



KEMROCK[®]
Industries and Exports Limited

KEMROCK[®]
Industries and Exports Limited

19TH
ANNUAL
REPORT
2012-13

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Kalpesh Patel
Chairman & Managing Director

Mr. Kaushik Bhatt
Director

Capt. Manoj Gaur
Director

Mr. Tushar Desai
Director

COMPANY SECRETARY
Mr. Bharat Patel

AUDITORS
R. A. Amin & Co.,
Chartered Accountants, Vadodara

BANKERS
Allahabad Bank
Andhra Bank
Axis Bank Limited
Exim Bank
ICICI Bank Limited
Indian Bank
Punjab National Bank
PNB (International) Limited
State Bank of India
Syndicate bank
The Karur Vysya Bank Limited
Union Bank of India

REGISTERED OFFICE AND WORKS

Village Asoj, Vadodara-Halol Express Way
Tal. Waghodia, Dist. Vadodara - 391 510
Gujarat, India.
Email: investor@kemrock.com
Web: www.kemrock.com

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt. Limited
B-102 & 103, Shangrila Complex, First Floor
Near Radhakrishna Char Rasta, Akota
Vadodara – 390020, Gujarat, India
Tel.: (0265) 2356573 / 2356794; Fax: (0265) 2356791
Email: vadodara@linkintime.co.in

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ANNUAL GENERAL MEETING

Monday, the 31st March, 2014 at 11:00 a.m., at
Village Asoj, Vadodara-Halol Express Way,
Tal.: Waghodia, Dist.: Vadodara-391510,
Gujarat State, India.

NOTICE

NOTICE is hereby given that the **NINETEENTH ANNUAL GENERAL MEETING** of **KEMROCK INDUSTRIES AND EXPORTS LIMITED** will be held at the registered office of the Company at Village Asoj, Vadodara-Halol Express Way, Tal.: Waghodia, Dist.: Vadodara-391510, Gujarat State, on Monday, the **31st March, 2014** at **11:00 a.m.**, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the audited Balance Sheet as at 30th September, 2013, audited Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Kaushik Bhatt, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. R. A. Amin & Co., Chartered Accountants, the retiring Auditors as Auditors, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT, Capt. Manoj Gaur, who was appointed by the Board of Directors as an Additional Director of the Company with effect from 14th August, 2013, and who holds office upto the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013 but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under the provisions of Section 257 of the Companies Act, 1956 proposing his candidature for the office of a Director be and is hereby appointed as a Director of the Company and shall be liable to retire by rotation."

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT, Mr. Tushar Desai, who was appointed by the Board of Directors as an Additional Director of the Company with effect from 15th October, 2013, and who holds office upto the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013 but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under the provisions of Section 257 of the Companies Act, 1956 proposing his candidature for the office of a Director be and is hereby appointed as a Director of the Company and shall be liable to retire by rotation."

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

"RESOLVED THAT, pursuant to the Provisions of Sections 198, 269, 309, and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and rules and regulations made thereunder (including any statutory modifications or re-enactment thereof for the time being in force) and subject to such other approval(s), consent(s) and permission(s), if any, as may be necessary, consent and approval of the members be and is hereby accorded for re-appointment of Mr. Kalpesh Patel, as the Managing Director (designated as Chairman and Managing Director) of the Company without any remuneration for a further period of three years with effect from 01st August, 2013 to 31st July, 2016, on the following terms and conditions as set out in the agreement executed between the Company and Mr. Kalpesh Patel.

1. Mr. Kalpesh Patel, shall subject to the control and supervision of the Board of Directors and subject to the provisions of the Companies Act, have the powers for general conduct and management of the affairs of the Company and he shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise and all such powers, acts or things which are directed or required by the Companies Act, 1956, including any amendment or re-enactment thereof or any other Act or by the Memorandum or Articles of Association of the Company or otherwise, except those to be exercised or done by the Company in General Meeting or by the Board of Directors at their meeting only.
2. Mr. Kalpesh Patel shall perform all such duties and exercise such powers as are additionally entrusted to him from time to time.
3. No remuneration shall be paid to Mr. Kalpesh Patel during his tenure/term as Managing Director of the Company.

RESOLVED FURTHER THAT, the Board of Directors be and are hereby authorised to alter, vary and modify the terms and conditions of the said agreement for re-appointment which is hereby specifically approved in the conformity with the requirements in such a manner as agreed/may be agreed to between the Board and Mr. Kalpesh Patel.

RESOLVED FURTHER THAT, the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things as may be considered desirable or expedient to effect this resolution."

By order of the Board of Directors of
Kemrock Industries and Exports Limited

Date: 16th January, 2014
Regd Off.: Vill. Asoj
Vadodara-Halol Expressway
Tal. Waghodia, Dist. Vadodara-391 510

Bharat Patel
Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The instrument appointing a proxy, in order to be valid and effective, must be deposited with the Company at its registered office not less than 48 hours before the time fixed for holding the meeting.
3. Corporate members are requested to send a duly certified copy of the Board resolution authorizing their representative(s) to attend and vote on their behalf at the meeting.
4. The Explanatory Statement pursuant to Section 102 (corresponding to Section 173(2) of the Companies Act, 1956) of the Companies Act, 2013, setting out all material facts in respect of item No. 4 to 6 of the Notice is attached herewith.
5. Members/Proxies attending meeting should bring the Attendance Slip duly completed and may hand over the same at the entrance to the meeting hall.
6. The Register of Members and Share Transfer Books of the Company will remain closed from 29th March, 2014 to 31st March, 2014 (both days inclusive).
7. Members holding shares in physical form are requested to notify immediately any change in their addresses with PIN Code to the Company's Share Transfer Agents, viz., Link Intime India Private Limited. Members holding shares in electronic form, should inform directly the change in their addresses with PIN Code to their respective Depository Participants.
8. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the Meeting.
9. Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting are contained in **Annexure-I** hereto.
10. Members are requested to bring their copies of Annual Report at the Meeting. No copies will be provided at the Meeting as a measure of economy.
11. Queries on accounts and operations of the Company, if any, may please be sent to the Company ten days in advance of the Meeting so that the answers may be made readily available at the Meeting.
12. Members can avail of the facility of Nomination in respect of shares held by them in physical form pursuant to the provision of Section 109A of the Companies Act, 1956. Members desiring to avail of this facility may send their Nomination in the prescribed Form No. 2B duly filled in to the Registrar and Transfer Agent viz., Link Intime India Private Limited. The Nomination Form 2B can be obtained from the Registrar and Transfer Agent or the Secretarial Department of the Company at its Registered Office.
13. Members holding shares under multiple folios in the identical order of names are requested to consolidate their holdings into one folio.
14. It is informed that, as per Section 205A, any dividend amount which remains unpaid or unclaimed during the said 30 days are required to be deposited to an unclaimed dividend account within 7 days from the

date of expiry of 30 days. Any amount lying in the said account is termed as unclaimed dividend amount. Dividends that are not encashed or claimed, within seven years from the date of its transfer to the unpaid dividend account, will, in terms of the provisions of Section 205A of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund (IEPF) established by the Government of India. In terms of the provisions of Section 205C of the Companies Act, 1956, no claim shall lie against the Company or IEPF after the said transfer. The details of unclaimed/unpaid dividend/Interest as of the date of Annual General Meeting are as follows:

Financial year ended	Dividend per Share (Rs.)	Date of Declaration	Due for transfer on
31-03-2008	1.00	06-09-2008	05-10-2015
31-03-2009	1.50	28-08-2009	27-09-2016
Interim Dividend	1.00	30-01-2010	01-03-2017
30-06-2010	1.00	19-11-2010	18-12-2017
30-06-2011	2.00	16-12-2011	14-01-2019

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 (CORRESPONDING TO SECTION 173(2) OF THE COMPANIES ACT, 1956) OF THE COMPANIES ACT, 2013

ITEM NO. 4

APPOINTMENT OF CAPT. MANOJ GAUR AS AN ADDITIONAL DIRECTOR OF THE COMPANY

Capt. Manoj Gaur was appointed by the Board of Directors as an Additional Director of the Company with effect from 14th August, 2013. Pursuant to provisions of Section 161(1) of the Companies Act, 2013, Capt. Manoj Gaur holds office up to the date of this annual general meeting but is eligible for appointment as a director. The Company has received a notice along with a requisite deposit under Section 257 of the Companies Act, 1956, from a Member signifying his intention to propose the appointment of Capt. Manoj Gaur as a Director of the Company.

Details regarding the person proposed to be appointed as Director and his brief resume has been given in the Annexure-I.

None of the directors, Key Managerial Personnel and relatives thereof other than Capt. Manoj Gaur is interested in the above resolution.

ITEM NO. 5

APPOINTMENT OF MR. TUSHAR DESAI AS AN ADDITIONAL DIRECTOR OF THE COMPANY

Mr. Tushar Desai was appointed by the Board of Directors as an Additional Director of the Company with effect from 15th October, 2013. Pursuant to provisions of Section 161(1) of the Companies Act, 2013, Mr. Tushar Desai holds office up to the date of this annual general meeting but is eligible for appointment as a director. The Company has received a notice along with a requisite deposit under Section 257 of the Companies Act, 1956, from a Member signifying his intention to propose the appointment of Mr. Tushar Desai as a Director of the Company.

Details regarding the person proposed to be appointed as Director and his brief resume has been given in the Annexure-I.

None of the directors, Key Managerial Personnel and relatives thereof other than Mr. Tushar Desai is interested in the above resolution.

ITEM NO. 6

RE-APPOINTMENT OF MR. KALPESH PATEL AS MANAGING DIRECTOR

The members of the Company had at the 14th Annual General Meeting held on 06th September, 2008 re-appointed Mr. Kalpesh Patel as Managing Director of the Company (designated as Chairman and Managing Director) for a period of five years w.e.f., 01st August, 2008 to 31st July, 2013 and authorised Board of Directors to revise, amend, alter and vary the terms and conditions relating to remuneration payable to him in such manner as may be permissible in accordance with the provisions of the Companies, Act 1956 read with Schedule XIII thereto.

In accordance with the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, and subject to the approval of the Shareholders of the Company, and pursuant to the resolution passed by the Remuneration Committee of Directors and Board of Directors of the Company at their respective meeting held on 01st June, 2013 had approved the appointment of Mr. Kalpesh Patel as Managing Director (designated as Chairman and Managing Director) of the Company for a period of three years w.e.f., 01st August, 2013 to 31st July, 2016, on material terms and conditions contained in the resolution.

Your Directors therefore recommended the resolution for your approval.

Copy of Agreement entered into by the Company with the Managing Director, Mr. Kalpesh Patel is available for inspection by the Members of the Company at the registered office of the Company, between 11.00 a.m to 1.00 p.m till the date of Annual General Meeting of the Company.

The resolution with respect to Explanatory statement sets out an abstract of material terms of the contract with Managing Director and the same may be treated as an abstract of memorandum of interest in accordance with the Section 302 of the Companies Act, 1956.

None of the directors, Key Managerial Personnel and relatives thereof other than Mr. Kalpesh Patel is interested in the above resolution.

For and on behalf of the Board of Directors of
Kemrock Industries and Exports Limited

Date: 16th January, 2014
Regd Off.: Vill. Asoj
Vadodara-Halol Express Way
Tal. Waghodia, Dist.Vadodara-391 510

Bharat Patel
Company Secretary

Annexure-I

Information pursuant to Clause 49.IV(G)(i) of the Listing Agreement pertaining to Director seeking re-appointment at the Annual General Meeting:

Name of Directors	Mr. Kaushik Bhatt	Capt. Manoj Gaur	Mr. Tushar Desai	Mr. Kalpesh Patel
Age	58 yrs.	53 yrs.	53. yrs.	54 yrs.
Qualification	B. Com.; LL B (Spl)	B.Sc, Diploma in Automobile Engineering, EDP	MBA (Finance), LL.B, LL.M (Previous), Post-graduate in International Hospitality & Tourism (Switzerland)	Diploma in Mechanical Engineering, Electrical Engineering and Plastic Technology
Expertise	Legal Matters	Defence Management / WKSP Mind Therapist Corporate Training / Soft Skills Administration, HR, Security, Fire & Safety, Liaison, P.R., Events	Legal, and Administrative Departments (Dairy Sector) and the Marketing and Finance Departments (Oils and Vegetable Oils wing), placement in foreign country, Counselor in National (UPSC, GPSC, MBA, MCA, BBA, BCA) and International (GRE, GMAT, TOEFL, IELTS) Examinations	Pultrusion technology, moulded grating and manufacturing of Phenolic Resins
Name of the Companies in which also holds directorship	NONE	NONE	1. Professional Placement Private Limited 2. Vista Voyages Private Limited	1. Kemrock Advance Reinforcements Limited; 2. Kemrock Advanced Composites Limited; 3. Kemrock Infratech Limited; 4. Kemrock Filament Windings Limited; 5. Kemrock Renewable Energy Limited; 6. Kemrock Hi Performance Composites Limited; 7. Kemrock Speciality Polymers Limited; 8. Kemrock Aerospace India Private Limited; 9. Kemrock Resins Private Limited;
Name of the other public companies in the committees of which also holds membership/ chairmanship	NONE	NONE	NONE	NONE
Number of Shares held in the Company as on 30 th September, 2013	2,000	NIL	NIL	1,449,513
Relationship with Directors	NONE	NONE	NONE	NONE

DIRECTORS' REPORT

To,
The Members,

The Directors present the Nineteenth Annual Report, together with the Audited Statement of Accounts for the financial year ended on 30th September, 2013.

Standalone Financial Performance

The standalone financial performance of the Company for the year 2012-13 as compared to the previous year is briefly highlighted hereunder.

Particulars	(Rs. in Crore)	
	2012-13 (01.07.2012 to 30.09.2013)	2011-12 (01.07.2011 to 30.06.2012)
Gross Turnover	463.91	932.36
Total Income	526.16	1,014.72
Profit/(Loss) Before Interest, Depreciation and Tax	(53.32)	269.21
Interest and Financial Expenses	285.61	162.72
Depreciation	59.49	45.56
Profit/(Loss) Before Tax	(398.12)	60.93
Net Profit /(Loss) Profit after Tax	(362.46)	24.20
Add: Balance brought forward from last year	206.90	182.69
Balance Carried to Balance Sheet	(155.56)	206.90

Operations

During the year under review, the Company clocked a Gross Turnover of Rs. 463.91 Crore, on standalone basis, for the financial year ended on 30th September, 2013 as compared to turnover of Rs. 932.36 Crore achieved in the previous year, showing a declining trend. Net Loss incurred during the period under review remained at Rs. 362.46 Crore compared to net profit of Rs. 24.20 Crore in the previous year ended on 30th June, 2012.

Whereas Gross Turnover, clocked on consolidated basis, for the financial year ended on 30th September 2013 remained at Rs. 597.26 Crore compared to Rs. 1,082.08 Crore achieved in the previous year. The bottom-line for the year ended on 30th September, 2013 stood at Rs. 372.95 against the consolidated profit of Rs. 36.70 Crore in the previous year ended 30th June, 2012.

As you are aware, Company is engaged in the business of manufacturing and exporting fibre reinforced composite products for major industrial sectors such as aerospace, defence, chemical processing etc. However, like most Indian companies, in recent months, due to global slowdown, overseas customers have cut down their requirements and deferred future plans, resulting in decrease in demand for the products. Due to this sudden and unprecedented setback in business, the Company is facing severe cash flow crisis. In spite of all these constraints, Company is taking effective steps to keep the Company in motion.

Moreover, Company's all grade of aerospace grade carbon fiber is certified by Centre for Military Airworthiness and Certification ("CEMILAC") for aeronautical application for use by important organizations of Government of India such as Hindustan Aeronautics Limited ("HAL"), Vikram Sarabhai Space Centre ("VSSC"), Bhabha Atomic Research Centre ("BARC"), Indian Space Research Organization ("ISRO"), Defense Research and Development Organization ("DRDO"),

In the meantime, the Company is working with various advisors to identify investors to infuse money into the Company and/or provide strategic realignment of Company's structure, and thus to consolidate the Company's endeavors.

Board of Directors

- The Export-Import Bank of India, Mumbai nominated Mr. David Rasquinha, as its nominee on the Company's Board of Directors with effect from 07th January, 2013. However, upon withdrawal of his nomination from Board of the Company, he ceased to be director of the Board w.e.f., 31st December, 2013.
- Mr. Tushar Patel resigned as a Director of the Company w.e.f., 12th April, 2013. The Board places on record its sincere appreciation for the valuable contribution made by Mr. Tushar Patel during his tenure as Director of the Company.

- With great sorrow, we report that Mr. Navin Patel, the Non- Executive Director of the Company, passed away on 12th April, 2013, for heavenly abode. The Board places on record its sincere appreciation for the valuable contribution made by Mr. Navin Patel during his tenure as Director of the Company.
- The Board of Directors at its meeting held on 01st June, 2013, has subject to the approval of the members at the ensuing Annual General Meeting, re-appointed Mr. Kalpesh Patel as the Managing Director designated as Chairman and Managing Director of the Company *w.e.f.*, 01st August, 2013 for a further period of 3 years, without any remuneration.
- Mr. Kaushik Bhatt, the non-executive director of the Company will retire by rotation at the ensuing Annual General Meeting, and being eligible offer himself for re-appointment.
- Mr. Mahendra Patel resigned as a Director and Executive Director of the Company *w.e.f.*, 02nd June, 2013. The Board places on record its sincere appreciation for the valuable contribution made by Mr. Mahendra Patel during his tenure as Director of the Company.
- Capt. Manoj Gaur was appointed as an additional Director of the Company with effect from 14th August, 2013 by the Board of Directors of the Company. Pursuant to provisions of Section 161(1) of the Companies Act, 2013, he hold office only upto the date of the forthcoming annual general meeting of the Company. The Company has received a notice along with a requisite deposit under Section 257 of the Companies Act, 1956, from a Member signifying his intention to propose the appointment of Capt. Manoj Gaur as a Director of the Company.
- Mr. Tushar Desai was appointed as an additional Director of the Company with effect from 15th October, 2013 by the Board of Directors of the Company by way of circular resolution. Pursuant to provisions of Section 161(1) of the Companies Act, 2013, he hold office only upto the date of the forthcoming annual general meeting of the Company. The Company has received a notice along with a requisite deposit under Section 257 of the Companies Act, 1956, from a Member signifying his intention to propose the appointment of Mr. Tushar Desai as a Director of the Company.

Brief details pursuant to Clause 49 of the Listing Agreement, about the above directors seeking appointment/re-appointment are given in the Annexure-I appended to the Notice convening the Annual General Meeting.

Directors' Responsibility Statement

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- a) in the preparation of the Annual Accounts for the year 2012-13, the applicable Accounting Standards have been followed by the Company;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 30th September, 2013 and of the Loss of the Company for the year ended on that date;
- c) 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 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

Wholly Owned & Overseas subsidiary and Joint Venture Companies

a) Wholly Owned domestic Subsidiary Companies

The Company has nine wholly owned Indian subsidiaries *viz.*

Kemrock Renewable Energy Limited; Kemrock Hi-Performance Composites Limited; Kemrock Infratech Limited; Kemrock Advanced Composites Limited; Kemrock Advance Reinforcements Limited; Kemrock Filament Windings Limited; Kemrock Speciality Polymers Limited and Kemrock Aerospace India Pvt. Ltd. These subsidiaries are yet to commence their business.

During the year under report, the Company has acquired further 51% equity shares in Kemrock Resins Private Limited. The 51:49 Joint Venture between "GP Chemicals International Holding S.a.r.l" and "Kemrock Industries and Exports Limited" set up under the name of "Georgia-Pacific Kemrock International Private Limited" (entity) has been discontinued *w.e.f.*, 12th March, 2013, with the mutual agreement of both the partners. The said entity, now being a wholly owned subsidiary of the Company, has been renamed as "Kemrock Resins Private Limited".

b) Wholly Owned Overseas Subsidiary Companies

The Company has two wholly owned overseas subsidiaries *viz.*, Kemrock UK Limited, in UK and Kemrock International FZE, in DAFZA, Dubai. These subsidiaries are engaged in the business of international marketing

in the fields of composite products and its parts and components including related materials like glass fiber, technical fabric, resins, polymers and chemicals.

Besides, the Company continues to hold 80% stake in Top Glass S.p.A., Italy, which is one of the chief and highly qualified producers of Pultruded Composite Profiles, situated 20 kms. North east of Milano, Italy.

As required by Accounting Standard AS21 on Consolidated Financial Statements, the audited Consolidated Financial Statements of the Company and its Subsidiaries are attached.

In accordance with the General Circular No: 2/2011 issued by Government of India, Ministry of Corporate Affairs, dated 8th February, 2011, 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.

The Annual Accounts of the subsidiary Companies and the related detailed information shall be made available to shareholders of the holding and subsidiary Companies seeking such information at any point. The Annual Accounts of the subsidiary Companies shall be kept for inspection by any shareholders at registered office of the holding company and of the subsidiary companies concerned. A Statement containing prescribed particulars of the Company's subsidiaries are given in Annexure- II appended to this report.

Corporate Governance & Management Discussion & Analysis

The Corporate Governance Report, pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, is separately given under the head titled as "Corporate Governance Report", which forms part of this Annual Report. A certificate of the statutory auditors of the Company regarding compliance with the Corporate Governance requirements as stipulated in Clause 49 of the Listing Agreement is annexed to this Report as Annexure-B forming part of the report.

The Management Discussion and Analysis forming part of this Report is separately given under the head titled as "Management Discussion and Analysis".

Change in Financial year

The Board of Directors of the Company at their meeting held on 24th June, 2013, have approved and resolved to extend the financial year of the Company by 3 (three) months viz., the financial year 2012-13 (01st July, 2012 to 30th June, 2013) has been extended upto 30th September, 2013 comprising of 15 months.

Non-payment of interest on FCCBs

Due to global meltdown and devaluation of rupee, the company is facing severe financial crisis and hence the Company could not make the payment of first installment of interest with respect to Foreign Currency Convertible Bonds (US\$ 100,000,000 5.5% Convertible Bonds due 2017) which was due on 21st June, 2013. However, the Company is making efforts to fulfil its obligations.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988, are set out in Annexure-A to this report.

Particulars of Employees

As required under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the particulars of employees are set out in Annexure and forms part of this report. However, having regard to the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, this Annual Report is being sent to all shareholders and others entitled thereto excluding aforesaid particulars (Annexure). Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

Health, Safety and Environmental (HSE)

Company had focused on continued training and awareness regarding Health, Safety & Environmental improvements for entire cross section of employees with emphasis on shop floor employees. This resulted in avoiding any major unsafe incident and also reportable fire throughout the year. Company continues to have mutual aid arrangement with neighboring industries and our fire protection network had helped to reduce damage substantially during major unsafe incidents in nearby some of the industries. Company has in totality satisfied all specified statutory compliances including solid, liquid and gaseous effluents. Company has prepared and updated disaster management plan and also reviewed risk assessment of the entire site engaging services of outside agency and implemented recommendation including reemphasizing awareness at some of the critical locations.

Company had applied for amendment in the environmental clearance due to some of the subsequent changes and amendment in the environmental clearance is received.

Our Company has successfully completed the trials for installation of effluent R.O. Plant, as an effort in achieving zero waste water discharge and hence reducing the consumption of raw water.

Some of the required changes and modifications including installation of barometric condensers are implemented to improve efficiency of Multiple Effect Evaporation system.