

# SKYHIGH PROJECTS LIMITED

## **Report on Corporate Governance**

(Pursuant to Clause 49 of the Listing Agreement)

### **1. COMPANY'S PHILOSOPHY**

The Company believes that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the law coupled with total adherence to highest norms of business ethics. These two main drivers, together with the company's ongoing contributions to the local communities it operates in through meaningful and relevant Corporate Social Responsibility initiatives add to enhance the stakeholders value.

The Company places great emphasis on values such as empowerment and integrity of its employees, safety of the employees & communities surrounding our plant and facilities, transparency in decision making process and fair & ethical dealings with all, pollution free clean environment and last but not the least, accountability to all the stakeholders. These practices are being followed since the inception and have contributed to the company's sustained growth.

### **2. BOARD OF DIRECTORS**

#### **2.1 Composition of Board of Directors as on date of Report:**

The Board of Directors as at 31<sup>st</sup> March, 2011 comprises of three Directors out of which one non-executive director and two executive directors. The Chairman is an executive director.

<b>No.</b>	<b>Name of Director</b>	<b>Category</b>
1	Mr. Shiv Sharma	Chairman & Non-Executive Director
2	Mr. Jai Kishan Sehagpal	Non-Executive Independent Director
3	Mr. Ajay Sharma	Non-Executive Independent Director

#### **2.2 Responsibilities of the Board**

The responsibility such as policy formulation, performance review and analysis and control, direction and management of the affairs of the company is vested in the Board of Directors presided over by the Director. The Board has delegated some of its powers to the executives of the company. The Board reviews from time to time such delegated powers and their utilization for effective functioning of the Company.

#### **2.3 Board Meetings and Attendance Record of Directors:**

The meetings of the Board of Directors are held at periodical intervals and are generally at the Board Room of the Company. The meeting dates are decided well in advance and the agenda and notes on agenda are circulated in advance to the directors. All material information is incorporated in the notes on agenda for facilitating meaningful and focused discussion at the meeting. Where it is not perusable to attach supporting or relevant documents to the agendas, the same is

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tabled before the meeting. In case of business exigencies or urgency of matters, resolutions are passed by circulation. Senior Management persons are often invited to attend the Board Meetings and provide clarifications as and when required.

**During the year under review, the Board met 8 times on the following dates:**

26/04/2010 12/07/2010 31/07/2010 03/09/2010 25/10/2010 30/10/2010  
17/01/2011 29/01/2011

**Extra Ordinary General Meeting:**

No Extra Ordinary General Meeting held during the year under review.

**Postal Ballot Resolution:**

No postal ballot resolution was passed during the year under review.

Attendance of Directors at Meetings of Board of Directors and last AGM:

No.	Name of Director	Category of Directorship	No. of other Directorship	No. of Board Meeting attended
1	Mr. Shiv Sharma	Chairman	Nil	5
2	Mr. Jai Kishan Sehagpal	Director	Nil	5
3	Mr. Ajay Sharma	Director	Nil	5

### **2.4 Details of Directors seeking re-appointment at the ensuing Annual General Meeting**

As per the provisions of the Companies Act, 1956, two third of the directors of a company should be retiring directors, of which one third of such directors are required to retire every year and if eligible, they qualify for re-appointment.

Mr. Jai Kishan Sehagpal retires by rotation at the ensuing Annual General Meeting and offers them for re-appointment.

#### **Profile of Mr. Jai Kishan Sehagpal Director being appointed u/s 269 of the Companies Act, 1956**

Name	Mr. Jai Kishan Sehagpal
Date of Birth	18/02/1941
Date of Appointment	27/12/1999
No. of shares held in the company	Nil
No. of warrants held in the company	Nil
Directorship in other company	Nil

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### 2.5 Details of Directors who are as Chairman and Directors in other Public Companies

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49 (C) (ii) across all the Companies in which he is a director. The necessary disclosure regarding Directorship and Committee position have been made by the Directors who are on the Board of the Company as on 31<sup>st</sup> March, 2011 and the same is reproduced herein below :

Sr. No.	Name of Director	No of Directorship in other Public Companies	No. of Committees positions held as Chairman on other public Companies	No. of Committees positions held as member in other public Company
1.	Mr. Shiv Sharma	1	--	--
2.	Mr. Jai Kishan Sehagpal	--	--	--
3.	Mr. Ajay Sharma	--	--	--

### 3. COMMITTEE OF BOARD

The Company had Three Board Committees. These are

1. Audit Committee
2. Remuneration Committee
3. Share Transfer & Shareholders/Investor Grievance Committee

Moving with various committees formed and reported in the previous Annual Report and in line with the requirements of SEBI and Stock Exchanges, the Board has formally constituted the following committees of Directors.

#### 3.1 Audit Committee:

The Audit committee constituted by the Board of directors as per the provisions of Clause 49 of the listing Agreements as well as in Section 292A of the Companies Act, 1956 as below.

a. Composition:

As on 31.03.2011, the Audit Committee comprised of three Directors namely:

No.	Name of Director	Category
1	Mr. Shiv Sharma	Chairman
3	Mr. Jai Kishan Sehagpal	Member
4	Mr. Ajay Sharma	Member

The Audit Committee of the Board of Directors of the Company, Inter-aila, provides assurance to the Board on the adequacy of the internal control systems and financial disclosures.

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The audit committee while reviewing the Annual Financial Accounts ensures compliance of the Accounting Standard (AS) issued by the Institute of Chartered Accountants of India.

### **Brief description of terms of reference:**

- A. Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- B. Recommending the appointment and removal of external auditor, fixation of audit fees and also approval for payment of any other Consultancy services provided by the statutory auditor.
- C. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
  - Review the financial reporting process and disclosure of its financial information
  - Review with the management, Annual financial statements before submission to the Board
  - Review with the management, statutory Auditors and Internal Auditors and adequacy of internal control systems
  - Review the company's accounting and risk management policies
  - Review the company's accounting and management reporting systems and updates the same from time to time recommend the appointment and removal of statutory and Internal Auditors and fixation of fees for the same.
  - Review quarterly financial statement.
  - Review internal investigations made statutory/ Internal Auditors.
  - Scope of Statutory/ Internal Audit
  - Review fixed deposits/repayment systems etc.
  - Any other applicable functions as described in Corporate Governance.
  - Review related party transactions.

Executive summary of the Audit Committee Meetings are placed before the immediate next Board Meetings held after the Audit Committee for deliberations and the full minutes of the same are placed before the following Board Meeting for recode. The Board of Directors, regularly apprised on the recommendations for the Audit Committee, further, at the beginning of the financial year, the Committee discuss the plan for the internal audit and statutory audit.

Dates of the Audit Committee Meetings are fixed in advance and agenda is circulated to the Directors at least seven days before the meeting.

As required under Clause 49(III)(E) of the Listing Agreement, the Audit Committee had reviewed the following information:

- Management Discussion and analysis of financial condition and results of operations.
- Statement of significant related party transactions submitted by management

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- Management letters/letters of internal controls, weaknesses issued by the Statutory Auditors.
- Internal Auditors Reports relating to internal control weaknesses.
- Appointment, removal and terms of remuneration of the internal auditors.

During the year under review, the 4 Audit Committee were held during Financial Year 2010-11 The dates on which the said meetings were held as follows:

26/04/2010	12/07/2010	25/10/2010	17/01/2011
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### 3.2 Remuneration Committee:

The remuneration committee of the Company has not met during the year under review because there was no proposal for the payment or increase / decrease of the remuneration of any managerial staff or director of the Company.

### 3.3 Share Transfer & Shareholders'/Investor Grievance Committee:

The Share Transfer & Shareholders'/Investor Grievance committee comprises as under:

No.	Name of Director	Position
1	Mr. Shiv Sharma	Chairman
2	Mr. Jai Kishan Sehagpal	Member
3	Mr. Ajay Sharma	Member

Mr. Shiv Sharma, Chairman and Executive Director of the company was heading the committee as well as she was designated as the Compliance officer of the Company.

The Committee continued to looks into the investors/shareholders complaints. The Committee meets once in a month to look after share transfers and other complaints. The Company is yet to appoint some share transfer agent for looking after the work of physical and dematerialized shares and shall do it shortly.

## 4. GENERAL BOARD MEETING:

(a) Location and time where last three AGMs were held:

Year of AGM	Date of the AGM	Time	Place of AGM Held
2008	30/09/2008	10:30	Vivek Vihar, Jassian Road, Haibowal, Kalan, Ludhiana - 1410001
2009	30/09/2009	11:00	Vivek Vihar, Jassian Road, Haibowal, Kalan, Ludhiana - 1410001
2010	30/09/2010	11:30	Vivek Vihar, Jassian Road, Haibowal, Kalan, Ludhiana - 1410001

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(b) All the resolutions including special resolutions set out in the respective notices were passed by the shareholders. The following special resolutions were passed in previous Three Annual General Meeting for the year:

**2008** No special resolution passed in the year under review.

**2009** No special resolution passed in the year under review.

**2010** No special resolution passed in the year under review.

### **EXTRA ORDINARY GENERAL MEETING DURING THE YEAR 2010-2011**

No Extra Ordinary General Meeting held during the financial year under review.

### **5. DISCLOSURES:**

a. Materially significant related party transactions:

There were no significant or material related party transactions that have taken place during the year which have any potential conflict with the interest of the company at large. The detailed related party information and transactions have not been provided in Notes forming parts of Accounts.

b. During the last three Years, there were no penalties, strictures imposed by either SEBI or stock Exchange or any statutory authority for non- Compliance of any matter related to the capital market.

### **6. CEO/CFO CERTIFICATION:**

(Under Clause 49(V) of Listing Agreement)

We Certify that --

a. We have reviewed the financial statements and the cash flow statement for the year 2010-11 and that to the best of our knowledge and belief:

- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2010-11 which are fraudulent, illegal or violative of the Company's code of conduct;

c. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we

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are aware of and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the Auditors and the Audit Committee -

- Significant changes in internal control over the financial reporting during the year 2010-11;
- Significant changes in accounting policies during the year 2010-11 and that the same have been disclosed in the notes to the financial statements; and
- Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.

### 7. MEANS OF COMMUNICATIONS:

The Quarterly Unaudited Financial Results and other presentation as to the Company's Performance etc., are made available to the institutional investors/Financial Analysts as and when felt expedient.

The Management discussion and analysis forms part of the Annual Report.

### 8. GENERAL SHAREHOLDER INFORMATION:

- **Annual General Meeting: Date, Time and venue:**  
30<sup>th</sup> September, 2011, at 11.00 a.m. at the Registered Office of the Company.
- **Financial Year:**  
1<sup>st</sup> April 2010 to 31<sup>st</sup> March, 2011.
- **Financial Calendar:**  
1<sup>st</sup> quarterly results - last week of April, 2010.  
2<sup>nd</sup> quarterly results - Second week of July, 2010.  
3<sup>rd</sup> quarter results - last week of October, 2010.  
4<sup>th</sup> quarter results - Second week of January, 2011.
- **Date of Book Closure:**  
22<sup>nd</sup> September, 2011 to 30<sup>th</sup> September, 2011
- **Dividend Payment Date:** N.A.
- **Listing on Stock Exchanges:**  
Ahmedabad Stock Exchange Ltd.  
Bombay Stock Exchange Ltd  
Calcutta Stock Exchange Ltd  
Delhi Stock Exchange Ltd.  
Ludhiana Stock Exchange Ltd.

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- **Listing Fee**  
The Company could not pay listing fee for the year 2010-2011. Since there was no trading the stock market data is not provided.
- **Scrip Code :** BSE-1282
- **Demat ISIN number:** Share yet not Dematerialised
- **Registered and Transfer Agent:**  
The Company has an in-house share transfer department and has not appointed any Registrar and Transfer Agent.
- **Share Transfer System:**  
Valid Share transfer in physical form and complete in all respects were approved and registered within the stipulated period.
- **Distribution of Shareholding as on Dated 31.03.2011**

SHARE HOLDING OF NOMINAL VALUE OF		SHARE HOLDERS		SHARE AMOUNT	
Rs.	Rs.	Number	% to Total	In Rs.	% to Total
(1)	(2)	(3)	(4)	(5)	(6)
Upto -	5,000	3863	75.86	10737100	21.47
5,001 -	10,000	776	15.24	6394100	12.79
10,001 -	20,000	315	6.19	5147100	10.29
20,001 -	30,000	23	0.45	599000	1.20
30,001 -	40,000	41	0.81	1551000	3.10
40,001 -	50,000	22	0.43	1033000	2.07
50,001 -	1,00,000	27	0.53	1928300	3.86
1,00,001 and above		25	0.49	22611400	45.22
<b>TOTAL</b>		5092	100.00	50001000	100.00



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- **Shareholding pattern as on 31.03.2011**

<b>Category</b>	<b>No of Shares held</b>	<b>% of Shareholding</b>
a. Promoters and persons who may be deemed to be acting in concert including promoter/directors group		
Companies	352000	7.04
b. Mutual Fund/Trust	NIL	0.00
c. Financial Institution Banks	NIL	0.00
d. Bodies Corporate	1523400	30.47
e. Indian public	3124700	62.49
<b>TOTAL</b>	<b>5000100</b>	<b>100</b>

**Dematerialization of shares:** As on 31/03/2011 Demat shares accounted for Nil (Equity Shares) of total equity.

**Outstanding GDR / ADR / Warrants:** Not Applicable

- **Registered Office and Address for communication:**

SKYHIGH PROJECTS LIMITED  
# 584, Parkash Bhawan, Opp. Old Dmc, Civil Lines,  
Ludhiana - 141001

**Declaration of compliance with the code of conduct**

All the Directors and senior management personal have, respectively, affirmed compliance with the code of conduct as approved and adopted by the Board of Directors.

**For & on behalf of the Board of Director  
For, SKYHIGH PROJECTS LIMITED**

**Date: 25/07/2011**

**Place: Ludhiana**

**Shiv Sharma  
Director**

**Ajay Sharma  
Director**