

ANNUAL REPORT 2013-2014



Narmada Gelatines Limited

COMPANY INFORMATION

BOARD OF DIRECTORS

Justice Gulab Gupta
Mr. Deepak Chaudhuri
Mr. Mohan Chandra Pant
Mr. Sanjeev Jain
Mr. Ravindra K. Raje
Mr. Ashok K. Kapur - Whole Time Director

AUDIT COMMITTEE

Justice Gulab Gupta - Chairman
Mr. Deepak Chaudhuri
Mr. Mohan Chandra Pant
Mr. Ravindra K. Raje

REMUNERATION COMMITTEE

Justice Gulab Gupta - Chairman
Mr. Deepak Chaudhuri
Mr. Mohan Chandra Pant

INVESTORS' GRIEVANCE COMMITTEE

Mr. Mohan Chandra Pant - Chairman
Justice Gulab Gupta
Mr. Ashok K. Kapur

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Mahesh Verma

AUDITORS

T.R. Chadha & Co. - Statutory Auditor
Tapan Badkul & Associates - Cost Auditor

REGISTERED OFFICE

CARAVS, Room No. 28
15, Civil Lines, Jabalpur (M.P.)

FACTORY

Meerganj, Bheraghat Road
Jabalpur (M.P.)

BANKERS

Allahabad Bank
IDBI Bank Ltd.
Union Bank of India
ICICI Bank Ltd.
State Bank of India
HDFC Bank Ltd.
Axis Bank Ltd.

REGISTRARS AND SHARE TRANSFER AGENTS

CB Management Services Pvt. Ltd.
P-22, Bondel Road,
Kolkata - 700019

DEPOSITORIES

National Securities Depository Limited
Central Depository Services (I) Limited

LISTED WITH

Bombay Stock Exchange Ltd. (BSE)



भोझाघाट में पौधे लगाए

नर्मदा नदी के किनारे भोझाघाट में पौधे लगाने के कार्यक्रम में भागी लोग। नर्मदा नदी के किनारे भोझाघाट में पौधे लगाने के कार्यक्रम में भागी लोग। नर्मदा नदी के किनारे भोझाघाट में पौधे लगाने के कार्यक्रम में भागी लोग।

Narmada Gelatines will install water treatment plant near Panchawati



MPPCB Chairman Dr N P Shukla addressing the public awareness and Narmada bank cleaning drive held on Narmada Aashirwaad at Saranawati, Bheraghat, on Thursday.

Staff Reporter

CHAIRMAN of Madhya Pradesh Pollution Control Board Dr N P Shukla addressed a public awareness programme and Narmada bank cleaning drive at Saranawati Ghat, Bheraghat, organised under the joint banner of Narmada Gelatines Limited, Bheraghat - Nagpur Panchayat, MP Pollution Control Board, Jabalpur. Narmada begins on Thursday. The programme was organised by Narmada Gelatines Limited, Bheraghat. The programme was organised by Narmada Gelatines Limited, Bheraghat. The programme was organised by Narmada Gelatines Limited, Bheraghat.

250 गांव के लोगों ने उदाया निःशुल्क नेत्र शिविर का लाभ



नर्मदा नदी के किनारे भोझाघाट में पौधे लगाने के कार्यक्रम में भागी लोग। नर्मदा नदी के किनारे भोझाघाट में पौधे लगाने के कार्यक्रम में भागी लोग। नर्मदा नदी के किनारे भोझाघाट में पौधे लगाने के कार्यक्रम में भागी लोग।

मोतियाबिंद का ऑपरेशन मेडिकल में

भोझाघाट में मोतियाबिंद का ऑपरेशन मेडिकल में भागी लोग। नर्मदा नदी के किनारे भोझाघाट में पौधे लगाने के कार्यक्रम में भागी लोग। नर्मदा नदी के किनारे भोझाघाट में पौधे लगाने के कार्यक्रम में भागी लोग।



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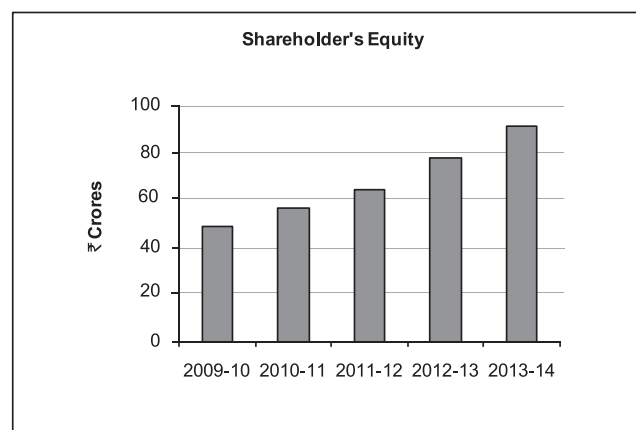
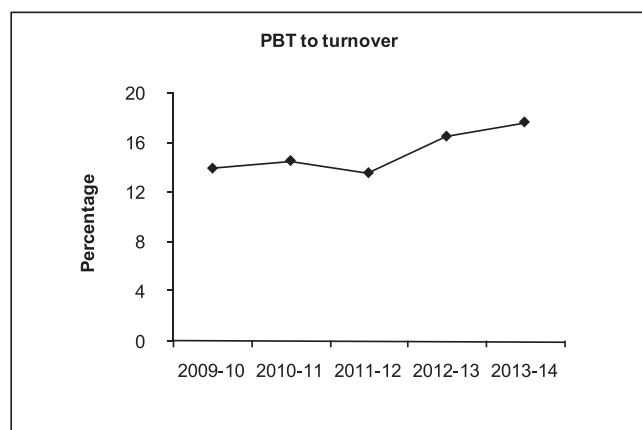
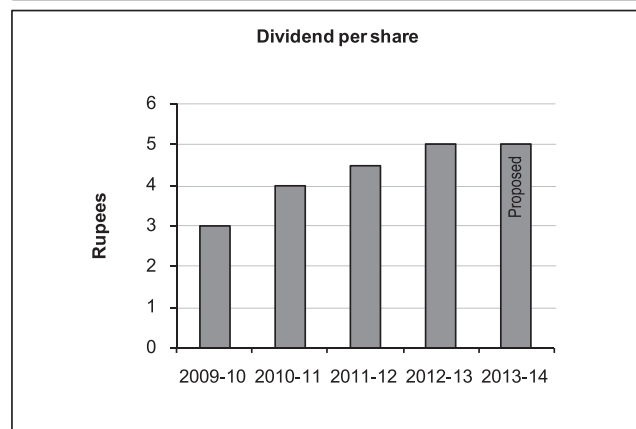
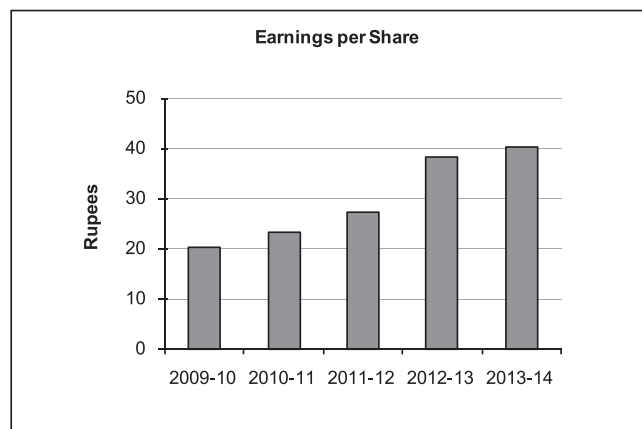
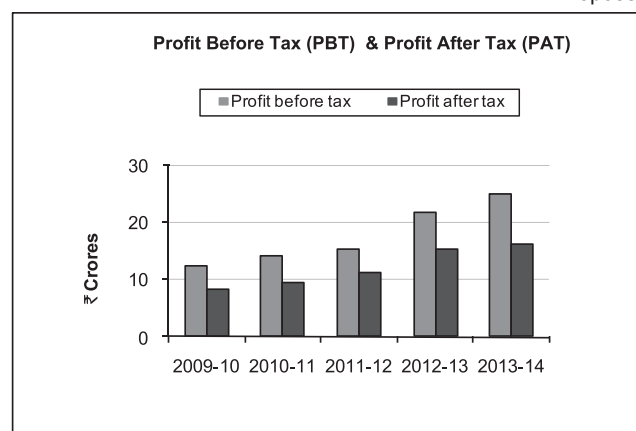
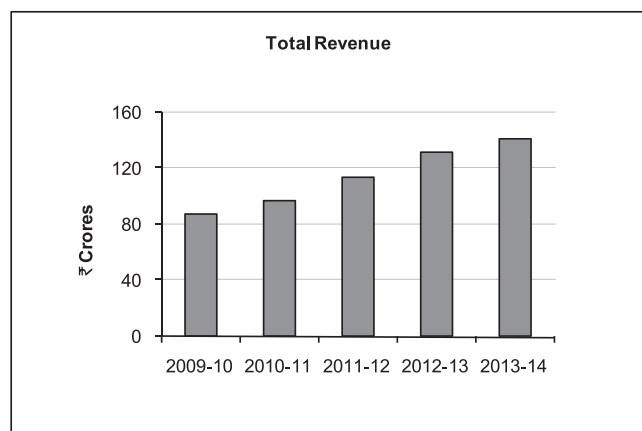


FINANCIAL HIGHLIGHTS

Key financial and operational data for the last five years

	2009-10	2010-11	2011-12	2012-13	2013-14
Total Revenue (₹ Crores)	87.53	96.48	113.14	131.01	140.46
Profit before tax (₹ Crores)	12.24	14.08	15.41	21.69	24.86
PBT to turnover (%)	14.0	14.6	13.6	16.6	17.7
Profit after tax (₹ Crores)	8.18	9.47	11.06	15.40	16.26
Basic and Diluted Earnings per Share (₹)	20.28	23.48	27.43	38.18	40.33
Dividend per equity share (₹)	3.00	4.00	4.50	5.00	5.00*
Shareholder's Equity (₹ Crores)	49.28	56.47	64.84	77.84	91.70

*Proposed





DIRECTORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

Dear Shareholders,

The Directors have pleasure in presenting the 53rd Annual Report of your Company and the Audited Accounts for the financial year ended 31st March, 2014.

₹ Lacs

	Year ended 31st March 2014	Year ended 31st March 2013
Profit before Tax	2485.58	2169.32
Provision for Taxation:		
Current	740.00	634.48
Deferred Tax	<u>119.17</u>	<u>859.17</u>
Profit after Tax	1626.41	1539.86
Balance brought forward from last year	<u>4902.95</u>	<u>3753.00</u>
Amount available for appropriation	6529.36	5292.86
Transfer to General Reserve	162.64	153.99
Proposed Dividend on Equity Shares	201.65	201.65
Tax on proposed dividends	<u>34.27</u>	<u>34.27</u>
Balance carried forward	6130.80	4902.95

Economy Overview

In the recent past, the Indian economy has faced varied challenges such as inflationary pressures, domestic structural constraints, slowdown in growth and an unsupportive external environment. The slowdown manifested in the decline in the growth of GDP from 8.9 % in 2010-11 to 6.7% in 2011-12 and 4.5% in 2012-13. With the expected growth rate of 4.9% in 2013-14, the declining trend in growth appears to have reversed.

The growth slowdown in India is broadly in line with trends in similar emerging economies. The sharp downturn in growth is a combination of domestic factors with the global economic environment of uncertainties and slow growth in many advanced economies. The revival in agriculture on the back of a steady monsoon and robust growth in financial and business services led to a modest uptick in growth in 2013-14.

Financial Highlights

In spite of the economic slowdown all around, your company continued to perform well with sales growing by 7.1% to ₹ 130.45 crores in the 2013-14. Profit before tax increased by 14.6% to ₹ 24.86 crores as compared to ₹ 21.69 crores in 2012-13. Earnings per share increased to ₹ 40.33 as compared to ₹ 38.18 in 2012-13.

During the year, the industry witnessed an upward trend in the raw material prices. However, due to effective management and supervision, the company was able to effect savings in energy costs and partly offset the adverse effect of increase in input costs. As a consequence of increased cost of production, gelatin prices also firmed up.

Issue of Bonus Shares

The Board of Directors of the Company in its meeting held on August 6th, 2014, has recommended issue of bonus shares to the holders of equity shares of the Company in the ratio of 1:2 (i.e. one bonus equity share of 10/- each for every two fully paid up equity shares of 10/- each held), subject to the

approval of the shareholders in the ensuing Annual General Meeting.

Dividends

Your Directors recommend a dividend of ₹ 5/- per Equity Share for the financial year ended March 31, 2014 (previous year ₹ 5/- per Equity Share).

The total outflow on account of the proposed dividend including dividend distribution tax will be ₹ 235.92 lacs, (previous year ₹ 235.92 lacs).

Transfer to Reserves

It is proposed to transfer an amount of ₹ 162.64 lacs (being 10% of the net profits for the year) to the General Reserve. An amount of ₹ 1227.85 lacs out of the profits for the year under review is proposed to be retained in the Profit and Loss account.

Industry Structure and Developments

The market for gelatin is primarily driven by its growing use in end-user industries such as food and beverages, pharmaceutical, and cosmetics. Growing health concerns and ageing population, especially in western countries, are also acting as the major factors driving this market. However, cultural barriers across the world on the use of gelatin derived from animals is a factor which inhibits the overall market growth. Moreover, growing regulatory issues primarily in the food industry are also challenges for the players operating in this market.

The rapid growth of the pharmaceutical industry in India and across the world has resulted in stable demand for gelatin in domestic market. The demand for exports was also stable during the period.

The Indian gelatin industry differs from the rest of the world, in the process followed for manufacture of gelatin; while most of the gelatin manufactured globally use either hide or crushed bones for the manufacture of gelatin, the Indian manufacturers essentially use crushed bones. This is due to the virtual non-availability of porcine hide for manufacturing gelatin in India. Most of the bovine hide in India is taken up by the leather industry. Ergo, the Indian gelatin industry makes use of crushed bones resulting from the bovine industry.

Opportunities and Threats

The Office International des Epizooties, Paris [OIE], continued the status of India as "Negligible Risk" as far as BSE categorisation is concerned which is a good opportunity for the industry.

The level of awareness about environmental hazards has increased among the general public and the state authorities are upgrading pollution control norms regularly. The industry is now required to address the issue of environment with more commitment. Your company has taken necessary steps to meet these challenges effectively.

The availability of good quality raw material is a constant concern. The import of poor quality of gelatin into India is a health concern and also affects proper price realisation on



the gelatin produced by the domestic manufacturers including your company. The industry has collectively approached the government to initiate action against the import of poor quality gelatin. Alternatives for the by-product DCP are emerging and could be of some concern in future.

Outlook

Barring any unforeseen circumstances, your company should continue to perform well. The company continues its focus on improved productivity and quality of its products.

Risks and Concerns

Rising raw material costs, fuel and electricity prices could impact margins.

Tightening of pollution control norms by the statutory authorities can affect output and result in higher cost of production.

The steady economic development in China and India is expected to drive the market for Asia-Pacific. The imports from China at prices well below the domestic price can have a major effect on the margins in the near future.

Segment-wise or product-wise performance

The company is engaged in the business of manufacture and sale of gelatin and ossein and the by-product di-calcium phosphate which broadly form part of one product group and hence a single business segment. However, based on geographical factors, reportable segment have been identified as exports sales and domestic sales. The segment revenue information is given separately in Notes on Accounts under the disclosure as required under Accounting Standard 17 - Segment Reporting and forms part of the Directors' Report.

Internal Control System

The company has an adequate internal control system covering supervision, checks and balances, policies, procedures and internal audit which ensures that company assets are safeguarded and protected and that transactions are authorised, recorded and reported correctly. The system is reviewed and updated on an ongoing basis. The Group Internal Audit team continues to support the internal audit function.

The company's internal control system comprises audit and compliance of observations made by the Internal Auditors.

The Internal Auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms. Independence of the audit and compliance is ensured by direct reporting of Internal Auditors to the Audit Committee.

Fixed Deposits

During the year under review, the company has not accepted any fixed deposits from the public, and as on March 31, 2014 the company had no unclaimed deposits or interest thereon due to any depositor.

Subsidiary Company

The company does not have any subsidiary company.

Directors

In accordance with the provisions of Section 152 of the Companies Act, 2013, and Article 115 of the Articles of

Association of the company, Mr. R.K. Raje. retires by rotation at the ensuing Annual General Meeting of the company. Mr. R.K. Raje, being eligible, has offered himself for re-appointment. The Board of Directors recommends his re-appointment.

Justice Gulab Gupta, Mr. M.C. Pant and Mr. Deepak Chaudhuri, are proposed to be appointed as Independent Directors of the company at the ensuing Annual General Meeting of the company in accordance with the provisions of Section 149 of the Companies Act, 2013. The company has received declarations from them confirming that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

The Board of Directors recommends their appointment as Independent Directors for a period of two years.

The company has received a notice in writing from a member along with a deposit of requisite amount as prescribed under Section 160 of the Companies Act, 2013 proposing the candidature of Ms. Drushti R. Desai as a Director of the company and she has given her consent to act as a Director of the company.

The Board recommends her appointment as a Director liable to retire by rotation.

All the appointments of the Directors of the company are in compliance with the provisions of Section 164(2) of the Companies Act, 2013 read with Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014.

Attention of Shareholders is invited to the relevant items of the Notice of the Annual General Meeting and the Notes thereto.

Brief resume of the Directors proposed to be appointed/ reappointed, nature of their expertise in specific functional areas and names of companies in which they hold directorship and membership / chairmanship of committees of the Board, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are given in the section on Corporate Governance in this Annual Report.

Directors' Responsibility Statement

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

- I. That in the preparation of accounts for the financial year ended 31st March 2014, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed along with proper explanation relating to material departures, if any;
- II. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so far as to give a true and fair view of the state of affairs of the company at the end of the financial year and the profit and loss of the company for the year under review;
- 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 for safeguarding the assets of the company and preventing and detecting fraud and other irregularities;

- IV. That the Directors have prepared the accounts for the financial year ended 31st March, 2014 on a 'going concern' basis.

Statutory Auditors and Audit Report

M/s T.R. Chadha & Co., Chartered Accountants, Statutory Auditors of the company, hold office until the conclusion of ensuing Annual General Meeting and are eligible for re-appointment.

The company has received a letter from them to the effect that their reappointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for such re-appointment within the meaning of Section 141 of the said Act.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

Cost Auditor

M/s Tapan Badkul & Associates, Cost Accountants, have been appointed as the Cost Auditors of the Company to conduct audit of cost accounting records maintained by the Company for product(s) covered under MCA order No.52/26/CAB-2010 dated 24th January, 2012 (as amended) for the year ending on 31st March, 2014.

Transfer of Unpaid and Unclaimed amounts to IEPF

Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, the declared dividends and interest on debentures which remained unpaid or unclaimed for a period of 7 years have been transferred by the company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the said Act.

During the financial year 2013-14 the company has transferred the unclaimed dividends for the year 2005-06 on Equity Shares and on 9% Cumulative Redeemable Preference Shares amounting to ₹40,388/- and ₹1,84,850/- respectively, to the Investor Education and Protection Fund.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the company has uploaded the details of unpaid and unclaimed amounts lying with the company as on 14th August, 2013 (date of last Annual General Meeting) on the Ministry of Corporate Affairs' website.

Corporate Governance

Your company is committed to maintain the highest standards of Corporate Governance and adhere to the requirements set out by the Securities and Exchange Board of India's Corporate Governance practices.

Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreements with the Stock Exchanges forms part of the Annual Report. The Whole-Time Director's declaration regarding compliance with the company's Code of Business Conduct and Ethics for Directors and Management

Personnel forms part of Report on Corporate Governance. The requisite certificate from M/s T.R. Chadha & Co., Chartered Accountants, Statutory Auditors of the Company confirming compliance with the conditions of Corporate Governance, as stipulated under the aforesaid Clause 49, is annexed to this Report.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required to be disclosed 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 are provided in the Annexure to this Report.

Employees

None of the employees of the company is in receipt of remuneration exceeding the limit prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

Industrial Relations

Industrial relations remained cordial throughout the year. Your Directors place on record their sincere appreciation of the significant contributions made, and the continued support extended, by all employees at all levels to the company's operations during the year.

Acknowledgement

Your Directors take this opportunity to thank the Central and the State Governments, statutory authorities, bankers, vendors and business associates and the shareholders for their continued interest and valued support.

For and on behalf of the Board

R. K. Raje
Director

Ashok K. Kapur
Wholetime Director

Place : Jabalpur
Date : 6th August, 2014



Annexure to Directors' Report

Particulars required under The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

A. RESEARCH & DEVELOPMENT

1. Specific Area in which R&D carried out by the Company :

Manufacture of Protein Hydrolysate.

2. Benefits derived as a result of above R & D :

Expected to improve price realization of gelatin.

3. Future Plan of Action :

Experiments in the laboratory are continuing; on successful outcome of laboratory test results, plant trials will be conducted followed by test marketing.

4. Expenditure on R&D

Recurring Expenditure - ₹ 36.11 lacs; Capital Expenditure – Nil

Total R&D Expenditure as a % of Total Turnover: 0.28%

B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

1. Efforts in brief made towards technology absorption, adoption and innovation:

(a) Disposal of lime waste in accordance with environmental norms.

(b) Efficient drying of by-product.

2. Benefits derived as a result of above efforts:

(a) Improved environment.

(b) Lower cost of production.

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished :

(a) Technology

(b) Year of import

(c) Has technology been fully absorbed

(d) If not fully absorbed, areas where this has not taken place, reasons thereof and future plan of action



Not applicable as no
technology imported

4. Foreign Exchange Earnings and Outgo

The FOB value of exports amounted to ₹ 466.56 lacs against Rs 389.49 lacs in the previous year.

The expenditure in foreign exchange comprises of travel for export promotion ₹ 1.97 lacs and other expenditure ₹ 71.36 lacs.

For and on behalf of the Board

R. K. Raje
Director

Ashok K. Kapur
Wholetime Director

Place : Jabalpur

Date : 6th August, 2014



REPORT ON CORPORATE SOCIAL RESPONSIBILITY

The Company believes in actively contributing to the social and economic development of the communities in which it operates and in doing so, build a better, sustainable way of life for the weaker sections of the society and raise the country's human development index. Social welfare and community development is therefore at the core of the Company's Corporate Social Responsibility philosophy and this continues to be a priority.

The Company's contributions to the community are in the areas of health, education, infrastructure development and contributions to other social development organisations. The Company also supports and partners with several NGOs in community development and health initiatives. Some of the social activities carried out by the Company are as under:

Environment

The Company remains fully compliant with various environmental protection, health and safety laws and regulations. The Company has instituted a management system, which ensures full compliance to all applicable legal requirements.

Keeping harmony with nature as a guiding principle, plantation of trees, maintenance of green belts and gardens in and around the manufacturing unit, mangrove plantation in the factory premises, vermi-compost of waste and its use as manure, recycling of treated water in cooling water system and in horticulture activities, etc. are regular activities undertaken by the Company.

The Company and its employees regularly promote and participate in projects for cleanliness of river Narmada through cleaning banks, putting up flex, banners and wall painting messages. The company sponsored various programmes for environment protection like Marathon “**Run Jabalpur Run**” for environment protection and ‘**Narmada Mahotsava**’, ‘**Narmada Jayanti**’ and **Narmada Alankaran Samaroh**.

Health

All employees undergo regular periodic medical examinations. The company has tie-ups with local hospitals wherein employees receive medical treatment as and when required. The company maintains first-aid facility and a dispensary within the factory premises.

Social Responsibility and Community Development

The Company arranges for supply of drinking water in the surrounding villages and has for the purpose arranged for installation of drinking water connections. In addition, the Company provides drinking water at various locations around the factory during the summer season.

Sports

The company sponsored various sports activities and games organized by the local gram panchayat.

Education

Education is one of the focus areas of social development for the Company and supports academics at all levels. The Company provides assistance to schools such as **Parivartan, Asha School and Ekal Vidyalaya**. The Ekal Vidyalaya movement aims to help eradicate illiteracy from rural and tribal India. The Company also provides scholarships to poor girls of the locality and educational support to various poor children through contributions to **Pahel Sanstha Charitable Institution** and **Hamara Jabalpur** for “Balika Prothsaan Yojana”. The Company has also aided the repairs and maintenance of schools located in the nearby villages. The Company provided financial help to meritorious but financially challenged students.

Religious and cultural events

The Company contributes to various local religious and cultural programmes. During the traditional Navratri Garba festival, the Company contributed to various programs. Financial assistance and support were given to community festivals and for the marriage of poor women.

Community Health Care

The Company conducts regular health checks and medical diagnostic camps. Cataract cases are operated free of cost for villagers of Sahajpur and Chargawan. The Company distributes medicines and spectacles to large number of patients in the neighbouring villages of Jabalpur and also arranges for sprinkling of medicines and insecticides in the surrounding villages to prevent spread of disease and to promote cleanliness.

Flood Relief

The Company distributed foods and eatables during in the flood affected areas of Bheraghat, Jabalpur.



REPORT ON CORPORATE GOVERNANCE

Corporate Governance is the implementation of best management practices, compliance of law and voluntary adherence to ethical standards which are inevitable for achieving organisational efficiency, enhancing shareholders value and discharge of social responsibility. The principle of good corporate governance is to ensure fairness in all transactions within and outside the company with investors, customers, employees, partners, competitors and the society at large. Adoption of Corporate Governance and disclosure practices attract the best of capital and talent for any organisation and create value and wealth on a sustainable and long term basis.

Governance practices may vary but the principles are generic and universal, viz. commitment of the Board in managing business ethically and in a transparent manner with the profit objective balanced by long term value equitably for all stakeholders. With increasing complexities in business of organizations, sound governance practices are indispensable to build and sustain trust.

Good corporate governance practices are also essential for a sustainable business model for generating long term value for the stakeholders.

The Company is committed to run its business in a legal, ethical and transparent manner with dedication that prevails throughout the organization. This report sets out the compliance status for the Company with the requirements of corporate governance, for the financial year 2013-14.

1. Company's Philosophy on Corporate Governance

The Company's philosophy is to achieve business excellence and optimize long-term value for its shareholders on a sustained basis through ethical business conduct. It envisages attainment of the highest level of transparency, accountability and equity in all facets of its operations and all its interactions with shareholders, employees, lenders and regulatory bodies.

The corporate governance structure in the Company assigns responsibilities and entrusts authority among different participants in the organisation viz. the board of directors, the senior management, employees, etc. The company's focus revolves around values based on transparency, integrity, professionalism and accountability. Its initiatives towards this end include: professionalization of the Board; fair and transparent processes and reporting systems; and going beyond the mandated Corporate Governance Code requirements of SEBI. The company continuously endeavours to improve upon these aspects on an ongoing basis and adopts innovative approaches for leveraging resources, converting opportunities into achievements through proper empowerment and motivation, fostering a healthy all round growth and development to take the company forward.

In addition to complying with the statutory requirements, effective governance systems and practices towards improving transparency, disclosures, internal control and promotion of ethics at work place have been institutionalized. The Company recognizes that good governance is a continuing exercise.

The Board of Directors of the Company has an optimum combination of Executive and Independent Non-Executive Directors who have an in-depth knowledge of business, in addition to the expertise in their areas of specialization. The Board provides leadership, strategic guidance and an independent view to the Company's management.

Independent Directors:

The Company's policy is to maintain optimum combination of Executive, Non-Executive and independent Directors. The members of the Board are from diverse backgrounds with skills and experience in different sectors like technology, finance, legal, power and general management. The Company has a total of 6 Directors of which five are Non-Executive Directors and out of which three are Independent Directors. The Board's actions and decisions are aligned with the Company's best interests. It is committed to the goal of sustainably increasing the Company's value.

The Audit Committee, Remuneration Committee, Shareholders Grievance Committee and Corporate Social Responsibility Committee are headed by Independent Directors. The Board critically evaluates strategic directions of the Company, management policies and their effectiveness.

Corporate Social Responsibility (CSR):

Social welfare and community development is at the core of the company's CSR philosophy and this continues to be a top priority. The company contributions to the community are in the areas of health, education, infrastructure development drinking water, improving village infrastructure, support to schools, environment (effluent treatment, tree plantation, treatment of hazardous waste, etc), relief and assistance in the event of a natural disaster and contributions to other social development organisations.

Role of the Company Secretary in overall governance process:

The Institute of Company Secretaries of India (ICSI), one of the premier professional bodies in India, has issued Secretarial Standards on important aspects like Board meetings, General meetings, Payment of dividends, Maintenance of registers and records, Minutes of meetings, Transmission of shares and debentures, Passing of resolutions by circulation, Affixing of Common Seal and Board's Report.



The Company Secretary is primarily responsible to ensure compliance with applicable statutory requirements and is the interface between the management and regulatory authorities for governance matters. The Company Secretary plays a key role in ensuring that the procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making.

2. Board of Directors

A. Board Composition, attendance of Directors at Board Meetings, Last Annual General Meeting and number of other Directorships and Chairmanships / Memberships of Committees of each Director in various companies:

The Company's policy is to maintain an optimum combination of Executive, Non-Executive and Independent Directors, constituted in conformity with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges. The members of the Board come from diverse backgrounds with skill and experience in different sectors like technology, finance, legal, power and general management. The Company has a total of 6 Directors of which five are Non-Executive Directors and out of which three are Independent Directors.

(i) Composition of the Board of Directors is as follows:

Category	Name of the Directors
Independent Directors	Justice Gulab Gupta Mr. Deepak Chaudhuri Mr. M. C. Pant
Non-Executive Non-Independent Directors	Mr. Sanjeev Jain Mr. R.K. Raje
Executive Director	Mr. Ashok K. Kapur

(ii) None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees as specified in Clause 49 of the Listing Agreement, across all the companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as at March 31, 2014 have been made by the Directors.

Attendance of Directors at Board Meetings, Last Annual General Meeting and number of other Directorships and Chairmanships / Memberships of Committees of each Director in various companies is given below.

Name of Director	No. of other Directorships	Committees of which he is a member	Committees of which he is Chairman	Attendance	
				Board Meetings	Last AGM (14.8.2013)
Justice Gulab Gupta	-	2	1	3	Yes
Mr. Deepak Chaudhuri	-	2	-	4	Yes
Mr. M.C. Pant	-	2	1	4	Yes
Mr. Sanjeev Jain	3	3	-	4	Yes
Mr. R. K. Raje	3	5	1	4	Yes
Mr. A. K. Kapur	1	1	-	4	Yes

The above does not include any Alternate Directorships and Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies. Memberships/Chairmanships of only the Audit Committees and Shareholders'/ Investors' Grievance Committees of Public Limited Companies have been considered.

Directors' Profile

A brief resume of Director(s) being appointed/re-appointed, nature of their expertise in specific functional areas and names of companies in which they hold directorships, memberships/ chairmanships of Board Committees and their shareholding in the Company are provided below:

- (i) Mr. Ravindra K Raje (DIN 00112003) is a Fellow member of the Institute of Chartered Accountants of India and a qualified Company Secretary and a Bachelor of Law. He has an experience of 35 years in industry and consultancy assignments. He is presently on the Board of GWL Properties Limited, Harshit Finlease & Investments Pvt. Ltd., Jumbo World Holdings (India) Ltd., Jumbo Electronics Corporation Pvt. Ltd., MPIL Corporation Ltd., Firestorm Electronics Corporation Pvt. Ltd., Primo Enterprises Private Ltd., SMN Engineers Ltd., L'Aquila Investments Co. Pvt. Ltd., Viman Investments Pvt. Ltd., Wizer Advertising Pvt. Ltd., Aasman Management Services Pvt. Ltd., Derby Electricals (India) Pvt. Ltd., Healing Touch Angiography & Cardiac Surgery Centre Pvt. Ltd.

He holds 185 equity shares of the company as on 31st March, 2014.