



**XPRO INDIA LIMITED**

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**ANNUAL REPORT 2012/13**

**Board of Directors**

**Sri Sidharth Birla**

*Chairman*

**Smt. Madhushree Birla**

**Sri Amitabha Ghosh** *(upto July 26, 2012)*

**Sri Amitabha Guha**

**Sri Haigreave Khaitan**

**Sri P. Murari**

**Sri Utsav Parekh**

**Sri S. Ragothaman**

**Sri C. Bhaskar**

*Managing Director & Chief Executive Officer*

**Company Secretary**

**Sri S.C. Jain**

**Senior Executives**

**Sri H. Bakshi**

*President & Chief Operating Officer*

**Sri V.K. Agarwal**

*Joint President & Chief Financial Officer*

**Sri N. Ravindran**

*Joint President (Marketing)*

**Sri Anil Jain**

*Executive Vice President, Coex Division (RNJ)*

**Sri Manmohan Krishan**

*Executive Vice President, Coex Division (FBD)*

**Sri Sunil Mehta**

*Executive Vice President, Biax Division (Pithampur)*

**Sri U.K. Saraf**

*Executive Vice President, Coex Division (GRN)*

**Registered Office**

Barjora-Mejia Road,  
P.O. Ghutgoria, Tehsil : Barjora,  
Distt : Bankura 722 202, West Bengal

**Corporate Office**

1, Industrial Area, NIT,  
Faridabad 121 001, Haryana

**Biax Division**

Barjora-Mejia Road,  
P.O. Ghutgoria, Tehsil : Barjora,  
Distt : Bankura 722 202, West Bengal

Plot No.78, Sector III,  
Industrial Area, Pithampur,  
Distt : Dhar 454 774, Madhya Pradesh

**Coex Division**

3, Industrial Area, NIT,  
Faridabad 121 001, Haryana

32, Udyog Vihar, Greater Noida,  
Gautam Budh Nagar 201 306, Uttar Pradesh

Plot E-89 & E-90/1, MIDC Industrial Area,  
Ranjangaon, Distt. Pune 412 220, Maharashtra

**Registrars & Share Transfer Agents**

MCS Share Transfer Agent Limited,  
12/1/5, Manoharpukur Road, Ground Floor,  
Kolkata 700 026  
*(w.e.f. July 1, 2013)*

**Auditors**

M/s Deloitte Haskins & Sells  
Ahmedabad

## **XPRO INDIA LIMITED : ANNUAL REPORT 2012/13**

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### **NOTICE**

#### **TO THE SHAREHOLDERS**

Notice is hereby given that the Sixteenth Annual General Meeting of the Members of Xpro India Limited will be held on Friday, July 26, 2013 at 10.30 a.m. at the Registered Office of the Company at Barjora-Mejia Road, P.O. Ghutgoria, Tehsil: Barjora, Distt: Bankura, West Bengal 722 202 to transact the following business:

1. To consider and adopt the Directors' Report and audited Balance Sheet and Statement of Profit & Loss as at and for the year ended March 31, 2013.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Smt Madhushree Birla who retires by rotation and being eligible, offers herself for reappointment.
4. To appoint a Director in place of Sri S. Ragothaman who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors of the Company and to fix their remuneration.

### **SPECIAL BUSINESS :**

To consider and, if thought fit, to pass with or without modification the following Resolution:

#### **6. AS AN ORDINARY RESOLUTION**

“RESOLVED that Sri Ashok Kumar Jha be and is hereby appointed a Director of the Company, liable to retire by rotation.”

New Delhi  
April 27, 2013

By Order of the Board

**Registered Office :**  
Barjora-Mejia Road, P.O. Ghutgoria,  
Tehsil: Barjora, Distt.: Bankura  
West Bengal 722 202

S.C. JAIN  
*Company Secretary*

### **NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Proxy Form duly completed must reach the Registered Office of the Company not later than forty-eight hours before the time of holding the meeting.
3. The Register of Members of the Company will remain closed from July 01, 2013 to July 08, 2013 (both days inclusive).
4. Dividend on Equity Shares declared at the Annual General Meeting will be paid to those Shareholders, whose names appear on the Register of Members of the Company or whose names appear as the beneficial owner(s) of the Equity Shares of the Company at the close of working hours on June 29, 2013 and the Dividend Warrants will be posted on August 2, 2013.
5. Members who continue to hold shares in physical form are requested to intimate any changes in their address immediately with postal pin code to the Company's Registrars & Share Transfer Agents, MCS Ltd., F-65, Okhla Industrial Area, Phase - I, New Delhi - 110 020 quoting their folio numbers. **Further, please note that in the case of dematerialized shares any change(s) required in Address, Bank details, Bank Mandate, ECS Mandate, Power of Attorney and also requests for registration of Nomination, Transmission, etc., are to be intimated to your DP and not to the Company or our Registrars.**

6. Please note that by a recent circular, SEBI has made it mandatory for Companies to distribute dividends or other cash benefits to Investors through electronic mode only. Accordingly, Investors who hold shares in Demat mode are requested to provide their Bank Account details to the Depository Participant for effecting e-payment of dividend etc. Investors who hold physical shares are requested to provide their ECS Mandate in prescribed format to the Company's Registrars & Share Transfer Agents at New Delhi as stated in Note No.5 above. Also please note that SEBI has made it mandatory to print Bank Account details of Investors on physical payment instruments for payment of dividend etc. Accordingly, you are requested to provide necessary Bank Account details to the Company or its Registrars.
7. Members holding shares in the same name(s) but under different Ledger Folios, are requested to apply for consolidation of such folios and send the relevant Share Certificates to the Company's Registrar and Share Transfer Agents at New Delhi as stated in Note No.5 above for endorsement of the consolidated folio number.
8. The Ministry of Corporate Affairs ("Ministry") has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by Companies through electronic mode. We, therefore, request you to provide your e-mail ID to our Registrars, MCS Limited, F-65, Okhla Industrial Area, Phase I, New Delhi 110 020 ([admin@mcsdel.com](mailto:admin@mcsdel.com) or [mcscomplaintsdel@mcsdel.com](mailto:mcscomplaintsdel@mcsdel.com)), if you are holding shares in physical form or to your Depository participants if you are holding shares in Demat form. We intend using e-mail addresses provided by you to the Depositories viz. NSDL/CDSL and available to the Company from time to time, to send various notices/documents, etc.
9. Members are hereby informed that the Company would transfer unpaid/unclaimed dividends, which remains unclaimed over a period of 7 years, to the Investor Education and Protection Fund (IEP Fund) constituted by the Central Government under section 205C of the Companies Act, 1956. Details of dividends paid by the Company and respective due dates for transfer of unclaimed dividend to such IEP Fund of the Central Government are as under:

Financial Year	Date of Declaration	Due date for transfer to IEP Fund
2005-06	July 27, 2006	September 2, 2013
2006-07	July 26, 2007	September 1, 2014
2007-08	July 29, 2008	September 4, 2015
2008-09	July 23, 2009	August 29, 2016
2009-10	July 22, 2010	August 28, 2017
2010-11	August 11, 2011	September 17, 2018
2011-12	July 26, 2012	September 1, 2019

It may be noted that no claim shall lie against the Company or the Fund in respect of individual amounts which were unclaimed and unpaid for a period of 7 years and transferred to the Fund on respective due dates indicated hereinabove. Members are advised to claim/encash dividend warrants before due dates for transfer of unclaimed dividend to the IEP Fund.

**10. EXPLANATORY STATEMENT  
(Pursuant to Section 173 of the Companies Act, 1956/SEBI Regulations)**

**Item No. 3**

Smt. Madhushree Birla, aged about 58 years, graduate from University of Ahmedabad, has served as Director and Advisor of various Corporate Bodies at different times. She is presently Executive Director of iPro Capital Limited, renders professional advisory services and is also engaged in social work.

Smt. Birla is presently Director on the Boards of Alpha Capital Resources Pte. Ltd., Singapore, Intellipro Finance Pvt. Ltd., iPro Capital Ltd., Market Café Foods Ltd. and MBA Infosoft Pvt. Ltd. She chairs the Corporate Social Responsibility ("CSR") Committee of the Company.

Smt. Madhushree Birla holds 125 (neg.%) Equity Shares of the Company.

Except Sri Sidharth Birla and Smt. Madhushree Birla who are related, no other Director is interested in the resolution.

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### **Item No. 4**

Sri S. Ragothaman, aged about 67 years, is a Commerce Graduate and Chartered Accountant. He is presently a self-employed professional and was formerly a senior official of ICICI Ltd. He has to his credit vast experience of over 37 years in the field of Finance.

Sri Ragothaman is presently Director on the Boards of Digjam Ltd., Hinduja Foundries Ltd., Sakthi Finance Ltd., Shreyas Relay Systems Ltd., Shreyas Shipping & Logistics Ltd., The Bombay Dyeing & Manufacturing Company Ltd. & Xpro Global Ltd. Sri Ragothaman is Member of Audit Committee of Digjam Ltd., Chairman of Remuneration Committee and Member of Audit Committee & Investors Grievance Committee of Hinduja Foundries Ltd., Chairman of Audit Committee and Member of Remuneration Committee of Shreyas Relay Systems Ltd., Member of Audit Committee and Remuneration Committee of Shreyas Shipping & Logistics Ltd., Chairman of Audit Committee and Member of Remuneration Committee of The Bombay Dyeing & Mfg. Co. Ltd. besides being Chairman of the Audit Committee of the Company.

Sri Ragothaman holds 54,493 (0.47%) Equity Shares of the Company.

Except Sri S. Ragothaman, no other Director is interested in the resolution.

### **Item No. 6**

The Company has received a notice pursuant to Section 257 of the Companies Act, 1956 from a Member along with a deposit of Rs.500/-, signifying his intention to propose at the ensuing Annual General Meeting, the appointment of Sri Ashok Kumar Jha as a Director of the Company and for that purpose, to move a resolution as mentioned in the notice.

The Board considers that, as recommended by the Remuneration and Nomination Committee, it would be in the interest of the Company to appoint Sri Jha as an Independent Director of the Company. Sri Jha, an IAS officer of the 1969 batch, has had a 38 year stint in the Civil Services and had held crucial positions in State and Central Government, with wide experience in foreign policy, industrial promotion, international trade, as well as economic affairs and finance. He retired from government service as the Finance Secretary, Government of India, and has also served as Secretary (Economic Affairs), Secretary (Department of Industrial Policy and Promotion), etc. Following his retirement he had a two year stint as Executive President of Hyundai Motor India.

Sri Jha is presently Director on the Boards of Great Eastern Energy Corporation Ltd., MCX Stock Exchange Ltd., Nuziveedu Seeds Ltd., and Setco Automotive Ltd. Sri Jha is Chairman of Macro Economics and Corporate Advocacy sub-committee and Nomination Committee and Member of Audit Committee of Nuziveedu Seeds Ltd.; Member of Remuneration Committee of MCX Stock Exchange Ltd. and Member of Audit Committee and Finance Committee of Great Eastern Energy Corporation Ltd.

Sri Ashok Kumar Jha does not hold any Equity Shares of the Company.

The Board commends the Resolution.

Except Sri Ashok Kumar Jha, no other Director is interested in the resolution.

New Delhi  
April 27, 2013

Registered Office :  
Barjora-Mejia Road, P.O. Ghutgoria,  
Tehsil: Barjora, Distt.: Bankura  
West Bengal 722 202

By Order of the Board

S.C. JAIN  
*Company Secretary*

## XPRO INDIA LIMITED : ANNUAL REPORT 2012/13

### REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

We present herewith our Annual Report together with the Audited Accounts of your Company for the year ended March 31, 2013.

### FINANCIAL RESULTS

	FY 2013	(Rs. Lacs) FY 2012
<b>Revenue from Operations</b>		
- Continuing Businesses	252,62.35	270,17.43
- Discontinued Businesses <i>(till Aug 18, 2011)</i>	-	37,07.05
	<b>252,62.35</b>	307,24.48
<b>Continuing Businesses resulted in a Profit before Depreciation and Tax of</b>	<b>3,60.09</b>	18,57.47
less : Depreciation	<u>10,80.04</u>	<u>11,54.44</u>
	<b>( 7,19.95 )</b>	7,03.03
<b>Discontinued Business <i>(till August 18, 2011)</i> resulted in a Profit before Depreciation and Tax of</b>	-	3,41.62
less : Depreciation	-	<u>88.05</u>
	-	2,53.57
	<b>( 7,19.95 )</b>	9,56.60
add: Exceptional items <i>(profit from slump sale of discontinued business)</i>	-	<u>34,57.46</u>
<b>Profit / (Loss) Before Tax</b>	<b>( 7,19.95 )</b>	44,14.06
less : Provisions for		
- Income & Wealth Tax	-	8,86.50
- Deferred Tax	<b>( 3,11.00 )</b>	2,18.00
- Credit for MAT Entitlement	-	( 70.00 )
- Tax pertaining to earlier years	<u>2.18</u>	<u>18.56</u>
<b>Profit / (Loss) After Tax</b>	<b>( 4,11.13 )</b>	33,61.00
add : Surplus brought forward	<u>64,53.33</u>	<u>39,31.92</u>
Balance available for appropriation	<b>60,42.20</b>	72,92.92
Which is appropriated as :		
- General Reserve	-	5,00.00
- Proposed Dividend	<b>116.78</b>	2,92.09
- Dividend Tax	<b>19.19</b>	47.50
- Surplus carried forward	<u><b>59,06.23</b></u>	<u>64,53.33</u>

The presentation above is a summary of the financial results and it is suggested that due care be exercised by readers in evaluating the businesses, financials and comparisons with earlier periods in view of the standards applicable to financial statements, particularly presentation relating to discontinued business. Though there is no distributable surplus for the year, upon prudent consideration of our conservative dividend policy, available surpluses, and overall stake-holder interest, we recommend for your approval a Dividend of Re.1.00 per share.

### REVIEW OF KEY BUSINESS MATTERS

Domestic economic conditions remain stressed. The global economy is struggling to effectively recover. A number of developed economies are in various degrees of recession, and growth in many developing countries is affected by its spill-over. This is impacting consumer sentiments and demand. Indian economic growth, decelerated to

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about 5%, the weakest in a decade, facing challenges from unfavourable global and domestic factors and the slump has spread to both consumption and exports. The manufacturing sector continued a sharp decline in growth from 2.7% in 2011-12 to 1.9% in 2012-13. Industry faced unprecedented headwinds, with domestic demand across many sectors including consumer durables and capital goods remaining muted, a weakening currency, and high inflation and interest rates. Corporate earnings across a wide spectrum appear to be significantly affected.

In the circumstances, the Company's markets and its operations were subject to many severe challenges, as a result of which the profit performance, particularly in the last 3 quarters of the year under review, has been at its lowest since inception. The Company had to contend with cost increase across the board, including steep increases in power tariff (in some cases with retrospective effect). Sales from continuing businesses were lower at Rs. 252.62 Crores against Rs. 270.17 Crores last year and their gross profits fell to Rs. 3.60 Crores from Rs. 18.57 Crores. Performance is dealt with in greater detail in the Managements' Discussion & Analysis Report.

These conditions are however reasonably viewed by us as transient. The potential for the Company's end-markets continues to be robust and Management is confident of the competitiveness and quality of its product offerings. Shareholders can observe from these reports and accounts that the Company is nearing completion of significant investments – actually the largest in its history – to strengthen and expand its core operations through a prudent mix of its own liquidity and by leveraging its sound financial standing. All the new investments are expected to be on line in a few months and after a stabilization period, during which we expect the burden of the interest and depreciation to keep the bottom line under some pressure, the investments should be in a position to generate attractive returns under normal market and economic conditions, subject of course to relevant risks.

The strategic intent of the management is towards specialization in certain types of polymer films (including thin, dielectric and metalized films). The plants at Barjora and Pithampur concentrate on thin BOPP Films for special applications and the Company remains the only indigenous producer of such films. On the general product side, the Indian BOPP Films industry has a situation of significant over-supply resulting in about 52% capacity utilisation and obvious fierce competition and un-remunerative pricing. As a consequence Biax Division reported lower sales, volumes and deeply impacted financial results. The consumer durables industry, particularly refrigerators, (significant client base for Coex Division) had negative growth. The Company however was able to maintain marginally reduced volumes though value additions were lower. The Company has continuously taken measures to improve operations, trim overheads, control discretionary spend and strengthen liquidity.

Employees Stock Option ("ESOP") Schemes are implemented in accordance with SEBI Guidelines. Details of options granted and outstanding along with other particulars, as required, are annexed hereto.

### **STATUTORY AND OTHER MATTERS**

Information as per the requirements of the Companies Act, 1956, our report on Corporate Governance and the Managements' Discussion & Analysis Report form a part of this Report and are annexed hereto. Section 217(2A) of the Act is not applicable there being no relevant employees during the year. As per General Circular No.2/2011 of February 8, 2011 issued by the Ministry of Corporate Affairs, the Board has consented by resolution not to attach balance sheets and other statements of subsidiary companies, Xpro Global Limited and Xpro Global Pte. Ltd., Singapore. Financial highlights in terms of the said notification are annexed. Shareholders of the holding company may obtain, upon request and free of cost, hard copies of annual accounts and related information of the subsidiaries. A copy of these Annual Accounts shall be kept open for inspection by shareholders at the Registered Office of the Company and of the subsidiary companies.

Relations with employees were generally cordial; we record our appreciation of contributions made by employees during the year.

The Company has received a notice pursuant to Section 257 of the Companies Act, 1956 from a Member, signifying his intention to propose at the ensuing Annual General Meeting, the appointment of Sri Ashok Kumar Jha as a Director of the Company and for that purpose, to move a resolution as mentioned in the notice. It is

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## **XPRO INDIA LIMITED : ANNUAL REPORT 2012/13**

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considered that, as recommended by the Remuneration and Nomination Committee, it would be in the interest of the Company to appoint Sri Ashok Kumar Jha as an Independent Director of the Company. Smt. Madhushree Birla and Sri S. Ragothaman, Directors, retire by rotation and being eligible offer themselves for reappointment.

The Company, having regard to its size and scope, is generally compliant with relevant voluntary guidelines on Corporate Social Responsibility (CSR). The Board has also constituted a committee to mentor and monitor CSR activities. Small steps have been always taken by our plants for social and inclusive development in their local areas; however given their relatively small size and geographical spread it has not been practical to undertake directly any significant projects outside these. The Company has accordingly budgeted for and adopted a policy to support external bodies including relevant bodies, NGOs or Government Relief Funds selected by the Board, including through financial contribution to them, with greater participation in the areas of health and social welfare, efforts toward reducing child mortality, promotion of education & socially responsible behaviour, and employment enhancing vocational skills.

The CEO and CFO have certified as per requirements of Clause 49(V) of the Listing Agreement, which has been reviewed by the Audit Committee and taken on record by the Board. Having taken reasonable and bonafide care, pursuant to Section 217(2AA) of the Companies Act, 1956 the Directors indicate that (i) in the preparation of the annual accounts the applicable accounting standards had been followed along with proper explanations relating to material departures; (ii) the directors had 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 profit or loss of the Company for the year; (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and (iv) the directors had prepared the annual accounts on a going concern basis.

### **AUDITORS' OBSERVATIONS**

The observations of the Auditors are routine and in the nature of general disclosures.

### **AUDITORS**

The Auditors M/s Deloitte, Haskins & Sells, Chartered Accountants, retire, and being eligible offer themselves for reappointment.

The Company had appointed M/s Sanghavi Randeria & Associates, Cost Accountants, Mumbai to audit the Cost Accounts of erstwhile Thermosets Division of the Company for Synthetic Resins for the year ended March 31, 2012 pursuant to Section 233B of the Act. The Cost Audit Report for the year ended March 31, 2012 due for filing by April 15, 2013 (extended due date due to technical issues in MCA-21 system) had been e-filed by that date.

### **ACKNOWLEDGEMENTS**

We place on record our sincere appreciation of the valuable cooperation and support received at all times by the Company from all its Bankers, particularly the lead bank, State Bank of India, all concerned Government and other authorities and Shareholders.

**For and on behalf of the Board**

New Delhi  
April 27, 2013

**Sidharth Birla**  
Chairman



### **REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE**

The Board has adopted its corporate governance obligations under relevant regulations, listing agreement and laws as well as best practices relating thereto. The Board believes that good governance is voluntary and self-disciplining, with the strongest impetus coming from Directors and the management itself, and ultimately leads to enhancement of value for all stakeholders. The management and organization at Xpro India Limited aims to be progressive, competent and trustworthy, creating and enhancing value for stakeholders and customers, while reflecting and respecting the best of Indian values in conduct. The Board lays significant emphasis on integrity, transparency and accountability.

### **THE BOARD OF DIRECTORS**

#### ***Composition***

The Board presently consists of 8 Directors, of whom 4 are independent and a total of 7 are non-executive. At its strictest, current regulations require that at least 50% of the Directors should be independent; this criterion is met. As per SEBI Regulations an independent Director will be one who (a) does not have any material pecuniary relationships or transactions with the Company, its Promoters, Directors, Senior Management (this comprises all members of management one level below Executive Directors, including all functional heads) or its holding company, its subsidiaries and associates; (b) is not related to Promoters or persons occupying management positions at the Board level or at one level below the Board; (c) has not been an Executive of the Company in the immediately preceding 3 financial years; (d) is not a Partner or an Executive or was not a Partner or an Executive during the preceding 3 years of Statutory Audit or Internal Audit Firm associated with the Company and legal firm(s) and consulting firm(s) that have a material association with the company; (e) is not a material supplier, service provider or customer or a lessor or lessee of the Company; (f) is not a substantial shareholder of the Company i.e. owning 2% or more of the voting power; and (g) is not less than 21 years of age. Our Board has 4 independent Directors (i.e. 50%) viz. Sri Amitabha Guha, a Banker, Sri P. Murari (IAS retired, formerly Secretary to the Govt. of India), Sri Utsav Parekh (Merchant Banker) and Sri S. Ragothaman (company director, formerly senior officer at ICICI). Sri Haigreve Khaitan, Advocate, even though meeting the criteria for independence is a Partner at Khaitan & Co., Solicitors, who act for the Company from time to time; thus as a measure of prudence he has not been included in the calculation of independent directors for purposes of regulations. The proposed appointment of Sri Ashok Kumar Jha will increase the Board strength to 9 and the number of Independent Directors to 5.

Independent Directors play an important role in deliberations at the Board level, bring with them their extensive experience in various fields including banking, finance, law, administration and policy, and contribute significantly to Board committees. Their independent role vis-à-vis the Company implies that they have a distinct contribution to make by adding a broader perspective, by ensuring that the interests of all stakeholders are kept in acceptable balance and also in providing an objective view in any potential conflict of interest between stakeholders. The Chairman and non-executive directors review the functioning and effectiveness of the Board and the attendance record of directors every year. As a policy, and the Articles of the Company, the identities, positions, duties and responsibilities of the Chairman and Chief Executive Officer are kept separate and suitably defined. Accordingly the Chairman's position, even where whole-time, has been considered non-executive in nature as his role specified by the Board does not cover routine managerial tasks and responsibilities. The management of the Company is vested in executive director(s) appointed for the purpose, subject to the general supervision, control and direction of the Board. Sri C Bhaskar is the Managing Director & Chief Executive Officer accountable to the Board for actions and results and is the only executive director. Sri Sidharth Birla and Smt. Madhushree Birla represent promoters and are related to each other; none of the other Directors are related to each other or to promoters. Details of Directors are given below by category, attendance, directorships (public limited companies only) ("B"), membership and chairmanship ("C" & "Ch") of SEBI specified committees, sitting fees (including committees) and commission (if any) paid during the year, and shareholding in the Company on March 31, 2013.

As required by law, the appointment(s) and remuneration(s) of any executive director(s) and of the Chairman (if whole-time) requires the approval of shareholders; such approvals are for a period of not more than 5 years and, when eligible, they can be re-appointed at the end of the term. 1/3<sup>rd</sup> of the other Directors retire every year and, when eligible, qualify for re-appointment. Nominees of Financial Institutions (if any) do not usually retire by

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rotation. The Board has chosen not to, in the usual course, propose appointment or re-appointment of a Director or Executive Director who has completed 80 & 65 years of age respectively. Specified details are provided in the notice for any Directors' appointment or re-appointment.

Director / Category	Attendance	B / C / Ch	Fees/Commission (Rs.)	Shareholding
<b><u>Independent</u></b>				
Sri Amitabha Ghosh (upto July 26, 2012)	2 / 2	-	40,000	51,000 (0.44%)
Sri Amitabha Guha	4 / 4	5 / 3 / -	90,000	-
Sri P. Murari	2 / 4	10 / 4 / 3	1,00,000	-
Sri Utsav Parekh	2 / 4	7 / 5 / 1	1,05,000	51,000 (0.44%)
Sri S. Ragothaman	2 / 4	8 / 4 / 3	80,000	54,493 (0.47%)
<b><u>Non-Executive</u></b>				
Sri Haigreave Khaitan	1 / 4	15 / 10 / -	20,000	51,000 (0.44%)
<b><u>Representing Promoters</u></b>				
Smt. Madhushree Birla	4 / 4	3 / - / -	80,000	-
Sri Sidharth Birla	4 / 4	5 / - / -	Nil	2,01,875 (1.73%)
<b><u>Executive (Managing Director)</u></b>				
Sri C Bhaskar	4 / 4	4 / 2 / -	Nil	80,001 (0.69%)

*Sri Sidharth Birla & Sri C Bhaskar are employed by the Company; Sri Haigreave Khaitan is Partner of Khaitan & Co., to which legal and other fees etc., of Rs.1,01,202 was paid during the year.*

### **Responsibilities**

The Board's fundamental concentration is on strategic issues and approval, policy and control, and delegation of powers. The Board has specified a schedule of major matters (covering those required under law or regulations) that are reserved for its consideration and decision, besides review of corporate performance and reporting to shareholders. Respective roles of the Board and management are clearly demarcated. The management is required to (a) provide necessary inputs and basis to support the Board in its decision making and evaluation process in respect of the Company's strategy, policies, targets and code of conduct; (b) manage day-to-day affairs of the company to best achieve targets and goals approved by the Board; (c) implement all policies and the code of conduct, as approved by the Board; (d) provide timely, accurate, substantive and material information, including on all financial matters and exceptions, if any, to the Board and/or its committees; (e) be responsible for ensuring strict and faithful compliance of all applicable laws and regulations; and (f) implement sound, effective internal control systems and the Risk Management Procedure framed by the Board. The Board has laid down a general Code of Conduct for employees and adopted a Code of Conduct for Directors and Senior Executives. The Board requires the organization to endeavor to conduct business and develop relationships in a responsible, dignified and honest way and these codes aim to establish the policy framework. The Board has also laid down a Code of Conduct for Prevention of Insider Trading, administered by the Compliance Officer. Management of the organization and conduct of affairs of the Company lie with the Managing Director & Chief Executive Officer, who heads the management team. The President & Chief Operating Officer holds operational responsibility for day-to-day activities of the divisions under his charge. The Joint President & Chief Financial Officer, heads the finance function discharging the responsibilities entrusted to him under regulations and by the Board. They are collectively entrusted with ensuring that all management functions are carried out effectively and professionally.

### **BOARD MEETINGS AND COMMITTEES**

Board meetings are normally held at Company offices, including at plants, and are typically scheduled well in advance. The Board meets at least once after the end of each quarter to, inter-alia, review all relevant matters and consider and approve quarterly financial results. The Board sometimes meets on an ad-hoc basis to receive presentations about and deliberate upon the strategic and operational plans of the management. Agenda for all meetings are prepared by the Secretary in consultation with the Chairman and papers are circulated to all directors in advance. Directors have access to the Secretary's support and all information of the Company and are free to suggest inclusion of any relevant matter in the Agenda. Senior officers are called to provide clarifications or presentations whenever required. To enable fuller and detailed attention to relevant matters, the Board from time to time delegates specified issues and matters to committees which report to it. However no matter which under