

## **BRAKES AUTO (INDIA) LTD.**

REGD. OFFICE : 326-B, Karim Building, Grant Road, Mumbai (Maharashtra)

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### **COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members of  
Brakes Auto (India) Ltd.

We have examined the compliance of conditions of Corporate Governance by Brakes Auto (India) Limited [the Company] for the year ended 31<sup>st</sup> March, 2003, as stipulated in Clause 49 of the Listing Agreement entered into with the Stock Exchange.

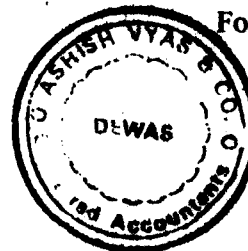
The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

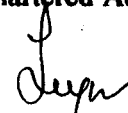
As per the records of the Company, there were no investor grievances remaining unattended for a period exceeding one month against the Company, except in cases where there are certain objection(s)/observation requiring further compliance/clarification(s).

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.

326-B, Karim Building,  
Grant Road, Mumbai  
1<sup>st</sup> September, 2003



For M/s Ashish Vyas & Company  
Chartered Accountants

  
Ashish Vyas  
Proprietor

**BRAKES AUTO (INDIA) LTD.**

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**REPORT ON CORPORATE GOVERNANCE FOR THE PERIOD 01/04/2002 TO 31/03/2003****1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The basic philosophy of corporate governance in the company is enhancement of the long-term shareholder value while at the same time protecting the interests of other stakeholders and adopting methodology which enhances effectiveness, better utilization of resources, transparent and harmonious relations between various interest groups and to achieve the business excellence.

**2. BOARD OF DIRECTORS**

The Board of the company comprises of 4 directors, out of which one is executive Director and three are non- executive Directors.

The Composition and other relevant details are as under:

**(a) Directors:**

Sr. No.	Name of Director	Category	Attendance in Board meeting Held   Attended		Other Directorships (Incl. Private Limited Companies)
1.	Mr. Mohabbat Ali	Executive	10	10	1
2.	Mr. Mangesh Deshmukh (App. on 10/12/02)	Independent Non Executive	10	4	Nil
3.	Mr. Atul Bansode (App. on 10/12/02)	Independent Non Executive	10	4	Nil
4.	Mr. Vinod Parashar (App. on 24/03/03)	Independent Non Executive	10	1	7
5.	Mr. Suresh Sharma (Resigned on 10/12/02)	Independent Non Executive	10	7	1
6.	Mr. Indresh Khanna (Resigned on 10/12/02)	Independent Non Executive	10	7	1

(b) During the year, the Board met 10 times on 28/04/02, 13/05/02, 29/06/02, 31/08/02, 31/08/02, 12/10/02, 10/12/02, 22/01/03, 28/01/03 and 24/03/03 respectively.

(c) No sitting fees or Remuneration has been paid to the Directors.

(d) The last (22<sup>nd</sup>) Annual General Meeting of the company was held on 30<sup>th</sup> September, 2002. The details of attendance of Directors in the last Annual General Meeting are as follows :

<b>Name of Director</b>	<b>Attendance at Last Annual General Meeting</b>
Mr. Suresh Sharma	Present
Mr. Indresh Khanna	Present
Mr. Mohabbat Ali	Present

### **3. Audit Committee**

The Company has constituted an Audit Committee comprising of three non-executive Directors :

Mr. Mangesh Deshmukh, Chairman  
Mr. Atul Bansode  
Mr. Vinod Parashar

The Broad terms of reference of the Committee are:

- Review the company's financial reporting process and its annual financial statements and draft audit report, including half-yearly financial information.
- Review the Remuneration payable to the auditors.
- Review of internal control system
- Review of financial and risk management policies.
- Review the reports relating to compliance with laws and to risk management.
- Compliance with accounting standards.
- Compliance with stock exchange and legal requirements concerning financial statements.

The company has a qualified Company Secretary who is the Secretary to the committee.

During the year, the committee met on 30/06/02, 25/08/02 and 20/01/03 and all the three members of the committee were present at these meetings.

### **4. Remuneration Committee**

The Company has not constituted the Remuneration Committee, as none of the directors is paid any remuneration or sitting fees. As and when the need arises the committee would be formed.

### **5. Shareholders' /Investors' Grievance Committee**

The Company has constituted a committee named Shareholders'/Investors' Grievance Committee.

The committee comprises of the following non- executive directors :

Mr. Mangesh Deshmukh, Chairman and Compliance Officer  
Mr. Atul Bansode

The committee has been authorised to approve share transfers, transmissions, deletions etc. and to deal with redressal of grievances of the shareholders.

No complaints were made during the year to the company.

#### **6. General Body Meetings**

- (i) Last three Annual General Meetings of the members of the company were held at the Registered Office of the company at 326-B, Karim Building, Grant Road, Mumbai at 11 a.m.
- (ii) No special resolution was passed in the last 3 AGMs.

#### **7. Disclosures**

- (i) There were no significant related party transactions with its promoters, directors, subsidiaries or relatives.
- (ii) The company has fairly complied with the requirements of the Stock Exchange and SEBI during the last three years.
- (iii) Whistle Blower Policy has been implemented with effect from this quarter and no personnel has been denied access to the audit committee.

#### **8. Means of Communication**

- (i) The Board of Directors of the Company approves and takes on record the unaudited financial results in the Proforma prescribed by the Stock Exchange, Mumbai and announces the Results to all the Stock Exchanges where the Company's shares are listed and also in other two leading Newspapers, i.e, Free Press Journal and Navshakti.
- (ii) Management Discussion and Analysis Statement is a part of the annual report.

#### **9. General Shareholder Information**

- a. The securities of the Company are listed at the Mumbai Stock Exchange.
- b. The Financial Year of the Company is 1.4.2002 to 31.3.2003
- c. The annual listing fees has been paid upto 2002-2003.
- d. There was no trading at the Exchange during the period.
- e. The transfer of the shares are done In-house at 326-B, Karim Building, Grant Road, Mumbai.
- f. The Company is in the process of entering into an agreement with NSDL/CDSL for the compulsory dematerialisation of the shares of the Company.
- g. The transfers of the shares are normally approved in 20 days.
- h. The 23<sup>rd</sup> Annual General Meeting of the members of the Company was held at its registered office on 29/09/2003 at 11 a.m.
- i. Date of Book Closure : 28<sup>th</sup> September, 2003 to 30<sup>th</sup> September, 2003 (both days inclusive)

j. The shareholders distribution Schedule as at 31.03.2003 is as under:

Status	Number of Shareholders	% of Total Shareholders	Amount (in Rs.)	% of Total Amount
Regular	10,336	99.40%	2,87,87,000	73.52 %
Directors	NIL	NIL	NIL	NIL
Rel./Friends	NIL	NIL	NIL	NIL
Financial Inst.	13	0.13 %	40,000	0.10 %
Nationalised Banks	NIL	NIL	NIL	NIL
Govt. Org.	NIL	NIL	NIL	NIL
Employees	14	0.13 %	49,000	0.12 %
Promoters	30	0.29 %	1,02,43,000	26.16 %
Body Corporates	5	0.05 %	36,000	0.09 %
<b>Total</b>	<b>10,398</b>		<b>3,91,55,000</b>	

#### 10. Postal Ballot

Not being resorted to at present.

#### 11. Plant Location

68,69 B, Industrial Area No. 3,  
Dews (M.P.)

#### 12. Address for Correspondence

326-B, Karim Building,  
Grant Road, Mumbai

PLACE: MUMBAI  
DATED: 01/09/2003

For and on behalf of the  
Board of Directors of  
**Brakes Auto (India) Ltd.**

**Mangesh Deshmukh**  
Director