

# **ADVIK INDUSTRIES LIMITED**

## **Report on Corporate Governance**

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

It has been a constant endeavour on the part of the Company to achieve excellence in Corporate Governance by following the principles of transparency, accountability and integrity in functioning so as to constantly enhance value for all stakeholders and fulfill the social obligations entrusted upon the corporate sector:

The Company has also complied with the requirements of Corporate Governance Code, the disclosure requirements of which are given below:

### **2. The Board of Directors:**

- i. The Chairman of the Company is a non-executive director and the number of independent directors is more than one third of the total strength of the Board.
- ii. The Board of Directors of the Company is comprised of Five Directors, who are detailed as follows:

<b>S. No.</b>	<b>Name of Director</b>	<b>Category</b>	<b>Executive/ Non Executive</b>
1	Mr. Virendra Kumar Aggarwal	Promoter	Non Executive
2	Mrs. Manju Aggarwal	Promoter	Executive*
3	Mr. Hemant Aggarwal	Independent	Non Executive
4	Mr. Parveen Kumar Gupta	Independent	Non Executive
5	Mr. Shakul Kumar Aggarwal	Promoter	Executive*

\* Appointed as Whole Time Director for a term of three years w.e.f 1<sup>st</sup> July 2012

- iii. The details of committee memberships and chairmanship of various committees held by the directors is as follows:

<b>S. No.</b>	<b>Name of Director</b>	<b>Committee Membership</b>	<b>Committee Chairmanship</b>
1	Mr. Virendra Kumar Aggarwal	2	1
2	Mrs. Manju Aggarwal	0	0
3	Mr. Hemant Aggarwal	2	1
4	Mr. Parveen Kumar Gupta	2	1
5	Mr. Shakul Kumar Aggarwal	1	0

- iv. The details of the Board Meeting/s held during the year and attendance thereat are as follows:

<b>S. No.</b>	<b>Date of Board Meeting</b>	<b>Total No. of Directors</b>	<b>No. of Directors attended the meeting</b>
1	5 <sup>th</sup> April, 2011	3	3
2	25 <sup>th</sup> April, 2011	3	3
3	15 <sup>th</sup> May, 2011	3	3
4	14 <sup>th</sup> June, 2011	3	3
5	18 <sup>th</sup> July, 2011	3	3
6	23 <sup>rd</sup> July, 2011	3	3
7	1 <sup>st</sup> August, 2011	3	3
8	7 <sup>th</sup> August, 2011	5	5
9	20 <sup>th</sup> August, 2011	5	5
10	15 <sup>th</sup> November, 2011	5	5
11	10 <sup>th</sup> February, 2012	5	5
12	11 <sup>th</sup> February, 2012	5	5
13	1 <sup>st</sup> March, 2012	5	5
14	31 <sup>st</sup> March 2012	5	5

- v. The Board Meetings were held with a gap not exceeding four months between two meetings.

- vi. The details of the Board Meetings attended by each of Director are as follows:

<b>S. No.</b>	<b>Name of Director</b>	<b>No. of Board Meetings held</b>	<b>Total No. of Meetings attended</b>
1	Mr. Virendra Kumar Aggarwal	14	14
2	Mrs. Manju Aggarwal	14	7*
3	Mr. Hemant Aggarwal	14	14
4	Mr. Parveen Kumar Gupta	14	14
5	Mr. Shakul Kumar Aggarwal	14	7*

\* Appointed as the Additional Directors on 7<sup>th</sup> August 2011.

- vii. The last Annual General Meeting held on 30<sup>th</sup> September 2011 was attended by Mr. Virendra Kumar Aggarwal, Mrs. Manju Aggarwal, Mr. Hemant Aggarwal, Mr. Parveen Kumar Gupta and Mr. Shakul Kumar Aggarwal.

### **3. Audit Committee:**

- i. The term of reference of Audit Committee are stipulated by the Board of Directors, in accordance with the clause 49 IID of the Listing Agreement.
- ii. The Composition of audit committee and the details of the meeting attended by the Directors are given below:

<b>Name of Member</b>	<b>Category</b>	<b>No. of Meetings held during 2011-2012</b>	<b>No. of Meeting attended during 2011-2012</b>
Mr. Parveen Kumar Gupta	Independent Non-Executive Director-Chairman & Member	5	5
Mr. Virendra Kumar Aggarwal	Promoter Non Executive Director - Member	5	5
Mr. Hemant Aggarwal	Independent Non Executive Director - Member	5	5
Mr. Shakul Kumar Aggarwal	Promoter Executive Director - Member	5	3*

\* Appointed as the Additional Director on 7<sup>th</sup> August 2011.

- iii. The details of the Audit Committee Meetings during the year and attendance thereat are as follows:

<b>S. No.</b>	<b>Date of Audit Committee Meeting</b>	<b>Total No. of Directors</b>	<b>No. of directors attended the meeting</b>
1.	15 <sup>th</sup> May 2011	3	3
2.	23 <sup>rd</sup> July 2011	3	3
3.	20 <sup>th</sup> August, 2011	4	4
4.	15 <sup>th</sup> November 2011	4	4
5.	10 <sup>th</sup> February 2012	4	4

#### **4. Shareholders/ Investor's Grievance Committee**

The Shareholders met 10 times during the year on 24<sup>th</sup> April 2011, 15<sup>th</sup> May 2011, 28<sup>th</sup> May 2011, 25<sup>th</sup> June 2011, 1<sup>st</sup> July 2011, 15<sup>th</sup> July 2011, 1<sup>st</sup> August 2011, 16<sup>th</sup> August 2011, 29<sup>th</sup> December 2011 & 10<sup>th</sup> February 2012

The Composition of Shareholders Committee and details of the meeting attended by Director/s are as follows:

<b>Name</b>	<b>Category</b>	<b>No. of Meeting attended during the year 2011 - 2012</b>
Mr. Virendra Kumar Aggarwal	Promoter Non Executive Director – Chairman	10
Mr. Hemant Aggarwal	Independent Non Executive Director – Member	10
Mr. Parveen Kumar Gupta	Independent Non Executive Director – Member	10

i **Name and designation of Compliance Officer**

Name and Address	Mr. Virendra Kumar Aggarwal
Telephone	011-28722012
Fax	011-28724657
E-mail Id	advikgroup@yahoo.com

ii. **Number of shareholders' complaints received so far**

The Committee received no complaints from shareholders and there were no complaints lying unresolved before the Committee

**5. General Body meetings:**

i. Location and time, where last three AGMs held.

<b>Date</b>	<b>Location</b>	<b>Time</b>	<b>Special Resolution Passed</b>
30/09/2011	Regd. Off: 205, Shri Ram House, 5398/70 Regarpura, Arya Samaj Road, Karol Bagh, New Delhi - 110005	4:00 P.M.	No Special Resolution Passed
30/09/2010	Regd. Off: 204, Shri Ram House, 5398/70 Regarpura, Arya Samaj Road, Karol Bagh, New Delhi - 110005	3.00 P.M.	No Special Resolution Passed
31/07/2009	Regd. Off: F-26, Hauz Khas, New Delhi - 110016	9.30 A.M.	No Special Resolution Passed

ii The Company has conducted postal ballot during the financial year ended 31<sup>st</sup> March 2012, the result of which was declared on 30<sup>th</sup> day of May 2011.

Pursuant to the declaration of result of Postal Ballot:

- The Company had passed Ordinary Resolution u/s 94 of the Companies Act 1956 for increasing the Authorised Share Capital of the Company from Rs. 3,85,00,000/- to Rs. 4,50,00,000/- by creating 6,50,000 Equity Shares of Rs. 10/- each.
- The Company had passed special resolution u/s 81(1A) of the Companies Act, 1956, authorizing the Board to make preferential allotment of Shares.

- The Company had passed special resolution u/s 293(1)(a) of the Companies Act, 1956, to consider sale/dispose off/ transfer the entire Water Packing Unit of the Company as a going on concern, along with the existing assets & liabilities.
- The Company had passed Special Resolution u/s 17 of the Companies Act, 1956, for alteration of Part C of clause III of the Memorandum of Association of the Company, containing the Other Objects by incorporating the sub clauses 56 and 57 under the head Other Objects after the existing sub-clause no. 55.
- The Company had passed Special Resolution u/s 17 read with Section 149(2A) of the Companies Act, 1956 for adoption and commencement of new business given under sub clause 56 & 57 under the Clause III of the Memorandum of Association of the Company.

## **7. Disclosures:**

### **Appointment of Mrs Manju Aggarwal & Mr. Shakul Kumar Aggarwal As Whole Time Directors**

Mrs. Manju Aggarwal and Mr. Shakul Kumar Aggarwal were appointed as the Directors on the Board of the Company on 7<sup>th</sup> August, 2011. Both these directors had put in their best efforts to get the operations in the Company started after a long time. In view of the responsibilities and work load shared by them, the Board of Directors appointed them Whole Time Director for a term of three years w.e.f 1<sup>st</sup> July 2012.

Mr. Virendra Kumar Aggarwal, being relative of Mrs. Manju Aggarwal and Mr. Shakul Kumar Aggarwal, deemed to be interested in the resolution.

### **Related Party Transaction**

During the year there was no materially significant related party transaction/s that may have potential conflict with the interests of company at large.

### **Statutory Compliances, Penalties and strictures**

The Company has complied with the requirements of the Stock Exchange or SEBI or any other statutory authority, on matter/s related to capital markets, during the last three years. No Penalty and strictures has been imposed on the Company by these authorities.

### **Whistle Blower policy**

The Company has adopted a Whistle Blower policy to provide a mechanism whereby the employees are given a direct access to the Chairman and Audit Committee to report about the unethical behaviour, fraud and violation of Company's Code of Conduct and to provide sufficient provisions for the protection against the victimization of employees who avail such mechanism and It is affirmed that no personnel has been denied access to the audit committee.

**Details of compliance with mandatory requirements and adoption of the non mandatory requirements of this clause.**

The Company has complied with mandatory requirements of clause 49 of Listing Agreement.

**8. Means of communication:**

**Quarterly Results**

The Quarterly and half yearly results, published in the Performa prescribed by the Listing Agreement are approved and taken on record by the Board of Directors. The approved results are forthwith sent to the Stock Exchange where the shares of the Company are listed.

**9. General Shareholder Information:**

**i. AGM : Date, time and venue**

The Annual General Meeting of the Company is scheduled to be held on 29<sup>th</sup> September 2012 at 4:00 P.M. at the Registered Office of the Company at 205, Shri Ram House, 5398/70 Regarpura, Arya Samaj Road, Karol Bagh, New Delhi – 110005.

**ii. Financial year**

The Financial Year of the Company ended on 31<sup>st</sup> March, 2012.

**iii. Date of Book closure**

The Register of Members and Share Transfer Books will be closed from Thursday, 20<sup>th</sup> September 2012 to Saturday, 22<sup>nd</sup> September 2012 (Both days inclusive).

**iv. Dividend Payment Date**

In order to plough back the profits of the Company, no dividend was paid during the financial year ended 31<sup>st</sup> March 2012.

**v. Listing on Stock Exchanges**

The Company's Equity Shares are listed on Delhi Stock Exchange Limited.

**vi. Stock Code**

Nil

**vii. Market Price Data: High, Low during each month in last financial year**

The Share of the Company continued to be listed on the Delhi Stock Exchange, however no trading was carried out during the financial year, thus no data is available in respect of market price.

**viii. Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc.**

Since there was no trading in the Shares of the Company during the Financial year, thus no comparative data is available

**ix. Share Transfer System**

The requests of transfers/ transmission/ and other requests from the investors were taken care by Shareholders/ Investor's Grievance Committee.

**x. Distribution of shareholding as on 31<sup>st</sup> March, 2012**

<b>S. No.</b>	<b>Range</b>	<b>No. of Shareholders</b>	<b>% of total no. of shareholders</b>	<b>No. of Shares held</b>	<b>% of shareholding</b>
1	1 to 5000	30	31.25	101900	2.22
2	5001 to 10000	17	17.71	127850	2.79
3	10001 to 20000	28	29.17	409450	8.93
4	20001 to 30000	2	2.08	57000	1.24
5	30001 to 40000	3	3.13	99000	2.16
6	40001 to 50000	5	5.21	238000	5.18
7	50001 to 100000	4	4.16	231200	5.04
8	Above 100001	7	7.29	3322960	72.44
		<b>96</b>	<b>100</b>	<b>4587360</b>	<b>100</b>

**xi. Dematerialization of shares and liquidity**

The Shares of the Company are not held in Dematerialized form.

**xii. GDRs/ADRs/Warrants or any Convertible instruments**

The Company has not issued GDRs/ADRs/Warrants or any Convertible instruments during the year.

**xiii. Plant Locations**

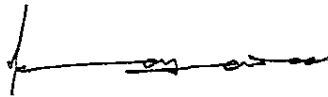
Not Applicable

**xiv. Address for Correspondence**

205, Shri Ram House, 5398/70 Regarpura  
Arya Samaj Road, Karol Bagh,  
New Delhi - 110005  
Ph. No. 011-28722012-14  
Fax: 011-28724657

- 10.** The Certificate of Compliance as stipulated under clause 49 of the listing agreement is obtained from Auditors of the Company M/s Garg Anil & Co., Chartered Accountants. The same is enclosed herewith and marked as **Annexure - IA**
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By the order of the Board  
For **Advik Industries Limited**



**Virendra Kumar Aggarwal**  
Director  
DIN: 00531255



**Shakul Kumar Aggarwal**  
Director  
DIN: 03590891

**Date:** 4<sup>th</sup> September, 2012  
**Place:** New Delhi