

## REPORT ON CORPORATE GOVERNANCE

### 1. Company's Philosophy on Corporate Governance:

The Company believes in adopting and adhering to upholding the highest standards of Corporate Governance in its operation. Its policies and practices are not only in line with statutory requirements but also reflect its commitment to operate in the best interest of shareholders. The responsibility for managing high corporate governance standards with your Company's Board of Directors and various Board Committees, which are empowered to monitor implementation of the best Corporate Governance practise including making necessary disclosure within the framework of legal and regulatory provisions. The Company also understands and respects its fiduciary role and responsibility towards its shareholders and strives hard to meet their expectation. The philosophy of corporate governance is an important tool for shareholder protection and maximisation of their long term values. The Cardinal principles such as independence, accountability, responsibility, transparency, fair and timely disclosures, credibility, sustainability etc. serve as the means for implementing the philosophy of corporate Governance in letter and spirit.

The Company is in compliance of the requirements of Corporate Governance under Clause 49 of the Listing Agreement with the Stock Exchanges.

### 2. Board of Directors:

The Board of Directors of the Company is having combination of Executive and Non-Executive Directors in compliance of Clause 49 of the Listing Agreement. As on the date of this report, the Board of Directors comprises Five Directors, out of which three are Executive Directors and two are Non-Executive & Independent Directors of the Company.

As on the date of this report, the details of composition of Board, category of all Directors as well as their Directorship/Membership in other Companies/Committees are given below:

Sr. No.	Name and Designation of Director	Category	Number of other Directorship and Committee Membership / Chairmanship		
			Other Directorships	Committee Membership	Committee Chairmanship
1.	Mr. Mukesh Bhandari Chairman	Promoter & Executive	6	1	Nil
2.	Mr. Shailesh Bhandari Managing Director	Promoter & Executive	7	4	2
3.	Mr. Avinash Bhandari Jt. Managing Director & CEO	Executive	4	2	1
4.	Mr. Ram Singh	Independent & Non-Executive	Nil	Nil	Nil
5.	Mr. Pradeep Krishna Prasad	Independent & Non-Executive	1	Nil	Nil
6.	*Mr. Nilesh Desai	Independent & Non-Executive	4	2	Nil

\* Mr. Nilesh Desai has resigned from the Directorship as on 16<sup>th</sup> May, 2014.

- Directorship in other Companies mentioned above excludes Directorship in Private Limited Companies, Unlimited Companies, Section 25 Company and Foreign Companies.
- While calculating the number of Membership / Chairmanship in Committees of other Companies, Membership / Chairmanship of only Audit Committee and Shareholders' / Investors' Grievance Committee have been considered pursuant to Clause 49 of the listing agreement. None of the Director is a member in more than ten committees and act as a Chairman in more than Five Committees across all Companies in which he is a Director.
- None of the Directors are related to each other except Mr. Mukesh Bhandari and Mr. Shailesh Bhandari, who are Brothers.

## REPORT ON CORPORATE GOVERNANCE

### Board Meetings:

During the financial period 2013 -14, 4 (Four) Board Meetings were held on 22nd November, 2013, 31<sup>st</sup> January, 2014, 11<sup>th</sup> February, 2014, 26<sup>th</sup> February, 2014.

Attendances of Directors at the Board Meetings and at the Last Annual General Meeting held on 30th December, 2013 are as under:

Name of Director	Attendance	
	Board Meetings	AGM held on 30.12.2013
Mr. Mukesh Bhandari	2	No
Mr. Shailesh Bhandari	4	Yes
Mr. Avinash Bhandari	4	Yes
Mr. Nilesh Desai *	4	Yes
Mr. Ram Singh	4	Yes
Mr. Pradeep Krishna Prasad	4	No

\* Mr. Nilesh Desai has resigned from the Directorship as on 16<sup>th</sup> May, 2014.

All the information required to be furnished to the Board was made available to them along with detailed agenda notes. Time gap between two Board meetings were not more than four months.

### 3. Committees of Board

#### A. Audit Committee

##### (i) Brief description of Terms of Reference

The terms of reference and powers of the Audit Committee are in compliance with the provisions of the Corporate Governance – Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. Minutes of the Audit Committee are circulated and discussed at the Board Meetings.

##### (ii) Composition of the Committee

The Audit Committee comprises of three members and two thirds of the members of Audit Committee are independent directors. The Company Secretary acts as a secretary to the Audit Committee. Mr. Nilesh Desai has resigned as a Director w.e.f. 16<sup>th</sup> May, 2014. Hence the Audit committee was reconstituted by appointing Mr. Pradeep Krishna Prasad as a member of the Committee. At present Mr. Ram Singh is the Chairman and Mr. Pradeep Krishna Prasad and Mr. Avinash Bhandari as a member of the Committee.

##### (iii) Meetings and Attendance

During the financial period 2013-14, Two Meetings of the Audit Committee were held on 22<sup>nd</sup> November, 2013 and 11<sup>th</sup> February, 2014.

**REPORT ON CORPORATE GOVERNANCE****Details of Attendance at the Audit Committee**

Name	Designation	Attendance
Mr. Ram Singh	Chairman	2
Mr. Nilesh Desai	Member	2
Mr. Avinash Bhandari	Member	2

**B. Nomination & Remuneration Committee:**

The Board of Directors of the Company in its meeting held on 17th May, 2014, changed the nomenclature of the Remuneration Committee of the Company to "Nomination and Remuneration Committee" and also modified its terms of reference to comply with the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement

**(i) Brief description of Terms of Reference**

The Nomination and Remuneration has been constituted to recommend and review remuneration package of Executive Directors and relatives of Directors of the Company and recommend suitable revision to the Board and also recommend the scope of work and on such other matters as may be required, from time to time, under the provisions of the Companies Act, 2013 and Listing Agreement with Stock Exchanges.

**(ii) Composition of the Committee**

At present, the Nomination and Remuneration Committee consists of two Non-Executive Director & Independent Directors. Mr. Nilesh Desai has resigned as a Director w.e.f. 16<sup>th</sup> May, 2014. Hence, At present Mr. Pradeep Krishna Prasad and Mr. Ram Singh are members of the Nomination and Remuneration Committee. The Company Secretary acts as Secretary to the Committee.

**(iii) Meetings and attendance**

During the financial period 2013-2014, One Meeting of the Nomination and Remuneration Committee was held.

**(iv) Remuneration Policy**

The remuneration policy of the Company for managerial personnel is based on the performance, experience and responsibilities. The members of the Company passed resolutions through postal ballot on 20<sup>th</sup> March, 2009 and further through resolutions passed at 23<sup>rd</sup> Annual General Meeting held on 15<sup>th</sup> September, 2009 approved the terms of remuneration of managerial personnel subject to the Schedule XIII and other applicable provisions of the Companies Act, 1956.

Due to the losses incurred by the Company during the financial period 2013-2014, the remuneration of the managerial personnel was reduced / revised to the minimum remuneration of ₹ 2,00,000/- per month as per Schedule XIII of the Companies Act, 1956 up to 31.01.2014. The terms of Directors expires on 31.01.2014. Hence, they are re-appointed for further period of 3 years subject to approval of Shareholders, Banks Financial Institutions, Board of Financial Restructuring and Central Government.

**(v) Details of Remuneration of Directors**

The details of remuneration paid to Chairman and Managing Directors for the financial period ended on 31st March, 2014 (up to 31<sup>st</sup> January, 2014) is as under:

Name of Executive Director	Salary	Allowances & PF Contribution	Total	Tenure of Appointment
Mr. Mukesh Bhandari	8,00,000	60,000	8,60,000	01.02.2014 To 31.01.2017
Mr. Shailesh Bhandari	8,00,000	60,000	8,60,000	01.02.2014 to 31.01.2017
Mr. Avinash Bhandari	8,00,000	60,000	8,60,000	01.02.2014 to 31.01.2017
<b>Total</b>	<b>24,00,000</b>	<b>1,80,000</b>	<b>25,80,000</b>	

## REPORT ON CORPORATE GOVERNANCE

During the financial period 2013-2014, Ms. Shivani Bhandari Daughter of Mr. Shailesh Bhandari has been paid the remuneration of ₹ 33,000/- per month.

Non-Executive Directors of the Company does not hold any equity shares of the Company as on 31st March, 2014. During the year, there were no pecuniary relationships or transactions between the Company and its Non Executive Directors.

### C. Stakeholders Relationship Committee:

The Board of Directors of the Company in its meeting held on 27th May, 2014 changed the nomenclature of "Shareholders'/ Investor' Grievances Committee" to "Stakeholders' Relationship Committee" and also modified its terms of reference to comply with the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Company has Stakeholders Relationship Committee comprising of one Executive Director and two Non-Executive & Independent Directors to expedite the process of redressal of complaints like non-transfer of shares, non-receipt of annual report, non-receipt of dividends etc.

Mr. Nilesh Desai has resigned as a Director w.e.f. 16<sup>th</sup> May, 2014. Hence, Stakeholders Relationship Committee was reconstituted by appointing Mr. Pradeep Krishana Prasad as a member in his place. Mr. Ram Singh, a Non-Executive and Independent Director is the Chairman and Mr. Avinash Bhandari and Mr. Pradeep Krishna Prasad are members of the Committee. The Committee generally meets two times a quarter to expedite all matters relating to shareholders' / investors' grievances received during that period. The Committee reviews summary of share transfers, dematerialization of shares, consolidation or sub-division of shares, complaints received and disposed off etc.

During the financial period 2013-14, 3 meetings of the Shareholders'/Investors' Grievance Committee were held. Mr. Jigar H. Shah, Company Secretary is the Compliance Officer.

#### Details of Shareholders Complaints

The details of complaints received / solved / pending during the financial period are as under:

Sr.No.	Nature of Complaint	Complaints received	Complaints solved	Complaints pending
1.	Non receipt of Dividend	0	0	NIL
2.	Non receipt of Annual Report	3	3	NIL

#### SEBI Complaints Redress System (SCORES)

The investors complaints are processed in a centralised web-based complaints redress system.

The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned Companies and online viewing by investors of action taken on the complaint and its current status etc.

### D. Other Committees

#### (i) Share Allotment Committee

The Company has constituted a Share Allotment Committee on 29th July, 2006. The terms of reference of Share Allotment Committee includes to look into the receipt of money by way of subscription of Shares, Warrants, FCCBs or other convertible instruments issued or to be issued by the Company and allotment of Shares, Warrants, FCCBs or other convertible instruments and allotment of Equity Shares arising on conversion of Warrants, FCCBs or other convertible instruments issued by the Company or to be issued by the Company in future.

Mr. Shailesh Bhandari is the Chairman of the Committee and Mr. Avinash Bhandari and Mr. Ram Singh are members of the Committee.

During the financial period 2013-14, no meeting of the Share allotment Committee was held.

#### (ii) Management Committee

The Company has constituted a Management Committee on 29th October, 2007. The terms of reference of Management Committee includes to look into the day to day functioning and exercise of delegated power of the Board for matters relating to operations and granting of authority for various functional requirements such as issue of Power of Attorney, arranging for vehicle loans, dealings with Central / State Governments and various Statutory / Judicial / Regulatory / Local / Commercial / Excise / Customs / Port / Sales Tax / Income tax / Electricity Board, Opening/Closing of Current Accounts with various Banks, Change in signatory in various Current Accounts with various Banks, Transfer of unpaid dividend to Investor Education and Protection Fund and closing of such dividend accounts and other authorities on behalf of the Company.

## REPORT ON CORPORATE GOVERNANCE

At present Mr. Shailesh Bhandari is the Chairman and Mr. Avinash Bhandari and Mr. Ram Singh are members of the Management Committee.

During the financial period 2013-2014, Six Meetings of the Management Committee were held.

### (iii) Risk Management Committee

The Company has constituted a Risk Management Committee on 30<sup>th</sup> September, 2011. The terms of reference of Risk Management Committee includes reviewing the risk management processes across all businesses and functions, to identify the key risk and develop action plans to mitigate those risks, to assess the risks on periodical basis including effective control and management reporting system etc. At Present, Mr. Avinash Bhandari is the Chairman and Mr. Shailesh Bhandari and Mr. Pradeep Krishna Prasad are members of the Risk Management Committee.

During the financial period 2013-14, No meeting of the Risk Management Committee was held.

### (iv) Corporate Social Responsibility Committee (CSR Committee):

As per the Companies Act, 2013 all Companies having a net worth or ₹ 500 Crore or more, or turnover of ₹ 1,000 Crore or more or a net profit of ₹ 5 Crore or more during any financial year will required to constitute a Corporate Social Responsibility Committee of the Board of Directors consisting of three or more Directors, at least one of whom will be independent Director and have a CSR policy approved by the Board.

Accordingly, the Board of Directors on 27<sup>th</sup> May, 2014, constituted the CSR Committee comprising Mr. Shailesh Bhandari Chairman and Mr. Avinash Bhandari and Mr. Pradeep Krishna Prasad are the members of the CSR Committee. The CSR Committee will formulate and monitor the CSR policy of the Company and other policy.

## 4. General Body Meeting:

### (i) Annual General Meetings

The last three Annual General Meetings of the Company were held within the statutory time period. The details of the same are as under:

AGM	Financial Year	Venue	Date	Time
27th	2012-2013	A-1 Skylark Apartment, Satellite Road, Satellite, Ahmedabad – 380 015	30.12.2013	11.00 A.M.
26th	2011-2012	S-5, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015	28.12.2012	11.00 A.M.
25th	2010-2011	S-5, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015	30.09.2011	11.00 A.M.

### Special Resolutions:

Special Resolutions passed at the previous three Annual General Meetings:

No Special Resolution was passed at the 25<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2011, 26<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> December, 2012 and 27<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> December, 2013.

### (ii) Extra Ordinary General Meetings

No Extra Ordinary General Meeting was held during the financial period 2013–2014.

### (iii) Postal Ballot

No Resolution is proposed by the Board to be conducted through postal ballot at the ensuing Annual General Meeting.

## 5. Disclosures:

### (i) Disclosures on materially significant related party transactions

The Company does not have any related party transactions with promoters, directors or management or relatives, which may have potential conflict with the interest of the Company at large. Transactions with related parties are disclosed in the notes to the accounts in this Annual Report.

## REPORT ON CORPORATE GOVERNANCE

### (ii) Code of Conduct

The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct has been posted on the website of the Company [www.electrotherm.com](http://www.electrotherm.com)

In compliance with the Code, directors and senior management of the Company have affirmed compliance with the Code for year ended on 31st March, 2014. The declaration of compliance of Code of Conduct by the Joint Managing Director & CEO is part of this Annual Report.

### (iii) CEO / CFO Certification

Mr. Shailesh Bhandari, Managing Director and Mr. Avinash Bhandari, Joint Managing Director & CEO of the Company has furnished the requisite certificate to the Board of Directors under Clause 49 V of the Listing Agreement.

### (iv) Cases of Non-Compliance / Penalties

There are no non-compliances by the Company on any matter related to capital markets, during the last three years. Similarly, there are no penalties or strictures imposed on the Company by Stock Exchanges or SEBI or any other statutory authorities on any matter related to capital markets during the last three years.

The Company has complied with all the mandatory requirements of the Clause 49 of the listing agreement with the Stock Exchanges as well as regulations and guidelines issued by SEBI.

### (v) Non-Mandatory Requirements

The Company has complied with all the mandatory requirements of Clause 49 of the listing agreement. Further the Company has fulfilled the following non-mandatory requirements as prescribed in Annexure ID to clause 49 of the listing agreement with the Stock Exchanges:

- (a) The Company has set up a Nomination and Remuneration Committee. Please see the Para 3B on Nomination and Remuneration Committee for details.
- (b) The Company has adopted Whistle Blower Policy at the Board Meeting held on 12<sup>th</sup> August, 2011. The Company hereby affirms that all employees has right to access to the Audit Committee against any violation of the company's code of conduct or ethics policy. Further the Board has also approved vigil mechanism system as per the New Companies Act, 2013 in the Board Meeting held on 27<sup>th</sup> May, 2014.

## 6. Means of Communication:

The quarterly results are normally published in national and local daily such as "Business Standard" in English and "Prabhat" in Gujarati Editions.

The Company has its own website [www.electrotherm.com](http://www.electrotherm.com), on which the quarterly results are displayed. The quarterly results and official news releases are displayed on the website of the respective stock exchanges.

## 7. General Shareholder Information:

Day, Date & Time of 28 <sup>th</sup> AGM	Tuesday, 30 <sup>th</sup> September, 2014 at 11.00 a.m.
Venue of AGM	S-5, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015
Book Closure Date	26 <sup>th</sup> September, 2014 to 30 <sup>th</sup> September, 2014
Compliance Officer	Mr. Jigar Shah, Company Secretary
Email for Investor Complaint	<a href="mailto:sec@electrotherm.com">sec@electrotherm.com</a>
Website	<a href="http://www.electrotherm.com">www.electrotherm.com</a>
Financial Period	1 <sup>st</sup> October, 2013 to 31 <sup>st</sup> March, 2014
ISIN with NSDL & CDSL	INE822G01016

**REPORT ON CORPORATE GOVERNANCE**

<b>Tentative Financial Calendar for 2014 -2015</b> (Twelve Months from 1 <sup>st</sup> April, 2014 to 31st March, 2015):	
Quarter ending on 30th June, 2014	On or before 14 <sup>th</sup> August, 2014
Quarter ending on 30th September, 2014	On or before 14 <sup>th</sup> November, 2014
Quarter ending on 31 <sup>st</sup> December, 2014	On or before 14 <sup>th</sup> February, 2015
Quarter ending on 31 <sup>st</sup> March, 2015	On or before 30 <sup>th</sup> May, 2015

**A. Listing on Stock Exchange(s):**

Shares of your Company are listed in the Two Stock Exchanges namely:

BSE Limited : Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001	526608
National Stock Exchange of India Limited : Exchange Plaza, Bandra – Kurla Complex, Bandra (East), Mumbai – 400 051	ELECTHERM

Annual Listing Fees for the Financial Year 2014-15 have been paid to both Stock Exchanges and Annual Custodial Fees for the Financial Year 2014-15 have been also paid to NSDL and CSDL.

**B. Market Price Data :**

Market price data of equity shares of the Company having face value of ₹ 10/- on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) for the financial period 2013-14 are given below:

Month	BSE – Share Price		BSE Monthly Volume	NSE – Share Price		NSE Monthly Volume
	High	Low		High	Low	
October 2013	15.43	12.21	8,664	14.80	13.35	1,104
November 2013	17.20	14.48	11,855	18.45	13.15	9,975
December 2013	18.90	14.55	24,647	17.85	15.85	9,571
January 2014	27.40	18.80	30,227	27.80	18.45	30,887
February 2014	26.20	20.20	24,217	26.60	21.30	13,482
March 2014	24.00	15.15	52,909	24.85	17.05	50,055





**REPORT ON CORPORATE GOVERNANCE****E. Share Transfer System:**

Shareholders are requested to send their share transfer related requests and documents at the above mentioned address. To expedite the process of share transfer, the Board of the Company has delegated the power of share transfer to the Registrar and Share Transfer Agent, which attends to the share transfer formalities at least once in a fortnight.

As per Clause 47(c) of the Listing Agreement, the Company has obtained the half yearly certificates from the Company Secretary in Practice for compliance of share transfer formalities and the same have been submitted to the Stock Exchanges. The Company has also obtained Quarterly Reconciliation of Share Capital Audit Report as per the Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996 and submitted the same to the Stock Exchanges.

**F. Distribution of shareholding as on 31st March, 2014**

Category	No. of Shareholders		No. of Shares	
	Total	% of Shareholders	Total	% of Shares
1 - 500	7120	92.10	695619	6.06
501 - 1000	294	3.80	222429	1.94
1001 - 2000	172	2.22	254043	2.22
2001 - 3000	46	0.60	113965	0.99
3001 - 4000	25	0.32	89917	0.78
4001 - 5000	18	0.23	82590	0.72
5001 - 10000	23	0.30	154122	1.34
10001 & Above	33	0.43	9863689	85.95
<b>Total</b>	<b>7731</b>	<b>100.00</b>	<b>11476374</b>	<b>100.00</b>

**G. Categories of Shareholding as on 31st March, 2014**

Sr.No.	Category	No. of Shares	% to Share Capital
<b>A.</b>	<b>PROMOTERS SHAREHOLDING</b>		
1.	Promoters and Promoters Group	37,68,075	32.83
<b>B.</b>	<b>PUBLIC SHAREHOLDING</b>		
2.	Mutual Funds / UTI	9,800	0.09
3.	Banks/Financial Institutions	100	0.00
4.	Foreign Financial Institution	13,66,666	11.91
5.	Bodies Corporate	13,03,617	11.36
6.	NRIs	5,82,358	5.08
7.	Trusts	12,92,231	11.26
8.	Foreign Companies	20,00,000	17.43
9.	Clearing Members	50,616	0.44
10.	Indian Public	11,02,911	9.60
	<b>Total</b>	<b>1,14,76,374</b>	<b>100.00</b>

## REPORT ON CORPORATE GOVERNANCE

### H. Dematerialisation of Shares and Liquidity:

The Shares of the Company are under compulsory trading in demat form. The details of dematerialisation of shares as on 31st March, 2014 is as under:

Sr.No.	Particulars	No. of Shares	% of Paid up Capital
1.	Held in Physical form	26,19,782	22.83
2.	Held in Demate form	88,56,592	77.17
	<b>Total</b>	<b>1,14,76,374</b>	<b>100.00</b>

No Equity Shares are under lock-in as on 31st March, 2014. Shares of the company are frequently traded in BSE and NSE.

### I. Outstanding GDRs/ADRs/Warrants or Convertible instruments, conversion date and likely impact on the Equity:

As on 31st March, 2014, the Company does not have any GDRs/ADRs/Warrants or any other convertible instruments.

### J. Plant Locations:

Engineering & Projects Division : Survey No.: 72, Village: Palodia, Taluka: Kalol, Dist.: Gandhinagar 382 115, Gujarat

Steel : Survey No. 325, Village Samkhiyali, Taluka : Bhachau, Dist. Kutch, Gujarat

Electric Vehicle Division : 689 Paiki, Thor Kadi, Mehsana - 382715

Wind Farm : Village: Dhank, Taluka:Upleta, Dist.: Rajkot, Gujarat

Transmission Line Tower Division : Village : Juni Jithardi, Tal : Karjan, Dist : Vadodara, Gujarat

### K. Correspondence:

Shareholders are requested to correspond with the company at the following address:

Mr. Jigar Shah  
 Company Secretary & Compliance Officer  
 Electrotherm (India) Limited  
 A-1, Skylark Apartment, Satellite Road, Satellite, Ahmedabad – 380 015  
 Phone No. : (02717) 234553 to 57 Fax No. : (02717) 660600 Email : sec@electrotherm.com

### DECLARATION OF CODE OF CONDUCT

As provided under Clause 49 of the Listing Agreement with the stock exchanges, the Board Members and Senior Management Personnel have confirmed compliance with the code of conduct for the financial period ended on 31<sup>th</sup> March, 2014.

Date : 13th August, 2014  
 Place : Palodia

**Avinash Bhandari**  
 Joint Managing Director & CEO

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members,  
Electrotherm (India) Limited  
Ahmedabad.

We have examined the compliance of conditions of Corporate Governance by **Electrotherm (India) Limited** for the year ended on 31<sup>st</sup> March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Mehta Lodha & Co.**  
(Registration No.106250W)  
*Chartered Accountants*

Place : Pune  
Date : 13<sup>th</sup> August, 2014

**Prakash D.Shah**  
*Partner*  
Membership No. 34363