

## **CORPORATE GOVERNANCE REPORT**

A detailed report on Corporate Governance for the Financial Year ended 31<sup>st</sup> March, 2015 is given below:

### **COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Corporate Governance is a set of systems and practices to ensure that the affairs of the Company are being managed in a way which ensures accountability. Alankit Limited believes in maintaining high standards of Corporate Governance as a part of its legacy and constitution. Further the Company is also based on the philosophy of fairness, transparency, accountability and dissemination of information which are the basics of Corporate Governance.

The Company is trying to uphold and nurture these core values of Corporate Governance in all respects of its operations. We have undertaken several initiatives towards maintaining the highest standards of Governance.

### **BOARD OF DIRECTORS**

The Board of Directors of the Company are well-qualified, experienced and competent professionals.

#### **Composition of Board of Directors**

The Company's Board comprises of 5 (Five) Directors, out of these 3 (Three) are Independent. The Company has also constituted/re-constituted four committees namely Audit Committee, Nomination & Remuneration Committee, Stakeholder Relationship Committee and Management Committee.

#### **Appointment & Tenure**

Director liable to retire by rotation step down at the Annual General Meeting each year and, if eligible, offer themselves for re-election, in accordance with the Article of Association of the Company.

#### **Board Meetings, Attendance and Directorships of Directors**

During the financial year under review, the Board of Directors met 6 (Six) times on **17<sup>th</sup> April, 2014, 26<sup>th</sup> May, 2014, 5<sup>th</sup> July, 2014, 31<sup>st</sup> July, 2014, 27<sup>th</sup> October, 2014 and 4<sup>th</sup> February, 2015** and the attendance of each of the Director in the Board Meetings is as follows:

<b>S. No.</b>	<b>Name of Directors</b>	<b>Category</b>	<b>No. of Board Meetings attended</b>	<b>Number of Directorship in other Companies</b>
1.	Alok Kumar Agarwal	Non-Independent, Non-Executive	1*	9
2.	Shyam Kishore Lal	Independent, Non-Executive	2#	Nil
3.	Rajeshwar Prasad Agrawal	Non-Independent, Non-Executive	4#	Nil
4.	Yash Jeet Basrar	Independent, Non-Executive	5	9

5.	Mukesh Chandra Agrawal	Non-Independent Non-Executive	2*	4
6.	Ankit Agarwal	Non-Independent Executive	4#	Nil
7.	Pradip Kumar Banerji	Independent Non-Executive	2#	1
8.	Preeti Puri	Non-Independent Executive	3^	Nil

\* Resigned w.e.f. 26<sup>th</sup> May, 2014

# Appointed as Additional Director w.e.f. 26<sup>th</sup> May, 2014

^ Resigned w.e.f 1<sup>st</sup> March, 2015

### **Brief Profile of Mr. Rajeshwar Prasad Agrawal who is to be re-appointed at Annual General Meeting:**

Mr. Rajeshwar Prasad Agrawal has over 60 years of experience in the field of Accounts, Corporate Advisory, Mutual Fund Advisory and other finance related activities. He has also done Social & Welfare Activities for almost 30 years as State Head of prominent NGO in Delhi. He has also served State Revenue, Railway and other Central and State Government Departments/ Corporates.

### **Board Support**

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board for consideration. The Company Secretary is also responsible for the preparation of the agenda and convening of the Board Meetings. The Company Secretary attends all the meeting of the Board and its Committees, advises/assures the Board on Compliance and Governance principles and ensures appropriate recording of minutes of the meeting.

### **COMMITTEES OF THE BOARD**

Your Company has Four Committees:

1. Audit Committee
2. Nomination & Remuneration Committee
3. Stakeholder Relationship Committee
4. Management Committee

#### **1. Audit Committee:**

Audit Committee of the Board is constituted to provide the assistance in financial and other allied matters to the Board of Directors of the Company. The Committee was re-constituted w.e.f. 26<sup>th</sup> May, 2014. The Audit Committee consists of three members:

<b>Name</b>	<b>Category</b>
Mr. Yash Jeet Basrar	Chairman
Mr. Pradip Kumar Banerji	Member
Mr. Rajeshwar Prasad Agrawal	Member

#### **Objective of Audit Committee**

The Objective of the Audit Committee is to oversee the financial reporting process and to ensure that the financial statement of the Company is correct, sufficient and credible. The roles and powers of the Audit Committee is prescribed in Section 177 of the Companies Act, 2013 and Clause 49 of

the Listing Agreement with the Stock Exchanges. The terms of reference of the Audit Committee are broadly as follows:

The terms of reference of Audit Committee are as follows:

- the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- examination of the financial statement and the auditors' report thereon;
- approval or any subsequent modification of transactions of the company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- monitoring the end use of funds raised through public offers and related matters.
- Establish and Monitor Vigil Mechanism.
- Monitor Compliance Mechanism.
- Compliance of Internal Financial Controls and Risk Management.

**Meetings of the Audit Committee:**

The Audit Committee met 4 times during the year on 26.05.2014, 05.07.2014, 27.10.2014 and 04.02.2015. The gap between two meetings was not more than 4 months. The attendance record of the members is as follows:

S. No.	Name	Category	No. of Meetings Held	No. of Meetings Attended
1.	Alok Kumar Agarwal	Member	4	1*
2.	Yashjeet Basrar	Member	4	3
3.	Rajeshwar Prasad Agrawal	Member	4	3#
4.	Mukesh Chandra Agarwal	Chairman & Member	4	1*
5.	Pradip Kumar Banerji	Member	4	3#

\* Resigned w.e.f. 26.05.2014

# Appointed as Member of Audit Committee w.e.f. 26<sup>th</sup> May, 2014

**2. Nomination & Remuneration Committee:**

The Remuneration Committee was reconstituted on 26.05.2014. It consists of following:

Name	Category
Mr. Yash Jeet Basrar	Chairman
Mr. Pradip Kumar Banerji	Member
Mr. Rajeshwar Prasad Agrawal	Member

The Nomination & Remuneration Committee met once during the year on 24.05.2014.

The terms of reference of Nomination & Remuneration Committee are as follows:

- The Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- It shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

### 3. Stakeholder Relationship Committee:

Shareholders'/Investor Grievance committee of the Board of Directors of the Company was reconstituted and name of the Committee was changed to comply with the provisions of Section 178(5) of the Companies Act, 2013. The Committee was constituted to ensure the transfer of shares within the stipulated time period and to redress shareholders' complaints such as transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc. The Stakeholder Relationship Committee consists of the following:

Name	Category
Mr. Yash Jeet Basrar	Chairman
Mr. Shyam Kishore Lal	Member
Mr. Rajeshwar Prasad Agrawal	Member
Mr. Pradip Kumar Banerji	Member

Details of investor complaints received and redressed during the year 2014-15 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
NIL			

### Meetings of the Share Transfer and Shareholders'/Investors' Grievance Committee (named earlier):

The Committee did not meet in the financial year 2014-15 as the shares are held in demat form and the investor grievances are being handled by the Registrar and Share Transfer Agent of the Company.

### 4. Management Committee

Management committee of the Board of Directors of the Company was constituted by the Board of Directors in their meeting dated 26.05.2014.

The management committee consists of the following:

Name	Category
Mr. Ankit Agarwal	Chairman
Mr. Rajeshwar Prasad Agrawal	Member
Mr. Yash Jeet Basrar	Member

## GENERAL BODY MEETING

Details of last three Annual General Meetings of the Company are as follows:

Description of Meetings	Date	Venue of AGM	Time	No. of Special resolution passed
25 <sup>th</sup> AGM	05.07.2014	2nd Floor, Vikas Surya Plaza, Mangalam Place, Sector-3, Rohini, New Delhi-110085	10.00 AM	5
24 <sup>th</sup> AGM	30.09.2013	3E/9, 1st Floor, Jhandewalan Extension, New Delhi – 110 055	10.30 A.M.	0
23 <sup>rd</sup> AGM	30.09.2012	3E/9, 1st Floor, Jhandewalan Extension, New Delhi – 110 055	11.00 A.M.	0

## DETAILS OF RESOLUTIONS PASSED THROUGH POSTAL BALLOT

- Special Resolution for change of Main Objects of the Company.
- Special Resolution for authorizing Board of Directors to borrow upto Rs. 100 Crores over and above the paid up share capital of the Company and to make loans or investments and to give guarantees or to provide security in connection with loan made under section 186 of the Companies Act, 2013 upto Rs. 100 crores.

## DISCLOSURE

1. Related Parties Transactions as required under Accounting Standard (AS-18) are furnished as Note No 19 and attached to & forming part of Balance Sheet & Statement of Profit & Loss for the financial year ended on 31<sup>st</sup> March, 2015.
2. The Company has complied with all the legal provisions of the Companies Act, 2013 and no penalty has been imposed by the stock exchanges on the Company during the last 3 years. However, SEBI vide order dated 11.02.2014 imposed a penalty of Rs. 6 Lakhs on the company for non compliance with the Regulation 8(3) of the Takeover Regulations for previous years.
3. There is no pecuniary relationship or transaction with Independent/Non executive Director.
4. None of transactions with any of related parties were in conflict with the interest of the Company.
5. The Company has fulfilled the following non-mandatory requirements as prescribed in Annexure 1 D to the Clause 49 of the Listing Agreements entered into with the Stock Exchanges:

- (a) The Company has set up a Remuneration Committee, details of which have been given earlier in this report.
- (b) The Company has adopted a Whistle Blower Policy and has established the necessary mechanism for employees to report concerns about unethical behavior.
- (c) The Statutory Financial Statements of the Company are unqualified.

#### **INTERNAL CONTROLS AND RISK MANagements**

The Company has systems for corporate risk assessment and mitigation. Business risk assessment procedures have been set in place for self-assessment of business risks, operating controls and compliance with Corporate Policies. There is an ongoing process to track the evolution of the risks and delivery of mitigating action plans. The procedures adopted provide the Management an assurance on the internal processes and systems.

#### **MEANS OF COMMUNICATION**

Effective communication of information is an essential component of corporate governance. It is the process of sharing information, ideas, thoughts, opinions and plans to all stakeholders which promotes managements-shareholders relations. The Company regularly interacts with shareholders through multiple channels of communication such as results announcement, annual report, media releases, Company's website and subject specific communications.

The quarterly, half yearly and annual results of the Company's performance are published in newspapers. These results are also made available on the website of the Company, viz. <http://www.alankit.in/>.

#### **CODE OF CONDUCT**

Code of conduct for the Directors and senior management was adopted by the Board. This code has been laid down with a view to promote good corporate governance and is applicable to all the Directors and Senior Management of the Company. This code of conduct is also available on the website of the Company, viz., <http://www.alankit.in/>.

#### **CEO/CFO CERTIFICATION**

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Directors has signed a Certificate accepting responsibility for the financial statement and confirming the effectiveness of the internal control system, which is given separately herewith.

#### **COMPLIANCES UNDER LISTING AGREEMENT**

Company is regularly complying with the provisions of the Listing Agreement. Information's, certificates and returns as required under Listing Agreement are sent to the stock exchanges within the prescribed time.

#### **INFORMATION ON DEVIATION FROM ACCOUNTING STANDARDS, IF ANY**

There has been no deviation from the Accounting Standards in preparation of annual accounts for the financial year 2014-15.

#### **CERTIFICATE ON CORPORATE GOVERNANCE BY PRACTISING COMPANY SECRETARY**

The Certificate on compliance of Clause 49 (VII) of the Listing Agreement relating to Corporate Governance by a Practising Company Secretary is annexed to the Directors' Report.

## GENERAL SHAREHOLDERS INFORMATION

<b>i</b>	<b>Annual General Meeting Day, Date, Time &amp; Venue</b>	Monday, 10 <sup>th</sup> August, 2015 at 10.00 AM Venue: <b>MOHAN VILAAS, MAIN G.T. KARNAL ROAD, DELHI-110036</b>
<b>ii</b>	<b>Financial Year</b>	2014-15
<b>iii</b>	<b>Date of Book Closure</b>	4 <sup>th</sup> August, 2015 to 10 <sup>th</sup> August, 2015 (both days inclusive)
<b>iv</b>	<b>Dividend Payment</b>	Re. 1 (Rupee One) per Equity Share.
<b>v</b>	<b>Listing on Stock Exchange</b>	The Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street, Mumbai-400 001
<b>vi</b>	<b>Scrip Code Scrip ID ISIN</b>	531082 ALANKIT INE914E01024

## SHARE TRANSFER SYSTEM

The Board of Directors have delegated the power of approving the transfer, transmission of shares and other matters like consolidation of share certificates, issue of duplicate share certificates, dematerialization / rematerialisation of shares, to registrar & share transfer agents of the Company. All the matters are approved by RTA regularly.

Presently, the share transfer instruments which are received in physical form are being processed by R&T Agent, Alankit Assignments Limited and the share certificates are dispatched within a period of 30 days from the date of receipt thereof, subject to documents being complete and valid in all respects. The request for dematerialization of shares are also processed by R&T Agent within stipulated period of 21 days and uploaded with the concerned depositories.

The Company obtains half-yearly certificate of compliance related to the share transfer formalities from Company Secretary in practice as required under clause 47(c) of the Listing Agreement with Stock Exchanges and files a copy of certificate with Stock Exchanges on or before due date.

## SHAREHOLDING PATTERN

As on 31<sup>st</sup> March, 2015, the Authorized Share Capital of the Company is Rs. 10,00,00,000/- (Rupees Ten Crores only) divided into 1,00,00,000 (One Crore) Equity Shares of Rs.10/- each. The shareholding pattern of the Company as on 31<sup>st</sup> March, 2015 is as follows:

<b>Category</b>	<b>No. of Shares held</b>	<b>Percentage of Shareholding</b>
<b>A. Promoters Holding</b>		
<b>Indian</b>		
1. Individual	118,427	1.66
2. Body Corporate	1,478,810	20.69
<b>Sub-Total</b>	<b>1,597,237</b>	<b>22.35</b>
<b>B. Non-Promoter's Holding</b>		
3. Institutional Investors		
a. Banks, Financial Institutions, Insurance Companies	1,450	0.02

(Central/State Govt. Institutions/Non-Government Institutions)		
4. Non Institutional Investors		
a. Bodies Corporate	2,192,114	30.67
b. Individuals	3,337,250	46.69
c. NRIs	18,854	0.26
d. OCBs	1,000	0.01
<b>Sub-Total</b>	<b>5,550,668</b>	<b>77.65</b>
<b>GRAND TOTAL</b>	<b>7,147,905</b>	<b>100.00</b>

#### DISTRIBUTION OF EQUITY SHARES

Total Number of Equity Shares	-	71,47,905
Paid up value per share	-	Rs. 10/- each

#### DISTRIBUTION OF SHAREHOLDINGS

Shareholding (No. of Shares)	Shareholders		Amount	
	Number	%	Rs.	%
1 to 100	957	73.33	38,192	0.53
101 to 500	199	15.24	48,003	0.67
501 to 1000	25	1.91	18,635	0.26
1001 to 5000	32	2.45	86,728	1.21
5001 to 10000	25	1.91	1,86,203	2.60
10001 to 20000	11	0.84	1,61,685	2.26
20001 to 30000	12	0.92	2,92,983	4.09
30001 to 40000	8	0.61	2,78,520	3.89
40001 to 50000	5	0.38	2,25,097	3.14
50001 to 100000	22	1.68	15,55,339	21.75
100001 to 500000	6	0.46	8,23,161	11.51
500001 to Above	3	0.23	34,33,359	48.03
<b>TOTAL</b>	<b>1305</b>	<b>100.00</b>	<b>7147905</b>	<b>100.00</b>

#### MARKET PRICE DATA - BSE (Figures in Rs.)

MONTH	OPEN	HIGH	LOW	CLOSE	TOTAL TURNOVER
April	69.30	84.15	69.30	82.00	9,742
May	82.50	106.00	82.50	97.45	55,23,241
June	97.40	99.00	95.20	98.10	5,01,13,811
July	98.20	107.70	90.00	98.30	4,81,23,632
August	99.00	111.60	85.35	85.35	3,66,69,980
September	83.50	98.40	51.50	69.90	1,57,94,980
October	70.90	93.90	70.10	93.80	6,99,77,832
November	93.00	110.75	88.10	99.00	7,78,46,520
December	108.80	111.50	84.05	111.15	10,70,44,393
January	103.00	184.40	103.00	155.40	22,51,44,337
February	155.20	236.90	154.40	233.60	15,15,19,513



March	232.10	234.80	206.50	215.20	49,55,36,699
-------	--------	--------	--------	--------	--------------

## DEMATERIALIZATION OF SHARES

The Shareholders of the Company have the option to dematerialize their shares. Company has an agreement with NSDL & CDSL for Dematerialization of Shares. Status of Issued Share Capital as on 31.03.2015 is as follows:

<b>Total Issued Capital</b>	<b>No. of Shares</b>	<b>% of Total Capital</b>
Demat Form	70,50,179	98.63
Physical Form	97,726	1.38
<b>Total</b>	<b>7147905</b>	<b>100.00</b>

### REGISTERED OFFICE:

205-208, Anarkali Complex,  
Jhandewalan Extension,  
New Delhi-110055

### REGISTRAR AND SHARE TRANSFER AGENT:

**Alankit Assignments Limited**  
1E/13, Jhandewalan Extension,  
New Delhi-110055  
Ph No. 011-42541234  
Fax: 011-42541967

### INVESTOR CORRESPONDENCE MAY BE ADDRESSED TO:

**Ankit Agarwal**  
**Managing Director**  
Alankit Limited  
205-208, Anarkali Complex,  
Jhandewalan Extension,  
New Delhi-110055  
Ph No. 011-41540028  
Fax: 011-41540028  
E-mail id: [md@alankit.com](mailto:md@alankit.com)  
Website: <http://www.alankit.in/>