

**CORPORATE GOVERNANCE REPORT**  
**(Pursuant to clause 49 of the Listing Agreement)**

**Company Philosophy on code of governance:**

The essence of Corporate Governance lies in its transparency, its efficiency lies in its ability to protect the stakeholders interest. Sound ethical practices, transparency in operations and timely disclosures go a long way to enhancing long-term shareholder value while safeguarding the interest of all the stakeholders.

Clause 49 of the listing agreement with stock exchanges in India has set the benchmark compliance rules for a listed company and the baseline for governance standards.

Corporate governance is an integral part of the way your Company does business. Gangotri Cement Ltd. continues to believe that a good Corporate Governance is essential to achieve long-term corporate goals and to enhance stockholders' value.

Your Company is a listed company on the Mumbai & M. P. Stock Exchange and have a governance process and practices venture to achieve transparency and professionalism in action as well as the implementation of policies and procedures to ensure high ethical standards as well as responsible management.

We also believe that Corporate Governance is a continuously improving process and are always striving towards achieving the highest standards possible.

**1. Board of Directors :**

**a. Composition of Board of Directors.**

As on March 31<sup>st</sup> 2014, your Company's Board of the Directors of the Company consisted of four Directors with varied experience in different areas. The composition of the Board is in conformity with the clause 49 of the provisions of Listing agreement, with 50% of the Board consisting of Independent Directors. The details of composition and categories of Directors are as follows.

- |                       |                        |
|-----------------------|------------------------|
| a. Shri Sudhir Dixit  | (Executive Director)   |
| b. Shri Shabbir Menon | (Managing Director)    |
| c. Shri Ravi Kamra    | (Independent Director) |
| d. Shri Deepak Tyagi  | (Independent Director) |

**b. Policy**

All statutory & other significant and material information are placed before the Board to enable it to discharge its responsibilities of strategic supervision of the company and as trustees of stakeholders, as per policy the Board meets at least once every quarter. During the year the Board met 5 times on 18<sup>th</sup> Apr'13, 8<sup>th</sup> Jul'13, 13<sup>th</sup> Aug'13, 28<sup>th</sup> Oct'13, and 12<sup>th</sup> Feb'14.

- c. Meeting attendance of each directors at the BOD meeting and last AGM is as under:-

Name of Directors	No. of Board Meetings Attended	Attendance at Last AGM
Shri Sudhir Dixit	5	Yes
Shri Ravi Kamra	4	Yes
Shri Shabbir Menon	5	Yes
Shri Deepak Tyagi	4	Yes

- d. Directors seeking reappointment

Name of the Director	Shri Sudhir Dixit	Shri Shabbir Menon
Designation	Director	M. D.

## 2. Code of Business Conducts and Ethics

The Board of Directors has laid down a Code of Conduct for all Board Members and senior employees of the Company. The annual accounts contain the Code of Conduct and a declaration by the **Managing Director**.

Your company has adopted a code of conduct for all the Board members and members of senior management, between whom it has been circulated and compliance thereto affirmed. A declaration signed by the Managing Director is given below.

I hereby confirm that:

“The company has obtained from all the members of the Board and senior management, affirmation that they have complied with the code of conduct for directors and senior management in respect of the financial year 2013-14”

Sd/-  
Shabir Menon,  
**Managing Director**

### 3. Committees of the Board

#### a) **Audit Committee**

The Audit Committee continued working under Chairmanship of Shri Ravi Kamra with Shri Shabir Menon and **Shri Sudhir Dixit** as co-members.

The sub-committee met on four occasions with full attendance of all the members.

The committee met on the following dates with attendance as shown below:

Date of Meeting	Committee strength	No. of members present
8 <sup>th</sup> Jul'13	3	3
13 <sup>th</sup> Aug'13	3	2
28 <sup>th</sup> Oct'13	3	2
12 <sup>th</sup> Feb'14	3	2

#### b) **Executive Committee**

The Executive Committee continued working under Chairmanship of Shri Sudhir Dixit with Shri Ravi Kamra and Shri Shabbir Memon as co-member, during the year, the sub-committee met on four occasions with full attendance of all the members.

The committee met on the following dates with attendance as shown below:

Date of Meeting	Committee strength	No. of members present
18 <sup>th</sup> Apr'14	3	2
8 <sup>th</sup> Jul'13	3	3
28 <sup>th</sup> Oct'13	3	2
12 <sup>th</sup> Feb'14	3	2

#### c) **Nomination & Remuneration Committee**

The Nomination & Remuneration Committee has been constituted under the Chairmanship of Shri Sudhir Dixit with Shri Shabbir Memon and Shri Ravi Kamra as co-members. The Committee has been formed to review and recommend the remuneration policy of the Company and to recommend the revision in salary structure of Directors. During the year, the sub-committee met once on 18<sup>th</sup> Apr'13 with full attendance of all the members and decided that due to slow growth in Industries and low profits directors should not draw any remuneration.

#### d) **Shareholders Committee**

The committee has been renamed as **Stakeholders Relationship Committee** Shri Ravi Karma with Shri Sudhir Dixit and Shri Shabbir Memon are the members. In the Financial year under review, one meeting of the Committee was held 13<sup>th</sup> Aug'13. As on March 31, 2014 there were no requests pending for transfer of shares.

### 4. General Body Meeting

Particulars of last three Annual General Meetings

AGM	Year ended 31 <sup>st</sup> March	Venue	Date	Time
20 <sup>th</sup>	2011	Registered office of the Company	30-09-2011	03:00 PM
21 <sup>th</sup>	2012		29-09-2012	03:00 PM
22 <sup>nd</sup>	2013		27-09-2013	03:00 PM

## 5. Disclosures

- i. There was no transaction of material nature with any of the related party, which is in conflict with the interest of the company.
- ii. Details of non compliance by the company, penalties, and strictures imposed on the company by the Stock Exchange or SEBI or any authority on any matter related to capital markets during last 3 years. However, due to some non-compliance in the earlier years, the trading of the listed securities has remained suspended.
- iii. The company has put in place a mechanism of reporting illegal or unethical behavior. Employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor/notified persons. The reports received from any employee will be reviewed by the audit committee. It is affirmed that no person has been denied access to the audit committee in this respect. The Directors and senior management are to maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discriminatory practice.

## 6. Means of Communication

Information like financial results (quarterly, half-yearly or annual) and press releases on significant developments in the Company that has been updated on the company's website [www.ashokarefineries.com](http://www.ashokarefineries.com) and have also submitted to the stock exchanges to enable them to put them on their websites and communicate to their members.

Details of management discussion are a part of the annual report.

No presentation made to institutional investors or to the analysts. Management Discussion & Analysis are not a part of Annual Report.

## 7. General Shareholder Information for the year

AGM- Date, Time and venue	30-09-2014, 3.00pm at Registered Office
Financial Year	31-03-2014
Book Closure Date	28 <sup>TH</sup> Sept'14 to 30 <sup>th</sup> Sept'13
Dividend Payment Date	No dividend declared
Listing of Equity Shares on Stock Exchange	Mumbai, M. P. Stock Exchange,
Market price data and other related information	None as the trading remained suspended during the year as explained above during the year 2013-14
Registrar & Transfer Agent.	Beetal Financial & Computer Services (P) Ltd

## 8. Auditors' Certificate on Corporate Governance

As required under clause 49 of the listing Agreement, the Auditors Certificate is given as an Annexure to the Directors Report.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **FORWARD- LOOKING STATEMENT**

India's economy expanded at 4.7 per cent in the entire 2013-14 financial year, marking a second straight year of below 5 per cent growth in the last 25 years. The expansion was slower than an official estimate of 4.9 per cent and higher than 4.5 per cent growth a year earlier. The year 2013 witnessed changing global dynamics with a renewed focus on the developed nations. The developed economies gathered momentum even as consumer demand recovered modestly in the US and Japan. However, emerging economies experienced external and localised vulnerabilities and market turmoil.

This report contains forward-looking statements based on certain assumptions and expectations of future events. The Company, therefore, cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements can thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

### **SERVICES**

Company is engaged in Cargo handling services. Due to removal of restriction on import, this is excellent field to provide services to the importers. The size of the Company needs to be expanded to enter this industry on a large scale for which Directors are concentrating their attention.

### **BUSINESS OVERVIEW**

The Turnover during the year 2013-14 is to the tune of Rs.2.17 Lacs. Previous year it was Rs.4.42 Lacs. The decline in turnover continues due to non-renewed C & H control. Company is trying to improve its performance in the future.

### **MARKETING**

The Company is making all efforts to revamp its marketing in new areas and hopes for good results in the current year.

### **SWOT**

Our strength is our determination, weakness is the low equity base suspension by BSE of, opportunities are multiples and threats are practically none. Suspension of trading is under revocation by BSE.

The financial highlights are as under:-

	Fig. in lacs
Turnover for the year 2012-2013	2.17
Provision for taxation	0.05
Profit after tax	0.17
Paid-up Equity Share Capital as on 31 <sup>st</sup> March'2013	340.19

### **INTERNAL CONTROL**

The Company has an internal control system, commensurate with the size of its operations, adequate records and documents were maintained as required by laws. The

Company's audit Committee reviewed the internal control system. All efforts are being made to make the internal control system more effective.

#### **SEGMENT WISE REPORTING**

During the year under review, Company has through Cargo Services segment only.

#### **RISK AND CONCERNS**

In any business, risks and prospects are inseparable. As a responsible management, the Company's principal endeavor is to maximize returns. The Company continues to take all steps necessary to minimize losses through detailed studies and interaction with experts.