

Corporate Governance Report

Clause 49 of the Listing Agreement of the Stock Exchanges in India stipulates the norms and disclosure standards that have to be followed on the Corporate Governance front by all listed Companies in India.

Our Governance Philosophy:

Good corporate governance structures encourage companies to create value through an entrepreneurial spirit, innovation, development and exploration and provide accountability and control systems commensurate with the risks involved. The Company's philosophy of Corporate Governance is to achieve business excellence by enhancing the long-term welfare of all its stakeholders. An effective corporate governance process is established when an open and transparent relationship exists between (and among) the Board of Directors, the shareholders and the executive management of the Company. When each one is engaged with and responsive to the others, a strong foundation for good corporate governance can be set.

Corporate governance is not just about Committee structures. It implies and requires a comprehensive and consistent corporate commitment to integrity, which is embedded into the fabric of the organization and the way people conduct business. It is evidenced by the organization's leadership, culture, core values and business ethics. The Company is committed to attain the highest standards of Corporate Governance.

The Governance Structure:

Board of Directors:

Composition of the Board

The composition of Board is in compliance with the requirements of Clause 49 (IA) i.e. combination of executive and non-executive directors with not less than fifty percent of the Board of Directors comprising of non-executive directors.

The composition of the Board and other relevant details relating to Directors during the financial year 2012-13 is as under:

SL. No.	Name of the Director	Category of Directorship	No. of other Directorship **	No. of other Committee Members/ Chairman
1.	Mr. Tarun Kumar Newatia	Executive	Nil	Nil
2.	Mr. Amit Chanda	Independent	Nil	Nil
3.	Mr. Monoj Das	Independent	Nil	Nil
4.	Mr. Binit Agarwal	Executive	Nil	Nil

**Excluding directorship in, private companies, foreign companies and companies incorporated under Section 25 of the Companies Act, 1956

- 1) The Company did not have any pecuniary relationship and transaction with any of the Non- Executive Directors during the year under reference
- 2) All Independent Directors have confirmed that they meet the “independence” criteria as mentioned under Clause 49 of the Listing Agreement

The Board of Directors duly met 9(NINE) times respectively on 10/05/2012; 18/05/2012; 14/08/2012;; 04/10/2012; 05/10/2012; 07/11/2012; 24/01/2013; 07/02/2013 and 27/03/2013 in respect of which meetings proper Notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

The information as required under Annexure 1A of Clause 49 of the listing agreement is being regularly placed before the Board. The Board also references the declaration made by the Executives of the Company regarding compliance with all laws applicable to the Company on a quarterly basis.

Attendance of each Director at the Board of Directors meetings during the year and at the last Annual General Meeting is as indicated below:

Sr. No.	Name of Director	Board Meeting Attended out of 9 meetings of the Board of Directors	Whether Attended the Previous AGM
1.	Mr. Tarun Kumar Newatia	9	Yes
2.	Mr. Amit Chanda	7	Yes
3.	Mr. Monoj Das	6	Yes
4.	Mr. Binit Agarwal	5	Yes

C. Board Committees:

Our Company has three major Board level Committees:

- i. Audit Committee
- ii. Shareholders/ Investor Grievance Committee
- iii. Remuneration Committee

All the decisions pertaining to the constitution of the Committees, appointment of members and fixing of terms of reference for the Committee is taken by the Board of Directors. Recommendations of the committees are submitted to the entire Board for approval. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the attendance of the members at these meetings, are provided below:

i. Audit Committee

The Audit Committee of the Board consisted of the following members:

Mr. Amit Chanda -Chairman
Mr. Binit Agarwal -Member
Mr. Monoj Das -Member

Terms of Reference

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to any Government Body or to the investors or the public; the company's system of internal controls regarding finance, accounting and legal compliances that the Management and the Board have established. The terms of reference of Audit Committee include inter-alia the following:

- Oversee the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of statutory and internal auditors (if required), fixation of audit fee and also approval for payment for any other services.
- Reviewing with the Management the quarterly, half-yearly and the annual financial statements before submission to the Board, focusing primarily on:
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by the Management.
 - The going-concern assumption.
 - Compliance with accounting standards.
 - Compliance with Stock Exchange(s) and Legal requirements concerning financial statements.
 - Any related party transactions, i.e. transactions of the Company of material nature, with Promoters or the Management, or relatives etc. that may have potential conflict with the interest of the Company at large.
- Reviewing with the Management, statutory and internal auditors, the adequacy and compliance of internal control systems.
- Reviewing the adequacy of internal audit function & reporting structure.
- Reviewing the findings of any internal investigations by any authority into matters where they are suspected of any fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors about the scope of audit as well as have post-audit discussion to ascertain any area of concern.
- Reviewing the company's financial and risk-management policies.
- To look into the reasons for substantial defaults in the payment to the lenders, shareholders (in case of non-payment of declared dividends) and other creditors.

The terms of reference of this Committee are very wide. It is empowered to reference Financial Statements, management analysis, material individual transactions with related parties not in normal course of business or which are not on an arm's length basis. Generally all items listed in Clause 49II D of the Listing Agreement are covered in the terms of reference. The Audit Committee has been granted powers as prescribed under Clause 49 II C.

Legal Compliance Reporting

As required under Clause 49 of the Listing Agreement, the compliances of various laws applicable to the Company are also reviewed.

Audit Committee attendance during fiscal 2013.

The Committee had six meetings during the year under reference, i.e. 10th May, 2012; 14th August, 2012; 4th October, 2012; 7th November, 2012; 24th January, 2013 and 7th February, 2013.

The names of the Directors who are/were members of the Audit Committee during the year under reference and their attendance at Audit Committee Meetings are given below:

Name of the Director	No. of Meetings	
	Held (during his tenure)	Attended
Mr. Amit Chanda	6	6
Mr. Binit Agarwal	6	5
Mr. Monoj Das	6	4

ii. Shareholders/Investor Grievance Committee

The Shareholders/Investor Committee of the Board consisted of the following members:

Mr. Monoj Das -Chairman
Mr. Tarun Kumar Newatia -Member
Mr. Amit Chanda -Member

Terms of Reference

The Committee looks into the redressal of complaints of investor such as transfer or credit of shares, non-receipt of dividend/notices/annual reports, etc. The Committee oversees the performance of the Registrars and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services.

Shareholders/Investor Grievance Committee Attendance during the year

The Committee met four times during the year under reference, i.e., on 10th May, 2012; 14th August 2012; 7th November, 2012 and 24th January, 2013.

The names of the Directors who are/were members of the Shareholders/Investor Grievance Committee during the year under reference and their attendance at Shareholders/Investor Grievance Committee Meetings are given below:

Name of the Director	No. of Meetings	
	Held (during his tenure)	Attended
Mr. Amit Chanda	4	4
Mr. Monoj Das	4	4
Mr. Tarun Kumar Newatia	4	4

Name and designation of Compliance Officer:

Mr. Tarun Kumar Newatia (Director)
Phone: 91 33 32624499
Email id: info@kausambivanijya.com

Status Report of Investor Complaints for the year ended March 31, 2013

No of Complaints Received – Nil
No of Complaints Resolved – Nil
No of Complaints Pending – Nil

iii. Remuneration Committee

The composition of the Remuneration Committee was:

Mr. Monoj Das -Chairman
Mr. Tarun Kumar Newatia -Member
Mr. Amit Chanda -Member

Terms of Reference

The Remuneration Committee determines and recommends to the Board the remuneration payable to the executive directors and to the senior management personnel.

Remuneration Committee Attendance during the year

The Committee met once during the year under reference i.e. on 7th November, 2012.

The names of the Directors who are/were members of the Remuneration Committee during the year under reference and their attendance at such meetings are as under:

Name of the Director	No. of Meetings	
	Held (during his tenure)	Attended
Mr. Amit Chanda	1	1
Mr. Monoj Das	1	1
Mr. Tarun Kumar Newatia	1	1

Annual General Meetings:

The details of the Annual General Meetings held in the past three years and the special resolutions passed there at are as follows:

Year	Date	Venue	Time	No. of Special Resolution Passed
2009-10	September 30, 2010	19, British India Street, 2 nd Floor, Kolkata- 700069	10.00 A.M.	NIL

2010-11	September 30, 2011	19, British India Street, 2 nd Floor, Kolkata- 700069	11 A.M	NIL
2011-12	September 28, 2012	19, British India Street, 2 nd Floor, Kolkata- 700069	11 A.M	NIL

No Postal Ballot was conducted during the financial year 2012-13. None of the resolutions proposed for the ensuing Annual General Meeting is required to be passed by Postal Ballot.

Subsidiary Companies

Currently, the company has Ten wholly Owned subsidiaries under its umbrella. The financial statements and investments of subsidiaries are reviewed by the Audit Committee of the Company. The minutes of the Board Meetings of the subsidiary companies have been placed before the Board of the Company.

Disclosures

- (i) **Related Party Transactions:** During the year under reference, no transactions of material nature had been entered into by the Company with the Promoters or Directors or Management or their relatives that may have a potential conflict with interest of the Company except for those disclosed in the financial statements for the year ended March 31, 2013.
- (ii) **Accounting Standards:** The Company follows the mandatory Accounting Standards prescribed by the Institute of Chartered Accountants of India and to the best of its knowledge there are no deviations in the accounting treatments that require specific disclosure.
- (iii) **CEO / CFO Certification:** The CEO/CFO certificate for the financial year ended March 31, 2013 is annexed hereto.

Details of Compliances

- a) There have been no instances of non-compliance on any matter as regards the rules and regulations prescribed by the Securities and Exchange Board of India or any other statutory authority relating to capital markets during the last three years. No penalties or strictures have been imposed by them on the Company.
- b) The Company has regularized its filings with the Stock Exchange. The Company has implemented the mandatory requirements of Corporate Governance as set out in the Listing Agreement during the year under reference. Though the Company does not have a specific Whistle blower policy, no personnel is denied access to the Audit Committee. A certificate from Auditor certifying the compliance by the Company with the provisions of Corporate Governance of the Listing Agreement is annexed hereto.
- c) The voluntary guidelines issued by Ministry of Corporate Affairs in December 2009, pertaining to Corporate Governance are complied with to the extent found feasible.

- d) Pursuant to SEBI (Depositories and Participants) Regulations, 1996, a qualified practicing Company Secretary carried out a Reconciliation of Share Capital Audit on quarterly basis to reconcile the total Share Capital with National Securities Depository Limited (NSDL), Central Depository Services Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with total number of shares in physical forms and total number of dematerialized shares held with NSDL and CDSL.

Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchange certificates on half-yearly basis, have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company. In view of the share capital being increased during the year above the stipulated amount, the Company was required to employ a full time Company Secretary. However, despite the efforts made by the Board in this direction the Company could not fulfill the obligation during the year. Hence, the Board obtained a Secretarial Compliance Report from a practicing Company Secretary for the year under reference.

Means of Communication

- (i) All periodical reports including Un-audited financial results, Quarterly Shareholding Pattern, clause 49A compliance etc. are put up on Company's website. Annual Report is sent to the shareholders at their postal address registered with the company and also put up on Company's website www.kausambivanijya.com.
- (ii) The Management Discussion and Analysis Report, in compliance with the requirements of Clause 49 of the Listing Agreement is annexed to the Directors' Report and forms part of this Annual Report being sent to all the members of the Company. All matters pertaining to industry structure and developments, opportunities and threats, segment/product wise performance, outlook, risks and concerns, internal control and systems, etc., to the extent applicable, are discussed in this Report.
- (iii) The Company's website is a comprehensive reference on its management, corporate governance, investor relations, updates and news. The section on 'Investor Relations' serves to inform the shareholders, by giving complete financial details, shareholding patterns, corporate benefits, information relating to Compliance officer, registrars and share transfer agents.

General Shareholder Information

Date, time and venue of AGM	Thursday, September 26, 2013, at 11 A.M. at the registered office of the Company situated at 19, British India Street, 2 nd Floor, Kolkata - 700069.
Financial Year	April 1, 2012 to March 31, 2013
Dates of Book Closure	Monday, September 23, 2013 to Wednesday, September 25, 2013 (Both the days inclusive)
Dividend Payment Date	Not Applicable
Financial Calendar Period	Board Meeting to approve quarterly financial results (tentative)
- Quarter ending 30th Jun 2013	- End July 2013
- Quarter ending 30th Sep 2013	- End October 2013
- Quarter ending 31st Dec 2013	- End January 2014
- Quarter ending 31st Mar 2014	- April / May 2014

Listing on Stock Exchanges	Calcutta Stock Exchange
Listing Fees	Listing fees as prescribed have been paid to the stock exchanges up to 31st March 2014.
Stock Code	CSE- 21187
Demat Arrangement	With NSDL and CDSL
ISIN NO.	INE223P01018
Registered Office	19, British India Street, 2 nd Floor, Kolkata- 700069
Compliance officer & Contact Address	Mr. Tarun Kumar Newatia 8, Nayapatty Road, Kolkata- 700055 Phone: 91 33 32624499 Email ids: shares@kausambivanijya.com info@kausambivanijya.com
Registrar and Share Transfer Agent	Purva Sharegistry (India) Pvt Ltd Address: Unit No.9, Shiv Shakti India Estt. J.R. Boricha Marg Mumbai-400011 Phone - 91-22-23016761 ; 91-22-23018261 Fax No. 91-22-23012517

Share Transfer System

Shareholders / Investors are requested to send share transfer related documents directly to our Registrar and Transfer Agent whose address is given elsewhere in this report. The Board has delegated powers to the executives of the Company and RTA to approve transfers/transmission / dematerialization / dematerialization. If the transfer documents are in order, the transfer of shares is registered within 7 days of receipt of transfer documents by our RTA.

Investor Services

Number of complaints from shareholders during the year ended March 31, 2013

Complaints outstanding as on 1st April 2012	Nil
Complaints received during the year ended 31st March 2013	Nil
Complaints resolved during the year ended 31st March 2013	Nil
Complaints pending as on 31st March 2013	Nil

Distribution of Shareholding as on March 31, 2013

No. of shares	No. of shareholders	% of holders	Share (Amount)	% of shares
Up to 5000	530	97.85%	2348500	97.85
5001 – 10000	0	0	0	0
10001 – 20000	0	0	0	0
20001 – 30000	2	2.15%	51500	2.15
30001 – 40000	0	0	0	0
40001 – 50000	0	0	0	0
50001 – 100000	0	0	0	0
100001 and above	0	0	0	0
TOTAL	532	100%	2400000	100%

Categories of Shareholders as at March 31, 2013

Sr. No	Description	No. of Shares	% to Capital
A.	Promoters & Promoters Group - Individuals	2150	2.15%
B.	Public Shareholding		
	- Institutions Financial Institutions/Banks	----	---
	- Non-institutions Individuals	234850	97.85%
	Total	2,40,000	100%

Dematerialization of Shares & Liquidity

The Company has taken steps for dematerialization of its shares during the year. However, as on 31-3-2013 the whole equity of the Company was in physical form. As on this date, the Company is in the process of sorting out certain issues related to dematerialization.

The Company has received Listing permission for 4500000 equity shares issued on preferential basis during the year to persons other than promoters. The equity shares issued on preferential basis to persons other than promoters shall remain in locked-in position till 16-05-2014.

Outstanding GDRs / ADRs / Warrants or any Convertible Instruments: None

Stock option scheme: None

Plant Location:

The Company at present does not have an operating Plant in existence.

Address of Correspondence

Shareholders may correspond with the Registrar and Transfer Agent, at the address mentioned herein above on all matters relating to transfer of shares and credit of shares in Demat Account.

Members may contact Mr. Tarun Kumar Newatia, Compliance Officer for all investor related matters at the registered office of the company at the following address:

KAUSAMBI VANIJYA LIMITED
19, BRITISH INDIA STREET
2ND FLOOR,
KOLKATA- 700069
Email id: info.kausambivanijya.com

On behalf of the Board of Directors

Tarun Kumar Newatia

Director

Certificate on Compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement

To,
The Members of **Kausambi Vanijya Limited**

We have examined the compliance of conditions of Corporate Governance by **Kausambi Vanijya Limited** for the year ended 31 March 2013, as stipulated in clause 49 of the listing agreement of the said company with the stock exchanges in India.

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 the compliance of the conditions of the 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 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 the above mentioned Listing Agreement.

We further state that further 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 **P. D. Randar & Co**
Chartered Accountants
F.R.No. 319295E

P. D. Randar

MembershipNo.054778
May 28, 2013

Certification by the Chief Executive Officer on Code of Conduct

To,
The Members of **Kausambi Vanijya Limited**

I, Tarun Kumar Newatia, Director & CEO of the Company declare that all Board Members and Senior Management of the Company have affirmed compliance with the code of conduct.

For **Kausambi Vanijya Limited**

Tarun Kumar Newatia
Chief Executive Officer
May 28, 2013

Chief Executive Officer's Certification

I, Tarun Kumar Newatia, Chief Executive Officer, responsible for the finance function certify that:

- (a) I have reviewed financial statements and the cash flow statement for the year ended March 31, 2013 and that to the best of my knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of my knowledge and belief, no transactions entered into by the company during the year ended March 31, 2013 which are fraudulent, illegal or in violation of the company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the Auditors and the Audit Committee:
 - i. Significant changes in internal control over financial reporting during the year;
 - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which I might be aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Thanking You
Yours faithfully,

Tarun Kumar Newatia
Chief Executive Officer
May 28, 2013