

## 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 31<sup>st</sup> March, 2014 was four Directors as detailed herein below:

Sr. No.	Name	Designation	As on 31 <sup>st</sup> March 2014		
			Directorship in Other Companies	Committee Member in other Companies	Committee Chairman in Other Companies
1	Mr. Nirmal Kedia	Executive / Chairman	12	2	1
2	Mr. Vijay Khowala	Non-Executive Director	11	1	1
3	Mr. Nipun Kedia	Executive Director	5	2	1
4	Mr. Deven Doshi	Independent Director	3	1	0

### Board Meetings and Annual General Meeting

During the financial year 2013-14, **Seven** Board Meeting were held on Monday, April 08, 2013 ; Thursday, May 30, 2013 ; Wednesday, July 31, 2013 ; Thursday, September 19, 2013 ; Wednesday, October 30, 2013 ; Thursday, December 24, 2013 ; Thursday, January 30, 2014 and the Annual General Meeting was held on 19<sup>th</sup> September, 2013.

### 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 2013-14	No. of Board Meetings attended during FY 2013-14	Attendance at the AGM held on 19-09-2013
1	Mr. Nirmal Kedia	7	5	Yes
2	Mr. Vijay Khowala	7	7	Yes
3	Mr. Nipun Kedia	7	5	No
4	Mr. Deven Doshi	7	5	No
5	Mr. Rajkumar Mawatwal	5	5	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 31<sup>st</sup> March, 2014**

**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 Monday, April 08, 2013; Monday, May 27, 2013; Friday, July 27, 2013; Monday, October 28, 2013 and Thursday, January 23, 2014.

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	Non-Executive	5	5

**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 Wednesday, August 14, 2013 and Monday, November 25, 2013

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	Non-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 31<sup>st</sup> March, 2014**

There were no complaints received during the financial year ended 31<sup>st</sup> March, 2014 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 and Mr. Nipun N. Kedia.

**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.

**Directors with materially significant, pecuniary or business relationship with the Company:**

There is no pecuniary or business relationship between the Independent Directors and the Company, except for the legal fees payable to them in accordance with the applicable laws. Shri Deven M. Doshi, Independent Director of the Company who renders professional service to the Company. The quantum of fees paid to him is an insignificant of his total revenue, thus, Mr. Deven Doshi is not to be construed to have any material association with the Company.




**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	2010-2011	Thane	Thursday, August 11, 2011	3.00 PM	Nil
2	2011-2012	Thane	Thursday, August 23, 2012	3.00 PM	Nil
3	2012-2013	Thane	Thursday, September 19, 2013	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 2013-14 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 mater relating to capital market.

**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 39<sup>th</sup> Annual Report of the Company delivered to the shareholders.

**Annual General Meeting:**

<b>Date and time</b>	: Thursday 28 <sup>th</sup> August, 2014 at 3.00 P.M.
<b>Venue</b>	: Prestige Precinct, 3 <sup>rd</sup> floor, Almeida Road, Panchpakhadi, Thane (West) – 400 601
<b>Financial Year</b>	: Year ending 31 <sup>st</sup> March, 2014
<b>Dates of Book Closure</b>	: 25 <sup>th</sup> August, 2014 to 28 <sup>th</sup> August, 2014 both days inclusive.
<b>Listing on Stock Exchange</b>	: The Calcutta Stock Exchange Ltd
<b>Stock Codes (for shares)</b>	: 508875

**Market Price Data**

Month - Year	High Rs.	Low Rs.
Apr-2013	No trading	No trading
May-2013	No trading	No trading
Jun-2013	No trading	No trading
Jul-2013	No trading	No trading
Aug-2013	No trading	No trading
Sep-2013	No trading	No trading
Oct-2013	No trading	No trading
Nov-2013	No trading	No trading
Dec-2013	No trading	No trading
Jan-2014	No trading	No trading
Feb-2014	No trading	No trading
Mar-2014	No trading	No trading

**Distribution of share holding as on 31<sup>st</sup> March, 2014**

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%
<b>Total</b>	<b>151</b>	<b>100.00%</b>	<b>11075000</b>	<b>100.00%</b>

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**Category of Shareholders as on 31<sup>st</sup> March, 2014**

	Category	No. of Shares Held	% of Shareholding
	<b>Promoter's holding</b>		
1	Promoters		
	- Indian Promoters	50,05,000	45.19
	- Foreign Promoters	Nil	
	<b>Sub - Total</b>	50,05,000	45.19
	<b>Non - Promoter's holding</b>		
2	<b>Institutional Investors</b>		
a	Mutual Funds and UTI	Nil	
b	Banks, Financial Institutions	Nil	
c	Insurance Companies / Central / State Govt. Institutions / Non-government Institutions / Venture Capital Funds	Nil	
d	FII's (Including ADB holding)	Nil	
	<b>Sub-Total</b>		
3	<b>Others</b>		
a	Private Corporate Bodies	10,00,000	9.03
b	Indian Public	50,70,000	45.78
c	NRI's /OCB's(Including GDFI)	0	0.00
d	Any other (Clearing Members & Trusts)	0	0.00
	<b>Sub-Total</b>	60,70,000	54.81
	<b>GRAND TOTAL</b>	<b>11,07,5000</b>	<b>100.00</b>

**Dematerialization of Shares and Liquidity**

53.54 % of the Company's shares capital is held in dematerialized form as on 31<sup>st</sup> March, 2014. The Company's shares are presently traded on CSE Limited.

**Address for Correspondence**

Prestige Precinct, 3<sup>rd</sup> 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](mailto:kilmumbai@gmail.com)

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