



CORPORATE GEVERNANCE REPORT

1. Company's philosophy on code of governance:

The Company believes that while its primary responsibility is to generate sustainable returns for all its stakeholders, it must also make a harmonious contribution to the socio-economic environment in which it operates. Toward these ends, the Company strives to follow two guiding principles.

- i. The Company must not compromise on certain core values like Integrity, Statutory Compliance and Fairness in all of its internal or external dealings, transactions, financial statements or corporate announcements.
- ii. The Company must always remain sensitive to the long-term societal implications of its businesses.

2. Board of Directors:

As on March 31, 2013 the Board of Directors of the Company comprises of Seven Directors including the One Managing Director, Two Whole Time Directors and Four Non-Executive & Independent Directors.

The composition of the Company's Board of Directors is in conformity with the listing agreement. The Company does not have any nominee director on its Board. All directors of the Company are liable to retire by rotation as per the provisions of the Companies Act, 1956.

The composition of the Board of Directors and other relevant details relating to them are given hereunder:

Sr. No.	Name of Directors	Category	No. of other Directorships ##	No. of Members of other Board Comm.	No. of other Committees Chairmanships
1.	Mr. Manish N. Shah	Managing Director	1	-	-
2.	Mr. Hitesh Jain	Whole Time Director	-	-	-
3.	^Mr. Kumarpal Punamiya	Whole Time Director	10	-	-
4.	*Mr. Vishal Gohil	Whole Time Director	-	-	-
5.	Mr. Damodar Hari Pai	Non Executive & Independent	2	-	-
6.	Ms. Manisha Anand	Non Executive & Independent	-	-	-
7.	Mr. Ravikant Chaturvedi	Non Executive & Independent	-	-	-
8.	@Mr. Ashokaditya Dhurandhar	Non Executive & Independent	-	-	-

*Appointed as Whole Time Director w.e.f. 30.10.2012.

^Resigned from Directorship w.e.f.30.10.2012

@Appointed as a additional Director of the Company at the Board Meeting held on 13.03.2013.

##Including Directorship in Private Limited Company.

**Board Meetings and Attendance of Directors**

The Board meets at least once in a quarter to consider amongst other business the performance of the Company and quarterly financial results. When necessary, additional meetings are held. The Board meetings are generally held at the Registered Office of the Company at Mumbai. Agenda for each meeting along with explanatory notes are drafted and distributed well in advance to the Directors. Every Board Member is free to suggest the inclusion of items on the agenda.

There were Six (6) Board Meetings during the year ended 31st March, 2013 i.e. on 12th April, 2012, 30th May, 2012, 20th June, 2012, 8th August, 2012, 30th October, 2012, 13th February, 2013. The Table hereunder gives the attendance record of the Directors at the Board Meetings held during 2012-13 and the last AGM:

Name of the Directors	Number of Board Meetings held during the year	Number of Board Meetings attended	Whether attended last AGM
Mr. Manish N. Shah	6	2	Yes
^Mr. Kumarpal J. Punamiya	6	5	Yes
*Mr. Hitesh Jain	6	4	Yes
**Mr. Vishal Gohil	6	2	No
Ms. Manisha Anand	6	5	Yes
Mr. Ravi Kant Chaturvedi	6	-	No
@Mr. Ashokaditya Dhurandhar	6	1	No
Mr. Damodar Hari Pai	6	1	Yes

^ Resigned from Directorship w.e.f. 30.10.2012

* Appointed as Whole Time Director w.e.f 20.06.2012

**Appointed as Whole Time Director w.e.f 30.10.2012

@ Appointed as a Additional Director at the Board Meeting held on 13.02.2013.

3. AUDIT COMMITTEE

The Audit Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective control environment. The terms of reference of the Committee are as per the guidelines set out in Clause 49 of the Listing Agreement with the Stock Exchange and Section 292A of the Companies Act, 1956 and inter alia includes:-

Terms of references of Audit Committee:

- i. To ensure transparency, integrity, correctness, statutory compliance, and credibility of all financial statements or announcements before their submissions to the Board.
- ii. To hold periodic discussions with statutory auditors on the scope and content of audit and to recommend the appointment, removal and remuneration of auditors.
- iii. To review with management the adequacy of Company's internal control systems and the action taken on auditors' reports.
- iv. To apprise the Board on the impact of accounting policies, standards and legislation.
- v. To examine and report on the Company's financial and risk management policies and major defaults if any.

Scope of the Audit Committee:

- i. Provide an open avenue of communication between the independent auditor and the Board of Directors ("BoD").
- ii. Recommending the appointment, re-appointment and if required the replacement or removal of statutory auditors, fixation of audit fees and also to approve the payment for other services.



- iii. Meet Four times a year or more frequently as circumstances require. The Audit Committee may ask members of management or others to attend meetings and provide pertinent information as necessary.
- iv. Confirm and assure the independence of the external auditor.
- v. Review with independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts and the effective use of all audit resources.
- vi. Consider and review with the independent auditor the adequacy of internal controls including the computerized information system controls and security;
- vii. Reviewing with the management the Quarterly financial statements before submission to the Board for approval.
- viii. Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:
 - a. Any changes in the accounting policies and practices
 - b. The going concern assumption.
 - c. Compliance with accounting standards
 - d. Compliance with listing and other legal requirements concerning financial statement
 - e. Significant adjustment arising out of audit
 - f. Disclosure of any related party transactions.
 - g. Qualification in the draft audit report
- ix. Consider and review with the management and the independent auditor;
 - a. Significant findings during the year, including the status of previous audit recommendations.
 - b. Any difficulties encountered in the course of audit work including any restrictions on the scope of activities or access to required information.
- x. Review of the following information:
 - a. Management discussion and analysis of the financial conditions and results of operations;
 - b. Statement of significant related party transactions submitted by the management;
 - c. Management letters/letters of internal control weaknesses issued by the Statutory Auditors.
- xi. To look into the reasons for substantial default in the payment to the depositors, debentures holders, shareholders (in case of nonpayment of declared dividends) and creditors.
- xii. Carrying out any other function as is mentioned in the terms of reference of Audit Committee.

Composition of the Audit Committee

The Terms of Reference of the Audit Committee are in accordance with the guidelines set out in the listing agreement with the Stock Exchange. The statutory auditors are invited to the Audit Committee Meetings whenever required. The quorum for the Audit Committee Meeting is two members.

The composition of the reconstituted Audit Committee as on date of this report is as follows:

Ms. Manisha Anand	Chairperson, Independent & Non Executive
Mr. Damodar Hari Pai	Member, Independent & Non Executive
*Mr. Hitesh Jain	Member, Whole Time Director
**Mr. Kumarpal Punamiya	Member, Whole Time Director

*Appointed as a Member of Audit Committee w.e.f. 30/10/2012.

**Ceased to be a Member of Audit Committee w.e.f. 30/10/2012

**Audit Committee Meetings & Attendance during the financial year ended 31st March, 2013**

During the financial year ended 31st March, 2013, Four Audit Committee Meetings were held on May 30, 2012, August 08, 2012, October 30, 2012 & February 13, 2013. The table hereunder gives the attendance record of the Audit Committee members.

Name of the Audit Committee Members	No. of meetings held	No. of meetings attended
Ms. Manisha Anand	4	4
Mr. Damodar Hari Pai	4	1
*Mr. Kumarpal J. Punamiya	4	3
@Mr. Hitesh Jain	4	2

* Ceased to be member of the Audit Committee w.e.f. 30.10.2012

@Appointed as a member of the Audit Committee w.e.f. 30.10.2012

The Management is responsible for the Company's internal controls and the financial reporting process. The independent auditors are responsible for performing an independent audit of the Company's financial statements in accordance with the applicable accounting standards and for issuing a report thereon. The Committee's responsibility is to monitor these processes. The Committee is also responsible to oversee the processes related to the financial reporting and information dissemination, in order to ensure that the financial statements are true, correct, sufficient and credible.

4. REMUNERATION OF DIRECTORS**Scope of Remuneration Committee:**

To Determine on behalf of the Board and shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payments. To Consider and recommend to Board commission/ other remuneration package for the Non-Executive Chairman of the Company and such other matters concerning remuneration as may be referred by the Board from time to time.

Composition:

The Composition of the reconstituted Remuneration Committee as on date of this report is as follows:

Mr. Ashokaditya Dhurandhar	Chairman, Independent & Non Executive
Ms. Manisha Anand	Member, Independent & Non Executive
Mr. Manish Shah	Member, Managing Director

The details of remuneration paid to the Directors during the Financial Year 2012-13 are given below:

Name of the Director	Salary	Sitting Fees Paid (Rs.)		No. of shares held as on 31st March, 2013
		Board Meeting	Audit Committee	
Mr. Hitesh Jain	1,40,000	Nil	Nil	Nil
Mr. Manish N. Shah	2,40,000	Nil	Nil	Nil
Mr. Kumarpal J. Punamiya	1,40,000	Nil	Nil	Nil



Mr. Damodar Hari Pai	N.A.	6,000	Nil	Nil
Ms. Manisha Anand	N.A.	8,000	Nil	Nil
Mr. Ravi Kant Chaturvedi	N.A.	Nil	Nil	Nil
Mr Vishal Gohil	1,50,000	Nil	Nil	Nil
Mr. Ashokaditya Prakash Dhurandhar	Nil	Nil	Nil	Nil

Apart from the sitting fees that are paid to the non-executive directors for attending the board meetings, no other fees / commission were paid during the year. No significant material transactions have been made with the Non-Executive Directors vis-à-vis the Company.

5. SHAREHOLDER'S CUM INVESTORS GRIEVANCE COMMITTEE

The Committee oversees the performance of the Registrars and Transfer Agents of the Company and recommends for overall improvement in the quality of investor services. The Shareholder's Cum Investors Grievance Committee was headed by Mr. Ashokaditya Dhurandar.

The composition of the reconstituted Shareholders' Cum Investors Grievance Committee is as under:

Ms. Manisha Anand	Chairperson, Independent & Non Executive
*Mr. Hitesh Jain	Member, Whole Time Director
Mr. Damodar Hari Pai	Member, Independent & Non-Executive
**Mr. Kumarpal Punamiya	Member, Whole Time Director

*Appointed as a Member of Audit Committee w.e.f. 30/10/2012.

**Ceased to be a Member of Audit Committee w.e.f. 30/10/2012.

Meetings and Attendance:

Four Shareholders/Investors Grievance Committee Meetings were held during the year ended March 31, 2013. All the members of the Committee were present in all the Meetings held during the year.

The Committee expresses satisfaction with the Company's performance in dealing with investors' grievance and its share transfer system.

Status of number of shareholders' complaints received, pending & redressed is as under:

(i) No. of Shareholder's complaints received	2
(ii) No. of complaints not redressed and pending as on date	Nil
(iii) No. of share transfers pending for more than a fortnight	Nil

6. GENERAL BODY MEETING

Location and time where last three Annual General Meetings were held are given below:

Financial Year	Date	Location of the Meeting	Time
2009-2010	29/10/2010	Conference Hall, 18 th Floor, C Wing, Mittal Tower, Nariman Point, Mumbai- 400 021.	11.00 A.M.
2010-2011	29/09/2011	Conference Hall, 18 th Floor, C Wing, Mittal Tower, Nariman Point, Mumbai- 400 021.	3.00 P.M.
2012-2013	07/08/2012	Conference Hall, 18 th Floor, C Wing, Mittal Tower, Nariman Point, Mumbai- 400 021.	11.00 A.M.

**7. DISCLOSURES**

The Company has been complying with all statutory requirements in compliance with SEBI, BSE or any regulatory or statutory body on any matter. However, proper explanation has been provided to concern authorities wherever required wherein.

Related Party Transactions:

Your Company places all the aforesaid details before the Audit Committee periodically. A comprehensive list of related party transactions as required by the Accounting Standard (AS) 18 issued by the Institute of Chartered Accountants of India, forms part of the Note No. 26 of financial statements. However, these transactions are not likely to have any conflict with the interests of the Company at large.

8. MEANS OF COMMUNICATION

- i. The quarterly results of the Company are published in two newspapers in compliance with the provisions of Clause 41 of the listing agreement. Generally, the same are published in *Business Standard (English language)* and *Mumbai Lakshadweep (Marathi language)* in Mumbai. As the results of the Company are published in the newspapers, half-yearly reports are not sent to each household of shareholders. The quarterly results as well as the proceedings of the Annual General Meeting are submitted to the Bombay Stock Exchange Limited, immediately after the conclusion of the respective meeting.
- ii. No presentations were made to the institutional investors or to analysts during the year under review.
- iii. The Management Discussion and Analysis Report form a part of this Annual Report.
- iv. Financial Calendar (tentative and subject to change)

Financial reporting for quarter ended	
June 30, 2013	by August 14, 2013
September 2013	by November 15, 2013
December 2013	by February 15, 2014
March 2014	by May 30, 2014
Annual General Meeting for the year ended 31st March 2013 – on or before September 30, 2013	

9. COMPLIANCE WITH OTHER MANDATORY REQUIREMENTS**(I) Management Discussion And Analysis**

A management discussion and analysis report forms part of the Annual Report and includes discussion on various matters specified under clause 49(IV) (F) of the Listing Agreement.

(II) Secretarial Audit For Reconciliation Of Capital

A qualified Practicing Company Secretary has carried out secretarial audit for every quarter to reconcile the total admitted capital with both the depositories; viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate total number of shares in physical form, shares allotted & advised for demat credit but pending execution and the total number of dematerialised shares held with NSDL and CDSL. The Company had submitted the secretarial audit report to BSE and NSE within 30 days from the end of each quarter in accordance with the SEBI requirements

**(III) Certificate on Corporate Governance:**

As required by Clause 49 of the Listing Agreement, a certificate from the Statutory Auditors regarding compliance with all the conditions of Corporate Governance norms is given as an annexure to this Report.

(IV) CEO Declaration:

As required by Clause 49 of the Listing Agreement, declaration by Managing Director on compliance of the Company's code of conduct is provided as an Annexure to Report.

10. GENERAL SHAREHOLDER INFORMATION

i.	Date and time of Annual General Meeting of Shareholders	Friday, 27 th September, 2013 at 10.00 a.m.
ii.	Dates of book closures	Tuesday, September 24, 2013 to Friday September 27, 2013 (both days inclusive)
iii.	Venue of AGM	62, 6 th Floor, C Wing, Mittal Tower, Nariman Point, Mumbai: 400 021
iv.	Listing on stock exchanges	The Equity Shares of the Company are listed on Bombay Stock Exchange Limited. There is no default in payment of Annual Listing Fees as prescribed.
v.	Stock Exchange Code	512047 (Bombay Stock Exchange Limited)
vi.	Financial year	April to March
vii.	Dividend payment date	N.A.

Share Transfer System:

All share transfer, dematerialization and related work is managed by a common agency, Link Intime India Private Limited, Bhandup (W), Mumbai-78. Shareholders are requested to send all share transfer requests, demat/remat requests, correspondence relating to shares i.e. change of address, Power of Attorney, etc. to the registrar and transfer agents.

Market Price Data (Monthly High/Low on BSE):

Month	High (₹)	Low (₹)	No. of Shares	No. of Trades
April 2012	76.45	57	2,39,731	680
May 2012	78	61.1	95,172	554
June 2012	81	64.5	2,59,339	618
July 2012	89.9	70.05	7,90,248	894
August 2012	80	58.15	4,30,867	512
September 2012	103.95	68.1	7,33,227	2,038
October 2012	124	84.3	12,57,535	3,297
November 2012	128	107	16,50,473	2,656
December 2012	130	110.15	19,62,294	2,722
January 2013	137	115	11,08,443	1,757
February 2013	130	99.85	12,07,520	1,637
March 2013	103.9	24.5	1,34,969	195

Comparative Performance: No meaningful comparison is possible with any index.


(I) CATEGORY-WISE DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2013

CATEGORY	SHAREHOLDERS		SHARES	
	Number	% to total Shareholders	Number	% to total Capital
PROMOTERS HOLDING				
Indian Promoters	7	0.83	1,06,09,251	45.96
Total of promoter holding	7	0.83	1,06,09,251	45.96
NON-PROMOTER HOLDING				
<u>Institutional Investors</u>	-	-	600	-
Banks	-	-	10,000	0.04
FII's				
<u>Others</u>	84	9.93	34,32,340	14.87
Corporate Bodies	736	87.00	70,44,446	30.52
Indian Public	2	0.24	1,400	0.01
NRIs / OCBs	17	2.00	2,32,131	1.005
Clearing Member				
Total of non-promoter holding	839	99.17	79,93,155	34.63
Grand Total	846	100.00	2,30,80,000	100.00

(II) SLAB-WISE DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2013

NOMINAL VALUE OF RS.	SHAREHOLDERS NUMBER	% OF TOTAL	NO. OF SHARES (Rs.10 each)	%TO EQUITY
1 - 5000	460	54.37	58161	0.25
5001 - 10000	59	6.97	48528	0.21
10001 - 20000	35	4.14	53968	0.23
20,001 - 30,000	18	2.13	47978	0.21
30,001 - 40,000	14	1.65	51984	0.23
40,001 - 50,000	25	2.95	121004	0.52
50,001 - 1,00,000	55	6.50	532517	1.87
1,00,001 & Above	180	21.28	22265860	96.47
TOTALS	846	100.000	23,08,00,000	100.000

**11. DEMATERIALIZATION OF SHARES**

The Company's shares are available for trading in dematerialized form under both the Depository Systems – NSDL and CDSL. Connectivity with both NSDL and CDSL is provided by Link Intime India Pvt. Ltd., Mumbai – 400 078 under tripartite agreements. The distribution of dematerialized and physical shares as on March 31, 2013 was as follows:

Sr. No.	Particulars	No. of shares	%
1.	Dematerialized Shares		
	NSDL	1, 79,24,525	77.66
	CDSL	49,01,455	21.24
2.	Physical Shares	2,54,020	01.10
	Total	2,30,80,000	100.00

Outstanding GDR/ADR/Warrants/Convertible instruments etc:

There are no outstanding securities as at 31st March 2013.

12. PLANT LOCATION

The Company does not have any Plant.

13. INVESTORS CORRESPONDENCE:

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West),
Mumbai - 400078
Tel No: (022) 25963838
Fax No: (022) 2594 6969
Email-id: rnt.helpdesk@linkintime.co.in