



REPORT ON CORPORATE GOVERNANCE

1. Company’s philosophy on code of governance:

The Company believes in adopting best practices in the area of Corporate Governance and follows the principles of complete transparency and accountability by providing detailed information on various issues concerning the Company’s business and financial performance to its Shareholders.

The Board of Directors (Board) considers itself as the trustee of its shareholders. During the year under review, the Board continued its pursuit by adopting corporate strategies and prudent business plans. The Company followed adequate monitoring system to safeguard against major risk and to ensure implementation of policies and procedures to satisfy its social, legal and ethical responsibilities.

2. Board of Directors:

As on March 31, 2014 the Board of Directors of the Company comprises of Six Directors including the One Managing Director, One 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.

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 Shah	Managing Director	1	-	-
2	Mr. Hitesh Jain	Whole Time Director	2	-	-
3	*Mr. Vishal Gohil	Whole Time Director	-	-	-
4	Mr. Damodar Hari Pai	Non Executive & Independent	-	-	-
5	Ms. Manisha Anand	Non Executive & Independent	-	-	-
6	Mr. Ravikant Chaturvedi	Non Executive & Independent	-	-	-
7	Mr. Ashokaditya Dhurandhar	Non Executive & Independent	-	-	-

**Resigned from Directorship w.e.f. 15.11.2013.*

##Including Private Limited Company's Directorship.

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 Five (5) Board Meetings held during the year ended 31st March, 2014 i.e. on 29th May, 2013, 01st July, 2013, 14th August, 2013, 15th November, 2013, 07th February, 2014. The Table hereunder gives the attendance record of the Directors at the Board Meetings held during 2013-14 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 Shah	5	2	No
Mr. Hitesh Jain	5	5	Yes
*Mr. Vishal Gohil	5	3	Yes
Ms. Manisha Anand	5	5	Yes
Mr. Ravikant Chaturvedi	5	2	No
Mr. Ashokaditya Dhurandhar	5	4	No
Mr. Damodar Hari Pai	5	2	No

** Resigned as Whole Time Director w.e.f. 15.11.2013*

3. Audit Committee

The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Committee comprises of members who possess financial and accounting expertise/exposure. The statutory auditors attend Audit Committee meeting as Invitees.

Composition of the Audit Committee

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

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

The Audit Committee of the Board of Directors functions with the following main objectives:

1. To provide direction and to oversee the operation of the audit function.
2. To review the internal audit system with special emphasis on its quality and effectiveness.
3. To discuss matters related to fraud.
4. Oversight 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.
5. Recommendation for appointment, re-appointment, and if required, the replacement or removal of Statutory Auditors and to fix their Audit fees.
6. Approval of payment to Statutory Auditors for any other services rendered by the statutory auditors.
7. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
8. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956;
9. Changes, if any, in accounting policies and practices and reasons for the same;
10. Major accounting entries involving estimates based on the exercise of judgment by management;
11. Significant adjustments made in the financial statements arising out of audit findings;
12. Compliance with listing and other legal requirements relating to financial statements;
13. Disclosure of any related party transactions;
14. Qualifications in the draft audit report.
15. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.



16. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
17. Reviewing, with management, performance of statutory and internal auditors, and adequacy of the internal control system.
18. To review the adequacy of internal audit function, reporting structure, coverage and frequency of internal audit.
19. To discuss with internal auditors any significant audit findings and follow up thereon.
20. To review the findings of any internal investigations by the internal auditors into matters where there are suspected frauds or irregularity or a failure of internal controls systems of a material nature and reporting the matter to the Board.
21. To discuss with Statutory Auditors, before the commencement of audit, the nature and scope of audit as also conduct post-audit discussion to ascertain any area of concern.
22. To review the functioning of the whistle Blower Mechanism.
23. Carrying out any other function as is mentioned in terms of reference of the Audit Committee.

Vigil Mechanism:

To ensure establishment of vigil mechanism for its Directors and Employees to report genuine concerns.

The vigil mechanism to provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases.

To ensure that existence of vigil mechanism is appropriately communicated within the Company and also made available on Company's website.

To oversee the functioning of Vigil Mechanism and decide on the matters reported there under.

To ensure that the interests of a person who uses such a mechanism are not prejudicially affected on account of such use.

Audit Committee Meetings & Attendance during the financial year ended 31st March, 2014.

During the financial year ended 31st March, 2014, Four Audit Committee Meetings were held on 29th May, 2013, 14th August, 2013, 15th November, 2013 and on 07th February, 2014. 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
Mr. Manisha Anand	4	4
Mr. Damodar Hari Pai	4	2
Mr. Hitesh Jain	4	4

Internal Audit and Control:

M/s. GMS & Co., Practicing Company Secretaries are the internal auditor of the Company and their internal audit plan and remuneration are approved by the Audit Committee. The reports and findings of the internal auditor and the internal control system are periodically reviewed by the Audit Committee.

4. Nomination and Remuneration Committee:

The committee's constitution and terms of reference are in compliance with the provisions of the Companies Act, 2013, Clause 49 of the Listing Agreement and Securities and Exchange Board of India Guidelines as amended from time to time.



In view of the mandatory requirement to constitute a Nomination & Remuneration Committee of Directors, the existing Remuneration/Compensation Committee of the Company has been renamed as "Nomination and Remuneration Committee" at its meeting on 24th May, 2014.

During the year under review, the committee met once in a year. Mr. Ashokaditya Dhurandhar & Ms. Manisha Anand attended the said meeting.

Composition:

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

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

Board terms of reference of the Committee include approval/recommendation to the Board of salary/perquisites, commission and retirement benefits, finalisation of the perquisites package payable to the Company's Managing/ Administration.

Remuneration Policy:

Payment of remuneration to the Managing /Whole Time Director is governed by the respective Agreements executed between them and the Company. Their Agreements are approved by the Board and by the shareholders. Their remuneration structure comprises salary, incentive, bonus, benefits, perquisites and allowances, contribution to provident fund, superannuation and gratuity. The Non-Executive Director do not draw any remuneration from the Company other than sitting fees and such commission as may be determined by the Board from time to time.

The details of remuneration paid to the Directors during the Financial Year 2013-14 are given below:-

Name of the Director	Salary	Sitting Fees Paid (Rs.)		No. of shares held as on 31st March, 2014
		Board Meeting	Audit Committee	
Mr. Hitesh Jain	2,70,000			-
Mr. Manish N. Shah				100
Mr. Damodar Hari Pai				-
Ms. Manisha Anand				-
Mr. Ravi Kant Chaturvedi				-
Mr. Ashokaditya Dhurandhar				-
*Mr. Vishal Gohil	3,25,000			-

** Resigned as Whole Time Director w.e.f. 15.11.2013*

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

5. Stakeholders Relationship Committee (SR):

In terms of Section 178 (5) of the Companies Act, 2013 ("the Act") the Board of Directors of the Company which has more than one thousand shareholders, debenture holders, deposit holders and any other security holders at any time during the financial year is required to constitute a SR Committee consisting of a Chairperson who will



be a non-executive director and such other members as may be decided by the Board to consider and resolve the grievances of security holders of the Company.

In view of the above requirements, the Board of Directors of the Company has renamed the Shareholders cum investors Grievance committee as “Stakeholders Relationship Committee” (SR) at its meeting held on 24th May, 2014. The SR Committee is primarily responsible to review all matters connected with the Company’s transfer of securities and redressal of shareholders’/investors’/security holders’ complaints. The Committee also monitors the implementation and compliance with the Company’s code of conduct for prohibition of insider trading.

The SR Committee’s composition and the terms of reference meet with the requirements of Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013.

Composition of the Committee:

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

Terms of reference of the Committee, inter alia, includes the following:

1. Oversee and review all matters connected with the transfer of the Company’s securities.
2. Approve issue of the company’s duplicate share certificate.
3. Monitor redressal of investors’/shareholders’/security holders’ grievances.
4. Oversee the performance of the Company’s Registrars and Transfer Agents.
5. Recommend methods to upgrade the standard of services to investors.
6. Monitor implementation of the Company’s code of conduct for prohibition of insider trading.
7. Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification/amendment or modification as may be applicable.

Meetings and Attendance:

Four Stakeholders Relationship Committee Meetings were held during the year ended March 31, 2014.

Name Committee Members	No. of Meetings held	No. of meetings attended
Mr. Manisha Anand	4	4
Mr. Damodar Hari Pai	4	2
Mr. Hitesh Jain	4	4

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 | Nil |
| (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. Corporate Social Responsibility Committee:

Pursuant to Section 135 of the Companies Act, 2013 the Company constituted a Corporate Social Responsibility (CSR) Committee of the Board at the Board Meeting held on 24th May, 2014 and which is in the process of formulating a formal CSR policy. Further, No meeting of the CSR Committee was held during the year under review.

**Composition**

Mr. Ashokaditya Dhurandhar	Chairman, Non Executive Director
Ms. Manisha Anand	Member, Non Executive Director
Mr. Hitesh Jain	Member, Whole Time Director

7. Whistle Blower Policy:

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behaviour. Towards this end, the Company has implemented a Whistle Blower Policy, with a view to provide a mechanism for employees and Directors of the Company to approach the Ethics Committee or Chairman of the Audit Committee of the Company to report instances of violations of laws, rules and regulations, unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. The vigil mechanism also provides adequate safeguards against victimisation of persons who use such mechanisms and also to ensure direct access to the Ethics Committee or Chairman of the Audit Committee in appropriate or exceptional cases.

8. General Body Meeting**A. Annual General Meetings:**

Financial Year	Date	Location of the Meeting	Time
2010-11	29/09/2011	Conference Hall, 18 th Floor, C Wing, Mittal Tower, Nariman Point, Mumbai- 400 021.	3.00 p.m.
2011-12	07/08/2012	Conference Hall, 18 th Floor, C Wing, Mittal Tower, Nariman Point, Mumbai- 400 021.	11.00 a.m.
2012-13	27/09/2013	Office No. 62, 6 th Floor, C wing, Mittal Tower, Nariman Point, Mumbai 400021.	10.00 a.m.

B. Whether any Special Resolutions were passed last year through postal ballot:

During the year under review, no Special Resolution was passed through postal ballot.

C. Person who conducted postal ballot exercise: Not Applicable**D. Whether any special resolution is proposed to be passed through postal ballot this year:**

During the current year, if special resolutions are proposed to be passed through postal ballot, the same would be taken up at the appropriate time.

E. Procedure for postal ballot:

If any special resolution is passed through postal ballot during the current year, the procedure for postal ballot will be followed in terms of Section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, as amended from time to time.

9. Other Disclosures:

The Company has been complying with all statutory requirements and no penalties or strictures have been imposed on it by SEBI, BSE or any regulatory or statutory body on any matter.

**Related Party Transaction:**

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.23 of the Accounts in the Annual Report. However, these transactions are not likely to have any conflict with the interests of the Company at large.

Risk Management:

The Company has in place mechanism to inform Board Members about the risk assessment and minimization procedures. The Audit Committee and the Board periodically reviewed the risk assessment and minimization procedures as required under clause 49 of the Listing Agreement so as to ensure that risk is controlled by the Executive Management.

WTD Certification:

Mr. Hitesh Jain, Whole Time Director of the Company, have certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining for the Financial Year 31st March, 2014.

Prevention of Insider Trading Code:

As per the SEBI (Prevention of Insider Trading) Regulations, 1992, the Company has adopted a Code of Conduct for Prevention of Insider Trading. All the Directors, employees at senior management level and other employees who would have access to unpublished price sensitive information of the Company are governed by this Code.

8. 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.

Share Capital Audit:

As stipulated by Securities and Exchange Board of India (SEBI), a qualified practicing Company Secretary carried out the Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), shares held physically as per the register of members and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchange, NSDL and CDSL and is also placed before the Share Transfer, Shareholders'/Investors Grievance and Ethics & Compliance Committee and the Board of Directors.

Green Initiative:

Electronic copies of the Annual Report and Notice of the 30th Annual General Meeting are sent to all members whose email addresses are registered with the Company/Depository Participant(s) for communication purposes. For members who have not registered their email addresses, physical copies of the Notice and Annual Report are sent in the permitted mode. Members requiring physical copies can send a request to the Company.

Means of Communication:

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 proceedings of the Annual General Meeting are submitted to the Bombay Stock Exchange Limited, immediately after the conclusion of the respective meeting.

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, 2014 by August 14, 2014
September, 2014 by November 15, 2014
December 2014 by February 14, 2015
March 2015 by May 30, 2015
Annual General Meeting for the year ended 31 st March 2014 – on or before September 30, 2014.

General Shareholder Information

i.	Date and time of Annual General Meeting of Shareholders	Tuesday, September 30, 2014 at 11:30 a.m.
ii.	Dates of Book Closures	Wednesday, September 24, 2014 to Tuesday, September 30, 2014 (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.

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

Month	High (₹)	Low (₹)	No. of Shares	No. of Trades
April 2013	24.5	15.3	9280	42
May 2013	15	10.5	151957	135
June 2013	10.5	8.83	74935	275
July 2013	8.83	3.88	35548	135
August 2013	4.55	4.26	26159	21
September 2013	6	4.64	75406	89
October 2013	5.98	3.62	318956	198
November 2013	4.19	3.4	66643	154
December 2013	4.68	3.67	366713	1281
January 2014	4.97	3.25	1248541	2639
February 2014	5.69	3.15	621985	2937
March 2014	5.32	3.84	502216	1026



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

CATEGORY-WISE DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2014

Category	Shareholders		Shares	
	Number	% to total Shareholders	Number	% to total Capital
PROMOTERS HOLDING	6	0.55	1,05,97,251	45.91
Indian Promoters				
Total of promoter holding	6	0.55	1,05,97,251	45.91
NON- PROMOTER HOLDING				
Institutional Investors				
Banks	0	0.00	-	-
FII's	0	0.00	-	0.04
Others				
Corporate Bodies	95	8.78	42,94,441	18.61
Indian Public	958	88.46	80,38,050	34.82
NRIs / OCBs	2	0.18	150	0.01
Clearing Member	22	2.03	15,010	0.65
Total of non-promoter holding	1077	99.45	79,93,155	54.08
Grand Total	1083	100.00	23,08,00,000	100.00

SLAB-WISE DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2014

NOMINAL VALUE OF RS.	SHAREHOLDERS NUMBER	% OF TOTAL	NO. OF SHARES (Rs.10 each)	% TO EQUITY
1 - 5000	608	56.14	91991	0.39
5001 - 10000	111	10.25	94976	0.42
10001 - 20000	63	5.82	101989	0.44
20,001 - 30,000	32	2.95	85649	0.37
30,001 - 40,000	24	2.21	89732	0.39
40,001 - 50,000	33	3.05	158585	0.69
50,001 - 1,00,000	61	5.63	477148	2.07
1,00,001 & Above	151	13.94	21979930	95.23
TOTALS	1083	100.000	23,08,00,000	100.000

13. 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, 2014 was as follows:

S.No.	Particulars	No. of Shares	%
1	Dematerialised Shares		
	CSDL	45,47,746	19.70
	NSDL	1,82,80,834	79.21
	Total	2,28,28,580	98.91
2	Physical Shares	2,51,420	01.09
	Total	2,30,80,000	100.00



Outstanding GDR/ADR/Warrants/Convertible instruments etc:

There are no outstanding securities as at 31st March 2014.

14. Investors Correspondence:

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West),
Mumbai - 400078
Tel No: (022) 25946970
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