



live life to the fullest

36TH ANNUAL REPORT 2011-12

Dear Shareholders



NORIMICHI SOGA
President



Ninety four years is indeed a long way, since NITTA Group produced the first batch of Gelatin well back in 1918 and went on to become the Japan's largest Gelatin manufacturer. Throughout this journey, we followed a collaborative business approach and achieved new benchmarks in quality, productivity, customer satisfaction, people practices and at the same time nurtured in all earnestness, the success of its associates. The growth and positioning of Nitta Gelatin India Limited is the best example for this.

Induced by the rising population and standards of living, Gelatin demand is on the increase. Going forward, with the manifold improvement in living standards and diversification of food preferences in tandem with the region's economic rise, Gelatin market is poised to witness further heights in Asia. Along with the above, the main competition in Gelatin market is seen as shifting to Asia. Nitta Gelatin India Limited with its proven flexibility and adaptability in operations, is poised to benefit substantially in such a situation.

Long term sustained growth of any enterprise requires that not only should all stakeholders' interest be well protected, but the environmental impact of operations are reorganized and properly safe guarded. It is matter of pride for all of us that several initiatives are being implemented by the Company aimed at preservation of environment besides community development.

I am happy to reiterate the commitment and dedication of Nitta Gelatin Inc., Japan for each and every endeavour of Nitta Gelatin India Limited. I take this opportunity to thank all stakeholders for their continued support and co-operation.

Norimichi Soga

Nitta Gelatin Inc.

2-22, Futamata, Yao-City, Osaka, 581-0024, Japan



V. SOMASUNDARAN I.A.S
Additional Chief Secretary



The previous year was another landmark year for your Company. During the year, the Company could overcome the adverse effect of spiralling increase in raw material prices, and register significant growth in volumes besides improving the bottom line. The commissioning of the new Limed Ossein Plant at Gujarat by our subsidiary, Reva Proteins Limited should add further future growth trajectory in the years to come.

We are currently passing through a rapidly changing global market scenario and an economic environment that has been through its most tested phase in memory. In such a complex situation, entities which can think and act upon proactively, explore new frontiers innovate and invest in the future alone can continue to be successful. Given the all round strength and value systems in place, I strongly believe that your Company can grow seamlessly in the days to come.

I take this opportunity to reassure that Kerala State Industrial Development Corporation Limited stands committed to the success and glory of Nitta Gelatin India Limited.

With these words, I thank you for the confidence and trust you have placed in the Company.

With best wishes,

V. Somasundaran

Industries Department
Government Secretariat
Thiruvananthapuram 695 001, Kerala



Annual Report 2011-12

BOARD OF DIRECTORS

Chairman	: V. SOMASUNDARAN, IAS
Directors	: ALKESH KUMAR SHARMA, IAS
	NORIMICHI SOGA
	T. YAMAKI
	HIROSHI TAKASE
	K. RAMAKRISHNAN
	A. K. NAIR
	K. L. KUMAR
	venu NALLUR

Managing Director	: G. SUSEELAN
Secretary	: G. R. Kurup
Auditors	: Varma & Varma Ernakulam
Bankers	: State Bank of India Canara Bank State Bank of Travancore Axis Bank Ltd. South Indian Bank Ltd.
Legal Advisors	: 1) M. Pathrose Mathai Senior Advocate, Ernakulam 2) B.S. Krishnan Senior Advocate, Ernakulam

Registrar & Share Transfer Agents	: Cameo Corporate Services Ltd. 1, Club House Road, Chennai - 600 002 Tel : 044-28460390; Fax : 044-28460129 E-mail : cameo@cameoindia.com
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Registered Office	: Post Bag No. 4262 54/1446, Panampilly Nagar P. O. Kochi - 682 036
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Factory	: OSSEIN DIVISION Kathikudam P. O., (Via) Koratty Trichur District - 680308 GELATIN DIVISION KINFRA Export Promotion Industrial Parks Ltd. P. B. No. 3109, Kusumagiri P. O., Kakkanad, Kochi - 682 030
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FINANCIAL HIGHLIGHTS (12 Years)

(Rs. in lakhs)

	2000.01	2001.02	2002.03	2003.04	2004.05	2005.06	2006.07	2007.08	2008.09	2009.10	2010.11	2011.12
Total Income	7397.65	8002.33	7969.16	9224.71	9961.69	9966.19	13766.42	14585.97	18645.02	19479.94	20638.94	24694.12
Sales*	6561.04	7161.41	7629.65	8601.25	8841.23	9763.86	13119.55	14638.14	18247.75	18940.60	19650.08	23810.08
Exports (FOB)	4501.28	4698.63	4684.77	5260.42	5424.82	6236.79	7968.00	7950.32	10141.82	9476.42	10092.68	13829.03
Pre-tax Profit/(Loss)	(170.89)	367.83	(467.02)	(645.82)	(217.49)	(365.65)	721.83	728.91	2466.38	3076.36	251.45	653.48
Profit/(Loss) after tax	(198.22)	441.45	(311.05)	(645.82)	(239.72)	(379.65)	592.05	666.07	1501.94	2546.14	189.15	508.08
Earnings per share (Rs.)	(2.36)	5.2 6	(3.70)	(7.69)	(2.85)	(4.52)	7.05	7.93	17.88	30.31	2.25	6.05
Dividend per share (Rs.)	-	-	-	-	-	-	1.00	1.5 0	3.00	6.00	4.00	4.00
Reserves & Retained Earnings	7047.87	7373.33	7077.28	6431.46	6191.75	5812.10	6305.88	6776.98	7984.09	9942.52	9739.87	9857.44
Share Capital	840.00	840.00	840.00	840.00	840.00	840.00	840.00	840.00	840.00	840.00	840.00	840.00
Shareholders' Funds	7887.87	8213.33	7917.28	7271.46	7022.83	6630.34	7110.95	7590.66	8824.09	10782.52	10579.87	10697.44
Return on Equity (%)	(2.51)	5.3 7	(3.93)	(8.88)	(3.41)	(5.73)	8.33	8.77	17.02	23.61	1.79	4.75
Book Value/Share (Rs.)	93.90	97.78	94.25	86.57	83.61	78.93	84.65	90.36	105.05	128.36	125.95	127.35
Gross Block	10610.15	10746.77	10882.23	11028.25	11578.84	11718.26	11632.38	12402.03	13609.38	14336.36	15674.24	16299.51
Net Block	8113.24	7531.66	6955.03	6411.08	6325.73	5777.68	5236.47	5384.24	5756.45	6297.74	6813.56	6867.78

* Sales is net of excise duty on domestic sales and freight & insurance on export sales.

NOTICE TO MEMBERS

NOTICE IS HEREBY GIVEN that the 36th Annual General Meeting of Nitta Gelatin India Limited will be held on Friday, the 6th July 2012, at 10.30 AM, at GRAND Hotel, M.G. Road, Ernakulam, Kochi-682 011 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' Report, the Audited Balance Sheet as at 31st March 2012 and the Statement of Profit and Loss for the year ended on that date and the Auditors' Report thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. K. Ramakrishnan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Hiroshi Takase, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration and in this connection to pass with or without modification, the following resolution as a Special Resolution

"RESOLVED THAT pursuant to the provisions of Section 224A of the Companies Act, 1956, M/s. Varma & Varma, Chartered Accountants, be and are hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting on a remuneration that may be fixed by the Board of Directors".

Note:

The reappointment of auditors is being proposed as a special resolution in accordance with Section 224A of the Companies Act, 1956.

SPECIAL BUSINESS:

6. To consider and if thought fit to pass the following Resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT in accordance with provisions of Section 294 and other applicable provisions of Companies Act, 1956, the company hereby approves and accords its consent to the appointment of M/s. Al Resalah Trading Est., C.R # 4030054842, P.O. Box 32934, Jeddah 21438, Kingdom of Saudi Arabia (hereinafter called 'ART') as sole selling Agent for sale of its product GELATIN in the territory of Saudi Arabia for a period of 5 years from

15.02.2012 when an agreement was entered with that company, on such terms and conditions the salient points whereof are detailed in accompanying explanatory statement.

RESOLVED FURTHER that the Board of Directors be authorized to vary the terms and conditions of appointment of ART during the tenure of such appointment on such considerations of prudence and expediency as are warranted from time to time

By Order of the Board

Kochi
11-05-2012

G.R. Kurup
Company Secretary

Notes:

1. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on a poll on his behalf and a proxy need not be a member.** The proxy forms duly completed, stamped and signed must be deposited at the Registered Office of the company not less than forty-eight hours before the meeting.
2. The Register of Members and Share Transfer books of the company will remain closed from 27.06.2012 to 06.07.2012 inclusive of both days.
3. The dividend, if declared at the meeting will be paid on or after 20.07.2012 to those shareholders whose names appear on the Register of Members as on record date.
4. Members holding shares in the same name or same order under different ledger folios are requested to apply for clubbing into one folio.
5. Members are requested to notify the Registrar and Share Transfer Agents immediately of their Bank Account Number and name of the Bank and Branch in the case of physical holdings and to their respective Depository Participant in the case of demated shares, so that payment of dividend when made through NECS/Dividend Warrants, can capture the updated particulars and avoid delay/default.
6. The Company has appointed M/s. Cameo Corporate Services Limited, "Subramanian Building", 1, Club House Road, Chennai-600 002, as the Registrar and Share Transfer Agents of the Company to deal with the physical as well as electronic share registry.
7. Members are requested to notify immediately any change in their address to the Registrar

and Share Transfer Agents at their address as given above in the case of physical holdings and to their respective Depository Participant in case of demated shares.

8. Members are requested to furnish details of their nominee in the nomination form that can be obtained from the company on request.
9. Members desiring any information as regards the accounts are requested to write to the company so as to reach the Registered Office at least 5 days before the date of meeting to enable the management to keep the information ready.
10. Members are requested to note that trading of company's shares through Stock Exchanges are permitted only in electronic/ demat form. Those members who have not yet converted their holdings into the electronic form may please consider opening an account with an authorised Depository Participant and arrange for dematerialisation.
11. Members attending the Annual General Meeting are requested to invariably bring with them the ATTENDANCE SLIP sent along with the Annual Report

EXPLANATORY STATEMENT

Pursuant to Section 173(2) of the Companies Act, 1956 Item No: 6

The company has vide agreement dtd 15.02.2012 appointed M/s. Al Resalah Trading Est. (herein-after called 'ART'),C.R # 4030054842, P.O. Box 32934, Jeddah 21438, Kingdom of Saudi Arabia (hereinafter called 'KSA') as Sole Selling Agents for sale of its product GELATIN in the territory of KSA.

Section 294 of the Companies Act,1956 describes that an appointment of Sole Selling Agent would cease to be valid if it is not approved at the first Annual General Meeting held after such appointment. The following are the material terms and conditions of the appointment:-

- a. The appointment will be for a period of minimum 5 years automatically renewable for similar terms.
- b. ART shall be agent of NGIL in KSA and shall have priority to extend the agency territory to other gulf states if the company decides to have agents in such territories. However ART shall not sell or promote NGIL products in countries other than KSA without prior permission from the company. During the tenure of the agreement, ART shall not represent any other manufacturer for the above product.
- c. The quantity, price, mode of payment, other terms and conditions shall be as prescribed by NGIL.
- d. The agreement shall be terminated by either of the parties by 90 days' notice.

Accordingly, approval of the company is sought for the arrangement. The copy of the sole selling agreement is open for inspection at the registered office of the company during business hours on any working day.

None of the directors is interested in the resolution.

Kochi
11-05-2012

By Order of the Board
G.R. Kurup
Company Secretary

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING (in pursuance of Clause 49 of the Listing Agreement with the Stock Exchanges)

Name	K. Ramakrishnan	Hiroshi Takase
Age (Years)	76	57
Nationality	Indian	Japanese
Qualification	MSc., CAIIB	Finance & Accountancy
Expertise	Former Managing Director of State Bank of Travancore and former Deputy Managing Director of State Bank of India. Vast experience in Finance and Banking	Long tenure with Nitta Gelatin Inc., Japan. Presently, General Manager, Finance Division
Other Directorships excluding Foreign Companies	Nil	Nil

DIRECTORS' REPORT

To
The Shareholders,

Your Directors have pleasure in presenting the 36th Annual Report and Audited Accounts of the Company for the year ended 31st March, 2012.

FINANCIAL RESULTS

Particulars	For the year ended 31st March, 2012 (Rs. in Crores)	For the year ended 31st March, 2011 (Rs. in Crores)
Sales (including export incentives and net of Excise Duty & VAT)	245.81	203.65
Other Income	1.13	2.74
TOTAL	246.94	206.39
Gross Profit before Depreciation	15.51	10.94
Deducting therefrom:		
Depreciation	8.97	8.43
Provision for Tax -		
- Current Tax	2.20	0.52
- Deferred Tax	(0.23)	0.41
- MAT Credit	(0.48)	-
- Prior years	(0.03)	(0.31)
Profit after Tax	5.08	1.89
Balance Profit Available for Appropriation	5.08	1.89
The appropriations are:		
Dividend	3.36	3.36
Tax on Dividend	0.54	0.56
Transfer to General Reserve	0.51	0.19
Profit brought forward from Previous Year	7.10	9.32
Balance Profit carried to Balance Sheet	7.77	7.10

DIVIDEND

Your Directors are pleased to recommend a dividend of Rs.4/- per share @ 40% of the face value of Rs.10/- per share on the equity capital for the financial year 2011-12, for the approval of the Company in General Meeting. The total outflow on account of dividend inclusive of corporate tax on dividend would be Rs. 3.90 Crores.

PERFORMANCE

The Gross revenue from operations of the Company touched Rs. 250 Crores during the year registering a growth of over 20% as against 4% during the previous year. It has been possible for the company to enhance the sales quantities and unit sales realization to achieve this enviable growth rate. The fluctuation in foreign exchange rates also contributed in attaining the increased turnover.

Ossein prices increased by 25% in rupee terms (previous year 8%) during the year. In the case of Dicalcium Phosphate, the increase was 10% (previous year 15%) and 18% for Gelatin (previous year 3%). Revenue streams from our new products like Collagen Peptide, Gelixer CollagenPep, Nutrisoil, Nutrigold, Chitosan, Meat Meal and Seedaid continued to be healthy during the period.

In spite of the big potential, the Indian meat industry has not achieved its due share for various reasons. Moreover, it could not so far recover from the set-back suffered due to the global recession. In the domestic sector, poultry products are gaining wider acceptance by customers and is growing at 10% to 15% annually. The chicken meat contributes about 37% of the total meat production. On account of factors like popularity, price, easy availability, absence of religious prohibitions, low

cholesterol content etc., poultry meat production is expected to grow at a faster pace. This scenario has led to a reduction in slaughtering of cattle and hence the availability of crushed bone eventually leading to price escalations. As a result of the above, crushed bone prices have further increased by 9% during the year over the previous year causing an incremental cost of around Rs. 7 Crores for the Company. In addition to the above, there were some temporary production interruptions at our Ossein Plant at Koratty, Kerala, due to which we had to source Ossein from the market to balance our requirements causing further pressure on our bottom line. Additionally, the general increase in interest costs and an increase in the cost of utilities especially power and firewood has been a feature of the year. Despite the above, and the turbulences in the global economic scenario, we could achieve an increase in our Profit before tax to Rs. 653.48 Lakhs during 2011-12 as against Rs. 251.45 Lakhs in the previous year.

There was appreciable demand for the products of the Company in the domestic and export markets. Our entire sale of Ossein was on exports and for Gelatin, exports accounted for 61% of total sales to around thirty countries.

Reva Proteins Limited, the 100% subsidiary of the Company has completed the implementation of Lined Ossein Project and the Project has been capitalized on 27.03.2012. In spite of the restrictions on discharge of effluent by the Pollution Control authorities, project has been commissioned as soon as the trials have been stabilised. Pending clearance of effluent discharge by the Pollution Control Board, the Company is taking steps for the maximization of capacity utilization of this plant.

The products of your Company command an enviable market reputation. The regular demand for the products gives credence to your Company's ability to keep growing in the most competitive Gelatin market as we continuously update and respond to the changes in our customer's preferences.

The Kadukutty Panchayat where our Ossein Plant is situated, has not renewed our factory licence for the year commencing from 01.04.2011 on very flimsy grounds. Hence your Company moved the Hon'ble High Court of Kerala seeking renewal of factory licence. The matter is currently pending before the said Court and the unit is in operation. Even though your Company meet the standards prescribed by the authorities, the State Government has directed the Company to implement an action plan to further improve the environment and it is being implemented as per the agreed schedule.

Your Company is confident that these measures will produce the desired results.

The new factory acquired at Aroor is currently being used for the production of our consumer products. However the setting up of a marine based production line in the said premises, taking into consideration the recent product preferences is also under consideration.

AWARDS & ACCOLADES

In 2011-12 also awards and recognitions marked our accomplishments in various fields. We won the Top Export Award from Chemicals & Allied Products Export Promotion Council (CAPEXIL) for Ossein & Gelatin.

The following are the noteworthy Certifications maintained by your Company:

1. European Directorate for the Quality of Medicines & Health (EDQM) Certificate for Gelatin Division.
2. HACCP Certificate for Ossein Division & Gelatin Division for food safety.
3. ISO 14001:2004 for Gelatin Division for Environmental Management System.
4. ISO 9000 for Quality Management System of the Company.
5. NABL Accreditation for in-house Laboratory.

HEALTH, SAFETY AND ENVIRONMENT

Compliance with the relevant regulations coupled with effective management of these areas of vital importance is an integral part of your Company's operating philosophy and we stand committed to continually improve on these objectives. There was considerable focus on improving Health, Safety and Environment during the year by the Company.

1. Health and Safety

The Company is committed to promote health and safety of its employees. The Company has a Safety Committee which meets regularly to review issues impacting plant safety and employee health. Regular health check up of the employee is carried out by a reputed hospital.

2. Environment

Your Company continuously endeavours to improve on environmental management to minimize the adverse environmental impact. Through all our activities, we demonstrate our commitment to protect the environment.

Out of the total plot area of approx. 1,53,900 Sq. Metres, about 10,000 Sq. Metres of land around

the boundary of Gelatin Division and about 38,000 Sq. Metres of land in Ossein Division have been allocated as green area used exclusively for planting trees and it constitute approximately 31% of the total land area comprised in the two divisions.

The Company has in place modern state of the art effluent treatment plants both at Ossein Division and Gelatin Division for treating and discharge of effluent water well within the limits set by the State Pollution Control Board. The emissions from boilers and generator stacks are monitored regularly. A part of the effluent shall be used for bio-gas generation at Ossein Division.

Apart from the above, the Company is currently undertaking a major anti-pollution drive at Ossein Division wherein massive investments are proposed for reducing water consumption, setting up of bio-gas plant using sludge generated from production, additional green belt around the factory compound, odour monitoring system and on-line public display of ph value of water discharged. These steps are expected to go a longway in furthering our resolve to protect the nature and environment.

CORPORATE SOCIAL RESPONSIBILITY

Your Company has upheld its devotion to social cause during the current year as well. K.T. Chandy – Seichi Nitta Foundation, the charitable trust promoted to support the social initiatives have also contributed significantly towards this cause. During the year under review, so many schemes aimed at the welfare of the people at Kadukutty Panchayat where the Ossein Plant of the Company is situated, has been implemented. Drinking water/lift irrigation schemes, for providing water for drinking and agriculture, were commissioned in different locations in the local Panchayat thereby reducing the scarcity of water to a considerable extent. Training programmes in various subjects for both adults and students, financial assistance and support for BPL people, supply of seeds and manure for local people, subsidy & training for setting up domestic bio-gas plant, supply of study materials for school children etc., were some among the key initiatives towards social obligation.

SUBSIDIARY COMPANIES

1) BAMNI PROTEINS LIMITED

The annual production during the year in this subsidiary company was 2423 MT of Ossein and 5290 MT of Dicalcium Phosphate as against 2407 MT of Ossein and 5295 MT of Dicalcium Phosphate during the previous year. The Company has recorded a net profit of Rs. 13.59 Lakhs after tax as against Rs.

27.52 Lakhs during the previous fiscal. But for the increase in the cost of power and other utilities, the Company's profitability would have been higher.

2) REVA PROTEINS LIMITED

The Limed Ossein Plant owned by M/s. REVA PROTEINS LIMITED has been commissioned on 27.03.2012.

During the financial year ended 31.03.2012, Reva Proteins has registered a Net Loss of Rs. 61.47 Lakhs as against Rs. 31.58 Lakhs during the previous year. There was no income for the Company during the financial year.

In terms of the general circular dated 8th February 2011 issued by Government of India, Ministry of Corporate Affairs, copy of the Balance Sheets, Profit & Loss accounts, reports of the Board of Directors and Auditors of the subsidiary companies have not been attached with the Balance Sheet of the Company. Annual accounts of the subsidiary companies and the related detailed information shall be made available to shareholders of the Company and subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies shall also be available for inspection by any shareholder at the Head Office of the Company and the subsidiary companies concerned. Hard copy of details of accounts of subsidiaries shall be furnished to any shareholder on demand. Further, pursuant to Accounting Standard AS – 21 issued by the Institute of Chartered Accountants of India, consolidated financial statements presented by the Company include the financial information of its subsidiaries.

AUDITORS' REPORT

- I Note No.2.27.2(1) on the accounts referred to in para (3) of the Auditor's Report is explained in detail under para 2.27.2 (i),(ii), (iii) and 2.27.1(i) of the said note and hence no further comments are necessary.
- II Observation of audit vide para 9 (a) of the Annexure to the Auditors' Report - The amount referred to by audit, fully provided for in the accounts, can be remitted only after the execution of a new agreement with Irrigation Department, Govt. of Kerala. The said agreement is currently under finalisation by the Govt.
- III Observation of the audit vide para 9 (b) of the Annexure to the Auditors' Report - The points covered in the above para are explained in detail under 2.27.2 (iii) & (ii) respectively and hence no further comments are necessary.

COLLABORATORS

Your Collaborators continue to extend their unstinted support and co-operation to each and every initiative of the Company. They have been supporting us by providing technical information, training of personnel, deputing trained technician to our Plants and marketing our products.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information as required under Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed.

PERFORMANCE MANAGEMENT PROCESS

With a view to achieve the ambitious growth targets, your Company has put in place a Performance Management Process in earlier years. Under this programme, every key area of operation such as Purchase, Production, Marketing, Process Development, HR and Finance which have a significant impact on the bottom-line are identified and specific targets set by the management to be collectively pursued for attainment by various group of employees selected from all levels. The achievements are constantly evaluated against the targets as well. This has created an atmosphere of collective thinking and team spirit besides sharpening the analytical and problem solving skills of employees.

HUMAN RESOURCE

Your Company provides laudable learning and development opportunities to its employees starting from induction. The Company truly believes that to have a sustainable competitive advantage in the current knowledge economy, learning would be the key catalyst for an organization's survival and success. The Company's extensive training calendar covers all categories of employees. To facilitate an all round development of employees, the calendar comprises of behavioral training, functional training and safety training.

A series of leadership training interventions are being planned to further enhance and develop middle, senior and top management personnel.

PARTICULARS OF EMPLOYEES

None of the employees of the Company are falling under the purview of Section 217(2A) of the Companies Act, 1956.

RESPONSIBILITY STATEMENT OF DIRECTORS

Directors responsibility statement on the Annual Accounts of the Company for the year ended

31.3.2012, pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956.

Your Directors confirm:

- i) That in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- ii) That they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2012 and of the profit of the Company for the year ended 31st March 2012.
- iii) That they have taken proper and sufficient care for the maintenance of adequate accounting records in safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) That they have got prepared the annual accounts on a going concern basis.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Report on Management Discussion and Analysis is annexed.

CORPORATE GOVERNANCE

Your Directors reaffirm their continued commitment to good corporate governance practices. During the year under review, your Company was in compliance with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges relating to Corporate Governance.

A separate section on Corporate Governance together with a certificate from your Company's Statutory Auditors forms part of this Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements have been prepared in accordance with the provisions of Accounting Standards 21, 27 and other applicable Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the Listing Agreement with the Stock Exchanges and forms part of the Annual Report.

ADDITIONAL DISCLOSURES

Keeping in view the requirements of the Listing Agreements and the Accounting Standards of the Institute of Chartered Accountants of India, your Company has made additional disclosures in respect of Related Party Transactions and Segmental Reporting.