

ANNUAL REPORT 2012-2013

AI CHAMPDANY INDUSTRIES LIMITED

AI Champdany Industries Limited

BOARD OF DIRECTORS

Mr. G. J. Wadhwa, Chairman
 Mr. D. J. Wadhwa, Vice Chairman
 Mr. Harbhajan Singh
 Mr. S. M. Palia
 Dr. G. Goswami
 Mr. N. Das
 Dr. B. Sen
 Mr. B. Wadhwa
 Mr. N Pujara (Executive Director)

Mr. Surajit Sen
*Company Secretary &
 Controller (Finance & Accounts)*

AUDITORS

D P Sen & Co.
Chartered Accountants
FRN : 301054 E

BANKERS

Bank of Baroda
 Allahabad Bank
 Export-Import Bank of India
 ING Vysya Bank Ltd.
 Bank of Maharashtra
 Union Bank of India

REGISTERED OFFICE

25, Princep Street
 Kolkata-700 072

Share Department

25, Princep Street
 Kolkata-700 072
 Phone: 2237 7880/85
 Fax: 033-2236 3754/033-2225 0221
 E-mail: cil@ho.champdany.co.in
 Website: www.jute-world.com

Contents	Page No
Directors' Report including Management Discussion & Analysis Report	1
Report on Corporate Governance	6
Financial information of the Subsidiary Companies	14
Auditor's Report	17
Balance Sheet	21
Statement of Profit and Loss	22
Cash Flow Statement	23
Notes on Accounts	24
Auditor's Report on Consolidated Accounts	38
Consolidated Balance Sheet	40
Statement of Consolidated Profit and Loss	41
Consolidated Cash Flow Statement	42
Notes on Consolidated Accounts	43

WORKS

Wellington Jute Mill 9, G T Road Rishra Hooghly West Bengal Pin: 712 258	Anglo India Jute Mill 1, West Ghosh Para Road Jagatdal 24, Parganas (N) West Bengal Pin: 743 125	Fine Yarn Unit 1, West Ghosh Para Road Jagatdal 24, Parganas (N) West Bengal Pin: 743 125	Flax Unit 1, West Ghosh Para Road Jagatdal 24, Parganas (N) West Bengal Pin: 743 125	Kankinara Unit Bhutnath Kolay Road PO: Kankinara 24, Parganas (N) West Bengal Pin: 743 126	Weaving Unit Rishra Hooghly West Bengal Pin: 712 258	Weaving Unit Konnagar Naity Road Barabahera Dist: Hooghly West Bengal Pin: 712 246	Yarn Unit Rishra Hooghly West Bengal Pin: 712 258
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Beldanga Unit PO: Beldanga Murshidabad West Bengal Pin: 742 101	Libra Carpet Choudwar Dist: Cuttack Orissa Pin: 754 025	Weaving Unit 39, Shalimar Road Howrah (South) West Bengal Pin: 711 013	Yarn Unit Choudwar Dist: Cuttack Orissa Pin: 754 025	Weaving Unit Narayanpur 24, Parganas (N) West Bengal Pin: 712 258
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AI CHAMPDANY INDUSTRIES LIMITED

DIRECTORS' REPORT

TO THE SHAREHOLDERS

Your Directors have pleasure in presenting their report alongwith Audited Financial Results of the Company for the year ended 31 March 2013.

(Rs. in lacs)

	Year ended 31st March, 2013	Year ended 31st March, 2012
Profit before Finance Cost, Depreciation and Tax	1679.38	1559.95
Finance Cost	905.50	801.48
Depreciation and Amortisation	694.17	697.34
Profit Before Tax	79.71	61.13
Provision for Tax:		
- Current Tax	17.91	13.15
- Deferred Tax Liability/ (Asset)	(25.41)	(27.03)
Profit After Tax	87.21	75.01
Adjustment relating to earlier years (taxes)	44.09	7.18
Profit after adjustment for taxes for earlier years	43.12	67.83
Profit Brought Forward from Previous Years	82.19	14.36
Amount available for Appropriation	125.31	82.19
Dividend on Preference Shares on Redemption	53.66	-
Tax on Dividend	8.70	-
Transfer to Capital Redemption Reserve	60.00	-
Surplus Carried over	2.95	82.19

DIVIDEND

In view of inadequacy of profits, your Directors do not recommend any dividend on 2% Preference shares and on Equity Shares.

REDEMPTION OF PREFERENCE SHARES

Out of the proceed of the fresh issue of shares, the Company has redeemed 2200000 nos 7% cumulative preference shares of Rs. 10/- each aggregating to Rs. 220 lacs. The company has paid cumulative dividend of Rs. 53.66 lacs on the above preference shares and tax on dividend of Rs. 8.70 lacs.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is presented in a separate Section and forms part of the Directors' Report.

CORPORATE GOVERNANCE

The Company has implemented the procedures and adopted practices in conformity with the Code of Corporate Governance as prescribed by SEBI. The Corporate Governance Report and a certificate from the Auditors of the Company certifying compliance with the conditions of Corporate Governance are attached hereto and form part of the Directors' Report.

BOARD OF DIRECTORS

Mr. S.K. Mehera after having served on the Board of the Company for more than 37 years did not seek re-election on retirement by rotation at the last Annual General Meeting held on 12 September 2012 due to his attaining the age of 84 years. Accordingly, he ceased to be the member of the Audit Committee and Remuneration Committee. The Board placed on record its gratitude and appreciation for the guidance and advice received from Mr. S. K. Mehera during his long association with the Company. In place of Mr. S. K. Mehera, Mr. N. Das was inducted as a member of the Audit Committee and Mr. Harbhajan Singh was inducted as a member of the Remuneration Committee.

As per the provisions contained in the Companies Act, 1956 and the Articles of Association of the Company, Mr. Harbhajan Singh, Mr. N Pujara and Mr. B Wadhwa, Directors retire by rotation and being eligible, offer themselves for re-appointment.

The brief resume/details relating to Directors seeking re-appointment are furnished in the Annexure to the notice of the ensuing Annual General Meeting.

ISSUE OF EQUITY SHARES & CONVERTIBLE SHARE WARRANTS ON PREFERENTIAL BASIS TO PROMOTER GROUP ENTITIES

In terms of the special resolution passed by the shareholders at the last Annual General Meeting held on 12 September 2012 and in compliance of the SEBI (ICDR) Regulations, 2009, the Company allotted total 2204786 nos of equity shares of Rs.5/- each fully paid up at a price of Rs.20.50 (including premium of Rs.15.50) per share and 2683045 nos of convertible equity warrants at a price of Rs. 20.50 (including premium of Rs. 15.50) per warrant to promoter group entities on 25 & 26 September 2012 respectively. The paid up equity capital accordingly increased to Rs. 1236.87 lacs after the said issue and on convertible warrants 25% money has been paid alongwith application and the balance payable within 18 months from the date of allotment as per the terms of the issue. The statutory auditor has certified that the proceeds of the above issue have been utilised for the purpose as stated in the shareholders' resolution dated 12 September 2012.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanation received from the day to day operating management, your Directors make the following statements pursuant to Sub-Section (2AA) of Section 217 of the Companies Act, 1956.

- i) that in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with a proper explanation relating to material departures;
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 and for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) that the Annual Accounts have been prepared on a going concern basis.

LEGAL MATTERS

The Company's two foreign shareholders – Blancatex AG and Aldgate International SA have filed two separate petitions under section 397 and 398 of the Companies Act, 1956 before the Company Law Board (CLB) primarily challenging the transfer of the Rampur Texpro Unit to Champdany Constructions Ltd, the Company's wholly owned subsidiary and proposed transfer of the Shalimar Unit to AIC Properties Ltd, another wholly owned subsidiary of the Company.

The CLB had passed an interim order dated 12 January 2010 against the Company restraining it from acting in furtherance of the resolution for transfer of the Shalimar Unit during the pendency of the proceedings. The said order also restrained Champdany Constructions Ltd from transferring or creating any third party interest in the fixed assets of the Rampur Texpro Unit. The interim order dated 12 January 2010 has been set aside/modified in an appeal filed by the Company's subsidiary Champdany Constructions Ltd which has been allowed to lease out the premises in question.

Ultimately, the said two shareholders i.e. Blancatex AG and Aldgate International SA chose not to proceed with the main two petitions and sought for leave before the CLB to withdraw the said petitions. Accordingly, Leave was granted by the CLB to withdraw the said two petitions and by an Order dated 26 November 2012, passed by the Bench, the petitions filed are dismissed. Consequently, all interim orders passed by the CLB were vacated. As a result, whereof pending proceedings before the High Court under Section 10F of the Companies Act filed by two above shareholders were also dismissed for non-prosecution.

AUDITORS

D. P. Sen & Co., Chartered Accountants, Kolkata, the Statutory Auditors of the Company, hold office until conclusion of the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

APPOINTMENT OF COST AUDITOR

The Board of Directors at its Meeting held on 30 May 2012 has reappointed M/s N Radhakrishnan & Co, Cost Accountants as Auditor for carrying out audit of cost accounting records in respect of jute goods for the financial year 2012-13.

The Auditors Report on cost accounting records of the Company for the financial year 2011-12 were filed with Ministry of Corporate Affairs on 19 February 2013 (within the due date).

SUBSIDIARY

In accordance with the General Circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit & Loss and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. However, the financial information of the subsidiary companies are disclosed in the Annual Report in compliance with the said circular. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The Annual Accounts of the subsidiary companies are also be kept open for inspection at the Registered office of the Company and that of the respective subsidiary companies. The consolidated financial statement presented by the Company include the financial results of its subsidiary companies i.e. Champdany Constructions Ltd., Landale & Clark Ltd. and AIC Properties Ltd. West Bengal Multifiber Jute Park Ltd. has ceased to be a Subsidiary with effect from 5 March 2013.

CONSOLIDATED FINANCIAL STATEMENT

In compliance with the requirements of Accounting standards (AS-21) prescribed by the Institute of Chartered Accountants of India, on the Consolidated Financial Statement, this Annual Report also includes the Consolidated Financial Statement.

AUDITOR'S REPORT

Observations of the Auditors in their report vide para A.I, have been adequately dealt with in the Notes 45 to 48 of the Accounts, which are explained hereunder seriatim.

- i) The commodity hedging contracts are accounted for on the date of their settlement and realised gain/loss in respect of only settled contracts are recognised in the Profit and Loss Account, alongwith underlying transactions. This is in accordance with the principles of prudence.
- ii) In respect of Loss on Account of Fire at the Company's Wellington Jute Mill on 22 April 2006 and 21 January 2011, the Company has not made any adjustment in the books as the claim is pending settlement with the Arbitrator and Insurance Company respectively. The Company recognises insurance claims on receipt/assessment basis of related claim from the insurance authorities.
- iii) The Company is providing Gratuity Liability on accrual basis for all its units and only in respect of one unit i.e. Jagatdal, it was accounted for on cash basis for the intervening period of 1996-97 to 2006-07 as explained in Note No. 47 to the Accounts.
- iv) Remission of Taxes by the Sales Tax authorities: The matter is pending for settlement with the authorities and will be adjusted on reaching finality. Meanwhile it has been adequately explained in the Note 48(a) to the Accounts which is an integral part of the Annual Accounts.
- v) There is a long-standing advance of Rs.26.93 lacs which is pending since takeover of erstwhile Anglo-India Jute Mills Co. Ltd from BIFR and recoverable from the erstwhile promoter.

PARTICULARS AS PER SECTION 217 OF THE COMPANIES ACT, 1956

The provision of Section 217(2A) of the Companies Act, 1956 read with rules thereunder is not applicable to the Company, since there is no employee in the service of the Company drawing remuneration in excess of the prescribed limit.

Additional information required under Section 217(1)(e) of the Companies Act, 1956 on conservation of energy, technology absorption and foreign exchange earnings and outgo, is set out in a separate statement attached to this report and forms part of it.

INDUSTRIAL RELATIONS

Industrial Relations in all units and branches of the Company remained generally cordial and peaceful throughout the year, except Units under suspension of work etc as mentioned in Management Discussion & Analysis Report annexed herewith.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to place on record their appreciation of the continuous support, encouragement and co-operation received from Export-Import Bank of India, the Government of West Bengal, the Company's bankers, customers, employees, shareholders and other business associates.

On behalf of the Board

Place: Kolkata
Date: 30 May 2013

B Wadhwa }
N Pujara } Directors

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. Industry Structure and Development

During the year, Government allowed 10% of Food grains and 60% of Sugar for packaging in other than Jute Bags & it was applicable for one year i.e. 2012-13. This was necessitated because the Government estimated that based on the production capacity of the Jute Mills and projected demand of Jute Bags there would be shortfall in supply, hence some relaxation of temporary nature was necessary for the user Industry. Exports also had to be curtailed to meet the compulsory requirement of packaging domestically so as to comply with the Government requisition. Production in the Industry is suffering due to growing shortage of labour resulting from National Rural Employment Guarantee Scheme (NREGS) of the Government and job opportunities being available to workers at their native place under various Government schemes such as Sarva Shiksha Abhiyan, National Rural Health Mission etc. which provides job opportunities at village level apart from new options being also available in farming and industrial activity in their home states like Odisha, Bihar, UP, Jharkhand etc. Therefore concerted efforts are needed both from the Industry and the Government so as to combat the situation of acute labour shortage by providing training facilities to new workers while also installing higher technology equipments having lesser manpower requirement, for which the Government also need to support by formulating a suitable policy with appropriate incentive schemes etc. The Industry needs to take immediate measures to augment supply of Jute Bags by enhancing capacity utilization so that temporary partial exemption granted by the Government is restored and the Industry does not lose its market share to other alternative products.

B. Opportunities/Threats, Risks & Concerns

● Opportunities

With the initial forecast of normal monsoon and growing food grain production, demand for B Twill Bags continues to be good and there lies an opportunity for the Industry to augment capacity utilization to cater to the growing demand. Jute being natural fibre, is also a source of great potential in value added segment of Jute products where there are immense opportunities by focusing on development of diversified products with concerted R & D efforts.

● Threats/Risks and Concerns

The major challenge that the Jute Industry is facing is acute shortage of workers, increasing cost of production arising out of rising wages without any linkage to productivity, high power and Interest costs. Continuation of Jute packaging (compulsory use for packaging commodities) Act 1987 is also an important factor for which Industry needs to take measures to increase production of B Twill Bags.

C. Outlook

The demand for B Twill sacking bags continues to be good due to regular requirements by Food procurement agencies for packaging of food grains. With initial forecast of normal monsoon it is expected that domestic demand should remain strong. Raw Jute availability is expected to be comfortable with high carry over from previous year although sowing this season has been marginally lower which may get partially offset by better yield if the weather condition remains favourable and high carry over from previous year. Therefore, barring unfavorable weather condition, it is hoped that with inventory overhang in the system, prices of Raw Jute which has started softening should ease further in the coming months and that should augur well for the Industry.

D. Internal Control System & Adequacy

The Company has a proper internal control system in place across all its operations. Internal audit work has been assigned to a professional firm of Chartered Accountants who have expressed satisfaction about the adequacy of internal control systems and procedures followed by the Company. The Audit Committee reviews the observations of the internal auditors and implementation aspects on a regular basis.

E. Financial & Operating Performance

During the year under review, production was 50012 MT compared to 42021 MT in the previous year. Sales / Related Income was Rs.351.67 crores compared to Rs. 390.68 crores in previous year. The lower sales was due to lower trading sales in the year under review. However own manufactured sales was higher at Rs. 314.42 crores compared to Rs. 261.14 crores in previous year. Export sales was impacted due to Government requisition of B Twill bags for domestic food grain packaging requirement. The matter relating to shortage of stock at Flax Unit, Jagatdal as referred in note no. 28 of the accounts is under investigation. However, the same has been adjusted in accounts to comply with accounting standard.

F. Material Development in Human Resources/Industrial Relations Front

The Company continues to rationalize its workforce and put emphasis on providing quality training under the Company's programme.

Yarn Unit and Libra Carpet Unit located at Choudwar, District Cuttack, Odisha continued to be under suspension of work. Flax Unit which was under suspension of work since January' 2012 resumed operating from August' 2012 on signing of tripartite agreement.

G. Cautionary Statements

Certain statements in this report may be construed as forward looking statements which have been made as required by laws and regulations, as applicable. There are several factors, which would be beyond the control of management and as such, may affect the actual results, which could be different from that envisaged.

**Auditor's Certificate on Compliance with the conditions of
Corporate Governance under Clause 49 of the Listing Agreement**

To the Members of AI Champdany Industries Limited

We have examined the compliance of conditions of Corporate Governance by AI Champdany Industries Limited ("the Company") for the year ended 31 March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of the Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Kolkata
Date : 30 May 2013

For D. P. Sen & Co.
Chartered Accountants
FRN 301054E
S. K. Nayak
Partner
Membership No: 58711

AI CHAMPDANY INDUSTRIES LIMITED

Corporate Governance Report for the year ended 31 March 2013

The detailed report on Corporate Governance and process including compliance by the Company with the provisions of Clause 49 of the Listing Agreement is set out below:

1. Company's Philosophy on Code of Governance

The Board of Directors and Management are committed to maximizing shareholder value on a sustained basis. The Company considers good Corporate Governance to be a pre-requisite for meeting the objective of shareholders' wealth maximization. Good Governance practices in the Company include adoption of best Board practices, respect and protection of minority views and interests and institutionalization of a fair and transparent reporting system.

2. Board of Directors

During the year under review, the strength of the Board of Directors was 9 (nine) which was increased to ten on appointment of Dr. Basudeb Sen as non-executive independent Director on 30 May 2012. Then it was reduced to nine from 13 September 2012 due to non-seeking of re-election as Director by Mr. S.K.Mehera at the Annual General Meeting held on 12 September 2012. At the end of the year, the Board comprising of 3 promoters non-executive Directors (including a non-executive Chairman), 5 non-executive independent Directors and 1 Executive Director.

During the financial year ended 31 March 2013, five Board meetings were held on 30 May 2012, 13 August 2012, 12 September 2012, 09 November 2012 and 11 February 2013.

The composition of the Board of Directors, the attendance of each Director at the Board meetings and at the last Annual General Meeting (AGM) and also the number of other Directorships or Committee of which he is a Member/Chairman are as under:

Name of the Director	Category	Attendance		No. of other Directorships and Committee Memberships/Chairmanships		
		Board Meetings	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
Mr. G. J. Wadhwa	Promoter Non-Executive Chairman	Nil	No	3	Nil	Nil
Mr. S. M. Palia	Independent Non-executive	Nil	No	8	5	2
Mr. S K Mehera*	Independent Non-executive	3	Yes			
Mr. Harbhajan Singh	Independent Non-executive	4	Yes	7	Nil	Nil
Dr. B Sen	Independent Non-executive	5	Yes	7	5	4
Dr. G. Goswami	Independent Non-executive	4	No	5	2	Nil
Mr. D. J. Wadhwa	Promoter Non-Executive	5	Yes	3	Nil	Nil
Mr. N. Das	Independent Non-executive	5	Yes	3	2	3
Mr. N. Pujara	Executive Director	5	Yes	14	Nil	2
Mr. B. Wadhwa	Promoter Non-Executive	4	Yes	10	Nil	Nil

The brief resume/details relating to Directors seeking re-appointment are furnished in the Annexure to the Notice of the ensuing Annual General Meeting.

* Mr. S.K.Mehera did not seek re-election on retirement by rotation at the last Annual General Meeting held on 12 September 2012.

3. Audit Committee

The Board of Directors has set up an Audit Committee under the provisions of Section 292(A) of the Companies Act, 1956, and for compliance of Corporate Governance Code under Clause 49 of the Listing Agreement. The terms of reference of Audit Committee are determined by the Board from time to time. The role and composition of the Audit Committee are as follows:

- Overseeing Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management.
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with Accounting Standards.
 - Compliance with stock exchange and legal requirements concerning financial statements.
 - Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of Company at large.
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors, any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussions with external auditors before the audit commencement, nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.

The Audit Committee consisting three non-executive independent Directors and one non-executive promoter Director as follows:

i)	Mr. Harbhajan Singh	-	Chairman (non-executive independent Director)
ii)	Mr. S.K.Mehera*	-	Member (non-executive Independent Director)
iii)	Mr. N Das*	-	Member (non-executive independent Director)
iv)	Dr. G. Goswami	-	Member (non-executive independent Director)
v)	Mr. D. J. Wadhwa	-	Member (non-executive promoter Director)

The Company Secretary acts as the Secretary to the Audit Committee. The Statutory Auditors and Internal Auditors are invitees to the meetings of the Audit Committee.

* Mr. S.K.Mehera did not seek re-election on retirement by rotation at the last Annual General Meeting held on 12 September 2012. Accordingly he ceased to be member of the Audit Committee. Mr. N. Das was inducted in the Audit Committee on 11 February 2013 as the new member.

During the financial year ended 31 March 2013, four Audit Committee meetings were held on 30 May 2012, 13 August 2012, 9 November 2012 and 11 February 2013. Mr. Harbhajan Singh attended four meetings, Mr. S. K. Mehera attended two meetings. Mr. N Das attended one meeting, Dr. G. Goswami attended four meetings and Mr. D. J. Wadhwa attended four meetings.

The minutes of the Audit Committee meetings are noted by the Board of Directors at the subsequent Board meetings.

4. Remuneration Committee

Composition: The Remuneration Committee of the Board comprises of Independent Directors, namely Mr. S. K. Mehera *, Dr. G. Goswami, Mr. N. Das and Mr. Harbhajan Singh*.

* Mr. S.K.Mehera did not seek re-election on retirement by rotation at the last Annual General Meeting held on 12 September 2012. Accordingly, he ceased to be member of the Remuneration Committee. Mr. Harbhajan Singh was inducted as the new Independent member of the Remuneration Committee.

Terms of Reference: The Remuneration Committee has been constituted to review/recommend/approve remuneration of the Executive Director/whole time Director, based on their performance.

Meetings: During the financial year ended 31 March 2013, there was only one meeting of the Remuneration Committee held on 30 May 2012.

DETAILS OF REMUNERATION PAID TO ALL THE DIRECTORS FOR THE YEAR ENDED MARCH 31 2013.

A. Remuneration to Non-Executive Directors

The Non-Executive Directors are paid remuneration by way of Sitting Fees. The Non-Executive Directors are paid sitting fees for each meeting of the Board or Committee of Directors attended by them. The total amount of sitting fees paid during the financial year 2012-13 is as under:

Name of the Director	Meeting Fees			Total	(Amount in Rs.) No. of shares held	
	Audit Committee	Board	Other * Committees		Equity	2% Preference
Mr. G. J. Wadhwa	-	-	-	-	1189300	1189300
Mr. S. M. Palia	-	-	-	-	266	500
Mr. S. K. Mehera +	15,000	22,500	7,500	45,000	266	-
Mr. Harbhajan Singh	22,500	30,000	-	52,500	-	-
Dr. G. Goswami	30,000	30,000	15,000	75,000	-	-
Mr. D. J. Wadhwa	30,000	37,500	-	67,500	2645642	2645642
Mr. N. Das	7,500	37,500	7,500	52,500	2666	-
Dr. B. Sen	-	37,500	15,000	52,500		
Mr. B. Wadhwa	-	30,000	7,500	37,500	1732	1532
	1,05,000	2,25,000	52,500	3,82,500		

* for attending Remuneration Committee and Committee of Directors and Investors' Grievances Committee meetings.

+ Mr. S K Mehera did not seek re-election as Director at the last Annual General Meeting due to his attaining the age of 84 years and consequently he ceased to be a member of the Audit Committee and Remuneration Committee.

B. Remuneration to Executive Director/Whole time Director

The appointment of Executive Director/Whole time Director is governed by the recommendation of the Remuneration Committee, resolutions passed by the Board of Directors and shareholder of the Company, which cover the terms of such appointment and remuneration, read with the service rules of the company. Payment of remuneration to Executive Director/Whole time Director is governed by the respective Agreements executed