep Bavadekar Remuneration Dividend	74.65 5.60	73.51 1.75
2	Transaction / Expenses incurred on behalf of MITCON Foundation Transaction/Income received from MITCON Foundation	34.08 12.46	28.11 --
3	Guarantees given outstanding as on 31st March, 2014 MITCON Foundation	--	788.20
4	Accounts Receivable Outstanding as on 31st March, 2014 MITCON Foundation Against Sale of Land	212.73	212.73
5	Accounts Payable Outstanding as on 31st March, 2014 Dr. Pradeep Bavadekar Remuneration Payable	1.23	12.13

As per the report of the statutory auditors, the guarantee given by the company in earlier year to a bank for loan taken by MITCON Foundation, a Trust promoted by the Company, has been cancelled on repayment of said loan by MITCON Foundation.

7.3 Website Information

MITCON has a web site through which it disseminates information on its activities to its various stakeholders. The Annual Reports for the last 2 years, corporate governance reports, Code of Conduct for the Board of Directors, Quarterly financial performance shareholding pattern, investor services etc. are available on the website. Detailed technical profile is available for the services provided by the Company to its Customers. The information disclosed on the website is adequate.

Annexure 1

BALANCE SHEET			
A	EQUITY AND LIABILITIES	2013	2014
1	Shareholders' funds		Rs
	(a) Share capital	5,000,000	121,000,000
	(b) Reserves and surplus	555,134,296	710,015,047
		560,134,296	831,015,047
2	Non-current liabilities		
	(a) Long Term Borrowings		
	(b) Deferred tax liabilities (net)	22,015,301	26,302,462
	(c) Other long-term liabilities	1,978,116	1,764,668
	(d) Long-term provisions	-	3,768,113
		23,993,417	31,835,243
3	Current liabilities		
	(a) Short-term borrowings		
	(b) Trade payables	47,876,528	43,297,338
	(c) Other current liabilities	14,508,845	21,023,216
	(d) Short-term provisions	11,685,734	16,840,661
		74,071,107	81,161,215
	TOTAL EQUITY AND LIABILITIES	658,198,820	944,011,505
B	ASSETS	2013	2014
1	Non-current assets		
	(a) Fixed assets		
	(i) Tangible assets	179,676,181	218,493,720
	(ii) Intangible assets	13,030,674	19,833,501
	(iii) Capital work-in-progress		1,800,234
	(iv) Intangible assets under development		
		192,706,855	240,127,455
	(b) Non-current investments	75,000	
	(c) Deferred tax assets (net)		
	(d) Long-term loans and advances	25,728,892	20,319,434
	(e) Other non-current assets	32,890,943	22,652,117
		251,401,690	283,099,006
2	Current assets		
	(a) Current investments	36867138	246,798,013
	(b) Inventories	3,380,245	3,651,089
	(c) Trade receivables	143,694,154	161,574,764
	(d) Cash and cash equivalents	204,207,580	197,905,858
	(e) Short-term loans and advances	18,599,451	50,849,822
	(f) Other current assets	48,562	132,953
		406,797,130	660,912,499
	TOTAL ASSETS	658,198,820	944,011,505

Annexure 1 Contd.

PROFIT & LOSS ACCOUNT		
	2013	2014
INCOME		Rs
Revenue from operations (net)	466,657,354	404,906,737
Other income	20,398,279	22,967,976
TOTAL INCOME	487,055,633	427,874,713
EXPENSES		
Operating Costs	139,790,991	116,366,140
Employee benefits expense	115,088,312	113,293,861
Other expenses	76,900,866	78,494,487
TOTAL EXPENSES	331,780,169	308,154,488
Profit / (Loss) before Interest, Depreciation & Amortisation, Exceptional items and Tax	155,275,464	119,720,225
Depreciation and amortisation expense	15,075,493	16,171,020
Finance costs	529,991	871,820
Profit / (Loss) before Interest, Depreciation & Amortisation, Exceptional items and Tax	139,669,980	102,677,385
Extraordinary Items		
Exceptional Items		
Profit / (Loss) before Tax	139,669,980	102,677,385
Current tax expense	44,000,000	27,500,000
Deferred tax	(3,508,608)	4,287,161
	40,491,392	31,787,161
Profit / (Loss) after Tax	99,178,588	70,890,224
Earnings Per Share(Rs)		
Basic & diluted	12.4	7.3

Survey Report 10

R J BIO-TECH LIMITED

1. Company profile :

1.1 Incorporation

R J Bio-Tech Limited is a group company the of R J Group based in Aurangabad (Maharashtra), founded by Mr. Raghavendra Joshi, a first generation entrepreneur. R J Bio-Tech Limited, was incorporated in 2005, under the Companies Act 1956, as an agri-biotechnology company. It was converted into a public company from a private company in 2012.

R J Bio-Tech Limited, commercially launched its products in 2008, after three years of in-house intensive research. In a span of three years, the company is dealing with 31 field crops and 42 vegetable crops, as its proprietary products and is operating in ten states. The sales are managed through a strong network of dealers and channel distributors that ensure timely delivery to millions of Indian farmers.

RJ Biotech has a technology collaboration with reputed companies for various crops. Its research laboratories are located at Aurangabad and Hyderabad and are backed by experienced scientists. It has developed a systematic and rigorous testing protocol and also follows a stringent quality assurance system. It has established a leadership position in chilly, tomato, okra and watermelon hybrids. It has identified a unique hybrid in Bt Cotton and has successfully developed high yielding hybrids in bajra and maize, and three hybrid varieties in paddy.

R J Bio-Tech Limited has developed a strong association with farmers and leverages the established market of its sister company, Maruti Fertochem Ltd., which is engaged in manufacturing and supply of fertilizers. The future thrust areas have been identified as the development of products with long shelf-life, better productivity and

multiple disease resistance, which will be sustainable under various agro climatic conditions. However, the new technology seeds are genetically modified seeds, and these could affect company's image as these seeds have received negative publicity, and many countries have enacted laws that prohibit the use of genetically modified seeds in farming.

Since the performance of the industry is heavily dependent on monsoons, major fluctuations in total rainfall and its distribution affect the crop acreages and overall productivity and have a direct correlation with sales. Further, the farmers' willingness and ability to spend will be an important driver for demand generation. Strong support prices and increased availability of credit will ease the pressure on the farming community.

Promoters

The promoters are Mr. Raghavendra Joshi, Mrs. Meena Joshi and Mr. Shashikant Shastri. They have experience in various businesses including poultry, rubber and agriculture.

1.2 Financial Performance

R J Bio-Tech Limited has recorded a spectacular performance, in 2013-14, as revenue from operations has increased by 44% i.e. from Rs.19.85 crores to Rs. 28.68 crores. During the same period, the ratio of total expenditure to sales has remained unchanged, indicating that the company has been able to increase its margins. Although substantial expenditure is being expended on Research and Development activities the operating profit has increased by 51.24 % i.e. from Rs.3.64 crores to Rs.5.51 crores, and the profit before tax increased by 120% i.e. from Rs.13.05 crores to Rs.28.72 crores. The profit after tax was the same as profit before tax as the company has paid zero tax. Earnings per share increased from Rs.1.94 to Rs.3.48 and book value increased from Rs.20.70 to Rs.23.53

Since the company has an exposure to the dollar, the rupee dollar fluctuations could impact margins in future. The rising crude prices could also have an impact on the costs and prices of various products. In the year 2013, R J Bio-Tech Limited became the first seed company to get its shares listed on the SME platform of Bombay Stock Exchange (BSE). The summary of financials is given in Annexure 1.

1.3 Employee Profile:

R J Bio-Tech Limited has employed more than 140 employees (previous year more than 110 employees) as of end 2013-14. It enjoys cordial relations with its employees and workers. The company conducts various training programmes for its employees, for their development, motivation and engagement. The wage agreement is being renewed periodically, on mutually acceptable terms & conditions. The company encourages employees' participation in implementation of suggestions to bring about improvements in quality and productivity across all locations. It has been hiring employees in line with their growth strategy. During the previous 2-3 years, the company has been hiring employees in the marketing and R&D Dept, in order to strengthen product research and business development. The company has a stringent recruitment and selection process coupled with a strict performance review system and a well defined appraisal system for recognition of talented and deserving employees. The appraisals are also used as a basis for identifying the weaknesses to provide training facilities to improve overall performance.

2. Corporate Governance Philosophy :

R J Bio-tech is committed to good corporate governance and adopts best management practices, because it believes that, effective corporate governance practices constitute a strong foundation on which successful commercial enterprises are built. The company recognizes that strong corporate governance is indispensable in resilient and vibrant capital markets

and is, therefore, an important instrument of investor protection. R J Bio-tech, therefore, continues to remain committed to a corporate culture of integrity, fairness, transparency, accountability and responsibility for efficient and ethical conduct of its business.

2.1 Objectives

The company's objectives are to develop proprietary hybrids in fibre crops like cotton, cereal crops like paddy, maize, bajra etc. and vegetable crops. It has stated its commitment to "fulfill the needs of tomorrow", as its corporate objective.

2.2 Vision

The vision statement is not available on the website.

2.3 Mission

The mission statement is not available on the website.

2.4 Values

R J Bio-Tech Limited does not have a values statement.

2.5 Environment, Health & Safety(EHS) Policy:

R J Bio-Tech Limited is maintaining the best environmental, health and safety standards at the work place however there is no stated policy.

2.6 Corporate Governance Code:

R J Bio-Tech Limited has been continuously following the best practices in Corporate Governance while ensuring the protection of the rights and interests of all its stakeholders. As required by Clause 49 of the Listing Agreement, the Company Secretary submits a Report on Corporate Governance to the Stock Exchanges every quarter. It also obtains a Compliance Certificate required under Section 203 of the Companies Act, 2013, from the Practicing Company Secretary which ensures all the requisite compliances in the financial year, are

obtained. R J Bio-Tech Limited places great importance on its investors and customers. It periodically reviews its corporate governance practices. A code of conduct has been formulated for the Board Members and Senior Management Personnel of the company. The Code has been posted on the company's Website. The Managing Director has also signed a declaration that all the Directors and concerned Executives have affirmed compliance with the Code.

3. Board Structure :

3.1 Composition of the Board

The Board of Directors provides leadership and guidance to its management and employees, and plays a vital role in guiding the operations of the company. The Board has fiduciary responsibilities in protecting the inalienable rights of stakeholders and their interests. The Board consists of six directors comprising of three Non-Executive Directors and three Independent Directors, of which, the Chairman is Non-Executive. The composition of the Board is given in Table 1 below:

Table 1

List of the Directors as on 31-3-2014		
S. No.	Name	Designation
1	Mr. Raghavendra Shripatrao Joshi	Chairman, Non Executive, Non-independent
2	Mr. Shashikant Vinayakrao Shastri	Non Executive, Non-independent Director
3	Mrs. Meena Raghavendra Joshi	Non Executive Director, Non-Independent
4	Mr. Anil Vasant Dharmadhikari	Non Executive Director, Non-independent
5	Mr. Chandra Prakash Tripathi	Independent
6	Mr. Balaji Prithviraj Singh	Independent

Profile of Directors

Mr. Raghavendra Joshi is the non executive chairman of the board. He is a Bachelor in Civil Engineering. He is a first generation entrepreneur and has experience of more than twenty five years. He has established diversified businesses viz. Hatcheries, Fertilizers, Seeds, Infrastructure and education.

Mr. Shashikant Vinayakrao Shastri is the promoter of the company. Since inception, he has been actively involved in operations and day to day management. He is a diploma holder in Mechanical Engineering and has rich experience in Product Costing, Vendors Development, Material Requirement, Planning and Purchase activities. Mr. Shastri is actively involved in developing the market for R J Bio-Tech Limited.

Mrs. Meena Raghavendra Joshi is a promoter member of the company. She holds a Master's degree in Science (Chemistry). Mrs. Joshi looks after the HRD and welfare activities of the R J Group. Mrs. Joshi is a philanthropist and is actively involved in many social activities, also. She is the trustee of the Arya Chanakya Vidyalaya school.

Mr. Anil Vasant Dharmadhikari is an Independent Director of the company. He is also member of Audit Committee, Stakeholders Relationship Committee and other Board committees. Mr. Dharmadhikari has done his B.Sc. in Biology from Pune University. He has more than three decades of experience in banking Industry. He has worked with many scheduled Co - operative Banks such as Saraswat Bank, Malkapur Urban Co - op Bank Ltd, Ajantha Urban Co - op Bank Ltd, Punjab & Maharashtra Co - op Bank Ltd and Vaidyanath Urban Co - op. Bank Ltd.

Mr. Chandra Prakash Tripathi is an Independent Director of the company. He is also member of Audit Committee, Stakeholders Relationship Committee and other various committees of the company. Mr. Tripathi is a Mechanical Engineer from IIT, Kharagpur. He is the President of Kamalnayan Bajaj Hospital. He has worked with Escorts Limited as Chief General Manager. He has worked with Bajaj Auto

Limited as Vice President. He is widely respected in the auto industry and is the recipient of Dr. Ram Rathi Rolling Trophy for the best CEO for QC (Quality Circle) movement in India.

Mr. Balaji Prithviraj Singh is an Independent Director of the company. He is also a member of Audit Committee, Stakeholders Relationship Committee and other various committees of the company. Mr. Singh is a Practicing Chartered Accountant by profession and has more than 15 years of experience in the field of accounts and finance. Before taking up practice he has worked with Aurangabad Motor Manufacturing Limited as Assistant Manager (Finance).

3.2 Appointment of Company Secretary & Duties

R J Bio-Tech Limited has a full time Company Secretary looking after legal and secretarial matters as per Section 203 of the Companies Act, 2013.

4 Board Processes :

4.1 Frequency of Meetings

During the financial year 2013-14, eleven meetings were held. The details are given in Table 2 below:

Table 2

List of Board Meetings in 2013-14		
S. No.	Date	Gap in Months
1	02-05-2013	
2	30-07-2013	1
3	28-08-2013	0
4	02-09-2013	0
5	16-09-2013	0
6	20-09-2013	0
7	26-10-2013	0
8	28-10-2013	0
9	23-12-2013	1
10	03-02-2014	1
11	31-03-2014	0

4.2 Attendance of Directors

A summarized attendance of the Board members at the meetings is given in Table 3. It is seen that all directors have attended all meetings.

Table 3

Details of Attendance of Directors 2013-14			
S. No.	Name	Meetings held	Attended
1	Mr. Raghavendra Shripatrao Joshi	11	11
2	Mr. Shashikant Vinayakrao Shastri	11	11
3	Mrs. Meena Raghavendra Joshi	11	11
4	Mr. Anil Vasant Dharmadhikari	11	11
5	Mr. Chandra Prakash Tripathi	11	11
6	Mr. Balaji Prithviraj Singh	11	11

4.3 Agenda of Board Meetings

The agenda of the meetings and the frequency of consideration by the Board has been given in Annexure 2.

It can be observed from the Agenda Items that the Board has given due importance to the discussion of the quarterly results both operational and financial. The strategic issues are being discussed as necessary. The Board also seems to be placing importance on the legal compliances and operational results.

5 Board Committees :

5.1 Constitution of Audit Committee

The Audit Committee consists of three directors, all of whom are Non-executive Directors and Independent Directors. The Audit Committee Chairman is Mr. Balaji Prithviraj Singh and Mr. Chandra Prakash Tripathi and Mr. Anil Vasant Dharmadhikari are members of the same. Mr. Mitesh Girish Gadhiya, and Company Secretary is the Secretary of

the Audit Committee. Audit Committee is formed in accordance of clause 52 of Listing Agreement and also Section 177 of Companies Act, 2013 and the gap between two meetings did not exceed four months.

5.2 Composition of Audit Committee

Composition of Audit Committee is shown in Table 4 below::

Table 4

List of Audit Committee members		
S. No.	Name of the member	Status
1	Mr. Balaji Prithviraj Singh	Chairman
2	Mr. Chandra Prakash Tripathi	Member
3	Mr. Anil Vasant Dharmadhikari	Member

5.3 Director Attendance

Four meetings of the Audit Committee were held in 2013-14 . Details of attendance of the members is shown in table 5 below.

Table 5

Details of Attendance of Audit Committee				
S. No.	Name of the member	Meetings Held	Meetings Attended	Meetings Absent
1	Mr. Balaji Prithviraj Singh	4	4	0
2	Mr. Chandra Prakash Tripathi	4	4	0
3	Mr. Anil Vasant Dharmadhikari	4	4	0

5.4 Audit Committee Meeting - Agenda

The Audit Committee reviewed the information as detailed in Table 6 below:

Table 6

List Of Items Reviewed At Audit Committee Meetings	
S. No	Item
1	Management discussion and analysis of financial condition and results of operations.
2	Statement of significant related party transactions (as defined by the audit committee), submitted by management.
3	Management letters / letters of internal control weaknesses issued by the statutory auditors
4	Internal audit reports relating to internal control weaknesses;
5	The appointment, removal and terms of remuneration of the chief internal auditor

5.5 Stakeholders' Relationship Committee:

The Board has constituted a stakeholders' relationship committee to resolve the complaints of the shareholders under Sec 178 of the Companies act 2013. The committee comprises of all Independent Directors, and Mr. Chandra Prakash Tripathi is the Chairman. Mr. Mitesh Girish Gadhiya, Company Secretary cum Compliance Officer assists the Committee in resolving shareholders' complaints and acts as secretary to the committee.

Constitution of the Committee: Table 7 below shows the members of the Committee.

Table 7

List of Stakeholders' Relationship Committee members		
S. No.	Name of the member	Role
1	Mr. Chandra Prakash Tripathi	Chairman
2	Mr. Balaji Prithviraj Singh	Director

6 Process Enablers

6.1 Organization Structure

The Company adopts employee performance review system. Each employee is given Key Review Areas (KRA's) based on his department and functional role on which his performance will be assessed on a half yearly basis. These appraisals form a basis for identifying the shortcomings and provide training facilities to improve his overall performance. According to the management, the company also has well defined appraisal system in place for recognition of talented and deserving employees, which includes line and staff function personnel.

6.2 Process Manuals

R J Bio-Tech Limited has focused on its R & D activities for three years and launched its proprietary products in 2008. Presently the Company deals in 31 field crops and 42 vegetable crops as its proprietary products. According to the management, Research and Development is an ongoing activity at R J Bio-Tech Limited.

6.3 Internal Control Systems:

According to the report of the statutory auditors, the internal control system is commensurate with the size, scale and complexity of its operations. All operations are ERP enabled. According to the management, the operations in different geographies, are in conformance with the respective legal and regulatory framework.

The in-house internal audit team plans the audit schedule of all plants, subsidiaries and depots. The schedule is worked out on the basis of their assessment of risk prone areas and is done to ensure that all the assets of the company are protected against loss arising out of frauds. It also ensures that the transactions are properly authorised and recorded in the books of the company. Apart from the in-house team, external professionals are also engaged to ensure compliance with all statutory requirements. The Audit Committee of the Board is informed regularly about the significant findings of the internal audit in various locations and functions. The Audit Committee reviews the internal audit plan at the beginning of every year and ensures the coverage of most of the functions and locations with a view to mitigate the risks. The periodic report prepared by internal audit team forms the basis of certification by the Managing Director and Chief Financial Officer for financial reporting as required under Clause 52 of the Listing Agreement.

6.4 Code of Conduct for Employees

R J Bio-Tech Limited has formulated a code of conduct for the Board of Directors and Senior Management to ensure that integrity and respect serve as the overarching principles for the conduct of its business. The code has been put up on the website and is shared with its customers and all its business partners. The same has been confirmed by the Chief Executive Officer of the company.

7 Transparency & Disclosure

7.1 Annual Report

Adequate disclosures have been made in the Annual Report in accordance with the legal requirements.

7.2 Related Party Transactions

Table 8 below shows the related party transactions. The amounts are very insignificant compared to sales.

Table 8

(Rs. in Lakhs)

Related Party Transactions		
Particulars	Key Management Personnel	Other Related Parties
Repairs & Maintenance - Expenses	-	0.58
Loans Taken	3.16	371.00
Loans Repaid	3.16	431.55
Loans Outstanding as at 31.03.2014		
Name of Party	Nature	
Mrs. Meena R. Joshi	Key management	98.00

According to the report of the statutory auditors –

"During the year under review, the company has given unsecured loan, to a company listed in the register maintained u/s 301 of the erstwhile Companies Act, 1956; the maximum amount involved in such transaction is about Rs.63.05 lakhs and the outstanding balance as at the end of year is Nil. "The company is not charging any interest on loan granted. The other terms and conditions of loans granted by the Company are prima facie not prejudicial to the interest of the company. Further the statutory audit report states,

" As tenure of loan given is not fixed, opinion regarding repayment of loan cannot be expressed. As per the information & explanations given to us, during the year under review, the company has taken unsecured loans from one company & one other party listed in the register maintained under section 301 of the Act.

"The Maximum amount involved during the period and the yearend balance of said loans were aggregating to Rs.374.16 lakhs and Rs.98.00 lakhs respectively.

" As per the information & explanations given to us, rate of interest and other terms and conditions of unsecured loan taken by the company are prima facie not prejudicial to the interest of the company."

7.3 Website Information

The web site has the following information:

- Annual Report for 2 years.
- Financial performance for the last 2 years,
- Report on Corporate Governance,
- Shareholding pattern
- Details of products, Vegetable, Field and Oil Seed crops
- Management and Governance Structure
- Code of Conduct for Board of Directors and Senior Management.

The information disclosed on the website fulfils customer and investor requirements.

BALANCE SHEET			
A	EQUITY AND LIABILITIES	2013	2014
1	Shareholders' funds		Rs
	(a) Share capital	69,656,000	94,676,000
	(b) Reserves and surplus	75,107,327	128,848,614
		144,763,327	223,524,614
2	Non-current liabilities		
	(a) Long Term Borrowings	31,362,104	24,711,494
	(b) Deferred tax liabilities (net)		
	(c) Other long-term liabilities	4,748,370	7,430,370
	(d) Long-term provisions		
		36,110,474	32,141,864
3	Current liabilities		
	(a) Short-term borrowings	153,276,270	210,058,450
	(b) Trade payables	8,336,078	27,311,594
	(c) Other current liabilities	56,805,590	82,883,167
	(d) Short-term provisions	6,293,294	4,220,412
		224,711,232	324,473,623
	TOTAL EQUITY AND LIABILITIES	405,585,033	580,140,101
B	ASSETS	2013	2014
1	Non-current assets		
	(a) Fixed assets		
	(i) Tangible assets	29,126,440	29,941,835
	(ii) Intangible assets	7,949	4,769
	(iii) Capital work-in-progress		
	(iv) Intangible assets under development		
		29,134,389	29,946,604
	(b) Non-current investments		
	(c) Deferred tax assets (net)		
	(d) Long-term loans and advances	1,998,756	3,817,842
	(e) Other non-current assets	28,336,192	23,447,720
		59,469,337	57,212,166
2	Current assets		
	(a) Current investments		
	(b) Inventories	203,334,375	285,248,132
	(c) Trade receivables	86,895,323	113,700,755
	(d) Cash and cash equivalents	2,000,126	5,364,955
	(e) Short-term loans and advances	44,275,422	113,035,561
	(f) Other current assets	9,610,450	5,578,532
		346,115,696	522,927,935
	TOTAL ASSETS	405,585,033	580,140,101

PROFIT & LOSS ACCOUNT		
	2013	2014
INCOME		Rs.
Revenue from operations (net)	1985,19,438	2868,11,084
Other income		
TOTAL INCOME	1985,19,438	2868,11,084
EXPENSES		
Cost of materials consumed	902,34,212	1318,83,802
Manufacturing Expenses		
Stock Adjustment	(240,63,849)	(440,82,836)
Employee benefits expense	201,96,396	240,47,581
Other expenses	720,79,801	1153,08,150
TOTAL EXPENSES	1584,46,560	2271,56,697
Profit / (Loss) before Interest, Depreciation & Amortisation, Exceptional items and Tax	400,72,878	596,54,387
Depreciation and amortisation expense	36,20,681	45,23,867
Finance costs	233,95,116	264,09,234
Profit / (Loss) before Interest, Depreciation & Amortisation, Exceptional items and Tax	130,57,081	287,21,286
Extraordinary Items	17,219	
Profit / (Loss) before Tax	130,39,862	287,21,286
Current tax expense	5,290	
Deferred tax		
	5,290	-
Profit / (Loss) after Tax	130,34,572	287,21,286
Earnings Per Share(Rs)		
Basic	1.94	3.48
Diluted	1.94	3.48

Annexure 2

Board Agenda Items	
Item	Frequency
Action Taken Report	Every Meeting
Minutes of previous Meeting of Board & Committees	Every Meeting
Leave of Absence to Directors	Every Meeting
Review of Results -Operations -Financial Presented by Chairman	Quarterly
Review of Statutory Secretarial Compliances: Presented by Company Secretary -Certificate of Compliances -Statutory Certificates	Quarterly
Strategic Issues - Growth Opportunities	As and when required
Appointment of Key Management Personnel as recommended by Nomination and Remuneration Committee	As and when required
Budget Approvals	Annual
Employee Related Issues	As and when required
Admin Related	As and when required