

REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement a Report on Corporate Governance is given below:

COMPANY PHILOSOPHY ON CORPORATE GOVERNANCE:

Alan Scott Industriess Limited marks its Corporate Governance with the prevalent practices and it confirms the mandatory requirements.

BOARD OF DIRECTORS:

The Board of Directors comprises of Four Directors Consisting of One Managing Director, One Executive Director and Two Non-Executive Directors.

During the financial year under review commencing from 1st April, 2013 to 31st March, 2014, 6(Six) Board Meetings were held on 14th May 2013, 30th July 2013, 05th September 2013, 14th November 2013, 28th January 2014 and 14th February 2014.

The Composition of the Board of Directors and their attendance at the meetings during the year and at the last Annual General Meeting as also number of the other Directorship / Membership of Committees are as follows:

Name of the Director	Category of Directorship	No. of Board Meetings attended	Attendance of last AGM	No. of Other Directorship	Committee Membership	
					Member	Chairman
Mr. Suketu Parikh	MD	6	YES	1	NIL	NIL
Mr. Asmita Parikh	ED	6	YES	1	NIL	NIL
Mr. Govindan Nair	IND – NED	6	N A	NIL	NIL	NIL
Mr. Kanan Kapur	IND – NED	1	NA	NIL	NIL	NIL

MD – Managing Director

IND – Independent

NED – Non-Executive Director ED – Executive Director

Board's Functioning & Procedure

The Company holds a minimum of four Board Meetings in a year, one each per quarter. Additional Board Meetings are convened as and when necessary to address the specific needs of the Company. The Board also approves urgent matters by passing resolutions by circulations. The Meetings of the Board are held at the Company's registered office or at a hall in South Mumbai depending on the circumstances.

Agenda papers are circulated to the directors in advance and all material information is incorporated in the Agenda papers for facilitating meaningful and focused discussions at the Meeting. Where it is not practicable to attach any document to the Agenda, the same are placed on the table at the meeting. In special and exceptional circumstances, additional or supplementary items on Agenda are permitted.

The information as required under Annexure I to Clause 49 of the Listing Agreement is made available to the Board in every meeting.

Audit Committee:

The Audit Committee met 5 times in the financial year on 14th May 2013, 30th July 2013, 05th September 2013, 14th November 2013, and 14th February 2014, where all the members of the Committee, Executive Director and the Statutory Auditors were present. Meetings reviewed the Annual Accounts, half-yearly results and quarterly results and approved the same. The audit Committee oversees the general accounting practices and other management policies.

Mr. Suketu Parikh	Managing Director
Mr. Govindan Nair	Independent – Non Executive Director



Mr. Asmita Parikh	Executive Director
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Details of attendance at the meetings of Audit Committee:

Name of the members	No. of meetings held	No. of meetings attended
Mr. Suketu Parikh	5	5
Mr. Govindan Nair	5	5
Mr. Asmita Parikh	5	5

Terms of Reference

The role and terms of reference of this Committee are wide enough to cover the matters specified for the Audit Committee under Clause 49 of the listing agreement as well as in Section 292 A of the Companies Act, 1956 and are as follows:

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- b) To review with Management the financial statements at the end of a quarter, half year and the annual financial statements before submission to the Board for approval, focusing particularly on:
 - (i) matters required to be included in the Director's Responsibility Statement which form part of the Board's reporting in terms of clause (2AA) of Section 217 of the Companies Act, 1956;
 - (ii) changes, if any, in accounting policies and practices and reasons for the same;
 - (iii) major accounting entries involving estimates based on the exercise of judgment by management;
 - (iv) significant adjustments made in the financial statements arising out of audit findings;
 - (v) compliance with listing and other legal requirements relating to financial statements;
 - (vi) disclosure of any related party transactions; and
 - (vii) qualifications in the draft audit report
- c) to consider the appointment or re-appointment of the statutory auditors, the audit fee, any questions of resignation or dismissal and payment to statutory auditors for any other services rendered by them;
- d) to discuss with the statutory auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussion to ascertain any area of concern (in absence of management, wherever necessary);
- e) reviewing with management, performance of statutory and internal auditors, adequacy of the internal control systems and discuss the same periodically with the statutory auditors, prior to the Board making its statement thereon;
- f) reviewing the adequacy of internal audit function, if any, 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 on any significant findings and follow up thereon.
- h) reviewing the findings of any internal investigation 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) 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;
- j) to review the functioning of the Whistle Blower Mechanism, in case the same is existing;
- k) to review the external auditors' audit reports and presentations and management's response thereto;

- l) to ensure co-ordination between the internal and external auditors, and to request internal audit to undertake specific audit projects, having informed management of their intentions;
- m) to consider any material breaches or exposure to breaches of regulatory requirements or of ethical codes of practice to which the Company subscribes, or of any related codes, policies and procedures, which could have a material effect on the financial position or contingent liabilities of the Company;
- n) to review policies and procedures with respect to directors' and officers' expense accounts, including their use of corporate assets, and consider the results of any review of these areas by the internal auditors or the external auditors;
- o) to consider other topics, as defined by the Board;
- p) to review the following information :
- i) Management discussion and analysis of financial condition and results of operations;
 - ii) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - iii) Management letter/letters of internal control weaknesses issued by the statutory auditors;
 - iv) Internal audit reports relating control weaknesses; and
 - v) The appointment, removal and terms of remuneration of the Internal Auditor.

Share Transfer Committee/Investor Grievance Committee:

The Board has constituted the Share Transfer Committee, with the one Executive Directors as members to consider and approve Transfers of shares in the physical form and allied matters. The Shareholder/Investor Grievance Committee has been constituted under the Chairmanship of Mr. Soketu Parikh with Mr. Mr. Govindan Nair and Ms. Asmita parikh till date.

Mr. Soketu Parikh	Chairman and Managing Director
Mr. Govindan Nair	Independent – Non Executive Director
Ms. Asmita parikh	Executive Director

Details of attendance at the meetings of Investor Grievance Committee:

Name of the members	No. of meetings held	No. of meetings attended
Mr. Soketu Parikh	5	5
Mr. Govindan Nair	5	5
Ms. Asmita parikh	2	2

Name and Designation of Compliance Officer:

Mr. SOKETU PARIKH - Managing Director

GENERAL BODY MEETINGS:

Financial Year	Date	Location of the Meeting
1 st April, 2010 to 31 st March, 2011	29.09.2011	38, Apurva Indl. Estate, Makwana Road, off. Andheri . Kurla Rod, Marol Naka, Andheri (e), Mumbai-400059
1 st April, 2011 to 31 st March, 2012	29.09.2012	38, Apurva Indl. Estate, Makwana Road, off. Andheri . Kurla Rod, Marol Naka, Andheri (e), Mumbai-400059
1 st April, 2012 to 31 st March,	30.09.2013	38, Apurva Indl. Estate, Makwana



2013	Road, off. Andheri . Kurla Rod, Marol Naka, Andheri (e), Mumbai-400059
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DISCLOSURES:

There are materially significant related party transactions. There are other related party commercial transactions, which are reported in the accounting part of this report.

MEANS OF COMMUNICATION:

Quarterly, half – yearly and annual results have been communicated to OTC where the shares of the Company’s is listed. Annual Reports are dispatched to all the shareholders. No presentation to institutional investors or analysts was made during the year. Management discussion and Analysis is part of the Annual Report.

SHAREHOLDER INFORMATION:

- I) **Annual General Meeting :** **Monday, 29th September, 2014 at 10.00 A. M.**
Day, Date, Time and Venue **38, Apurva Indl. Estate, Makwana
Road, off. Andheri . Kurla Rod, Marol Naka, Andheri (e),
Mumbai – 400 059**
- II) **Financial Year : 2013.-2014**
First Quarter Results : 30th July, 2013
Second Quarter/Half Yearly Results : 14th November, 2013
Third Quarter Results : 14th February, 2013
- III) **Date of Book Closure** : 23.09.2014 to 30.09.2014
both days inclusive
- IV) **Listing in Stock Exchanges** : **The Equity Shares of the Company are listed on OTC.**

There is no default in payment of Annual Listing Fees as prescribed.

- V) **Stock Code** -----
VI) **Demat ISIN numbers in NSDL & CDSL –** -----

VIII) **Share Transfer Systems:** The company has appointed M/s. Link Intime India P. Ltd, Share Registrar & Transfer Agent C 13, Pannalal Silk Mills Compound, Next To Shangrilla Biscuits, Lbs Marg, Bhandup West, Mumbai – 400078. Transfers of physical shares are effected In house after approval by the Share Transfer Committee.

IX). **Distributions of Share Holdings as on 31-03-2014**

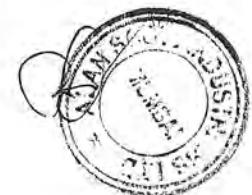
Categories of Shareholders as on March 31, 2014

Category	No. of Shares held	% of Shareholding
Promoters	834200	25.56
Banks Financial Institutions, MFs	64300	01.97
Others	2365200	72.46

X) **Dematerialization of Shares -** The Shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both the National Securities Depository Limited and the Central Depository Services (India) Limited. As on 31.03.2014, a total of 3263700 equity shares of the Company, forming 41.13% of the share capital of the Company, stand dematerialized (NSDL –1342300 CDSL -----).

XI) **Outstanding GDR/ADR/warrants - NIL**

XII) **The Company has no Plants.**



XIII) Address of Correspondence:

Shareholder Correspondence in relation to Transfer of Shares queries should be addressed to:
38, Apurva Indl. Estate, Makwana Road, off. Andheri . Kurla Rod, Marol Naka, Andheri (e), Mumbai – 400 059.

XIV) Compliance Certificate from Auditors of the Company – published elsewhere in this report.

XV) Compliance with other mandatory requirements.

1. Management Discussion and Analysis

Management Discussion and Analysis Report forms part of the Annual Report and includes discussions on various matters specified under clause 49(iv)(F) of the Listing Agreement is attached.

2. Disclosures

2.1 Related party Transactions

The details of all transactions with related parties are placed before the audit committee.

2.2 Disclosure of Accounting Treatment

In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

3. Code of Conduct

The Board has formulated a code of conduct for the Board members and senior management of the Company. The same has also been posted on the website of the Company. All board members have affirmed their compliance with code. A declaration to this effect signed by the Managing Director of the Company is given elsewhere in the Annual Report.

4. CEO/CFO certification

A Certificate from Managing Director on the financial statements of the Company was placed before the Board.

5. Review of Directors' Responsibility statement

The Board in its report have confirmed that the annual accounts for the year ended 31st March, 2014 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

NON-MANDATORY REQUIREMENTS

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|---|---|
| a) Any qualification in Auditors Report | NIL |
| b) Remuneration Committee | Remuneration Committee has been not been constituted. |
| c) Shareholder Rights
The half yearly declaration of financial performance including summary of the significant events in last six months should be sent to each household of shareholders | The Company's Quarterly results are published in English and Marathi newspapers having wide circulation. In view of the above, the half yearly declaration of financial performance including summary of the significant events in the last six months are not sent. The audited Results for the financial year are communicated to the Shareholders through the Annual Report. |

The Board would review implementation of non-mandatory requirements of Corporate Governance code regarding Tenure of independent directors on the board, Training of Board Members, Mechanism for evaluating non-executive board members and Whistle Blower Policy at appropriate time.

