

# CORPORATE GOVERNANCE REPORT

## A} MANDATORY REQUIREMENTS

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

J. K. Investo Trade (India) Limited [JKIT] believes in adopting the best practices in the area of Corporate Governance and follows the principles of full transparency and accountability, thereby protecting the interests of all its stakeholders.

Your company makes best endeavors to uphold and nurture these core values in all facets of its operations and aims to increase and sustain its corporate value through growth and innovations.

Your company is fully committed to and continues to follow procedures and practices in conformity with the Code of Corporate Governance enshrined in the Listing Agreement.

### 2. BOARD OF DIRECTORS

The Board of Directors of the Company consists of eminent persons with considerable professional expertise and experience in business and industry. The Board of the Company consists of five Directors; one Whole-time Director, two Non-executive Promoter Directors and two Non-executive Independent Directors in terms of Clause 49(I)(A) of the Listing Agreement.

The Board of Directors of the Company has laid down Code of Business Conduct and Ethics for all directors, members of the senior management and all officers.

The details of composition and categories of the Directors and also the number of other Board of Directors or Board Committees of which he is a member/Chairperson are as under:

Name of Director	Category of Directorship	No. of outside Directorships (*)	No. of outside Committee positions held	
			Chairman	Member@
Dr. Vijaypat Singhania Chairman	Promoter, Non-Executive	6	Nil	Nil
Shri Gautam Hari Singhania	Promoter, Non-Executive	8	Nil	1
Shri Nabankur Gupta	Independent, Non-Executive	7	Nil	Nil
Shri P. R. Jain	Independent, Non-Executive	6	Nil	1
Shri R. K. Ganeriwala	Non-Promoter, Whole-time Director	3	Nil	Nil

(\*) - excludes Alternate Directorships, Directorships in Indian Private Limited Companies, Section 25 Companies, Foreign Companies and membership of Managing Committees of various bodies.

@ - Only memberships of Audit Committee and Shareholder's / Investors' Grievances Committee are considered.

### BOARD PROCEDURE

The Board meets at least once in a quarter to review the quarterly performance and the financial results. The Board Meetings are generally scheduled well in advance and the notice of each Board Meeting is given in writing to each Director. The Board papers, comprising the agenda backed by comprehensive background information are circulated to the Directors in advance and, in exceptional cases, the same is tabled at the Board Meeting.

The information as specified in Annexure IA to the Clause 49 of the Listing Agreement entered into with the Stock Exchange, is regularly made available to the Board wherever applicable.

### ATTENDANCE DIRECTORS AT THE BOARD MEETINGS AND THE LAST ANNUAL GENERAL MEETING

The Board of the Company met four times during the financial year on the following dates

2<sup>nd</sup> May 2006      31<sup>st</sup> October 2006  
20<sup>th</sup> July 2006    19<sup>th</sup> January 2007

The attendance of Directors at the Board meetings and the last Annual General Meeting held on 20<sup>th</sup> June 2006 were as under:

Name of the Director	Board Meetings attended	Annual General Meeting attended
Dr. Vijaypat Singhania	4	Yes
Shri Gautam Hari Singhania	4	No
Shri Nabankur Gupta	4	Yes
Shri P. R. Jain	4	Yes
Shri R. K. Ganeriwala	4	Yes

### **INFORMATION ON DIRECTORS APPOINTMENT / RE-APPOINTMENT**

Brief resume of Director being re-appointed at the ensuing Annual General Meeting, nature of his expertise in specific functional areas and names of the companies in which he hold directorship (excluding directorship held in Private Limited, Section 25 and Foreign Companies) and the membership of committees of the Board is furnished hereunder:

- (i) **Shri P. R. Jain**, is graduate in commerce and Law and also a member of the Institute of Chartered Accountants of India as well as the Institute of Company Secretaries of India. He has rich experience spread over more than three decades. Shri P. R. Jain was appointed as Director of J. K. Investo Trade (India) Limited in April 2003. Shri Jain is one of the Independent Directors on the Board of the J. K. Investo Trade (India) Limited and is member of Audit and Investment Committee of the Company

Shri P. R. Jain is also on the board of Pashmina Holdings Limited, Tiger Travels and Tours Limited, Impex (India) Limited, Peoples Investments Limited, Radha Krishna Films Limited and J. K. Investors (Bombay) Limited.

### **3. BOARD COMMITTEES**

#### **A. AUDIT COMMITTEE**

##### **BROAD TERMS OF REFERENCE**

The Terms of Reference of the Audit Committee are in accordance with Clause 49(II) of the Listing Agreement, Section 292A of the Companies Act, 1956 and also Para 11 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 and inter-alia includes:

- Reviewing the Company's financial reporting process and disclosure of financial information.
- Recommending the appointment and removal of statutory auditors, fixation of audit and other fees.
- Reviewing the quarterly and annual financial statements with primary focus on accounting policies and practices, compliance with accounting standards and legal requirements concerning financial statements.
- Reviewing the adequacy of internal control systems and internal audit function, ensuring compliance of internal control systems.
- Reviewing the reports furnished by the internal auditors and statutory auditors and ensure suitable follow-up thereon.
- To look into reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

The Audit Committee while reviewing the Annual Financial Statements also reviewed the applicability of various Accounting Standards (AS) issued by The Institute of Chartered Accountants of India during the year. Compliance of the AS, as applicable to the Company has been ensured in the Financial Statements for the year ended on 31<sup>st</sup> March 2007.

### **COMPOSITION, MEETINGS AND ATTENDANCE**

The Audit Committee comprises three members, all of whom are Non-Executive Directors. The Audit Committee is constituted in accordance with the provisions of Clause 49(II)(A) of the Listing Agreement..

Shri Nabankur Gupta – Independent Director acts as Chairman of the Committee. The Whole-time Director and Statutory auditors of the Company are permanent invitees at the meetings of the Committee. The quorum for the Audit Committee Meetings is two members. The Company Secretary acts as Secretary to the Committee.

The Audit Committee generally meets once in a quarter to review the quarterly performance and the financial results. The minutes of the Audit Committee meetings are noted by the Board of Directors at the subsequent Board Meetings.

The Audit Committee met four times during the financial year on the following dates:

2<sup>nd</sup> May 2006      31<sup>st</sup> October 2006  
20<sup>th</sup> July 2006    19<sup>th</sup> January 2007

The details of composition, categories and attendance during the year are as under:

<b>Name of the member</b>	<b>Designation</b>	<b>Category of Directorship</b>	<b>Attendance</b>
Shri Nabankur Gupta	Chairman	Independent, Non-Executive	4
Shri Gautam Hari Singhania	Member	Promoter, Non-Executive	4
Shri P. R. Jain	Member	Independent, Non-Executive	4

### **INTERNAL AUDITORS**

The Company has appointed a firm of Chartered Accountants, M/s V. B. Dalal & Co., as Internal Auditors to carry out periodical internal checks and to review the control systems of the Company. The report of the Internal Auditors is reviewed by the Audit Committee.

## **B. REMUNERATION COMMITTEE**

### **BRIEF DESCRIPTION OF TERMS OF REFERENCE**

- To review, assess and recommend the appointment of managerial person.
- To periodically review the remuneration package of managerial person and recommend suitable revision to the Board.

### **COMPOSITION AND ATTENDANCE**

The Remuneration Committee comprises of three Non-executive Directors, of whom, two are Independent Directors and one is Promoter Director. None of the member has been designated as chairman of the Committee, one of Independent Director present is elected as Chairman for the meeting.

The Renumeration Committee met two times during the financial year on the following dates:

19<sup>th</sup> April 2006  
26<sup>th</sup> June 2006

The details of composition, categories and attendance during the year is as under:

<b>Name of the member</b>	<b>Designation</b>	<b>Category of Directorship</b>	<b>Attendance</b>
Shri Gautam Hari Singhania	Member	Promoter - Non-Executive	Nil
Shri Nabankur Gupta	Member	Independent - Non-Executive	2
Shri P. R. Jain	Member	Independent - Non-Executive	2

The minutes of the Remuneration Committee meetings are noted by the Board of Directors at the subsequent Board Meetings.

## REMUNERATION POLICY

The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent. The remuneration policy is in consonance with the existing Industry practice.

### i. Remuneration to Non-Executive Directors

Non-Executive Directors are paid only sitting fees at the rate of Rs. 2,000/- (Rupees Two Thousand only) for each meeting of the Board and / or Audit Committee attended by them. None of the Non-Executive Directors has any material pecuniary interest in the Company.

### ii. Remuneration to Executive Director

The appointment of Executive Director is governed by resolution passed by the Board of Directors, shareholders of the Company and respective Agreements executed between them and the Company.

The remuneration package of managerial person comprises of salary, perquisites and allowances, contributions to Provident and other Funds as approved by the shareholders at Annual General Meetings. Annual increments are linked to performance and are decided by the Remuneration Committee.

There is no separate provision for payment of severance fees under the resolutions governing the appointment of managerial person.

Presently, the Company does not have any stock option plan.

## DETAILS OF REMUNERATIONS TO DIRECTORS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH 2007

Name of Director	Sitting Fees	Salary and Allowance	Contribution to Provident Fund and Superannuation Fund	Other perquisites including Gratuity
(Amount in INR)				
Dr. Vijaypat Singhania	8000	-	-	-
Shri Gautam Hari Singhania	16000	-	-	-
Shri Nabankur Gupta	16000	-	-	-
Shri P. R. Jain	16000	-	-	-
Shri R. K. Ganeriwala Whole-time Director	-	19,31,150	3,55,650	32,397

## C. SHAREHOLDERS / INVESTORS GRIEVANCES COMMITTEE

### FUNCTIONS

The Board of Directors has constituted a Committee of two Independent Directors, which functions as 'Shareholders / Investors Grievances Committee'.

The Committee meets fortnightly and inter-alia, deals with various matters relating to:

- Transfer / Transmission / Transposition of shares;
- Issue of share certificates for lost, sub-divided, consolidated, rematerialized, defaced, etc.;
- Review of shares dematerialized and all other related matters;
- Investors' grievances and redressal mechanism and recommend measures to improve the level of investor services.

The Share Department of the Company and the Registrar and Share Transfer Agent, Intime Spectrum Registry Limited attend to all grievances of the shareholders and investors received directly or through SEBI, Stock Exchanges, Department of Company Affairs, Registrar of Companies, etc.

The minutes of the Shareholder / Investors Grievances Committee are noted by the Board of Directors at the Board Meetings.

All the grievances are more expeditiously redressed to the complete satisfaction of the investors. The Company has designated [jkitl@hotmail.com](mailto:jkitl@hotmail.com) as an e-mail address exclusively for the purpose of registering complaints by the investors.

#### **COMPOSITION**

The composition of the Share Transfer and Shareholders' Grievances Committee is as under:

1. Shri Nabankur Gupta - Member, Independent, Non-Executive
2. Shri P R Jain - Member, Independent, Non-Executive

#### **COMPLIANCE OFFICER**

The Board has designated Mr. Mukesh Darwani, Company Secretary as the Compliance Officer.

#### **MEETINGS AND ATTENDANCE**

Seventeen meetings of the Committee were held during the year ended on 31<sup>st</sup> March 2007. The meetings were held on 28<sup>th</sup> April 2006, 13<sup>th</sup> June 2006, 30<sup>th</sup> June 2006, 17<sup>th</sup> July 2006, 31<sup>st</sup> July, 3<sup>rd</sup> October 2006, 13<sup>th</sup> October 2006, 31<sup>st</sup> October 2006, 15<sup>th</sup> November 2006, 1<sup>st</sup> December 2006, 29<sup>th</sup> December 2006, 3<sup>rd</sup> January 2007, 15<sup>th</sup> January 2007, 31<sup>st</sup> January 2007, 15<sup>th</sup> February 2007, 15<sup>th</sup> March 2007 and 30<sup>th</sup> March 2007.

The number of meetings attended by each of the members is as under:

<b>Name of the Member</b>	<b>No. of meetings attended</b>
Shri Nabankur Gupta	17
Shri P. R. Jain	17

#### **DETAILS OF SHAREHOLDERS' COMPLAINTS RECEIVED, NOT SOLVED AND PENDING SHARE TRANSFERS**

The total number of complaints received and replied to the satisfaction of the shareholders during the year ended on 31<sup>st</sup> March 2007 were 5. Outstanding complaints as on 31<sup>st</sup> March 2007 were Nil. The number of share transfers pending as on 31<sup>st</sup> March 2007 is Nil. Number of requests for dematerialisation pending as on 31<sup>st</sup> March 2007 were 6 representing 1150 shares .

Shareholders' / Investors' complaints and other correspondence are normally attended to within ten working days except where constrained by disputes or legal impediments.

#### **D. INVESTMENT COMMITTEE**

##### **FUNCTIONS**

The Board of Directors has constituted a Committee of Directors, which inter-alia also functions as 'Investment Committee', consisting of Four members. Quorum for the meeting is two Directors. The Investment Committee meets to take decisions regarding investment / disinvestment of company funds as per the Investment Policy of the Company.

The minutes of the Investment Committee are noted by the Board of Directors at the Board Meetings.

##### **COMPOSITION**

The composition of the Investment Committee is as under:

1. Dr. Vijaypat Singhania - Chairman, Promoter, Non-Executive
2. Shri Gautam Hari Singhania - Member, Promoter, Non-Executive
3. Shri Nabankur Gupta - Member, Independent, Non-Executive
4. Shri R. K. Ganeriwala - Member, Non-Promoter, Whole-time Director

##### **MEETINGS AND ATTENDANCE**

Nine meetings of the Committee were held during the year ended on 31<sup>st</sup> March 2007. The meetings were held on 7<sup>th</sup> April 2006, 15<sup>th</sup> May 2006, 7<sup>th</sup> May 2006, 8<sup>th</sup> May 2006, 16<sup>th</sup> June 2006, 19<sup>th</sup> June 2006, 26<sup>th</sup> June 2006, 20<sup>th</sup> July 2006 and 8<sup>th</sup> February 2007.

The number of meetings attended by each of the members is as under:

<b>Name of the Member</b>	<b>No. of meetings attended</b>
Dr. Vijaypat Singhania	2
Shri Gautam Hari Singhania	Nil
Shri Nabankur Gupta	9
Shri R. K. Ganeriwala	9

#### 4. **GENERAL BODY MEETING**

The Company holds its Annual General Meeting in the month of June – July every year. Details of the location and time of last three Annual General Meetings are given below:

Year	Location	Date	Time
2005-06	M.C. Ghia Hall, Bhogilal Hargovindas Building 18/20 Kaikhushru Dubash Marg, Mumbai – 400 001	20.06.2006	3.00 p.m.
2004 - 05	M.C. Ghia Hall, Bhogilal Hargovindas Building 18/20 Kaikhushru Dubash Marg, Mumbai – 400 001	13.07.2005	3.00 p.m.
2003 - 04	M.C. Ghia Hall, Bhogilal Hargovindas Building 18/20 Kaikhushru Dubash Marg, Mumbai – 400 001	05.07.2004	3.30 p.m.

#### **SPECIAL RESOLUTIONS**

The following Special Resolution was passed in the last three Annual General Meetings.

Sr. No.	Date of Meeting	Description of Resolution
1	20.06.2006	Re-appointment of Shri R. K. Ganeriwala as Whole-time Director

No special resolution was put through postal ballot during the year ended on 31<sup>st</sup> March 2007.

No special resolution is proposed to be conducted through postal ballot in this Annual General Meeting.

#### 5. **DISCLOSURES**

- a. There are no material significant related party transactions made by the Company with its Promoters, Directors or Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.  
Transactions with related parties as per requirements of Accounting Standards AS 18 are disclosed in Note No.6 of Schedule 15 to the accounts in the Annual Report.
- b. The Company has complied with all mandatory requirements of the Listing Agreements entered into with the Stock Exchange as well as the regulations and guidelines of SEBI. Consequently, there was no strictures or penalties imposed by either SEBI or the Stock Exchange or any statutory authority for non-compliance of any matter related to the capital markets during the last three years.
- c. In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended, the Board of Directors of the Company approved and adopted a code of conduct at the Board Meeting held on 31<sup>st</sup> January 2005 for prevention of insider trading in the shares and securities of the Company by its directors and designated employees.  
The code, inter-alia prohibits purchase/sale of shares of the Company by the directors and designated employees, while in possession of unpublished price sensitive information in relation to the Company during certain prohibitive periods. An annual disclosure of shareholding has been received from all the Directors and members of the Senior Management of the Company.  
Mr. Mukesh Darwani, Company Secretary has been designated as Compliance Officer for monitoring adherence to the Regulations.
- d. In pursuant to Clause 49(I)(D) of the Listing Agreement entered with the Stock Exchange, the Board of Directors of the company has approved and adopted a Code of Business Conduct and

Ethics by Circular Resolution dated 31<sup>st</sup> December 2005. The Company's Code of Business Conduct and Ethics is applicable to all Directors, Senior Management and all Officers of the company.

All the Directors and Senior Management personnel of the Company are made responsible for compliance with 'Code of Business Conduct and Ethics' and an annual reaffirmation of compliance with the code has been received from all the Directors and members of the Senior Management of the Company.

- e. Pursuant to SEBI's circular No. D&CC/FITTC/CIR-16/2002 dated 31<sup>st</sup> December 2002 on Secretarial Audit, a Practicing Company Secretary carried out the audit for the quarters ended on 30<sup>th</sup> June 2006, 30<sup>th</sup> September 2006, 31<sup>st</sup> December 2006 and 31<sup>st</sup> March 2007. The Audit Report confirms that there is no discrepancy whatsoever in the issued, listed and admitted capital of the Company.

## **6. MEANS OF COMMUNICATION**

- i. The Board of Directors of the Company approves and takes on record the quarterly, half yearly and annual financial results in the proforma prescribed by Clause 41 of the Listing Agreement within one month of the close of the respective periods.
- ii. The approved financial results are forthwith sent to the Stock Exchange and are published in news papers 'Free Press Journal' and 'Navshakti'.
- iii. The Company's financial results are displayed on the Company's Website [www.jkinvesto.com](http://www.jkinvesto.com)
- iv. No formal presentations were made to the Institutional Investors and analysts during the year under review.
- v. Management Discussion and Analysis Report forms part of the Annual Report.

## **7. GENERAL SHAREHOLDERS INFORMATION**

### **i 59<sup>th</sup> Annual General Meeting**

Date 13<sup>th</sup> June 2007  
Time 3.00 p.m.  
Venue M. C. Ghia Hall  
Bhogilal Hargovindas Building  
18/20 Kaikhushru Dubash Marg  
Mumbai – 400 001

### **ii Financial Calendar 2007-08 (Tentative)**

- Unaudited financial results for the Quarter ending on 30.06.2007 End July 2007
- Unaudited financial results for the Half year / Quarter ending on 30.09.2007 End October 2007
- Unaudited financial results for the Nine Months / Quarter ending on 31.12.2007 End January 2008
- Audited financial results for the Year / Quarter ending on 31.03.2008 End April 2008

**iii Date of Book Closure** 7<sup>th</sup> June 2007 to 13<sup>th</sup> June 2007  
(both days inclusive)

**iv Dividend Payment Date** On or after 13<sup>th</sup> June 2007

### **v Listing on Stock Exchange**

The Equity shares of the company are listed on The Bombay Stock Exchange Ltd., Mumbai. Annual Listing fees, as prescribed, have been paid to the Stock Exchange for the year 2006-07.

**vi Stock Code** 506515

**vii Demat ISIN in NSDL & CDSL for Company's Equity shares** INE 361G01015

**viii Stock Market Data**

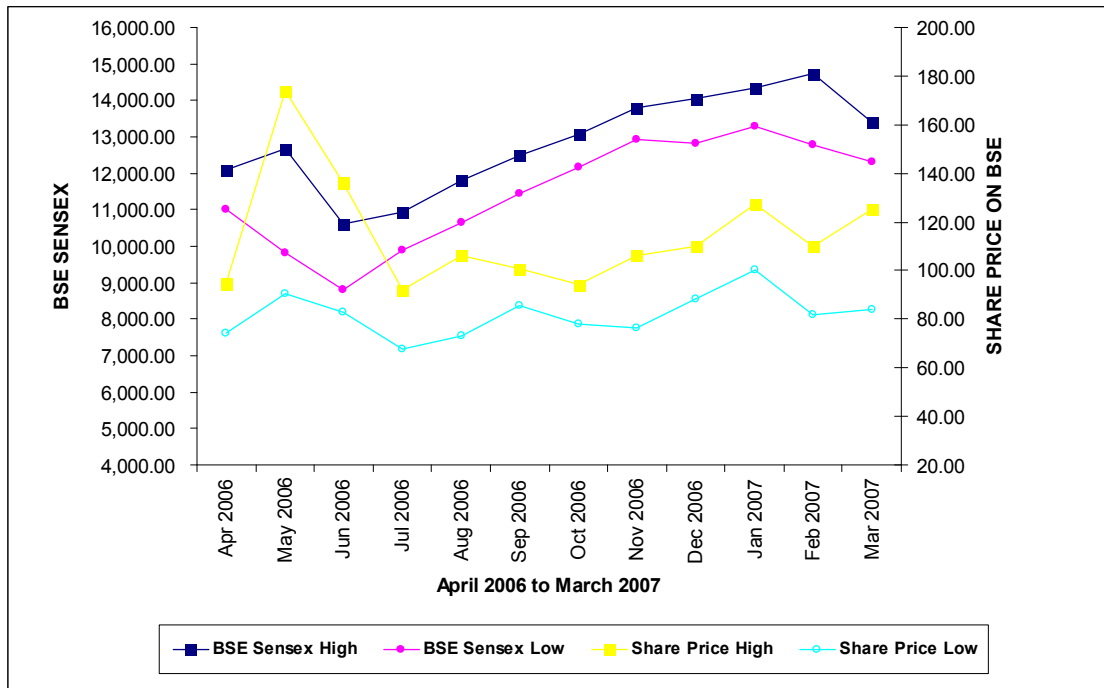
The monthly high and low quotation and volume of shares quoted on the Bombay Stock Exchange Ltd., Mumbai during the year were as follows :

Month	High	Low	No. of Shares Traded
April 2006	95.00	74.00	43663
May 2006	<b>174.15</b>	90.50	723130
June 2006	136.00	82.70	85181
July 2006	92.00	<b>67.45</b>	30658
August 2006	106.45	73.20	46080
September 2006	100.80	85.55	37552
October 2006	94.50	78.25	51145
November 2006	106.05	76.60	95821
December 2006	110.00	88.15	63996
January 2007	127.40	100.05	41313
February 2007	110.00	82.00	23096
March 2007	124.95	84.00	75446

No. of Shares Traded	13,17,018
Highest Share Price	Rs. 174.15
Lowest Share Price	Rs. 67.45
Closing Price as on 31 <sup>st</sup> March 2007	Rs. 118.95
Market Capitalization as on 31 <sup>st</sup> March 2007	Rs. 87.10 Crores

#### ix Stock performance (Indexed)

The performance of the Company's shares relative to BSE Sensex is given in the chart below :



#### x Registrar and Share Transfer Agent

**Intime Spectrum Registry Ltd**  
 C-13, Pannalalsilk Mills  
 Compound, LBS Marg, Bhandup  
 (West), Mumbai 400 078  
 Tel no. 022-25963838  
 Fax no.022-2594 6969  
 e-mail-[isrl@intimespectrum.com](mailto:isrl@intimespectrum.com)



**xi Share Transfer System**

- Presently, the share transfers which are received in physical form are processed and the share certificates returned within a period of seven days from the date of receipt thereof, provided all the documents being valid and complete in all respect.
- The Board has delegated the authority for approving transfer, transmission, etc of the Company's securities to Shareholders / Investors Grievances Committee. The minutes of the Shareholders / Investors Grievances Committee are noted by the Board of Directors at the Board Meetings.
- The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with the Stock Exchange and files a copy of the certificate with the Stock Exchange.

**xii Distribution of shareholding as on 31<sup>st</sup> March 2007**

No. of equity Shares held	No. of shareholders	% of shareholders	No. of shares	% of shareholding
1 – 500	2125	85.20	330542	4.51
501 – 1000	204	8.18	165336	2.26
1001 – 2000	91	3.65	144940	1.98
2001 – 3000	28	1.12	70771	0.97
3001 – 4000	13	0.52	46994	0.64
4001 – 5000	7	0.28	31936	0.44
5001 – 10,000	10	0.40	69021	0.94
10,000 and above	16	0.65	6462660	88.26
<b>GRAND TOTAL</b>	<b>2494</b>	<b>100.00</b>	<b>7322200</b>	<b>100.00</b>

**xiii Shareholding Pattern as on 31<sup>st</sup> March 2007**

CATEGORY	NO. OF SHARE HELD	% OF SHARE CAPITAL
<b>A. Promoter's Holding</b>		
1. Promoter's holding		
- Indian Promoters	54,06,628	73.84
- Foreign Promoters	-	-
2. Persons acting in Concert	-	-
<b>Sub – Total</b>	<b>54,06,628</b>	<b>73.84</b>
<b>B. Non – Promoters Holding</b>		
3. Institutional Investors		
a. Mutual Funds and UTI	7,260	0.10
b. Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions, Non-Government Institutions)	1,30,350	1.78
c. FIIs	-	-
<b>Sub – Total</b>	<b>1,37,615</b>	<b>1.88</b>
<b>C. Others</b>		
a. Private Corporate Bodies	7,19,613	9.83
b. Indian Public	10,16,369	13.88
c. NRIs/ OCBs	41,975	0.57
d. Any other (please specify)	-	-
<b>Sub – Total</b>	<b>17,77,957</b>	<b>24.28</b>
<b>GRAND TOTAL</b>	<b>73,22,200</b>	<b>100%</b>

**xiv Shareholding of Directors as on 31<sup>st</sup> March 2007**

Name of Director	Category of Directorship	NO. OF SHARE HELD	% OF SHARE CAPITAL
Dr. Vijaypat Singhania Chairman	Promoter, Non-Executive	3,600 *500	0.049 0.014
Shri Gautam Hari Singhania	Promoter, Non-Executive	*1,000	0.014
Shri Nabankur Gupta	Independent, Non-Executive	*500	0.007
Shri P. R. Jain	Independent, Non-Executive	34,675 *500	0.446 0.007
Shri R. K. Ganeriwala Whole-time Director	Non-Promoter, Executive	*500	0.007

\* Being qualification shares held jointly with Raymond Limited (Beneficial owner)

**xv Dematerialisation of Shares and Liquidity**

As per notification issued by Securities and Exchange Board of India [SEBI] trading in the Company's shares is permitted only in dematerialized form for all investors w.e.f September 2004. The Company has established connectivity with National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL] through its Registrar and Share Transfer Agent, Intime Spectrum Registry Limited, whereby the investors have the option to dematerialize their shares with either of the depositories.

**xvi Status of dematerialisation form as on 31<sup>st</sup> March 2007**

Particulars	No. of shares	% to total capital
National Securities Depository Limited [NSDL]	12,74,803	-----
Central Depository Services (India) Limited [CDSL]	2,33,926	-----
<b>Total Demat</b>	<b>15,08,729</b>	<b>20.60%</b>
Physical	58,13,471	79.40%
<b>GRAND TOTAL</b>	<b>73,22,200</b>	<b>100%</b>

**xvii Unclaimed amount of Redeemed Preference Shares**

The Company had redeemed 37,350 14% 10-year Redeemable Cumulative Preference shares of Rs. 100/- each on 15<sup>th</sup> June 2003 along with dividend due thereon. The redemption was subject to surrender of the share certificates by the shareholders. However, as on 31<sup>st</sup> March 2007 a few shareholders have not redeemed preference shares of the value of Rs.1,87,645/-. The shareholders are hereby reminded to surrender the share certificates to enable the Company to pay the unclaimed amount.

**xviii Unclaimed amount of Dividend**

The Company had declared and paid interim dividend @ 5% on the equity shares of the Company in the current financial year. The unclaimed amount of dividend as on 31<sup>st</sup> March 2007 is Rs. 65,889/-. (Previous year - Nil)

**xix Nomination**

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of all the registered shareholders. Nomination facility in respect of shares held in electronic form is also available with the depository participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agents.

**xx Outstanding GDRs / ADRs / Warrants or any convertible instrument, conversion date and likely impact on equity.**

The Company is not having an Outstanding GDRs / ADRs / Warrants or any other Convertible instrument as on date.

**xxi Plant Locations**

As the Company is engaged in the business of Non-Banking Financial services, there is no plant location.

**xxii Address for Correspondence**

**a) Investor correspondence**

For Shares held in Physical form

**Intime Spectrum Registry Ltd**

C-13, Pannalalsilk Mills

Compound , LBS Marg, Bhandup

(West), Mumbai 400 078

Tel no. 022-25963838

Fax no.022-2594 6969

e-mail-[isrl@intimespectrum.com](mailto:isrl@intimespectrum.com)

For Shares held in Demat form

Respective Depository Participant

**b) For query on Annual Report**

**J.K. Investo Trade (India) Limited**

New Hind House,

3, Narottam Morarjee Marg

Ballard Estate

Mumbai – 400 001

Phone: 022-22686000;

Fax: 022-22620052

Website: [www.jkinvesto.com](http://www.jkinvesto.com)

E-mail: [jktil@raymondindia.com](mailto:jktil@raymondindia.com)

**8. AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE**

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange and the same is annexed to the Directors' Report and Management Discussion and Analysis.

**B} NON - MANDATORY REQUIREMENTS**

**1. REMUNERATION COMMITTEE**

The Company has appointed a Remuneration Committee of Directors.