

## COMPANY INFORMATION

<b>B.L. Bengani</b>	Chairman & Managing Director
<b>M.L. Pramod Kumar</b>	Whole Time Director (resigned w.e.f 01.07.2013)
<b>Sudhir Kumar Jena</b>	Director
<b>Satya Prathaap Bhatera</b>	Director (resigned w.e.f 27.07.2013)
<b>R. Kuppu Rao</b>	Director
<b>Ramakanta Panda</b>	Director (w.e.f 27.07.2013)
<b>Shaine M.S</b>	Director ( w.e.f 27.07.2013)
<b>Raghuram Nath</b>	Chief Executive Officer (w.e.f 29.01.2013)
<b>Jayanth Viswanathan</b>	Company Secretary (w.e.f 20.05.2013)
<b>Bankers</b>	State Bank of India
<b>Auditors</b>	C. Ramasamy & B. Srinivasan Chartered Accountants
<b>Registered Office &amp; Factory</b>	#69, Nelveli Village, Uthiramerur Block, Kancheepuram, Tamil Nadu – 603 107
<b>Corporate Office</b>	#5, Branson Garden Street, Kilpauk, Chennai, Tamil Nadu - 600 010.
<b>Branch Network :</b>	
<b>Karnataka</b>	6, Ayyappa Temple Road, Banaswadi Main Road, Subbaiyanapalya, Bangalore - 560 043.
<b>Maharashtra</b>	102, 1st Floor, Kala Mandir Co-operative Housing Society Limited, Chitrakar Ketkar Marg, Vile Parle East, Mumbai - 400 057.
<b>New Delhi</b>	A-2/61 & 62, WHS, Marble Market, Kirti Nagar, New Delhi - 110 015.

## NOTICE

**NOTICE** is hereby given that the 17<sup>th</sup> Annual General Meeting of the members of M/s. Uniply industries Limited will be held on **Friday the 06<sup>th</sup> Day of September, 2013 at 11.00 a.m.** at its Registered Office at # 69, Nelveli Village, Uthiramerur Block, Kancheepuram Dist., Tamil Nadu – 603 107, to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the accounts of the Company for the financial year ended 31<sup>st</sup> March 2013, the Balance Sheet as at that date and the reports of the Directors and Auditors thereon.
2. To appoint Director in place of Mr. Sudhir Kumar Jena, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration. In this connection, to consider and, if thought fit, to pass the following resolution which will be proposed as an Ordinary Resolution:-

**“RESOLVED THAT** M/s. C. Ramasamy & B. Srinivasan, Chartered Accountants, FRN:- 002957S be and are hereby appointed as Auditors of the Company to hold such office until the conclusion of next Annual General Meeting, to conduct the audit for the financial year 2013-14.”

**“RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to fix the remuneration and other terms & conditions of appointment of the Auditors.”

### SPECIAL BUSINESS

1. To Consider and, if thought fit, to pass without modification(s), the following as an Ordinary Resolution:

**RESOLVED THAT** Mr. Ramakanta Panda, who was appointed as an Additional Director by the Board at its meeting held on 27.07.2013 pursuant to provision of Section 260 of the Companies Act, 1956 and Article 74(b) of Articles of Association of the company to hold office upto the conclusion of this meeting, in respect of whom the company had received a notice under section 257 of the Companies Act, 1956 and who is eligible for appointment as a Director of the company be and is hereby appointed as a Director liable to retire by rotation.

2. To Consider and, if thought fit, to pass without modification(s), the following as an Ordinary Resolution:

**RESOLVED THAT** Mr. Shaine Sunny Mundaplakkal, who was appointed as an Additional Director by the Board at its meeting held on 27.07.2013 pursuant to provision of Section 260 of the Companies Act, 1956 and Article 74(b) of Articles of Association of the company to hold office upto the conclusion of this meeting, in respect of whom the company had received a notice under section 257 of the Companies Act, 1956 and who is eligible for appointment as a Director of the company be and is hereby appointed as a Director liable to retire by rotation.

By order of the Board

Place: Chennai  
Date: 27.07.2013

**JAYANTH VISWANATHAN**  
**COMPANY SECRETARY**

### NOTES

1. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the company. Proxies, in order to be effective should be lodged with the company at the Registered Office not less than 48 hours before the meeting.
2. Corporate members are requested to send to the Company's registered office a duly certified copy of the Board resolution, pursuant to section 187 of the Companies Act, 1956, authorizing their representative(s) to attend and vote at the Annual General Meeting.

3. Members are requested to bring their admission slips along with copy of the Annual Report to the Annual General Meeting.
4. Members holding shares in the physical form are requested to notify / send the following to Company to facilitate better servicing:-
  - i) Any change in their address / mandate / bank details,
  - ii) Particulars of their bank account, in case the same have not been furnished earlier, and
  - iii) Share certificates held on in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such share holdings into a single account.
5. The Register of Members and Transfer Registers will remain closed from 31.08.2013 to 06.09.2013 (both days inclusive).
6. Unclaimed dividend for the years 2005-06 & 2006-07, remain unpaid or unclaimed will be transferred to the Investor Education and Protection Fund. Members who have not encashed their dividend warrants for the above said years are requested to contact the Registrar & Share Transfer Agent.

Year of Dividend declared	% of Dividend	Date of Declaration	Due for Transfer on
2005-2006	10%	15 <sup>th</sup> September 2006	22 <sup>nd</sup> October 2013
2006-2007	7.5%	26 <sup>th</sup> September 2007	2 <sup>nd</sup> November 2014

7. As per the MCA circular No. 18/2011 dated 29.04.2011, The Ministry of Corporate Affairs has taken Green Initiative in Corporate Governance by allowing paperless compliances by companies. As per the said circular, companies are permitted to send the annual reports to the members through electronic mode. Hence, members are requested to update their e-mail id and changes there in from time to time with RTA and the company at investorservices@uniply.in. Your company has mailed the notice and the annual report for the financial year 31.03.2013 to those shareholders whose email ID was available.
8. As required under clause 49IV G of the Listing agreements with stock exchanges, given below the details of directors who are proposed to be reappointed/appointed.

**Mr. Sudhir Kumar Jena**

Mr. Sudhir Kumar Jena is an eminent practicing chartered accountant, owns office at Chennai, having more than 23 years of rich experience in the field of project finance, accounts and taxation. He is instrumental in advising company in various project matters. He does not hold any shares in the company as per the Information furnished by him. Except Mr. Sudhir Kumar Jena, none of the directors of the company may be deemed to be concerned or interested in this.

**Explanatory Statement pursuant to Section 173 of the Companies Act, 1956**

**Item No. 1 & 2 of Special Business**

**Mr. Ramakanta Panda**

Mr. Ramakanta Panda is an eminent corporate lawyer with a rich experience of over 12 years. He does not hold any shares in the company. Except Mr. Ramakanta Panda, none of the directors of the company may be deemed to be concerned or interested in this.

**Mr. Shaine Sunny Mundaplakkal**

Mr. Shaine Sunny Mundaplakkal is young qualified B.Tech IT who is a software Engineer by profession. He does not hold any shares in the company. Except Mr. Shaine Sunny Mundaplakkal, none of the directors of the company may be deemed to be concerned or interested in this.

By order of the Board

Place: Chennai  
Date: 27.07.2013

**JAYANTH VISWANATHAN**  
**COMPANY SECRETARY**

## DIRECTORS' REPORT

Dear shareowners,

Your Directors have pleasure in presenting the 17<sup>th</sup> Annual Report of the company along with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2013.

### FINANCIAL RESULTS

The highlights of the financial results of the company for the year ended 31.03.2013 as compared with the previous year are as follows:

(Rs in Lacs)

PARTICULARS	For the year ended 31.03.2013	For the year ended 31.03.2012
Net Turn Over	12221.39	12102.87
Profit before Interest, Depreciation & Tax	118.94	989.13
Less: Interest	561.48	542.33
Profit/(Loss) before Depreciation & Tax	(442.54)	446.80
Less: Depreciation	149.42	144.53
Profit/(Loss) before Taxation	(591.96)	302.27
Less: Provision for Taxation		
Wealth Tax	0.10	0.15
Deferred Tax	(182.35)	92.69
Profit/(Loss) after Tax	(409.71)	209.43
Balance brought forward	(251.99)	(461.42)
Provision for Dividend and Dividend tax	-	-
Transfer from General Reserve	-	-
Balance carried forward to next year	(661.70)	(251.99)

### PERFORMANCE REVIEW

During the year under review, your company had achieved a nett turnover of Rs.12221.39 lakhs as against the previous year's nett turnover of Rs.12102.87 lakhs with a marginal growth of Rs.118.52 lakhs. The company has posted a nett loss of Rs.409.71 lakhs for the year as against a nett profit of Rs.209.43 lakhs in the previous year. The main attributing reasons for the loss was the increase in the cost of raw materials, power and fuel, manpower and transportation and could not be passed on to the customers. As a result, profitability has been impacted adversely.

### DIVIDEND

Keeping in view the operational loss during the year and accumulated loss, your Directors regret their inability to recommend any dividend for the year 2012-13.

### SUBSIDIARIES & ASSOCIATES

During the year under review M/s. Surge Trading Limited (STL) the Wholly Owned Subsidiary of the company in Hong Kong has recorded net revenue of Rs. 117.00 lacs (previous year Rs. 905.67 lacs). During II<sup>nd</sup> quarter of the year under review, the management had decided to close down the operation and to liquidate the said subsidiary. Accordingly the subsidiary company has been liquidated and all the credit facilities with M/s. Indian Overseas Bank, Hong Kong have been closed. The company has also repatriated the investment made in the subsidiary on 18.06. 2013.

### CONSOLIDATED FINANCIAL STATEMENTS

As per Section 212 of the Companies Act, 1956, the Company is required to attach the Directors' Report, Auditors' Report, Balance Sheet and Profit and Loss Account of its subsidiary company to its Annual Report. However the Ministry of Corporate Affairs, Government of India, vide its general circular no. 2/2011 dated 8<sup>th</sup> February, 2011, has granted exemption to all companies from attaching the above documents of subsidiary with the Annual Report of the Company from the financial year 2010-11 onwards. Accordingly, this Annual Report does not contain the report and other statement of M/s. Surge Trading Limited, the subsidiary company. The Company will make available the annual audited accounts and related detailed information of the subsidiary

company upon request by any member of the Company. These documents will also be available for inspection during business hours at the registered office of the Company.

Financial information of M/s. Surge Trading Limited, the subsidiary company, as required by the said general exemption circular of Ministry of Corporate Affairs, Government of India, is annexed else where in the report. A statement of Holding Company's interest in subsidiary is also furnished separately.

As required by Accounting Standard – 21 and Listing Agreement with stock exchanges, the audited consolidated financial statements of the Company and its subsidiary is enclosed.

### **DECORATIVE PLYWOOD BUSINESS**

During the year under review, there was slow and little contribution from the decorative plywood segment. Your company has moved towards product mix and high value product like decorative plywood under the brand name "ELEMENTZ". Soon, the company will enhance its portfolio in the decorative plywood segment from the current level of 150 varieties to over 200 varieties of exotic veneers. Your Directors have perceived that there shall be significant improvement in the turnover and profitability of the company on account of decorative plywood business.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

In compliance with Section 217(2AA) of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 2000, your Directors confirm:

- a. that in the preparation of Annual Accounts, the applicable accounting standards have been followed and that no material departures have been made from the same.
- b. 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 at the end of the financial year and of the loss of the company for that period.
- c. that they 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 your company and for preventing and detecting fraud and other irregularities;
- d. that they have prepared the annual accounts on a going concern basis.

### **CORPORATE GOVERNANCE**

Your Company recognizes the importance of good corporate governance. Your Company is therefore, committed to business integrity, high ethical values and professionalism in all its activities. As an essential part of this commitment, the Board of Directors supports high standards in corporate governance. It is the endeavor of the Board and the executive management of your Company to ensure that their actions are always based on principles of responsible corporate management. In your company, corporate governance is seen as an ongoing process. Your Company's Board will therefore closely follow future developments in the governance norms and will take lead in ensuring compliance with the same. A separate report on Corporate Governance along with the certificate of the Auditors, confirming compliance of the conditions of corporate governance, as stipulated under Clause 49 of the Listing Agreement entered into with the Stock Exchanges is annexed to this report.

### **AUDIT COMMITTEE /SHARE TRANSFER - INVESTOR GRIEVANCE COMMITTEES / REMUNERATION COMMITTEE**

The Board of Directors have constituted three committees i.e. Audit Committee, Share Transfer & Investor Grievance committee and Remuneration Committee as per the requirement of Corporate Governance under the Listing Agreement. All the members of these committees are independent & non executives. The details of members of these Committees are given in report of Corporate Governance.

### **CORPORATE SOCIAL RESPONSIBILITY**

Corporate Social Responsibility continues to assume an important role in the activities of the Company. It encompasses much more than social outreach programs and is an integral part of the way the Company conducts its business.

### **COST AUDIT COMPLIANCE CERTIFICATE & COST AUDITOR**

Company has obtained Cost Audit Compliance Certificate for the period ended 31.03.2013 issued by Mr. R. Sivasubramanian & Co, Cost Accountants and the same shall be filed with MCA accordingly.

Mr. R. Shankaraman practicing cost accountant, has been appointed by the Board of Directors as the Cost Auditor of the Company for the Financial Year 2013-14.

#### **FIXED DEPOSITS**

The Company has neither accepted nor renewed any Fixed Deposits from the public during the year under review.

#### **DIRECTORS**

Mr. Sudhir Kumar Jena, director is retiring by rotation and being eligible offer himself for reappointment. Necessary resolution is proposed in the notice to the Annual General Meeting.

Mr. M.L.Pramod Kumar and Mr. S.P.Bhatera, Directors have resigned from the Board and Mr. Ramakanta Panda and Mr. Shaine Sunny Mundaplakkal were inducted into the Board as Additional Directors.

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

The statement containing the necessary information as required under Section 217 (1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in Report of Board of Directors) Rules 1988, relating to conservation of energy, technology absorption, foreign exchange earnings and outgo are annexed hereto and forms an integral part of this report.

#### **ENVIRONMENT & GREEN INITIATIVE**

The Company is committed to the environment protection. The Company continues to upkeep effluent and chemical treatment plant besides green belt inside the factory premises. Continuous check of air and water pollution at manufacturing unit is monitored. Your company is certified with FSC (Forest Stewardship Council) besides an existing member of IGBC (Indian Green Building Council).

#### **PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956.**

None of the employee is drawing remuneration in excess of limit prescribed under section 217(2A) of the companies Act, 1956 and rule thereto for which disclosure is to be made.

#### **AUDITORS AND THEIR REPORT**

M/s. C. Ramasamy & B. Srinivasan, Chartered Accountants, Auditors of the company will retire at the conclusion of the ensuing Annual General Meeting and are recommended for reappointment. The Company has received a certificate from them to effect that the reappointment, if approved, would be within the limits prescribed under section 224 (1B) of the Companies Act, 1956.

As regards to utilisation of short term funds for the long term purposes as observed in para 17 of the Annexure to the Auditors Report, your directors wish to inform that in the absence of any arrangement of long term funds to finance the cash losses and repayment of long term loans, the available working funds got depleted resulting in use of short term funds for long term purposes.

#### **LISTING WITH STOCK EXCHANGES**

The Equity shares of the Company are listed with Bombay Stock Exchange Limited (BSE) & National Stock Exchange of India Limited (NSE).

#### **FOREIGN EXCHANGE MANAGEMENT**

During the year under review, the Company has incurred a forex loss of Rs.70.00 lacs against a loss of Rs.227.74 lacs in the previous year. The management is adopting required foreign currency hedging mechanism from time to time.

#### **POSTAL BALLOT**

The Company has sought the approval of the shareholders for amending the main object clause of the Memorandum of Association by including new object clause vide point No.10 i.e. to deal in buying, selling, import & export of electrical and electronics items among others. The notice, vide section 192A of the Companies Act, 1956, dated 26th June 2013 along with postal ballot form and self addressed prepaid postage envelope were sent to the shareholders. Mr. Pradeep Kumar Panda, Partner, M/s.P.K.Panda & Co, practicing Company Secretaries was appointed as the scrutinizers for conducting the postal ballot in a fair and transparent manner.

The shareholders are requested to return the Postal Ballot Forms duly filled in as per the instructions given and submit the same on or before 05th August 2013. The results of the same shall be declared on 08.08.2013 and shall also be put up in the notice board at the registered office of the company.

For and on behalf of the Board

Place: Chennai  
Date: 27.07.2013

**B.L. Bengani**  
**Chairman and Managing Director**

## **ANNEXURE TO THE DIRECTOR'S REPORT**

As Mandated by the Companies (Disclosure of particulars in the report of the Board of Directors) Rules 1988:

### **A. Conservation of Energy**

The Company through continuously improving its manufacturing process and efficiency at its all plants and offices continues its endeavor to improve energy conservation and utilization. Energy conservation programs adopted by the Company are:

- (i) Strict watch is kept on idle running of machine and to work the machine at full capacity;
- (ii) Installed frequency drivers in machines to save power;
- (iii) Machineries are frequently overhauled to work smoothly;
- (iv) Monitoring of power factor is frequently done and we have installed automatic power control systems in the circuit;
- (v) Energy consumption versus production is monitored at regular intervals to check over usage of energy;
- (vi) Continuous monitoring of energy consumption;
- (vii) Voltage is controlled with the installation of automatic voltage controller on transformer;

### **B. Research and Development (R & D)**

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

R&D portfolio consists of product improvement and process optimization with a view to reduce cost and introduction of new environmental friendly products and processes.

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

The new products and process cater the needs of variety of customer segments and aim to reduce cost. Development of eco-friendly processes result in less quantity of effluent and emission. Also designing of 'safe' i.e. non toxic products conform to Euro I Standards

3. Future Plan of action:

R&D will focus on projects leading to further cost reduction and reduced load on environment.

4. Expenditure on R & D

No capital expenditure is incurred towards the R&D. The Company continuously incurs expenses for improving the processes, product quality, etc they cannot be specifically identified as research & development expenses. Thus, the same has not been shown separately.

### **TECHNOLOGY, ABSORPTION, ADAPTATION AND INNOVATION.**

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

The Company absorbs the knowledge of plywood technology from various sources, such as the existing know-how, their own data bank, published literature etc. and thereafter adopts the same to the Company infrastructure, effects improvement to the products and processes of the Company including containment of pollution and control of effluents. Quality assurance managers are placed for each factory and are made independent. With this the complaints have reduced and consumers are feeling satisfied with our products.

2. Benefits derived as a result of the above efforts.

Benefits derived from these efforts include process rationalization, product quality improvement, and environmental friendly product. With this our product has got eco mark from BIS and has been referred for Green Building due to low formaldehyde emission products.

### **C. Foreign Exchange Earning & Outgo**

During the year under review the foreign exchange earned by the company was Nil and outgo amounted to Rs. 3586.03 lacs as against Rs. 23.12 lacs and Rs. 3611.21 lacs respectively in the previous year.

For and on behalf of the Board

Place: Chennai  
Date: 27.07.2013

**B.L. Bengani**  
**Chairman and Managing Director**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 1. Wood Based Industry and Economic Scenario

On the ongoing micro economic concerns, the free fall of the rupee and sliding growth rate, Indian economy is finding it tough to tide over the crisis. The rupee suffered its worst decline against the US dollar, impacting import of timber and veneers - the basic raw materials for operation of your company. The current rise in import cost of logs and veneers due to the weakening of the rupee is also hard for the industry to observe and difficult to pass on to the customers due to the slump in demand. During the year under review, the plywood industry was hit by real estate slump, which is a significant source of demand for plywood. The industry is also having hard time holding its own against cheap imports from countries like China, Vietnam, Laos, Mosambique and others. The slowdown in real estate, lacking support from the Government, acute shortage of labour, power crisis and the inversal of the Indian market by cheaper imported products, are adversely affecting the growth of the industry. Furthermore, the industry will face a huge shortage of the raw materials in the periods to come.

### 2. Opportunities

The following are the growth drivers for the Company which will result in growing demand for Plywood and Interior products:

- ❖ Government Initiative for reviving the infrastructure & Housing Industry by way of increasing the government spending in infrastructure products.
- ❖ Government announcement on tax benefits and investment opportunities for Infrastructure companies.
- ❖ Rising per capita income and young population
- ❖ Rising urbanization
- ❖ Increase in demand for premium housing and commercial space
- ❖ More satellite cities

Your company is well positioned to take advantage of the opportunities in the market and post an improved performance in the coming years.

### 3. Threats

- ❖ Real Estate Slump
- ❖ Depreciation of INR against all foreign currencies
- ❖ Cheaper imports from third countries
- ❖ Dominance of unorgansied sectors
- ❖ Acute shortage of labour
- ❖ Increase in labour costs and Automation
- ❖ Electricity & power, crisis in Southern India
- ❖ Globalization of Industry
- ❖ Understanding and meeting customers' needs
- ❖ Increasing competition from other Asian countries
- ❖ Lack of Market Information
- ❖ Stringent regulatory norms on protection of environment

### 3. Outlook

With a hope for recovery of regaining the momentum of the industry, demand from the Government sector and revival of Indian economy, the company is planning for higher utilization of its installed capacity across the product category segments – plywood, veneers, decorative plywood and other value added products. The marketing infra-structure has also been wrapped up to achieve the higher turnover against all products. Further,

the company's goal is to become a well-diversified company in the long run by diversifying any other areas of activities related to interior decoration, building products, besides trading in electrical and electronic goods and plywood.

#### **4. Risks and Concerns**

The company is exposed to the normal industry risk factors of interest rate volatility, economic cycle, foreign exchange and credit risk. The Company manages these risks by maintaining a conservative financial profile, and by following prudent business and risk management practices.

#### **5. Internal Control Systems and their adequacy**

The Company has adequate Internal Control systems in all areas of operations commensurating with the size of the operation. The Company has well defined roles, responsibilities and authorities for employees at all levels. Adequacy of the system has also been examined by the Statutory Auditors of the Company and there is no adverse remark on the adequacy of internal control system.

The Company has also constituted the audit committee comprising of Independent Directors of the Company which reviews regularly the adequacy of internal control system, audit plans, significant audit findings as well as compliance with Accounting Standards.

#### **6. Human Resources**

Industrial Relations at all the levels remained cordial throughout the year. Your Company has created a friendly atmosphere that helps retain talented professionals and nurturing their career growth along with the growth of the Organization. Your Company is confident of reaping the best from its human assets in the years to come. However, the company is always facing acute shortage of skilled & semi-skilled labours which is a matter of concern.

#### **7. Quality Management System**

The company continues to lay emphasis on excellence in quality and services and is committed to total customer satisfaction. The company continues to be on a mission to provide customer with products that can match international standards and surpass their expectations. This only explains why Uniply is today one of the most respected plywood brands in the country. The company vigorously follows the BIS quality standards besides quality and cost management policy and procedure certified by ISO 9001, ISO 14001 and OHSAS 18001. Further the company is also following the norms of FSC & IGBC.

#### **8. Cautionary Note**

Certain statements in this section may be forward looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of the future performance and outlook

#### **9. Acknowledgement**

Your Directors take this opportunity to express their appreciation for excellent support and co-operation received from banks, financial institutions, Central and state governments, SEBI, stock exchange, vendors, valued customers and shareholders. Your directors also express their appreciation of the efforts put in by the employees of the company at all levels.

For and on behalf of the Board

Place: Chennai  
Date: 27.07.2013

**B.L. Bengani**  
**Chairman and Managing Director**

## REPORT ON CORPORATE GOVERNANCE

### A. Compliance on Mandatory Requirements

#### 1. Company's Philosophy on Corporate Governance

Your Company follows Corporate Governance policy aiming to ensure transparency in all dealings and the functioning of the Management and the Board. These policies seek to focus on enhancement of long-term shareholder value without compromising integrity, social obligations and regulatory compliances. The Company operates within accepted standards of propriety, fair play and justice and aims at creating a culture of openness in relationship between itself and its stakeholders.

#### 2. Board of Directors

In terms of Company's Corporate Governance policy, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the shareholders.

#### Composition

Your Company has a balanced Board, comprising executive and non-executive directors. The non-executive directors include independent professionals. Executive directors, includes the Chairman and Managing Director and one whole time Director. No director is related to any other director on the Board in terms of definition of 'relative' given under the companies Act, 1956.

Name of the Director	Status, i.e. Executive Non-Executive and Independent	Members in the Board of other public Companies	No. of membership /chairmanship of Board / Committees of other Companies	
			As a Chairman	As a member
Mr. B.L. Bengani	Executive	2	None	None
Mr. M.L. Pramod Kumar	Executive	None	None	None
Mr. S.K. Jena	Non-Executive Independent	None	None	None
Mr. Satya Prathaap Bhatera	Non-Executive Independent	None	None	None
Mr. R. Kuppu Rao	Non-Executive Independent	None	None	None

During the financial year ended 31st March 2013, four Board Meeting were held, which are as follows

Sl. No.	Date	Board strength	No. of directors present
1	23 <sup>rd</sup> May 2012	5	5
2	10 <sup>th</sup> July 2012	5	5
3	03 <sup>rd</sup> November 2012	5	5
4	29 <sup>th</sup> January 2013	5	4