



**Pranavadiya**  
**Spinning Mills Ltd.**  
Annual Report 2013-14





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# CORPORATE INFORMATION

## **Board of Directors**

Mr. S. K. Agrawal - Chairman  
Mr. Anil Kumar Jain  
Mr. Kamal Mitra  
Mr. P. N. Shah  
Mr. R. Anand

## **Company Secretary & Compliance Officer**

Mr. Abhishek Thareja  
(Appointed w.e.f. 1st November, 2013)

## **Auditors**

B. K. Shroff & Co.  
Chartered Accountants  
3/7-B, Asaf Ali Road,  
New Delhi 110 002

## **Registered Office**

# 2, Plot No. 266,  
Village Alte, Kumbhoj Road,  
Taluka Hatkanagale  
District: Kolhapur - 416 109

## **Registrar & Share Transfer Agent**

Big Share Service Pvt. Ltd.  
E-2-3/Ansa Industrial Estate,  
Saki Vihar Road,  
Saki Naka, Andheri (East)  
Mumbai - 400 072

## **Banker**

Union Bank Of India

# DIRECTORS' REPORT



Your directors are pleased to present the annual report together with the audited financial statements and auditors' report for the financial year ended 31<sup>st</sup> March 2014.

₹ In lacs

Financial Results	2013-14	2012-13
Revenue	7305.18	6126.48
EBIDTA	451.74	509.73
Less: Interest	25.82	34.39
Less: Depreciation	45.88	39.56
Profit before tax	380.04	435.78
Provision for Taxation	123.52	147.79
Net Profit/(loss) After Taxation	256.52	287.99
Cash Profit	349.79	420.84

## Business Operations Overview and Outlook

Your company closed the financial year 2013-14 with 19.24% growth in sales. Due to volatility in the raw material prices, there has been drop in the EBIDTA from Rs. 510 lacs to Rs. 452 lacs. The revenue generated by the company is the highest ever. The company is Debt Free. The company is in the process of upgrading its facilities with the latest machines to improve efficiency. The company has a strong in-house capability to manage product development and manufacturing.

The macroeconomic scenario during the year under review was characterized by world economy continuing its downward trend on growth; as world economy further decelerated growth rate to 3.0% in 2013 compared to 3.2% in 2012. India's economy showed some signs of recovery in FY 2013-14. India's GDP growth rate moderately increased to 4.9%, as compared to 4.5% in FY 2012-13. This was accompanied by some easing in the inflation rate. However, high interest rates, a depreciated currency and uncertainty due to general elections have led to deceleration in the economic recovery. Particularly, performance of industry sector was lacklustre last year, owing to high interest cost and low investment. In the backdrop of above macro-economic scenario, the revenue performance of your Company is highly encouraging.

India is the world's second largest producer of textiles and garments, with a massive and diverse raw material base. Due to this, Indian Textile Industry is not only of paramount importance to the national economy, it also has an influential presence in global market.

In India, textile & clothing industry contributes nearly 4% of India's GDP, 12% of total industrial production and 11% of total exports of goods. Textile Industry provides direct employment to 35 million and indirect employment to 45 million, which makes it the 2nd largest employment provider in the country after Agriculture.

Globally, India has the 2nd largest textile manufacturing capacity, in terms of spindles and looms. India is the 4th largest exporter of textiles & clothing products to the world, with a share of 4.4% in the global trade. Over last 10 years, exports of textiles & clothing products from India have grown at more than 11% p.a., which increased the share in global trade from 3% to 4.4% between 2003 and 2012.

Indian textiles industry has a strong presence across the value chain. The fundamental strength of this industry flows from its strong production base of wide range of fibres / yarns from

natural fibres like cotton, jute, silk and wool to synthetic / man-made fibres like polyester, viscose, nylon and acrylic. Globally, India is the largest producer of Jute fibre, and 2nd largest producer of cotton, silk, cellulosic and synthetic fibres.

For the current cotton season (Oct '13 to Sep '14), the Cotton Advisory Board has projected cotton production at 375 lakh bales (of 170 kgs each) from 116 lakh hectare area. It is estimated that the yields will improve by – 7% this year, compared to the last year when 365 lakh bales production came from 120 lakh hectare area. The exports of cotton are strong this year and have already crossed 94 lakh bales in first 6 months of Oct-Sep season.

Global production of cotton, as per estimates from International Cotton Advisory Committee, is projected to decline to 25.73 million tons compared to estimated production of 26.83 million tons last year.

India is the second largest producer of cotton, with a small gap from the leader China. India exports about – 90-100 lakh bales (approx. 1/4th of production), mainly to neighbouring countries China, Bangladesh and Pakistan. During 2012-13, the exports to Bangladesh increased significantly by approx. +60% compared to the year 2011-12, driven by growth in Bangladesh's readymade garment exports.

Outlook on cotton prices this year are expected to be influenced by factors beyond just the production in India. Other factors that are likely to impact prices are – China's policy, global weather and INR exchange rate. The biggest factor is expected to be Chinese policy. If China pushes to get rid of its huge stockpile (-60% of global stock), it could further cut reserve prices and hence limit the demand of imported cotton. This may result in downside on the prices later in the year. On the other hand, US and China reported less than optimal weather conditions in the beginning of the year, which creates some uncertainty towards eventual global production. The weather risk might push the prices on upside. Currency is also expected also play a significant role this year. In the scenario that INR appreciates further against USD, it will put pressure on India's exports of both cotton as well as cotton yarn.

The company was successful in rolling out SAP ERP in the manufacturing facility. The result of these measures have significantly enhanced integration between operational and financial verticals.

Keeping in line with the global standard and norms of manufacturing process, the company ensures highest efficiency with negligible waste.





## Management Discussion And Analysis

### Industry structure and developments

Textile Industry in India ranks next to Agriculture and is major source of employment in the subcontinent. It caters the basic necessity of civilized society and at the same time also contributes in a large ratio to Indian economy. World-wide, Indian textile products are well accepted and appreciated. India being one of the known natural fiber producing country, it has an advantage for Indian textile units.

The Indian Spinning Industry enjoys a predominant position in the domestic and international yarn trade. With about 41 million spindles, this segment of the textile industry, is still expanding and modernizing itself, being the single largest beneficiary under the Technology Upgradation Funds Scheme of the Government of India.

Most of the spindles are in the organized sector with medium and large scale units. The spinning units are efficiently run and thus compete very well in terms of cost of production with the global players. Besides exporting nearly 55% to 65% of its production, the unit caters to the domestic demand.

As per the trade data of major cotton producing and consuming countries, China accounted for 45% of global trade during FY13-14 (down from 54% in FY12-13) as it houses 46% of world's spinning capacities against 29% of its share in global cotton production.

India's yarn exports are expected to be about 1/3rd of yarn production in FY14-15. India's dependence on China has increased in recent past as China accounted for 33% of Indian cotton yarn exports as against 4% in FY08-09. With improved export demand Indian spinners have witnessed improved capacity utilization levels, which stood at record high levels of 90% in FY13-14. Increased export demand, stability in international cotton and yarn prices and depreciation of the Indian Rupee led to improved rupee realizations for Indian spinners.

Your company has been in the carded and combed yarn business and has established a name in the domestic market. The facilities at the unit have been streamlined and aligned to produce better quality of yarns at competitive costs. The unit has moved in to higher value addition by producing better quality of carded, combed and doubled yarn.

### Opportunities and threats

Domestic cotton availability and prices remained firm owing to high cotton and cotton yarn exports. Situation remains vulnerable to Chinese policy changes.

Increased domestic cotton demand and continued cotton exports led to gradual increase in cotton prices to ₹ 140/kg by September 2013. Despite an expectation of record cotton production in FY14-15 the low stock position in India is in contrast to the global situation of surpluses. Cotton prices in FY14-15 are likely to remain higher than in FY13-14.

Notwithstanding the above threats, Indian Spinners have benefited from higher yarn production, increased exports, improved sales realizations, depreciating Indian rupee amid stable cotton prices during the procurement season of FY13-14.

With increase in cotton prices in FY14-15, the working capital requirements of the sector are expected to increase and given the susceptibility of cotton prices to Chinese policy changes, prudential working capital management and inventory stocking will be the key challenge.

Due to general economic slow down globally, the domestic market had also faced slump in demand for cotton yarn. Despite this, during the year under review, the sales and production grew by about 19.71% and 5.85% respectively over that of the previous year.

With the same back process capacity, the unit can expand further to optimize production. Steps will be taken at appropriate time to enhance the capacity to take advantage of this situation.

### Risks and concerns

Cotton production depends on the vagaries of monsoon. Procurement of raw material at right prices is the key to remain cost competitive.

Due to continued better performance year after year the Bankers have extended working capital assistance to the company, which would provide necessary liquidity for the operations of the Company.

### Segment

The company is engaged only in one segment i.e. 'Textiles'.

### Dividend

Your Directors intend to plough back available resources for financial requirements and express their inability to recommend any dividend for the Financial Year.

### Internal control systems and their adequacy

The company has in place an elaborate internal control system to ensure proper authorization and accounting of transactions as also for safeguarding and protecting company's assets against loss. The internal auditors check the controls periodically and their report is reviewed by the management and the Audit Committee from time to time. The management feels that the system of internal controls is adequate considering the size of operations of the company.

### Human Resources

Your Company has always provided a congenial atmosphere for work to its employees. Your Company is an equal opportunity employer and offers opportunities to all without regard to their caste, religion, colour, marital status or sex. During the year, labour relations continued to be cordial.

Particulars of employees in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, are not given, as none of the employees qualify for such disclosure.



## Corporate Governance

The corporate governance report together with a certificate from the Company's auditors confirming compliance of guidelines is made part of this Report as per clause 49 of the listing agreement entered into with BSE Limited.

### Compliance with Minimum Public Shareholding Threshold

In terms of the amendment to the provisions of Rule 19(2)(b) of the Securities Contract (Regulations Rules), 1957 notified by the Ministry of Finance, the threshold limit for non-promoter public shareholding for all listed companies was raised from 10% to 25%.

The said amendment was also applicable to the existing listed companies having less than 25% public shareholding. To comply with this Minimum Public Shareholding requirement, on 12<sup>th</sup> September, 2013, the Promoter of the Company, that is, Indo Count Industries Limited (ICIL) made an Offer for Sale of 37,00,000 equity shares of ₹ 10/- each held by it in the Company (OFS). With the said OFS, the ICIL's shareholding in the Company came down to 74.53% from 93.76%.

### New Companies Act, 2013

The Companies Act, 2013 which replaces more than five decades old Companies Act, 1956 was passed by the Parliament.

The main objective of the 2013 Act is lesser Government approvals and enhanced self-regulation. The emphasis is on corporate democracy. This should lead to improved compliance and accountability from the corporate sector and will provide further transparency in the disclosures.

### 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 that:

- in the preparation of the annual accounts for the financial year ended on 31<sup>st</sup> March 2014, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2014 and of profit of the Company for the year ended on that date;
- 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
- the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

## Directors

In accordance with provisions of Section 152 of Companies Act, 2013, Mr. Anil Kumar Jain and Mr. Kamal Mitra retire by rotation and being eligible, offer themselves for reappointment.

Further, in terms of Section 149 (10) & (13), the Independent Directors of the Company would not be liable to retire by rotation. In view of the new provisions introduced by the Companies Act, 2013, your Directors seek appointment of Mr. S. K. Agrawal, Mr. P. N. Shah and Mr. R. Anand as Independent Directors for 5 consecutive years for a term up to 15<sup>th</sup> August, 2019.

### Auditor

The Auditor of the Company, M/s. B. K. Shroff & Co., Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting and being eligible have sought appointment. The Auditor have confirmed that, they satisfy the criteria provided under Section 141 of the Companies Act, 2013 ('the Act') and their re-appointment, if made, would be in compliance with the conditions prescribed under the Act.

The Audit Committee and the Board of Directors recommended the appointment of M/s. B. K. Shroff & Co., Chartered Accountants, as Auditor of the Company for a period of 3 years to hold office from the conclusion of the ensuing Annual General Meeting to the conclusion of the 27<sup>th</sup> Annual General Meeting of the Company, subject to ratification by the members at each Annual General Meeting.

### Cost Auditor

As per the Section 233B of the Companies Act, 1956 and impending directions being issued by the Central Government under Section 148(1) of the Companies Act, 2013, subject to the approval of the Central Government, the Audit Committee has recommended and your Directors have appointed M/s A. G. Anikhindi & Co., Cost Accountants, Kolhapur, being eligible and having sought re-appointment, as Cost Auditor of the Company, to conduct Cost Audit of the products manufactured by the Company.

### Conservation of Energy, Technology Absorption & Foreign Exchange Earning & Outgo

Information 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 given in Annexure "A" forming part of this Report.

### Acknowledgements

Your Directors take this opportunity to thank the Central and State Government, its customers, suppliers, investors, bankers for their consistent support and co-operation to the Company and place on record the appreciation of the contribution made by employees at all levels, without whose whole-hearted efforts, the overall performance would not have been possible.

On behalf of Board of Directors

**ANIL KUMAR JAIN**  
DIRECTOR

Mumbai, 14<sup>th</sup> May 2014



## ANNEXURE A

Information 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 and Forming part of the Directors' Report for the financial year ended on 31<sup>st</sup> March 2014.

### A. CONSERVATION OF ENERGY

#### Form - A

Form for Disclosure of particulars with respect to conservation of energy

Particulars	Current Year	Previous Year
a) Power and Fuel		
ELECTRICITY		
a) Purchased (Units)	13,448,941	12,053,640
Total amount ₹ in lac	836.06	881.42
Rate/unit ₹	6.22	7.31
b) Own generation:		
i) through diesel generator		
Unit	Nil	Nil
Unit/liter of diesel oil	Nil	Nil
Cost per unit	NA	NA
ii) Furnace oil		
Quantity (KL)	--	--
Amount Rs in Lac	--	--
Average Rate (₹)	--	--
b) Electricity consumption per unit of production of yarn per Kg.	4.18	3.97

### B. TECHNOLOGY ABSORPTION

Form - B

Technology Absorption, Adaptation and Innovation

1. Specific areas in which R & D was carried by the Company:- Nil
2. Benefit derived from above R & D activities - Nil
3. Future plan of action.

Search for improvement/betterment in products and systems will continue in order to reduce production costs.

### C. Expenditure on R & D

- (i) Separate account for R&D expenses is not maintained.
- (ii) Expenditure is charged to profit and loss account like other heads.

### 2. Technology absorption, adaptation and innovation

The Company has not imported any technology since inception.

### D. FOREIGN EXCHANGE EARNINGS AND OUT-GO

- 1) Activity related to initiatives taken to increase export markets for products and services and export – The company export its product to China, Hong Kong, South Korea, Vietnam, Poland, Turkey.
- 2) Total foreign exchange used and earned:

Particulars	2013-14	2012-13
Earned (FOB value of export goods)	4,689.74	3,375.95
Used	40.40	40.85

On behalf of Board of Directors

**ANIL KUMAR JAIN**  
DIRECTOR

Mumbai, 14<sup>th</sup> May 2014



## 1. Company's Governance Philosophy

Your Company is committed to excellence in Corporate Governance practices and recognizes that good Corporate Governance is a continuous exercise. Your Company aims at achieving transparency, accountability, equity and ethics in all facets of its operations and in all interaction with its stakeholders. Your Company believes that all its operations and actions must result in enhancement of overall shareholder value over a period of time without compromising in any way in complying with various laws and regulations.

## 2. Board of Directors (Board)

As on 31<sup>st</sup> March, 2014 the Board comprise five Directors. There are three independent directors and no Executive Director. The composition of the Board is in accordance with the Clause 49 of the Listing Agreement.

The Directors are eminent professionals with rich experience in Textile, management, finance, law and banking.

None of the Directors on the Board is a Member of more than 10 Board Committees and Chairman of more than 5 Board Committees (as specified in Clause 49 of the listing agreement), across all the companies in which he is a Director. All the directors have made the necessary disclosures regarding their Committee positions in other companies as on March 31, 2014.

During the year 2013-14, the Board of Directors met on four occasions i.e. on 24<sup>th</sup> May, 2013, 12<sup>th</sup> August, 2013, 31<sup>st</sup> October, 2013 and 10<sup>th</sup> February, 2014. The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships held by them in other companies are given below:

### Board:

Name and Designation	Attendance at Meetings during 2013-14		No. of other Directorships held <sup>1</sup>	No. of Memberships and Chairmanships in Committees of other Companies <sup>2</sup>
	Board Meetings	Last AGM		
Mr. Sushil Kumar Agrawal, Chairman	4	Yes	1	2 (including 1 as Chairman)
Mr. Anil Kumar Jain, Director	4	Yes	2	3 (including 2 as Chairman)
Mr. Kamal Mitra, Director	3	Yes	1	1
Mr. P.N. Shah, Director	3	No	6	4 (including 2 as Chairman)
Mr. R. Anand, Director	3	No	2	2

### Notes:

- The Directorships, held by Directors as mentioned above, do not include Alternate Directorships and Directorships in foreign companies, companies registered under Section 25 of the Companies Act, 1956 and private limited companies.
- In accordance with Clause 49 of the Listing Agreement, Memberships/Chairmanships of only Audit Committees and Shareholders'/Investors' Grievance Committees in other public limited companies (excluding Pranavadiya Spinning Mills Limited) have been considered.

The Company has adopted the Code of Conduct for the Board of Directors and Senior Management Personnel of the Company. The Company has received confirmations from the Directors as well as Senior Management Personnel regarding compliance of the Code during the year under review.

The following represent the details of pecuniary transactions entered by the Company where the non-executive Directors are interested:

(₹ In lacs)

Name of the Director	Remuneration	Amount
Mr. S.K. Agrawal	Sitting Fees	0.50
Mr. Anil Kumar Jain	Sitting Fees	0.20
Mr. Kamal Mitra	Sitting Fees	0.20
Mr. P.N. Shah	Sitting Fees	0.45
Mr. R. Anand	Sitting Fees	0.40

During the year, information as required under Annexure 1A to Clause 49 of the Listing Agreement has been placed to the Board for its consideration.

## 3. Audit Committee

An independent Audit Committee pursuant to Clause 49 of the Listing Agreement was set up on 30<sup>th</sup> June, 2000.

The Audit Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment that ensures:

- efficiency and effectiveness of operations;
- safeguarding of assets and adequacy of provisions for all liabilities;





- reliability of financial and other management information and adequacy of disclosures;
- compliance with all relevant statutes.

The role of the Committee includes the following:-

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Reviewing the Company's financial and risk management policies;
- Recommending the appointment and removal of external auditors, fixation of audit fee and approval of payment of fees for any other services rendered by the auditors;
- Reviewing with the management and internal auditors,
  - the adequacy of internal control systems;
  - internal audit function;
  - internal audit scope, coverage and frequency;
  - reports of internal audit for any significant findings, including matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and follow-up thereon.
- Reviewing with the management and external auditors,
  - Nature and scope of audit;
  - Any areas of concern and comments contained in their management letter;
  - And the financial statements prior to endorsement by the Board;
  - Compliance with Stock Exchange and legal requirements concerning financial statements;
  - Related party transactions;
  - Report of the Directors & Management Discussion and Analysis.
- Review of the financial statements of unlisted subsidiary companies
- Looking into the reasons for substantial defaults, if any, in payment to shareholders (in case of non-payment of declared dividends) and creditors;
- Considering such other matters as may be required by the Board;
- Reviewing any other areas which may be specified as role of the Audit Committee under the Listing Agreement, Companies Act and other statutes, as amended from time to time.

The minutes of the Audit Committee meetings are placed before the Board of Directors in the subsequent Board Meeting.

During the year 2013-14, the Audit Committee met on six occasions i.e. 6<sup>th</sup> May, 2013, 23<sup>th</sup> May, 2013, 19<sup>th</sup> September, 2013, 24<sup>th</sup> October, 2013, 10<sup>th</sup> February, 2014 and 4<sup>th</sup> March, 2014.

The Constitution of Audit Committee and attendance of the Members for the year 2013-14 is as under:-

Name of Director	Position	No. of Meetings attended
Mr. S. K. Agrawal	Chairman	6
Mr. P.N. Shah	Member	6
Mr. R. Anand	Member	5
Mr. Kamal Mitra	Member	1

The Chairman of the Audit Committee answers the queries raised by the shareholders.

The Internal Auditors, are invited to attend and participate at meetings of the Committee.

The Company Secretary acts as the Secretary to the Committee.

#### 4. Remuneration Committee

The Remuneration Committee of the Board comprise three Independent Directors. The members of this Committee are Mr. R. Anand as Chairman, Mr. S. K. Agrawal and Mr. P.N. Shah, as Members. During the year 2013-14, Remuneration Committee did not meet.

The Company Secretary acts as the Secretary to the Committee.

#### 5. Reappointment of Directors

In accordance with the provisions of the Section 152 of Companies Act, 2013 and Articles of Association of the Company, Mr. Anil Kumar Jain and Mr. Kamal Mitra, retire by rotation and being eligible, offer themselves for re-appointment. Their reappointments will be placed as one of the agenda in the ensuing Annual General Meeting.

In terms of provisions of the Companies Act, 2013, your Directors seek appointment of Mr. S. K. Agrawal, Mr. P. N. Shah and Mr. R. Anand as Independent Directors for 5 consecutive years for a term up to 15<sup>th</sup> August, 2019.

#### 6. Remuneration and Shareholding of Directors

The Company does not pay any remuneration to the Directors except sitting fees of ₹. 0.05 lacs per meeting, for attending the Board/Committee Meetings.

None of the Directors are related to each other and hold only qualification shares in the Company.

#### 7. Share Transfer Committee

The Company has a Share Transfer Committee which comprises three directors, Mr. Anil Kumar Jain, as Chairman, Mr. S. K. Agrawal and Mr. Kamal Mitra, as members. The Committee deals with various matters relating to share transfer, share transmission, issue of duplicate share certificates, the approval of split and



consolidation requests, the dematerialisation and rematerialisation of shares as well as other matters that relate to the transfer and registration of shares.

## 8. Shareholder / Investors Grievance Committee

The Company has a Shareholder / Investors Grievance Committee comprising three Members, Mr. Anil Kumar Jain, Chairman, Mr. S. K. Agrawal and Mr. Kamal Mitra, as Members. The Committee looks into redressal of shareholder and investors complaints like transfer of shares, non receipt of balance sheet, non receipt of declared dividend and related matters.

During the year 2013-14, four meetings of the Committee were held i.e. 8<sup>th</sup> April, 2013, 8<sup>th</sup> July, 2013, 10<sup>th</sup> October, 2013 and 13<sup>th</sup> January, 2014. All Members of the Committee were present in the meetings.

The minutes of the Shareholder / Investors Grievance Committee meetings are placed before the Board of Directors in the subsequent Board meeting.

The Company Secretary acts as the Secretary to the Committee.

There were no pending investor complaints at the beginning of the year. During the year 2013-14, the Company has not received any complaints from investors.

## 9. General Body Meetings

The last three Annual General Meetings of the Company were held on the following dates, time and venue.

Date	Time	Venue	No. of special Resolutions passed
02-08-2011	11.45 a.m.	Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanagale District: Kolhapur - 416 109	0
25-08-2012	11.30 a. m.		0
20-07-2013	11.00 a. m.		0

No Special Resolution was put through Postal Ballot during the previous year.

## 10. Means of Communication

- The relevant information relating to the Directors who would be appointed / re-appointed at the ensuing Annual General Meeting is given in the Notice convening the Annual General Meeting.
- The Quarterly and Annual Financial Results of the Company are forwarded to the Stock Exchanges and were published in Business Standard – English

Newspaper and Mumbai Tarun Bharat – Marathi News paper.

- The Company has designated investors@pranavadiya.com' as the designated exclusive e-mail i.d. for redressal of investor grievances.

## 11. Code for Prevention of Insider Trading

The Company has adopted a code of conduct for Prevention of Insider Trading in the shares of the Company. The Code, inter-alia, prohibits purchase / sale of shares of the Company by employees while in possession of unpublished price sensitive information in relation to the Company.

## 12. CEO / CFO Certification

The CEO and CFO give quarterly and annual certification of the financial statements to the Board, as required under clause 49.

## 13. Reconciliation of Share Capital Audit

M/s. Sandeep Gandhi & Co., a qualified practicing Company Secretary, carries out quarterly Reconciliation of Share Capital audits to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued / paid up capital is in agreement with the aggregate of total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

## 14. Compliance

The certificate regarding compliance of the conditions of corporate governance obtained from our statutory auditors M/s. B. K. Shroff & Co. is given elsewhere in this Annual Report.

## 15. Compliance Officer

The name and designation of the Compliance Officer of the Company is:

Mr. Abhishek Thareja - Company Secretary & Compliance Officer  
His contact details are: Tel: 022-43419500, Fax: 022-22823098, E-mail Id: investors@pranavadiya.com

## 16. Disclosures

### a) Subsidiary Companies

The Company has no subsidiary Company.

### b) Related party transactions

The statutory disclosure requirements relating to related party transactions have been complied with in