

CIN – L67120WB1982PLC035305

CORPORATE GOVERNANCE REPORT

1. Brief Statement on Company’s Philosophy on Code of Corporate Governance:

Our Board of Directors has the responsibility towards our shareholders to ensure the sound running of the Company. This can only be achieved if supported by appropriate and well managed Corporate Governance Processes. We believe that there are a number of key elements which are essential for an effective board and good governance. The Governance process should ensure that these resources are utilized in a manner that meets stakeholder’s aspirations and societal expectations.

At Shree Nidhi Trading Co. Ltd., Corporate Governance practices are based on the principles of adoption of transparent procedures and practices and complete and timely disclosures of corporate, financial and operational information to its stakeholders.

2 Board of Directors

The Company’s Board of Directors as on **31st March, 2014** comprises of One Executive Director and Five Non Executives Directors.

Seven Meetings of the Board of Directors were held during the financial year 2013-2014 i.e. on 05/04/2013, 14/05/2013, 24/07/2013, 12/08/2013, 13/11/2013, 10/02/2014 and 21/03/2014.

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 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. Tanumay Laha*	Managing Director	1	No	5	12		
Mr. Rajesh Kurmi**	Independent Director	1	No	5	11		
Mr. Arun Kumar Khemka	Independent Director	7	Yes	11	14	2	-
Mr. Amalesh Sadhu	Independent Director	7	Yes	2	0	1	-
Mr. Shibashis Mukherjee	Independent Director	7	Yes	0	1		
Mr. Rakesh Kr. Agarwal	Independent Director	7	Yes	4	1		

*Mr. Tanumay Laha was appointed as an Additional Director w.e.f. 21st March, 2014 and Managing Director w.e.f. 1st April, 2014.

*Mr. Rajesh Kurmi was appointed as an Additional Director w.e.f 21st March 2014.

3 Audit Committee

(a) Composition:

The Committee met 5 (Five) times during the year i.e. on 14/05/2013, 24/07/2013, 12/08/2013, 13/11/2013 and 10/02/2014. The composition of the Committee and the attendances of the members at the Committee meetings held during the financial year 2013-14 are as follows:

Sl. No.	Name	Status	No. of Meetings
1	Mr. Arun Kumar Khemka	Independent Director - Chairman of the committee	5
2	Mr. Amalesh Sadhu	Independent Director	5
3	Mr. Rakesh Kumar Agarwal.	Independent Director	5
4	Mr. Tanumay Laha*	Managing Director	-
5	Mr. Rajesh Kurmi**	Independent Director	-

*Became a member w.e.f. May 30, 2014.

**Became a member w.e.f. May 30, 2014.

(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 has been renamed and reconstitutes Nomination and Remuneration Committee as on 30.05.2014. The Nomination and Remuneration Committee comprises of:

Sl. No.	Name	Status
1	Mr. Amalesh Sadhu	Independent Director - Chairman of the Committee
2	Mr. Shibashis Mukherjee	Independent Director
3	Mr. Rajesh Kurmi*	Independent Director

*Became a member w.e.f. May 30, 2014.

During the year, one meeting of the erstwhile Remuneration Committee was held as on 21.03.2014.

(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, the Rules made thereunder and Clause 49 of the Listing Agreement.

(c) Remuneration Policy:

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

During the financial year 2013-14, no remuneration has been paid to Mr. Tanumay Laha, Managing Director of the Company.

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 three Independent Director. 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 any other grievances of security holders of the Company. The Committee comprises of:

Sl. No.	Name	Status
1	Mr. Arun Kumar Khemka	Independent Director - Chairman of the Committee
2	Mr. Shibashis Mukherjee	Independent Director
3	Mr. Rajesh Kurmi*	Independent Director

* Became a member w.e.f. May 30, 2014.

During the year, no meeting of the Share Transfer & Investors Grievance Committee was held.

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	Nil
2	Rematerialisation of Shares	Nil

6. General Body Meetings:**A. Location and time for last three Annual General Meetings were:**

Financial Year	Date of AGM	Venue	Time
2012-2013	26-08-2013	7, Lyons range, 3 rd Floor, R.No. 9 & 10, Kolkata- 700 001	11.30 A.M.
2011-2012	29-09-2012	7, Lyons range, 3 rd Floor, R.No. 9 & 10, Kolkata- 700 001	11.30 A.M.
2010-2011	30-09-2011	7, Lyons range, 3 rd Floor, R.No. 9 & 10, Kolkata- 700 001	11.30 A.M.

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

No Special resolution has put through by postal ballot so far by 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. No related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large were held during the year.
- 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 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 non-mandatory requirements under Clause 49, the Company has complied with the requirements of Remuneration Committee.

8. MEANS OF COMMUNICATIONS

Quarterly unaudited results of the Company were published in accordance 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** : 29th September, 2014
- **Time** : 2.00 P.M.
- **Venue** : 7, Lyons Range, 3rd Floor, Room No. 9 & 10, Kolkata- 700 001.

- **Financial Calendar : (Tentative)**

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

- Listing on Stock Exchanges at:

i. The Calcutta Stock Exchange Ltd. (Stock code: 29319)
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	Not Traded	Not Traded	Not Traded
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. No physical shares were transferred during the year ended 31st 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. **shreenidhico@yahoo.com**

- Registrar & Share Transfer Agent :

M/s. Niche Technologies Pvt. Ltd.
D-511, Bagree Market, 5th 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 INE066E01015. Nearly 98.69% of total equity shares have been dematerialized 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	75	11.74	18,806	0.24
501-1000	66	10.33	53,900	0.69
1001-5000	277	43.35	7,30,173	9.37
5001-10000	97	15.18	7,25,029	9.30
10001 -50000	89	13.93	18,99,144	24.37
50001-100000	16	2.50	12,21,111	15.67
100001 and above	19	2.97	31,45,537	40.36
Total	639	100.00	77,93,700	100.00

Shareholding Pattern as on 31/03/2014

Sl. No.	Category	No. of shares held	% of shareholding
1	Promoters & Promoter Group	-	-
2	Public - Bodies Corporate	4,816,975	61.81
3	Public - Indian public	2,975,875	38.18
4	Public - Others	850	0.01
	TOTAL	7,793,700	100.00

- Outstanding ADRs/GDRs : Not Applicable
- Address for matters related to shares, any correspondence:
M/s. Niche Technologies Private Ltd.,
D-511, Bagree Market, 5th 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. Tanumay Laha, Compliance Officer
C/o. Shree Nidhi Trading Co. Ltd.
7, Lyons Range, 3rd Floor, Room No. 9 & 10,
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 your the Company are managed by their respective Board of Directors in the best interest of their stake holders.

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 before 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.

Under this definition, the Company does not have a "material non-listed Indian subsidiary".

11. CODE OF CONDUCT

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

The Company has put in place a prevention of Insider Trading Code based on SEBI (Insider Trading) Regulations, 1992. This code is applicable to all Directors and select 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 exchanges, the Board of Directors and Senior Management Employees have confirmed Compliance with the Company's code of conduct.

Place : Kolkata
Dated : 30th May, 2014

For and on behalf of the Board of Directors

Mr. Arun Kumar Khemka
Chairman
DIN - 00428276