

**CORPORATE GOVERNANCE REPORT****1. Brief Statement on Company's Philosophy on Code of Corporate Governance:**

Corporate Governance is a value based framework to manage our Company affairs in a fair and transparent manner. The Governance process should ensure that these resources are utilized in a manner that meets stakeholder's aspirations and societal expectations.

Your Company also believes that the practice of each of these creates the right corporate culture that fulfils the true purpose of Corporate Governance.

**2 Board of Directors**

The Company's Board of Directors as on **31<sup>st</sup> March, 2014** comprises of One Executive Director and Five Non-Executives Directors.

Five Meetings of the Board of Directors of the Company were held during the financial year 2013-2014 i.e. on 29/04/2013, 30/05/2013, 14/08/2013, 14/11/2013 and 11/02/2014.

As is evident, the maximum time gap between any two Board Meetings was not more than four months.

The composition of the Board of Directors and their attendance at the Board Meetings held during the year and at the last Annual General Meeting and also the number of Directorship and Committee Membership /Chairmanship held by them in other Companies are given below :-

Name of Director	Category	No. of Board Meetings attended	Whether last AGM Attended	No. of other Directorship		No. of other Committee(s) Membership/Chairmanship	
				Public	Private	Member	Chairman
Mr. Dinesh Kumar Pandey	Independent Director	5	Yes	-	8	-----	
Mr. Rabindra Kumar Hisaria	Independent Director	5	Yes	-	-	-----	
Mr. Bijay Kumar Agarwal	Independent Director	5	Yes	-	2	-----	
Mr. Kishan Kumar Jajodia	Non-Executive Promoter Director	5	Yes	9	4	1	-
*Mr. Prakash Kumar Jajodia	Promoter and Executive Director	5	Yes	9	4	2	-
Mr. Amit Jajodia	Non-Executive Non-Independent Director	5	Yes	4	2	-----	

\*Mr. Prakash Kumar Jajodia was appointed as Whole-Time Director w.e.f. 1<sup>st</sup> October 2013.

### 3 Audit Committee

#### (a) Composition :

The Audit Committee comprises of three Independent Directors as on 31<sup>st</sup> March, 2014. The Committee met 4 (Four) times during the year i.e. on 30/05/2013, 14/08/2013, 14/11/2013 and 11/02/2014. The attendances of the members were as follows:

Sl. No.	Name	Status	No. of Meetings
1	Mr. Rabindra Kumar Hisaria	Independent Director - Chairman of the committee	4
2	Mr. Bijay Kumar Agarwal	Independent Director	4
3	Mr. Dinesh Kumar Pandey	Independent Director	4

#### (b) Terms of Reference:

The terms of reference of the Committee is in accordance with that specified in clause 49 of the Listing Agreement with Stock Exchanges and also confirms to the requirements of provision of Section 177 of the Companies Act, 2013.

### 4. NOMINATION AND REMUNERATION COMMITTEE

#### (a) Composition of the Committee:

The erstwhile Remuneration Committee of the Company was renamed and reconstituted as Nomination and Remuneration Committee on 30/05/2014. The Committee comprises of:

Sl. No.	Name	Status
1	Mr. Bijay Kumar Agarwal	Independent Director - Chairman of the Committee
2	Mr. Amit Jajodia	Non Executive Non-Independent Director
3	Mr. Rabindra Kumar Hasaria	Independent Director

During the year, one meeting of the erstwhile Remuneration Committee was held as on 30.05.2013.

#### (b) Terms of Reference:

The terms of reference and the scope of Nomination and Remuneration Committee of the Board of Director are in accordance with the provisions of the Companies Act, 2013 and the Rules made thereunder and Clause 49 of the Listing Agreement.

#### (c) Remuneration Policy:

The Non-Executive Directors of the Company were not paid any sitting fee or any other remuneration or commission.

During the financial year 2013-14, Mr. Prakash Kumar Jajodia, Whole-Time Director of the Company, has been paid Rs.90,000 as remuneration.

## 5. Stakeholders' Relationship Committee

The erstwhile Share Transfer and Investors Grievance Committee was renamed and reconstituted as Stakeholders' Relationship Committee of the Board of Directors. The Committee comprises of one Independent Director, one Executive and one Non-Executive Directors. The Committee deals with matters, inter-alia, relating to approval of Share Transfers and Transmissions, Folio Consolidation, Issue of Duplicate Share Certificates, Replacement of Share Certificates, Split and Consolidation of Certificates, Dematerialization and Rematerialization requests, monitoring of shareholder complaints /requests and also to resolve the grievances of security holders of the Company. The composition of the committee members is as under:-

Sl. No.	Name	Status
1	Mr. Bijay Kumar Agarwal	Independent Director - Chairman
2	Mr. Prakash Kumar Jajodia	Executive Director
4	Mr. Amit Jajodia	Non-Executive Non-Independent Director

During the financial year 2014 the Committee met 6 (Six) times.

During the year, the Company complied with all the requests received from its shareholders.

Sl. No.	Nature of request	Nos.
1	Issue of Duplicate Share Certificates	1
2	Rematerialisation of Shares	2
3	Spilt of Share Certificate	2
4	Replacement of Share Certificate	1

## 6. General Body Meetings:

### A. Location and time for last three Annual General Meetings were:

Financial Year	Date of AGM	Venue	Time
2012-2013	30-09-2013	"Centre point", 21 Hemanta Basu Sarani, Room No. 230, 2 <sup>nd</sup> Floor, Kolkata- 700 001	11.30 A.M.
2011-2012	28-09-2012	454, Dum Dum Park, Kolkata-700 055	2.00 P.M.
2010-2011	30-09-2011	454, Dum Dum Park, Kolkata-700 055	11.00 A.M.

### B.SPECIAL RESOLUTIONS AT THE LAST THREE ANNUAL GENERAL MEETINGS:

One Special resolution has been passed during the last year in Annual General Meeting for appointment of Mr. Prakash Kumar Jajodia as Whole-Time Director of the Company.

### C. WHETHER ANY SPECIAL RESOLUTION PROPOSED TO BE CONDUCTED THROUGH POSTAL BALLOT

No resolution is proposed to be conducted through postal ballot in the forthcoming Annual General Meeting.

## 7. DISCLOSURES

a. Related Party transactions have been disclosed in note to schedule to the audited annual accounts of the Company for the financial year 2013-14.

b. The Company has complied with all the requirements of the listing agreement with the Stock Exchange(s) as well as regulations and guidelines of SEBI. No penalty has been imposed or strictures have been issued by the SEBI or any other Stock Exchange(s) on matters related to Capital Market so far.

c. Certificate as stipulated in Clause 49 of the Listing Agreement was obtained and placed before the Board.

d. The Company has complied with all the mandatory requirements of Clause 49 of the Listing agreement. As regard to the non-mandatory requirements under Clause 49, the Company has complied with the requirements of Remuneration Committee only.

## 8. MEANS OF COMMUNICATIONS

Quarterly unaudited results of the Company were published in accordance with the Listing Agreement with stock exchange in the Business Standard (English Daily) and Arthik Lipi (Bengali Daily).

The quarterly and the annual results of the Company are submitted to the Calcutta Stock Exchange Limited. The Annual Reports are posted to every shareholder of the Company at their registered address.

Section on Management Discussion and Analysis form part of this Annual Report.

## 9. GENERAL SHAREHOLDERS INFORMATION

### • Annual General Meeting:

• **Date** : 29<sup>th</sup> September, 2014

• **Time** : 11.00 A.M.

• **Venue** : "Centre Point", 21, Hemanta Basu Sarani, Room No. 230, 2<sup>nd</sup> Floor, Kolkata – 700 001

### • Financial Calendar : (Tentative)

Financial Year – 1 <sup>st</sup> April, 2014 to 31 <sup>st</sup> March, 2015	Relevant Dates
Board Meeting for consideration of annual accounts	30 <sup>th</sup> May, 2014
Book closure dates	22 <sup>nd</sup> September, 2014 to 27 <sup>th</sup> September, 2014
Unaudited results for the quarter ended June 30, 2014	On or before 14 <sup>th</sup> August, 2014
Unaudited results for the quarter ended September 30, 2014	On or before 14 <sup>th</sup> November, 2014
Unaudited results for the quarter ended December 31, 2014	On or before 14 <sup>th</sup> February, 2015
Unaudited results for the quarter ended March, 31, 2015	On or before 15 <sup>th</sup> May, 2015

- Listing on Stock Exchanges at:
  - The Calcutta Stock Exchange Ltd. (Stock code: 10027006)  
7, Lyons Range, Kolkata 700 001.
- The Company has paid the listing fee to The Calcutta Stock Exchange Ltd. for the year 2014-2015.
- Stock Market Price for the Financial Year 2013-2014:

Month	High (Rs.)	Low (Rs.)	Volume (Nos.)
April, 2013	86.20	86.15	3,19,451
May, 2013	Not Traded	Not Traded	Not Traded
June, 2013	Not Traded	Not Traded	Not Traded
July, 2013	Not Traded	Not Traded	Not Traded
August, 2013	Not Traded	Not Traded	Not Traded
September, 2013	Not Traded	Not Traded	Not Traded
October, 2013	Not Traded	Not Traded	Not Traded
November, 2013	Not Traded	Not Traded	Not Traded
December, 2013	Not Traded	Not Traded	Not Traded
January, 2014	Not Traded	Not Traded	Not Traded
February, 2014	Not Traded	Not Traded	Not Traded
March, 2014	Not Traded	Not Traded	Not Traded

- Share Transfer System: The Company's shares are in compulsory demat mode. The shares received for transfer in physical mode are registered and returned within a period of 15 days from the date of receipt, if the documents are complete in all respects. Shares under objection are returned within two weeks. 3,125,000 equity shares were transferred during the year ended 31<sup>st</sup> March, 2014.

- **Dedicated email ID for Investors.** For the convenience of our investors, the Company has designated an exclusive email ID for investors i.e. **investorsquestfinancial@yahoo.com**

- Registrar & Share Transfer Agent :

M/s. Niche Technologies Pvt. Ltd.  
D-511, Bagree Market, 5<sup>th</sup> Floor, 71, B.R.B. Basu Road, Kolkata 700 001,  
Phone Nos. (033) 2235-7270/7271/2234-3576.

- Dematerialisation of Shares and Liquidity:

The Company's shares are tradable compulsorily in electronic form and are available for trading in the depository systems of both National Securities Depositories Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The International Securities Identification Number (ISIN) of the Company as allotted by NSDL and CDSL is INE064D01012. 87.49% (Approx.) of total equity shares are in dematerialized form as on 31.03.2014.

- Distribution of shareholding & shareholding pattern :

#### **Distribution of shareholding as on 31/03/2014**

Ordinary Shares held	Number of shareholders	% of shareholders	Number of shares held	% of shares held
Upto 500	386	12.28	88,386	0.07
501-1000	336	10.69	2,73,924	0.22
1001-5000	878	27.94	25,39,864	2.06
5001-10000	441	14.03	36,50,595	2.96
10001 -50000	843	26.82	1,95,58,864	15.86
50001-100000	151	4.80	1,04,15,906	8.45
100001 and above	108	3.44	8,67,88,961	70.38
<b>Total</b>	<b>3,143</b>	<b>100.00</b>	<b>12,33,16,500</b>	<b>100.00</b>

#### **Shareholding Pattern as on 31/03/2014**

Sl. No.	Category	No. of shares held	% of shareholding
1	Promoters & Promoter Group	2,477,500	2.01
2	Public - Bodies Corporate	72,833,249	59.06
3	Public – Individuals	48,004,351	38.93
4	Clearing Member	1,400	0.00
	<b>TOTAL</b>	<b>123,316,500</b>	<b>100.00</b>

- Outstanding ADRs/GDRs : Not Applicable
- Address for matters related to shares, any correspondence:

M/s. Niche Technologies Private Ltd.,  
D-511, Bagree Market, 5<sup>th</sup> Floor, 71, B.R.B. Basu Road, Kolkata 700 001,  
Phone Nos. (033) 2235-7270/7271/3070.

- Address for any kind of assistance/clarification :

Mr. Prakash Kumar Jajodia, Compliance Officer  
C/o. Quest Financial Services Ltd.  
Centre Point, 21, Hemanta Basu Sarani,  
2<sup>nd</sup> Floor, Room No. 230,  
Kolkata – 700 001

#### **10. SUBSIDIARY COMPANIES MONITORING FRAMEWORK**

The Company have four subsidiaries and none of the subsidiaries is a “material non-listed Indian subsidiary” as defined in the Clause 49 of the Listing Agreement. All subsidiaries companies of the Company are managed by their respective Board of Directors in the best interest of their stakeholders.

The Company monitors the performance of its subsidiary companies using, inter alia, the following means:

- a) Financial Statement, in particular the investment made by the unlisted subsidiaries companies are reviewed by the Audit Committee of the Company.

- b) Minutes of the Board Meeting of all subsidiary companies are placed before the Board of Directors of the Company at their meetings.
- c) A statement containing all the significant transactions and arrangements entered into by the unlisted subsidiary companies is placed the Board of Directors of the Company at their meetings.

As per revised Clause 49 of the Listing Agreement, a "material non-listed Indian subsidiary" as an unlisted subsidiary, incorporated in India, whose turn-over or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

## **11. CODE OF CONDUCT**

The Company's Code of Conduct has been complied with by all the members of the Board and senior management employees of the Company.

The Company has put in place a code for prevention of Insider Trading based on SEBI (Insider Trading) Regulations, 1992. This code is applicable to all Directors and senior management employees. The code ensures prevention of dealing in shares by persons having access to unpublished price sensitive information.

## **12. DECLARATION**

As provided under Clause 49 of the Listing Agreement with the stock exchange, the Board of Directors and senior management employees have confirmed Compliance with the code of conduct.

Place : Kolkata  
Dated : 30<sup>th</sup> May, 2014

For and on behalf of the Board of Directors

**Sd/  
Mr. Bijay Kumar Agarwal  
Chairman  
DIN-00634259**