

**Report on Corporate Governance**  
(Pursuant to Clause 49 of the Listing Agreement)

## **1. COMPANY'S PHILOSOPHY**

The Company believes that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the law coupled with total adherence to highest norms of business ethics. These two main drivers, together with the company's ongoing contributions to the local communities it operates in through meaningful and relevant Corporate Social Responsibility initiatives add to enhance the stakeholders value.

The Company places great emphasis on values such as empowerment and integrity of its employees, safety of the employees & communities surrounding our plant and facilities, transparency in decision making process and fair & ethical dealings with all, pollution free clean environment and last but not the least, accountability to all the stakeholders. These practices are being followed since the inception and have contributed to the company's sustained growth.

## **2. BOARD OF DIRECTORS**

### **2.1 Composition of Board of Directors as on date of Report:**

The Board of Directors as at 31<sup>st</sup> March, 2014 comprises of Eleven Directors out of which Two Executive director and Nine Non- executive directors. The Chairperson is an executive director.

<b>No.</b>	<b>Name of Director</b>	<b>Category</b>
1	Vinod P Mehta <sup>1</sup>	Non-executive & Independent
2	Amrish V Mehta	Non-executive & Independent
3	Manoj Shah <sup>2</sup>	Non-executive & Independent
4	Gunvant S Mehta	Non-executive & Independent
5	Deepak Gopalbhai Makadia <sup>3</sup>	Non-executive & Independent
6	Narendra Maniar <sup>4</sup>	Executive & Non-Independent
7	Harishkumar Patel	Non-executive & Independent
8	Ramnikbhai Raiyani <sup>5</sup>	Non-executive & Independent
9	Alpesh R Dhandhlya <sup>6</sup>	Non-executive & Independent
10	Mahendra Vaghji Maru <sup>7</sup>	Non-executive & Independent
11	Bhavesh Dineshchandra Shah <sup>8</sup>	Executive & Non-Independent

<sup>1</sup> resigned as on 30/09/2013

<sup>2</sup> resigned as on 08/06/2013

<sup>3</sup> resigned as on 08/06/2013

<sup>4</sup> resigned as on 08/06/2013

<sup>5</sup> resigned as on 08/06/2013

<sup>6</sup> appointed as on 08/06/2013 and resigned as on 03/03/2014

<sup>7</sup> appointed as on 08/06/2013

<sup>8</sup> appointed as on 08/06/2013

## 2.2 Responsibilities of the Board

The responsibility such as policy formulation, performance review and analysis and control, direction and management of the affairs of the company is vested in the Board of Directors presided over by the Director. The Board has delegated some of its powers to the executives of the company. The Board reviews from time to time such delegated powers and their utilization for effective functioning of the Company.

## 2.3 Board Meetings and Attendance Record of Directors:

The meetings of the Board of Directors are held at periodical intervals and are generally at the Board Room of the Company. The meeting dates are decided well in advance and the agenda and notes on agenda are circulated in advance to the directors. All material information is incorporated in the notes on agenda for facilitating meaningful and focused discussion at the meeting. Where it is not perusable to attach supporting or relevant documents to the agendas, the same is tabled before the meeting. In case of business exigencies or urgency of matters, resolutions are passed by circulation. Senior Management persons are often invited to attend the Board Meetings and provide clarifications as and when required.

**During the year under review, the Board met 10 times on the following dates:**

31/05/2013, 08/06/2013, 12/07/2013, 08/08/2013, 30/08/2013, 10/10/2013, 25/10/2013, 01/01/2014, 31/01/2014, 03/03/2014

## Postal Ballot Resolution:

No postal ballot resolution was passed during the year under review.

Attendance of Directors at Meetings of Board of Directors and last AGM:

No.	Name of Director	Category of Directorship	No. of other Directorship	No. of Board Meeting attended
1	Vinod P Mehta <sup>1</sup>	Chairman	1	10
2	Amrish V Mehta	Director	--	10
3	Manoj Shah <sup>2</sup>	Director	--	10
4	Gunvant S Mehta	Director	--	10
5	Deepak G Makadia <sup>3</sup>	Director	1	10
6	Narendra Maniar <sup>4</sup>	Director	--	10
7	Harishkumar Patel	Director	--	10
8	Ramnikbhai Raiyani <sup>5</sup>	Director	--	10
9	Alpesh R Dhandhlya <sup>6</sup>	Director	--	9
10	Mahendra Vaghji Maru <sup>7</sup>	Director	--	9
11	Bhavesh D Shah <sup>8</sup>	Director	--	9

<sup>1</sup> resigned as on 30/09/2013

<sup>2</sup> resigned as on 08/06/2013

<sup>3</sup> resigned as on 08/06/2013

<sup>4</sup> resigned as on 08/06/2013

<sup>5</sup> resigned as on 08/06/2013

<sup>6</sup> appointed as on 08/06/2013 and resigned as on 03/03/2014

<sup>7</sup> appointed as on 08/06/2013

<sup>8</sup> appointed as on 08/06/2013

#### **2.4 Details of Directors seeking re-appointment at the ensuing Annual General Meeting**

As per the provisions of the Companies Act, 1956, two third of the directors of a company should be retiring directors, of which one third of such directors are required to retire every year and if eligible, they qualify for re-appointment.

Mr. Amrish Mehta retires by rotation at the ensuing Annual General Meeting and offers them for re-appointment.

#### **Profile of Mr. Amrish Mehta Director being appointed u/s 255 & 256 of the Companies Act, 1956**

Name	Mr. Amrish Mehta
Date of Birth	02/09/1977
Date of Appointment	01/09/2008
No. of shares held in the company	Nil
No. of warrants held in the company	Nil
Directorship in other company	Nil

#### **2.5 Details of Directors who are as Chairperson and Directors in other Public Companies**

None of the Directors on the Board is a member of more than 10 Committees and Chairperson of more than 5 Committees (as specified in Clause 49 (C) (ii) across all the Companies in which he is a director. The necessary disclosure regarding Directorship and Committee position have been made by the Directors who are on the Board of the Company as on 31<sup>st</sup> March, 2014 and the same is reproduced herein below :

Sr. No.	Name of Director	No of Directorship In other Public Companies	No. of Committees positions held as Chairperson on other public Companies	No. of Committees positions held as member in other public Company
1.	Vinod P Mehta <sup>1</sup>	1	--	--
2.	Amrish V Mehta	--	--	--
3.	Manoj Shah <sup>2</sup>	--	--	--

4	Gunvant S Mehta	--	--	--
5	Deepak G Makadia <sup>3</sup>	1	--	--
6	Narendra Maniar <sup>4</sup>	--	--	--
7	Harishkumar Patel	--	--	--
8	Ramnik Raiyani <sup>5</sup>	--	--	--
9	Alpesh R Dhandhlya <sup>6</sup>	--	--	--
10	Mahendra Vaghji Maru <sup>7</sup>	--	--	--
11	Bhavesh D Shah <sup>8</sup>	--	--	--

<sup>1</sup> resigned as on 30/09/2013

<sup>2</sup> resigned as on 08/06/2013

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<sup>4</sup> resigned as on 08/06/2013

<sup>5</sup> resigned as on 08/06/2013

<sup>6</sup> appointed as on 08/06/2013 and resigned as on 03/03/2014

<sup>7</sup> appointed as on 08/06/2013

<sup>8</sup> appointed as on 08/06/2013

### 3. COMMITTEE OF BOARD

The Company had Three Board Committees. These are

1. Audit Committee
2. Remuneration Committee
3. Share Transfer & Shareholders/Investor Grievance Committee

Moving with various committees formed and reported in the previous Annual Report and in line with the requirements of SEBI and Stock Exchanges, the Board has formally constituted the following committees of Directors.

#### 3.1 Audit Committee:

The Audit committee constituted by the Board of directors as per the provisions of Clause 49 of the listing Agreements as well as in Section 292A of the Companies Act, 1956 as below.

a. Composition:

As on 31.03.2014, the Audit Committee comprised of three Directors namely:

No.	Name of Director	Category
1	Mr. Gunvant Mehta	Chairman
2	Mr. Mahendra Vaghji Maru	Member
3	Mr. Bhavesh Dineshchandra Shah	Member

The Audit Committee of the Board of Directors of the Company, Inter-aila, provides assurance to the Board on the adequacy of the internal control systems and financial disclosures. Mr. Gunvant Mehta, acted as the Chairman of the Committee in place of Mr. Vinod P Mehta

The audit committee while reviewing the Annual Financial Accounts ensures compliance of the Accounting Standard (AS) issued by the Institute of Chartered Accountants of India.

**Brief description of terms of reference:**

- A. Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- B. Recommending the appointment and removal of external auditor, fixation of audit fees and also approval for payment of any other Consultancy services provided by the statutory auditor.
- C. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
  - Review the financial reporting process and disclosure of its financial information
  - Review with the management, Annual financial statements before submission to the Board
  - Review with the management, statutory Auditors and Internal Auditors and adequacy of internal control systems
  - Review the company's accounting and risk management policies
  - Review the company's accounting and management reporting systems and updates the same from time to time recommend the appointment and removal of statutory and Internal Auditors and fixation of fees for the same.
  - Review quarterly financial statement.
  - Review internal investigations made statutory/ Internal Auditors.
  - Scope of Statutory/ Internal Audit
  - Review fixed deposits/repayment systems etc.
  - Any other applicable functions as described in Corporate Governance.
  - Review related party transactions.

Executive summary of the Audit Committee Meetings are placed before the immediate next Board Meetings held after the Audit Committee for deliberations and the full minutes of the same are placed before the following Board Meeting for recode. The Board of Directors, regularly appraised on the recommendations for the Audit Committee, further, at the beginning of the financial year, the Committee discuss the plan for the internal audit and statutory audit.



Harishkumar Patel	Non-executive	-	-	-	-	-	-
Ramnik Raiyani	Non-executive	-	-	-	-	-	-
Alpesh R Dhandhlya	Non-executive	-	-	-	-	-	-
Mahendra Vaghji Maru	Non-executive	-	-	-	-	-	-
Bhavesh D Shah	Executive	1,80,000	-	-	-	-	-

### 3.3 Share Transfer & Shareholders'/Investor Grievance Committee:

The Share Transfer & Shareholders'/Investor Grievance committee comprises as under:

Sr. No.	Name of the Director	Category
1.	Mr. Mahendra Vaghji Maru	Chairman
2.	Mr. Gunvant Sukhlal Mehta	Member
3.	Mr. Bhavesh Dineshchandra Shah	Member

The Committee consists of Mr. Mahendra Vaghji Maru (Non-Executive and Independent Director), CA Gunvant Shah (Non-Executive and Independent Director) and Mr. Bhavesh Dineshchandra Shah (Executive and Non-Independent Director). Mr. Mahendra Vaghji Maru, acted as the Chairman of the Committee in place of Mr. Vinod P Mehta.

The Committee continued to look into the investors/shareholders complaints. The Committee meets once in a month to look after share transfers and other complaints. The Company is yet to appoint some share transfer agent for looking after the work of physical and dematerialized shares and shall do it shortly.

### 4. GENERAL BOARD MEETING:

(a) Location and time where last three AGMs were held:

Year of AGM	Date of the AGM	Time	Place of AGM Held
2013	30/09/2013	11:00 A.M.	217, Manek Centre, Pandit Nehru Marg, Jamnagar-361008
2012	29/09/2012	11:00 A.M.	1st Floor, Center Point, Indira Gandhi Marg, Jamnagar-361008
2011	27/09/2011	11:00 A.M.	1st Floor, Center Point, Indira Gandhi Marg, Jamnagar-361008

(b) All the resolutions including special resolutions set out in the respective notices were passed by the shareholders. The following special resolutions were passed in previous Three Annual General Meeting for the year:

**2013** Following special resolutions were passed in the year under review.

Res. No.	Description
1	Appointment of Mr. Ashokkumar Mehta as a Director of the Company
2	Appointment of Mr. Mahendra Maru as a Regular Director of the Company
3	Appointment of Mr. Bhavesh Shah as a Regular Director of the Company
4	Appointment of Mr. Alpesh Dhandhlya as a Regular Director of the Company
5	Issue 4,34,00,377 shares on preferential basis for consideration other than cash to promoter and non promoter group of the company

**2012** No special resolution passed in the year under review.

**2011** No special resolution passed in the year under review.

### **EXTRA ORDINARY GENERAL MEETING DURING THE YEAR**

#### **Extra Ordinary General Meeting:**

Following Extra Ordinary General Meeting were held as follows:

1. 29/08/2013 - To increase Authorised Share Capital of the Company from Rs. 3,50,00,000 (Rupees Three Crores Fifty Lacs Only) to 7,50,00,000 (Rupees Seven Crores Fifty Lacs Only).
2. 25/01/2014 - To appoint M/s. Hemant C. Parikh & Co., Chartered Accountant, Ahmedabad appointed as Statutory Auditor of the Company for the financial year 2013-2014 so as to fill up the casual vacancy caused by resignation of M/s. Chetan Agarwal & Co., Chartered Accountant, Jamnagar .

#### **5. DISCLOSURES:**

- a. Materially significant related party transactions:

There were no significant or material related party transactions that have taken place during the year which have any potential conflict with the interest of the company at large. The detailed related party information and transactions have not been provided in Notes forming parts of Accounts.



- b. During the last three Years, there were no penalties, strictures imposed by either SEBI or stock Exchange or any statutory authority for non- Compliance of any matter related to the capital market.

**6. CEO/CFO CERTIFICATION:**

(Under Clause 49(V) of Listing Agreement)

We Certify that --

- a. We have reviewed the financial statements and the cash flow statement for the year 2013-14 and that to the best of our knowledge and belief:
- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2013-14 which are fraudulent, illegal or violative of the Company's code of conduct;
- c. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee –
- Significant changes in internal control over the financial reporting during the year 2013-14;
  - Significant changes in accounting policies during the year 2013-14 and that the same have been disclosed in the notes to the financial statements; and
  - Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.

**7. MEANS OF COMMUNICATIONS:**

The Quarterly Unaudited Financial Results and other presentation as to the Company's Performance etc. are made available to the institutional investors/Financial Analysts as and when felt expedient.

The Management discussion and analysis forms part of the Annual Report.

## **8. GENERAL SHAREHOLDER INFORMATION:**

- **Annual General Meeting: Date, Time and venue:**

30<sup>th</sup> September, 2014 at 11.00 a.m. at the Registered Office of the Company.

- **Financial Year:**

1<sup>st</sup> April 2013 to 31<sup>st</sup> March, 2014

- **Financial Calendar:**

1<sup>st</sup> quarterly results – last week of May, 2014

2<sup>nd</sup> quarterly results – last week of August, 2014

3<sup>rd</sup> quarter results – last week of November, 2014.

4<sup>th</sup> quarter results – last week of February, 2015.

- **Date of Book Closure:**

24<sup>th</sup> September, 2014 to 30<sup>th</sup> September, 2014

- **Dividend Payment Date:** N.A.

- **Listing on Stock Exchanges:**

Ahmedabad Stock Exchange Limited  
Madras Stock Exchange Limited  
Jaipur Stock Exchange Limited

- **Listing Fee**

The Company has paid entire outstanding listing fees for the year 2013-14.

- **Scrip Code :** NA

- **Demat ISIN number:** Share yet not Dematerialised

- **Registered and Transfer Agent:**

- **Share Transfer System:**

Valid Share transfer in physical form and complete in all respects were approved and registered within the stipulated period.

- **Distribution of Shareholding as on Dated 31.03.2014**

SHARE HOLDING OF NOMINAL VALUE OF		SHARE HOLDERS		SHARE AMOUNT	
Rs.	Rs	Number	% to Total	In Rs.	% to Total
(1)		(2)	(3)	(4)	(5)
Upto	- 5,000	1922	77.53	2341000	3.15
5,001	- 10,000	134	5.41	1058000	1.42
10,001	- 20,000	153	6.17	2231000	3.00
20,001	- 30,000	41	1.65	1042000	1.40
30,001	- 40,000	23	0.93	847000	1.14
40,001	- 50,000	59	2.38	2924200	3.94
50,001	- 1,00,000	71	2.86	6406700	8.62
1,00,001 and above		76	3.07	57433477	77.32
<b>TOTAL</b>		<b>2479</b>	<b>100</b>	<b>74283377</b>	<b>100</b>

- **Shareholding pattern as on 31.03.2014**

Category	No of Shares held	% of Shareholding
a. Promoters and persons who may be deemed to be acting in concert including promoter/directors group Companies	13498377	18.17
b. Mutual Fund/Trust	0	0.00
c. Financial Institution/Banks	0	0.00
d. Bodies Corporate	1220400	1.64
e. Indian public	53892100	72.55
f. other (HUF)	5672500	7.64
<b>TOTAL</b>	<b>74283377</b>	<b>100.00</b>

**Dematerialization of shares:** As on 31/03/2014 Demat shares accounted for Nil (Equity Shares) of total equity.

**Outstanding GDR / ADR / Warrants:** Not Applicable

- **Registered Office and Address for communication:**

**Devhari Exports (India) Limited**  
217, Manek Centre, Pandit Nehru Marg, Jamnagar-361008

**Declaration of compliance with the code of conduct**

All the Directors and senior management personal have, respectively, affirmed compliance with the code of conduct as approved and adopted by the Board of Directors.

**For & on behalf of the Board of Director**

**Date: 29/05/2014**

**Place: Jamnagar**

<b>Sd/-</b>	<b>Sd/-</b>
<b>Mahendra Maru</b>	<b>Bhavesh Shah</b>
<b>Director</b>	<b>Director</b>
<b>DIN: 02180084</b>	<b>DIN:05304222</b>