



REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

At Company the core set of values of transparency, accountability and integrity, guide the principles and policies of Corporate Governance. Since its inception, Company remained committed to the highest standards of Corporate Governance which could not be possible without the emotional conviction of walking the right path. This has formed the foundation of our Corporate Governance. The Company complied with the Corporate Governance code enshrined in Clause 49 of the Listing Agreement.

2. BOARD OF DIRECTORS

The Board represents an optimum combination of executive and non executive directors and is in conformity with the provisions of Listing Agreements of Corporate Governance. The Board of Directors of your Company comprises four directors composition of the Board and the category of the Directors as well as details of their directorship/membership in other companies/committees as on 31st March, 2009 is given below:

Sr. No.	Name of the Directors	Category	No. of Directorship in other companies	No. of chairmanship/ membership in Board Committees.
1	Mr. Kaushikbhai Parikh	Chairman & Managing Director	NIL	2
2	Mr. Manharbhai Patel	Joint Managing Director	NIL	NIL
3	Mr. Girishbhai G Shah	Independent, Non-executive Director	NIL	2
4	Dr. Ramanbhai Patel	Independent & Non-executive Director	NIL	2

None of above directors is a member in any Committees or acts as Chairman in any committees across all Companies in which he is a director

Number of other Directorships held by the Directors, as mentioned above, do not include alternate directorships and directorships held in foreign companies, Section 25 Companies and Indian private limited companies and are based on the latest declarations received from the Directors.

The Company has a system to circulate and provide adequate information to the Board including as required under Annexure IA of Clause 49 of the Listing Agreements to enable the Board to take informed decisions.

The Compliance report of all laws applicable to the Company as prepared and compiled by the Compliance Officer is circulated to all the Directors along with the agenda and placed/reviewed in each Board Meeting.

The Board laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company and the process has been initiated to post it on the website of the Company.



Details of the Board Meeting held during the year are as follows:

Sr.No.	Date of Board Meeting	Chairman
1	25 th April 2008	Shri Kaushik B Parikh
2	20 th May 2008	Shri Kaushik B Parikh
3	25 th June 2008	Shri Kaushik B Parikh
4	31 st July 2008	Shri Kaushik B Parikh
5	15 th September 2008	Shri Kaushik B Parikh
6	22 nd October 2008	Shri Kaushik B Parikh
7	28 th January 2009	Shri Kaushik B Parikh

Details of Attendance of the directors at the Board Meetings held during the year 2008-09 and at the last Annual General Meeting are given below:

Sr. No.	Name of Directors	No. of Board Meeting held while holding the office	No. of Board Meeting attended while holding the office	Attendance at last AGM
1.	Shri Girishbhai Shah	7	7	Yes
2.	Shri Kaushikbhai Parikh	7	7	Yes
3.	Shri Manharbhai Patel	7	7	Yes
4.	Dr. Ramanbhai Patel **	7	7	No

The Details of Share holding of Directors

Name of the Director	No. of shares held as on 31.03.2007
Shri Girishbhai Shah *	500
Shri Kaushikbhai Parikh	29,83,826
Shri Manharbhai Patel	86,578
Dr. Ramanbhai Patel *	Nil

* Non executive Directors

4. Audit Committee:

The Audit Committee has been entrusted to overview the accounting systems, financial reporting and internal controls of the Company. The power and role of audit committee is as set out in Listing Agreements.

As on date, the Audit Committee of the Board, after duly reconstituted consists of the two independent Non Executive Director and Managing Director, as specified below :-



- d) Reviewing with the management the quarterly financial statements before submission to the board for approval
- e) Reviewing with the management, external and internal auditors, the adequacy of internal control systems and ensuing compliance therewith.
- f) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- g) Discussing with internal auditors any significant finding and follow up thereon.
- h) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- i) Discussing with external auditors before the audit commences nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- j) Reviewing the Company's financial and risk management policies.
- k) To look into the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- l) Any other function(s)/responsibilities as may be delegated by the Board from time to time.
- m) To review mandatorily the following information
 1. Management discussion and analysis of financial condition and results of operations;
 2. Statement of significant related party transactions (as defined by the audit committee) submitted by management
 3. Management letters/ letters of internal control weaknesses issued by the statutory auditors;
 4. Internal audit reports relating to internal control weaknesses; and
 5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

5. Remuneration Committee:

At present the Company does not have the policy of payment of remuneration to non executive directors except by way of sitting fees for attending the meeting of the Board or a committee thereof. The Company is therefore not required to constitute the remuneration committee.

Details of the Remuneration paid to the Executive Directors
The aggregate salary, value of perquisites and contribution of PF paid to the Executive Directors is as under:

Sr. No	Name of Directors	Remuneration Rs.
1	Shri K. B. Parikh	523809
2	Shri M. D. Patel	527109



7. General Body Meeting:

The last three Annual General Meeting of the Company were held as under:

Sr. no.	Year	Location	Date	Time	Special	Resolution
1	2007-08	22, Dolly Complex, Stadium Circle, Navrangpura, Ahmedabad	25.09.08	10.00 a.m.	Voluntary delisting of equity shares of the Company listed on Ahmedabad Stock Exchange.	Special
2	2006-07	22, Dolly Complex, Stadium Circle, Navrangpura, Ahmedabad	29.09.07	3.00 p.m.	Reappointment of Managing Director and Joint Managing Director	Special
3	2005-06	22, Dolly Complex, Stadium Circle, Navrangpura, Ahmedabad	29.09.06	3.00 p.m.	Nil	Not Applicable

No Extra Ordinary General Meeting of the Company was held during last 3 years.

8. Disclosures

- There have been no materially significant related party transactions and pecuniary transactions that may have potential conflict with the interest of the Company at large. Audit Committee reviews periodically significant related party transactions i.e. transactions of the company, which are of material nature, with its directors, or relatives or the management that may have potential conflict with the interest of the Company at large. Details are provided in Note 15 to the Notes forming part of the Accounts in accordance with the provisions of Accounting Standard 18
- There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority.
- In the preparation of the financial statements, the Company has followed the Accounting Standards issued by the ICAI. The significant accounting policies applied in preparation and presentation of financial statements has been set out in Schedule 13 forming part of the financial statements.
- The Company has laid down procedure to inform the Board Members about the risk assessment and minimization procedure covering the entire gamut of business operations of the company and the same have been reviewed by the Board during the year.
- The CEO (Managing Director) and the CFO have furnished a Certificate to the Board for the year ended on 31st March 2009 in compliance with the revised Clause 49 V of the Listing Agreements as amended.

