



MAN INFRA CONSTRUCTION LIMITED

**REPORT ON
CORPORATE GOVERNANCE**

2009-2010

Report on Corporate Governance

1. Company's Philosophy on code of Corporate Governance:

Corporate Governance sets forth guidelines for managing and sustaining a transparent, information-oriented culture wherein authority and responsibilities are co-existent and co-extensive. It also provides guidelines on accountability of various positions within the organization. These values govern not only the Board of Directors, but also the management and the employees of the Company. This Governance protects and balances the interests of all stakeholders thereby enhancing shareholder value.

2. Board of Directors:

- **Composition of the Board**

The strength of the Board was eight Directors as on 31st March, 2010, comprising of two Executive Directors, six Non-Executive Directors including two Nominee Directors of private equity investors. (Mr. Rajiv Maliwal- SA 1 Holding Infrastructure Company (P) Limited and Mr. Rahul Raisurana- joint nominee of Standard Chartered Private Equity (Mauritius) II Limited and Standard Chartered Private Equity (Mauritius) III Limited) Four of the Non-Executive Directors are independent Directors. Thus, the composition of board is in conformity with Clause 49 of Listing Agreement entered into with the Stock Exchanges.

- **Board Meetings and Annual General Meeting:** Seven meetings of Board of Directors were held during the Financial year under review i.e. on 18th May, 2009, 27th August, 2009, 5th October, 2009, 7th October, 2009, 1st December, 2009, 22nd January, 2010 and 4th March, 2010. The previous Annual General Meeting was held on 30th June, 2009.

The particulars of Directors, their attendance at the Board Meetings and Annual General Meeting, other Directorships and Memberships/Chairmanships in committees of other companies as at 31st March 2010 are as under:

Name of Director	Category	No. of Board meeting during the year: 7 Attended	Attended previous AGM	No. of other		
				Directorships*	Committee Memberships @	Committee Chairmanships @
Mr. Pramod Chaudhari	Chairman & Independent Director	3	No	2	-	-
Mr. Parag K. Shah	Managing Director	7	Yes	7	-	-
Mr. Suketu R. Shah	Executive Director	7	Yes	3	-	-
Mr. Rajiv Maliwal	Investor Director	4	No	3	-	-
Mr. Rahul Raisurana	Investor Director	5	No	1	1	-
Mr. Sivaramakrishnan Iyer	Independent Director	6	Yes	5	3	2
Mr. Dharmesh Shah	Independent Director	7	Yes	-	-	-
Mr. Kamlesh Vikamsey#	Independent Director	2	-	6	9	5

* Other Directorships exclude Directorships held in Private Limited Companies, Foreign Companies and Companies under Section 25 of Companies Act, 1956.

@Committee of Directors includes Audit Committee and Shareholders/Investors Grievance Committee only.

Mr. Kamlesh Vikamsey was appointed as an Additional Director w. e. f. 5th October, 2009

As required under Clause 49 IV(G)(i), particulars of directors seeking appointment/ re-appointment are given in the explanatory statement annexed to the notice of Annual General Meeting.

3. Code of Conduct:

The Company has adopted a Code of Conduct for the members of the Board and the Senior Management in compliance with the provisions of Clause 49 of the Listing Agreement. All the members of the Board and the Senior Management have affirmed compliance with the Code of Conduct as on 31st March, 2010 and a declaration to that effect signed by the Managing Director is attached and forms a part of this Report.

4. Committees of the Board:

- **Audit Committee:**

(a) Terms of reference of Audit Committee are wide enough covering all the matters specified for Audit Committee under clause 49 of the Listing Agreement. The terms of reference of the Audit Committee inter alia include following:

- (i) to oversee financial reporting processes and disclosure of financial information;
- (ii) to recommend appointment, re-appointment and removal of statutory auditors and fixing of audit fees and fees for any other service rendered by them;
- (iii) to review with the Management Annual Financial Statements before submission to the Board with special emphasis on accounting policies and practices, compliance with accounting standards and other legal requirements concerning financial statements;
- (iv) to review with the management the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency

monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

- (v) To review with the management the performance of Statutory and Internal auditors and adequacy of the internal control system;
- (vi) To approve appointment of Chief Financial Officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience & background, etc.
- (vii) Any other terms of references as may be included from time to time in Clause 49 of the Listing Agreement

(b) Composition, meetings and attendance:

As on 31st March, 2010 the Members of the Audit Committee were Mr. Sivaramakrishnan S. Iyer, Mr. Pramod Chaudhari, Mr. Rajiv Maliwal, Mr. Rahul Raisurana, Mr. Dharmesh R. Shah and Mr. Kamlesh Vikamsey. Out of this six members, four members were Non-Executive Independent Directors. The Statutory Auditor and the Internal Auditor are regularly invited to the Audit Committee Meetings. The Quorum for the Audit Committee meeting is two members.

The Audit Committee was reconstituted at the Board meeting held on 2nd April, 2010. The present composition of the Audit Committee is as under:

Mr. Sivaramakrishnan S. Iyer	- Chairman
Mr. Kamlesh Vikamsey	- Member
Mr. Rahul Raisurana	- Member
Mr. Dharmesh R. Shah	-Member

All members of Audit Committee are financially literate and Mr. Sivaramakrishnan S. Iyer and Mr. Kamlesh Vikamsey are Chartered Accountants.

Five meetings of the Audit Committee were held during the financial year under review i.e. on 18th

May, 2009, 27th August, 2009, 5th October, 2009, 1st December, 2009 and 22nd January, 2010. The attendance of the members is given below:

Name of Member	Chairman/ member	Number of meetings held	Number of meetings attended
Mr. Sivaramakrishnan S. Iyer	Chairman	5	4
Mr. Pramod Chaudhari	Member	5	3
Mr. Rajiv Maliwal	Member	5	4
Mr. Rahul Raisurana	Member	5	5
Mr. Dharmesh R. Shah#	Member	5	2
Mr. Kamlesh Vikamsey#	Member	5	2

Appointed as member on 5th October, 2009.

- **Remuneration Committee:**

(a) 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.

(b) Composition, meetings and attendance:

The Remuneration Committee of the Company consists of four non-executive Directors.

During the financial year 2009-10, the Remuneration Committee met on 18th May, 2009. The attendance of the members is noted below:

Name of Member	Chairman / Member	Number of meeting held	Number of meeting attended
Mr. Pramod Chaudhari	Chairman	1	1
Mr. Sivaramakrishnan S. Iyer	Member	1	--
Mr. Rajiv Maliwal	Member	1	1
Mr. Rahul Raisurana	Member	1	1

(c) Remuneration Policy:

The Company's remuneration policy is driven by success and performance of the individual

employee/Executive Directors and the Company through its compensation policy, endeavors to attract, retain, develop and motivate a high performance workforce. The remuneration structure of the Executive Directors comprises of Salary and Commission up to 1% on Profit after tax (PAT) as may be apportioned among Executive Directors of the Company as decided by the Board. The Non-Executive Directors of the Company are paid sitting fees for attending the meetings of the Board of Directors, Audit Committee and Remuneration Committee.

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

Name of Director	Designation	Salary (Rs.)	Commission
Mr. Parag K. Shah	Managing Director	84,99,996	NIL
Mr. Suketu R. Shah	Executive Director	50,00,004	NIL

Shareholding in the Company and remuneration paid to Non-Executive Directors:

Name of Non-Executive Director	Equity Shares held (Number)	Sitting Fees* (Rs.)
Mr. Pramod Chaudhari	445,500	27,000
Mr. Rajiv Maliwal	NIL	48,000
Mr. Rahul Raisurana	NIL	48,000
Mr. Sivaramakrishnan Iyer	1,500	42,000
Mr. Dharmesh Shah	4,582	41,000
Mr. Kamlesh Vikamsey	NIL	16,000

* Excluding TDS

- **Investors Grievance Committee:**

(a) Scope of the Investor Grievance Committee:

The Investor Grievance Committee inter-alia deals with various matters relating to redressal of shareholders and investors complaints like delay in 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.

(b) Composition, meetings and attendance:

The Investor Grievance Committee consists of three Directors out of which, two Directors are Executive Directors. Mr. Sivaramakrishnan S. Iyer, Chairman of the committee is an Independent Director.

The Company was listed on National Stock Exchange of India Limited and Bombay Stock Exchange Limited on 11th March, 2010. The Investor Grievance Committee members met on 9th April, 2010 to review and redress the investor complaints as per the report dated 8th April, 2010 submitted by Registrar and Transfer agent of the Company for quarter ended 31st March, 2010. Accordingly, during the financial year under review, no Investors Grievance Committee meeting was held.

Mr. Durgesh S. Dingankar, Company Secretary is the Compliance Officer nominated for this purpose under Clause 47(a) of the Listing Agreement.

All the complaints were related to the recent IPO of the Company. As of 31st March, 2010, there were 9 complaints outstanding and have been resolved as on date. None of the complaints during the Reporting Period remained pending for more than 30 days.

The Equity Shares of the Company were listed on National Stock Exchange of India Limited and Bombay Stock Exchange Limited on 11th March, 2010. Pursuant to Clause 5A (g) of the Listing Agreement entered into between the Company and Stock Exchanges, the details of shares lying in suspense accounts are as under:

Particulars	No. of Shareholders	No. of Shares
As on 4 th March, 2010 (Date of Allotment)	226	8475
As on 11 th March, 2010 (Date of Listing)	193	7232
Shareholders approached for transfer to their account	142	5528
Shareholders to whom shares were transferred	142	5528
As on 31 st March, 2010	51	1704*

Status of Complaints / Grievances during the period:

Received from	Received during 2009-10	Redressed during 2009-10	Pending as on 31.03.10
SEBI	0	0	0
NSE	0	0	0
BSE	1	1	0
NSDL/CDSL	0	0	0
Direct from Investor	90	81	9
Total	91	82	9

Analysis of Grievances received up to 31st March, 2010:

Sr. no.	Particulars	Number of Complaints	% of total Complaints	Resolved	Pending
1.	Non receipt of Refund order	36	39.56	30	6
2.	Non Credit of Allotted shares	28	30.77	28	0
3.	Correction in Refund Instrument	27	29.67	24	3
	Total	91	100.00	82	9

* Note: The Shareholders may please note that the voting rights on the said shares shall remain frozen till the rightful owner of such shares claims the same.

• **Share Transfer Committee:**

To expedite the process of share transfers, the Board has delegated the powers of share transfers and other related matters to Share Transfer Committee comprising of Mr. Parag K. Shah, Managing Director and Mr. Suketu R. Shah, Executive Director. During the Reporting period, four meetings were held.

5. General Body Meetings:

Details of last three Annual General Meetings are as follows:

Financial Year	Date	Venue	Time
2006-2007	09.08.2007	IVY, 3 rd Floor, Krushal Commercial Complex, G.M.Road, Chembur (West) Mumbai-400 089	3.00 P.M.
2007-2008	14.07.2008	IVY, 3 rd Floor, Krushal Commercial Complex, G.M.Road, Chembur (West) Mumbai-400 089	3.00 P.M.
2008-2009	30.06.2009	12 th Floor, Krushal Commercial Complex, G.M.Road, Chembur (West), Mumbai- 89	3.00 P.M.

- The Special resolutions passed at the last three Annual General Meetings were as follows:
 - ❖ 5th Annual General Meeting held on 9th August, 2007: NIL
 - ❖ 6th Annual General Meeting held on 14th July, 2008:
 - To confirm the remuneration of Mr. Suketu R. Shah, Executive Director of the Company
 - ❖ 7th Annual General Meeting held on 30th June, 2009:
 - To reappoint Mr. Parag K. Shah as Managing Director and fix his remuneration
 - To reappoint Mr. Suketu R. Shah as Executive Director and fix his remuneration
- The Special resolutions passed at the Extra Ordinary General Meeting held on 5th October, 2009 are as follows:
 - ❖ Issue of Equity Shares to public by way of Initial Public Offering (IPO)
 - ❖ Increase in Authorised Shares Capital of the Company from Rs. 4,000 lakhs (Rupees Four Thousand Lakhs only) to Rs. 6,300 lakhs (Rupees Six Thousand Three Hundred Lakhs only)
 - ❖ Adoption of a new set of Articles of Association
 - ❖ Issue of Bonus Shares

- Postal Ballot:

There was no matter requiring approval of Shareholders by Postal Ballot. There is no proposal to conduct the Postal Ballot for any matter at the ensuing Annual General Meeting.

6. Disclosures:

- **Related Party Transactions:**

During the year under review besides the transactions reported in Notes to accounts, there were no other related party transactions with the promoters, directors, management, subsidiaries and other related parties that had a potential conflict with the interest of the Company at large. The interested parties do not vote on the related party transactions. The interest of director if any, on the transactions are disclosed at Board Meetings and the interested director does not participate in the discussion or vote on such transactions. Details of transactions with related parties are placed before the Audit Committee on a quarterly basis. All transactions with related parties were in the ordinary course of business.
- **Compliances by the Company:**

There is no non-compliance by the Company nor any penalties, strictures have been imposed by the Stock Exchange, SEBI or any other statutory authority on any matter related to capital markets, during the last three years.
- **Whistle Blower Policy and Access of personnel to the Audit Committee:**

The Company does not have a Whistle Blower Policy; which is a non-mandatory requirement. However, the Company's personnel have access to the Chairman of the Audit Committee in cases such as concerns about unethical behavior, frauds and other grievances. No personnel of the Company have been denied access to the Audit

Committee and there are no instances of any such access.

- **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 for the constitution of a Remuneration Committee.

- **Code of Conduct:**

The Company has adopted the code of conduct and ethics for directors and senior management. The code had been circulated to all the members of the board and senior management and the same had been put on the company's website at www.maninfra.com. The Board members and senior management have affirmed their compliance with the code.

- **Risk management policy:**

The Company has laid down procedures for risk assessment and minimization procedures. This is reviewed by Board to ensure that the management manages the risk through a properly defined framework.

- **CEO and CFO Certification:**

Certificate from CEO and CFO has been placed before the Board of Directors at their meeting held on 25th May, 2010 in compliance with Clause 49 V of the Listing Agreement duly signed by Managing Director and Chief Financial Officer.

- **Initial Public Offering (IPO):**

During the year under review the Company successfully completed Initial public offering of 56,25,204 equity shares of Rs. 10/- each for cash at a price of Rs. 252/- per equity share

[including a share premium of Rs. 242/- per share] aggregating to Rs. 1417.55 Lakhs. The details of utilisation of issue proceeds are disclosed to the Audit Committee. The Company has not utilised these funds for purposes other than those stated in the offer document.

7. Means of Communication:

- 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 Free Press Journal (English language) and Navashakti (Marathi language). As the results of the Company are published in the newspapers, half-yearly reports are not sent to each shareholder.
- The Financial results, official news releases and presentations made to analysts if any, are displayed on the Company's website www.maninfra.com. Copies of financial results and official press releases are also sent to the Stock Exchanges.
- The Management Discussion and Analysis Report forms a part of this Annual Report.

8. General Shareholders' Information:

Eighth Annual General Meeting:

Date, Time and Venue of Eighth Annual General Meeting	Date: 15.07.2010 Time: 2.30 PM Venue: Sheth Dhanji Devshi Rashtriya Shala Auditorium, Hingwala Lane, Ghatkopar (East), Mumbai-400 077
Financial Calendar	April to March
Date of Book Closures	From Friday, 9 th July, 2010 to Thursday, 15 th July, 2010 (both days inclusive)
Dividend payment	On or after 15 th July, 2010 but within the statutory time limit of 30 days, subject to shareholders' approval.

Financial reporting for the quarter ending (tentative and subject to change)

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

Registered Office	12 th Floor, Krushal Commercial Complex, G. M. Road, Chembur (West), Mumbai-400 089 Email: investors@maninfra.com Website: www.maninfra.com
Listing on Stock Exchanges:	National Stock Exchange of India Limited; and Bombay Stock Exchange Limited The Company has paid Annual Listing fees for year 2010-2011 to both the Stock Exchanges.
Stock Code:	NSE: MANINFRA BSE: 533169
ISIN No. for NSDL & CDSL CIN	INE949H01015 U70200MH2002PLC136849

• **Stock Market price data:**

The high and low prices of the Company's Equity Shares and comparison to BSE Sensex and NSE Nifty on the date of listing of shares on 11th March, 2010 and on 31st March, 2010 are noted herein below:

March 2010	National Stock Exchange			
	Share Price		S&P CNX Nifty	
	High (Rs.)	Low (Rs.)	High	Low
11.03.2010	375.00	318.00	5152.60	5102.10
31.03.2010	367.80	345.00	5293.90	5235.15
Source: NSE website				

March 2010	Bombay Stock Exchange			
	Share Price		Sensex	
	High (Rs.)	Low (Rs.)	High	Low
11.03.2010	374.90	335.00	17215.07	17054.28
31.03.2010	367.80	356.35	17699.50	17488.55
Source: BSE website				

• **Registrar and Share Transfer Agents:**

For both Physical and Demat (Common Registry)
Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West),
Mumbai-400078
Tel: 022 25963838
Fax: 022-25946969
Website: www.linkintime.co.in

• **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 Investors Grievance Committee meets as often as required. As per the requirements of Clause 49 of the Listing Agreement and to expedite the process of share transfers, the Board has delegated powers of share transfer to the share transfer Committee comprising of Mr. Parag K. Shah, Managing Director and Mr. Suketu R. Shah, Executive Director, who shall attend to share transfer formalities once in a fortnight.

• **Distribution of Shareholding:**

Distribution of Shareholding as on March 31, 2010 is noted below:

No. of Equity Shares held	Shareholders		Shares	
	Number	%	Number	%
1 - 500	9055	93.86	483152	0.98
501 - 1000	195	2.02	149744	0.30
1001 - 2000	119	1.23	169865	0.34
2001 - 3000	67	0.70	170644	0.35
3001 - 4000	27	0.28	93962	0.19
4001 - 5000	34	0.35	155540	0.31
5001 - 10000	67	0.70	496594	1.00
10001 and above	83	0.86	47780553	96.53
Total	9647	100	49500054	100

- **Shareholding Pattern as on March 31, 2010:**

Category of Shareholder	As on March 31, 2010	
	No. of Shares	%
Holding of Promoter and Promoter Group Individual and Hindu undivided family Total (A)	3,14,20,991	63.48
Non-Promoters Holding		
Institutional Investors		
Mutual funds	21,47,636	4.34
Banks	59,234	0.12
Foreign Institutional Investors	13,13,801	2.65
Total (B)	35,20,671	7.11
Non-Institutional Investors		
Bodies Corporate	22,35,877	4.52
Indian Public/others	37,61,775	7.60
Non-Resident Indians	53,721	0.11
Foreign Companies/ overseas Bodies	70,80,000	14.30
Corporate		
Directors	14,27,019	2.88
Total (C)	1,45,58,392	29.41
Grand Total (A+B+C)	4,95,00,054	100.00

- **Dematerialization of shares and liquidity:**

The International Securities Identification Number (ISIN) allotted to the Company is INE949H01015. The equity shares of the Company are compulsorily traded in dematerialized form as mandated by the Securities and Exchange Board of India (SEBI). The Company has connectivity with National Securities Depository Ltd. (NSDL) as well as the Central Depository Services (India) Ltd. (CDSL) for demat facility. As on 31st March, 2010, 90.77% of the total Equity Capital is held in the demat form with NSDL and CDSL.

Physical and Demat Shares as on 31 st March, 2010		
	Shares	%
No. of Shares held by NSDL	2,38,42,174	48.17
No. of Shares held by CDSL	2,10,87,605	42.60
Physical Shares	45,70,275	9.23
Total	4,95,00,054	100.00

- **Secretarial Audit:**

In accordance with Regulation 55A of the SEBI (Depositories and Participants) Regulations, 1996, Secretarial Audit is carried out on a quarterly basis by a firm of practicing Company Secretaries to reconcile the total admitted capital with NSDL and CDSL and total issued and listed capital.

- **Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity:**

There are no GDRs/ADRs/Warrants or any Convertible Instruments pending conversion or any other instrument likely to impact the equity share capital of the Company.

- **Plant location:**

The Company does not have any plant.

- **Shares held in Electronic Form :**

The members holding shares in electronic mode should address their correspondence to their respective Depository Participant regarding change of address, change of bank account mandate and nomination. While opening Accounts with Depository Participants (DPs), you may have given your Bank Account details, which will be used by the Company for printing on dividend warrants for remittance of dividend. However, members who wish to receive dividend in a Bank Account, other than the one specified while opening the Depository Account, may notify DPs about any change in bank account details. Members are requested to furnish complete details of their bank accounts including MICR codes of their Banks to their DPs.

- **Shares held in Physical Form :**

In order to provide protection against fraudulent encashment of dividend warrants, the members are requested to provide, if not provided earlier, their bank Account numbers, names and address of the Bank, quoting Folio numbers to the Company's Registrar and Transfer Agent to incorporate the same on the dividend warrants.

- **Address for correspondence :**

Company Secretary
Man Infraconstruction Ltd.
12th Floor, Krushal Commercial Complex,
G. M. Road, Chembur (West),
Mumbai-400 089
Email: investors@maninfra.com
Website: www.maninfra.com

Link Intime India Pvt. Ltd.,
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai-400 078
Tel: 022 25963838
Fax: 022-25946969
Website: www.linkintime.co.in

Code of Conduct Declaration

Pursuant to Clause 49 I (D) of the Listing Agreement entered into with the Stock Exchanges, I hereby declare that all the Board members and senior management personnel of the Company have affirmed compliances with the Code of Conduct for the year ended 31st March, 2010.

Place: Mumbai
Date: 25th May, 2010

Parag K. Shah
Managing Director

Practicing Company Secretaries' Certificate on Corporate Governance

To,
The Members of
Man Infraconstruction Limited

We have examined the compliance of conditions of Corporate Governance by Man Infraconstruction 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 Exchanges.

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, and 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 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 and on behalf of
RATHI & ASSOCIATES
COMPANY SECRETARIES

Place: Mumbai
Date: 25th May, 2010

Narayan Rathi
Partner
FCS No.: 1433