

REPORT ON CORPORATE GOVERNANCE OF ASIA PACK LIMITED

1. Company's philosophy on Corporate Governance

The Company believes that Corporate Governance is the set of processes, customs, policies, rules, regulations and laws, by which companies are directed, controlled and administered by the management in the best interest of the stakeholders. It ensures fairness, transparency, accountability and integrity of the management. It is a way of life rather than a mere legal compulsion. The premise of Corporate Governance framework in ASIA PACK LIMITED is based on the following key drivers:

- Adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders including customers, employees and society at large.
- A good system of internal control to mitigate the risks.
- Compliance of law, rules & regulations in true letter and spirit.
- Independent verification of the Company's financial reporting.
- Strategic supervision by the Board of Directors of appropriate composition, size, varied experience and commitment to discharge their responsibilities.
- Timely and balanced disclosure of all material information to all the stakeholders.
- Clearly defined standards against which performance of responsibilities can be measured.
- A clear delineation of shareholders' rights.
- Accuracy and transparency in disclosures regarding operations, performance, risk and financial position.

Based on the aforesaid objectives and in compliance with the disclosure requirements of Clause 49 of the Listing Agreement executed with the stock exchanges as well as the Guidelines on Corporate Governance for Public Sector Enterprises, the detailed report on Corporate Governance is as follows.

2. Size and Composition of the Board

The Board of Directors has an adequate combination of Executive (Functional) and Non-executive Directors. As on the date of AGM, the Board had 5 Directors, comprising of Two Executive Directors, One Non Executive and Two Non Executive Independent Directors. The Non Executive Independent directors are appointed on 25th Aug 2011 in the meeting of board of directors of the Company.

All the Directors on the Board are thorough professionals having specialization in their own respective fields. The composition of the Board is in conformity with the Clause 49 of the Listing Agreement.

The Board of Directors and its Committees meet at regular intervals. The following functions come under the purview of the Board of Directors and its committees:-

- ✓ Review of financial plans and budgets
- ✓ Formulating Strategic Business Plans
- ✓ Monitoring High End Projects
- ✓ Keeping Shareholders Informed regarding plans , strategies and performance

Fourteen Board meetings were held during the year under review on 24th April 2010, 28th April 2010, 3rd May 2010, 4th May 2010, 13th July 2010, 2nd Aug 2010, 25th Aug 2010, 15th Sept 2010, 4th Oct 2010, 23rd Oct 2010, 22nd Nov 2010, 12th Dec 2010, 12th Feb 2011 & 14th March 2011

The particulars regarding composition of the Board of Directors and its Meetings held during the year are given hereunder: -

| Name of the director | Category | Directorships in other public companies | | Committee Membership held in Other public companies | | No. of Board Meetings during the year | | Attended Last AGM | Shares Held |
|-------------------------|--------------------------------|---|----------|---|----------|---------------------------------------|----------|-------------------|-------------|
| | | Director | Chairman | Member | Chairman | Held | Attended | | |
| Deepak Kumar Parihar | Executive | 3 | NIL | NIL | NIL | 14 | 14 | YES | NIL |
| Prakash Chandra Purohit | Non Independent/ Executive | 1 | NIL | NIL | NIL | 14 | 14 | YES | NIL |
| Revant Purbia | Non Independent/ Non Executive | 0 | NIL | NIL | NIL | 14 | 14 | YES | 300 |
| Pradeep Garg | Non Executive/ Independent | 0 | NIL | NIL | NIL | 14 | 0 | NO | NIL |
| Anil Kumar Sankhlecha | Non Executive/ Independent | 0 | NIL | NIL | NIL | 14 | 0 | NO | NIL |

In terms of the provisions of the Articles of Association of the company, one-third directors of the company retire at every annual general meeting. Accordingly, Mr. Revant Purbia & Mr. Prakash Chandra Purohit would retire by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

3. Board Committees

The Company has the following committees on Board duly constituted on 25th August, 2011 viz. Shareholders/Investors Grievance Committee, Audit Committee and Remuneration Committee in accordance with provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

(A) Audit Committee: The Audit Committee as reconstituted on 25th Aug 2011 comprises of Mr. Pradeep Garg as its Chairman, Mr. Anil Kumar Sankhlecha & Mr. Deepak Kumar Parihar, as its Members and the Company Secretary of the Company as Secretary of the Committee.

The role of the Audit Committee includes the following:

- i. 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.
- ii. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees of the Statutory Auditors.

- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- iv. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Qualifications in the draft audit report
- v. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- vi. To appoint whenever deemed expedient, an independent internal auditor to carry out continuous audit of the accounts and systems of the company, and also consider and/ or review the appointment and removal of auditors of the company.
- vii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems..
- viii. Discussion with internal auditors any significant findings and follow up there on.
- ix. 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.
- x. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- xi. The Audit Committee should have discussions with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the half-yearly and annual financial statements before submission to the Board and also ensure compliance of internal control systems.
- xii. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- xiii. The Audit Committee shall review the financial statements, in particular, the investments made by the unlisted subsidiary company
- xiv. The audit committee shall lay down, review and revise the accounting policies of the company.
- xv. The audit committee shall review the financial operations and performance of the company
- xvi. The audit committee shall review the Quarterly, half-yearly and annual financial accounts and other financial reports and statements, before placement thereof before the Board of Directors
- xvii. The audit committee shall consider and constitute sub-committees, wherever necessary for carrying out and/or monitoring the financial operations of the company.
- xviii. The audit committee shall give report and/or recommendations to the Board on the matters concerning financial operations of the company.
- xix. The audit committee shall invite and summon any executive of the company and/or appoint experts, wherever necessary, and discuss with them the matters relating to the finance, audit and internal control system etc.
- xx. The audit committee shall obtain legal and professional advise wherever found necessary and expedient.

- xxi. The audit committee shall consider and act on any matters as or included under Clause 49 of the Listing Agreement and/or as may be so included from time to time, whether provided here in above or not.
- xxii. The audit committee shall deal with any other matters related and or incidental to the above or as may be assigned, in addition to the aforesaid, by the Board from time to time.

During the year under review four Audit Committee Meetings were held on 29th May 2010, 28th July 2010, 29th Oct 2010 and 29th Jan 2011 and the same were attended by all the committee members.

(B) Shareholders / Investors Grievance Committee: The Shareholders'/Investors' Grievances Committee specifically looks into redressing of Shareholders' and Investors' complaints/ grievances pertaining to transfer/transmission of shares, non-receipt of annual reports, dividend payments, issue of duplicate share certificates and other miscellaneous complaints. The Committee oversees and reviews performance of the Registrar and Transfer Agent and recommends measures for overall improvement in the quality of investor services.

(i) The Shareholders / Investors Grievance Committee comprises of following members

- A. Mr. Deepak Kumar Parihar (Chairman)
- B. Mr. Prakash Chandra Purohit (Member) and
- C. Mr. Revant Purbia (Member)
- D. Ms. Siddhi Jain (Secretary)

The Shareholders committee has been empowered, inter-alia, to carry out the following functions: -

1. To consider and approve the transfer, transmission and issue of fresh/duplicate share certificates.
2. To review the status of dematerialization of company's shares and matters incidental thereto.
3. To monitor the matters of litigation related to shareholders and take decisions relating thereto.
4. To consider, review and monitor the matters related to the shareholders grievances.
5. To consider and finalize the Report on Corporate Governance to be annexed with the Annual Report of the company.
6. To deal with any other matters related and/or incidental to the shareholders.

During the year under review five Shareholder Committee Meetings were held on 23rd Oct 2010, 22nd Nov 2010, 12th Dec 2010, 12th Feb 2011 & 14th March 2011 and the same were attended by all the committee members.

(ii) Company Secretary cum Compliance Officer

Ms. Siddhi Jain, Company Secretary is the Compliance Officer of the Company. The Company Secretary is primarily responsible to ensure compliance with applicable statutory requirements and is the interface between the management and the regulatory authorities for governance matters.

(C) Remuneration Committee: The Board of Directors constituted a Remuneration Committee inter alia to consider, determine and approve and recommend to the Board of Directors the appointment and remuneration payable to Non-Executive directors. The Committee was reconstituted on 25/08/2011. At present the Committee comprises of - Mr. Deepak Kumar Parihar as Chairperson of the Committee; Mr. Revant Purbia & Mr. Pradeep Garg as its members.

No remuneration was paid & no Committee meeting was held during the year under review.

Remuneration Policy:

Though there is no written Remuneration Policy, the Committee recommends to the Board, remuneration package of the Non-Executive Director/s, on the Board of the Company, keeping in view the relevant provisions of the Companies Act, 1956, performance, experience and market conditions, employment scenario, and remuneration packages of managerial talents of comparable industries. It is ensured that the remuneration package is appropriate with the responsibilities involved which helps retain the talent.

4. General Body Meetings

Details of Annual General Meetings:

(i) Location and time where the last 3 AGM's were held

| Year | Type | Location | Date | Time |
|----------------|-------------|--|----------------------------|-------------|
| 2009-10 | AGM | 3 rd Floor, Miraj House Panchwati, Udaipur-313001 (Raj.) | 23 rd Aug 2010 | 11.00 A.M. |
| 2008-09 | AGM | 3 rd Floor, Miraj House Panchwati, Udaipur-313001 (Raj.) | 29 th Sept 2009 | 11.00 A.M |
| 2007-08 | AGM | 3 rd Floor, Miraj House Panchwati, Udaipur-313001 (Raj.) | 27 th Sept 2008 | 11.00 A.M |

(ii) List of Special Resolutions passed in General Body Meetings in the Last 3 Consecutive Financial Years

| S. No. | Subject Matter | AGM/EGM Reference and Date of passing |
|---------------|--|--|
| 1. | Alteration in Main object clause of the company | EGM, 30 th March 2009 |
| 2. | To give loans or guarantees to other companies- Sec 372A | EGM, 5 th Nov 2009 |

(iii) Whether Special Resolutions were put through postal ballot last year **No**

(iv) Are polls proposed to be conducted through postal ballot this year **No**

5. DISCLOSURES

I. There have been no materially significant related party transactions, pecuniary transactions or relationships other than those disclosed in the financial statements for the year ended 31st March 2011 (Refer Note No 14 of Schedule M forming part of Balance Sheet and Profit & Loss Account). Accordingly, the same have not been reproduced here.

II. No penalty has been imposed nor any strictures have been passed by the Stock Exchanges or SEBI or any other Statutory Authority on any matter related to Capital Markets during the last three years.

III. The Company has adopted a code of conduct applicable to all Directors and senior management personnel of the Company and the same is posted on the website of the Company www.asiapackltd.com. For the year under review, all directors and senior management personnel have confirmed that they shall adhere to the provisions of said code.

The Annual Report also contains a declaration that the Code of Conduct has been complied with by the Board Members and the Senior Management.

IV. The Company's subsidiaries viz., Homework Crafts (India) Private Limited is not a "Material Non-Listed Subsidiary" in terms of Clause 49 of the Listing Agreement. However, the financial results and the investments (as and when made) are placed before the Audit Committee of the Company regularly for review.

V. The Director (CFO) of the Company has, as required under clause 49 of the Listing Agreement, given the certificate on the review of financial statements, including Cash Flow, for the year ended 31st March, 2011 to the Board of Directors.

VI. The Company follows the mandatory Accounting Standards prescribed by the Institute of Chartered Accountants of India and to the best of its knowledge there are no deviations in the Accounting treatments that require specific disclosure. Risk Assessment and Minimization procedures are in existence and are reviewed periodically.

VII. Whistle Blower policy a Non – Mandatory requirement has not been reviewed by the Company.

VIII. All the mandatory requirements under Clause 49 (relating to Corporate Governance norms) of the Listing Agreement are being adhered to / complied with. The Non Mandatory requirement relating to Remuneration Committee has not been adopted by the Company.

6. MEANS OF COMMUNICATION

- *Quarterly/ Annual Results:* The Company regularly intimates un-audited as well as audited financial results to the Stock Exchanges, immediately after these are approved. These financial results are normally published in the newspaper as required under Clause 49 of the Listing Agreement. The results are also displayed on the website of the Company www.asiapackltd.com.
- *News Release, Presentation etc.:* The financial results are published in two newspaper Jai Rajasthan (Hindi), & Financial Express (English). The official news releases, detailed presentations as and when made to media, institutional investors, financial analysts etc. are displayed on the Company's website www.asiapackltd.com
- *Website:* The Company's website www.asiapackltd.com contains separate dedicated section 'Investor Relations' where the shareholders information is available. Full

Annual Report, Shareholding Pattern and Corporate Governance Report etc. are also available on the web-site in a user-friendly manner.

- *Annual Report:* Annual Report containing inter-alia, Audited Accounts, Consolidated Financial Statements, Directors' Report, Management Discussion and Analysis (MD&A) Report, Auditors' Report, Corporate Governance Report including Information for the Shareholders and other important information is circulated to the members and others entitled thereto.

7. GENERAL SHAREHOLDER INFORMATION

I. Ensuing Annual General Meeting Date, time and venue:

Location: 3rd floor, Miraj House, Panchwati, Udaipur-313001

Date: 29th September, 2011

Time: 11.00 A.M.

II. Financial Year: 31st March 2011

III. Date of Book Closure: 10th September, 2011 to 17th September, 2011

IV. Dividend Payment Date: No dividend declared

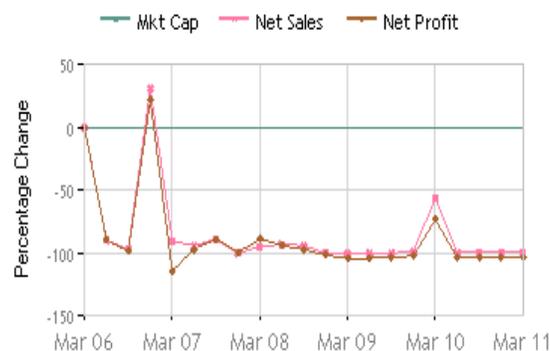
V. Listing on Stock Exchanges: The Company's equity shares are listed at Bombay Stock Exchange Limited, Mumbai, & Jaipur Stock Exchange Limited, Jaipur

VI. Stock Code: The Company's scrip code at BSE is 530899 & at Jaipur is 630

VII. Market Price Data: As the trading in company's securities is suspended, there is no monthly High, Low price of the Company in last financial year at BSE

VIII. Performance in Broad based indices:

Performance Chart



IX. Stock Performance-Absolute returns:

The equity shares were last traded in Dec 2000 at BSE at a price of Rs. 11.95 per share. The trading in the securities was suspended since Jan 2004.

X. Registrar of Transfer Agents:

ANKIT CONSULTANCY PRIVATE LIMITED

60, Electronic Complex

Pardeshipura

Indore- 452010

M.P

Email: ankit_4321@yahoo.com

XI. Share Transfer System

With a view to expedite the process of share transfer which are received in physical form, the Board had already constituted an Shareholder's Committee which usually meets once in a fortnight to consider and approve the shares received for transfer, transmission, rematerialization and dematerialization etc. The shares for transfer received in physical form are transferred expeditiously within a period of 30 days, provided the documents are complete and the share transfer is not under any dispute. A summary of transfer/ transmission of securities so approved by the aforesaid Committee are placed at Board Meetings. The share certificates duly endorsed are sent to the shareholders by RTA. In addition, as a part of the capital integrity audit, a Secretarial Audit Report for reconciliation of the share capital confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL, is placed before the Board on a quarterly basis. A copy of the Audit Report is submitted to the stock exchanges. As reported by Company's RTA all valid requests for transfer during the year under review were transferred within stipulated time limit.

XII. The status of Investor's Grievance Redressal from 1.04.2010 to 31.03.2011 is as under:

| Nature of Grievance | Received | Cleared |
|---|-----------------|----------------|
| Relating to Dividend | NIL | NIL |
| Relating to transfer, transmission, exchange etc. | NIL | NIL |
| Non Receipt of Annual Report | NIL | NIL |

XIII. The distribution of shareholdings of the company as on 31st March 2011 is as under:

| Number of Shares | Number of Shareholders | % to total no. of Shareholders | Share Amount (In Rs.) | % to total share capital |
|-------------------------|-------------------------------|---------------------------------------|------------------------------|---------------------------------|
| Upto 1000 | 368 | 40.13 | 368000 | 1.40 |
| 1001-2000 | 131 | 14.29 | 262000 | 0.99 |
| 2001-3000 | 163 | 17.78 | 489000 | 1.85 |
| 3001-4000 | 32 | 3.49 | 128000 | 0.49 |
| 4001-5000 | 76 | 8.29 | 380000 | 1.44 |
| 5001-10000 | 59 | 6.43 | 501000 | 1.90 |
| 10001-20000 | 38 | 4.14 | 647000 | 2.45 |
| 20001-30000 | 5 | 0.55 | 125000 | 0.47 |
| 30001-40000 | 5 | 0.55 | 197400 | 0.75 |
| 40001-50000 | 2 | 0.22 | 100000 | 0.38 |
| 50001-100000 | 14 | 1.53 | 1326000 | 5.03 |
| 100000 & Above | 24 | 2.62 | 21850800 | 82.85 |
| TOTAL | 917 | 100.00 | 26374200 | 100.00 |

The category-wise distribution of Shareholders is as follows:

| Category | No of Shares held | % of Shareholding |
|--|--------------------------|--------------------------|
| A. Promoters Holding | | |
| • Indian Promoter | 1467990 | 55.66 |
| • Foreign Promoters | NIL | NIL |
| B. Public Shareholding (Institutions) | | |
| • Mutual Funds and UTI | - | - |
| • Banks/Financial Institutions | 45100 | 1.71 |
| • Foreign Institutional Investors | - | - |
| C. Public Shareholding (Non Institutions) | | |
| • Bodies Corporate | 371800 | 14.10 |
| • NRIs | 215100 | 8.16 |
| • Indian Public | 537430 | 20.38 |
| • Clearing Member/ Intermediary | - | - |
| TOTAL | 2637420 | 100 |

XIV. Dematerialization of Share and Liquidity

The trading in the Equity Shares of the Company has come under compulsory dematerialization w.e.f. 26th February 2001 in terms of the **SEBI-Notification No. SMDRP/POLICY/CIR - 23 / 2000** dated 29th May 2000.

The company has applied to join the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for dematerialization of shares. The Company has signed the MOU with RTA for the same.

XV. The Company has no outstanding GDRs/ ADRs/ Warrants or any other instruments convertible into equity.

XVI. Plant Location: The Company is in the business of providing advisory & consultancy services & real estate business; it does not have any manufacturing plants.

XVII. Address for Correspondence

Asia Pack Limited.
3rd Floor, Miraj House
Panchwati
Udaipur-313001 (Raj.)

8. CEO AND CFO CERTIFICATION

The certificate required under Clause 49 (IV) of the Listing Agreement, duly signed by the Director & Chief Financial Officer, was placed before the Board of Directors, which has been duly taken on record.

CEO/CFO Certificate

I, Deepak Kumar Parihar, Director (As Chief Financial Officer) of the Company certify that

1. I have reviewed the financial statements & cash flow statement for the year ended March 31, 2011 and to best of my 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 together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. To the best of my knowledge and belief, no transactions entered in to by the company during the year ended March 31, 2011 are fraudulent, illegal or violating of the company's code of conduct and that all the members of the Board of Directors; and Senior Management of the Company have affirmed compliance with the Code of Conduct.
3. I accept the responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which I am aware, have been disclosed to the auditors and the Audit Committee and the steps have been taken to rectify these deficiencies.
4. There not have been any significant changes in internal control over financial reporting during the year under reference;
5. There has not been any significant change in accounting policies during the year.

I am not aware of any instances during the year of significant fraud with involvement therein of the management or any employee having a significant role in Company's internal control system over financial reporting.

For Asia Pack Limited

**Sd/-
Deepak Kumar Parihar
Director**

Date: 08/09/2011

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
Asia Pack Limited
Udaipur

We have examined the compliance of conditions of Corporate Governance by **ASIA PACK LIMITED** for the year ended on 31st March 2011, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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 Manish Dani & Co.
CHARTERED ACCOUNTANTS**

**Place: Udaipur
Date: 01/09/2011**

**Sd/-
Manish Dani
Proprietor
Membership No. 406440**