

CORPORATE GOVERNANCE REPORT

Pursuant to the Code of Corporate Governance introduced by the Securities and Exchange Board of India (SEBI), the Company furnishes the report as under:

Company's Philosophy on Corporate Governance

The Company has been practising the principles of corporate governance with an emphasis on transparency and accountability long before these requirements evolved into a regulatory framework, and the Company continues its efforts to improve the emphasis and thereby attempt to ensure that the requirements of the Listing Agreement are fulfilled.

The Company believes that all its operations and actions must serve the underlying goal of enhancing overall value of its shares, over a sustained period of time.

TABLE No. : 1

| Sl. No. | Name of Director | Category of Director | No. of Other Directorships * | No. of Other Committee Memberships** | Attendance | |
|---------|--------------------------------|----------------------|------------------------------|--------------------------------------|-------------|----------|
| | | | | | Board Mtgs. | Last AGM |
| 1 | Patel Vinodbhai Fulabhai | Managing Director | NIL | NIL | 4 | 1 |
| 2 | Patel Mineshbhai Girishbhai | Director | NIL | NIL | 4 | 1 |
| 3 | Patel Girishbhai Parsottambhai | Director | NIL | NIL | 4 | 1 |

*No. of Directorships held in other companies exclude Directorships in Pvt. Ltd. Companies, Foreign Companies and Alternate Directorships.

**No. of Committee memberships held in other companies exclude Committees other than Audit Committee, Shareholders'/ Investors' Grievance Committee, Remuneration Committee and of Companies other than Public limited Companies.

1. Board of Directors

A. The constitution of the Board and attendance of each Director at the Board Meetings during the year 2011-2012 and at the last Annual General Meeting: (See TABLE 1 given at the bottom)

B. Number of Board meetings held and the dates of each such meeting were held:

Four Board Meetings were held during the year on 30th June, 2011, 03 September 2011, 31st December, 2011, and 31st March,2012.

1. AUDIT COMMITTEE

The Company has been suspended and have no Independent Director. No Audit Committee has been formed.

GRIEVANCE COMMITTEE

The Company has been suspended to deal at the Stock Exchange and hence there is no correspondence or complaints received during the year.

3. REMUNERATION COMMITTEE

The constitution of Remuneration Committee is a Non mandatory requirement under clause 49 of the Listing Agreement. The terms of reference of the remuneration Committee is to consider the matters relating to the Company's Policies on

Table No. 2

| Sl. No. | Name of Director | Sitting Fee Rs. | Remuneration Rs. | Total Rs. |
|---------|-----------------------------|-----------------|------------------|-----------|
| 1 | Patel Vinodbhai Fulabhai | NIL | 189000 | 189000 |
| 2 | Patel Mineshbhai Girishbhai | NIL | 189000 | 189000 |

5. GENERAL BODY MEETINGS

- i) Location and time, where last three AGMs were held at Plot No. 130, GIDC Estate, Vitthal Udyognagar-388121.
- ii) a. September 30th, 2009 at 11.00 a.m.
b. September 30th, 2010 at 11.00 a.m.
c. September 30th, 2011 at 11.00 a.m.
- iii) No postal ballot had been conducted.
- iv) No Special Resolutions are proposed to be conducted
- v) Procedure for postal ballot: Not applicable

Executive Directors as the Company have highly qualified Executive Directors.

4. DIRECTORS' REMUNERATION DURING 2011-2012

During the year under report, the Company was a Board managed Company. The Directors are not paid Sitting Fees or Remuneration for attending the Meetings of the Board / Committees. The details of remuneration paid during 2011-2012 are provided in Table 2.

6. DISCLOSURES

- (a) Disclosures on materially significant related party transactions, i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of Company at large: During the year 2011-12 the Company has no materially significant related party transactions which are considered to have potential conflict with the interest of the Company at large. Transactions with the related

8. GENERAL SHAREHOLDERS INFORMATION

(a) Annual General Meeting

Date & Time: 29th September, 2012 at 11.00 a.m.

Venue: Plot No. 130, GIDC Estate, , Vitthal Udyognagar-388001.

(b) Financial Calendar:

Financial Year:

1st April to 31st March

Quarterly results: No quarterly results published.

(c) Book Closure Dates for AGM: 25th

September, 2012 to 29th September, 2012 (both days inclusive).

parties are disclosed in Notes on Accounts in the Annual Report.

- (b) The Company has been suspended at the Stock Exchange; there is no non – compliance by the company, penalties, and strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

7. MEANS OF COMMUNICATION

The Company has not published quarterly reports.

In view of accumulated losses the Directors do not recommend any dividend for the year.

9. LISTING ON THE STOCK EXCHANGES AND STOCK CODE:

The Company is not able to pay the Annual Listing fees. The Equity shares of the Company are listed on The Stock Exchange, Ahmedabad (ASE) and the Stock Exchange, Vadodara & Jaipur. There has been no transfer of shares.

Share Transfer System

All the share transfers are processed at the Company's in house Share Department at the registered office of the Company.

Table No. 3

| DISTRIBUTION SCHEDULE AS ON: 29-09-2012 | | | | |
|--|----------------|-----------------------|-------------------------|------------------|
| Sl. No. | Range | No. of Holders | Held Shares (RS) | Holding % |
| 1 | 1 - 5000 | 1707 | 750600 | 12.03 |
| 2 | 5001 - 10000 | 0 | 0 | 0 |
| 3 | 10001 - 20000 | 01 | 20000 | 0.31 |
| 4 | 20001 - 30000 | 0 | 0 | 0 |
| 5 | 30001 - 40000 | 04 | 160000 | 2.56 |
| 6 | 40001 - 50000 | 0 | 0 | 0 |
| 7 | 50001 - 100000 | 7 | 535000 | 8.58 |
| 8 | ABOVE 100000 | 24 | 4775000 | 76.52 |

10. SHARE HOLDING PATTERN AS ON 29TH SEPTEMBER, 2012

Table No. 4

| Sl. No. | Category | No. of shares |
|----------------|------------------|----------------------|
| | Indian Promoters | 2500000 |
| | Shareholders | 3740600 |
| | Total | 6240600 |

Stock Market Data: The company has been suspended at all the Stock Exchanges. There are no transactions of the Equity shares at the Stock Exchanges.

Address for Correspondence: Plot No. 130, GIDC Estate, Vitthal Udyognagar-388121.

DEMATERIALISATION OF SHARES AND LIQUIDITY

The Company has so far no extended the Demat facility since the Company is suspended at the Stock Exchanges.

DECLARATION

It is hereby declared that the Company has obtained affirmation from all the Members of the Board that they have complied with the 'Code of Conduct' for Board of Members of **KRIMY BISCUITS AND CHEMICALS INDUSTRIES LIMITED.** for the year ended on March 31, 2012.

Place: Vitthal Udyognagar

Date: 01/09/2012

(VINOD F. PATEL)

DIRECTOR

**THAKKAR & MAHESHWARI
(CHARTERED ACCOUNTANTS)**

206/207, Paris Tower, Near Sardargunj, Anand-388001
Phone: 02692-258292, Mail: thakkar_maheshwari@yahoo.co.in

AUDITOR'S CERTIFICATE

To
**The Members of
KRIMY BISCUITS & CHEMICALS IND. LTD.
VITTHAL UDYOGNAGAR**

We have examined the compliance of conditions of corporate governance by **KRIMY BISCUITS & CHEMICALS IND. LTD.** ('the Company') for the financial year ended on 31st March, 2012. The Company has been suspended by all Stock Exchanges from the trading of the shares due to non compliance of the necessary requirement of the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. The Company even though suspended is trying to maintain the required necessary compliance for the Corporate Governance.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance.

We further state that such compliance is neither an assurance to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**FOR THAKKAR & MAHESHWARI
CHARTERED ACCOUNTANTS**

(CA. SUBHASH C. THAKKAR)

Partner

M. No. 046484

Place : Anand

Date : 01/09/2012