

ANNEXURE 'V' TO THE BOARD'S REPORT

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

1. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company is committed to benchmarking itself with the best in all areas including Corporate Governance. The Company's philosophy of Corporate Governance is aimed at strengthening the confidence among shareholders, customers, employees and ensuring a long-term relationship of trust by maintaining transparency and disclosures. The Company believes in maintaining highest standards of quality and ethical conduct in all the activities of the Company.

2. BOARD OF DIRECTORS:

• Composition:

The Board of Directors consisted of 4 (Four) Directors. The composition of the Board, attendance at Board Meetings held during the year and at the last Annual General Meeting, number of directorships in other companies and Chairmanship/Membership in Committees are given below:

Name of Director	Category	No. of Board Meetings held	Attendance Particulars		No. of other Directorship (s)*	Committee Positions (including Company)	
			Board Meeting	Last AGM		Memberships	Chairman
Mr. Mohit P. Kaushik	Executive Director & CEO	5	5	Yes	-	2	-
Mr. Nazir-saeb M. Sayyad	Independent Director	5	5	Yes	-	-	2
Mr. K. D. Fatnani	Independent Director	5	5	Yes	-	2	-
Mrs. Snehlata D. Sharma	Non Executive Director	5	5	Yes	-	-	-

The directorship held by Directors as mentioned above do not include Directorships of Private Companies/ Foreign Companies and Section 8 Companies.

Membership/Chairmanship of only the Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies has been considered.

• Number and date of Board Meetings held:

During the year 2018-19, 5 (Five) Board Meetings were held on 30th May, 2018, 14th August, 2018, 26th October, 2018, 14th November, 2018 and 14th February, 2019.

• Disclosure of relationship between directors inter se:

None of the directors of the Company are related with each other.

• Number of shares and convertible instruments held by Non-Executive Director:

As on 31st March, 2019, no Non-Executive Director held any share/convertible instruments in the Company.

- **Web-link where details of familiarization programmes imparted to independent Directors is disclosed:**

The details of the programmes for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company are put up on the website of the Company at the link: <http://www.kesarpetroproducts.com>.

3. AUDIT COMMITTEE:

- **Brief description of terms of reference:**

The broad terms and reference of the Audit Committee are to review the financial statements before submission to Board, to review reports of the Internal Auditors, to review the weakness in internal controls reported by Internal and Statutory Auditors and to review the remuneration of Internal and Statutory Auditors. In addition of the above, the other powers and role of the Audit Committee are as laid down under Regulation 18 and Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013.

- **Composition:**

The Audit Committee comprised of Mr. Nazirsaeab M. Sayyad, Mr. K. D. Fatnani, Independent Directors and Mr. Mohit P. Kaushik, Executive Director & CEO. Mr. Nazirsaeab M. Sayyad is the Chairman of the Committee. The Company Secretary acts as the Secretary to the Committee.

- **Meeting and attendance during the year:**

The Audit Committee met 4 (four) times viz. on 30th May, 2018, 14th August, 2018, 14th November, 2018 and 14th February, 2019 during the year under review. The number of meetings attended by each member during the year is as follows:

Name of the member	Designation	No. of Meetings Attended
Mr. Nazirsaeab M. Sayyad	Chairperson	4
Mr. K. D. Fatnani	Member	4
Mr. Mohit P. Kaushik	Member	4

4. NOMINATION AND REMUNERATION COMMITTEE:

- **Brief description of terms of reference:**

The terms of reference of the Nomination and Remuneration Committee are as specified for Remuneration to the Directors under Regulation 19 and Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of Companies Act, 2013.

- **Composition:**

The Nomination and Remuneration Committee comprised of Mr. Nazirsaeab M. Sayyad, Mr. K. D. Fatnani, Independent Directors and Mrs. Snehalata D. Sharma, Non Executive Director. Mr. Nazirsaeab M. Sayyad is a Chairman of the Committee. The Company Secretary acts as the Secretary to the Committee.

- **Meeting and attendance during the year:**

During the year under review, 1 (One) meeting of the Committee was held on 30th May, 2018. The attendance at the Committee meeting was as follows:

Name of the member	Designation	No. of Meetings Attended
Mr. Nazirsaeab M. Sayyad	Chairperson	1
Mr. K. D. Fatnani	Member	1
Mrs. Snehalata D. Sharma	Member	1

• **Performance evaluation criteria for Independent Directors:**

Pursuant to the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has evaluated the performances of each Independent Director. The questionnaires are prepared considering the business of the Company. The Evaluation framework for assessing the performance of Independent Directors, inter alia, comprise of the following key areas:

1. Attendance of Board and Committee Meetings;
2. Quality of contribution to Board deliberations;
3. Strategic perspectives or inputs regarding future growth of the Company and its performances;
4. Providing perspectives and feedback going beyond information provided by the management.

• **Remuneration to Directors:**

- a) The Non-Executive Directors had no pecuniary relationship or transactions with the Company during the year 2018-2019.
- b) Non-Executive Directors did not draw any remuneration from the Company.
- c) Details of remuneration paid to Directors during the year ended 31st March, 2019 and shares held by them on that date are as follows:

Name	Salary	Perquisites or Allowances	Contribution to PF & Others	Commission	Sitting fees	Total	Total no. of shares held
Mr. Mohit P. Kaushik	4,20,000	-	-	-	-	4,20,000	-
Mr. Nazirsaeb M. Sayyed	-	-	-	-	-	-	-
Mrs. Snehtala Sharma	-	-	-	-	-	-	-
Mr. K. D. Fatnani (w.e.f 30th May, 2017)	-	-	-	-	-	-	-

- (i) Apart from the above mentioned remuneration paid, there are no other fixed component and performance linked incentives based on the performance criteria;
- (ii) The tenure of office of the Executive Director is for three years from the date of appointment, and can be terminated by either party by giving one months' notice in writing. There is no separate provision for payment of severance fees.
- (iii) There are no stock options offered to the any Directors of the Company.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

• **Composition:**

The Stakeholders' Relationship Committee comprises of Mr. Nazirsaeb M. Sayyad, Mr. K. D. Fatnani, Independent Directors and Mr. Mohit P. Kaushik, Executive Director & CEO.

Mr. Nazirsaeb M. Sayyad is a Chairman of the Committee. The Company Secretary acts as Secretary to the Committee.

Address and contact details of Compliance Officer for investors are:

Name and designation of Compliance Officer: Mr. P. M. Nair, Company Secretary and Compliance Officer

Address : D-7/1, M.I.D.C., Lote Parshuram, Ratnagiri-415722

Phone : 02356-272339

Email : info@kesarpetroproducts.com

Status of investors' complaints/services requests:

At the beginning of the year	Received during the year	Resolved during the year	Pending at the ending of the year
01	33	34	00

• **Meeting and attendance during the year:**

During the year under review, 8 (Eight) meetings of the Committee were held on 16th April, 2018, 30th May, 2018, 12th July, 2018, 11th August, 2018, 14th August, 2018, 14th November, 2018, 7th January, 2019 and 14th February, 2019 . The attendance at the Committee meeting was as follows:

Name of the member	Designation	No. of Meetings Attended
Mr. Nazirsaheb M. Sayyed	Chairperson	08
Mr. K. D. Fatnani	Member	08
Mr. Mohit Kaushik	Member	08

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Corporate Social Responsibility Committee comprises of Mr. Nazirsaheb M. Sayyad, Mr. K. D. Fatnani, Independent Directors and Mr. Mohit P. Kaushik, Executive Director & CEO. Mr. Nazirsaheb M. Sayyad is a Chairman of the Committee. The Company Secretary acts as Secretary to the Committee.

During the year, the CSR Committee met on 30th May, 2018. All the members of the Committee were present at the meeting.

7. GENERAL BODY MEETINGS:

- Location and time, where last three Annual General Meetings (AGM) held:

Financial year	Time	Date	Location	Special resolutions passed
2015-16	11.00 a.m.	30th September, 2016	D-7/1, M.I.D.C., Lote Parshuram, Taluka Khed, District Ratnagiri.	No special resolution was passed
2016-17	11.00 a.m.	28th September, 2017	D-7/1, M.I.D.C., Lote Parshuram, Taluka Khed, District Ratnagiri.	No special resolution was passed
2017-18	11.00 a.m.	28th September, 2018	D-7/1, M.I.D.C., Lote Parshuram, Taluka Khed, District Ratnagiri.	Special resolution to provide loan, guarantee or security or investment as per Section 186 of the Companies Act, 2013 was passed

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

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a Special Resolution through Postal Ballot.

8. MEANS OF COMMUNICATION:

The Company's has published its quarterly/half yearly/Annual results in newspaper i.e. Business Standard, and Daily Sagar.

Website: The Company's website (www.kesarpetroproducts.com) contains a separate dedicated section 'Investor Relations' where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.

New releases, presentations, among others: All Corporate Announcements made to the Stock Exchanges during the year 2018-19 are be made available on the website of the Company.

9. GENERAL SHAREHOLDER INFORMATION:

- a. Annual General Meeting: Monday, 30th day of September, 2019 at 01.00 p.m. at D-7/1, M.I.D.C., Lote Parshuram, TalukaKhed, District Ratnagiri, Maharashtra.
- b. Financial Year: 1st April to March 31st
- c. Date of Book Closure: Tuesday, the 24th September, 2019 to Monday, the 30th September, 2019 (both days inclusive)
- d. Cut-off date for remote e-voting: The remote e-voting / voting rights of the shareholders / beneficial owners shall be reckoned on the equity shares held by them as on the Cut-off Date i.e. Monday, the 23rd day of September, 2019.
- e. Dividend Payment Date: N.A.
- f. Name and address of the Stock Exchanges at which the Company's securities are listed and confirmation about payment of listing fees: The equity shares of the Company are listed on BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001. The Company has paid the listing fees for the year 2019-20 to the stock exchange where the shares are listed.
- g. Stock Code: BSE: 524174; ISIN: INE133C01033
- h. Stock Market Price Data And Performance Comparison With BSE Sensex:

The monthly high/low of market price of shares traded on the BSE Limited and performance comparison with BSE Sensex, Mumbai are as follows:

Month	Stock Open Price	Stock High Price	Stock Low Price	Stock Close Price	Sensex Close
April-18	34.45	42	32.4	33	35160.36
May-18	33.4	40.9	29.5	30	35322.38
June-18	30	30.45	19.35	20.8	35423.48
July-18	22	22	14.95	18.35	37606.58
August-18	18.7	23.7	15.45	17.2	38645.07
September-18	17.3	17.5	13.2	13.8	36227.14
October-18	14.15	14.49	9.81	12.88	34442.05
November-18	13.25	14.94	10.8	12.02	36194.30
December-18	12.46	12.84	11.01	12.09	36068.33
January-19	12.15	12.37	10	10.47	36256.69
February-19	10.59	10.59	7.7	9.09	35867.44
March-19	9.38	11.65	8.91	10.06	38672.91

i. Trading of Securities: The securities of the Company are not suspended from trading during the year 2018-19.

j. Registrar and Share Transfer Agents:

Link Intime India Private Limited
C-101, 247 Park, L.B.S Marg,
Vikroli (West), Mumbai 400083
Tel: +91 22 49186000
Fax: +91 22 49186060
Email: rnt.helpdesk@linkintime.co.in

k. Share Transfer System:

All shares sent or transferred in physical form are registered by the Registrar and Share Transfer Agent (RTA) within 15 days of the lodgment, if documents, are found in order. However as on March 31, 2019 one request for share transfer involving 10 shares was executed beyond thirty days due to processing delay. Shares under objection are returned within two weeks. All requests for dematerialization of shares processed and the confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) within 21 days.

l. Distribution of Shareholding as at 31st March, 2019:

Shareholding Of Nominal Shares	Shareholder	Percentage of Total	Total shares	Percentage of Total
1-500	33454	82.6494	3158034	3.2667
501-1000	3055	7.5475	2587997	2.6771
1001-2000	1784	4.4074	2825701	2.9229
2001-3000	746	1.843	1952487	2.0197
3001-4000	302	0.7461	1108352	1.1465
4001-5000	305	0.7535	1462311	1.5126
5001-10000	441	1.0895	3328192	3.4427
10001 and above	390	0.9635	80250096	83.0118
Total	40477	100	100	96673170

m. Dematerialization of Shares:

As on 31st March, 2019, 94.32% of the total shares of the Company were in dematerialized form.

n. Convertible instruments:

The Company has no convertible securities outstanding as on 31st March, 2019.

The Company has not issued any ADRs, GDRs, or any other convertible instruments during the financial year ended 31st March, 2019.

o. Commodity Price risk or foreign exchange risk and hedging activities:

The Company did not engage in Commodity, foreign exchange risk and hedging activities during the year.

p. Plant Location: D-7/1 , M.I.D.C., Lote Parshuram, Taluka Khed, District Ratnagiri, Maharashtra.

q. Regd. Office & Address for Investors' Correspondence:

Kesar Petroproducts Limited,
D-7/1, MIDC Lote Parshuram, Taluka Khed,
Ratnagiri-415722
Phone : 02356-272339
Email : info@kesarpetroproducts.com
Website: www.kesarpetroproducts.com

Link Intime India Private Limited
C-101, 247 Park, L.B.S Marg,
Vikroli (West), Mumbai 400083
Tel: +91 22 49186000
Fax: +91 22 49186060
Email: rnt.helpdesk@linkintime.co.in

9. DISCLOSURES:

a) Related party transactions:

During the year under review, there were no material transactions with related parties that may have potential conflict with the interest of the Company at large. The policy on dealing with Related Party Transaction is be made available on Company's website at www.kesarpetroproducts.com under Investor Relation Section.

b) Compliance by the Company:

The Company has complied with all the requirements of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 entered into with the Stock Exchange. There were no penalties or strictures imposed on the Company by the Stock Exchange, SEBI or other statutory authorities for non-compliances of any matter related with capital market during the last three years except as disclosed hereunder:

The SEBI has vide its order no. WTM/PS/134/CFD/Jan/2016 dated 11th January, 2016 confirmed its order dated 4th June, 2013 freezing the voting rights and corporate benefits like dividend, rights, bonus shares, split etc. of the promoter / promoter group with respect to excess of proportionate promoter / promoter group shareholding in non-compliance of said regulations till such time it complies with minimum public shareholding requirement. The aforesaid orders were for non-compliance of Regulations 19(2)(b) and 19A of the Securities Contracts (Regulation) Rules, 1957 read with Clause 40A of the Listing Agreement with respect to minimum public shareholding by the Company.

The Company had filed a petition against the said SEBI order before the Securities Appellate Tribunal (SAT). SAT has disposed off the appeal permitting the Company to make representation to SEBI setting out the mode and manner in which the minimum public shareholding requirement has been achieved. The Company has represented the matter to SEBI and SEBI has vide its order no. SEBI /WTM/SR/CFD/67/09/2017 dated 5th September, 2017, inter alia, vacated the directions issued vide the interim order dated June 04, 2013 and confirmed by order dated January 11, 2016 (except the direction mentioned at Paragraph No. 15 of the Confirmatory Order dated January 11, 2016) against the Company, its directors, promoters and promoter group.

c) Whistle-Blower Policy/Vigil Mechanism and affirmation that no personnel have been denied access to the Audit Committee:

The Company has established a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud, or violation of code of conduct or ethics policy. The mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in the exceptional cases. We affirm that during the financial year 2018-19, no employee was denied access to the Audit Committee.

d) Details of Compliance with mandatory requirements and adoption of non mandatory requirements:

The Company has complied with all mandatory requirements of Regulation 27 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Details of these compliances along with the non-mandatory requirements adopted by the Company have been given in the relevant section of this report.

e) Material Subsidiaries:

The Company does not have any subsidiary.

10. Compliance of the requirement of Corporate Governance Report:

The Company has complied with the requirements of Corporate Governance Report of sub paras (2) to (10) of the Point C of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

11. Discretionary Requirements as specified in Part E of Schedule II:

The Company has adopted following non-mandatory requirements of Regulation 27 and Part E of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015:

- (a) Audit Qualification - The Company is in the regime of unqualified financial statements.
- (b) Reporting of Internal Auditor – The Internal Auditor directly reports to the Audit Committee.

12. Disclosure of the Compliance with Corporate Governance

The Company has complied with the Regulations 17 to 20, 22, 23, 25 to 27 and Clauses (b) and (i) sub-regulations 46 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 during the year 2018-19, whenever applicable. Regulations 21 and 24 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are not applicable to the Company.

13. Disclosure of Accounting treatment:

In the preparation of the financial statement, the Company has followed accounting standards issued by Institute of the Chartered Accountants of India to the extent applicable.

14. Related Party Disclosures:

The disclosures as required by Accounting Standard (AS-18) on "Related Party" are given in appended financial statements under notes to accounts.

15. Disclosure with respect to demat suspense account/unclaimed suspense account:

The Company does not have any of its securities lying in demat/unclaimed suspense account arising out of public/bonus/right issues as at 31st March, 2019. Hence, the particulars relating to aggregate number of shareholders and the outstanding securities in suspense account and other related matters does not arise.

16. Compliance Certificate by Auditors:

The Company has obtained a certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated in Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which is annexed herewith and forming part of Annual Report.

17. Compliance Certificate for Code of Conduct:

The declaration by Whole-Time Director affirming compliance of Board and Senior Management Personnel to the Code is also annexed herewith and forming part of Annual Report as per Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.