

REPORT ON CORPORATE GOVERNANCE

A. Company's Philosophy:

The essence of Corporate Governance lies in its transparency and its efficiency lies in its ability to protect the stakeholder's interest. The Company's governance process and practice has been framed and designed to achieve a transparency and professionalism in action as well as the implementation of policies and procedures to ensure high ethical standards as well as responsible management. The governance process is such as to ensure proper utilization of resources in a manner intended to meet the expectations of all the Stakeholders. The Company believes in meeting the obligations of all the stakeholders, including amongst others, shareholders, customers, employees and the community in which it operates.

The Company's corporate governance policies and practices for 2009-10 are as under:

The Company has following tiers of the Governance Pyramid:

Shareholders

Board of Directors

Committees of the Board

Executive Management

Each of the tiers operates within the given parameter as per prevailing laws and regulations or the practices prevalent in the industry.

B. Board of Directors:

i. Board Composition

The Company recognizes the need and importance of having a strong and broad based Board and hence has maintained an optimum combination of Executive and Non-Executive Directors. The composition of the Board is in accordance with the requirements of the Corporate Governance Code of the Listing Agreement with the Stock Exchanges. The Board of Directors comprises of majority of Non-Executive Directors, having rich and varied experience and imparts the desired level of independence to the Board. Therefore, the Board of Directors of the Company consists of optimal combination of Executive, Non-Executive and Independent Directors. As on 31st March, 2010 the Board of Directors has three (3) Executive Directors and nine (9) Non-Executive Directors of which five (5) are Independent Directors. The Chairman of the Board was an Executive Director. However with effect from 1st February 2010, the Chairman has relinquished his position of an Executive Director. Hence, presently the Chairman of the Board is a Non-Executive Director.

The day-to-day management of the Company is conducted by the Executive Directors subject to the supervision and control of the Board of Directors. The Managing Director of the Company is assisted by a Joint Managing Director and a Vice Chairman – 1 and Whole Time Director.

The constitution of the Board and other relevant details relating to Directors as on 31st March, 2010 are as under:

Director	Category	Number of other		
		Directorships*	Committee Memberships #	Committee Chairmanships #
Shri Ramesh J. Aggarwal	Chairman and Director Non-Executive	1	-	-
Shri Satish J. Aggarwal	Managing Director Executive	1	2	1
Shri Vijay J. Aggarwal **	Vice Chairman - 1 and Whole Time Director Executive	1	1	1
Shri S. S. Gupta	Non-Executive Independent	-	-	-
Shri R.D. Suvarna	Non-Executive Independent	-	-	-

Director	Category	Number of other		
		Directorships*	Committee Memberships #	Committee Chairmanships #
Shri S.K. Jain	Non-Executive Independent	1	-	-
Shri T.B. Subramaniam	Non-Executive Independent	2	4	4
Shri Sanjeev A. Aggarwal	Joint Managing Director Executive	1	-	-
Shri Ashok J. Aggarwal	Vice Chairman - 2 Non-Executive	1	-	-
Shri Sunil Goyal	Non-Executive Independent	1	2	-
Shri Kunal Aggarwal***	Non - Executive	-	-	-
Smt Monika Seth****	Non - Executive	1	-	-

* Other Directorships exclude Directorships held in Private Limited Companies.

Committee of Directors includes Audit Committee, Shareholders/Investors Grievance Committee, Performance Review Committee and Remuneration Committee of Directors only.

** w.e.f. 01/01/2010.

*** w.e.f. 01/02/2010.

**** Appointed w.e.f. 25/04/2009.

ii. Board Meetings and Attendance of Directors

The Board meets at least once in a quarter to consider amongst other businesses the performance of the Company and quarterly financial results. Additional Board Meetings are held as and when necessary. The Board meetings are generally held at the Registered Office of the Company at Mumbai. Agenda for each meeting along with explanatory notes are drafted and distributed well in advance to the Directors. Every Board Member is free to suggest the inclusion of items on the agenda.

During the financial year ended 31st March, 2010, the Board met **Six** times i.e. on 25th April, 2009, 29th June 2009, 31st July 2009, 31st October 2009, 12th December, 2009 and 1st February 2010.

The details of attendance of Directors at Board Meetings held during the financial year 2009-10 and the last Annual General Meeting are as under:

Name of the Director	Number of Board Meetings held	Number of Board Meetings attended	Whether attended last AGM
Shri Ramesh J. Aggarwal	6	5	Yes
Shri Satish J. Aggarwal	6	6	Yes
Shri Vijay J. Aggarwal	6	2	Yes
Shri S.S. Gupta	6	1	Yes
Shri R.D. Suvarna	6	1	Yes
Shri S.K. Jain	6	5	Yes
Shri T.B. Subramaniam	6	3	Yes
Shri Sanjeev A. Aggarwal	6	6	Yes
Shri Ashok J. Aggarwal	6	3	Yes
Shri Sunil Goyal	6	3	Yes
Shri Kunal R. Aggarwal	6	3	Yes
Smt. Monika Seth *	6	0	No

* Appointed w.e.f. 25/04/2009.

C. Board Committees

Currently, four Committees have been constituted by the Board viz:

1. Audit Committee
2. Shareholders'/Investors' Grievance Committee
3. Remuneration Committee
4. Performance Review Committee

Three of these committees are chaired by Non-Executive/Independent Directors and one Committee by Executive Director. As on date, the Audit Committee comprises of all Non-Executive Independent Directors. The Shareholders'/Investors' Grievance Committee comprises of two Non-Executive Independent Directors, one Non-executive Director and one Executive Director. The Remuneration Committee comprises of three Non-executive Independent Directors. The Performance Review Committee comprises of four Directors, of which two are Executive and two are Non-executive Independent Directors.

The Board is responsible for constituting, assigning, co-opting and fixing the terms of reference for Committee members of the said Committees. Recommendations of the committees are submitted to the Board for approval.

The quorum for committee meeting is two members or one-third of the total number of members of the committee, whichever is higher. Draft minutes of the committee meetings duly initialled by the Chairman of the respective committee meeting is circulated to the members of that committee for their comments and thereafter, confirmed in its next meeting. The Board of Directors also takes note of the minutes of the meetings of the committees, at their Board Meeting.

1. Audit Committee:

Terms of reference

a. Primary Objectives of the Audit Committee

As required under Section 292A of the Companies Act, 1956 read with the provisions of Clause 49 of the Listing Agreement(s) with the Stock Exchange(s), the Board has constituted an Audit Committee. This Committee acts as a link between the Statutory Auditors and the Board of Directors. It addresses itself to matters pertaining to adequacy of internal controls, reliability of financial statements and other management information and adequacy of provisions of liabilities. The primary objective of the Audit Committee (the "Committee") is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and the transparency, integrity and quality of financial reporting.

The terms of reference of the Audit Committee are as outlined in the Companies Act, 1956 and the Listing Agreement.

The Committee oversees the work carried out in the financial reporting process – by the management, including the independent auditor – and notes the process and safeguards employed by each.

b. Scope of the Audit Committee

1. Provide an open avenue of communication between the independent auditor and the Board of Directors ("BOD")
2. Recommending the appointment and removal of statutory auditors, fixation of audit fees and also to approve the payment for other services.
3. Meet four times a year or more frequently as circumstances require. The Audit Committee may ask members of management or others to attend meetings and provide pertinent information as necessary.
4. Confirm and assure the independence of the external auditor.
5. Review with independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts and the effective use of all audit resources.
6. Consider and review with the independent auditor the adequacy of internal controls including the computerised information system controls and security.
7. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.

8. Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:
 - a. Any changes in the accounting policies and practices
 - b. The going concern assumption
 - c. Compliance with accounting standards
 - d. Compliance with stock exchange and legal requirements concerning financial statements
 - e. Significant adjustment arising out of audit
9. Consider and review with the management and the independent auditor:
 - a. Significant findings during the year, including the status of previous audit recommendations,
 - b. Any difficulties encountered in the course of audit work including any restrictions on the scope of activities or access to required information.
10. Review of the following information:
 - a. Management discussion and analysis of financial condition and results of operations;
 - b. Statement of significant related party transactions submitted by the management;
 - c. Management letters/letters of internal control weaknesses issued by the Statutory Auditors.

c. Composition of the Audit Committee as on 31st March 2010:

The Audit Committee is constituted in accordance with the Corporate Governance Code of the Listing Agreement and the provisions of Section 292A of the Companies Act, 1956 and comprises of all Non-Executive Independent Directors. Shri T. B. Subramaniam, a Non-Executive Independent Director acts as the Chairman of the Committee. The statutory auditors are invited to the Audit Committee meetings whenever required. The quorum for the Audit Committee meeting is two members.

The Audit Committee currently comprises of the following:

1. Shri T.B. Subramaniam - Chairman (Non executive Independent Director)
2. Shri Sunil Goyal - Member (Non executive Independent Director)
3. Shri S. K. Jain * - Member (Non executive Independent Director)

* Appointed w.e.f. form 29/05/2010

Note :

1. Shri S.S. Gupta was a member of the Audit committee up to 31st October, 2009.
2. Shri Vijay J. Aggarwal was inducted as a member of the Audit committee from 31st October, 2009 and resigned on 29th May, 2010.

d. Audit Committee meetings and attendance during the financial year ended 31st March 2010:

During the financial year ended 31st March, 2010, five Audit Committee meetings were held i.e. on 25th April 2009, 29th June 2009, 31st July 2009, 31st October 2009 and 1st February, 2010. The table hereunder gives the attendance record of Members of the Audit Committee.

Name of the Members	No. of meetings held	No. of meetings attended
Shri T.B. Subramaniam	5	5
Shri Sunil Goyal	5	4
Shri S.S. Gupta*	5	2
Shri Vijay J. Aggarwal**#	5	2
Shri S. K. Jain##	-	-

* Up to 31st October 2009

** w.e.f. 31st October 2009

up to 29th May, 2010

w.e.f. 29th May, 2010

The Committee has recommended to the Board the appointment of M/s. Mittal & Associates, Chartered Accountants as the statutory auditors of the Company for the Financial Year 2010-11 and that necessary resolution for appointing them as auditors be placed before the shareholders.

2. Remuneration Committee:

The broad terms of reference of the Remuneration Committee is to ensure that the remuneration practices of the Company in respect of the Senior Executives including the Executive Directors are competitive keeping in view prevalent compensation packages so as to recruit and retain suitable individual(s) in such capacity.

The Committee comprises of the following members:

1. Shri S.K. Jain Chairman (Non executive Independent Director)
2. Shri R.D. Suvarna Member (Non executive Independent Director)
3. Shri Sunil Goyal Member (Non executive Independent Director)

The Remuneration Committee met once on 31st October, 2009 during the Financial Year ended March 31, 2010 and all the members were present in the said meeting of the Remuneration Committee.

Remuneration Policy:

The Non-executive Directors of the Company are paid sitting fees for attending the Board Meetings. The appointment and remuneration of the Managing Director, Joint Managing Director and Vice Chairman – 1 and Whole Time Director is governed by resolutions passed by the Board of Directors and shareholders of the Company, which covers terms of appointment, read with the service rules of the Company. Remuneration paid to the Managing Director, Joint Managing Director and Vice Chairman – 1 and Whole Time Director is recommended by the Remuneration Committee, approved by the Board and is within the limits set by the shareholders at the General Meeting.

Presently, the Company does not have any stock option plan or performance linked incentives for its Directors.

Details of Remuneration paid to all the Directors for the Financial Year ended 31st March, 2010 are as under:

(Rs. In Lacs)

Name of the Directors	Sitting Fees paid for		Salary & Perks
	Board Meetings	Committee Meetings	
Shri Ramesh J. Aggarwal	-	-	18.30
Shri Satish J. Aggarwal	-	-	25.03
Shri Vijay J. Aggarwal	-	-	6.00
Shri S.S. Gupta	0.02	0.08	-
Shri R.D. Suvarna	0.02	0.01	-
Shri S.K. Jain	0.10	0.01	-
Shri T.B. Subramaniam	0.06	0.13	-
Shri Sanjeev A. Aggarwal	-	-	22.50
Shri Ashok J. Aggarwal	0.06	0.06	-
Shri Sunil Goyal	0.06	0.07	-
Shri Kunal R. Aggarwal*	-	-	4.50
Smt. Monika Seth	-	-	-

* Non-Executive w.e.f. 01.02.2010

Shares held by Non-Executive Director

Name of the Non-Executive Director	Equity Shares held (No.)
Shri Ramesh J. Aggarwal	1,82,749
Shri S.S. Gupta	Nil
Shri R.D. Suvarna	5,000
Shri S.K. Jain	2,500
Shri T.B. Subramaniam	2,500
Shri Ashok J. Aggarwal	1,84,079
Shri Sunil Goyal	Nil
Smt Monika Seth	Nil
Shri Kunal R. Aggarwal	92,914

3. Shareholders'/Investors' Grievance Committee:

Composition:

The Shareholders'/Investors' Grievance Committee comprises of the following members:

1. Shri S. S. Gupta Chairman (Non-Executive Independent Director)
2. Shri T. B. Subramaniam Member (Non-Executive Independent Director)
3. Shri Vijay J. Aggarwal Member (Vice Chairman-1 and Whole Time Director)
4. Shri Ashok J. Aggarwal Member (Non-Executive)

Shri Ravi O. Sharma acts as the Compliance Officer.

Scope of the Shareholders'/Investors' Grievance Committee:

The said Committee inter-alia deals with various matters relating to redressal of shareholders and investors complaints like transfer/transmission of shares, non-receipt of balance sheet, non-receipt of dividends, etc. and also recommends measures to improve the performance of investor services.

Meetings and Attendance:

During the year ended 31st March 2010, the Committee had six meetings i.e. on 11th May, 2009, 10th November, 2009, 10th December, 2009, 11th January, 2010, 10th February, 2010 and 10th March, 2010.

The attendance record of members is given in the table hereunder:

Name of the Shareholders / Investor Grievance Committee members	No. of meetings held	No. of meetings attended
Shri. Vijay J. Aggarwal	6	6
Shri. S. S. Gupta	6	6
Shri. Ashok J. Aggarwal	6	6
Shri T.B. Subramaniam	6	6

The Committee expresses satisfaction with the Company's performance in dealing with investors' grievances and its share transfer system.

As per the revised Clause 49 of the Listing Agreement and to expedite the process of share transfers, the Board has delegated the powers of share transfers and related matters to Shri S.S. Gupta, Shri T. B. Subramaniam and Shri Vijay J. Aggarwal, members of the Committee who shall attend to share transfer formalities at least once in a fortnight.

Details of Shareholders' complaints received, not solved and pending during the Financial Year ended 31st March, 2010:

The Company has received and resolved one complaint from a shareholder during the year ended March 31, 2010. There were no unattended complaint as on March 31, 2010.

4. Performance Review Committee:

Composition:

The Company has also set up a Performance Review Committee for periodical review of operations and formulation of short-term/long-term business strategy. The said Committee comprises of the following members :

Shri Satish J. Aggarwal	Chairman (Executive Director)
Shri Sunil Goyal	Member (Non-Executive Independent Director)
Shri T. B. Subramaniam	Member (Non-Executive Independent Director)
Shri Sanjeev A. Aggarwal	Member (Executive Director)

Scope of the Performance Review Committee:

The said Committee inter-alia, deals with various matters relating to performance of the Company like operations, future expansion plans, etc.

Meetings and Attendance:

During the year ended 31st March 2010, the Committee had two meetings i.e. on 5th November, 2009 and 2nd January, 2010.

The attendance record of members is given in the table hereunder:

Name of the Shareholders' / Investors' Grievance Committee members	No. of meetings held	No. of meetings attended
Shri. Satish J. Aggarwal	2	2
Shri. Sunil Goyal	2	2
Shri. Sanjeev A. Aggarwal	2	2
Shri T.B. Subramaniam	2	2

D. Annual General Meetings:

Details of last **three** Annual General Meetings are given hereunder

Year	Date	Venue	Time
2007	24/09/2007	Hotel Suba Galaxy, N.S. Phadke Road, Off Western Express Highway, Near Andheri East-West Flyover, Andheri (East), Mumbai – 400 069	06.00 P.M.
2008	27/09/2008	Hotel Suba Galaxy, N.S. Phadke Road, Off Western Express Highway, Near Andheri East-West Flyover, Andheri (East), Mumbai – 400 069.	11.30 A.M.
2009	21/09/2009	Hotel Suba Galaxy, N.S. Phadke Road, Off Western Express Highway, Near Andheri East-West Flyover, Andheri (East), Mumbai – 400 069.	11.00 A.M

Special Resolution:

- At the Annual General Meeting which was held on 21st September 2009, Special Resolution was passed for increase in number of directors from 12 to 15.

2. At the Annual General Meeting which was held on 27th September 2008, Special Resolution for issue of 40,00,000 Optionally Fully Convertible Warrants on preferential basis in accordance with the Companies Act, 1956 read with SEBI (Disclosure & Investors Protection) Guidelines was passed.
3. Special Resolution for appointment of Mr. Satish J. Aggarwal as the Managing Director of the Company was passed in the Annual General Meeting held on 24th September 2007.

Postal Ballots:

No special resolution was passed through Postal Ballot during the year. However the Company is in the process of obtaining Member's approval vide Postal Ballot under section 293(1)(a) for creation of mortgage/charge and hypothecation on all the immovable and movable properties; and increase in borrowing powers of the Board of Directors of the Company under section 293(1)(d) of the Companies Act, 1956.

E. Disclosures:

i. Related Party Transactions:

There are no transactions of material nature with Directors/Promoters or any related entity, which will have any potential conflict with the interests of the Company at large.

ii. Compliances by the Company:

There is no non-compliance by the Company or any penalties, strictures imposed by the Stock Exchange, SEBI or any other statutory authority on any matter related to capital markets, during the last three years.

iii. Whistle Blower Policy and Access of personnel to the Audit Committee:

The Company has not established the non-mandatory requirement of Whistle Blower Policy. However, the Company's personnel have access to the Chairman of the Audit Committee in cases such as concerns about unethical behaviour, frauds and other grievances. No employee of the Company has been denied access to the Audit Committee.

iv. Compliance with the Mandatory requirements and Implementation of the Non-mandatory requirements:

The Company has complied with the mandatory requirements of the Corporate Governance Clause of Listing Agreement. The Company has not implemented the non-mandatory requirements enlisted by way of annexure to Clause 49 of the listing agreement except the constitution of Remuneration Committee.

F. Means of Communication:

- i. The quarterly results of the Company are published in two newspapers in compliance with the provisions of Clause 41 of the listing agreement. Generally, the same are published in *Business Standard* or *The Free Press Journal* or *Economic Times* (English language) and *Tarun Bharat* or *Navshakti* or *Dainiksagar* or *Lakshdeep* (Marathi language). As the results of the Company are published in the newspapers, half-yearly reports are not sent to each household of shareholders. The quarterly results as well as the proceedings of the Annual General Meeting are submitted to the Bombay Stock Exchange Limited immediately after the conclusion of the respective meeting.
- ii. No presentations were made to the institutional investors or to analysts during the year under review.
- iii. The Management Discussion and Analysis Report forms a part of this Annual Report.

G. Certificate on Corporate Governance:

As required by Clause 49 of the Listing Agreement, a certificate issued by M/s Rathi & Associates, practicing Company Secretaries, regarding compliance of conditions of Corporate Governance is given as an annexure to this Report.

H. CEO Certification:

As required by Clause 49 of the Listing Agreement, the CEO i.e. the Managing Director's certification is provided as an annexure to this Report.

I. General Shareholders' Information:

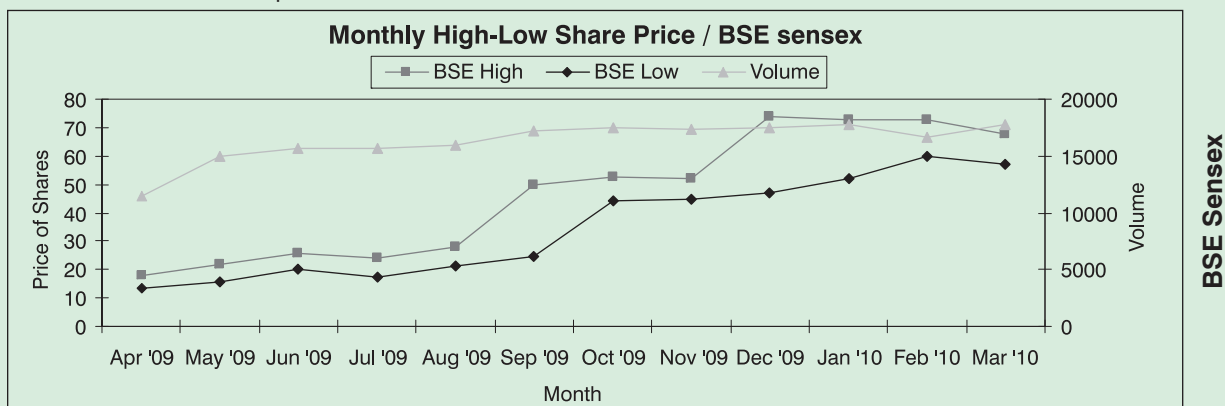
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|-------|---|--|
| i. | Date, time and venue of Annual General Meeting of Shareholders | 27 th September, 2010, 11.30 A.M.
At Mirage Hotel, International Airport Approach Road, Marol, Andheri (East), Mumbai 400 059. |
| ii. | Financial Calendar
(tentative and subject to change) | <p>Financial reporting for quarter ended</p> <p>June 30, 2010 : By August 14, 2010.
September 30, 2010 : By November 14, 2010.
December 31, 2010 : By February 14, 2011.
March 31, 2011 : By May 15, 2011.
Annual General Meeting for year ended 31st March 2011 –
By September 30, 2011.</p> |
| iii. | Dates of book closures | 23 rd September, 2010 to 27 th September, 2010.
(both days inclusive) |
| iv. | Dividend Payment | On or after 27 th September, 2010 but within the statutory time limit of 30 days, subject to shareholders' approval. |
| v. | Registered Office | Tex Centre, 'K' Wing, 3 rd Floor, 26 'A' Chandivali Road,
Near HDFC Bank, Off. Saki Vihar Road, Andheri (East),
Mumbai – 400 072.
Tel. No.: 022 – 2847 8505, 2847 8549 / 50 / 52.
Fax No.: 022 – 2847 8508.
Email: customercare@kisangroup.com
Website: www.kisangroup.com |
| vi. | Listing on Stock Exchange & fees for 2010-11 | The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited and the Madhya Pradesh Stock Exchange. Annual Listing Fee as prescribed has been paid to the Bombay Stock Exchange Limited for the year 2010 – 2011 (delisting application already submitted to the Madhya Pradesh Stock Exchange hence listing fees for the year 2009-2010 are not paid). |
| vii. | Bombay Stock Exchange Code (BSE) | 530145 |
| viii. | <p>Disclosures regarding appointment / reappointment of Directors</p> <p>Pursuant to the provisions of Sections 255 & 256 of the Companies Act, 1956, Shri Ashok J. Aggarwal, Shri Ramesh J. Aggarwal and Shri R. D. Suvarna shall retire by rotation at the forthcoming Annual General Meeting.</p> <p>The Board has recommended to the shareholders, the re-appointments of Shri Ashok J. Aggarwal, Shri Ramesh J. Aggarwal and Shri R. D. Suvarna as the Directors. The detailed resume of the said retiring Directors are provided in the notice of the Annual General Meeting.</p> | |

ix. Stock Market price data

Monthly high and low at the Bombay Stock Exchange Limited for financial year ended 31st March, 2010:

Month	High (Rs.)	Low (Rs.)	BSE Sensex (High)
April, 2009	18.00	13.52	11,492.10
May, 2009	22.05	15.80	14,930.54
June, 2009	25.95	19.90	15,600.30
July, 2009	24.00	17.30	15,732.81
August, 2009	27.90	21.35	16,002.46
September, 2009	50.00	24.70	17,142.52
October, 2009	52.85	44.00	17,493.17
November, 2009	52.00	44.50	17,290.48
December, 2009	73.95	47.00	17,530.94
January, 2010	72.90	52.05	17,790.33
February, 2010	73.00	60.05	16,669.25
March, 2010	67.50	57.00	17,793.01

x. Performance in comparison to BSE Sensex:



xi. Registrar and Share Transfer Agent:

Sharex Dynamic (India) Private Limited

Unit – 1, Luthra Industrial Premises,
Safed Pool, Andheri Kurla Road,
Andheri (East),
Mumbai – 400 072

Tel. No.: 022 – 2851 5606, 2851 5644.

Fax No.: 022 – 2851 2885.

Email: sharexindia@vsnl.com

xii. Share Transfer System:

Shares sent for physical transfer are generally registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respects. The Shareholders'/Investors' Grievance Committee meets as often as required. As per the revised Clause 49 of the Listing Agreement and to expedite the process of share transfers, the Board has delegated the powers of share transfers and related matters to Shri S.S. Gupta, Shri T. B. Subramaniam and Shri Vijay J. Aggarwal, members of the Shareholders'/Investors' Grievance Committee who shall attend to share transfer formalities as per the requirement.

The total number of shares transferred in physical form during the year 2009-10 was **3,630** shares.

xiii. Distribution of Shareholding as on March 31, 2010:

No. of Equity Shares held	Shareholders		Shares	
	Number	% to total Shareholders	Number	% to total Capital
1 - 500	4,080	87.63	5,58,446	6.21
501 - 1,000	237	5.09	2,05,568	2.28
1,001 - 5,000	223	4.79	5,26,658	5.86
5,001 - 10,000	37	0.79	2,78,603	3.10
10,001 & above	79	1.70	74,20,530	82.55
Total	4,656	100.00	89,89,805	100.00

xiv. Categories of Shareholding as on March 31, 2010:

Category	Shareholders		Shares	
	Number	% to total Shareholders	Number	% to total Capital
PROMOTER HOLDING				
Indian Promoters	93	2.00	55,77,148	62.04
Total of promoter holding	93	2.00	55,77,148	62.04
NON- PROMOTER HOLDING				
Institutional Investors				
FIs	0	0.00	0.00	0.00
Others				
Private Corporate Bodies	180	3.87	19,41,929	21.60
Indian Public	4344	93.30	14,57,444	16.21
NRIs/OCBs	17	0.36	8,937	0.10
Any Other (Shares in Transit)	22	0.47	4,347	0.05
Total of non-promoter holding	4563	98.00	34,12,657	37.96
Grand Total	4656	100.00	89,89,805	100.00

xv. Dematerialization of shares and liquidity

The shares of the Company are in compulsory DEMAT segment and are available for trading in the depository systems of both NSDL and CDSL under ISIN No. INE017C01012. As on 31st March 2010, 63,30,477 (after conversion of 19,51,625 warrants into Equity Shares) Equity Shares of the Company, forming 70.42% of the Share Capital of the Company, stand dematerialized.

xvi. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity.

During the year under review, as per the terms of the issue, the Company had converted 19,51,625 Warrants (out of 40,00,000 warrants) into Equity Shares. The balance 20,48,375 Warrants were also subsequently converted into Equity Shares on 5th April, 2010. As on date of signing this report, the Company does not have outstanding Warrants pending conversion into Equity Shares.

xvii. Plant Location

- Survey No. 64/1, 63/1, 70, 71, 72, 74/1/1 village-Mahagaon, Taluka-Palghar, Boisar, Dist, Thane (Maharashtra).
- T-110/111, MIDC, Tarapur – Boisar, Dist. Thane (Maharashtra).
- Survey No. 34/1/1, Village - Umerkui, Silvassa – D. & N.H. (U. T.).
- Plot no 67-74 and 80-89, Birkoni Industrial area, Mahasammund, Chattisgarh – 493445.
- Plot No. 127/2, 128/1, Village Bir Plassi, Tehsil Nalgarh, Solan, Himachal – 174101.
- Plot No. 5-A/5 Industrial Area No. 2, Dewas, Madhya Pradesh – 455001.

xviii. Address for Correspondence:

Sharex Dynamic (India) Private Limited
Unit – 1, Luthra Industrial Premises,
Safed Pool, Andheri Kurla Road,
Andheri (East),
Mumbai – 400 072
Tel.No.: 022 – 2851 5606, 2851 5644.
Fax No.: 022 – 2851 2885.
Email: sharexindia@vsnl.com

xix. Name and Address of Compliance Officer :

Shri Ravi O. Sharma
Kisan Mouldings Limited
Tex Centre, 'K' Wing, 3rd Floor, 26 'A' Chandivli Road,
Near HDFC Bank, Off. Saki Vihar Road, Andheri (East), Mumbai – 400 072.
Tel. No.: 022 – 2847 8505, 2847 8549 / 50 / 52.
Fax No.: 022 – 2847 8508.

PRACTICING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Kisan Mouldings Limited

We have examined the compliance of conditions of Corporate Governance by Kisan Mouldings Limited (the Company) for the year ended March 31, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examinations were limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As per the records of the Company, there were no investor grievances remaining unattended for a period exceeding one month against the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For and on behalf of
Rathi & Associates
Company Secretaries**

**Place : Mumbai
Date : 29th May, 2010**

**Narayan Rathi
Partner
FCS No.: 1433**

CERTIFICATE PURSUANT TO CLAUSE 49 V OF THE LISTING AGREEMENT

We, Satish J. Aggarwal, Managing Director and Suresh K. Purohit, Chief Financial Officer do hereby, certify to the Board that:

1. We have reviewed the financial statements for the year ended on March 31, 2010 and that to the best of our knowledge and belief:
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. These statements present a true and fair view of the state of affairs of the Company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including Accounting Standards, applicable laws and regulations.
2. 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.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We indicate to the auditors and to the Audit Committee during the year : -
 - i. there have not been any significant changes in internal control over financial reporting;
 - ii. there have not been any significant changes in accounting policies; and
 - iii. there have been no instances of significant fraud of which we are aware that involve management or other employees.

Place : Mumbai
Date : 29th May 2010

Satish J. Aggarwal
Managing Director

Suresh K. Purohit
Chief Financial Officer

DECLARATION PURSUANT TO CLAUSE 49 I (D) (ii) OF THE LISTING AGREEMENT

In accordance with Clause 49 I (D) (ii) of the Listing Agreement with the Stock Exchanges, we hereby confirm that the Board Members and Senior Management of the Company have affirmed their compliance with the Code of Conduct as applicable to them for the financial year ended March 31, 2010.

Place : Mumbai
Date : 29th May 2010

Satish J. Aggarwal
Managing Director

Suresh K. Purohit
Chief Financial Officer