

## CORPORATE GOVERNANCE REPORT

### 1. Company's Philosophy on Code of Governance:

As per the listing agreement clause 49 this report on Corporate Governance is given in order to enable the shareholders to get a true and fair view of the company's policies and procedures. The main aim of the company is to act in the best interest of its shareholders, customers, employees and society.

Your company has been providing a true and fair view of its accounts and policy matters to the shareholders through full transparency and full disclosure. For the company, its' shareholders interests are on the first priority of consideration while taking any decision.

### 2. Composition of Board of Directors and Board Meetings

The Board of Directors is comprised of 4 members. All the Directors are Non-Executive Directors.

Name	Acting in Board of Directors	Attendance Particulars		No. of Director-ships other than this & Member-ships	
		Board Meeting (Total 5 held)	Last AGM	Director-ships	Member-ships
Kalpen Rameshbhai Shah	Chairman-Non-Executive Director	05	Yes	Nil	Nil
Pradeep Bachubhai Shah	Non-Executive Director	05	Yes	Nil	2
Kaushal P. Shah	Non-Executive Director / Independent	04	No	Nil	2
Rajubhai Nitinkumar Raval	Non-Executive Director / Independent	05	Yes	Nil	2

Five Board Meetings were held during the year 2011 - 12. The dates on which the meeting held were as follows: 30/04/2011, 30/06/2011, 31/07/2011, 31/10/2011, 31/01/2012. The maximum time gap between any two meetings was not more than four calendar months. None of the directors of the company was a member of more than 10 committees nor was the chairman of more than 5 committees across all companies in which he/she was a director.

### 3. Audit Committee

The Board of Directors had constituted an Audit Committee, comprising of the following directors. The terms of reference of the committee are as provided under the Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. The committee verifies the accounting policies framed by the company and gives suggestions for modification of the same as and when required. The committee also overlooks the internal audit section of the company. The committee met on the following dates to go through the company's accounting policies and presentations.

#### Composition and Attendance of Audit Committee

Name of Members of Audit Committee	Designation	Attendance Particulars (Meetings Attended)
Rajubhai Nitinkumar Raval	Chairman-Non Executive Director	5(5)
Pradeep B. Shah	Non Executive Director	5(5)
Kaushal P. Shah	Non Executive Director	5(5)

### Remuneration of Directors and details of Director's Shareholding

The company needs to disclose all pecuniary relationship or transactions of the executive & non-executive directors vis-à-vis the company.

Apart from sitting fees that are generally paid to the Directors for attending Board / Committee meetings, no significant material transactions have been made with the executive & non-executive directors vis-à-vis the company.

The Company shall disclose the number of shares and convertible instruments held by non-executive directors in the annual report.

Details of Director's Shareholding in the Company are as follows:

Sr.	Name of Directors	No. of Shares
1.	Mr. Kalpen Rameshbhai Shah	513300
2.	Mr. Pradeep Bachubhai Shah	310100
3.	Mr. Kaushal P. Shah	Nil
4.	Mr. Rajubhai Nitinkumar Raval	Nil

### Code of Conduct

The Board of directors of your company have laid down a code of conduct ("the Code") applicable to all Board of members and senior management personnel of your company. A declaration from the Managing Director of your company to the effect that all Board members and senior management personnel of your company have affirmed compliance with the Code forms a part of this Report.

### 6. Declaration

As provided under Clause 49 of Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31<sup>st</sup> March, 2011.

### 7. Share Transfer Cum Investor Grievance Committee:

The Board has constituted a Share Transfer Cum Investor Grievance Committee which looks after shareholders' and Investors' grievances.

#### ❖ Composition

Kaushal P. Shah	Chairman-Non-Executive Director
Pradeep B. Shah	Non-Executive Director
Rajubhai N. Raval	Non-Executive Director

The Share Transfer Cum Investor Grievance Committee has been constituted to administer the following Activities.

- |  |   |
|--|---|
| a. Transfer to shares                    | g. Sub- Division of Share Certificates                    |
| b. Transmission share                    | h. Consolidation of folios                                |
| c. Issue of Duplicate share Certificates | i. Shareholders' requests for Dematerialization of shares |
| d. Change of Status                      | j. Shareholders' requests for Rematerialisation of shares |
| e. Change of Name                        |   |
| f. Transposition of Shares               |   |

The committee meets from time to time and approves the transfer and transmission of share, deletion of names, issue of duplicate share certificates etc. The committee facilitates prompt and effective redressal of investors' complaints and the reporting of the same to the board of Directors.

- » No. of shareholders' complaints received -- Nil
- » No. of complaints not solved to the satisfaction of shareholders -- Nil
- » No. of pending share transfers ---- Nil

#### 8. Details of last three AGM

Year	Date	Time	Venue	No. Of Special Resolutions Passed
2008-09	30/09/09	11.30 a.m.	E-104, kamdhenu Complex, Opp. Sahjanand College, Ambawadi, Ahmedabad-380015	---
2009-10	30/09/10	11.30 a.m.	E-104, kamdhenu Complex, Opp. Sahjanand College, Ambawadi, Ahmedabad-380015	---
2010-11	30/09/11	03.00 p.m.	E-104, kamdhenu Complex, Opp. Sahjanand College, Ambawadi, Ahmedabad-380015	---

(1) No Resolutions were put through postal ballot.

(2) No Special Resolutions were passed.

#### Notes on Directors' appointment / reappointment

Shri Kalpen R. Shah retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

Shri Kalpen R. Shah is Graduate. He has good experience of finance, investment, money market, accounts and administration. Your Directors recommend his appointment.

Details of other Directorships : Nil

#### Demat / Remat of Shares

The company has not opted for electronic mode for its equity shares.

#### 9. Disclosure

- (i) Disclosure on materially significant related party transactions  
There are transactions with related parties, which have been disclosed at relevant place in the notes to the annual accounts. These transactions do not have any potential conflict with the interest of the company at large. The transactions with the related parties have been done at arms length and are done for continuity of business.
- (ii) Details of non-compliance by the company, penalties and strictures imposed on the Company by the Stock Exchange or SEBI or any Statutory Authorities on any matter related to capital markets during the last 3 years.  
None in last three years.
- (iii) Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices.

Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended, the company has formulated, adopted and implemented the Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices.

- (iv) CEO/CFO Certification: A Certification from the managing Director (CEO/CFO) and Senior Manager Finance in terms of Clause 49(V) of the Listing Agreement was placed before the Board of Directors.

#### 10. Means of Communication : Half yearly and Quarterly results

The quarterly as well as the half yearly unaudited financial results in the prescribed form are taken on record by the board of directors at its meetings within one month of the close of every quarter / half year respectively and the same are furnished to all the stock exchanges where the company's share are listed. The results are also published in two newspapers, one in English and the other in regional language.

#### 11. General Shareholder Information

##### Annual General Meeting Details

Date : 29/09/2012  
 Time : 3 pm  
 Venue : E-104, Kamdhenu Complex, Opp. Sahjanand College, Ambawadi, Ahmedabad - 380015

##### Financial Calendar (tentative for the year 2011-2012):

1. Date of Book Closure : 28/09/2012 TO 29/09/2012.
2. Date & Venue of AGM : 29/09/2012 at E-104, Kamdhenu Complex, Opp. Sahjanand College, Ambawadi, Ahmedabad - 380015.
3. Financial Calendar 2012-13
  - First Quarterly Results : Last week of July, 2012
  - Half Yearly Results : Last week of October, 2012
  - Third Quarterly Results : Last week of January, 2013
  - Fourth Quarterly Results : Last week of April, 2013
  - Annual General Meeting : September, 2013

Dividend payment Date: : N.A.

Registered Office : E-104, Kamdhenu Complex,  
Opp Sahjanand College,  
Ambawadi, Ahmedabad – 380015

Listing on Stock Exchanges : The Stock Exchange, Ahmedabad

Demat ISIN Numbers in NSDL And CDSL for equity shares : N.A

Stock Code : 26906

##### Stock / Company Code and Market Data

Company's shares have not been traded during the last year.

##### Share Transfer System & Dematerialisation of Shares

Application for transfer of Shares are received at the Registered Office of the Company. Share transfer would be registered and returned within a period of 15 days from the date of receipt, if the documents are valid in all respects.

□ **Transfer of unclaimed dividends to Investor Education and Protection Fund (IEPF)**

Pursuant to the provision of Section 205A(5) of the Companies Act, 1956 no dividend is lying unpaid with the company as on to date.

□ **Pecuniary Transactions with the non executive Directors**

The Company has not entered into any pecuniary transactions with non-executive Directors during the year.

□ **Share Holding Pattern**

a) The Shareholding pattern as on 31.03.2012 are as follows :

Sr. No.	Categories	No. of Shares	% of holding
1.	Promoters	2761500	39.89
2.	Persons acting in concert	---	---
3.	Mutual funds, UTI, Banks	---	---
4.	Financial Institutions, Insurance Companies, Central / State Govt. Institutions, Non-Government Institutions	---	---
5.	FII's	---	---
6.	Others	4161700	60.11
<b>Grand Total</b>			

b) Distribution of Shareholding as on 31/03/2012 is as under:

No. of Equity Shares Held	No. of Shareholders	% of Shareholders	No. Of Shares	% Of Capital
Less than 500	308	40.26	147000	2.12
501 to 1000	284	37.12	249100	3.60
1001 to 2000	51	6.67	82200	1.19
2001 to 3000	10	1.31	27900	0.40
3001 to 4000	18	2.35	68400	0.99
4001 to 5000	04	0.52	16700	0.24
5001 to 10000	20	2.61	170900	2.47
10001 to above	70	9.15	6161000	88.99
<b>TOTAL</b>	<b>765</b>	<b>100.00</b>	<b>6923200</b>	<b>100.00</b>

□ **Outstanding CDRs / ADRs / Warrants or Conversion instruments, Conversion Date and like impact on equity**

: NA

□ **Plant Location**

: NA

□ **Investors' Correspondence**

: E-104, Kamdhenu Complex,  
Opp Sahjanand College,  
Ambawadi, Ahmedabad - 380015

□ **Name of the Compliance Officer**

: Shri Kalpenbhai R. Shah

□ **Compliance Certificate of the Auditors**

A certificate from the auditors of the company regarding compliance of conditions of corporate Governance as stipulated under clause 49 of the listing Agreement is attached to this Report.

**ANNEXURE - A**

**(A) CONSERVATION OF ENERGY**

1. Energy conservation measures taken : NIL. However Directors personally pay attention so as to minimize consumption of agency.
2. Additional Investments & Proposal, if any, being implemented for reduction of consumption of energy: NIL.
3. Impact of measures (1) and (2) of above. Due to personal attention of Directors the Company has achieved consistent result.
4. Total energy consumption and energy consumption per unit of production as per Form - A : NOT APPLICABLE.

**(B) TECHNOLOGY ABSORPTION**

1. **RESEARCH & DEVELOPMENT**

The Company has not so far formally established Research & Development wing.

2. **TECHNOLOGY ABSORPTION, ADAPTION & INNOVATION:**

The company always keeps itself up dated with the all latest technological innovation by way of constant communications with consulting experts. Efforts are made to reduce cost, improve performance etc.

**(C) FOREIGN EXCHANGE EARNING OUTGO**

1. Total foreign exchange used NIL
2. Total foreign exchange earned NIL

Date :

By Order Of Board of Directors  
FOR ISHAN INFRASTRUCTURE AND  
SHELTER LIMITED

  
DIRECTOR

Place : AHMEDABAD