

## REPORT ON CORPORATE GOVERNANCE

The company pursuant to the code on Corporate Governance introduced by the Securities and Exchange Board of India (SEBI) furnishes its report as under :

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

The Company's philosophy on corporate governance envisages the attainment of the highest level of transparency, accountability and equity, in all facets of its operations, and in all its interactions with its stakeholders, including shareholders, employees, the government and lenders.

### **BOARD OF DIRECTORS**

#### **a) Size and Composition of the Board:**

As of the year ended 31<sup>st</sup> March, 2012, the Board of Directors had 3 members comprising of 3 Executive Directors

The details in regard to the attendance of Directors at Board Meetings/Shareholders Meetings held during the year as also the number of Directorship/s held by them in other Companies and the position of membership of Committee/s are given below:

Name of Director	Category of Director	No. of Board Meetings attended	Attendance at the last AGM	Directorships in other Indian Public Companies* as at 31 <sup>st</sup> March 2012	Other Mandatory Committee** membership as at 31 <sup>st</sup> March 2012.	
					Chairman	Member
Mr. Bajrang Agarwal	Executive Director	6	Yes	NIL	NIL	NIL
Mrs. Pushpadevi Agarwal	Executive Director	6	Yes	NIL	2	2
Mr, Vittu Agarwal	Executive Director	6	Yes	NIL	2	NIL

\*Excludes Directorships in private/foreign companies and companies incorporated under Section 25 of the Companies Act, 1956.

\*\*Represents Membership/Chairmanship of the Audit Committee, Shareholders/ Investors Grievance Committee and Remuneration Committee of other companies.

CMD-Chairman & Managing Director, WTD- Whole Time Director, NE- Non Executive.

**b) Management & Function of the Board:**

The day-to-day management of the Company is conducted by the Chairman & Managing Director in consultation with four Whole Time Directors and subject to the supervision and control of the Board of Directors. The required information as enumerated in Annexure I to Clause 49 of the Listing Agreement is made available to the Board of Directors for discussions and consideration at Board Meetings. The Board also reviews the Board Minutes of its Subsidiary Company.

**c) Details of Board Meetings held during the Financial Year and the number of Directors present:**

Serial No.	Dates on which the Board Meeting was held	Total Strength of the Board	No. of Directors Present
1	30.04.2011	3	3
2	30.07.2011	3	3
3	11.08.2011	3	3
4	31.10.2011	3	3
5	31.01.2012	3	3
6	31.03.2012	3	3

**d) Committees of the Board**

Currently the Board has three committees viz:

**1) Audit Committee****Composition:**

The Audit Committee has been constituted in conformity with the requirements of Section - 292A of the Companies Act, 1956 and Clause – 49 of the Listing Agreement with Stock Exchanges.

At present the Audit Committee comprises of two Directors. Details of the composition, number of meetings held during the year and attendance thereat are as under :

Name	Position held	Attendance at Audit Committee meeting held on			
		30.04.2011	30.07.2011	31.10.2011	31.01.2012
Mrs.Pushpadevi Agarwal	Chairman	Yes	Yes	Yes	Yes
Mr. Vittu Agarwal	Member	Yes	Yes	Yes	Yes

Minutes of meetings of the Audit Committee are circulated to members of the Committee and the Board is kept apprised.

Members of the Audit Committee have requisite financial and management expertise. The Statutory Auditors, Internal Auditor and the Chief Financial Officer are invited to attend and participate at meetings of the Committee.

Powers of the audit committee includes:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

The terms of reference are broadly as under :

- a. Oversight of 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 fee and also approval for payment for any other services.
- c. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on;
  - Matters required to be included in the Director's Report in terms of clause 2AA of Section 217 of the Companies Act, 1956
  - Any changes in accounting policies and practices.
  - Major accounting entries based on exercise of judgment by management.
  - Qualifications in draft audit report.
  - Significant adjustments arising out of audit.
  - The going concern assumption.
  - Compliance with accounting standards.
  - Compliance with stock exchange and legal requirements concerning financial statements
  - Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.
- d. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- e. Reviewing the periodical financial statements with management before submission to the board for their approval.
- f. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- g. Discussion with internal auditors any significant findings and follow up there on.
- h. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- i. Discussion with external auditors before the audit commences nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- j. Reviewing the Company's financial and risk management policies.

- k. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

## 2) Shareholders'/Investors' Relations Committee

The Shareholders'/Investors' Grievance Committee of the Company comprises of two directors. Details of the composition, number of meetings held during the year and attendance thereat as under:

Name	Category of Director	Position held	Attendance at Shareholders' Committee meeting held on			
			30.04.2011	31.07.2011	31.10.2011	31.01.2012
Mrs. Pushpadevi Agarwal	Executive Director	Chairman	Yes	Yes	Yes	Yes
Mr. Vittu Agarwal	Executive Director	Member	Yes	Yes	Yes	Yes

The Company addresses all complaints, suggestions and grievances expeditiously and replies have been sent / issues resolved usually within 15 days except in case of dispute over facts or other legal constraints.

During the year complaints no such complaints received from SEBI or shareholders.

No requests for share transfers are pending except those that are disputed or sub-judice.

Mr. Bajaranglal Agarwal is a Compliance Officer of the Company.

## 3) Remuneration Policy & Remuneration paid to Board of Directors:

Non-Executive Directors have no transaction with the Company, except receiving sitting fees for attending Board Meetings and Audit Committee Meetings. The details of remuneration paid and other perquisites provided to each director for the year ended on 31st March 2012 are as under.

SR.NO.	NAME	SALARY
1	Mr. Bajaranglal Agarwal	90000
2	Mrs. Pushpadevi Agarwal	48000

No other perquisites and other facilities given to the directors.

## Code of Conduct for Senior Management

The Company has adopted a Code of Conduct for Directors and Senior Management. It is the responsibility of all employees and Directors to familiarize themselves with the Code and comply with the same.

The Code includes provisions where the employees of the Company can voice their concerns on violation and potential violation of this Code in a responsible and effective manner.

All Board members and senior management personnel have confirmed compliance with the code. A declaration signed by the Managing Director is attached and forms part of the Annual Report of the company.

#### **CEO Certification**

Chief Executive Office (CEO) certification on financial statements pursuant to the provisions of Clause 49 of the listing agreement is annexed and forms part of the Annual Report of the company.

#### **SHAREHOLDERS INFORMATION::**

##### **Location and time of Annual General Meetings held in last three years**

For the Year	Location	Date & Time	Special Resolution passed Yes Or No
2010-11	B/10, Madhavpura Mkt., Shahibaug Road, Ahmedabad – 380 004	30th September, 2011 11.00 a.m.	No
2009-10	B/10, Madhavpura Mkt., Shahibaug Road, Ahmedabad – 380 004	30th September, 2010 11.00 a.m.	No
2008-09	B/10, Madhavpura Mkt., Shahibaug Road, Ahmedabad – 380 004	30th September, 2009 11.00 a.m.	No

**Financial year** : 1<sup>st</sup> April 2011 to 31<sup>st</sup> March 2012

**Date & Time of Annual General Meeting** : 29th September 2012 at 11.00 a.m.

**Venue** : B/10, Madhavpura Market, Shahibaug Road,  
Ahmedabad – 380 004

**Book closure date** : 26th September 2012 to 29th September 2012  
(both days inclusive) for Annual General Meeting.

**Dividend payment date** : N.A.

**Registered office** : B/10, Madhavpura Market, Shahibaug Road,  
Ahmedabad – 380 004

### Financial calendar

The Company has announced/expects to announce the unaudited quarterly results for the year 2012-13 as per the following schedule:

First quarter	: on or before 31 <sup>st</sup> July, 2012
Second quarter	: on or before 31 <sup>st</sup> October, 2012
Third quarter	: on or before 31 <sup>st</sup> January, 2013
Fourth Quarter	: on or before 30 <sup>th</sup> April, 2013

### Means of communication

The quarterly and half-yearly financial results are published in newspapers.

### Share Transfer System

Applications for transfer of shares are received at the Regd. Office of the Company. All valid transfers are processed within 15 days from the date of receipt.

### Categories of Shareholders as on March 31st, 2012

	Category	No. of Shares	% of Shares
A	Promoter's Holding		
1	Indian Promoters	1925700	64.10
2	Foreign Promoters	--	--
	Sub total	1925700	64.10
B	Non-Promoters		
3	Institutional Investors	--	--
	A Mutual Funds and UTI	207000	6.90
	B Banks, Financial Inst., Insurance Com. (Central State Gov. Inst. /Non- Gov Inst.)	--	--
	C FIIS	--	--
	Sub total	--	--
4	Non – Institutional Investors		
	A Private corporate Bodies		
	B Indian Public	871500	29.00
	C NRIs / Clearing Member/OCBs	--	--
	Sub total	1078500	35.90
	<b>GRAND TOTAL</b>	<b>3004200</b>	<b>100.00</b>

## **Disclosures**

(1) There are no materially significant related party transactions of the Company with key managerial personnel which have potential conflict with the interest of the Company at large.

(2) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the period from 1<sup>st</sup> April 2011 to 31<sup>st</sup> March 2012 : NIL.

## **Unclaimed Dividends**

The Company will be required to transfer dividends which have remained unpaid/unclaimed for the period of 7 years to the Investor Education & Protection Fund established by the Government. However there is no such unclaimed/unpaid dividend for which Company has to transfer the same to the Investor Education & Protection Fund in this financial year.

## **Address for Correspondence**

Shareholders can do the correspondence at:

To,

Compliance Officer

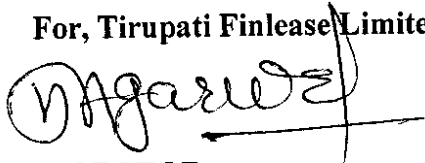
Tirupati Finlease Ltd.

B/10, Madhavpura Market, Shahibaug Road, Ahmedabad – 380 004

## **DECLARATION**

The Board has laid down a code of conduct for all Board Members and Senior Management of the Company. The Board members and Senior Management have affirmed compliance with the code of conduct.

**For, Tirupati Finlease Limited**



**DIRECTOR**

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## CEO CERTIFICATION

We, Mr. Bajranglal Agarwal, Director certify to the Board that:

(a) We have reviewed financial statements and the cash flow statement for the year ended on 31.03.2012 and that to the best of their knowledge and belief:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) 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 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 internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.

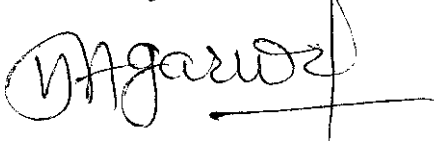
(d) We have indicated to the auditors and the Audit committee

(i) significant changes in internal control during the year;

(ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) instances of significant fraud of which they 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.

**For Tirupati Finlease Limited**



**DIRECTOR**