

**ANNEXURE - I**

## 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:

S. No.	Name of Director	Category	Executive/ Non Executive
1	Mr. Virender Kumar Agarwal	Promoter	Non Executive
2	Mrs. Manju Agarwal	Promoter	Executive
3	Mr. Hemant Agarwal	Independent	Non Executive
4	Mr. Parveen Kumar Gupta	Independent	Non Executive
5	Mr. Shakul Kumar Agarwal	Promoter	Executive

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

S. No.	Name of Director	Committee Membership	Committee Chairmanship
1	Mr. Virender Kumar Agarwal	3	1
2	Mrs. Manju Agarwal	0	0
3	Mr. Hemant Agarwal	3	1
4	Mr. Parveen Kumar Gupta	3	1
5	Mr. Shakul Kumar Agarwal	1	0

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

S. No.	Date of Board Meeting	Total No. of Directors	No. of Directors attended the meeting
1	15 <sup>th</sup> May, 2012	5	5
2	30 <sup>th</sup> June, 2012	5	5
3	14 <sup>th</sup> August 2012	5	5

4	4 <sup>th</sup> September, 2012	5	5
5	8 <sup>th</sup> November 2012	5	5
6	26 <sup>th</sup> October, 2012	5	5
7	14 <sup>th</sup> February, 2013	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:

S. No.	Name of Director	No. of Board Meetings held	Total No. of Meetings attended
1	Mr. Virender Kumar Agarwal	7	7
2	Mrs. Manju Agarwal	7	7
3	Mr. Hemant Agarwal	7	7
4	Mr. Parveen Kumar Gupta	7	7
5	Mr. Shakul Kumar Agarwal	7	7

- vii. The last Annual General Meeting held on 29<sup>th</sup> September 2012 was attended by Mr. Virender Kumar Agarwal, Mrs. Manju Agarwal, Mr. Hemant Agarwal, Mr. Parveen Kumar Gupta and Mr. Shakul Kumar Agarwal.

### 3. Remuneration to Directors

The details of the remuneration paid by the Company to directors during the financial year 2012-2013 are as under:

Name of Director	Salary and Allowances	Performance linked Incentive	Perquisites	Amount in Rs.
				Total
Mrs. Manju Agarwal	75,000/-p.m.	-	-	75,000/-p.m.
Mr. Shakul Kumar Agarwal	75,000/-p.m.	-	-	75,000/-p.m.

### 4. 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:

Name of Member	Category	No. of Meetings held during 2012-2013	No. of Meeting attended during 2012-2013
Mr. Parveen Kumar Gupta	Independent Non-Executive Director-Chairman	5	5
Mr. Virender Kumar Agarwal	Promoter Non Executive Director – Member	5	5
Mr. Hemant Agarwal	Independent Non Executive Director – Member	5	5
Mr. Shakul Kumar Agarwal	Promoter	5	5

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

S. No.	Date of Audit Committee Meeting	Total No. of Directors	No. of directors attended the meeting
1.	15 <sup>th</sup> May, 2012	4	4
2.	14 <sup>th</sup> August 2012	4	4
3.	4 <sup>th</sup> September 2012	4	4
4.	26 <sup>th</sup> October, 2012	4	4
5.	14 <sup>th</sup> February, 2013	4	4

**5. Remuneration Committee**

- i. The term of reference of the Remuneration Committee are stipulated by the Board of Directors, in accordance with the Listing Agreement.
- ii. The Composition of remuneration committee and the details of meeting attended by the directors are given below:

Name of Member	Category	No. of Meetings held during 2012-2013	No. of Meeting attended during 2012-2013
Mr. Hemant Agarwal	Independent Non-Executive Director-Chairman	4	4
Mr. Virender Kumar Agarwal	Promoter Non Executive Director - Member	4	4
Mr. Hemant Agarwal	Independent Non Executive Director - Member	4	4

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

S. No.	Date of Audit Committee Meeting	Total No. of Directors	No. of directors attended the meeting
1.	30 <sup>th</sup> June, 2012	3	3

**6. Shareholders/ Investor's Grievance Committee**

The Shareholders/ Investor's Grievance Committee met 5 times during the year on 15<sup>th</sup> May 2012, 14<sup>th</sup> August 2012, 4<sup>th</sup> September 2012, 26<sup>th</sup> October 2012 & 14<sup>th</sup> February 2012.

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

Name	Category	No. of Meeting attended during the year 2012 - 2013
Mr. Virender Kumar Agarwal	Promoter Non Executive Director – Chairman	7
Mr. Hemant Agarwal	Independent Non Executive Director – Member	7
Mr. Parveen Kumar Gupta	Independent Non Executive Director – Member	7

i **Name and designation of Compliance Officer**

Name and Address	Mr. Virender Kumar Agarwal
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.

7. **General Body meetings:**

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

Date	Location	Time	Special Resolution Passed
29/09/2012	Regd. Off: 205, Shri Ram House, 5398/70 Regarpura, Arya Samaj Road, Karol Bagh, New Delhi - 110005	4:00 P.M.	Yes, Special Resolutions was passed for:  1. Appointment of Mrs. Manju Agarwal as the Whole time Directors on the Board of the Company on 1 <sup>st</sup> July, 2012.  2. Appointment of Mr. Shakul Kumar Agarwal as the Whole time Directors on the Board of the Company on 1 <sup>st</sup> July, 2012.  3. The borrowing limit of the Company to be enhanced to the extent of sum of Rs. 100 Crores in excess of and in addition to the paid up capital and free reserves of the Company for the time being.
30/09/2011	Regd. Off: 205, Shri Ram House, 5398/70	4:00 P.M.	No Special Resolution Passed

	Regarpura, Arya Samaj Road, Karol Bagh, New Delhi - 110005		
30/09/2010	Regd. Off: 205, Shri Ram House, 5398/70 Regarpura, Arya Samaj Road, Karol Bagh, New Delhi - 110005	3.00 P.M.	No Special Resolution Passed

## 8. Disclosures

### **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.

## 9. 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.

### **Newspapers**

The results are also published in English language newspaper – Business Standard and Hindi language newspaper – Business Standard.

## 10. General Shareholder Information:

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

The Annual General Meeting of the Company is scheduled to be held on 30<sup>th</sup> day September 2013 at 10:00 A.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, 2013.

**iii. Date of Book closure**

The Register of Members and Share Transfer Books will be closed from Friday, 27<sup>th</sup> September 2013 to Monday, 30<sup>th</sup> September 2013 (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 2013.

**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, 2013**

S. No.	Range	No. of Shareholders	% of total no. of shareholders	No. of Shares held	% of shareholding
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

11. 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**

By the order of the Board  
For **Advik Industries Limited**



**Virender Kumar Agarwal**  
Director  
DIN: 00531255



**Shakul Kumar Agarwal**  
Director  
DIN: 03590891

Date: 31<sup>st</sup> August, 2013  
Place: New Delhi