

## REPORT ON CORPORATE GOVERNANCE

### 1. Company's Philosophy on Code of Corporate Governance

Corporate governance is about maximizing shareholder value ethically and on sustainable basis. Keeping this in view, company's philosophy on corporate governance is based on following principles:

- Satisfying the spirit of the law and not just the letter of the law.
- Maintaining transparency and a high degree of disclosure levels.
- Making a clear distinction between personal convenience and corporate resources.
- Having a simple and transparent corporate structure driven solely by business needs.
- Embracing a trusteeship model in which the management is the trustee of the shareholders' capital and not the owner.
- Ensure transparency in all its dealings with a wide group of stakeholders encompassing employees, customers, vendors, regulators and shareholders (including the minority shareholders)
- Driving the business on the basis of the belief, 'when in doubt, disclose'

We believe that sound corporate governance is vital for enhancing and retaining investor trust. The Company does focus its resources, strengths and strategies to achieve its vision of brand building, maximizing stakeholders return and developing people to deliver the same, while upholding the core values of excellence, integrity, responsibility, unity and understanding, which are fundamentals to the running of the company's business.

### 2. Board of Directors

- (i) The composition of the Board is a mix of Executive and Non-Executive Directors. As on March 31, 2017, the Company comprises of Six Directors out of which three directors are Independent Directors. The composition of the Board is in conformity with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (ii) None of the Directors on the Board are Members in more than 10 committees or act as Chairman of more than five committees across all companies in which he is a director. The directors have disclosed to the company about the committee positions they occupy in other companies and have notified changes as and when they take place.
- (iii) The names and categories of the Directors on the Board, the number of Directorships and Committee Chairmanships/Memberships held by them in other public limited companies are given herein below.

Name of Directors	Category	Other Directorship	Details of Committee	
			Chairman	Member
Mr. Hitesh C. Kothari (DIN: 01217705)	Executive Director*	0	Nil	Nil
Mr. Hasmukh M. Thakker (DIN: 03560743)	Independent & Non-Executive Director	0	Nil	Nil
Mr. Bhavesh P. Mamnia (DIN: 02208146)	Independent & Non-Executive Director	2	2	Nil
Ms. Reema A. Shah (DIN: 02698529)	Executive Director**	0	Nil	Nil
Mr. Ankit J. Shah (DIN: 02695987)	Managing Director***	0	Nil	Nil
Mr. Sandeep K. Thacker	Non-Executive Director#	0	Nil	Nil

\*Designation of Mr. Hitesh C. Kothari has changed from Managing Director to Executive Director w.e.f. October 01, 2016.

\*\*Designation of Ms. Reema A. Shah has changed from Non-Executive Director to Executive Director w.e.f. August 12, 2016.

\*\*\*Designation of Mr. Ankit J. Shah has changed from Non-Executive Director to Managing Director w.e.f. October 01,

2016.

#Designation of Mr. Sandeep K. Thacker has changed from Independent Director to Non-Executive Director only, w.e.f. May 30, 2017.

Other directorships do not include alternate directorships, directorships of private limited companies, Section 8 companies and of companies incorporated outside India. Chairmanships/Memberships of Board Committees include only Audit Committee and Stakeholders Relationship Committee.

### 3. Board Procedure

The company has held at least one meeting in every quarter and the maximum time gap between the two meetings was not more than one hundred and twenty days. During the year ended March 31, 2017; seven (07) meetings of the Board of Directors were held on 27/05/2016, 12/08/2016, 24/10/2016, 08/11/2016, 19/12/2016, 19/01/2017 and 30/01/2017.

The information as required under Regulation 17(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is made available to the Board. The agenda points for discussion at the Board meeting are circulated to the Directors in advance. Adequate information is circulated as part of the Board papers and is also available at the Board Meeting to enable the Board to take decisions.

The attendance of each Director at the Board Meetings and last Annual General Meeting held during the year under review are as under:

Name of Directors	No. of Board Meetings		Attendance at last AGM
	Held	Attended	
Mr. Hitesh C. Kothari	7	5	NO
Mr. Ankit J. Shah	7	7	YES
Ms. Reema A. Shah	7	7	YES
Mr. Hasmukh M. Thakkar	7	7	YES
Mr. Bhavesh P. Mamnia	7	7	YES
Mr. Sandeep K. Thacker*	5 <sup>#</sup>	5	YES

\*Mr. Sandeep K. Thacker was appointed as Director on board w.e.f. September 27, 2016.

# After appointment of Mr. Sandeep K. Thacker five board meetings were held.

### 4. Committees of Board

#### A. Audit Committee

The audit committee is constituted as per the provisions of Section 177 of the Companies act, 2013 and Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2017. The Committee comprises of three directors, out of which two members namely Mr. Hasmukh M. Thakkar (Chairman) and Mr. Bhavesh P. Mamnia are Independent Directors and Mr. Hitesh C. Kothari is executive director. All members of the Committee are financially literate. The Secretary to the company acts as a Secretary to the Committee.

During the year under review, the Audit Committee Meetings were held five times with maximum time gap of one hundred and twenty days between two meetings. The quorum was present at all the meetings. The meetings were held on following dates: 06/04/2016, 27/05/2016, 12/08/2016, 24/10/2016 and 30/01/2016.

Summary of composition and attendance of the meetings held during the year under review is as under:

Name of Directors	Designation	No. of Meetings held	No. of Meetings attended
Mr. Hasmukh M. Thakkar	Chairman	5	5
Mr. Bhavesh P. Mamnia	Member	5	5
Mr. Hitesh C. Kothari	Member	5	2

The Chairman of the committee was present at the last Annual General Meeting held on September 27, 2016.

**Terms of Reference:**

- i) recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- ii) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iii) 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;
- iv) scrutiny of inter-corporate loans and investments;
- v) valuation of undertakings or assets of the Company, wherever it is necessary;
- vi) evaluation of internal financial controls and risk management systems;
- vii) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - b) changes, if any, in accounting policies and practices and reasons for the same;
  - c) major accounting entries involving estimates based on the exercise of judgment by management;
  - d) significant adjustments made in the financial statements arising out of audit findings;
  - e) compliance with listing and other legal requirements relating to financial statements;
  - f) disclosure of any related party transactions;
  - g) modified opinion(s) in the draft audit report;
- viii) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- ix) reviewing, 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- x) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- xi) to review the functioning of the whistle blower mechanism;
- xii) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- xiii) approval or any subsequent modification of transactions of the Company with related parties;
- xiv) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xv) 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;
- xvi) discussion with internal auditors of any significant findings and follow up there on;
- xvii) 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;
- xviii) 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;
- xix) 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;
- xx) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

**B. Nomination and Remuneration Committee**

The Committee was constituted as per provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee comprises of three Non-Executive Directors, out of which two members namely Mr. Hasmukh M. Thakker (Chairman) and Mr. Bhavesh P. Mamnia are Independent Directors and Mr. Sandeep K. Thacker is Non-Executive Director.

During the year under review, the Nomination and Remuneration Committee Meeting was held on 12/08/2016.

Summary of composition and attendance of the meeting held during the year under review is as under:

Name of Directors	Designation	No. of Meetings held	No. of Meetings attended
Mr. Hasmukh M.Thakker	Chairman	01	01
Mr. Bhavesh P. Mamnia	Member	01	01
Ms. Reema A. Shah*	Member	01	01
Mr. Sandeep K. Thacker*	Member	00	00

\* Mr. Sandeep K. Thacker replaced Ms. Reema A. Shah as a member of the Nomination and remuneration committee as on October 24, 2016.

**Terms of Reference:**

- i) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- ii) devising a policy on diversity of board of directors;
- iii) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- iv) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- v) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

**Remuneration Policy:**

The company has framed and adopted a detailed Nomination and remuneration Policy in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which is placed on the website of the company and which can be accessed at following url: <http://www.islconsulting.in/pdf/coc/Nomination & Remuneration Policy.pdf>

**Details of Remuneration:**

**i) Executive Directors:**

There are three Executive Directors in the Company, out of which Mr. Ankit J. Shah is Managing Director. The details of remuneration of all the directors are mentioned in Annexure B to the Directors Report.

**ii) Non-Executive Directors:**

During the year under review, no sitting fee or remunerations were paid to any Non-Executive Directors or Independent Directors of the Company.

**C. Stakeholders Relationship Committee**

**Composition and Attendance:**

The Committee was constituted as per provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee comprises of three directors, out of which two members namely Mr. Bhavesh P. Mamnia (Chairman) and Mr. Hasmukh M. Thakker are Independent Directors and Mr. Hitesh C. Kothari is Executive Director. The Secretary to the company acts as a Secretary to the Committee.

During the year under review, the Stakeholders Relationship Committee meetings were held four times on following dates: 23/05/2016, 12/08/2016, 24/10/2016 and 30/01/2016.

Summary of composition and attendance of the meetings held during the year under review is as under:

Name of Directors	Designation	No. of Meetings held	No. of Meetings attended
Mr. Bhavesh P. Mamnia	Chairman	04	04
Mr. Hasmukh M. Thakker	Member	04	04
Mr. Hitesh C. Kothari	Member	04	02

**Terms of Reference:**

The Committee supervises the mechanism for redressal of Investor grievances and ensures cordial investor relations. The Committee takes care of the following matters:

- i) Redressal of investors' complaints related to transfer of shares, non-receipt of Balance Sheet, non receipt of declared dividend etc.
- ii) Scrutinize the performance of the Registrar & Share Transfer Agent and recommends measures for overall improvement of the quality of service.
- iii) Any allied matter(s) out of and incidental to these functions and not here in above specifically provided for.

**Details of Complaints:**

Quarter-wise summary of Investor's complaints received and resolved during the year under review is as under.

Quarter Period	Complaints pending at the beginning of the quarter	Complaints received during the quarter	Complaints resolved during the quarter	Complaints pending at the end of the quarter
01.04.2016 to 30.06.2016	0	0	0	0
01.07.2016 to 30.09.2016	0	0	0	0
01.10.2016 to 31.12.2016	0	0	0	0
01.01.2017 to 31.03.2017	0	1	1	0

There were no pending complaints at the end of the year under review.

**Details of Compliance Officer:**

Name	Ms. Bhanupriya Katta
Designation	Company Secretary and Compliance Officer

**5. General Body Meeting**

- i) The last three Annual General Meetings were held as follows:

Financial Year	Venue	Date	Time	No. of Special Resolutions Passed
2015-16	404, Nr. Municipal Market, C.G. Road, Ahmedabad-380009	27-09-2016	11.00 a.m.	-
2014-15	No. 3, Murthy Lane, 1 <sup>st</sup> Floor, Off. Devaraja Mudali Street, Ratan Bazar, Chennai 600 003	29-09-2015	11.00 a.m.	-
2013-14	No. 3, Murthy Lane, 1st Floor, Off. Devaraja Mudali Street, Ratan Bazaar, Chennai 600 003	23-09-2014	11.00 a.m.	-

**ii) Resolutions passed through Postal Ballot:**

No resolutions were passed through postal ballot during the year under review.

**6. Means of Communication**

The company has promptly reported to the Stock Exchange where the shares of the Company are listed, about all the material information including quarterly, half yearly and annual financial results in the prescribed format.

The quarterly, half yearly and annual financial results and other statutory information were published in 'Ahmedabad Financial Express/ Western Times' in English and regional language newspapers. The company has also posted the results on its website [www.islconsulting.in](http://www.islconsulting.in)

As the quarterly and half yearly financial results are published in leading newspapers as well as posted on the company's website, the results are not sent to the shareholders individually.

**7. General Shareholder's Information**
**a) 25<sup>th</sup> Annual General Meeting**

Date: September 26, 2017	<b>Venue:</b> 404, Aniket Building, Nr. Municipal Market, C.G. Road, Ahmedabad-380009, Gujarat
Time: 11.00 AM	

**b) Financial Year/ Calendar**

The Company follows April to March as its Financial Year. The financial results will be declared as per the following schedule.

Particulars	Tentative Schedule
<b>Quarterly results</b>	
Quarter ending on June 30, 2017	On or before August 14, 2017
Quarter ending on September 30, 2017	On or before November 14, 2017
Quarter ending on December 31, 2017	On or before February 14, 2018
Quarter ending on March 31, 2018	Within sixty days from March 31, 2018

**c) Date of Book Closure**

The register of Members and Share Transfer books of the Company shall remain closed from Wednesday, September 20, 2017, to Tuesday, September 26, 2017 (both days inclusive) for the purpose of 25<sup>th</sup> Annual General Meeting of the Company scheduled to be held on September 26, 2017.

**d) Listing on Exchange**

The shares of the Company are listed on BSE Limited, PJ Towers, Dalal Street, Mumbai – 400001.

**e) Script Code**

BSE Limited : 511609  
ISIN Number : INE569B01014

**f) Market Price Data**

Month	High (Rs.)	Low (Rs.)
April, 2016	21.90	19.00
May, 2016	20.50	17.15
June, 2016	21.95	14.85

July, 2016	23.85	16.00
August, 2016	22.20	17.60
September, 2016	22.60	17.60
October, 2016	22.25	17.40
November, 2016	21.20	18.80
December, 2016	25.90	20.00
January, 2017	31.70	24.70
February, 2017	34.45	29.50
March, 2017	35.30	23.05

**g) Share Transfer/ Demat System**

All the shares related work is being undertaken by our R & T Agent, M/s. Purva Sharegistry (India) Pvt. Ltd., having its registered office at 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel (East), Mumbai – 400011. Shares lodged for transfer with the R & T Agent address in physical form are normally processed within 15 days from the date of receipt, subject to the documents being valid and complete in all respect. The requests for dematerialization of shares are processed and the confirmed to the depository by R & T Agent. Investors' grievances are also taken up by our R & T Agent.

The Company has obtained and filed with the Stock Exchange, half yearly certificates from Company Secretary in Practice for compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**h) Distribution of Shareholding**

**i) Distribution of Equity Shareholding as on March 31, 2017**

No. of shares held	No. of Share holders	% of Total	No. of Shares	% of Total
<b>Upto-500</b>	8648	95.21	1056098	8.80
<b>501-1000</b>	198	2.18	160345	1.34
<b>1001-2000</b>	128	1.41	171140	1.43
<b>2001-3000</b>	32	0.35	83300	0.69
<b>3001-4000</b>	12	0.13	40100	0.33
<b>4001-5000</b>	4	0.04	18000	0.15
<b>5001-10000</b>	16	0.18	120600	1.00
<b>10001 &amp; above</b>	45	0.50	10350417	86.25
<b>Total</b>	9083	100	12000000	100

**ii) Dematerialization of Shares and Liquidity**

The Company's shares are in compulsory demat segment and as on March 31, 2017, equity shares of the company forming 87.56% of the Company's paid up equity share capital is in dematerialized form. Following is the breakup of shares in physical and demat form as on March 31, 2017.

Particulars	No. of Shares held	% of Holding
No. of Shares in Physical form	1492920	12.44%
No. of Shares in Demat form	10507080	87.56%
<b>Total</b>	<b>12000000</b>	<b>100.00%</b>

**iii) Shareholding Pattern as on March 31, 2017**

Category	No. of Shares held	% of Share Holding
Promoters & Promoter Group	5935728	49.46%
Mutual Fund / UTI	0	0.00%
Banks, Financial Institutions, Insurance Cos.	0	0.00%
FII	0	0.00%
NRI	104	0.00%
Corporate Bodies	1039264	8.66%
Clearing Member	69893	0.58%
Indian Public	4955011	41.30%
<b>Total</b>	<b>12000000</b>	<b>100.000%</b>

**iv) Instruments**

The Company has not issued ADRs' / GDRs' / Warrants / Convertible Instruments.

**v) Address for Correspondence**

The stakeholders may contact at the registered office address of the Company stated below:

501, 5<sup>th</sup> Floor, Abhijeet – II,  
Above Standard Chartered Bank,  
Nr. Mithakhali Six Road, Ahmedabad – 380009.

**vi) Address for Investor Correspondence:**

In case of any query investors can contact at:

**Address** : 501, 5th Floor, Abhijeet – II, Above Standard Chartered Bank,  
Nr. Mithakhali Six Road, Ahmedabad - 380009

**Tel** : 079-40030351/352

**Email** : [innogroup@gmail.com](mailto:innogroup@gmail.com)

Shareholders may also contact at Company's Registrar and Transfer Agents at:

**Name** : Purva Sharegistry (India) Private Limited

**Address** : 9, Shiv Shakti Industrial Estate, J.R. Boricha Marg, Lower Parel (E),  
Mumbai-400011

**Tel** : 022-23016761

**Email** : [busicomp@gmail.com](mailto:busicomp@gmail.com)

**8. Other Disclosures**

- i) During the year under review there were no materially significant related party transactions with its promoter, director and management that had a potential conflict with the interest of the Company at large except to the extent duly disclosed in the notes on accounts as enclosed along with this report.
- ii) The policy on the related party transactions can be accessed at <http://www.islconsulting.in/policies.html>
- iii) There were no non-compliances by the Company and no penalties or strictures were imposed on the Company by stock exchange or the board or any statutory authority, on any matter related to capital markets, during the last three years;
- iv) There are no material subsidiaries of the Company.
- v) The Company has established vigil mechanism for the directors and employees of the company to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and provide for adequate safeguards against victimization of Whistle Blower who avails such mechanism and also provides for direct access to the Chairman of the Audit Committee, in exceptional cases. The functioning of vigil mechanism is reviewed by the Audit Committee from time to time. The vigil mechanism policy is disclosed on the website of the company.
- vi) The policy on familiarization programme for Independent Directors and the details of familiarization programme held during the year under review can be accessed at <http://www.islconsulting.in/policies.html>



**9. Code of Conduct**

The Board has laid down a Code of Conduct for its Members and Senior Management Personnel of the Company in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct. The MD has affirmed to the Board that this Code of Conduct has been compiled by the Board Members and Senior Management Personnel.

**Place: Ahmedabad  
Date: 10/08/2017**

**For and on behalf of the Board of Directors**

**Ankit J. Shah  
Managing Director  
(DIN: 02695987)**

**Regd Office:  
501, 5<sup>th</sup> Floor, Abhijeet-II,  
Above Standard Chartered Bank,  
Nr. Mithakhali Six Road,  
Ahmedabad-380009, Gujarat  
CIN: L67120GJ1993PLC086576**