

**Report on Corporate Governance**  
(Pursuant to Clause 49 of the Listing Agreement)

**1. COMPANY'S PHILOSOPHY**

The Company believes that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the law coupled with total adherence to highest norms of business ethics. These two main drivers, together with the company's ongoing contributions to the local communities it operates in through meaningful and relevant Corporate Social Responsibility initiatives add to enhance the stakeholders value.

The Company places great emphasis on values such as empowerment and integrity of its employees, safety of the employees & communities surrounding our plant and facilities, transparency in decision making process and fair & ethical dealings with all, pollution free clean environment and last but not the least, accountability to all the stakeholders. These practices are being followed since the inception and have contributed to the company's sustained growth.

**2. BOARD OF DIRECTORS**

**2.1 Composition of Board of Directors as on date of Report:**

The Board of Directors as at 31<sup>st</sup> March, 2013 comprises of three Directors out of which one executive director and other Non- executive directors. The Chairman is an executive director.

No.	Name of Director	Category
1	Mr. Radheshyam Poddar	Chairman & Executive Director
2	Mr. Hari Kumar Choudhary	Non-Executive Independent Director
3	Mr. Bhuban Dutta	Non-Executive Independent Director

**2.2 Responsibilities of the Board**

The responsibility such as policy formulation, performance review and analysis and control, direction and management of the affairs of the company is vested in the Board of Directors presided over by the Director. The Board has delegated some of its powers to the executives of the company. The Board reviews from time to time such delegated powers and their utilization for effective functioning of the Company.

**2.3 Board Meetings and Attendance Record of Directors:**

The meetings of the Board of Directors are held at periodical intervals and are generally at the Board Room of the Company. The meeting dates are decided well in advance and the agenda and notes on agenda are circulated in advance to the directors. All material information is incorporated in the notes on agenda for facilitating meaningful and focused discussion at the meeting. Where it is not perusable to attach supporting or relevant documents to the agendas, the same is tabled before the meeting. In case of business exigencies or urgency of matters, resolutions are passed by circulation. Senior Management persons are often

invited to attend the Board Meetings and provide clarifications as and when required.

**During the year under review, the Board met 5 times on the following dates:**

06/04/2012    12/07/2012    03/09/2012    25/10/2012    25/01/2013

**Extra Ordinary General Meeting:**

No Extra Ordinary General Meeting held during the year under review.

**Postal Ballot Resolution:**

No postal ballot resolution was passed during the year under review.

Attendance of Directors at Meetings of Board of Directors and last AGM:

No.	Name of Director	Category of Directorship	No. of other Directorship	No. of Board Meeting attended
1	Mr. Radheshyam Poddar	Chairman	Nil	5
2	Mr. Hari Kumar Choudhary	Director	Nil	5
3	Mr. Bhuban Dutta	Director	Nil	5

**2.4 Details of Directors seeking re-appointment at the ensuing Annual General Meeting**

As per the provisions of the Companies Act, 1956, two third of the directors of a company should be retiring directors, of which one third of such directors are required to retire every year and if eligible, they qualify for re-appointment.

Mr. Bhuban Dutta retires by rotation at the ensuing Annual General Meeting and offers them for re-appointment.

**Profile of Mr. Bhuban Dutta Director being appointed u/s 255 256 of the Companies Act, 1956**

Name	Mr. Bhuban Dutta
Date of Birth	18/01/1988
Date of Appointment	30/06/2008
No. of shares held in the company	Nil
No. of warrants held in the company	Nil
Directorship in other company	Nil

**2.5 Details of Directors who are as Chairman and Directors in other Public Companies**

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49 (C) (ii) across all

the Companies in which he is a director. The necessary disclosure regarding Directorship and Committee position have been made by the Directors who are on the Board of the Company as on 31<sup>st</sup> March, 2013 and the same is reproduced herein below :

Sr. No.	Name of Director	No of Directorship In other Public Companies	No. of Committees positions held as Chairman on other public Companies	No. of Committees positions held as member in other public Company
1.	Mr. Radheshyam Poddar	--	--	--
2.	Mr. Hari Kumar Choudhary	--	--	--
3.	Mr. Bhuban Dutta	--	--	--

### 3. COMMITTEE OF BOARD

The Company had Three Board Committees. These are

1. Audit Committee
2. Remuneration Committee
3. Share Transfer & Shareholders/Investor Grievance Committee

Moving with various committees formed and reported in the previous Annual Report and in line with the requirements of SEBI and Stock Exchanges, the Board has formally constituted the following committees of Directors.

#### 3.1 Audit Committee:

The Audit committee constituted by the Board of directors as per the provisions of Clause 49 of the listing Agreements as well as in Section 292A of the Companies Act, 1956 as below.

a. Composition:

As on 31.03.2013, the Audit Committee comprised of three Directors namely:

No.	Name of Director	Category
1	Mr. Bhuban Dutta	Chairman
2	Mr. Radheshyam Poddar	Member
3	Mr. Hari Kumar Choudhary	Member

The Audit Committee of the Board of Directors of the Company, Inter-aila, provides assurance to the Board on the adequacy of the internal control systems and financial disclosures.

The audit committee while reviewing the Annual Financial Accounts ensures compliance of the Accounting Standard (AS) issued by the Institute of Chartered Accountants of India.

#### **Brief description of terms of reference:**

- A. Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- B. Recommending the appointment and removal of external auditor, fixation of audit fees and also approval for payment of any other Consultancy services provided by the statutory auditor.
- C. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
  - Review the financial reporting process and disclosure of its financial information
  - Review with the management, Annual financial statements before submission to the Board
  - Review with the management, statutory Auditors and Internal Auditors and adequacy of internal control systems
  - Review the company's accounting and risk management policies
  - Review the company's accounting and management reporting systems and updates the same from time to time recommend the appointment and removal of statutory and Internal Auditors and fixation of fees for the same.
  - Review quarterly financial statement.
  - Review internal investigations made statutory/ Internal Auditors.
  - Scope of Statutory/ Internal Audit
  - Review fixed deposits/repayment systems etc.
  - Any other applicable functions as described in Corporate Governance.
  - Review related party transactions.

Executive summary of the Audit Committee Meetings are placed before the immediate next Board Meetings held after the Audit Committee for deliberations and the full minutes of the same are placed before the following Board Meeting for recode. The Board of Directors, regularly appraised on the recommendations for the Audit Committee, further, at the beginning of the financial year, the Committee discuss the plan for the internal audit and statutory audit.

Dates of the Audit Committee Meetings are fixed in advance and agenda is circulated to the Directors at least seven days before the meeting.

As required under Clause 49(III)(E) of the Listing Agreement, the Audit Committee had reviewed the following information:

- Management Discussion and analysis of financial condition and results of operations.
- Statement of significant related party transactions submitted by management
- Management letters/letters of internal controls, weaknesses issued by the Statutory Auditors.
- Internal Auditors Reports relating to internal control weaknesses.
- Appointment, removal and terms of remuneration of the internal auditors.

During the year under review, the 4 Audit Committee were held during Financial Year 2012-13. The dates on which the said meetings were held as follows:

06/04/2012, 12/07/2012, 25/10/2012, 25/01/2013

### **3.2 Remuneration Committee:**

The remuneration committee of the Company has not met during the year under review because there was no proposal for the payment or increase / decrease of the remuneration of any managerial staff or director of the Company.

### **3.3 Share Transfer & Shareholders'/Investor Grievance Committee:**

The Share Transfer & Shareholders'/Investor Grievance committee comprises as under:

<b>No.</b>	<b>Name of Director</b>	<b>Category</b>
1	Mr. Radheshyam Poddar	Chairman
2	Mr. Hari Kumar Choudhary	Member
3	Mr. Bhuban Dutta	Member

Mr. Radheshyam Poddar, Chairman and Executive Director of the company was heading the committee as well as she was designated as the Compliance officer of the Company.

The Committee continued to look into the investors/shareholders complaints. The Committee meets once in a month to look after share transfers and other complaints. The Company is yet to appoint some share transfer agent for looking after the work of physical and dematerialized shares and shall do it shortly.

## **4. GENERAL BOARD MEETING:**

(a) Location and time where last three AGMs were held:

<b>Year of AGM</b>	<b>Date of the AGM</b>	<b>Time</b>	<b>Place of AGM Held</b>
2012	28/09/2012	11.00	C-85 Phase-V, Focal Point, Ludhiana, Punjab
2011	30/09/2011	11.00	C-85 Phase-V, Focal Point, Ludhiana, Punjab
2010	30/09/2010	11:00	C-85 Phase-V, Focal Point, Ludhiana, Punjab

(b) All the resolutions including special resolutions set out in the respective notices were passed by the shareholders. The following special resolutions were passed in previous Three Annual General Meeting for the year:

**2012** Special resolution passed in the year under review.

**2011** No special resolution passed in the year under review.

**2010** No special resolution passed in the year under review.

## **EXTRA ORDINARY GENERAL MEETING DURING THE YEAR**

No Extra Ordinary General Meeting held during the financial year under review.

## **5. DISCLOSURES:**

a. Materially significant related party transactions:

There were no significant or material related party transactions that have taken place during the year which have any potential conflict with the interest of the company at large. The detailed related party information and transactions have not been provided in Notes forming parts of Accounts.

- b. During the last three Years, there were no penalties, strictures imposed by either SEBI or stock Exchange or any statutory authority for non-Compliance of any matter related to the capital market.

**6. CEO/CFO CERTIFICATION:**

(Under Clause 49(V) of Listing Agreement)

We Certify that --

- a. We have reviewed the financial statements and the cash flow statement for the year 2012-13 and that to the best of our knowledge and belief:
- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2012-13 which are fraudulent, illegal or violative of the Company's code of conduct;
- c. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee –
- Significant changes in internal control over the financial reporting during the year 2012-13;
  - Significant changes in accounting policies during the year 2012-13 and that the same have been disclosed in the notes to the financial statements; and
  - Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.

**7. MEANS OF COMMUNICATIONS:**

The Quarterly Unaudited Financial Results and other presentation as to the Company's Performance etc., are made available to the institutional investors/Financial Analysts as and when felt expedient.

The Management discussion and analysis forms part of the Annual Report.

## 8. GENERAL SHAREHOLDER INFORMATION:

- **Annual General Meeting: Date, Time and venue:**

27<sup>th</sup> September, 2013 at 11.00 a.m. at the Registered Office of the Company.

- **Financial Year:**

1<sup>st</sup> April 2012 to 31<sup>st</sup> March, 2013

- **Financial Calendar:**

1<sup>st</sup> quarterly results – last week of May, 2012

2<sup>nd</sup> quarterly results – last week of August, 2012

3<sup>rd</sup> quarter results – last week of November, 2012.

4<sup>th</sup> quarter results – last week of February, 2013.

- **Date of Book Closure:**

20<sup>th</sup> September, 2013 to 27<sup>th</sup> September, 2013

- **Dividend Payment Date:** N.A.

- **Listing on Stock Exchanges:**

Ludhiana Stock Exchange Ltd.  
Ahmedabad Stock Exchange Ltd.  
Delhi Stock Exchange Ltd.  
Calcutta Stock Exchange Ltd.

- **Listing Fee**

The Company could not pay listing fee for the year 2012-13.

- **Scrip Code :** ASE- 61299

CSE-30129

DSE-8553

LSE- Tirupati Tyres Ltd.

- **Demat ISIN number:** Share yet not Dematerialised

- **Registered and Transfer Agent:**

The Company has an in-house share transfer department and has not appointed any Registrar and Transfer Agent.

- **Share Transfer System:**

Valid Share transfer in physical form and complete in all respects were approved and registered within the stipulated period.

- **Distribution of Shareholding as on Dated 31.03.2013**

SHARE HOLDING OF NOMINAL VALUE OF		SHARE HOLDERS		SHARE AMOUNT	
Rs.	Rs	Number	% to Total	In Rs.	% to Total
(1)		(2)	(3)	(4)	(5)
Up to	5000	425	76.30	425000	1.23
5001	- 10000	18	3.23	180000	0.52
10001	- 20000	55	9.87	1008000	2.93
20001	- 30000	7	1.26	181000	0.53
30001	- 40000	2	0.36	68000	0.20
40001	- 50000	1	0.18	46000	0.13
50001	- 100000	3	0.54	252000	0.73
100001 and above		46	8.26	32275000	93.73
<b>Total</b>		<b>557</b>	<b>100</b>	<b>34435000</b>	<b>100</b>

- **Shareholding pattern as on 31.03.2013**

Category	No of Shares held	% of Shareholding
a. Promoters and persons who may be deemed to be acting in concert including promoter/directors group		
Companies	1067500	31.00
b. Mutual Fund/Trust	NIL	0.00
c. Financial Institution Banks	NIL	0.00
d. Bodies Corporate	NIL	0.00
e. Indian public	2199400	63.87
f. HUF	176600	5.13
<b>TOTAL</b>	<b>3443500</b>	<b>100</b>

**Dematerialization of shares:** As on 31/03/2013 Demat shares accounted for Nil (Equity Shares) of total equity.

**Outstanding GDR / ADR / Warrants:** Not Applicable

- **Registered Office and Address for communication:**

**Tirupati Tyres Limited**

C-85 Phase-V, Focal Point, Ludhiana, Punjab



**Declaration of compliance with the code of conduct**

All the Directors and senior management personal have, respectively, affirmed compliance with the code of conduct as approved and adopted by the Board of Directors.

**For & on behalf of the Board of Director**

**Date: 29/05/2013**

**Place: Ludhiana**

Sd/- Radheshyam Poddar Director	Sd/- H. K. Choudhary Director	Sd/- Bhuban Dutta Director
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## **Auditors' Compliance Certificate**

To,  
The Members,  
**Tirupati Tyres Limited**  
C-85 Phase-V, Focal Point, Ludhiana, Punjab

We have examined the compliance of Corporate Governance by **Tirupati Tyres Limited** for the year ended on **31<sup>st</sup> March, 2013** as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate Governance. It is neither an audit nor an expression of to opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further 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.

**M/S Sandeep Manuja & Associates,  
Chartered Accountants**

**Date: 29/05/2013  
Place: Ludhiana**

Sd/-  
**Sandeep Manuja  
(Proprietor)  
(M. No. 87888)**