



ANNEXURE-‘5’ TO THE DIRECTORS’ REPORT ON CORPORATE GOVERNANCE FORMING PART OF THE DIRECTOR’S REPORT

CORPORATE GOVERNANCE IS BASED ON THE PRINCIPLES OF INTEGRITY, FAIRNESS, EQUITY, TRANSPARENCY, ACCOUNTABILITY AND COMMITMENT TO VALUES. THE DETAILED REPORT ON CORPORATE GOVERNANCE AS PRESCRIBED BY SEBI AND INCORPORATED IN CLAUSE 49 OF THE LISTING AGREEMENT IS SET OUT BELOW.

(1) COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company continues to believe that good corporate governance is the function of adherence to ethical business practices and introduction of value based systems and procedures in the organization. The corporate governance in this way shall usher in an era of enhancement of intrinsic strength of the organization as also to its stake holders. The Company further believes that such practices are founded upon the core values of transparency, empowerment, accountability, independent monitoring and environmental consciousness. The Company makes its best endeavor to uphold and nurture these core values in all aspects of its operations.

(2) BOARD OF DIRECTORS:

Composition and Category:

The policy of the Company is to maintain optimum combination of Executive and Non-Executive Directors. The present strength of the Board of Directors is 9, out of which 3 are independent directors. The Chairman of the Board is the Independent Director. The Board meets the requirement of not less than one- third being independent directors. All our Directors inform the Company Secretary every year about the Board membership and Board Committee membership the Directors occupy in other companies including Chairmanship. They notify us of any change as and when it takes place. Our Company Secretary places these disclosures before the Board. The category, composition, attendance of each director at the Board Meetings, last annual general meeting and number of other directorship and chairmanship/ membership of committees of each director in various Companies is given hereunder:

| Sl.No. | Name of Director | Category | Attendance at Board Meetings* | Attendance at last AGMHeld on 22/09/2014 | No. of other Directorship Held in other Companies | | Membership/ Chairmanship in Committees of other Companies | |
|--------|---|---------------------------|-------------------------------|--|---|---------|---|--------|
| | | | | | Public | Private | Chairman | Member |
| 1. | Sh. Onke Aggarwal Chairman# | Non-Executive Independent | 6 | Yes | - | - | - | - |
| 2. | Sh.Rajat Lal Managing Director | Promoter Executive | 6 | Yes | - | - | - | - |
| 3. | Sh.Vivek Viswanathan Joint Managing Director | Promoter Executive | 6 | Yes | - | - | - | - |
| 4. | Sh. Rahul Lal Executive Director | Promoter Executive | 5 | Yes | - | - | - | - |
| 5. | Sh. Hemantpat Singhanian # | Non-Executive Independent | 6 | Yes | 1 | 3 | 3 | - |
| 6. | Sh. R.L. Srivastava | Non-Executive | 5 | Yes | 1 | - | 1 | 1 |
| 7. | Sh.R.C. Sharma # | Non-Executive Independent | 5 | Yes | 4 | - | 1 | 4 |
| 8. | Smt. Radhika Viswanathan Hoon | Non-Executive | 6 | Yes | - | - | - | - |
| 9. | Sh. Ajit Hoon** | Non-Executive | 1 | N.A. | - | - | - | - |

*During the financial year 2014-15 six Board Meetings were held on 27.05.2014, 26.07.2014, 02.08.2014, 22.09.2014, 01.11.2014, and 06.02.2015.

** Shri Ajit Hoon has been appointed as Additional Director in the Board Meeting held on 01.11.2014.

The Company has held at least one Board Meeting in every three months with maximum time gap of 120 days between any two meetings.

Shri Onke Aggarwal, Shri Hemant pat Singhanian and Shri R.C.Sharma were appointed as Independent Directors of the Company in the Annual General Meeting of the Company held on 22.09.2014 for five consecutive years from 22.09.2014 to 21.09.2019.

Brief profile of all the Directors, nature of their expertise in specific functional area etc. have been put (available) on the Company’s Website www.sirshadilal.com

CONTD.....



The composition and structure of the Board is reviewed regularly by the Board keeping in mind the overall size of the Board, the balance between non-executive, independent and executive directors, age, experience and other attributes of the directors and changes in the Board.

BOARD PROCEDURE

All divisions/departments in the Company are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussions/approval/ decisions in the Board and Committee Meetings. All such matters are communicated to the Secretary in advance by the Departments /Divisions. Secretary segregates the ones that can be discussed and decided internally and ones which need to be put up before the board, in consultation with the Chairman, Managing Director and/ or Joint Managing Director.

The Board meets atleast once a quarter to review the quarterly performance, operational performance and the financial results of the company. The Board and Committee meetings are scheduled well in advance and a Calendar for the year of Board and Committee Meetings are circulated. The Notice and Agenda of each Board and Committee meeting is given in writing to each Director. All the items on the Agenda are accompanied by supporting papers giving comprehensive information on the related subject. The Agenda and the relevant supporting papers are sent in advance separately to each Director. The Agenda papers submitted to the Board clearly indicate what decision is required. In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are permitted with the permission of Chairman.

The Board's Nomination and Remuneration Committee oversees the Company's nomination process for directors and in that connection to identify and review individual qualified to serve as a director on the board.

The information as specified in Annexure I to clause 49 of the Listing Agreement is regularly made available to the Board. To enable the Board to discharge its responsibilities effectively, the members of the Board are briefed at every Board meeting on the overall performance of the company. In addition to matters statutorily requiring Board's approval, all major decisions involving policy formulation, capital expenditure budgets, new investments, compliance with statutory / regulatory requirements etc., are considered by the Board. The Board has established procedures to enable the Board to periodically review compliance reports of all laws applicable to the Company, prepared by the Company, as well as steps taken by the Company to rectify instances of non-compliance.

The Chairman and/or Managing Director or Joint Managing Director explains the proposal put up before the Board, the background and the expectations of the proposal in the short as well as the long term to contribute to the growth of the company. If needed, a presentation be made by the concerned executive and clarifications given. The Board then deliberates all these issues and come to a decision. The Chairman encourages participation and considers the views of all the Directors.

Secretary records the minutes of the proceedings of each Board and Committee meeting. The minutes recorded are self

explanatory and decision arrived at the meeting are properly recorded. Draft minutes are circulated to all the members of the Board/ Committee for their comments. The minutes are entered in the Minute Book within 30 days from conclusion of the meeting and are confirmed at the subsequent meeting.

Board decisions are promptly and clearly communicated to the operating management for implementation. An Action Taken Report is submitted to the Board/Committee at the subsequent meetings till the decisions are fully implemented.

The Secretary while preparing the Agenda, Notes on Agenda, Minutes etc. of the meeting(s), is responsible for and is required to ensure adherence to all the applicable laws and regulations including the Companies Act, 1956/2013 read with the Rules issued there under, any amendment thereof and the Secretarial Standards recommended by the Institute of Company Secretaries of India.

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING.

In respect of Directors seeking appointment or re-appointment, the Notice for the Annual General Meeting contains all the relevant information, like brief resume of the Directors, nature of their expertise in specific functional areas and name of the companies in which they hold Directorship and Membership of any Committee of the Board.

CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT TEAM

Code of Conduct for the Directors as well as for the members of the Senior Management of the company was adopted in the Board Meeting held on 4th April, 2005 and amended subsequently from time to time. The Code is intended to serve as a basis for ethical decision-making in conduct of professional work. The Code of Conduct states that each individual in the organization must know and respect existing laws, accept and provide appropriate professional views and be upright in his conduct and observe corporate discipline. The said Code of Conduct has been circulated to all the Directors and Members of Senior Management and the compliance of the same has been affirmed by them in respect of the Financial Year 2014-15 and a declaration to that effect signed by the Managing Director is detailed below and forms part of this report. A copy of Code of Conduct has also been put on the Company's Website - www.sirshadilal.com

DECLARATION REGARDING COMPLIANCE OF CODE OF CONDUCT

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, all Board Members and Senior Management Personnel have affirmed compliance with Sir Shadi Lal Enterprises Limited, Code of Business Conduct and Ethics for the year ended March 31, 2015.

For and on behalf of the Board

Place : New Delhi
Dated : 25.07.2015

RAJAT LAL
Managing Director