

REPORT ON CORPORATE GOVERNANCE

Corporate Governance is about commitment to values and about ethical business conduct. It is about how an organisation is managed. This includes its corporate and other structure, its culture, policies and the manners in which it deals with various stakeholders. Accordingly, timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the Company is an important part of Corporate Governance.

A. COMPLIANCE OF MANDATORY REQUIREMENT

In accordance with clause 49 of the Listing Agreement with the stock exchanges, the details of Corporate Governance Compliances by the Company are as under:

1. Company's philosophy on corporate governance

Company believes that good corporate Governance is a basic tool to achieve long term corporate goals and to create shareholder's value on a substantial basis. The Company's philosophy on Corporate Governance envisages attainment of high level of Transparency, accountability and integrity in all its facets including the conduct of its business, its relationship with its stakeholders VIZ Shareholders, employees, Customers, government and the lenders.

2. The Board of Directors

a) Composition of the Board

The Board of Directors of the company presently comprises of six Directors out of which four are Non Executive. The Managing Director and one whole time Directors fall in the category of Executive Directors. Four Directors are in the Category of Independent Directors. At the present time out of 6, our Board has 4 Independent directors, viz Shri. M.L. Goyal, Shri. K.G. Dave, Shri. R.K. Mishra, and Shri. S.L. Jain and Shri. S.K. Kanoria, Director represent Promoters, Shri. Darvinder Ambardar is whole time Directors. None of the Directors are related to each other or to the promoter. Independent Directors play an important role in deliberation at the Board level and bring the company their wide experience in fields of industry, banking and finance, administration and law and contribute significantly to the various Board Committees.

b) Board Meeting and attendance of the Directors

During the year under review, Seven Board Meetings were held, the dates being 14th May 2012, 13th August 2012, 20th August, 2012, 03rd September, 2012, 12th November 2012, 04th December 2012, and 14th February 2013. The last AGM was held on 29th September 2012. Details of Attendance of directors during 2012-2013 and other particulars regarding their directorship in other companies etc. are given below:-

S N o	Name	Title	Category	Directorsh ip in other Limited Companies	No. of Board Meeting For 2012-2013		Wheth er Attend ed Last AGM
				Members of Board	Total held	Attendan ce	
1.	Mr. S.K. Kanoria	Managin g	Promoter Executive	3	7	7	No
2.	Mr. M. L. Goyal	Director	Independent Non Executive	2	7	6	No
3.	Mr. K.G. Dave	Director	Independent Non Executive	-	7	3	No
4.	Mr. R.K Mishra	Director	Independent Non Executive	-	7	4	No
5.	Mr. S.L. Jain	Director	Independent Non Executive	-	7	2	No
6.	Mr. V.K. Gupta*	Whole-ti me Director	Executive	-	7	4	No
7.	Mr. Darvinder Ambardar	Whole-ti me Director	Executive	-	7	6	Yes

* Resigned w.e.f. 04th December, 2012.

c) Remuneration

Details of remuneration paid to the Directors for the year:

(I) Executive Directors (Managing /Whole - time Directors)

The Company pays remuneration only to Executive Directors. The details of remuneration paid to Directors of the Company for the financial year ended 31st March, 2013 are as follows:

(Amount Rs. in Lacs)

Name	Salary	P.F	Other Perquisites	Total
1. Mr. S.K. Kanoria	15.00	1.80	0.00	16.80
2. Mr. V.K. Gupta	4.13	0.50	3.34	7.97
3. Mr. Darvinder Ambardar	4.67	0.56	4.80	10.03

(II) Non Executive Directors

Non-Executive Directors are not entitled to any remuneration other than sitting fees for attending the meetings of the Board of Directors and Committee thereof, held during the financial year.

Due to liquidity crunch, it was decided by the Board of Directors to waive the payment of Sitting Fees for the financial year 2012-13.

The Company does not have Employee Stock Option Scheme in force.

d) Code of conduct for members of the board and senior management personnel

The Board of Directors has adopted code of conduct for Directors and Senior Management .The said code has been confirmed by all the directors and members of the senior management.

As provided under clause 49 of the listing agreement with Stock Exchanges, it is hereby declared that all the Board members and senior management personnel of the Company have confirmed compliance with the code of conduct for the year ended 31.03.2013.

3. COMMITTEES OF THE BOARD

a) Audit committee

- (i) In terms of Clause 49 of the Listing Agreement as well as Section 292A of the Companies Act, 1956 the Board has constituted Audit Committee of the Board of Directors. At present the Committee consists of three independent and Non-executive Directors and an executive Director. All members of the committee are financially literate. The Audit Committee; inter alia advises the management on the areas where systems, processes, measures for controlling and monitoring revenue assurance, internal audit can be improved. The minutes of the meetings of the Audit Committee are placed before the Board. The terms of reference to the Audit Committee are in accordance with all the items listed in Clause 49(II) of the Listing Agreement viz review of financial reporting systems, internal control systems, ensuring compliance with regulatory guidelines, discussion on quarterly/ half yearly/ annual financial results, interaction with statutory, internal auditors.
- (ii) Four Meeting of the Audit Committee were held during the year on 14th May 2012, 13th August 2012, 12th November 2012 and 14th February 2013.
- (iii) The Constitution of the Committee and the attendance of each member of the Committee are given below:

S. No	Name of the Director	Position	No. of Meeting held during the year	No. of Meetings attended
1	Mr. M.L. Goyal	Chairman	4	4
2	Mr. K.G. Dave	Member	4	1
3	Mr. R. K. Mishra	Member	4	3
4	Mr. S.K. Kanoria	Member	4	4

The Company Secretary acts as the Secretary to the committee.

b) Remuneration Committee

- (i) The Remuneration Committee of the Board of Directors has been constituted to recommend/review remuneration to Managing Director/Directors based on their performance and defined assessment criteria. The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The remuneration policy is in consonance with the existing Industry practice. The Committee has been constituted in accordance with the prescribed guidelines. The committee comprises of three Directors, all of them are Non Executive and Independent.
- (ii) One meeting of the Remuneration Committee was held during the year.
- (iii) The Details of the composition of the Remuneration Committee and the attendance at the Meeting held are as under:

S. No	Name of the Director	Position	No. of Meeting held during the	No. of Meetings
1	Mr. K. G. Dave	Chairman	1	1
2	Mr. M. L. Goyal	Member	1	1
3	Mr. R. K. Mishra	Member	1	1

c) Shareholders' Committees

- (i) The Company has a Shareholders/Investors Grievance Committee and Share Transfer Committee of Directors to look into the redressal of complaints of investors such as transfer of shares, non-receipt of dividend/notices/annual reports etc.

The Board of Directors has constituted following committees for share holders related matters:

(a) The Shareholders / Investors Grievance Committee

1. Mr. S.K. Kanoria Member
2. Mr. Darvindar Ambardar Member

(b) Share Transfer Committee

1. Mr. S.K. Kanoria Member
2. Mr.Darvindar Ambardar Member
3. Ms. Swati Acharya Secretary

No. of Complaints / grievances received from shareholders/stock Exchange/SEBI -10.

No. of complaints not resolved – NIL

Investor grievances are resolved expeditiously. There are no grievances pending as on date.

4. Shares held by Directors

Details of Shareholding of Directors as on 31.03.2013 in the Company are as under:

S.No.	Director	No. of Equity Shares
1.	Mr. S.K. Kanoria	198600
2.	Mr. M.L. Goyal	NIL
3.	Mr. K.G. Dave	NIL
4.	Mr. R.K. Mishra	NIL
5.	Mr. S.L. Jain	NIL
6.	Mr.Darvinder	NIL

5. Subsidiary Company:

The Company does not have any subsidiary Company.

6. CEO/ Sr. V. P. Finance Certificates:

The CEO/ Sr. V.P. Finance Certificate as required under clause 49 is enclosed with this report.

7. General Body Meeting

The last Three Annual General Meetings were held as per details given below:

Date of AGM	Relevant financial year	Venue / Location where meeting held	Time of Meeting
30 th September 2010	2009-2010	Registered Office & Works at Hamirgarh, Distt. Bhilwara (Rajasthan) 311025	3.00 P.M
30 th September 2011	2010-2011		
29 th September 2012	2011-2012		

8. Disclosures

a) Related Party Disclosure: Information on related party disclosure is given in Note No.38 of Notes to the financial statement as per requirements of AS-18 – “Related party disclosures” issued by ICAI.

b) Disclosure of Accounting Treatment: The Company follows the Accounting Standards as specified in the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of Companies Act, 1956. The Company has not adopted a treatment different from that prescribed in any Accounting Standard, in the preparation of financial statements. The significant accounting policies which are consistently applied are set out in the Annexure to Notes to the Accounts.

c) Risk Management: The Company has laid down a robust Risk Management Policy, defining Risk profiles involving Strategic, Technological, Operational, Financial, Organisational, Legal and Regulatory risks within a well defined framework. The periodical update on the risk management practices and mitigation plan of the Company are presented to Audit Committee and Board of Director. The Audit Committee and Board periodically review such updates and findings and suggest areas where internal control and risk management practices can be

improved.

d) No money was raised by the Company through public issue, right issue, preferential issues etc. in the last financial year and hence, provision contained in this behalf in Clause 49 of the Listing Agreement are not applicable for Compliance by the Company.

10. SEBI prescription of Insider Trading:

As per SEBI guidelines, the Board has designed a code of conduct strictly in accordance with SEBI (Prohibition of Insider Trading) Regulation; 1992. The Code besides other relevant matters prohibits an insider from dealing in shares of the Company while in possession of unpublished price sensitive information in relation to Company. During the time of declaration of results and other material events the trading window is closed as per code.

11. Whistle Blower Policy

The Company has laid down “Whistle Blower Policy” for all its employees across the organisation. The code lays down that the employees shall promptly report any concern or breach and not to hesitate in reporting a violation or raising a policy concern to concerned superior. The Policy provides that the Company shall support and protect the employees for doing so.

12. Means of Communication.

The Company has been sending Annual Reports, Notices and other communication to each shareholder through post or courier.

The quarterly/ annual results of the Company as per the statutory requirement under clause 41 of the Listing Agreement with Stock Exchange are generally published in the Financial Express, Delhi and one regional daily at Bhilwara in the state of Rajasthan.

13. Appointment/Re- appointment of Directors

The details of the Directors seeking appointment/ re-appointment have been provided in the Notice of Annual General Meeting attached with this Annual Report.

14. Compliance Certificate of the Auditors

Certificate from the Auditors of the Company, M/s Agiwal & Associates, Chartered Accountants, confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is annexed hereinafter.

15. Secretarial Audit for Reconciliation of Capital

As stipulated by SEBI, a qualified practicing Company Secretary carries out the secretarial audit to reconcile the total issued capital and paid up capital. This audit is carried out every quarter and report thereon is submitted to the Stock Exchanges.

16. Management Discussion & Analysis Report (MDAR)

The Management Discussion & Analysis Report is attached and forms part of the Directors' Report.

17. General Shareholders information:

Detailed information in this regard is provided in the section "Shareholders information" which forms part of this Annual Report.

SHARE HOLDERS INFORMATION

a) Annual General Meeting:

Date and Time: Monday, The 30th September, 2013 at 3.00 p.m.

Venue: Works at Hamirgarh Distt. Bhilwara 311025
Rajasthan

b) Financial Calendar:

The Financial year of the company is 1st April to 31st March and the financial results are proposed to be declared as per the following tentative schedule:

Financial reporting for the quarter ending 30 th June, 2013	First fortnight of August, 2013
Financial reporting for the half year ending 30 th Sept, 2013	First fortnight of November, 2013
Financial reporting for the quarter ending 31 st Dec, 2013	First fortnight of February, 2014
Financial reporting for the quarter ending 31 st March, 2014	First fortnight of May, 2014
Annual General Meeting for the year ending 31 st March, 2014	September, 2014

c) Dividend Payment: Nil

d) Date of Book Closure: September 21st, 2013 to September 30th 2013
(both days inclusive)

e) Registered Office: P.O. Hamirgarh Distt. Bhilwara 311025 Rajasthan
Tel: (01482) 286102, Fax: (01482) 286104
Email: cs@kanoria.org

f) Corporate office: A-9-A Green Park Main
New Delhi - 110016

g) Corporate Identification No.: L25191RJ1980PLC002077

h) Listing of Equity Shares on Stock Exchange at:

The Delhi Stock Exchange Ltd. (DSE)

The Jaipur Stock Exchange Ltd. (JSE)

Note: Listing fees for the year 2013-2014 has been paid to DSE & JSE

i) Dematerialization of Shares:

The shares of the Company are in physical form. After receiving Capital Confirmation Certificate from Stock Exchanges, the Company shall take necessary steps to dematerialize shares in electronic form.

j) **Market Price Data:**

Company's equity Shares are Listed at The Delhi Stock Exchange Ltd & Jaipur Stock Exchange Ltd. There are no trading platforms available either of these stock exchanges hence stock market quote for the company's equity shares is not available.

k). **Compliance officer:** Ms. Swati Acharya, Company Secretary is the Compliance officer. Investor Correspondence should be addressed to:

Company Secretary

A Infrastructure Ltd.

P.O. Hamirgarh, Distt. Bhilwara 311 025 Rajasthan

Telephone No. 01482 -286102, 286107 Fax- No.01482- 286104

Email: cs@kanoria.org.

l). **Share Transfer System:**

Presently, the share transfers received in physical form are processed and the share certificates returned within a period of 30 days from the date of receipt subject to the documents being valid and complete in all respects.

m) **Plants location:**

1.	P.O. Hamirgarh, Distt. Bhilwara Rajasthan 311025 Telephone No.01482-286102, 286107 Fax- 01482- 286104 Email: bhilwara@kanoria.org .	2.	Digvijay Nagar, Ranip Ahmedabad, Gujarat Telephone No. 079 -27524830 Fax No.079-27524519 Email: ahmedabad@kanoria.org
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n) **Distribution of shareholding as on March 31, 2013:**

No. of equity	No. of	% of	No. of shares	% of
Up to 500	1836	93.67	246725	2.31
501 to 1000	74	3.78	64100	0.60
1001 to 2000	22	1.12	32050	0.30
2001 to 3000	6	0.31	13925	0.13
3001 to 4000	2	0.10	7550	0.07
4001 to 5000	4	0.21	17650	0.17
5001 to 10000	3	0.15	20510	0.19
10001 and above	13	0.66	10258915	96.23
GRAND	1960	100.00	10661425	100.00

12. SHAREHOLDING PATTERN AS AT MARCH 31, 2013

	Category	No. of shares held
(A)	Shareholding of Promoter and Promoter Group	
1	Indian	
(a)	Individuals/Hindu Undivided Family	200100
(b)	Bodies Corporate	7683685
	Sub Total(A)(1)	7883785
2	Foreign	0
	Sub Total(A)(2)	0
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A) (2)	7883785
(B)	Public shareholding	
1	Institutions	
(a)	Mutual Funds/UIT	0
(b)	Financial Institutions/Banks	301650
(c)	Venture Capital Funds	0
(d)	Insurance Companies	0
(e)	Foreign Institutional Investors	0
	Sub- Total (B) (1)	301650
2	Non-institutions	
(a)	Bodies Corporate	2092130
(b)	Individuals	
i	- Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0
ii	- Individual shareholders holding nominal share capital up to Rs. 1 lakh	329360
(c)	Any other (NRI)	54500
	Trust	0
	Sub-Total (B) (2)	2475990
	Total Public Shareholding (B)= (B) (1) + (B) (2)	2777640
	Total (A)+(B)	10661425
(C)	Share held by Custodians and against which Depository Receipts have been issued	0
	GRAND TOTAL (A)+(B)+(C)	10661425

Snajay Kumar Kanoria
Managing Director