

**ANNEXURE TO DIRECTORS' REPORT
REPORT ON CORPORATE GOVERNANCE**

ANNEXURE – 1

CORPORATE GOVERNANCE

1. Company's philosophy on code of Governance :

Your Company has always believed in the concept of good corporate governance involving transparency, empowerment, accountability and integrity with a view to increase stakeholders' value in all respects. The objective of your company is not only to meet the statutory requirements of the code but to go well beyond it by instituting such system and procedures as are in accordance with the latest global trend of making management completely transparent and institutionally sound.

2. Board of Directors :

(a) Composition and Category of Directors :

The Board is headed by a non-executive Chairman. There are total four Directors comprising of a Managing Director in executive capacity and all other three directors are non-executive directors. There are three independent directors in the Board. The independent directors do not have any pecuniary relationship or transaction with the Company, Promoters and Management, which may affect their judgment in any manner. The directors are eminently qualified and experienced professional in business, law, finance, public enterprises and corporate management. There is no Inter-se Relationship between the Directors. All the directors are above 21 years of age. The composition of the Board as on 31st March, 2017 was as follows:

Name of Director	Category
1. Bimal Das*	Chairman
2. S. K. Mall	Managing Director
3. Anil Pramanick*	Director
4. Jayanti Rabidas*	Director

* Independent Directors

(b) Attendance of each Director at the Board meeting held during the financial year 2016-17 and the last Annual General Meeting :

Name of Director	No. of Board Meetings held	No. of Board Meetings Attended	Attendance at the last AGM
1. Sunil Kumar Mall	15	15	No
2. Bimal Das	15	15	Yes
3. Anil Pramanick	15	15	Yes
5. Jayanti Rabidas	15	9	Yes

* Resigned on 03.07.2017.

(c) Number of other Directorship and Chairmanship/Membership of Committee of each Director :

Name of Director	No. of Directorship In Other Boards*	No. of Chairmanship/ Membership of Other Board Committee*
1. Bimal Das	4	-
2. Sunil Kumar Mall	4	-
3. Anil Pramanick	4	-
4. Jayanti Rabidas	Nil	-

Note: *Number of directorship / membership held in other companies exclude directorship / membership in private limited company, foreign companies, membership of various committees of various chambers / bodies and alternate directorship and directorships held under Section 8 of the Companies Act, 2013, whereas the membership or chairmanship of any committee includes Audit Committee and Stakeholders Relationship Committees only.

(d) Details of Board Meeting held during the year :

D a t e	Board Strength	No. of Directors Present
11.04.2016	4	3
12.05.2016	4	3
30.05.2016	4	4
27.06.2016	4	3
12.07.2016	4	4
30.07.2016	4	3
12.08.2016	4	4
30.08.2016	4	3
27.09.2016	4	4
26.10.2016	4	4
12.11.2016	4	4
22.12.2016	4	4
20.01.2017	4	3
14.02.2017	4	4
17.03.2017	4	4

(e) Meeting of Independent Directors was held on 22-12-2016 and was attended by all the Independent Directors of the Company.

3. Committees of the Board :**(a) Audit Committee :**

The Audit Committee has been re-constituted in accordance with Section 177 of the Companies Act, 2013 and it consists of the following non-executive independent Directors as on 31-03-2017 :

1. Mr. Bimal Das – Chairman
2. Mr. Anil Pramanik
3. Mrs. Jayanti Rabidas

All the members of the Committee are financially literate and possess relevant financial expertise and vast experience. During the year, the Committee met four times on 20-05-2016, 22-08-2016, 22-11-2016 and 20-02-2017.

The role/terms of reference of the Audit Committee are in conformity with SEBI (LODR) Regulation 2015 and Section 177 of the Companies Act, 2013. The Committee acts as a link between the management, auditors and the Board of Directors of the Company and has full access to financial information.

*** Function of the Committee.**

1. Review with the management and/or Internal Audit Department and/or Statutory Auditors :
 - i) Company's financial statements and reports;
 - ii) Disclosure of company's financial information to ensure the same are correct, sufficient and credible;
 - iii) Changes/Improvements in Financial/Accounting practices;
 - iv) Adequacy of Internal Audit Function and Systems; and
 - v) Charter of Audit Committee.
2. Hold discussion with :
 - i) Statutory Auditors, before and after audit on the scope and area of Concern;
 - ii) Internal Audit Department on its significant findings and also failure of Internal control systems, if any; and
 - iii) Management before submission of financial statements to the Board.

(b) Nomination and Remuneration Committee :

The remuneration committee was reconstituted and renamed as Nomination and Remuneration Committee in accordance with the provisions of Section 178 of the Companies Act, 2013. The Committee comprises of the following non-executive Directors as on 31-03-2017 :

1. Mr. Bimal Das – Chairman
2. Mr. Anil Pramanik
3. Mrs. Jayanti Rabidas

During the year, one meeting of the Committee was held on 12-07-2016 and was attended by all the members.

Shares / Convertible Instruments held by the Non-Executive Directors as on 31-03-2017

Name of the Non-Executive Directors	No. of Shares of the Company held by the Directors	Convertible Instruments
Mr. BIMAL DAS	NIL	N.A.
MR. ANIL PRAMANICK	NIL	N.A.
MRS. JAYANTI RAVI DAS	NIL	N.A.

The Company does not have any stock option / convertible instruments.

*** Functions of the Committee**

The Policy Dossier prescribes for payment of Compensation to Executive Directors by way of salary and other perquisites.

*** Remuneration Policy**

The remuneration policy is directed towards rewarding performance based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing industry practice.

The aggregate value of salary and perquisites paid to Mr. S. K.Mall, Managing Director of the Company for the year ended 31st March, 2017 was Rs. 3,60,000/-. No sitting fee was paid to any director for attending any meeting of the Board of Directors or Committee thereof as the same was waived by the directors present in the meeting.

Details of Remuneration of Managing Director :

Name of Director	Salary	Contribution	Perquisites & Other Benefits	Commission	Sitting Fees #	Total
Mr.Sunil Kumar Mall (Executive Director)	3,60,000/-	Nil	Nil	Nil	Nil	3,60,000/-
Mr.Bimal Das (Non Executive)	Nil	Nil	Nil	Nil	Nil	Nil
Mr.Anil Pramanick	Nil	Nil	Nil	Nil	Nil	Nil
Mrs.Jayanti Ravi Das	Nil	Nil	Nil	Nil	Nil	Nil

Sitting fees was waived by the Directors.

(c) Stakeholders' Relationship Committee :

The Shareholders' & Investor's Grievance committee was reconstituted and renamed as Stakeholder Relationship Committee in accordance with the provisions of Section 178 of the Companies Act, 2013. The Committee consists of the following non-executive Directors as on 31-03-2017:

1. Mrs. Jayanti Ravi Das – Chairman
2. Mr. Anil Pramanik
3. Mr. Bimal Das

The committee met 2 (Two) times during the financial year on 12.01.2017 and 23.02.2017 and the meetings were attended by all the members.

Compliance Officer: Mr. S. K. Mall, Managing Director is the Compliance Officer.

Address : 229, A.J.C. Bose Road, "Crescent Tower", 6th Floor, Kolkata—700 020

Phone No. : 2280-6946/6947 **Fax No. :** 2280-5708 **E-mail :** kanika@kanika.com

INVESTOR GRIVENCE REDRESSAL MECHANISM

Pursuant to SEBI (LODR) Regulation 2015 the company's email ID for grievance redressal purpose is kanika@kanika.com where complaints can be lodged by the investors.

During the financial year ended 31st March, 2017 no complaint was received from the shareholders. The status of Complaints for the financial year ended 31st March, 2017 are given below :-

No. of Investor Grievances pending at the beginning of the year	:	NIL
No. of Investor Grievances received during the year	:	1
No. of Investor Grievances replied/resolved during the year	:	1
Break-up of Investors' Grievances received during the year	:	NIL

*** Functions of the Committee:**

The Committee, inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with the securities transfer. The Committee also looks into redressal of shareholders'/Investors' complaints like transfer of shares, non-receipt of Balance Sheet, non-receipt of dividends etc. During the year under review the Company has processed all the applications within time. During the year the Company had not received any complaints from the shareholders.

***Share Transfer System:**

The stakeholders relationship committee approved the transfer/transmission of shares, sub-division or consolidation of shares and issue of new / duplicate share certificate and related matters whenever it required.

The company's shares are traded at Bombay Stock Exchange (BSE) compulsorily in demat mode, shares in physical mode which are lodged for transfer are processed and returned to the shareholders within the specified time.

4. **Code of Conduct :** The Company has formulated and implemented a Code of Conduct for all Board Members and Senior Management of the Company in compliance with SEBI (LODR) Regulation 2015. All board members and Senior Management personnel have affirmed compliance with the code on annual basis. A declaration to this effect duly signed by Managing Director of the Company is annexed with this report. The code of conduct is being displayed on the Website of the Company www.kanika.com

5. **General Body Meetings :** The last three Annual General Meetings of the Company were held as under :

Year	Location	Date	Time	No. of Special Resolution Passed
2013-2014	Rabindra Okakura Bhawan (Paschimbanga Bangla Academy) DD-27/A/1, Bidhan Nagar, Kolkata-700064	26-09-2014	11.00 a.m.	2
2014-2015	Rabindra Tirtha, 33-1111, Major Arterial Road, 3rd Rotary, New Town, Kolkata - 700156	30-09-2015	4.00 p.m.	0
2015-2016	Rabindra Tirtha, 33-1111, Major Arterial Road, 3rd Rotary, New Town, Kolkata - 700156	16-09-2016	4.00 p.m.	0

Note : There were no special resolutions required to be passed through postal ballot at any of the above General Meetings. None of the resolutions proposed in the ensuing Annual General Meeting need to be passed by postal ballot.

6. **Disclosures :**

- 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 the Company at large :
None of the transactions with any of the related parties were in conflict with the interests of the Company. Further the same is already placed in the Notes of the accounts forming part of the statement of accounts.
- Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority or any matter related to Capital Markets, during the last three years :
There were no such significant instances of non-compliances of any matter related to the capital markets during the last year.
- With regard to training of Board Members, the directors of the company are continuously trained in the business model of the company and the risk profile of business parameters through various presentations at Board/Committee Meetings. Familiarisation programme is displayed on the Company's website www.kanika.com
- With regard to whistle Blower Policy, the Company is examining the formulation and implementation of the same, after which the same would be submitted to the Board and uploaded on the Company's website.
- The Company has adopted policy on dealing with related party transactions and the same is being displayed on the website of the Company www.kanika.com
- Letter of appointment issued to Independent Directors is being displayed on the website of the Company www.kanika.com
- The Company has adopted the policy for determining material subsidiaries and the same is being displayed on the website of the company www.kanika.com
- The Company has adopted Policy on determination of materiality for disclosures and Archival policy.
- The Company has adopted Policy on preservation of documents.

7. **Particulars of appointment/re-appointment of new Director :**

Name of Director	Mr. Sunil Kumar Mall
Date of Birth	08-02-1969
Date of Appointment	08-02-1995
Qualification	B. Com.
Experience	25 Years
Directorship in other Companies	4
Chairman / Membership of any Board / Committees	NIL

8. Means of Communication :

The Company has published its quarterly results generally in The Business Standard (English Language) and News Bangla (Bengali Language), where as printed annual report alongwith statement of accounts and notices convening the AGM are mailed to the shareholders.

9. Management Discussion & Analysis Report Industry Structure & Development :

As informed the Company has currently decided to maximize the infrastructural activities as the Infrastructure Sector in India as a whole is expected to do very well in future.

ECONOMIC SCENARIO : There has been significant decline in the growth rate of economy, because government is not able to boost the sentiment of investors. Government could not push infrastructure development as expected by Industry. Therefore still there is huge scope for infrastructure development in this country. We look forwards to take this coming opportunity. Thereby expecting our growth in the same.

FUTURE OUTLOOK : The Company is mainly emphasizing on infrastructure sector and expect to grow much faster in near future.

INTERNAL CONTROL SYSTEM : The Company maintains an efficient internal control system and the management is constantly reviewing for achieving improved operational efficiency.

CAUTIONARY STATEMENT : Details given in above relating to various activities and future plans may be 'forward looking statements' within the meaning of applicable laws and regulations. The actual performance may differ from those expressed or implied.

10. General Shareholder Information :**(a) Annual General Meeting :**

Date & Time : Saturday, the 16th day of September, 2017, at 4.00 pm.

Venue : RABINDRA THIRTHA, 33-1111, Major Arterial Road, 3rd Rotary, New Town, Kolkata-700156

(b) Book Closure date : 10.09.2017 to 16.09.2017 (both days inclusive)**(c) Financial Calendar 2017-2018 (tentative)**

Annual General Meeting (next year) September, 2017

Results for the quarter ending June 30, 2017 – by 14th September, 2017

Results for the quarter ending September 30, 2017 – by 14th December, 2017

Results for the quarter ending December 31, 2017 – by 14th March, 2018

Results for the quarter ending March 31, 2018 – by 30th May, 2018

(d) Listing : Share of the Company are listed at :

Name of Exchange	Address	Scrip Name	Scrip Code
Bombay Stock Exchange Ltd.	1st Floor, New Trading Ring Rotanda Building, P.J.Towers, Dalal Street, Mumbai – 400 001	KANIKA INFOT	532367

Demat ISIN No. : for Partly paid-up shares – IN9173B01021

for Fully paid-up shares – INE173B01023

The Company's shares are currently listed at Bombay Stock Exchange only. The listing fee has been paid to the Bombay Stock Exchange Ltd.

(e) Stock Market Rate : (Rs. 2/- each)

Year & Month	Mumbai Stock Exchange	
	Month's High	Month's Low
2016		
April	0.21	0.20
May	0.20	0.19
June	0.19	0.19
July	0.19	0.19
August	0.19	0.19
September	0.19	0.19
October	0.20	0.19
November	0.19	0.19
December	0.19	0.19
2017		
January	0.20	0.19
February	0.20	0.19
March	0.19	0.19

(f) Registrar & Share Transfer Agents :

MAHESHWARI DATAMATICS (P) LTD.

6, Mangoe Lane, 2nd Floor, Kolkata – 700 001

Phone : 2243-5809/5029, 2248-2248, Fax : (033) 2248-4787, E-mail : mdpl@cal.vsnl.net.in

g. Distribution of Shareholding (as on 31.03.2017) :

(i)

CATEGORY SHAREHOLDERS	NO. OF SHAREHOLDER	NO. OF SHAREHOLDING	% OF SHAREHOLDING
Promoters			
Indian Promoter (Individual)	3	2870031	4.2412
Sub Total - A	3	2870031	4.2412
Public - Non Institutional Holding			
Bodies Corporate	175	5896997	8.7144
Resident Individual (not exceeding Rs.2 Lakhs)	12174	48070441	71.0371
Resident Individual (exceeding Rs.2 Lakhs)	48	10378356	15.3368
Non Resident Individual	16	306275	0.4526
Clearing Member	32	147400	0.2178
Sub Total - B	12445	64799469	95.7588
Grand Total (A + B +C)	12448	67669500	100.0000

ii. Distribution Schedule (as on 31.03.2017)

Share Holding	No. of Share Holder	% of age	Amount (Rs.)	% of age
Upto 5000	8321	66.8461	18139884	13.4033
5,001 to 10,000	2198	17.6575	18184800	13.4365
10,001 to 20,000	1023	8.2182	17143958	12.6674
20,001 to 30,000	265	2.1289	6913076	5.1080
30,001 to 40,000	163	1.3094	6059554	4.4773
40,001 to 50,000	127	1.0202	6042014	4.4644
50,001 to 1,00,000	207	1.6629	15485944	11.4423
1,00,001 and Above	144	1.1568	47369770	35.0008
TOTAL :	12448	100.0000	13,53,39,000	100.0000

iii. The Company has agreements with NSDL and CDSL whereby shareholders have an option to dematerialize the share with either of the depositories.

	HOLDERS	SHARES	% AGE
PHYSICAL	1239	2929898	4.3297
N S D L	7262	39621980	58.5522
C D S L	3947	25117622	37.1181
TOTAL :	12,448	67669500	100.0000

h. Address for :

a. Correspondence :

"Crescent Towers" 229, A.J.C. Bose Road, 6th Floor, Kolkata—700 020
Phone: 2280-6946/6947/6948, Fax: (033) 2280-5708, E-mail: kanika@kanika.com

b. Investors' Correspondence :

Maheshwari Datamatics (P) Ltd.
6, Mangoe Lane, 2nd Floor, Kolkata—700 001.
Phone: 2243-5809/5029, 2248-2248, Fax: (033) 2248-4787, E-mail: mdpl@cal.vsnl.net.in

11. CEO/CFO Certification:

In accordance with provisions of Regulation 17(8) of SEBI (LODR) Regulation, 2015, CEO/CFO certification is attached to this report.

12. Certificate:

The company has obtained the Certificate from the auditors regarding compliance of Corporate Governance as stipulated in Chapter IV of SEBI (LODR) Regulation, 2015 and the same is annexed.

All material requirements with respect to Corporate Governance as stipulated in the Listing Agreement have been complied with.

On behalf of the Board

BIMAL DAS

Chairman

DIN: 03098080

Place: Kolkata

Dated: The 30th day of May, 2017

DECLARATION BY THE MANAGING DIRECTOR ON THE CODE OF CONDUCT

Pursuant to SEBI (LODR) Regulation, 2015, with the Stock Exchanges, I, Sunil Kumar Mall, Managing Director of Kanika Infrastructure & Power Limited, declare that all the Board Members and Senior Executives of the company have affirmed their compliance with the Code of Conduct of the company during the financial year 2016-17.

On behalf of the Board

SUNIL KUMAR MALL

Managing Director

DIN: 00398430

Place: Kolkata

Dated: The 30th day of May, 2017