

**ANNEXURE-II TO DIRECTORS REPORT****REPORT ON CORPORATE GOVERNANCE:**

The Company's Report on Corporate Governance pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2017

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company "Royal India Corporation Limited" is committed to sound corporate governance practices. The Company's policy on Corporate Governance is to make it a way of life by, inter alia; adopting the standard Corporate Governance practices through continual improvement of internal systems and satisfaction of customers and shareholders. It strongly believes in attaining transparency, accountability and equity, in all its operations, and in its interactions with stakeholders including shareholders, customers, vendors, employees, government and lenders.

2. Board of Directors:**a. Composition of the Board:**

The Company has a very balanced and diverse Board of Directors, which primarily take care of the business needs and shareholders interest. The Composition of the Board is in conformity with Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as detailed in the table 2 (c) below and also the provisions of the Act. The Company does not have any Nominee Director on its Board.

b. Board Meetings and Annual General Meeting:

There were Four (4) Board Meetings held during the year ended March 31, 2017 i.e. on May 28, 2016, August 10, 2016, November 12, 2016, and February 13, 2017. The AGM was held on August 11, 2016.

C. Membership, Attendance and Other Directorships:

Sr. No.	Name of Directors & Director Identification Number (DIN)	Category	Designation	Number of Board Meetings Attended	Whether attended last AGM	No. of other Directorships ##		No. of Chairmanship/ Membership in other Board Committees*	
						Chairman	Member	Chairman	Member
1	Mr. Manish Shah DIN: 01953772	Executive Director	Managing Director	4	No	-	1	-	-
2	Mr. Hitesh Jain DIN: 05263120	Executive Director	Whole Time Director	1	Yes	-	2	-	-
3	Mr. Damodar Hari Pai DIN: 00172372	Non Executive & Independent	Director	4	Yes	-	-	-	-
4	Ms. Manisha Anand DIN: 03497950	Non Executive & Independent	Director	4	Yes	-	-	-	-
5	Mr. Ravikant Chaturvedi DIN: 05198811	Non Executive & Independent	Director	1	No	-	-	-	-

**3. Committees of the Board:**

The Board has constituted the following Committees of Directors:

i. Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015. The Committee comprises of members who possess financial and accounting expertise/ exposure.

The statutory auditors, internal auditors attend Audit Committee meeting as Invitees. The Company Secretary acts as a Secretary to the Audit Committee.

Composition & Attendance:

During the year under review, 4 Meetings of the Audit Committee were held, the dates being May 28, 2016, August 10, 2016, November 12, 2016, and February 13, 2017.

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

Sr. No.	Name of the Director	Designation	Category	No. of meetings attended
1	Ms. Manisha Anand	Chairperson	Independent & Non Executive	4
2	Mr. Damodar Hari Pari	Member	Independent & Non Executive	4
3	Mr. Hitesh Jain	Member	Whole Time Director	1

The role of the Audit Committee flows directly from the Board of Director's overview function on corporate governance, which holds the Management accountable to the Board and the Board accountable to the stakeholders. The term of reference of the Audit Committee broadly includes acting as a catalyst, in helping the organization achieve its objectives. The Audit Committee's primary role is to review the Company's financial statements, internal financial reporting process, internal financial controls, the audit process, adequacy, reliability and effectiveness of the internal control systems, vigil mechanism, related party transactions, monitoring process for compliance with laws and regulations and the code of conduct. The Audit Committee also reviews reports and presentations and the responses thereto by the management.

Internal Audit and Control:

M/s. Manish Panwar & Co., Chartered Accountants (Mem. No.: 415507) have carried out the internal audit for the Financial Year 2016-17 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 reviewed by the Audit Committee.

ii. Nomination and Remuneration Committee:

The committee's constitution and terms of reference are in compliance with the provisions of the Section 178 of the Companies Act, 2013, Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015.

**Composition & Attendance:**

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

The Committee met once in a year i.e. February 13, 2017.

Sr. No.	Name of the Director	Designation	Category	No. of meetings attended
1.	Mr. Ravikant Chaturvedi	Chairman	Independent & Non Executive	1
2.	Ms. Manisha Anand	Member	Independent & Non Executive	1
3.	Mr. Manish Shah	Member	Executive Director	1

Terms of Reference:

- To identify persons who are qualified to become Directors and who may be appointed in the senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and to carry out evaluation of every Director's performance along with the Board.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Devising a policy on Board Diversity.
- Evaluate the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.

Remuneration Policy:

Payment of remuneration to the Managing /Whole Time Director is governed by the respective Letter of Appointments between them and the Company. The same 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 2016-17 are given below:-

Name of the Director	Designation	Salary	Sitting Fees Paid (Rs.)		No. of shares held as on March 31, 2017
			Board Meeting	Audit Committee	
Mr. Hitesh Jain	Whole Time Director	1,80,000	-	-	-
Mr. Manish N. Shah	Managing Director	2,40,000	-	-	100
Mr. Damodar Hari Pai	Director	-	-	-	-
Ms. Manisha Anand	Director	-	-	-	-
Mr. Ravi Kant Chaturvedi	Director	-	60,000	-	-

No significant material transactions have been made with non-Executive Directors vis-à-vis the Company.

**Performance Evaluation:**

Pursuant to the provisions of the Companies Act, 2013 ("Act") and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under Regulation 27(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be applicable, the Board of Directors ("Board") has carried out an annual evaluation of its own performance and that of its committees and individual directors. The performance of the Board and individual directors was evaluated by the Board seeking inputs from all the Directors.

The performance of the committees was evaluated by the Board seeking inputs from the committee members. The Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors. A separate meeting of Independent Directors was also held to review the performance of non-independent directors; performance of the Board as a whole and performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors. This was followed by a Board meeting that discussed the performance of the Board, its committees and individual directors.

The criteria for performance evaluation of the Board included aspects like Board composition and structure; effectiveness of Board processes, information and functioning etc. The criteria for performance evaluation of committees of the Board included aspects like composition of committees, effectiveness of committee meetings etc. The criteria for performance evaluation of the individual directors included aspects on contribution to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc. In addition the Chairperson was also evaluated on the key aspects of his/her role.

iii. Stakeholders Relationship Committee (SR):

The Committee's constitution and terms of reference are in compliance with the provisions of Section 178(5) of the Companies Act, 2013 and Regulation 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015.

Composition and Attendance during the year ended March 31, 2017:

The Committee met twice a year i.e. on May 28, 2016 and on November 12, 2016.

Sr. No.	Name of the Director	Designation	Category	No. of meetings attended
1	Ms. Manisha Anand	Chairperson	Independent & Non Executive	2
2	Mr. Damodar Hari Pai	Member	Independent & Non Executive	2
3	Mr. Hitesh Jain	Member	Whole Time Director	1

Terms of Reference:

The broad terms of reference of the said Committee are as follows:

- a. To look into the redressal of grievances such as transfer/ transmission of security, non-receipt of annual reports, dividends, interest etc. of various stakeholders of the Company viz. shareholders, debenture holders, fixed deposit holders and other security holders.



- b. To monitor transfers, transmission, splitting, consolidation, dematerialisation, rematerialisation of securities issued by the Company and issue of duplicate security certificates. As per Rule 6(2) (a) of the Companies (Share Capital and Debentures) Rules, 2014, a duplicate share certificate is to be issued in lieu of a lost or destroyed certificate, only with the prior consent of the Board or Committee thereof. Accordingly, duplicate share certificates are now issued with the prior approval of the Committee.
- c. To carry out the functions as envisaged under the Code of Conduct to regulate, monitor and report trading by insiders and code of practices and procedures for fair disclosures of unpublished price sensitive information adopted by the Company in terms of Regulations 8(1), 9(1) and 9(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

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

Name and Designation of Compliance Officer: Ms. Siddhi Patil, Company Secretary.

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

iv. 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 and policy is available at the website of the Company i.e. www.ricl.in

Further, one meeting of the CSR Committee was held during the year i.e. February 13, 2017 under review.

Composition:

Sr. No.	Name of the Director	Designation	Category	Meeting attended
1	Mr. Ravikant Chaturvedi	Chairman	Non Executive Director	1
2	Ms. Manisha Anand	Member	Non Executive Director	1
3	Mr. Hitesh Jain	Member	Whole Time Director	-

The CSR Committee will:

- (a) review the existing CSR Policy from time to time and the activities to be undertaken by the Company towards CSR activities;
- (b) recommend the project/programme to be undertaken, amount of expenditure to be incurred, roles and responsibilities of various stakeholders, etc. in respect of CSR activities; and
- (c) monitor for ensuring implementation of the projects/ programmes undertaken or the end use of the amount spent by the Company towards CSR activities.

4. Independent Directors Meeting:

During the year under review, the independent directors met on Feb 13, 2017, inter alia to discuss:

- (a) Evaluation of the performance of the Board as a whole.



- (b) Evaluation of performance of the non-independent, non executive directors and the Board Chairperson.

All the independent directors were presents at the meeting.

5. Familiarization programme for Independent Director:

The Company proactively keeps its Directors informed of the activities of the Company, its management and operations and provides an overall industry perspective as well as issues being faced by the industry.

5. Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013 ("Act") and the Corporate Governance requirements as prescribed by the Listing Regulations (as may be applicable), the Board of Directors ("Board") has carried out an annual evaluation of its own performance, and that of its Committees and individual Directors.

The performance of the Board and individual Directors was evaluated by the Board seeking inputs from all the Directors. The performance of the Committees was evaluated by the Board seeking inputs from the Committee Members. The Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual Directors. A separate meeting of the Independent Directors was also held to review the performance of Non-Independent Directors; performance of the Board as a whole, taking into accounts the views of Executive Directors and Non-Executive Directors.

This was followed by a Board Meeting that discussed the performance of the Board, its Committees and individual Directors.

The criteria for performance evaluation of the Board included aspects like Board composition and structure; effectiveness of Board processes, information and functioning etc. The criteria for performance evaluation of Committees of the Board included aspects like composition of Committees, effectiveness of Committee Meetings etc. The criteria for performance evaluation of the individual Directors included aspects on contribution to the Board and Committee Meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc. In addition, the Chairman was also evaluated on the key aspects of his role.

6. General Body Meetings:

- A. Location and time, where last 3 years' General Meeting were held:

Financial Year	Date	Location of the Meeting	Time
2015-16	11/08/2016	Office No. 62, 6 th Floor, C wing, Mittal Tower, Nariman Point, Mumbai 400021.	11:30 a.m
2014-15	30/09/2015	Office No. 62, 6 th Floor, C wing, Mittal Tower, Nariman Point, Mumbai 400021.	11:30 a.m
2013-14	30/09/2014	Office No. 62, 6 th Floor, C wing, Mittal Tower, Nariman Point, Mumbai 400021.	11:30 a.m.

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

- 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.

7. Other Disclosures:

A. 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.

B. Related Party Transaction:

The Company has formulated a policy on dealing with Related Party Transactions. The policy is disclosed on the website of the Company i.e. www.ricl.in. All transactions entered in to with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm length basis and do not attract the provisions of Section 188 of the Companies Act, 2013.

During the year, the Company had not entered into any contracts/arrangements/transactions with related parties which could be considered as material.

C. 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 Schedule V of Annual Report of Regulations 34 (3) and 53 (f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 so as to ensure that risk is controlled by the Executive Management.

D. 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 behavior. 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. The Board has approved the whistle blower policy which has been uploaded on the Company's website i.e. on www.ricl.in.

E. Disclosure of Accounting Treatment:

In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable and notified under the Companies Act, 2013.

**F. WTD Certification:**

Mr. Hitesh Jain, Whole Time Director of the Company, have certified to the Board in accordance with Schedule V of Annual Report of Regulations 34 (3) and 53 (f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 pertaining for the Financial Year 31st March, 2017.

G. Prevention of Insider Trading Code:

The Company has adopted a Code of Conduct to regulate, monitor and report trading by insiders and code of practices and procedures for fair disclosures of unpublished price sensitive information in terms of Regulations 8(1), 9(1) and 9(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

All the Directors, employees at senior management level and other specified persons who could have access to unpublished price sensitive information of the Company is governed by this code.

H. Code of Conduct:

The Board of Directors has adopted the Code of Ethics and Business Principles for Non-Executive Directors as also for the employees including Whole-time Directors and other members of Senior Management. The said Code has been communicated to all the Directors and members of the Senior Management. The Code has also been posted on the Company's website: www.ricl.in.

8. Share Transfer System:

All share transfer, dematerialization and related work is managed by a common agency, Link Intime India Private Limited, C- 101, 247 Park, LBS Marg, Vikhroli-West, Mumbai- 400083. 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.

9. Share Capital Audit:

As stipulated by Securities and Exchange Board of India (SEBI), CS Ruchika Bohra, 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.

10. Green Initiative:

Electronic copies of the Annual Report and Notice of the 33rd 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.

11. Means of Communication:

- 1) The quarterly results of the Company are published in two newspapers in compliance with the provisions of Schedule V i.e. Annual Report of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Generally, the same are published in Business Line (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.

- 2) No presentations were made to the institutional investors or to analysts during the year under review.
- 3) The Management Discussion and Analysis Report form a part of this Annual Report.
- 4) Financial Calendar (tentative and subject to change)

Financial reporting for quarter ended	
June 30, 2017	by August 14, 2017
September, 2017	by November 15, 2017
December, 2017	by February 14, 2018
March, 2018	by May 30, 2018
Annual General Meeting for the year ended 31 st March 2017 – on or before September 30, 2017.	

12. General Shareholder Information:

i.	Date and time of Annual General Meeting of Shareholders	Friday, September 29, 2017 at 11:00 a.m.
ii.	Dates of Book Closures	Saturday, September 23, 2017 to Friday, September 29, 2017 (Both the 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.

13. Market Price Data (Monthly High/Low on BSE) (For Face Value Rs. 10/- each) :

Month	High (Rs.)	Low (Rs.)	No. of Shares	No. of Trades
April' 2016	2.30	2.19	1505	3
May' 2016	2.53	2.29	4475	7
June' 2016	3.44	2.65	7879	28
July'2016	3.50	3.16	8575	16
August' 2016	3.50	3.17	2141	15
September' 2016	3.29	3.14	3600	4
October'2016	3.60	2.85	9450	23



November' 2016	3.58	3.25	212	4
December' 2016	3.10	2.67	1875	11
January' 2017	2.92	2.52	22486	26
February' 2017	2.89	1.94	277174	48
March' 2017	1.90	1.36	488802	154

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

CATEGORY-WISE DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2017

Category	Shareholders		Shares	
	Number	% to total Shareholders	Number	% to Capital
PROMOTERS HOLDING				
Indian Promoters	6	0.51	1,05,97,251	45.91
Total of promoter holding	6	0.51	1,05,97,251	45.91
NON- PROMOTER HOLDING				
Institutional Investors	0	0.00	0.00	0.00
Banks	0	0.00	0.00	0.00
FII's				
Others				
Corporate Bodies	60	5.07	3270881	14.18
Indian Public	1036	87.80	8349745	36.18
NRIs / OCBs	5	0.44	4000	0.02
Clearing Member	14	1.18	38397	0.16
HUF	59	5.00	819726	3.55
Total of non-promoter holding	1174	99.49	12482749	54.09
Grand Total	1180	100.00	230,80,000	100.00

SLAB-WISE DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2017

NOMINAL VALUE OF RS.	SHAREHOLDERS NUMBER	% OF TOTAL	NO. OF SHARES (Rs.10 each)	% TO EQUITY
1 - 500	651	55.1695	93735	0.4061
501-1000	137	11.6102	119631	0.5183
1001-2000	69	5.8475	109267	0.4734
2001-3000	38	3.2203	100175	0.4340
3001-4000	30	2.5424	109855	0.4760
4001-5000	35	2.9661	171478	0.7430
5001-10000	66	5.5932	513937	2.2268
10001-*****	154	13.0508	21861922	94.7224
TOTAL	1180	100	23080000	100.00

**14. 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., under tripartite agreements. The distribution of dematerialized and physical shares as on March 31, 2017 was as follows:

S. No.	Particulars	No. of Shares	Percentage
1	Dematerialized Shares		
	CDSL	4986905	21.61
	NSDL	17843875	77.31
	Total	22830780	98.92
2	Physical Shares	249220	01.08
	TOTAL	2, 30,80,000	100.00

Outstanding GDR/ADR/Warrants/Convertible instruments etc:

There are no outstanding securities as at March 31, 2017.

15. Plant location:

The Company does not have any plant.

16. Investors Correspondence:

Link Intime India Private Limited
C- 101, 247 Park, LBS Marg, Vikhroli-West, Mumbai- 400083
Tel No: (022) 49186 0000
Fax No: (022) 49186 060
Email-id: rnt.helpdesk@linkintime.co.in

Mumbai, August 05, 2017

Declaration on adherence to the Code of Conduct under Regulation 34 (3) and 53 (f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

As provided under Regulation 34 (3) and 53 (f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, this is to confirm that all the Members of the Board and the Senior Management have affirmed compliance with the Code of Conduct for the year ended March 31, 2017.

For Royal India Corporation Limited

Mumbai, August 05, 2017

Sd/-
(Hitesh Jain)
Whole-time-Director
DIN : 05263120