

CORPORATE GOVERNANCE REPORT

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 2010 - 11. The dates on which the meeting held were as follows: 30/04/2010, 30/06/2010, 31/07/2010, 31/10/2010, 31/01/2011. The maximum time gap between any two meetings was not more that four calendar months. None of the directors of the company was a member of more that 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

5. 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 31st 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
2007-08	30/09/08	11.30 a.m.	E-104, kamdhenu Complex, Opp. Sahjanand College, Ambawadi, Ahmedabad-380015	---
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	---

- (1) No Resolutions were put through postal ballot.
- (2) No Special Resolutions were passed.

Notes on Directors' appointment / reappointment

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

Shri Pradeep Bachubhai 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.**