

## Governance Philosophy

The Aditya Birla Group is committed to adoption of best governance practices and its adherence in the true spirit, at all times. Our governance practices are a product of self-desire, reflecting the culture of trusteeship that is deeply ingrained in our value system and reflected in our strategic thought process. At a macro level, our governance philosophy rests on five basic tenets, viz., Board accountability to the Company and shareholders, strategic guidance and effective monitoring by the Board, protection of minority interests and rights, equitable treatment of all shareholders as well as superior transparency and timely disclosures.

In line with this philosophy, **Aditya Birla Nuvo Limited**, one of the flagship company of the Aditya

Birla Group, is striving for excellence through adoption of best governance and disclosure practices. The Company, as a continuous process, strengthens the quality of disclosures, on the Board composition and its functioning, remuneration paid and level of compliance with various Corporate Governance Codes.

## Compliance with Corporate Governance Guidelines

Your Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreement entered into with the Stock Exchanges with regard to corporate governance. Your Company's compliance with these requirements is presented in the subsequent section of this Report.

## I. BOARD OF DIRECTORS

### (A) Composition of the Board

The Company has a balanced Board, comprising of Executive and Non-Executive Directors which includes independent professionals. As on 31<sup>st</sup> March, 2014, the Board comprises of 6 Independent Directors (including a Nominee of LIC), 3 Non-Executive Directors and 3 Executive Director.

None of the Directors is a Director in more than 15 companies and member of more than 10 committees or acts as Chairman of more than 5 committees across all companies in which they are Directors. The Non-Executive Directors are appointed or re-appointed with the approval of the shareholders. All the Directors are liable to retire by rotation except the Executive Directors, whose term has been determined pursuant to the terms and conditions of their appointment. The Non-Executive Directors including Independent Directors on the Board are experienced, competent and highly renowned persons in their respective fields.

The details of the Directors with regards to other directorships, positions in either Audit Committee or Shareholder's/Investor's Grievance Committee as well as attendance at Board Meetings / Annual General Meeting are as follows:

Name of the Director	Category	No. of Outside Directorship(s) in other Public Companies <sup>1</sup>	Outside Committee Positions Held <sup>2</sup>		No. of Board Meetings		Attended Last AGM
			Member	Chairman/Chairperson	Held	Attended	
Mr. Kumar Mangalam Birla	Non-Executive	9	—	—	6	4	No
Mrs. Rajashree Birla	Non-Executive	6	—	—	6	4	No
Mr. B. L. Shah	Non-Executive	2	—	—	6	4	No
Mr. P. Murari	Independent	10	4	3	6	2	No
Mr. B. R. Gupta	Independent	2	—	3	6	6	Yes
Ms. Tarjani Vakil	Independent	3	2	—	6	6	Yes
Mr. S. C. Bhargava	Independent	10	7	1	6	5	No

Name of the Director	Category	No. of Outside Directorship(s) in other Public Companies <sup>1</sup>	Outside Committee Positions Held <sup>2</sup>		No. of Board Meetings		Attended Last AGM
			Member	Chairman/Chairperson	Held	Attended	
Mr. G. P. Gupta	Independent	8	2	4	6	5	No
Dr. Rakesh Jain	Managing Director	6	2	—	6	6	Yes
Mr. Lalit Naik	Deputy Managing Director	3	—	—	6	6	Yes
Mr. Sushil Agarwal	Whole-time Director	8	2	—	6	6	Yes
Mr. T. Chattopadhyay	Independent	1	1	—	6	3	No

**Notes:**

1. Excluding Directorships held in private companies, foreign companies and companies under Section 25 of the Companies Act, 1956.
2. As required by Clause 49 of the Listing Agreement, disclosure includes membership/chairpersonship of the Audit Committee and Shareholder's / Investor's Grievance Committee.
3. Mr. Kumar Mangalam Birla and Mrs. Rajashree Birla are related as son and mother, respectively. No other Director of the Company is related to any other Director on the Board.
4. Board at its meeting held on 26<sup>th</sup> June, 2014, subject to the approval of the shareholders, has appointed Mr. Lalit Naik as Managing Director of the Company w.e.f. 1<sup>st</sup> July, 2014, in place of Dr. Rakesh Jain, whose term as the Managing Director expires on 30<sup>th</sup> June, 2014; Dr. Rakesh Jain will also cease to be the Director of the Company.

**(B) Non-Executive Directors' Compensation and Disclosure:-**

Sitting fees for attending meetings of the Board / Committees is paid as per the provisions of the Articles of Association of the Company / Companies Act, 1956. Commission paid to the Non-Executive Directors is decided by the Board of Directors, within the limits approved by the shareholders.

Details of sitting fees / compensation paid to such Directors are given separately in this section of the Annual Report.

**(C) Board's Functioning and Procedure:-**

The Company's Board of Directors plays a primary role in ensuring good governance and functioning of the Company. The Board's role, functions, responsibilities and accountabilities are well defined. All relevant information is regularly placed before the Board. The Board reviews compliance reports of all laws as applicable to the Company, as well as steps taken by the Company to

rectify instances of non-compliances, if any. The members of the Board have complete freedom to express their opinion and decisions are taken after detailed discussions.

The Board meets at least once every quarter to review the quarterly results and other items on the agenda, and also additional meetings are held when necessary. Seven Board meetings were held during the year ended 31<sup>st</sup> March, 2014. The dates on which the said meetings were held are as follows:

29<sup>th</sup> May, 2013; 9<sup>th</sup> August, 2013; 6<sup>th</sup> September, 2013; 13<sup>th</sup> November, 2013; 30<sup>th</sup> January, 2014 and 11<sup>th</sup> February, 2014. The necessary quorum was present for all the meetings.

**(D) Code of Conduct:-**

In compliance with Clause 49 of the Listing Agreement, the Company has adopted a Code of Conduct for the Board Members and Senior Management (the "Code"). The Code is applicable to all the

Board Members and Senior Management of the Company. All the Board Members and Senior Management Personnel have confirmed compliance with the Code. A declaration by Managing Director affirming the compliance of the Code of Conduct for Board Members and Senior Management is annexed at the end of the Report. The Code is available on the Company's website.

## II AUDIT COMMITTEE

### (A) Qualified Independent Audit Committee:-

The Company has an Audit Committee at the Board level with powers and role that are in accordance with Clause 49 of the Listing Agreement and the Companies Act, 1956.

The Committee acts as a link between the management, the statutory and internal auditors and the Board of Directors, and oversees the financial reporting process. All the members of the Company's Audit Committee are Independent Directors.

### (B) Meetings of Audit Committee:-

The Managing Director and the Whole-time Director & C.F.O. of the Company are permanent invitees to the meetings of the Committee. The statutory as well as internal auditors of the Company are also invited to attend the Audit Committee meetings. Prior to the start of the meeting, members of the Audit Committee hold independent discussions with the statutory auditors of the Company. The representatives of the Cost Auditors are invited to attend the Audit Committee meetings whenever matters relating to Cost Audit are considered. The Company Secretary acts as Secretary to the Committee.

During the year, the Audit Committee met seven times to deliberate on various

matters, and details of the attendance of the Committee members are as follows:

Name of the Director	No. of Meetings	
	Held	Attended
Ms. Tarjani Vakil (Chairperson)	7	7
Mr. P. Murari	7	4
Mr. B. R. Gupta	7	7
Mr. G. P. Gupta	7	7

The scope of the Audit Committee is to review, from time to time, the internal control procedures, the accounting policies of the Company, oversight of the Company's financial reporting process to ensure that the financial statements are correct, sufficient and credible, and also such other functions as may be recommended from time to time by SEBI, Stock Exchanges and/or under the Companies Act, 1956, which *inter-alia* include the following:-

1. To monitor and provide effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting;
2. Management Discussion and Analysis of financial condition and results of operations;
3. Statement of significant related party transactions submitted by the Management;
4. Evaluation of internal financial controls and risk management systems;
5. Discussion with internal auditors of any significant findings and follow up there on; and
6. Reviewing, with the Management, performance of statutory and internal auditors, adequacy of the internal control systems.

**Other Board Committees:**

Names of the other Committee(s), and brief terms of reference of meetings held during the FY 2013-14 are as under:-

Name of the Committee	Members	Terms of Reference
ESOP Compensation Committee	Mr. Kumar Mangalam Birla Mr. B. R. Gupta Mr. G. P. Gupta	Formulating ESOS Scheme, its implementation, administration and supervision and formulating detailed terms and conditions in accordance with the relevant SEBI Guidelines.
Corporate Social Responsibility Committee	Mrs. Rajashree Birla Ms. Tarjani Vakil Dr. Rakesh Jain	To assist the Board in discharging its social responsibilities by way of formulating, monitoring and implementing the Corporate Social Responsibility Policy.
Investor Relations and Finance Committee	Mr. P. Murari Mr. B. L. Shah Dr. Rakesh Jain	To consider issues relating to shareholders as well as systems and procedures followed to track investor complaints and suggest measures for improvement from time to time.
Risk Management Committee	Ms. Tarjani Vakil Mr. G. P. Gupta Mr. S. C. Bhargava Dr. Rakesh Jain Mr. Lalit Naik Mr. Sushil Agarwal	To review and reassess the risks of the businesses and to develop an effective risk mitigation plan. Respective Business Heads are invited to attend Risk Management meetings held to discuss their respective Businesses.

**Note:** The meetings of the above Committees are held from time to time.

**III Subsidiary Companies**

The Audit Committee reviews the consolidated financial statements of the Company and investments made by its unlisted subsidiary companies. The minutes of the board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

**IV Disclosures****(A) Basis of Related Party Transactions:**

All the related party transactions are strictly done on arm's length basis. The Company places all the relevant details relating to related party transactions before the Audit Committee from time to time. Particulars of related party transactions are listed out in Note No. 42 to the Balance Sheet forming part of the Annual Report.

**(B) Disclosure of Accounting Treatment:**

The Company has followed all the relevant Accounting Standards while preparing the financial statements.

**(C) Risk Management:**

The Company has developed comprehensive risk management policy and it is reviewed by the Risk Management Committee and the Audit Committee, which, in turn, informs the Board about the risk assessment and minimization procedures. With a view to strengthen the risk management framework and to continuously review and reassess the risk that the businesses of the Company are confronted with, the Company has constituted a Risk Management Committee. Senior Executives of each of the businesses/units present the risk management process and implementation of risk mitigation plans.

**(D) Proceeds from Public Issues, Rights Issues, Preferential Issues, etc.:**

The Company discloses to the Audit Committee, the uses/applications of proceeds/funds raised from public issues, private placement of non-convertible debentures, preferential issues, etc., as part of quarterly review of financial results.

**(E) Remuneration of Directors:**

The Company has a system where all the directors and senior management of the Company are required to disclose all pecuniary relationship or transactions with the Company. No significant material transactions have been made with the Non-Executive Directors vis-à-vis the Company.

Besides sitting fees @ of ₹ 20,000/- per meeting of the Board or Committee thereof,

the Company also pays commission to the Non-Executive Directors of the Company.

For the F.Y. 2013-14, considering the financial performance of the Company, the Board has decided to pay commission of ₹ 4.50 Crore (Previous Year: ₹ 4.00 Crore) to the Non-Executive Directors of the Company, which is not exceeding 1% of the net profits of the Company, and pursuant to the authority given by the Shareholders at the Annual General Meeting of the Company held on 9<sup>th</sup> August, 2012. The amount of commission payable is determined after assigning weightage to attendance, type of meeting and preparations required, time spent, etc. The Company also reimburses out-of-pocket expenses incurred by the Directors for attending the meetings.

**The Details of Remuneration Paid to the Directors for/in the FY 2013-14 are as follows:**  
(₹ in Lakhs)

Name of the Director	Salary, Allowance, Perquisites and Other Benefits	Performance-linked Income/Bonus Paid/Commission Payable	Sitting Fees Paid
<b>Whole-time Directors</b>			
Dr. Rakesh Jain	575.38	112.39	
Mr. Sushil Agarwal	175.37	52.06	
Mr. Lalit Naik	238.86	83.31	
<b>Others</b>			
Mr. Kumar Mangalam Birla	—	405.00	1.20
Mrs. Rajashree Birla	—	16.09	0.80
Mr. B. L. Shah	—	2.16	1.00
Mr. P. Murari	—	2.50	1.40
Mr. B. R. Gupta	—	5.72	3.20
Ms. Tarjani Vakil	—	5.95	3.00
Mr. S. C. Bhargava	—	3.10	1.40
Mr. G. P. Gupta	—	7.98	3.00
Mr. T. Chattopadhyay	—	1.51	0.60

**Notes:**

- No Director is related to any other Director on the Board, except for Mr. Kumar Mangalam Birla and Mrs. Rajashree Birla, who are son and mother, respectively.
- The Company has a policy of not advancing any loans to its Directors except to Executive Directors, in the course of normal employment.
- The appointment of Whole-time Directors is subject to termination by three months' notice in writing by either side.
- Details of Options and RSUs granted to the Whole-time Directors during the year are set out below as also in Annexure to the Directors' Report.
- No severance fees are paid to any Director of the Company.
- Performance Review System is primarily based on competencies and values. The Company closely monitors growth and development of top talent in the Company to align personal aspiration with the organisation's purpose.

**Details of Stock Options granted to the Directors under Employee Stock Options Scheme-2006 (ESOS-2006) are as under:**

Name of the Director	1 <sup>st</sup> Tranche				4 <sup>th</sup> Tranche		
	No. of Options Granted	Vesting Date / %	Exercise Period (within)	No. of Options Exercised / Date	No. of Options Granted	Vesting Date / %	Exercise Period (within)
Dr. Rakesh Jain	13,470	23.08.08 (25%)	22.08.13	3,368 on 28.06.13	6,730	08.09.11 (25%)	07.09.16
		23.08.09 (25%)	22.08.14			08.09.12 (25%)	07.09.17
		23.08.10 (25%)	22.08.15			08.09.13 (25%)	07.09.18
		23.08.11 (25%)	22.08.16			08.09.14 (25%)	07.09.19
Mr. Sushil Agarwal	4,040	23.08.08 (25%)	22.08.13	1,010 on 22.08.13	5,222	08.09.11 (25%)	07.09.16
		23.08.09 (25%)	22.08.14			08.09.12 (25%)	07.09.17
		23.08.10 (25%)	22.08.15			08.09.13 (25%)	07.09.18
		23.08.11 (25%)	22.08.16			08.09.14 (25%)	07.09.19

**Details of Stock Options/Restricted Stock Units granted to the Directors under Employee Stock Options Scheme-2013 (ESOS-2013) are as under:**

**Tranche 1**

Name of the Director	No. of Stock Options Granted	*Vesting Date/ %	Exercise Period (within)	No. of Restricted Stock Units Granted	**Vesting Date/ %	Exercise Period (within)
Dr. Rakesh Jain	52,459	07.12.2014 (25%)	5 years from each Vesting Date	18,887	All RSUs granted will vest on 7 <sup>th</sup> December, 2016	5 years from Vesting Date
		07.12.2015 (25%)				
		07.12.2016 (25%)				
		07.12.2017 (25%)				
Mr. Sushil Agarwal	26,230	07.12.2014 (25%)	5 years from each Vesting Date	9,443	All RSUs granted will vest on 7 <sup>th</sup> December, 2016	5 years from Vesting Date
		07.12.2015 (25%)				
		07.12.2016 (25%)				
		07.12.2017 (25%)				

\* Subject to the satisfaction of performance target as determined by ESOS Compensation Committee for each of the Vesting.

\*\* Linked to continued employment with the Company.

**Details of Shareholding of Non-Executive Directors in the Company as on 31<sup>st</sup> March, 2014, is as follows:**

Name of the Director	No. of Shares Held @
Mr. Kumar Mangalam Birla*	4,609
Mrs. Rajashree Birla	127,634
Ms. Tarjani Vakil	177
Mr. S. C. Bhargava	233
Mr. G. P. Gupta	339

\* Excluding 150 shares held as Karta of H.U.F.

@ Considered only shares held singly or as first shareholder.

**(F) Management:**

The Management Discussion and Analysis Report is prepared in accordance with the requirements laid down in Clause 49 of the Listing Agreement and forms part of this Annual Report.

No material transaction has been entered into by the Company with the Promoters, Directors or the Management, their subsidiaries or relatives, etc., that may have a potential conflict with interests of the Company.

**(G) Shareholders:**

The Company has provided the details of new Directors and Directors seeking re-appointment in the Annual General Meeting Notice attached with this Annual Report.

Quarterly Presentations on the Company results are available on the website of your Company ([www.adityabirlanuvo.com](http://www.adityabirlanuvo.com) / [www.adityabirlanuvo.co.in](http://www.adityabirlanuvo.co.in)) and the Aditya Birla Group website ([www.adityabirla.com](http://www.adityabirla.com)). The Company also sends results / press-release by e-mail (wherever available) to shareholders immediately after the announcement of results. The hard and soft copies are also sent to the concerned Stock Exchanges simultaneously so as to enable them to put the results and press-release on their notice board/ website. A half-yearly declaration of financial performance including summary of the significant events in the last six-months, is being sent to each household of the shareholders.

**Investor Relations and Finance Committee:**

Your Company has an "Investor Relations and Finance Committee" comprising of Mr. P. Murari, Mr. B. L. Shah and Dr. Rakesh Jain as members. Mr. P. Murari is the Chairman of the Committee. The Committee looks into various issues relating to shareholders including transfer and transmission of shares as well as non-receipt of dividend, Annual Report, shares after transfers and delays in transfer of shares. In addition, the Committee looks into other issues including status of dematerialisation/ re-materialisation of shares as well as systems and procedures followed to track investor complaints, and suggests measures for improvement from time to time.

During the year under review, the Committee met **once** to deliberate on various matters referred above. Details of attendance of Directors for the Committee meeting are as follows:

Name of the Director	Non-Executive/ Executive	No. of Meetings	
		Held	Attended
Mr. P. Murari	Non-Executive	1	1
Mr. B. L. Shah	Non-Executive	1	1
Dr. Rakesh Jain	Executive	1	1

The Company Secretary acts as Secretary to the Committee. She is the Compliance Officer of the Company and also responsible for redressal of investor complaints.

The Company's shares are compulsorily traded and delivered in the dematerialised form in all Stock Exchanges. To expedite the transfer in the physical segment, necessary authority has been delegated to officers, to transfer upto 5,000 shares under one transfer deed. Details of share transfers/

transmission approved by the officers are placed before the Committee from time to time.

Details of complaints received, number of shares transferred during the year, time taken for effecting these transfers and the number of share transfers are given in the Shareholder's Information section of this Annual Report.

#### V. CEO/CFO Certification:

The CEO and CFO certification of the financial statements and the cash flow statement for the year is enclosed separately at the end of this report.

#### VI. Report on Corporate Governance:

A separate section on Corporate Governance forms part of the Annual Report. Certificate from the Statutory Auditors confirming

compliance with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement of the Stock Exchanges in India also forms part of this Annual Report.

#### VII. General Body Meetings:

Details of Annual General Meetings:

During the preceding three years, the Company's Annual General Meetings (AGMs) and also the Extra Ordinary General Meeting (EOGM) were held at the Registered Office of the Company at Indian Rayon Compound, Veraval - 362 266, Gujarat.

The date and time of such meetings held during the last three years, and the special resolution(s) passed thereat, are as follows:

Year	AGM/EOGM	Date	Time	Special Resolution Passed
2010-11	AGM	28 <sup>th</sup> September, 2011	11:00 A.M.	Yes <sup>1</sup>
2011-12	EGM	25 <sup>th</sup> April, 2012	11:30 A.M.	Yes <sup>2</sup>
2011-12	AGM	9 <sup>th</sup> August, 2012	11:30 A.M.	Yes <sup>3</sup>
2012-13	AGM	6 <sup>th</sup> September, 2013	11:30 A.M.	Yes <sup>4</sup>

<sup>1</sup>For revision in limits of remuneration of Whole-time Director(s).

<sup>2</sup>For the issue and allotment of Warrants to Promoter and/or Promoter Group on a preferential basis.

<sup>3</sup>For payment of commission to Non-Executive Directors.

<sup>4</sup>For approval of terms of Appointment and Remuneration of Whole-time Director(s) and approval of Employee Stock Options Scheme-2013 for the benefit of the employees of the Company and its Subsidiaries.

#### Postal Ballot

i) During the year, one resolution was passed through Postal Ballot to authorise the Board/Committee of Directors to sell/transfer Company's Carbon Black business.

ii) The procedure adopted for the above referred Postal Ballot is set out below:

The Carbon Black Business Committee on 6<sup>th</sup> April, 2013, approved the Postal Ballot process and appointed Mr. Bipin L. Makwana, Practicing Company Secretary, as Scrutinizer for conducting the voting process. Voting rights were reckoned on the paid-up value of the shares registered in the name(s) of the Member(s) on the cut-off date, i.e., 5<sup>th</sup> April, 2013. The posting of the notice along with the Postal Ballot form to the Members got completed on 8<sup>th</sup> April, 2013. Shareholders were provided an option of voting either through e-voting or by physical mode. The Postal Ballot forms were required to be tendered to the Company by 5:30 p.m. on 21<sup>st</sup> May, 2013. The time of closure of the voting by electronic mode was 5:30 p.m. on 21<sup>st</sup> May, 2013. The Scrutinizer submitted his report to Mr. Sushil Agarwal, Whole-time Director & CFO of the Company who was appointed as the Chairman for declaring the Postal Ballot outcome, on 22<sup>nd</sup> May, 2013. Based on the Scrutinizers report, the results of the Postal Ballot were declared on 23<sup>rd</sup> May, 2013, at the Corporate Office of the Company.



iii) The details of voting results for the resolutions are set out below:

Particulars	No. of Postal Ballot Forms	No. of Equity Shares (Votes)	% of Votes Received
Total Postal Ballot/Votes Received	2,497	77,044,829	64.09
Less: Number of Invalid Postal Ballot/Votes Received	43	150,752	00.13
Net Valid Postal Ballot/Votes Received	2,454	76,894,077	63.96
Total Postal Ballot/Votes with Assent	2,319	76,877,783	63.95
Total Postal Ballot/Votes with Dissent	135	16,294	00.01

## MEANS OF COMMUNICATION

### Quarterly Results:

#### Newspaper in which normally financial results are published in:

Newspaper	Cities of Publication
Business Standard	All editions
Economic Times	All editions
Western Times	Gujarati (Ahmedabad )

Website, where displayed the information	: <a href="http://www.adityabirlanuvo.com">www.adityabirlanuvo.com</a> <a href="http://www.adityabirlanuvo.co.in">www.adityabirlanuvo.co.in</a> <a href="http://www.adityabirla.com">www.adityabirla.com</a>
Whether it also displays official news releases	: Yes
Presentations made to investors/analysts	: Yes
General Shareholders' Information	: Published as a separate section in this report.

### Status of Compliance of Non-Mandatory Requirements:

- 1) The Company maintains a separate office for the Non-Executive Chairman. All necessary infrastructure and assistance are made available to enable him to discharge his responsibilities effectively.
- 2) For the financial year 2014, the Company did not have a Remuneration Committee except for ESOP. The remuneration of the Managing/Whole-time Director is fixed by the Board of Directors within limits approved by the Shareholders.
- 3) Performance update consisting of financial and operational performance for the first six months of financial year is being sent to the shareholders.
- 4) During the period under review, there is no audit qualification in the financial statement. The Company continues to adopt best practices to ensure unqualified financial statements.
- 5) The Company has established a policy for employees to report to the management, concerns about unethical behaviours, actual or suspected fraud or violation of the Company's Code of Conduct.

**CEO/CFO CERTIFICATION**

To,  
The Board of Directors  
Aditya Birla Nuvo Limited.

1. We have reviewed the financial results of Aditya Birla Nuvo Limited for the period ended 31<sup>st</sup> March, 2014, and to the best of our knowledge and belief:
  - I. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
  - II. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. To the best of our knowledge and belief, no transactions entered into by the Company during the period ended 31<sup>st</sup> March, 2014, are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to be taken to rectify the deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
  - I. Significant changes in the Company's internal control over financial reporting during the period;
  - II. Significant changes in accounting policies during the period; and
  - III. Instances of significant fraud of which we have become aware and involvement therein, if any, of the management or other employees having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai  
Date: 20<sup>th</sup> May, 2014

**Sushil Agarwal**  
(Whole-time Director & CFO)

**Dr. Rakesh Jain**  
(Managing Director)

**DECLARATION**

As provided under Clause 49 of the Listing Agreement with the Stock Exchange(s), I hereby declare that all the Directors and Senior Management personnel of the Company have affirmed the Compliance with the Code of Conduct for the year ended 31<sup>st</sup> March, 2014.

Place: Mumbai  
Date: 20<sup>th</sup> May, 2014

**Dr. Rakesh Jain**  
(Managing Director)