

REPORT ON CORPORATE GOVERNANCE**A MANDATORY REQUIREMENTS:****1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

Corporate Governance philosophy stems from our belief that corporate governance is a vital element in improving effectiveness and growth as well as enhancing long term investor confidence in any organization.

Company's philosophy is to keep transparency towards all the stakeholders and Achieving transparency and professionalism in all decisions and activities of the company and Reviewing periodically the existing systems and controls for further improvements.

2. BOARD OF DIRECTORS

The strength of the Board is Four Directors. The Board comprises of Executive and Non-Executive Directors. The Company has a broad based Board comprising 50% Non-Executive Independent Directors. The Chairman is non-executive Chairman. The Non-Executive Directors bring independent judgment in the Board's deliberations and decisions.

Further, in terms of the provisions of section 203 of the Companies Act 2013, the Company has also designated its Board of Directors in the category of Key Managerial Personnel based on their expertise and roles and responsibilities in the Company assigned to them by the Board of Directors.

Name of Director	Designation	Date of Appointment	KMP* position held
Mr. Amitkumar Rander	Executive Chairman	21/03/2013	-
Mr. .Hareh Bhojwani	Managing Director	07/08/2014	Chief Executive Officer
Mr. Arvind Kumar Gupta	Independent Director	14/06/2010	-
Mr. Shivanand Rama Hemmady	Independent Director	26/12/2013	-
Mr. Prakash Nagori (Note1)	Non Executive Director	26/03/1996	-
And Mr. Rajiv Kumar Agarawalla (Note1)	Non Executive Director	28/01/2005	-

*KMP- Key Managerial Personnel

Note 1: Mr. Prakash Nagori and Mr. Rajiv Kumar Agarawalla resigned from the Board of Directors on 26/12/2013.

▪ **Attendance of each Director at the Board Meeting and the last AGM**

Six Board Meetings were held in the Financial Year 2013-2014. The dates on which the said meetings were held are as follows:-

28/05/2013, 14/08/2013, 02/09/2013, 12/11/2013, 26/12/2013 & 13/02/2014.

Details of Attendance, Number of other Companies or Committees the Director (being a Director as on the date of the Directors' Report) is a Director/Chairman. :

Name of Director	Category of Directorship	No. of Board Meetings Attended	No. of Directorship in other Public Companies	No. of Committees in other public Companies (other than the Company)	Attendance at the last AGM	No. of shares held in the Company
Mr. Amitkumar Rander	Executive Chairman	6	1	NA	Yes	NA
Mr. Haresh Bhojwani	Managing Director	NIL	8	NA	NA	NA
Mr. Arvind Kumar Gupta	Independent Director	4	5	NA	Yes	NA
Mr. Shivanand Rama Hemmady	Independent Director	2	10	NA	NA	NA
Mr. Prakash Nagori	Non Executive Director	4	NA	NA	Yes	NA
Mr. Rajiv Kumar Agarawalla	Non Executive Director	4	NA	NA	No	NA

3. COMMITTEES OF THE BOARD

A). AUDIT COMMITTEE:

i. Composition:

The Audit Committee of the Company consists of three directors with independent directors forming a majority:

Name of Director	Membership	Category of Directorship
Mr. Shivanand Rama Hemmady	Chairman and Member	Independent Director
Mr. Arvind Kumar Gupta	Member	Independent Director
Mr. Amitkumar Rander	Member	Executive Chairman

The Committee has been constituted on 07th August 2014 hence no meetings were held during the year 2013-14.

ii. Terms of Reference:

Terms of reference specified by the Board which are, as follows

- (i) The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- (ii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (iii) Examination of the financial statement and the auditors' report thereon;
- (iv) Approval or any subsequent modification of transactions of the company with related parties;
- (v) Scrutiny of inter-corporate loans and investments;
- (vi) Valuation of undertakings or assets of the company, wherever it is necessary;
- (vii) Evaluation of internal financial controls and risk management systems;
- (viii) Monitoring the end use of funds raised through public offers and related matters

The role of the Audit Committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
14. Discussion with internal auditors of any significant findings and follow up there on;

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

B). NOMINATION AND REMUNERATION COMMITTEE:

i. Composition:

Companies Act 2013 requires Nomination & Remuneration Committee to comprise of three or more non-executive directors out of which not less than one-half shall be independent directors but as Company presently has only two Non-Executive Directors who are Independent Directors, the Board has constituted the Committee as follows:

Name of Director	Membership	Category of Directorship
Mr. Shivanand Rama Hemmady	Chairman and Member	Independent Director
Mr. Arvind Kumar Gupta	Member	Independent Director

The Committee has been constituted on 07th August 2014 hence no meetings were held during the year 2013-14.

ii. Terms of Reference:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

C). STAKEHOLDERS RELATIONSHIP COMMITTEE:**i. Composition:**

On 07th August 2014 the Board also constituted Stakeholders Relationship Committee in terms of the provisions of Companies Act 2013 read with revised Clause 49 of the Listing Agreement as follows:

Name of Director	Category of Directorship
Mr. Amit Kumar Rander	Chairman & Member
Mr. Shivanand Rama Hemmady	Independent Director

ii. Terms of Reference:

1. To consider and resolve the grievances of security holders of the company.
2. To redress / resolve complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.

The Company during the year received some investors complaints through SCORES portal (SEBI Complaints Redressal System) of Securities & Exchange Board of India (SEBI) at www.scores.gov.in and requisite actions were taken by the Company in time. The Company has no pending complaints / transfers at the close of the financial year.

5. GENERAL BODY MEETING:

Details of the location of the last three AGMs & EGMs and the details of the resolution passed or to be passed by Postal Ballot.

Year Ended	AGM/ EGM	Date of Meetings	Place of meeting	Special Resolution passed	Time
2010-2011	AGM	8/09/2011	Conference Hall, KEL House, Plot No.7, Opp. Oberoi Garden Estates, Chandivali Farm Road, Chandivali, Andheri (E), Mumbai - 400 072	No Special Resoltuion passed in the Meeting	12.30 PM
2011-2012	AGM	27/09/2012	Conference Hall, KEL House, Plot No.7, Opp. Oberoi Garden Estates, Chandivali Farm Road, Chandivali, Andheri (E), Mumbai - 400 072	No Special Resoltuion passed in the Meeting	9.30 AM
2012-2013	AGM	28/09/2013	B-35 Ganjawala Shoping Center, S.V.P.Road, Borivali(west), Mumbai – 400092	No Special Resoltuion passed in the Meeting	10.30 AM

6. DISCLOSURES

(a) Subsidiary Companies

The Company does not have any subsidiary as on 31st March, 2014.

(b) Disclosure on Materially Significant Related Party Transactions

There were no materially significant related party transactions during the financial year 2013-14, that may have potential conflict with the interest of the Company at large. The details of the related party transactions as per Accounting Standard-18 form part of Notes to Accounts.

(c) Disclosure of Accounting Treatment

The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in any Accounting Standards.

(d) Proceeds from Public Issue/ Preferential Issue

The Company has not raised any proceeds from the public issue/ preferential issue during the year under review.

(e) Management Discussion and Analysis Report

The Management Discussion and Analysis Report has been provided as Annexure to the Directors' Report.

(f) Profile of Directors Seeking Appointment / Re-appointment

The profile of the directors seeking appointment / re-appointment forms part of Notice of AGM.

(g) Details of Non-compliance with regard to Capital Market

With regard to the matters related to capital market, the Company has complied with all the requirements of Listing Agreement as well as SEBI regulations. No penalties were imposed or strictures passed against the Company by the stock Exchanges, SEBI or any other statutory authority during the last three years in this regard.

(h) Details of Compliance with Mandatory Requirements and Adoption of Non-mandatory Requirements of Clause 49 of the Listing Agreement

1. Separate posts of Chairman and CEO:

The company may appoint separate persons to the post of Chairman and Managing Director/CEO.

(i) Whistle Blower Policy & Vigil Mechanism:

In its Endeavour to provide its Board, senior Management and employee a secure and a fearless working environment, Company has established the "Whistle Blower Policy/ Vigil Mechanism.

The purpose of the policy is to create a fearless environment for the employees to report any instance of unethical behaviour, actual or suspected fraud or violation of Company's code of conduct or ethics policy to the Ombudsman. (Mr. Shivanand Rama Hemmady, Independent Director of the company).

The framework of the policy strives to foster responsible and secure whistle blowing. This policy should be read in conjunction with applicable regulations & existing policies and procedures of Company.

7. MEANS OF COMMUNICATION:

The Board of Directors of the Company approves and takes on record the un-audited/audited financial results in the Performa prescribed by the Stock Exchange within one and half month of close of quarter/half year and announces forthwith the results to all Stock Exchange where the shares of the Company are listed. The results, presentations and all other official news releases are displayed at the Company's website: www.thecentralprovincerailways.com along with the websites of the Stock Exchange: www.bseindia.com.

8. GENERAL SHAREHOLDERS INFORMATION:

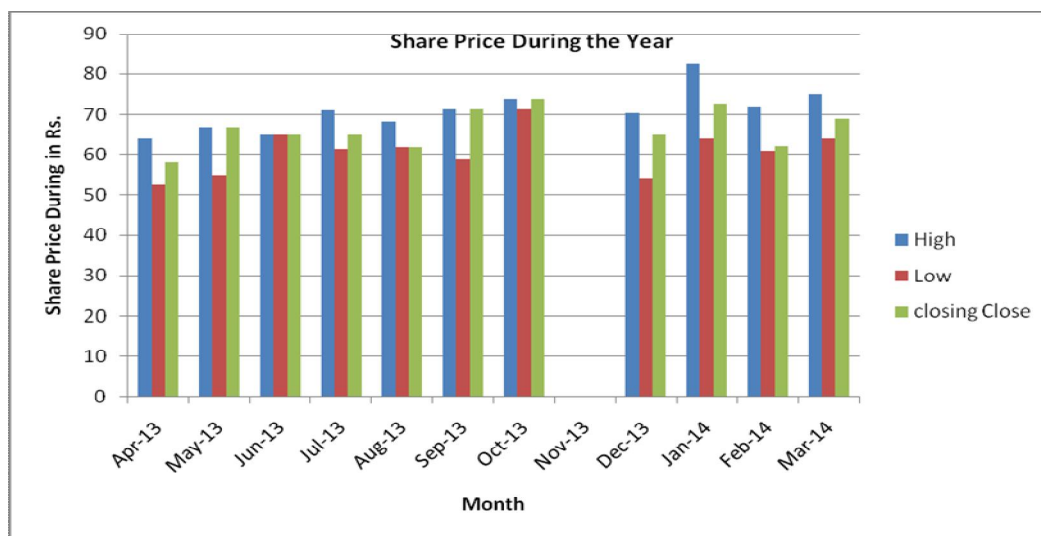
i.	Annual General Meeting	Date : 20 th September 2014 Time : 10.00 AM Address: The conference hall 1 st flr, Gokul hotel, Ashokvan, W.E. Highway, Dahisar (E) Mum-400068 .
ii.	Financial Calendar	a) April to March b) 1st Quarter Results - within 45 days from the end of the Quarter c) 2nd Quarter Results- within 45 days from the end of the Quarter d) 3rd Quarter Results - within 45 days from the end of the Quarter e) 4th Quarter Results - within 60 days from the end of the Quarter
iii.	Date of Book Closure	(Write the Book Closure Date) 17th September 2014 till 20th September 2014 (both days inclusive)
iv.	Listing on Stock Exchanges	Bombay Stock Exchange
v.	ISIN Number for CDSL/NSDL	INE631B01020
vi.	BSE Scrip Code	501827
vii.	Registrar and Transfer Agents	Bigshare Services Pvt. Ltd , E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri East, Mumbai, Maharashtra, 400072 Contact: 022 – 28470652/ 28475207 Email: investor@bigshareonline.com
viii.	Registered Office	Unit No.B-35, Ground Floor, Building No. 01, Ganjawal Shopping Center, S. V. P. Road, Borivali (West) ,Mumbai ,Maharashtra ,400092 Emial: cprclimited@gmail.com Website: www.thecentralprovincerailways.com

ix. Listing of Equity Shares:

The securities of your Company are listed at BSE and securities of the Company remain active at Bombay Stock Exchange Ltd. The Company has paid the listing fees for the year 2014-2015 to BSE.

x. Market Price Data: High, Low during each month during the last financial year:

Month	High	Low	Close
Apr 13	63.85	52.65	58.10
May 13	66.90	55.00	66.90
Jun 13	65.00	65.00	65.00
Jul 13	71.10	61.35	64.80
Aug 13	68.30	61.85	61.85
Sep 13	71.20	58.80	71.20
Oct 13	73.90	71.20	73.90
Dec 13	70.25	54.25	64.95
Jan 14	82.40	64.00	72.70
Feb 14	72.00	60.90	62.00
Mar 14	75.00	64.00	69.00



i. Buy-Back Of Shares:

There was no buy-back of shares during the year under review.

ii. Share Transfer System:

All the transfer received are processed by the Share Transfer Agent Bigshare Services Pvt. Ltd ,E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (E),Mumbai,Maharashtra,400072, and approved by the Board/Committee and returned well within the stipulated period from the date of receipt.

iii. Distribution Of Shareholding As On 31.03.2014:

Distribution of Shares	Number of Shareholders	Percentage to Total No. of Shareholders	No. of Shares held	Percentage to total Share Capital
0001- 5000	2688	91.4908	293269	31.1988
5001 -10000	147	5.0034	112070	11.9223
10001-20000	57	1.9401	75074	7.9866
20001-30000	15	0.5106	36089	3.8393
30001-40000	8	0.2723	27513	2.9269
40001-50000	9	0.3063	41105	4.3729
50001-100000	7	0.2383	56961	6.0597
100001 -9999999999	7	0.2383	297919	31.6935
Total	2938	100.00	940000	100.00

iv. Shareholding pattern as on 31.03.2014 is as follows:

Category	No. of Shares held	Holding Strength %
Promoters and Promoter Group	57470	6.11%
Institutions	184559	19.63%
NRI/ OCBs/ FIIs	17526	1.86%
Bodies Corporate	109889	11.69%
Resident Indians	569829	60.62%
Any other (Clearing Members etc.)	727	0.08%
Total	940000	100.00

v. Dematerialization of shares

The total equity share Capital of the Company is 9,40,000 as on 31st March 2014, of which 501016 equity shares i.e. 53.30% of the total paid up equity capital are traded in electronic form. Further from total electronically traded shares 3,37,527 Equity shares were held in electronic form with National Securities Depository Limited (NSDL) and 1,63,489 Equity shares were held in electronic form with Central Depository Services (India) Limited (CDSL) and remaining 4,38,984 shares are in Physical form. All the demat requests were generally processed and confirmed within 15 days of receipt.

vi. Address for correspondence:**THE CENTRAL PROVINCE RAILWAYS COMPANY LIMITED**

Unit No.B-35, Ground Floor, Building No. 01,
Ganjawal Shopping Center, S. V. P. Road,
Borivali (West) ,Mumbai-400092.

Email:- cprclimited@gmail.com

Website:-www.thecentralprovincerailways.com

Shareholders correspondence may be directed to the Company's Registrar and Share Transfer Agents whose address is given below:

BIGSHARE SERVICES PVT. LTD ,

E-2/3, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (East),Mumbai- 400072
Contact: 022 – 4043 0200/ 28475207
Email: investor@bigshareonline.com.

vii. Secretarial Audit Report

As stipulated by the Securities and Exchange Board of India, Secretarial Audits have been carried out, by Firm of Practicing Company Secretary, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the stock exchanges and is also placed before the board of directors. The audit, inter alia, confirms that the total listed and paid-up capital of the Company is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

9. Declaration under Clause 49(I)(D) of the Listing Agreement for compliance with the Code of Conduct

In terms of the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges, it is hereby declared that the Members of the Board of Directors of the Company have affirmed the compliance with the Code of conduct for the year ended 31st March, 2014.

**By Order of the Board of Directors
For The Central Province Railways Company Limited
Sd/-**

**Place: Mumbai
Date: 07th August 2014**

**Amit Kumar Rander
Executive Chairman**