

# **REPORT ON CORPORATE GOVERNANCE**

(Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges)

## **1. Corporate Governance Philosophy:**

The Company is committed to good corporate governance and endeavors to implement the Code of Corporate Governance in its true spirit.

The philosophy of the Company in relation to corporate governance is to ensure transparency in all its operations and make disclosures and enhance shareholder value without compromising in any way on compliance with the laws and regulations.

The Company believes that good governance brings about sustained corporate growth and long – term benefits for stakeholders.

In India, corporate governance standards for listed companies are regulated by the Securities and Exchange Board of India (SEBI) through Clause 49 of the Listing Agreement of the Stock Exchanges. The Company has always strived to ensure that it has been fully compliant with the stipulations mandated by Clause 49. As a Company which believes in implementing corporate governance practices that go beyond meeting the letter of law, the Company has adopted practices mandated in the revised Clause 49 and has established procedures and systems to remain fully compliant with it as on 31<sup>st</sup> March, 2010.

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

- **Composition**

The Board of Directors of our Company is composed of six directors of which three are Non – Executive Directors and three Executive Directors. The Chairman of the Board is the Managing Director and of the six directors five are Independent Directors as per the criteria of independence stated in the Listing Agreement. The optimum combination of Executive, Non – Executive and Independent Directors ensure independence of the Board and separation of Board function of governance and management.

- **Board Meetings**

During period from 01<sup>st</sup> April, 2009 to 31<sup>st</sup> March, 2010, seven Board Meetings were held on May 01, 2009, June 1, 2009, July 27, 2009, August 31, 2009, October 26, 2009, December 17, 2009 and March 10, 2010.

Details of attendance of each Director at the Meetings of the Board Meetings and last Annual General Meeting and the number of companies and committees where he is a Director/ Member during the Financial Year 31<sup>st</sup> March, 2010 are as follows:

Name of the Director	Category	Attendance		No. of Directorships in Public Limited companies including this company	Committee Memberships (including this Company)	
		Board	AGM		Chairman	Member
Shaji Baby John*	CMD	7	Yes	6	Nil	2
Sreenakesh V. P	NED & I	7	Yes	6	Nil	1
E. S Menon	ED & I	7	Yes	1	Nil	Nil
T. Venkatramani**	ED & I	7	Yes	2	Nil	1
N. Rajendran	NED & I	7	Yes	NIL	1	Nil
Rathina Asohan***	NED & I	----	----	NIL	1	Nil
Rita Shaji John ^	NED	7	Yes	2	Nil	Nil
H Ramakrishna Iyer^^	NED & I	5	Yes	NIL	1	Nil
C K Gopalan Nair ^	ED & I	6	Yes	NIL	Nil	Nil

CMD – Chairman and Managing Director; ED – Executive Director; NED – Non – Executive Director; I – Independent Director.

\* Appointed as Chairman and Managing Director on 29<sup>th</sup> May, 2010.

\*\* Appointed as Executive Director on 29<sup>th</sup> May, 2010.

\*\*\* Appointed as Additional Director on 29<sup>th</sup> May, 2010

^ Resigned as Director with effect from 29<sup>th</sup> May, 2010

^^ Resigned as Director with effect from 12<sup>th</sup> November, 2010

- **Codes of Conduct**

The Board of Directors has laid down two separate Codes of Conduct – one for Directors and another for Senior Management and Employees. All Board Members and Senior Management Personnel have affirmed compliance with the respective Code of Conduct for the year under review. A Declaration signed by the Chairman and Managing Director to this effect is annexed to this report.

- **CEO/CFO Certification**

As required under Section V of the Clause 49 of the Listing Agreement with Stock Exchanges the Director [Finance] of the Company has certified to the Board regarding their review on the Financial Statements, Cash Flow Statement and other matters related to internal controls in the prescribed format for the year ended 31<sup>st</sup> March, 2010.

- **Prevention of Insider Trading**

The Company has, in compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended, adopted a Code of Conduct for prevention of Insider Trading. This code

is applicable to all Board Members/Officers/ designated employees. The objective of this code is to prevent purchase and /or sale of shares of the Company by an insider on the basis of unpublished price sensitive information.

### 3. Committees of the Board:

- **Audit Committee**

- ❖ **Composition**

The Audit Committee comprised of Mr. H Ramakrishnan Iyer, Mr. Sreenakesh V P, Mr. T Venkatramani and Mr. Shaji Baby John, with Mr. H Ramakrishnan Iyer as its Chairman. The Committee was re – constituted on 29<sup>th</sup> May, 2010 and comprise of Mr. N. Rajendran, Mr. Sreenakesh V. P, Non – Executive Independent Directors and Mr. Shaji Baby John, Chairman and Managing Director of the Company, with Mr. N. Rajendran its Chairman.

- ❖ **Meetings and the Attendance during the Year**

Four Meetings of the Audit Committee were held during the year on 01.06.2009, 26.10.2009, 17.12.2009 and 10.03.2010

<b>Name of Director</b>	<b>No. of Meetings Attended</b>
Shaji Baby John	4
Sreenakesh V P	4
T. Venkatramani	4
Ramakrishnan H Iyer	3
N. Rajendran	4

- ❖ **Brief Description of Terms of Reference**

The Terms of Reference of Audit Committee cover the matters specified for Audit Committee under Clause 49 of the Listing Agreements as well as in Section 292 A of the Companies Act, 1956. The role of Audit Committee is as prescribed under Clause 49 (II) (D) of the Listing Agreement.

- **Investor/ Shareholder’s Grievance Committee**

- ❖ **Composition**

The Investor Grievance Committee is functioning to look into redressal of Investor/ Shareholders complaints expeditiously. The Committee comprised of Mr. Sreenakesh V P and Mr. T Venkatramani Non – Executive Independent Directors, with Mr. Sreenakesh as its

Chairman. The Committee was re – constituted on 29<sup>th</sup> May, 2010 and comprise of Mr. Rathina Asohan, Mr. Sreenakesh V. P, Non – Executive Independent Directors and Mr. Shaji Baby John, Chairman and Managing Director of the Company, with Mr. Rathina Asohan its Chairman.

During the year, the Company received no complaint and there was no complaint pending as on 31<sup>st</sup> March, 2010.

- **Remuneration Committee and Remuneration Policy**

The Company has not constituted the Remuneration Committee as the same is non – mandatory and that the Company does not feel the need to constitute the same at present. However, the Committee shall be constituted on requirement.

The Non – Executive Directors do not receive any remuneration from the Company and no sitting fee is paid to the Directors for attending the meeting of the Board of Directors/ Board Committee.

The remuneration paid to the Executive Directors were as followed

<b>Name of Director</b>	<b>Total Remuneration Paid during the Year</b>
Mr. Shaji Baby John	NIL
Mr. E S Menon	Rs. 90,000
Mr. T Venkatramani	NIL

#### 4. Notes on Directors seeking Appointment/ Re – appointment

Brief resumes of directors seeking appointment/ re – appointment are given below:

Name of the Director	<b>Shaji Baby John</b>	<b>T. Venkatramani</b>	<b>N. Rajendran</b>	<b>Rathina Asohan</b>
Date of Birth	10.05.1959	15.08.1955	02.12.1954	25.12.1949
Expertise in specific functional area	A pioneer in aqua culture business in India. He was a consultant to many multinational companies. A member of various high level committees for business development set up by Government of India. He has travelled all over the world and has got hands on experience in all aspects of management. As Chairman and Managing Director he is at present involved in mega township project in Bangalore and Cochin.	Extensive experience in finance and banking industry	Twenty six years of experience in banking and five years in legal profession.	Thirty seven years of experience in practice of law and exposure in corporate affairs.
Qualifications	B.E (Mechanical)	B.Com	B.Sc., L.L.B, CAIIB	B.Sc., B.L
List of other companies in which Directorship is held as on 31 <sup>st</sup> March, 2010	Kings Hotels and Resorts Limited  Kings Properties and Housing Limited  Kings Securities Limited	Kings Securities Limited  Priceless Consultancy Management Guide India (P) Limited	Care Connections (P) Ltd.	NIL

	<p>Hi – line Developers &amp; Projects (P) Ltd</p> <p>Alpha Holdings &amp; Infrastructures (P) Ltd</p> <p>Kings Fisheries Limited</p> <p>Kings International Limited</p> <p>Riverbank Heritage Builders India (P) Ltd</p> <p>Goodtimes India Holidays &amp; Travels (P) Ltd</p> <p>Kings Infomatica Solutions (P) Ltd</p> <p>Kama Holistic Medicare (P) Ltd</p> <p>United Tours and Travels India (P) Ltd</p>			
Chairman/ Member of the Committees of the Board in which he is a Director as on 31 <sup>st</sup> March, 2010 (excluding this company)	----	-----	-----	-----
Shareholding as on 31 <sup>st</sup> March, 2010	457428 shares of Rs. 10 each	29900 shares of Rs. 10 each	NIL	NIL

## 5. General Meetings

Details of the location, date and time of the last three Annual General Meetings (AGM) are as given below:

Year	Location	Date	Time	Special Resoluton Passed
2008 - 09	At the Registered Office of the Company	30.09.2009	10.00 A.M	NIL
2007 – 08	- Do -	30.09.2008	10.00 A.M	NIL
2006 – 07	- Do -	29.09.2007	10.00 A.M	NIL

## 6. Disclosure

- The Related Party Disclosures are detailed in the Notes to the Accounts forming part of the financial statements for the year ended 31<sup>st</sup> March, 2010 enclosed elsewhere in this Report. In the opinion of the Board the transactions entered into by the Company with the related parties were not in conflict with the interest of the company.

## 7. Means of Communication

The quarterly unaudited financial results and the annual audited financial results are normally published in Financial Express and Kerala Kaumudi. The annual reports and accounts are posted to every shareholder of the company.

## 8. Management Discussion and Analysis Report

Management Discussion and Analysis Report has been attached to the Directors' Report and forms part of this Annual Report.

## 9. General Shareholders Information

- Annual General Meeting
  - Day & Date : Saturday, September 18, 2010
  - Time : 11.00 A.M
  - Venue : Vayalil Bunglow, Neendakara P O Kollam – 691582.
- Financial Year : 01<sup>st</sup> April 2009 to 31<sup>st</sup> March 2010
- Book Closure Dates : September 6, 2010 to September 18, 2010
- Listing on Stock Exchanges : Bombay Stock Exchange Limited (BSE) and Cochin Stock Exchange Limited

- Stock Code : 530215 (BSE)
- Market Price Data : Market price of the equity shares of the Company during the year 2008 – 09 cannot be given as the same were not traded at any Stock Exchange.
- Registrar & Share Transfer Agents: SKDC Consultants Limited  
Kanapathy Towers  
3<sup>rd</sup> Floor, 1391/1 – A, Sathy Road  
Ganapathy, Coimbatore – 641 012.  
E – mail: [info@skdc-consultants.com](mailto:info@skdc-consultants.com)
- Compliance Officer : Mr. Mohanan Krishnan Kutty  
D – 1, First Floor, Atria Apartment  
Opp. Gurudwara Temple, Perumanoor Road  
Thevara, Cochin – 682 015.
- Share Holding Pattern :

<b>Category</b>	<b>No. of Equity Shares Held</b>	<b>% of Shareholding</b>
Promoters	2,319,016	75.00
Banks & other Institutions	NIL	NIL
FII's/NRI's/ OBC	NIL	NIL
Domestic Companies	110484	3.57
Resident Individuals	662,750	21.43
<b>Total</b>	<b>3,092,250</b>	<b>100.00</b>

• Distribution of Shareholding :

No.Of Equity Shares	No.of shareholders	% of shareholders	No.of shares held	% of shareholding
1-100	10	2.69	1000	0.03
101-200	125	33.69	25000	0.82
201-300	47	12.67	14100	0.46
301-400	28	7.55	10909	0.35
401-500	32	8.63	16000	0.52
501-1000	68	18.33	51700	1.67
1001-2000	12	3.23	19301	0.62
2001-3000	2	0.54	5600	0.18
3001-4000	2	0.54	6400	0.21
4001-5000	0	0	0	0
5001-10000	16	4.31	113603	3.67
10001 & above	29	7.82	2828637	91.47
<b>Total</b>	<b>371</b>	<b>100.000</b>	<b>3092250</b>	<b>100</b>

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**Declaration on Codes of Conduct**

As required by Clause 49 of the Listing Agreement the Declaration of Codes of Conduct is given below:

To  
The Members of  
Kings Infra Ventures Limited

I, Shaji Baby John, Chairman and Managing Director of the Company declare that all Board Members and Senior Management and Employees of the Company have affirmed compliance with the Codes of Conduct.

For **Kings Infra Ventures Limited**

Sd/-

Kollam  
29<sup>th</sup> July, 2010

**Shaji Baby John**  
**Chairman and Managing Director.**