
REPORT ON CORPORATE GOVERNANCE

INTRODUCTION:

Corporate Governance is important to build confidence and trust which leads to strong and stable partnership with the Investors and all other Stakeholders. The detailed Report on implementation of Corporate Governance Code as incorporated in Clause 49 of the Listing Agreement with the Stock Exchange/s is set out below:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and ability. The Company has implemented the mandatory requirements of the 'Code of Governance' as mentioned in Clause 49 of the Listing Agreement. The Compliance Report of the Company vis-à-vis the Stock Exchange Listing Agreement is presented below.

2. BOARD OF DIRECTORS:**a) Composition and Category of Directors as on 31st March, 2014 and on the date of report is:**

Name of Directors	Category of Directorship	No. of other Directorships @	Committee Member/ Chairmanship in other companies	No. of Board Meetings attended	Attendance at AGM. held on 30-09-2013 Yes(Y)/No(N)
Mr. Ashok Chhajer, Managing Director	Executive	3	—	5	Y
Ms. Sushma A. Chhajer	Non-Executive	-	-	5	Y
Mr. Kashyap R. Mehta	Non-Executive Independent	3	3	5	Y
Mr. Manish J. Joshi #	Non-Executive Independent	-	-	N.A.	N.A.

@ Private Companies Excluded
#Appointed as Director w.e.f. 29th July, 2014

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b) Details of the Directors seeking Appointment/Re-appointment in forthcoming Annual General Meeting:

Name of Directors	Mr. Kashyap R. Mehta	Mr. Ashok Chhajer	Ms. Sushma Chhajer	Mr. Manish J. Joshi
Date of Birth	07-03-1960	02-02-1958	08-04-1996	21-01-1975
Date of Appointment	30-03-2003	14-11-1995	30-03-2003	29-07-2014
Qualification	B.Com, FCS, ACIS (London), ACMA	Commerce Graduate	Commerce Graduate	Commerce Graduate
Expertise in specific functional areas	Corporate Laws & Finance	Management & Administration	Administration	Accounts and Administration
List of Public Limited Companies in which Directorships held	Prism Finance Ltd. Gujarat Craft Industries Ltd.; Som Shiva Impex Ltd.	APA Finance Ltd. Indian Agrotech Ltd. Gujarat Craft Industries Ltd.	NIL	NIL
List of Private Limited Companies in which Directorships held	Innovate Derivatives Pvt. Ltd. Innovate Securities Pvt. Ltd. Samurai Holdings Pvt. Ltd.	Woodlands Consultancy Services Pvt. Ltd. Flora Commerce Pvt. Ltd. Technomod Properties Pvt.Ltd. Rishabh Business Pvt. Ltd.; Ethnic Apparels Pvt. Ltd.; Worldwide Impex Pvt. Ltd.; Castle Housing Development Pvt. Ltd.; Bosco Chemtex Pvt. Ltd.	Rishabhi Trafemfex Pvt. Ltd. Bosco Chemtex Pvt. Ltd. Bosco Commerce Pvt. Ltd. Worldwide Impex Pvt. Ltd. Technomod Properties Pvt.Ltd. Woodlands Consultancy Services Pvt. Ltd.	NIL
Chairman/Member of the Committees of the Board of Directors of the Company	Audit Committee, Nomination & Remuneration Committee; and Stakeholders' Relationship Committee	Stakeholders' Relationship Committee	Audit Committee and Nomination & Remuneration Committee	Audit Committee, Nomination & Remuneration Committee
Chairman/Member of the Committees of Directors of other companies.	Prism Finance Limited Gujarat Craft Industries Limited Som Shiva (Impex) Ltd.	NIL	NIL	NIL
Shareholding in the Company	NIL	93,100 Equity Shares	2,75,400 Equity Shares	NIL

c) Board Procedures:

The Board of Directors meets once a quarter to review the performance and Financial Results. A detailed Agenda File is sent to all the Directors well in time of the Board Meetings. The Chairman/Managing Director briefs the Directors at every Board Meeting, overall performance of the Company. All major decisions/approvals are taken at the Meeting of the Board of Directors such as policy formation, business plans, budgets, investment opportunities, Statutory Compliance etc. The meeting of the Board of Directors for a period from 1st April, 2013 to 31st March, 2014 was held on 10-05-2013; 14-08-2013; 03-09-2013; 12-11-2013 and 13-02-2014.

3. AUDIT COMMITTEE:

The Audit Committee consists of the following Directors as on date of the Report:

Name of the Directors	Expertise	Functions of the Committee	Attendance
Mr. Kashyap R. Mehta Chairman	All members are Non-executive. Chairman is independent Director and majority are independent. One member has thorough financial and accounting knowledge.	The functions of the Audit Committee are as per Company Law and Listing Agreement with Stock Exchange(s) which include approving and implementing the audit procedures, review of financial reporting system, internal control procedures and risk management policies.	Majority of members were present at the meeting held on 10-05-2013; 03-09-2013; 12-11-2013 and 13-02-2014.
Ms. Sushma A. Chhajer			
Mr. Manish J. Joshi			

4. NOMINATION AND REMUNERATION COMMITTEE:

The Board Committee is vested with the responsibilities to function as per SEBI Guidelines and recommends to the Board Compensation Package for the Managing Director and Key Managerial Personnel. It also reviews from time to time the overall Compensation structure and related policies with a view to attract, motivate and retain employees.

The Committee comprises the following Directors as members:

1. Mr. Kashyap R. Mehta - Chairman
2. Ms. Sushma A. Chhajer - Member
3. Mr. Manish J. Joshi - Member

The meeting of the committee was held on 29-07-2014.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Board has constituted a Stakeholders' Relationship Committee for the purpose of effective redressal of the complaints of the stakeholders such as Dematerialisation, Share Transfer, Non receipt of Balance Sheet etc.

Mr. Kashyap R. Mehta and Mr. Ashok Chhajer, Directors are the Members of the Committee.

The Company has not received any complaints during the year. There was no valid request for transfer of shares pending as on 31st March, 2014.

6. GENERAL BODY MEETINGS:

Details of last three Annual General Meetings of the Company are given below:

Financial Year	Date	Time	Venue
2010-11	30-09-2011	3.00 p.m.	35, Omkar House, Near Swastik Cross Roads, C. G. Road, Navrangpura, Ahmedabad 80 009.
2011-12	29-09-2012	3.00 p.m.	
2012-13	30-09-2013	3.00 p.m.	

No Special Resolution was passed during the last three AGMs and no Resolution was passed through Postal Ballot during the year under review.

7. DISCLOSURES:

- a) The Company has not entered into any transaction of material nature with the Promoters, the Directors or the Management that may have any potential conflict with the interest of the Company. The Company has no subsidiary.
- b) There has neither been any non compliance of any legal provision of applicable law, nor any penalty, stricture imposed by the Stock Exchange/s or SEBI or any other authorities, on any matters related to Capital Market during the last three years.
- c) Code of Conduct:
The Board of Directors has adopted the Code of Conduct for Directors and Senior Management and the same has been placed on the Company's website. All Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year under review.
- d) Prohibition of Insider Trading:
In Compliance with the SEBI Regulations on Prevention of Insider Trading, the Company has framed a Code of Conduct to avoid any insider trading and it is applicable to all the Directors, Officers and such employees of the Company who are expected to have access to the unpublished price sensitive information relating to the Company. The Code lays down guidelines, which advises them on procedure to be followed and disclosures to be made, while dealing with the shares of the Company.

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8. MEANS OF COMMUNICATIONS:

In compliance with the requirements of the Listing Agreement, the Company regularly intimates Unaudited/ Audited Financial Results to the Stock Exchanges immediately after they are taken on record by the Board of Directors. These Financial Results are normally published in 'Western Times' (English and Gujarati).

Results are also displayed on Company's website www.typhoonfinancial.com.

During the year ended on 31st March, 2014, no presentations were made to Institutional Investors or analyst or any other enterprise.

Management Discussion and Analysis form part of the Annual Report.

9. SHAREHOLDERS' INFORMATION:

- a) Registered Office : 35, Omkar House, Near Swastik Cross Roads,
C. G. Road, Navrangpura, Ahmedabad 380 009
- b) Annual General Meeting : Day : Friday
Date : 26th September, 2014
Time : 4.00 p.m.
Venue : 35, Omkar House,
Near Swastik Cross Roads, C. G. Road,
Navrangpura, Ahmedabad 380 009
- c) Financial Calendar :
1st Quarter Results : Mid - August, 2014.
Half-yearly Results : Mid - November, 2014.
3rd Quarter Results : Mid - February, 2015.
Audited yearly Results : End - May, 2015.
- d) Book Closure Dates : From : Friday,
the 12th September, 2014
To : Friday,
the 26th September, 2014
(both days inclusive).
- e) Dividend Payment Date : N.A.
- f) Listing of Shares on Stock Exchanges : 1. **Calcutta Stock Exchange Limited,**
7, Lyons Range, Calcutta – 700 001.
2. **Ahmedabad Stock Exchange Limited,**
Kamdhenu Complex, 1st Floor,
Ambawadi,
Ahmedabad - 380 015.
The Company has paid the annual listing fees for
the financial year 2014-15 to both the Stock
Exchanges where its securities are listed.
- g) Stock Exchange Code :

Stock Exchange	Code
ASE	62023
CSE	10030281

h) Registrar and Share Transfer Agents :

The Company has initiated certain steps to meet the requirements of SEBI Circular No. D&CC/FITTC/CIR 15/2003 dated 27th December, 2002 read with Circular No. D&CC/FITTC/CIR 18/2003 dated 12th February, 2003, on appointment of common agency for share registry work. At present, the Company has its own in house Share Department at:

35, Omkar House, Near Swastik Cross Roads, C. G. Road, Navrangpura, Ahmedabad 380 009.

Tel: (079) 2644 9515

Email: info@typhoonfinancial.com; info@gujaratcraft.com

- i) **Share Transfer System:**
The transfer of shares in physical form is processed and completed by the Company's own in-house Share Department within a period of 15 days from the date of receipt thereof.
The Company is in the process of making arrangements with NSDL/CDSL to enable shareholders to hold their holding in electronic form.

- j) **Distribution of Shareholding as on 31st March, 2014:**

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 500	529	91.68	21600	0.72
501 to 1000	4	0.69	3200	0.11
1001 to 2000	18	3.12	36000	1.20
2001 to 3000	0	0.00	0	0.00
3001 to 4000	0	0.00	0	0.00
4001 to 5000	1	0.17	4800	0.16
5001 to 10000	5	0.87	43900	1.46
10001 & Above	20	3.47	2891100	96.35
Total	577	100.00	3000600	100.00

- k) **Category of Shareholders as on 31st March, 2014:**

Category	No. of Shares held	% of Shareholding
Promoters (Directors & Relatives)	2007800	66.91
Financial Institutions/Banks	---	---
Mutual Fund	---	---
Bodies Corporate	12620	0.42
Indian Public	980180	32.67
NRIs & CM	---	---
Grand Total	3000600	100.00

- l) **Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity:** The Company has not issued any GDRs/ADRs.

- m) **Stock Price Data:** : The shares of the Company are Listed at Ahmedabad Stock Exchange Limited and Calcutta Stock Exchange Limited and the trading of Securities are suspended hence, information on stock price data are not available.

- n) **Dematerialisation of Shares.** : The Company is in the process of making arrangements with NSDL/CDSL for Dematerialisation of Shares.

- 10. CEO/CFO Certification:** : The requisite certification from the Managing Director and Chief Financial Officer required to be given under clause 49 (V) was placed before the Board of Directors of the Company.

- 11. ADDRESS FOR CORRESPONDENCE:** For any assistance regarding share transfers, transactions, change of address or any other query relating to shares, shareholders may contact at Registered Office of the Company at:
35, Omkar House, Near Swastik Cross Roads, C. G. Road, Navrangpura, Ahmedabad 380 009.
Tel: (079) 2644 9515
Email: info@gujaratcraft.com; info@typhoonfinancial.com
Website: www.typhoonfinancial.com

Compliance Officer : Ms. Sushma Chhajer, Director

- 12. DECLARATION** : All the Board Members and Senior Management Personnel of the Company have affirmed the compliance with the provisions of the code of conduct for the year ended on 31st March, 2014.

Registered Office:
35, Omkar House,
Near Swastik Cross Roads, C. G. Road, Navrangpura,
Ahmedabad 380 009.
Date: 29th July, 2014

For and on behalf of the Board,

Sushma Chhajer Ashok Chhajer
Director Managing Director

TYPHOON FINANCIAL SERVICES LIMITED

CERTIFICATE

To,
The Members of Typhoon Financial Services Limited.

We have examined the compliance of conditions of Corporate Governance by M/s Typhoon Financial Services Limited, for the year ended on 31st March, 2014 and also up to the date of this report as stipulated in Clause 49 of the Listing Agreement of the said Company with Ahmedabad Stock Exchange Limited and Calcutta Stock Exchange Limited.

We have conducted our review on the basis of relevant records and documents maintained by the Company for the year ended 31st March, 2014 and also up to the date of this report and furnished to us for the purpose of the review and the information and explanation given to us by the Company during the course of review.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of 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, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause- 49 of the above mentioned listing agreements.

As per representation received from the Registrars of the Company, we state that as per records maintained by the Stakeholders' Grievance Committee, no investor grievance remaining unattended/ pending for more than 30 days.

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.

For KASHYAP R. MEHTA & ASSOCIATES
COMPANY SECRETARIES

Place : Ahmedabad
Date : 29th July, 2014

KASHYAP R. MEHTA
PROPRIETOR
FCS NO.: 1821
COP NO.: 2052