

Report on Corporate Governance forming part of Directors' Report

A Brief Statement on Company's' philosophy on code of Corporate Governance

Your Company's philosophy of Corporate Governance has evolved from its continued faith in fundamentals of fairness, accountability, disclosures and transparency in all its transactions in the widest sense and meets its stake holder's aspiration and societal expectations. The Company firmly believes that any meaningful policy on the Corporate Governance must provide empowerment to the executive management of the Company and simultaneously create a mechanism of checks and balance which ensures that the decision making power vested in the executive management are used with care and responsibility to meet shareholders aspirations. Good governance practices stem from the culture and the mindset of the organization. The demand for corporate governance requires professionals to raise their competency and capability levels to meet the expectations in managing the enterprise and its resources effectively with highest standard of ethics. The Company is committed to attain the highest standard of Corporate Governance.

Board of Directors

The total strength of the Board as on 31st March, 2013 was five Directors as detailed herein below:

Sr. No.	Name	Designation	Category (Wholetime / Executive / Non Executive / Independent)
1	Mr. Nirmal Kedia	Chairman	Executive
2	Mr. Rajkumar Mawatwal	Whole-time Director	Whole time
3	Mr. Vijay Khowala	Director	Executive
4	Mr. Nipun Kedia	Director	Executive
5	Mr. Deven Doshi	Director	Independent-Non Executive

Board Meetings and Annual General Meeting

During the financial year 2012-13, **Seven** Board Meeting were held on Wednesday, April 04, 2012 ; Wednesday, May 30, 2012 ; Tuesday, July 31, 2012 ; Thursday, August 23, 2012 ; Wednesday, October 31, 2012 ; Friday, December 07, 2012 ; Thursday, January 31, 2013 and the Annual General Meeting was held on 23rd August, 2012.

The attendance of each Director in the Board Meeting and Annual General meeting is detailed herein below.

Sr. No.	Name of Directors	No. of meetings held during the tenure of Director in FY 2012-13	No. of Board Meetings attended during FY 2012-13	Attendance at the AGM held on 23-08-2012
1	Mr. Nirmal Kedia	7	6	Yes
2	Mr. Vijay Khowala	7	7	Yes
3	Mr. Nipun Kedia	7	5	Yes
4	Mr. Deven Doshi	7	5	No
5	Mr. Rajkumar Mawatwal	7	7	Yes

As per clause 49 the above details are required to be disclosed for the following three committees

- 1) Audit Committee
- 2) Shareholders / Investors Grievance Committee
- 3) Remuneration Committee

None of the Director of the Board is a member of more than ten Committee is and Chairman of more than five committees as per clause 49(IV)(B) across all companies in which they are Directors.

Board Committees

The Company in conformity with code of corporate Governance has constituted the following committees:

Audit Committee as at 31st March, 2013

The Details of Audit Committee meetings held and attended by the all Committee Members are as under.

The Audit committee comprises of three Directors and five meetings were held on Wednesday, April 04, 2012; Wednesday, May 23, 2012; Saturday, July 28, 2012; Thursday, October 25, 2012 and Wednesday, January 23, 2013.

Sr. No.	Name of Director	Category	No. of Audit Committee Meetings held in tenure	No. of Audit Committee Meetings attended
1	Mr. Nirmal B. Kedia	Chairman	5	4
2	Mr. Deven M. Doshi	Independent Director	5	4
3	Mr. Vijay P. Khowala	Executive	5	5

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Brief Terms of Reference of Audit Committee

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to any Govt. body or to the investors or public; the Company's system of internal controls regarding finance, accounting and legal compliances that Management and the Board have established.

Shareholders/Investors Grievance Committee

The Shareholders/Investors Grievance Committee comprises of three Directors and two meeting was held on Friday, August 03, 2012 and Thursday, November 29, 2012

Sr. No.	Name of Director	Category	No. of Meetings held in tenure	No. of Meetings attended
1	Mr. Nipun Kedia	Director	2	2
2	Mr. Vijay P. Khowala	Executive	2	2
3	Mr. Rajkumar M. Mawatwal	Whole-time Director	2	2

In accordance with the Authority Granted by the Board of Share Transfer Committee, Mr. Sandeep Biranje, deals with the following matters concerning shareholders once in a month.

Details of complaints received and redressed during the financial year ended 31st March, 2013

There were no complaints received during the financial year ended 31st March, 2013 and none of the complaints pending to be resolved.

The Board has consented to the understanding that complaints of non receipt of Annual Report will not be treated as Complaints under clause 49(g)(iii), as the Company's Liability is discharged when the relevant articles are posted at the last known address of the investor. And that in the above cases the letters received from the investors will be serviced in addition to the responsibility under clause 49 of the Listing Agreement as investor friendly measure beyond the legal obligation

Remuneration Committee

The Remuneration Committee is managed by a committee of Directors comprising of Mr. Nirmal B. Kedia, Mr. Nipun N. Kedia and Mr. Rajkumar M. Mawatwal.

Remuneration Policy

The meeting of the Remuneration Committee takes place as and when necessary. Within the overall limit fixed as per the Companies Act and shareholders, the Board decides the remuneration of Executive Directors taking their performance into consideration so as to induce the concerned Executive to put their best.

Sitting Fees

The Company has no provision of sitting fees to the Board of Directors and hence not paid any fees for attending each meeting of Audit Committee.

General Meetings

Location and Time of last three Annual General Meetings

Sr. No.	Financial year	Location	Day/ Date	Time	No. of Special Resolutions
1	2009-2010	Thane	Tuesday, August 10, 2010	3.00 PM	Nil
2	2010-2011	Thane	Thursday, August 11, 2011	3.00 PM	Nil
3	2011-2012	Thane	Thursday, August 23, 2012	3.00 PM	Nil

Extra Ordinary General Meeting(s) (EGMs)

During the year, No Extra Ordinary General Meetings of the members of the Company was held.

Disclosures**Related Party Transactions**

Related Party Transactions under Clause 49 of the Listing Agreements are defined as the transaction of the Company of a material nature, with its promoters, the Directors or the management, their Subsidiaries or relatives etc that may have potential conflict with the interest of the Company at large.

Among the related party transactions are the contracts or arrangements made by the Company from time to time with companies in which the directors are interested. All these contracts or arrangements are entered in the Register of Contracts under section 301 of the Companies Act, 1956 and the Register is placed before the Board from time to time. There were no material transactions with related parties during the year 2012-13 that are prejudicial to the interest of the Company.

Statutory Compliance

There has been no non-compliance of the provisions / requirements of Stock Exchanges / SEBI or any other statutory authority on any matter relating to capital market.

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General Shareholders Information**Means of Communication**

The financial results are taken on record by Board of directors and submitted to Stock Exchange in terms of clause 49 of the Listing Agreement and published in "Free Press" and "Navshakti" news papers.

The Management Discussion and Analysis Report is Attached with the Director's Report in this 38th Annual Report of the Company delivered to the shareholders.

Annual General Meeting:

- Date and time** : Thursday 19th September, 2013 at 3.00 P.M.
- Venue** : Prestige Precinct, 3rd floor,
Almeida Road, Panchpakhadi,
Thane (West) – 400 601
- Financial Year** : Year ending 31st March, 2013
- Dates of Book Closure** : 13th September, 2013 to 19th September, 2013 both days inclusive
- Listing on Stock Exchange** : The Calcutta Stock Exchange Ltd
- Stock Codes (for shares)** : 508875

Market Price Data

Month - Year	High Rs.	Low Rs.
Apr-2012	No trading	No trading
May-2012	No trading	No trading
Jun-2012	No trading	No trading
Jul-2012	No trading	No trading
Aug-2012	No trading	No trading
Sep-2012	No trading	No trading
Oct-2012	No trading	No trading
Nov-2012	No trading	No trading
Dec-2012	No trading	No trading
Jan-2013	No trading	No trading
Feb-2013	No trading	No trading
Mar-2013	No trading	No trading

Distribution of share holding as on 31st March, 2013

Category (Amount)	No. of Shareholders	Percentage	No. of Shares	Percentage
Upto-5000	18	11.92%	9000	0.08%
5001-10000	5	3.31%	4900	0.04%
10001-20000	3	1.99%	5500	0.05%
20001-30000	3	1.99%	9000	0.08%
30001-40000	0	0.00%	0	0.00%
40001-50000	1	0.66%	5000	0.05%
50001-100000	6	3.97%	52000	0.47%
100001-Above	115	76.16%	10989600	99.23%
Total	151	100.00%	11075000	100.00%

Category of Shareholders as on 31st March, 2013

Category	No. of Shares Held	% of Shareholding
Promoter's holding		
Promoters		
- Indian Promoters	5005000	45.19
- Foreign Promoters	Nil	
Sub - Total	5005000	45.19
Non - Promoter's holding		
Institutional Investors		
Mutual Funds and UTI	Nil	
Banks, Financial Institutions	Nil	
Insurance Companies / Central / State	Nil	
Govt. Institutions / Non-government		
Institutions / Venture Capital Funds		
FII's (Including ADB holding)	Nil	
Sub-Total		
Others		
Private Corporate Bodies	1000000	9.03
Indian Public	5070000	45.78
NRI's /OCB's(Including GDFI)	0	0.00
Any other (Clearing Members & Trusts)	0	0.00
Sub-Total	6070000	54.81
GRAND TOTAL	11075000	100.00

Dematerialization of Shares and Liquidity

53.54 % of the Company's shares capital is held in dematerialized form as on 31st March, 2013. The Company's shares are presently traded on CSE Limited.

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Address for Correspondence

Prestige Precinct, 3rd Floor, Almeida Road, Thane (West), Thane – 400 601

Address for Correspondence for Share related work

Registrar & Share Transfer Agent Sharex Dynamic (India) Pvt. Ltd. Unit No. 1, Luthra Industrial Premises, Andheri-Kurla Road, Safed Pool, Andheri (East), Mumbai – 400 072

Email Id of investor's Complaint: kilmumbai@gmail.com

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