



# SHRI BAJRANG ALLOYS LTD.

## CORPORATE GOVERNANCE REPORT

(Pursuant to Clause 49 of the listing agreement)

### 1. COMPANY'S PHILOSOPHY:

Corporate Governance is not something which can be governed by a statute, but it is environment of good self moral conduct. Good Corporate Governance is characterized by a firm commitment and adoption of ethical practices by an organization across its entire value chain and in all of its dealings with a wide group of stakeholders encompassing employees, customers, vendors, regulators and shareholders in both good and bad times. The basic objective of Corporate Governance is to build up an environment of trust and confidence amongst those having competing and conflicting interest to enhance shareholders value and protect the interest of other stakeholders by enhancing the corporate performance and accountability.

Your Company is a congregation of various stakeholders, namely customers, employees, investors, vendor partners, government and society. The Company has laid a strong foundation for making Corporate Governance a way of life by constituting a Board with balanced mix of experts of eminence and integrity. It is about openness, integrity and accountability, these substances is inexorably linked to the mindset and ethical standards of management. The Company prominences the concept of Corporate Governance by embracing and demonstrating the ethical conduct. Your Company had some values to which it stuck through thick and thin, it is these values which had helped to develop a corporate culture and the requisite focus over the suber ordinate goals and to overcome the challenges which an enterprise has to constantly meet.

In line with this, we are pleased to inform you that, as on 31st March 2012, the Company is in compliance with all the requirements of Clause 49 of the Listing Agreement. The necessary disclosures as required under Clause 49 of the Listing Agreement have been covered in this Annual Report.

### 2. BOARD OF DIRECTORS:

#### Composition:

Presently, the Board of Directors of the Company is comprised of six Directors out of which three

are Non-Executive Directors and Independent Directors who bring in a wide range of skills and experience to the Board. The Company has Executive Chairman and the number of Independent Directors is one-half of the total number of Directors. The Composition of the Board is in conformity with Clause 49 of the Listing Agreement.

12 (Twelve) meetings of the Board were held on the following dates during the Financial year ended 31st March 2012:

1. 19th April 2011
2. 30th May 2011
3. 25th June 2011
4. 5th July 2011
5. 1st Aug 2011
6. 8th August 2011
7. 9th September 2011
8. 12th November 2011
9. 17th November 2011
10. 28th December 2011
11. 14th February 2012
12. 30th March 2012

The attendance record, names and categories of the Directors on the Board and also the number of Directorships and Committee Memberships held by them in other Companies as on 31st March, 2012 are given as under:

Name of the Directors	Category of Directors	No. of other Directorship held*	No. of Board Meetings attended	Last AGM attended	No. of other Board committees member/ chairman**
Mr. Suresh Goel	Executive & Non Independent	02	12	Present	01 (Chairman)
Mr. Anand Goel	Executive & Non Independent	01	12	Present	None
Mr. Narendra Goel	Executive & Non Independent	02	12	Present	None
Mr. Vikash Kumar Khedia	Non Executive & Independent	01	5	Present	None
Mr. Dinesh Agrawal	Non Executive & Independent	01	5	Present	None
Mr. Raj Kumar Yadava	Non Executive & Independent	01	5	Present	01
<b>Total No. of Directors 06 (Six)</b>					

\*Excluding directorship in Private Limited Company, Foreign Companies and Companies u/s 25 of the Companies Act, 1956.

\*\*Only two committees, namely, Audit Committee, Shareholders / Investor Grievance Committee have been considered.

Independent Directors is as defined as per Clause 49 of the Listing Agreement.

None of the Directors on the Board, as depicted from the above mentioned table, is a member on more than 11 Committees and Chairman of more than 5 Committees (as specified in Clause 49) across all the Companies in which he is a member.

### 3. AUDIT COMMITTEE:

#### Constitution and Composition

The Broad terms and reference of Audit Committee are to discuss the annual work programme and the depth and detailing of the audit plan to be undertaken by the auditor, examine and review the documentation and to recommend to the board either the appointment / reappointment / removal of the statutory auditor, along with the annual audit remuneration. It also review the financial statements before submission to Board, to review reports of the Internal Audit and review weaknesses in internal controls reported by management and review the functioning of the Whistle Blower mechanism, in case the same is existing. The Audit Committee also have regard to the entire profile of the audit firm, its responsible audit partner, experience of handling audit for similar sized companies. In addition, the powers and role of the Audit Committee are as laid down under clause 49 of the Listing Agreement and section 292A of the Companies Act, 1956.

#### Meetings & Attendance during the year

The Audit Committee is constituted of Three Independent Directors. The detailed composition, meetings of the members of the Audit Committee is given below:

Name of the Chairman/ Member	Status	No. of Meetings	
		Held	Attended
Mr. Dinesh Agrawal	Chairman (Non Executive, Independent Director)	05	05
Mr. Vikash Kumar Khedia	Member (Non Executive, Independent Director)	05	05
Mr. Raj Kumar Yadava	Member (Non Executive Independent Director)	05	05

The Audit Committee was attended by executives of Accounts Department, Finance Department and Representatives of the Statutory and Internal Auditor attended the Audit Committee Meetings. The Cost Auditors appointed by the Company under Section 233B of the Companies Act, 1956 attended the Audit Committee Meeting, where cost audit report are discussed. The due date of filing the Cost Audit Reports for the Financial year ended March'2012 is September 2012. All the members of the Audit Committee are financial literates as required by the revised Clause 49 of the Listing Agreement.

The Audit Committee met five times during the year under review on the following dates:

1. 30th May 2011
2. 5th July 2011
3. 1st Aug 2011
4. 12th Nov 2011
5. 14th Feb 2012

The functioning and terms of reference of the Audit Committee, the role, powers and duties, quorum for meeting and frequency of meetings, have been devised keeping in view the requirements of Section 292A of the Companies Act, 1956 and Listing Agreement with the Stock Exchanges as are in force/ applicable from time to time.

### 4. REMUNERATION COMMITTEE:

#### Constitution and Meetings

The terms of reference of the said committee are as follows:

- To determine on behalf of the Board and on behalf of the shareholders, the company's policy on specific remuneration packages for executive directors.
- To approve the payment of remuneration to managerial personnel as per the policy laid down by the committee.

The Remuneration Committee met Two times during the financial year 2011-12 on 5th July 2011 and 12th Nov 2011.

The constitution of the Committee as at 31.03.2012 and the attendance of each member are as given below:



## SHRI BAJRANG ALLOYS LTD.

Name of the Chairman/ Member	Status	No. of Meetings	
		Held	Attended
Mr. Raj Kumar Yadava	Chairman (Non Executive, Independent Director)	02	02
Mr. Vikash Kumar Khedia	Member (Non Executive, Independent Director)	02	02
Mr. Dinesh Agrawal	Member (Non Executive Independent Director)	02	02

### Details of the remuneration paid to all the Directors:

NAME OF DIRECTOR	DIRECTORS CATEGORY	SALARY (Inclusive of all)
Mr. Suresh Goel	Chairman	Rs. 900000/- Per Annum.
Mr. Anand Goel	Managing Director	Rs.900000/- Per Annum.
Mr. Vikash Kumar Khedia	Independent Director	Rs. 25000/- Per Annum (Sitting Fees)
Mr. Dinesh Agrawal	Independent Director	Rs. 25000/- Per Annum (Sitting Fees)
Mr. Raj Kumar Yadava	Independent Director	Rs. 25000/- Per Annum (Sitting Fees).

### Remuneration Policy

The Remuneration Committee recommends the remuneration package for the Executive Directors of the Board. In framing the remuneration policy the Committee takes into consideration the remuneration practices of Companies of similar size, stature and the industry standards. It also recommends and monitors the level and structure of pay for senior management.

The Directors compensation is based on their individual goals which are linked to the organizational goals. Executive Directors (ED) are paid subject to the approval of the Board and of the Company in General Meeting, on such terms and conditions as per the agreements entered into by them and Company. The Non-

Executive Directors are paid sitting fees for each meeting of the Board and Committee's attended by them.

### 5. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE:

The Shareholders / Investors Grievance Committee met four times during the Financial Year 2011-12 on 30th May 2011, 1st August 2011, 12th November 2011, 14th February 2012. The constitution of the Committee as at 31.03.2012 and the attendance of each member are given below:

Name of the Chairman / Member	Status	Meetings attended
Shri Anand Goel	Chairman (Executive Director)	04
Shri Dinesh Agrawal	Member (Non Executive, Independent Director)	04
Mr. Raj Kumar Yadava	Member (Non Executive Independent Director)	04

### The terms of reference of the said committees are as follows:

1. Review the reports submitted by the Registrars and Share Transfer Agents of the Company at Quarterly and half yearly intervals.
2. Periodically interaction with the Registrar and Share Transfer Agents to ascertain and look into the quality of the Company's Shareholders / Investors Grievances redressal system and to review the report on the functioning of the said investor grievances redressal system.
3. Follow-up on the implementation of suggestions for improvement.
4. Periodical review to the Board of any major concern, if any.

Although, there were no outstanding complaints as on 31st March 2012.

## 6. CORPORATE ETHICS:

The Company adheres to the highest standards of business ethics, compliance with the statutory and legal requirements and commitment to transparency in business dealings. A code of conduct for Board Members and senior management and a code of conduct for prevention of Insider Trading as detailed below have been adopted pursuant to clause 49 of the Listing agreement & the Securities Exchange Board of India (Insider Trading) Regulation. The code is applicable to all directors and specified senior management executives. The code impresses upon directors and senior management executives to uphold the interest of the Company and its stakeholders and to endeavor to fulfill all fiduciary obligations towards them. Another important principle on which the code is based is that the Directors and Senior Management Executives shall act in accordance with the highest standard of honesty, integrity, fairness and ethical conduct and shall exercise utmost good faith, due care and integrity in performing their duty.

A Declaration by the Managing Director affirming compliance of Board members and senior management personnel to the code is also annexed herewith.

### **DECLARATION AFFIRMING COMPLIANCE OF CODE OF CONDUCT**

As provided under clause 49 (1) (d) of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended 31st March, 2012.

**FOR, SHRI BAJRANG ALLOYS LIMITED**

Sd/-  
**(ANAND GOEL)**  
**MANAGING DIRECTOR**

## 7. DISCLOSURES:

- a. A statement, in summary form, of all the transactions entered into with the related parties in the ordinary course of business, details of material individual transactions with related parties that are in the normal course of business are placed before the audit committee. There are no material transactions with related parties, which require separate disclosure or have potential conflict with interests of the Company. A comprehensive list of transactions entered into with the related parties as required by the Accounting Standards (AS) 18 issued by the Institute of Chartered Accountants of India is disclosed in note no. 33 in the Annual Report.
- b. The Company has followed all relevant accounting standards while preparing the financial statements.
- c. The risk management issues are discussed in detail in the report of Management Discussion and Analysis. Since the risk control framework is new to Indian corporate culture, it is being strengthened on a continuous basis.  
The Board, its audit committee and its executive management must collectively identify the risks impacting the company's business and document their process of risk identification, risk minimization, risk optimization as a part of risk management policy or strategy.
- d. There were no public issues, right issues, preferential issues etc. during the Financial Year 2011-12 under review.
- e. Management Discussion and Analysis report has been given as a separate chapter in the Annual Report.
- f. The amount of Rs. 18,00,000/- (inclusive of all) per annum was paid as managerial remuneration to the executive directors of the Company and Rs. 75000/- per annum was paid as sitting fees to the Independent Directors of the Company.
- g. Comprehensive insider trading disclosure guidelines in line with the SEBI Regulations have been adopted by the Board in which the procedure to be followed by all the key



## SHRI BAJRANG ALLOYS LTD.

managerial persons, staff and other relevant business associates for disclosure of all security transactions of the shares of the Company on the basis of any unpublished price sensitive information relating to the Company.

- h. The NIL no. of equity shares were held by Non Executive Directors in the company.

### 8. WHISTLE BLOWER POLICY:

The Whistle Blower Policy (WBP) adopted by the Company in line with clause 49 of the Listing Agreement, encourages all employees, officers and directors to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy, providing for adequate safeguards against victimization of employees who avail of the mechanism and also allow direct access to the Audit Committee. The Whistle Blower policy specifies the procedure and reporting authority for reporting unethical behaviour, actual or suspected fraud or violation of the code or any other unethical or improper activity misuse or improper use of accounting policies and procedures resulting in misrepresentation of accounts and financial statements.

### 9. ANNUAL GENERAL MEETING:

The details of date, time and location of Annual General Meeting (AGM) held in last three years are as under:-

Meeting of the year	Date & Time	Location	Whether any special Resolution Passed	Special Resolution through Postal Ballot
2008-09	29 <sup>th</sup> Sept 2009 11.00 A.M.	521/C, Urla Industrial Complex, Raipur (CG)	-no-	-no-
2009-10	28 <sup>th</sup> Sept 2010 10.00 A.M	521/C, Urla Industrial Complex, Raipur (CG)	-no-	-no-
2010-11	27 <sup>th</sup> Sept 2011 10.00 A.M	521/C, Urla Industrial Complex, Raipur (CG)	-no-	-no-

### 10. MEANS OF COMMUNICATION:

The quarterly, half yearly and yearly financial results and reports are sent to the stock exchanges immediately after they are approved by the Board. These are also published in the prescribed proforma within 48 hours of the

conclusion of the meeting of the Board in which they are considered, in one English newspaper circulating in the whole or substantially the whole of India and in one vernacular newspaper of the state where the registered office of the Company is located.

The Company has designated the following e-mail ID exclusively for investor servicing that is investors.sbal@sify.com.

### 11. GENERAL SHAREHOLDERS INFORMATION : Annual General Meeting for the year ended 31st March 2012

Date	28th September 2012
Time	9.00 AM
Venue	521/C, Urla Industrial Complex, Urla, Raipur (CG) 493221
Dates of Book Closure	20th Sept 2012 to 28th Sept 2012 (Both day inclusive)
Dividend payment dates	No, dividend has been recommended for the year 2011-12.

#### Financial Calender (Tentative)

#### Financial Results for the quarters ended :

First quarterly results	On or before 15th Aug 2012
Second quarterly results	On or before 15th Nov 2012
Third quarterly results	On or before 15th Feb 2013
Annual results for the year ending 31st March 2013.	On or before 15th May 2013 (if unaudited) On or before 30th May 2013 (if audited)
Annual General Meeting for the year ended 31st March 2013.	On or Before 30th of Sept 2013

Listed on	Bombay Stock Exchange (BSE)
Stock Code	Scrip Code – 526981 ISIN No. - INE 402H01015
Registrar and Share Transfer Agent for Physical shares and Electronic connectivity	LINK INTIME INDIA PVT. LTD. C-33, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (W) Mumbai – 78 Ph. No. (022) 25963838 Fax: (022) 25946969

# SHRI BAJRANG ALLOYS LTD.



## Share transfer system:

Share Certificates received in Physical mode for transfer purposes, processed and if certificate is valid and complete in all respect, have been registered and New Certificates have been sent within thirty days of receiving the same.

The Company has obtained from a Company Secretary in Practice Half yearly Certificate of Compliance regarding share transfer as per the requirement of Clause 47(c) of the Listing Agreement and filed a copy of this certificate to the Stock Exchange.

## Market Price Date

Market Price Data: High, Low and Closing price of the Company's Equity shares in Bombay Stock Exchange Ltd., Mumbai during each month from April 2011 to March 2012 are as under (as available from the BSE website) :

Month	High	Low	Closing
Apr-11	26.40	18.00	22.20
May-11	23.30	18.15	21.05
Jun-11	21.00	17.00	20.25
Jul-11	20.75	17.45	18.15
Aug-11	19.50	16.10	16.95
Sep-11	19.95	16.35	18.85
Oct-11	20.15	16.25	17.00
Nov-11	21.95	17.00	19.05
Dec-11	21.75	18.30	20.00
Jan-12	22.20	18.75	20.00
Feb-12	25.00	19.10	24.50
Mar-12	26.00	18.05	20.65

## Distribution of Share holding as on 31st March 2012.

S.No.	Category	No. of Shares held	Percentage
1	Promoters (including person acting in concert)	5410969	60.12
2	Corporate Bodies	1385947	15.40
3	General Public	2198321	24.43
4	NRI	1593	0.02
4	Clearing Members	3170	0.03
	<b>TOTAL</b>	<b>9000000</b>	<b>100.00</b>

## Distribution of Share holding (Size Wise) as on 31.03.2012

Shareholding of No. of Shares	No. of Share-holders	Percentage of Total Shareholders	No. of Shares held	Percentage of Total Shares
1-500	1222	68.50	282456	3.14
501-1000	270	15.14	194476	2.16
1001-2000	121	6.78	178235	1.98
2001-3000	46	2.58	121577	1.35
3001-4000	17	0.95	62991	0.70
4001-5000	22	1.23	102952	1.14
5001-10000	37	2.07	261768	2.91
10001-*****	49	2.75	7795545	86.62
<b>Total</b>	<b>1784</b>	<b>100.00</b>	<b>9000000</b>	<b>100.00</b>

## Dematerialization of Shares & Liquidity

The Company's shares are available for Dematerialization with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31st March, 2012 the status of Dematerialization is as under:

Held in Dematerialized Form in CDSL	939828
Held in Dematerialized Form in NSDL	7758457
Held in Physical Form	301715

Outstanding ADRs / GDRs / Warrants or any convertible Instrument, Conversion dates and likely to impact equity.

There are no GDRs / ADRs pending for conversion into equity shares.

## Plant Locations

521/C, Urla Industrial Complex, Urla, Raipur – 493 221

## Address for Correspondence

Shri Bajrang Alloys Limited, 521/C, Urla Industrial Complex, Raipur – 493 221, Ph. No. 0771-4288000  
Fax. +91 771 4288001

## Share Transfer Agents

LINK INTIME INDIA PVT LTD.  
C-33, Pannatal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai – 400 078, Phone No. (022) 25963838  
Fax: (022) 25946969

## Compliance Certificate of the Auditors

Certificate from the Auditors of the Company M/s. R.K. Singhania & Associates, containing compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is annexed to the Directors' Report forming part of the Annual Report.

## For and on behalf of the Board of Directors

Sd/-  
**(SURESH GOEL)**  
Chairman  
Place: Raipur  
Date : 30.05.2012



## SHRI BAJRANG ALLOYS LTD.

### CERTIFICATE OF CHIEF EXECUTIVE OFFICER / CHIEF FINANCIAL OFFICER

To

**The Board of Directors  
SHRI BAJRANG ALLOYS LIMITED  
Raipur (CG)**

I have reviewed the financial statements and the cash flow statement for the financial year 2011-12 and hereby certify that to the best of my/our knowledge and belief:-

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year 2011-12 which are fraudulent, illegal or violate the Company's code of conduct.
4. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of the internal control system for the purpose of financial reporting of the Company and I have disclosed to the auditors and the Audit Committee those deficiencies, of which I am aware, in the design or operation of the internal control systems for the purpose of financial reporting and that I have taken the required steps to rectify these deficiencies.
5. I further certify that:-
  - a) There have been no significant changes in internal control during this year.
  - b) There have been no significant changes in accounting policies during this year.
  - c) There have been no instances of significant fraud of which I have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system.

**Sd/-  
(ANAND GOEL)  
Managing Director**

**Date : 30.05.2012**