

## ANNEXURE : C

### CORPORATE GOVERNANCE REPORT

#### 1) CORPORATE GOVERNANCE

Corporate Governance is a set of systems and practices of strategic vision the affairs of the Company are being managed in a way to ensures accountability, fairness and transparency to meet its shareholders aspirations.

#### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company believes in optimising business performance through corporate governance. The Company's governance is committed to values being the transparency, integrity, accountability, self-discipline, respect and professionalism. The Company constantly endeavours to create and put in practice the procedures and systems, which are the best Corporate Governance thereby aiming at building the value for all its stakeholders and be benchmark in the Corporate Citizenship.

Your Company confirms the compliance of mandatory requirements of the Corporate Governance as stipulated under Clause 49 of Listing Agreement with Stock Exchanges, the details of which are given herein under:

#### 2) BOARD OF DIRECTORS

The business of the Company is conducted under the directions of the Board. The Board formulates strategy, regularly reviews the performance of the Company and ensures that the projected targets and agreed objectives are met on a consistent basis. The Board has constituted Committees, which guides the matters delegated to them in accordance with their terms of reference. The Executive Directors/Senior Managerial Personnel/Functional Heads assist the Chairman and Managing Director In overseeing the functional matters of the Company. The Senior Managerial Personnel/ Functional Heads assist the Executive Directors in overseeing the functional matters of the Company.

#### Composition of the Board

The Board of Directors of your Company consists of balanced blend of executive and non-executive Directors & represents the optimum combination of professionalism, knowledge and experience. Your Company immensely benefits from the professional expertise of the Independent Directors in their individual capacity as Professionals / Business Executives and through their valuable experience.

The Executive Chairman heads the Board. The total strength of the Board of Directors of the Company is six Directors as on 31st March 2014 comprising three Executive Directors and three Non-Executive Directors.

The composition of the Board of Directors with reference to the number of Executive and Non-Executive Directors meets the requirement of the Corporate Governance as stipulated under Clause 49 of Listing Agreement

The details of composition of the Board as at 31.03.2014 and other information are given herein below:

Category	Name of the Director	Position	No. of other Directorships	Memberships/ Chairmanships of Committees		No. of Equity Shares held 31-03-2014
				Member ship	Chairman ship	
Promoter Executive	Shri P. M. Sanghvi	Chairman & Managing Director	1	-	-	3672365
	Shri J. M. Sanghvi	Whole-time Director	1	1	-	2506435
	Shri S. M. Sanghvi	Whole-time Director	-	-	-	1586995
Independent Non-Executive	Shri D. C. Anjaria	Director	4	4	4	22465
	Dr. V. M. Agrawal	Director	-	2	-	27500
	Shri P. M. Mehta	Director	-	1	-	12500

Notes:

1. Shri Prakash M. Sanghvi, Shri Jayanti M. Sanghvi and Shri Shanti M. Sanghvi are brothers and related to each other.
2. None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than five Committees (as specified in Clause 49 of the Listing Agreement) across all the Companies in which he is Director. The necessary disclosures regarding Committee positions have been made by the Directors.

#### Directors' Attendance Record for the year ended 31st March, 2014

Name of the Director	No. of Board Meetings held during the period	No. of Board Meetings attended	Presence at the last AGM
Shri P. M. Sanghvi	5	5	Yes
Shri J. M. Sanghvi	5	5	Yes
Shri S. M. Sanghvi	5	5	Yes
Shri D. C. Anjaria	5	5	Yes
Dr. V. M. Agrawal	5	5	Yes
Shri P. M. Mehta	5	4	Yes

During the Financial Year 2013-14, five Board Meetings were held on 27th May 2013, 25th June 2013, 12th August 2013, 28th October 2013 and 30th January 2014 and the gap between two meetings did not exceed four months period.

#### Board Meetings, Board Committee Meetings and Procedures

The Board meets at least once in a quarter with a gap between two meetings not exceeding four months. Additional meetings of the Board are held when deemed necessary to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by circulation.

Dates for the Board Meetings in the ensuing quarter are decided well in advance and communicated to the Directors. The meetings are usually held at the Company's offices.

The Agenda and the papers for consideration at the Board Meeting are circulated to the Directors in advance. Adequate information is circulated as part of the Board papers and is made available at the Board Meeting to enable the Members of the Board to take vital decisions. Senior Executives are invited to attend the Board Meetings as and when required.

The information as required under Annexure 1A to clause 49 of the Listing Agreement is being made available to the Board.

The Company ensures compliance of various statutory requirements by all its divisions and obtains quarterly reports in the form of certificates from the heads of the divisions. These certificates are placed before the Board on quarterly basis.

Other provisions as to Board and Committees were complied during the year under review.

### **3) BOARD COMMITTEES**

The Board committees play a vital role in strengthening the Corporate Governance practices and focus effectively on the issues and ensures expedient resolution of the diverse matters. The Committees also make specific recommendations to the board on various matters when required. All observations, recommendations and decisions of the committees are placed before the board for information or for approval.

- i) Audit Committee
- ii) Nomination and Remuneration Committee
- iii) Shareholder's / Investors Grievance Committee
- iv) Share Transfer Committee
- v) Risk Management Committee
- vi) Kutch Project Review Committee
- vii) Cost Reduction and Performance Review Committee

#### **3.1 Audit Committee**

##### **Composition**

The Board of Directors in its meeting held on 30th January 2001 constituted the Audit Committee. The Audit Committee comprises of two Non-Executive Independent Directors who are eminent professionals and one Executive Director. The Composition of the Audit Committee meets with the requirements of Section 292A of the Companies Act, 1956 and of Clause 49 of the Listing agreement.

The members of the Audit Committee comprise of Shri D. C. Anjarla, an ex-banker and financial expert is the Chairman of the Committee, Dr. V. M. Agrawal is eminent professional and Shri Jayanti M. Sanghvi is Whole-time Director.

The Company Secretary acts as the Secretary to the Committee.

The Audit Committee meetings were also attended by the representatives of the Statutory Auditors, Internal Auditors and the Chief Financial Officer of the Company.

##### **Meetings and Attendance**

During the year, five meetings of the Audit Committee were held on 25th May 2013, 25th June 2013, 10th August 2013, 28th October 2013 and 29th January 2014. The Chairman of the Audit Committee also attended the last Annual General Meeting of the Company.

The following table summarises the attendance of the Committee members:

Name of the Director	Category	Status	No. of Meetings held	No. of Meetings attended
Shri D. C. Anjaria	Independent Non-Executive	Chairman	5	5
Dr. V. M. Agrawal	Independent Non-Executive	Member	5	5
Shri J. M. Sanghvi	Promoter Executive	Member	5	5

**Overall Attendance: 100%**

The meetings of the Audit Committee during the year were held as per Clause 49 of the Listing Agreement. Minutes of each Audit Committee Meeting are placed and discussed in the meeting of the Board of Directors.

**Terms of reference**

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's Internal Control and Financial Reporting Process. The terms of reference of the Audit Committee are in accordance with all the items listed in Clause 49 of the Listing Agreement and inter-alia performs the following functions.

- a. To investigate any matter in relation to the items specified in Section 292A of the Companies Act 1956, and as contained under Clause 49 of the Listing Agreement.
- b. Reviewing of the Company's Financial Reporting Process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- c. Recommending the appointment of Statutory Auditors and fixation of their Audit Fee.
- d. Reviewing with Management the Annual Financial Statements and half-yearly and quarterly financial results before submission to the Board.
- e. Reviewing periodically the adequacy of the internal control systems.
- f. Discussions with Internal Auditors on any significant findings and follow up there on.

**Powers**

The Audit Committee has the following Powers:

- i. To investigate any activity within its terms of reference.
- ii. To seek any information from any employee.
- iii. To obtain outside legal and professional advice.
- iv. To secure attendance of outsiders with relevant expertise, if it considers it necessary.

**Internal Audit**

The company has engaged firm of chartered accountant which are conducting internal audit. The auditors present Internal Audit Report at every quarterly meeting to the audit committee highlighting the high risk areas, internal control weakness and action taken by the management to mitigate the same.

**3.2 Remuneration Committee**

Composition

Pursuant to the provisions contained in Schedule XIII of the Companies Act, 1956 and Clause 49 of the Listing Agreement with Stock Exchanges, Remuneration Committee of the Board was

constituted on 23rd March 2002 to determine the Company's policy on specific remuneration packages for Executive Directors including their pension rights and compensation payment.

The members of the Remuneration Committee comprise of Shri D. C. Anjarla, an ex-banker and financial expert is the Chairman of the Committee, Dr. V. M. Agrawal and Shri P. M. Mehta are eminent professionals

### Meetings and Attendance

During the year, two meetings of the Remuneration Committee were held on 27th May 2013 & 25th June 2013. The Chairman of the remuneration Committee also attended the last Annual General Meeting of the Company.

Name of the Director	Category	Status	No. of Meetings held	No. of Meetings attended
Shri D. C. Anjarla	Independent Non-Executive	Chairman	2	2
Dr. V. M. Agrawal	Independent Non-Executive	Member	2	2
Shri P. M. Mehta	Independent Non-Executive	Member	2	2

**Overall attendance: 100%**

### Terms of reference

The Remuneration Committee is empowered to review and recommend to the Board of Directors, remuneration and commission of the Executive Directors of the Company in accordance with the guidelines laid down under the statute.

### Remuneration Policy

The remuneration of Executive Directors is recommended by the Remuneration Committee after taking into consideration the financial position of the Company, trends in the industry, experience, past performance, remuneration paid to the Executive Directors and the interest of the Company and its shareholders.

The key components of the Company's Remuneration Policy are

- i. Compensation will be a major driver of performance.
- ii. Compensation will be transparent, fair and simple to administer.
- iii. Compensation will be fully legal and tax compliant.
- iv. Compensation will be competitive and benchmarked with group of companies in the Industry.

Non-Executive Directors are entitled to sitting fees for attending the meetings of the Board and certain Committees thereof. The Company also reimburses out of pocket expenses to Directors for attending the meetings.

a. Details of Remuneration / Sitting fees of Directors

The details of Remunerations / Sitting fees of Executive and Non-Executive Directors for the financial year 2013-14 are as under

(₹ In Lacs)

Name of the Director	Salary	Commission	Perquisites	Retirement Benefits	Assignment of Key Man Insurance Policy	Sitting Fees	Total
Shri P. M. Sanghvi	101.00	1000.00	0.25	22.22	-	-	1123.47
Shri J. M. Sanghvi	67.80	600.00	1.12	14.91	-	-	683.83
Shri S. M. Sanghvi	54.40	400.00	-	11.96	-	-	466.36
Shri D. C. Anjaria	-	-	-	-	-	2.30	2.30
Dr. V. M. Agrawal	-	-	-	-	-	2.13	2.13
Shri P. M. Mehta-	-	-	-	-	-	1.08	1.08

The other details of the service contract of Executive Directors are as follows :

Particulars	Shri P. M. Sanghvi	Shri J. M. Sanghvi	Shri S. M. Sanghvi
Period of Appointment	5 Years	5 Years	5 Years
Date of Appointment	01/11/2013	01/11/2013	01/11/2013
Shareholders' approval in the AGM held on	12/8/2013	12/08/2013	12/8/2013
Notice period for the termination of the Contract	The services of all the three Executive Directors are contractual and for a term of five years. For any termination of Service Contract, the Company or the Executive Director is required to give a notice of three Months or pay three month's salary in lieu thereof to the other party.		

The Non-Executive Directors were paid Sitting Fees of Rs. 17,000/- w.e.f. 25.06.2013 for each Board Meeting and for certain Committee Meetings attended during the year 2013-14.

b. Stock Options granted to the Non-Executive Directors

Name of Director	No. of Options granted and due	Outstanding as on 01/04/2013	Options exercised during the year	Outstanding as on 31/03/2014 (Face value Rs.2/- per Equity Share)
Shri D. C. Anjaria	25000	12500	12500	Nil
Dr. V. M. Agrawal	25000	Nil	Nil	Nil
Shri P. M. Mehta	25000	Nil	Nil	Nil

**3.3 Shareholders'/ Investors' Grievance Committee**

Composition and terms of reference

The Shareholders Grievance Committee was formed by the Board of Directors on 31st March 2001 to ensure the effective redressal of the complaints of the investors. The Committee also recommends steps to be taken for quality services to the investors. The composition of the said Committee is as under:

Name of the Director	Category	Status
Shri D. C. Anjaria	Independent Non-Executive	Chairman
Dr. V. M. Agrawal	Independent Non-Executive	Member
Shri P. M. Mehta	Independent Non-Executive	Member

Shri Rajeev Mundra, Company Secretary, acts as a Secretary of the Committee and has been designated as Compliance Officer of the Company.

#### Investor Complaints

The particulars of Investors' Grievance received and redressed during the financial year are furnished below:

Sr. No.	Nature of Complaints	Opening Balance as on 01/04/2013	Received during the Year	Redressed / Attended during the year	Pending as on 31/03/2014
1.	Non-receipt of share certificates after transfer, etc.	Nil	Nil	Nil	Nil
2.	Non-receipt of Dividend warrants	Nil	1	1	Nil
3.	Query regarding Demat Credit	Nil	Nil	Nil	Nil
4.	Non-receipt of duplicate share certificate after issue	Nil	Nil	Nil	Nil
5.	Others : Non-Exchange of New shares	Nil	Nil	Nil	Nil
	<b>Total</b>	Nil	1	1	Nil

### 3.4 Share Transfer Committee

#### Composition and terms of reference

The Board of Directors has also constituted Share Transfer Committee to deal with matters relating to transfers / transmissions / transposition / consolidation / split / issue of share certificates in exchange for sub-divided / consolidated / defaced share certificates / issue of duplicate share certificates, etc. The composition of Share Transfer Committee changes as and when required. At present, Shri P. M. Sanghvi, Managing Director, Shri J. M. Sanghvi, Whole-time Director and Dr. V. M. Agrawal, Independent Director are the members of Share Transfer Committee.

At present entire activities related to share transfers, transmission, exchange of shares, etc. is handled by Sharepro Services (India) Pvt. Ltd., Mumbai and Ahmedabad (Branch), a SEBI authorized Registrar, which also provides electronic connectivity with NSDL and CDSL to carry out such assigned work.

#### Meetings and attendance

During the year under review, Committee meetings were held in terms of Clause 47 of the Listing Agreement and all the members were present in the meetings. The shares transferred to the Transferees were within the period as stipulated in the Listing Agreement with Stock Exchanges.

### 3.5 Committee for Share Allotment under ESOS:

Composition and terms of reference

The Board of Directors formed the Committee for share allotments under ESOS on 18th May 2009 to consider the applications received from the eligible employees and allotting the shares to them. The composition of the said Committee is as under:

<b>Name of the Director</b>	<b>Category</b>	<b>Status</b>
Shri P. M Sanghvi	Promoter Executive	Chairman
Shri J. M. Sanghvi	Promoter Executive	Member
Shri D. C. Anjaria	Independent Non Executive	Member

Meetings and attendance

During the year, the committee meeting was held on 17th January 2014.



#### 4) OTHER MAJOR COMMITTEES OF DIRECTORS

In addition to the above-referred Committees, the Board has constituted the following Committees of Directors and delegated thereto powers and responsibilities with respect to specific purposes. Time schedule for holding the meetings of such Committees are finalized in consultation with the Committee Members.

<b>1. Risk Management Committee</b>		
<b>Terms of reference</b> Framing and supervising risk management policies of the Company & to review and strengthen the risk management of the Company from time to time. The Board of Directors in its meeting held on 10/11/2011 formed the Committee.	<b>Composition</b> 1. Shri D. C. Anjaria (Chairman) Independent Non – Executive	<b>Meetings</b> No Meetings were held during the year under review.
	2. Shri P. M. Sanghvi (Member) Promoter Executive	
<b>2. Kutch Project Review Committee</b>		
<b>Terms of reference</b> With a view to take certain decisions on the spot for the Kutch Project, the Board of Directors in its meeting held on 28/09/2005 formed Kutch Project Review Committee.	<b>Composition</b> 1. Shri P. M. Mehta (Chairman) Independent Non- Executive	<b>Meetings</b> No Meetings were held during the year under review.
	2. Shri P. M. Sanghvi (Member) Promoter Executive	
	3. Shri J. M. Sanghvi (Member) Promoter Executive	
<b>3. Cost Reduction And Performance Improvement Committee</b>		
<b>Terms of reference</b> The Board formed a Committee for cost reduction and performance improvement on 28/07/2009.	<b>Composition</b> 1. Shri P. M. Mehta (Chairman) Independent Non-Executive	<b>Meetings</b> No meetings were held during the year under review however; the same is being taken care at functional and Board level.
	2. Shri P. M. Sanghvi (Member) Promoter Executive	
	3. Shri J. M. Sanghvi (Member) Promoter Executive	

## 5) GENERAL BODY MEETINGS

### A. Annual General Meeting:

The details of date and time of the Annual General Meeting (AGMs) of the Company held during the preceding three years, at The Ahmedabad Textile Mills Association Hall, Ashram Raod, Ahmedabad and the Special Resolutions passed there are as under:

AGM Financial Year	Date	Time	Special Resolutions Passed
27TH 2010-11	18.08.2011	10:00 a. m.	3
28TH 2011-12	26.09.2012	10:00 a. m.	NIL
29TH 2012-13	12.08.2013	10.00 a.m.	2

\* Special resolutions indicated above were passed by show of hands.

### B. Postal Ballot

No special resolution was passed through Postal Ballot during the financial year 2013-14. Non of the Business proposed to be transacted in the ensuing Annual General Meeting required passing a special resolution through Postal Ballot.

## 6) DISCLOSURES

Related party transactions

- 6.1 Full disclosure of related party transactions as per Accounting Standard - 18 issued by the Institute of Chartered Accountants of India are given under Note No. 32 of Notes to Financial Statements.

Accounting Treatment

- 6.2 Financial Statements for the year under review were prepared in accordance with the Accounting Standards and there is no deviation, nor any alternative treatment given.

Risk Management

- 6.3 The Company regularly reviews the risks and takes corrective actions for managing/mitigating the same. The internal control system provides support for risk management of the Company. The Board has approved Corporate Financial Risk Management Policy and the same is being evaluated on quarterly basis.

Strictures / Penalties

- 6.4 There was no instance of Non-compliance of any matter related to the capital markets during the last three years. In other words the Company has complied with all the regulations as per the Listing Agreement with Stock Exchanges and SEBI.

Management

- 6.5 The Management Discussion and Analysis Report forms a part of the Annual Report

Statutory Registers

- 6.6 All the statutory registers that are required to be maintained, particularly Registers of contracts in which Directors have interests, Registers of Director Shareholding, Register of Investments etc. are maintained and regularly updated.

### Compliance with Non Mandatory requirements

The Board

- 6.7 Your Company has an Executive Chairman and hence need for implementing this non-mandatory requirement pertaining to maintenance of Chairman's office by Non-Executive Chairman has not arisen.

#### Remuneration Committee

- 6.8 The Board has already set up Remuneration Committee in the year 2002, the details of which are available under Item No. 3.2 above.

#### Shareholders Rights

- 6.9 Quarterly Financial Results including Press Release of relevant period of three months are being published in the newspaper and hosted on the website of Stock Exchanges as well as Company's website.

#### Training of Board Members

- 6.10 There is no formal policy at present for training the Board Members of the Company, as the members on our Board are Professionals / Business Executives / eminent / experienced professional persons. However, for orientation and to get familiar with the Company's business operation and practices, Directors visit all the three divisions periodically at the plant sites of the Company. Besides, detailed representations are periodically made to the Board Members on the business model of the Company. The Directors endeavour to keep themselves updated with changes in economy and legislation.

- 6.11 Audit qualifications

There are no qualifications in the Auditors Report on the Financial Statements of the Company.

#### Whistle Blower Policy

- 6.12 The Company has not established any formal Whistle Blower Policy.

## **7) CERTIFICATION**

The Board has received MD/CFO Certification under Clause V of the Revised Clause 49 of the Listing Agreement. They have reviewed all Financial and Cash Flow Statements and have certified that no transaction has been entered by the Company during the year, which is illegal, or violating laws of the Company's Code of Conduct and the same was placed before the Board of Directors of the Company.

## **8) MEANS OF COMMUNICATIONS**

The quarterly, half-yearly and annual financial results of the company are sent to the stock exchange immediately after these are approved by the Board.

These are widely published in the Economic Times (Gujarati)/ Economic Times (English)etc.

The results are simultaneously posted on the company's website at [www.ratnamani.com](http://www.ratnamani.com).

**Other communications are as under:**

News Releases	Official press releases are sent to stock exchanges as well as displayed on the Company's website.
NSE Electronic Application Processing System (NEAPS)	The Shareholding Pattern and Corporate Governance Report are also filed electronically on NEAPS.
BSE Corporate Compliance & Listing Centre	The listing compliances are also filed electronically on BSE Corporate Compliance & Listing Centre.
Annual Report	Annual Report is circulated to the members and all others like Auditors, equity analysts, etc.
Management Discussion & Analysis	This forms a part of the Annual Report, which is mailed to the shareholders of the Company.
Investor Services	The Company has designated an exclusive e-mail id viz. investor@ratnamani.com for investor services and grievances.

**9) GENERAL SHAREHOLDERS INFORMATION****A. Tentative Financial Calendar for the Financial Year 2014 - 2015**

Financial Year : 1st April 2014 to 31st March 2015.

**Financial Results**

First Quarter ended on 30th June 2014 : Second week of August 2014  
 Half year ended on 30th September 2014 : Second week of November 2014  
 Third Quarter ended on 31st December 2014 : Second week of February, 2015  
 Fourth Quarter ended on 31st March 2015 : Last week of May 2015  
 AGM for the year 2014-15 : August / September 2015

**B. Listing on Stock Exchanges**

The Company's shares are listed and traded on BSE Ltd. as well as National Stock Exchange of India Ltd. The address of the same is as under:

**BSE Ltd.**

Phiroze Jeejeebhoy Towers,  
 Dalal Street,  
 Mumbai – 400 001

**National Stock Exchange of India Ltd. (NSE)**

Exchange Plaza, Bandra – Kurla Complex,  
 Bandra East,  
 Mumbai – 400 051

**C. Listing Fees to Stock Exchanges**

The Company has paid the Listing Fees for the year 2014-2015 to the above Stock Exchanges.

**D. Custodial Fees to Depositories**

The Company has paid custodial fees for the year 2014-2015 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

**E. Stock Code / Symbol****Stock Exchange**

BSE Ltd (BSE)  
 National Stock Exchange of India Ltd. (NSE)  
 ISIN

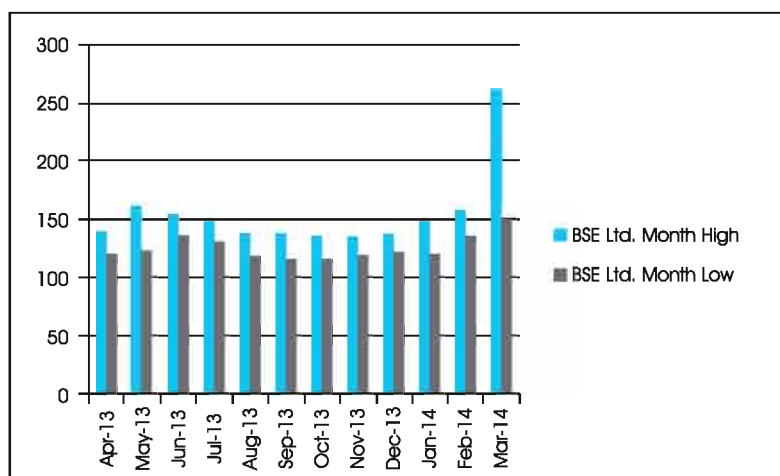
**Scrip Code**

520111  
 RATNAMANI  
 INE703B01027

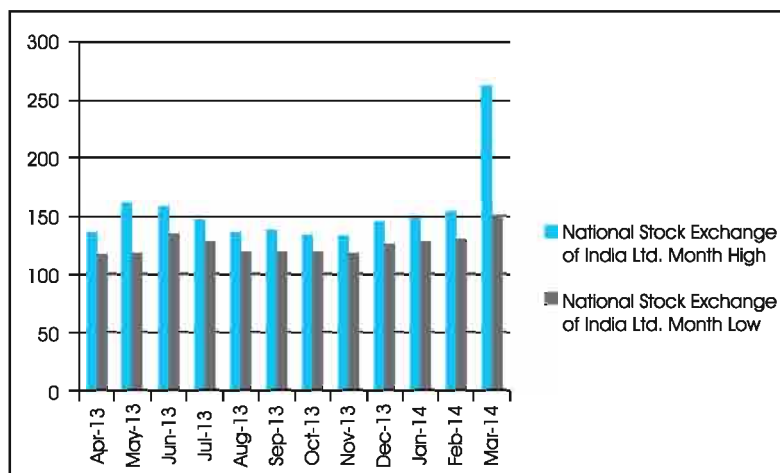
## F. Market Price Data

Month	BSE Ltd.		National Stock Exchange of India Ltd.	
	Month's High (₹)	Month's Low (₹)	Month's High (₹)	Month's Low (₹)
April 2013	139.40	120.50	136.90	118.60
May 2013	161.25	123.00	162.10	119.20
June 2013	154.90	136.65	160.00	135.55
July 2013	148.70	130.10	148.45	128.50
August 2013	138.45	119.00	137.45	120.30
September 2013	138.00	116.05	139.10	120.00
October 2013	147.00	116.05	134.95	120.00
November 2013	135.95	119.00	134.40	119.15
December 2013	142.00	121.70	146.00	125.10
January 2014	154.40	120.20	149.00	129.00
February 2014	157.75	135.80	155.00	130.85
March 2014	261.40	151.00	262.00	151.10

## G. Performance of share price in comparison to BSE Sensex:



## H. Performance of share price in comparison to NSE Nifty:



**I. Registrar & Transfer Agents (RTA)**

Sharepro Services (India) Private Limited, Mumbai

**J. Share Transfer System**

Due to mandatory provisions of SEBI and upon the instructions of BSE Ltd. and National Stock Exchange of India Ltd., the Company has appointed a common agency as a single point for physical and demat registry work. The Company has appointed M/s. Sharepro Services (India) Pvt. Ltd., as its Registrar and Transfer Agent w.e.f. 26th March 2010. All the shareholders of the Company are therefore requested to correspond directly with them on the matters related to both transfer of shares as well as for demat of the shares of the Company. Their address for correspondence mentioned in sub point 'R' given herein after.

In view of the above, the work for transfer of shares in physical form is also being carried out at the above address.

**K. Distribution of Shareholdings as on 31st March 2014**

No. of Equity Shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 to 2500	7137	95.42	2157587	4.62
2501 to 5000	117	1.56	447688	0.96
5001 to 10000	62	0.83	471846	1.01
10001 to 15000	19	0.25	239701	0.51
15001 to 20000	12	0.16	210583	0.45
20001 to 25000	15	0.20	352587	0.76
25001 to 50000	23	0.31	927766	1.99
50001 & Above	95	1.27	41875692	89.70
Total	7480	100	46683450	100

**L. Categories of Shareholders as on 31st March 2014**

Category	No. of Shares	% of Shareholding
Indian Promoters and Group	27971990	59.92
Mutual Fund	118923	0.25
Banks, Financial Institutions	330	0.00
Corporate Bodies	849810	1.82
FII	6069325	13.00
NRI	357368	0.77
Indian Public	11315704	24.24
Total	46683450	100.00

**M. Dematerialization of Shares and liquidity**

The Equity Shares of the Company are compulsorily to be traded in the dematerialized form by all the investors' w.e.f 26th March 2001. The Company has entered into an agreement with both National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) whereby the shareholders have an option to dematerialize their shares with either of the depository.

The Demat ISIN No. for both NSDL and CDSL for the Company's Equity shares is INE703B01027.

Status of Dematerialization of the Company's Equity shares as on 31st March 2014 is as under:

Particulars	No. of shares as on	% of Total Capital as on	No. of Shareholders as on
	31/03/2014	31/03/2014	31/03/2014
1. National Securities Depository Ltd.	43445065	93.06	4062
2. Central Depository Services (India) Ltd.	2287059	4.90	1617
3. Total Dematerialized shares	45732124	97.96	5679
4. Physical	951326	2.04	1801
<b>Total</b>	<b>46683450</b>	<b>100</b>	<b>7480</b>

#### N. Corporate Benefits to Shareholders

##### a. Dividend declared for the last seven years

Financial Year	Dividend Declaration Date	Dividend Per Equity Share (₹)	Dividend Rate (%)	Face Value Per Equity Share (₹)
2012-2013	12/08/2013	4	200	2
2011-2012	26/09/2012	3	150	2
2010-2011	18/08/2011	2.5	125	2
2009-2010	27/08/2010	2.2	110	2
2008-2009	15/09/2009	1.8	90	2
2007-2008	23/09/2008	7	70	10
2006-2007	07/09/2007	5	50	10

##### b. Transfer of Unclaimed amounts to Investor's Education and Protection Fund

All unclaimed / unpaid dividend amount up to financial year 2005 - 2006 have been transferred to Investors Education & Protection Fund and no claim will lie against the Company or the funds in respect of the unclaimed amount so transferred.

#### O. ECS / NECS Facilities

In order to enable usage of electronic payment instruments for distribution of corporate benefits, the shareholders are requested to ensure that their correct bank account particulars are available in the database of depositories, in the case the shares are held in Dematerialised form and with the Company's Registrar and Transfer Agent in the case the shares are held in Physical form.

The Company uses National Electronic Clearing Services (NECS), which has replaced "Electronic Clearing Services" (ECS) for remitting dividend to shareholder wherever available. The advantage of NECS over ECS including faster credit of remittance to the beneficiary's account, coverage of more bank branches and ease of operations. NECS operates on new and unique bank account number allotted by the banks post implementations of Core Banking Solutions (CBS). Members are requested to provide their new account number allotted to them by their respective banks after implementation of CBS to the Company in case shares are held physically and to the depository participants in respect of shares held by them in dematerialized form.

Shareholders holding shares in physical form, who wish to avail NECS facility, may send their Mandate in the prescribed format to our Share Registrar & Transfer Agent, M/s. Sharepro Services (India) Pvt. Ltd.

**P. Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity**

– NIL –

**Q. Plant Locations**

**SS Division** Survey No. 769, Ahmedabad-Mehsana Highway, Village-Indrad, Nr. Chhatral GIDC, Taluka – Kadi, Dist. Mehsana, Pin code – 382 729, Gujarat

**CS Division** Plot No. 3306 to 3309, GIDC Estate, Phase IV, Ahmedabad-Mehsana Highway, P.O. Chhatral, Taluka – Kalol, Dist.: Gandhinagar Pin code-382 729, Gujarat.

**Kutch Division** Survey No. 474, Village: Bhimasar, Tal. Anjar, Dist. Kutch, Gujarat

**(SS Div. & CS Div.)**

**R. Address for Correspondence**

17, Rajmugat Society, Naranpura Char Rasta, Ankur Road, Naranpura, Ahmedabad – 380013  
Shareholder correspondence may be directed to the Company’s Registrar and Share Transfer Agent (RTA), whose address is given below:

<b>RTA's REGISTERED OFFICE ADDRESS</b>	<b>RTA's AHMEDABAD BRANCH ADDRESS</b>
Sharepro Services (India) Private Limited Unit: Ratnamani Metals & Tubes Limited 13 AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri – Kurla Road, Sakinaka, Andheri (E), Mumbai – 400 072 Tel. No. – (022) 6772 0300 / 6772 0400 Fax No. – (022) 28591 568 Email: sharepro@shareproservices.com	M/s. Sharepro Services (India) Private Limited Unit: Ratnamani Metals & Tubes Limited Devnandan Mega Mall, Office No. 416-420, 4th Floor, Opp. Sanyas Ashram, Ashram Road Ahmedabad - 380006 Tel. No. - (079) 26582381-82-83-84 Fax No. - (079) 26582385 Contact Person: Mr. Wilson Gohil E-mail : sharepro.ahmedabad@shareproservices.com



## 10) CORPORATE ETHICS

### 1. Code of Conduct for Board Members and Senior Management

The Board has formulated Code of Conduct for all Board members and Senior Management of the Company and the same is posted on the website of the Company. All the Board members and Senior Management personnel have affirmed compliance with the said code of conduct during the year 2013-14.

#### **Declaration of Compliance with the Code of Conduct / Ethics**

In this connection, a declaration signed by the Compliance Officer in terms of the Listing Agreement addressed to the Board of Directors is given below:

"It is hereby declared that the Company has obtained from all Members of the Board and Senior Management affirmation that they have complied with the Code of Conduct for Directors and Senior Management of the Company for the year 2013-14."

### 2. Code of Conduct for prevention of Insider Trading

The Company has formed Code of Conduct for prevention of Insider Trading as required by SEBI (Prohibition of Insider Trading) Regulations 1992 as amended from time to time. The code ensures prevention of dealing in Company's shares by persons having access to unpublished price sensitive information.

### 3. Reconciliation of Share Capital Audit Report

As stipulated by SEBI, a qualified practicing Company Secretary carries out Secretarial Audit to reconcile total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The audit is carried out every quarter and the report thereon is submitted to the listed Stock Exchanges. The audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

### 4. Internal Checks

The Company has both external and internal audit systems in place. The Company has adequate Internal Control Systems to ensure that all assets are safeguarded and transactions are authorised, recorded and reported properly. The Internal Controls are periodically reviewed to enhance efficiency and to ensure statutory compliances. The Internal Audit plan is designed in consultation with the Statutory Auditors and Audit Committee. Regular operational and transactional audits are conducted by professionally qualified and technical persons and the results are used for effective control and improvements. Board and the management periodically review the findings and recommendation of Auditors and take corrective actions wherever necessary.

### 5. Certification by Practicing Company Secretary

As required under clause 49 of the Listing Agreement, the Company has obtained a certificate from the practicing Company secretary M/s M. C. Gupta & Co., regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 which is annexed herewith and forms part of the Annual Report.

# CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To the Members of

## **Ratnamani Metals and Tubes Limited**

We have examined the compliance of the conditions of Corporate Governance by Ratnamani Metals and Tubes Limited ("the Company"), for the year ended on 31st March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For M.C.GUPTA & CO.,**  
Company Secretaries

**Mahesh C. Gupta**

Proprietor

FCS: 2047 (CP: 1028)

Place : Ahmedabad

Date : 9th June, 2014