

## CORPORATE GOVERNANCE REPORT

### 1. Brief Statement on Company's Philosophy on Code of Governance:

The Company's philosophy on Corporate Governance lays systemic process by which Company is directed and controlled to enhance their wealth generating capacity.

### 2 Board of Directors

The Company's Board of Directors as on 31<sup>st</sup> March, 2011 comprises of two Non Executive Directors and one Executive Director including the Chairman.

Five Meetings of the Board were held during the financial year 2010-2011 i.e. on 30/04/2010, 15/05/2010, 31/07/2010, 30/10/2010 and 28/01/2011.

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

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees across all the Companies in which he is a Director.

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. Sunil Kumar Surana	Independent Non Executive Director	5	Yes	1	15	...	...
Mr. Sudhir Gupta	Promoter and Executive Director	5	Yes	0	2	...	...
Mrs. Anju Gupta	Non Executive Promoter Director	5	Yes	0	2	...	...

### 3 Audit Committee

#### (a) Composition :

The Audit Committee comprises of two Non Executive Directors and one Executive Director as on 31<sup>st</sup> March, 2011. The Committee met 4 (Four) times during the year i.e. on 15/05/2010, 31/07/2010, 30/10/2010 and 28/01/2011.

The attendances of the members were as follows:

Sl. No.	Name	Status	No. of Meetings Attended
1	Mr. Sunil Kumar Surana	Independent Non Executive Director (Chairman of the Committee)	4
2	Mr. Sudhir Gupta	Promoter and Executive Director	4
3	Mrs. Anju Gupta	Non Executive Promoter 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 the Stock Exchange and also confirms to the requirements of Section 292A of the Companies Act, 1956.

**4. REMUNERATION COMMITTEE**

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

The Remuneration Committee comprised of two Non Executive Directors and one Executive Director as on 31<sup>st</sup> March, 2011. The details are as follows:

Sl. No.	Name	Status
1	Mr. Sunil Kumar Surana	Independent Non Executive Director (Chairman of the Committee)
2	Mr. Sudhir Gupta	Promoter and Executive Director
3	Mrs. Anju Gupta	Non Executive Promoter Director

During the Financial Year 2010-2011 the members of the Remuneration Committee met only once on 5<sup>th</sup> April, 2010 and all the members were present in it.

**(b) Terms of Reference:**

The Remuneration Committee of the Company was constituted in accordance with Schedule XIII of the Companies Act, 1956 to carry out functions as envisaged under the said schedule.

**(c) Remuneration Policy:**

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

**5. Share Transfer & Investors Grievance Committee**

The Company has a Share Transfer and Investors Grievance Committee. The Committee consists of two Non Executive Directors and one Executive Director. The Committee deals with matters relating to approval of Share Transfer, Transmissions and Transposition, 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. The Composition of the committee members are as under:-

Sl. No.	Name	Status
1	Mr. Sunil Kumar Surana	Independent Non- Executive Director (Chairman of the Committee)
2	Mr. Sudhir Gupta	Promoter and Executive Director
3	Mrs. Anju Gupta	Non Executive Promoter Director

During the year, the Company had not received any requests/complaints from its shareholders.

## 6. General Body Meetings:

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

Financial Year	Date of AGM	Venue	Time
2009-2010	30-09-2010	9/12, Lal Bazar Street, Kolkata – 700 001.	11.30 A.M.
2008-2009	30-09-2009	9/12, Lal Bazar Street, Kolkata – 700 001.	11.30 A.M.
2007-2008	30-09-2008	9/12, Lal Bazar Street, Kolkata – 700 001.	2.30 P.M.

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

At the 27<sup>th</sup> Annual General Meeting held on 30/09/2010 : Nil

At the 26<sup>th</sup> Annual General Meeting held on 30/09/2009 : Nil

At the 25<sup>th</sup> Annual General Meeting held on 30/09/2008 : Nil

### 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 as well as regulations and guidelines of SEBI. Penalty has been imposed or strictures have been issued by SEBI on matters related to Capital Market so far. Further Calcutta Stock Exchange Association Limited imposed penalty for removal of suspension order.

c. Certificate as stipulated in Clause 49 of the Listing Agreement from Managing Director in his capacity as Chief Executive Officer (CEO) was obtained and placed before the Board.

d. The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement but has not adopted the non-mandatory requirements so far save and except the requirements under Remuneration Committee.

## 8. MEANS OF COMMUNICATIONS

Quarterly unaudited results of the Company were published in accordance with the Stock Exchange Listing Agreement in The Financial Express - English (The Echo of India) and Arthik Lipi -Bengali (Kolkata edition).

The quarterly and the annual results of the Company are faxed to the Calcutta Stock Exchange Association Limited immediately on closure of meeting of Board of Directors. The Annual Reports are posted to every shareholder of the Company.

The results made by the Company are also posted on the website of the Company, viz. [www.appumkt.com](http://www.appumkt.com) Management Discussion and Analysis forms part of the Annual Report.

## 9. GENERAL SHAREHOLDERS INFORMATION

- **Annual General Meeting:**
- **Date :** 30<sup>th</sup> September, 2010
- **Time :** 11.30 a.m.
- **Venue :** 9/12, Lal Bazar Street, Kolkata – 700 001.

- **Financial Calendar : (Tentative)**

Financial Year – 1 <sup>st</sup> April, 2011 to 31 <sup>st</sup> March, 2012	Relevant Dates
Board Meeting for consideration of accounts	On or before 30 <sup>th</sup> June, 2011
Posting of Annual Report along with notice of AGM	7 <sup>th</sup> September, 2011
Book closure dates	23 <sup>rd</sup> September, 2011 to 29 <sup>th</sup> September, 2011
Last date for receipts of proxy forms	28 <sup>th</sup> September, 2011
Unaudited results for the quarter ended on June 30, 2011	On or before 14 <sup>th</sup> August, 2011
Unaudited results for the quarter ended on September 30, 2011	On or before 14 <sup>th</sup> November, 2011
Unaudited results for the quarter ended on December 31, 2011	On or before 14 <sup>th</sup> February, 2011
Unaudited results for the quarter ended on March, 31, 2012	On or before 15 <sup>th</sup> May, 2012

- Listing on Stock Exchanges at:
  1. Calcutta Stock Exchange Association Limited (Stock code: 10021082)  
7, Lyons Range,  
Kolkata - 700 001
- The Company has not paid the listing fee to the Calcutta Stock Exchange Association Limited for the year 2010-2011.
- Stock Market Price for the Financial Year 2010-2011:

Month	Quotation of Calcutta Stock Exchange (in Rs.)		
	High (₹)	Low (₹)	Volume (Nos.)
April, 2010	Not Traded	Not Traded	Not Traded
May, 2010	Not Traded	Not Traded	Not Traded
June, 2010	Not Traded	Not Traded	Not Traded
July, 2010	Not Traded	Not Traded	Not Traded
August, 2010	Not Traded	Not Traded	Not Traded
September, 2010	Not Traded	Not Traded	Not Traded
October, 2010	Not Traded	Not Traded	Not Traded
November, 2010	Not Traded	Not Traded	Not Traded

December, 2010	Not Traded	Not Traded	Not Traded
January, 2011	Not Traded	Not Traded	Not Traded
February, 2011	Not Traded	Not Traded	Not Traded
March, 2011	Not Traded	Not Traded	Not Traded

- **Share Transfer System:** The Company's shares are in compulsory demat mode, are transferable through the depository system. Shares in physical mode are processed by Niche Technologies Private Limited, Kolkata, Registrar & Transfer Agent of the Company and approved by the share transfer committee. All transfers received are processed and approved by the transfer committee. Shares under objection are returned within two weeks.

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

- Registrar & Share Transfer Agent :

M/s. Niche Technologies Private Limited.  
D-511, Bagree Market, 71, B.R.B. Basu Road, Kolkata 700 001,  
Phone Nos. (033) 2235-7271/7270  
E- mail: nichetech@nichetechpl.com

- Dematerialization of Shares and Liquidity:

The Company's shares are not in electronic form and are not 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 INE649L01013. All the shares of the Company are in the physical form as on 31.03.2011.

- Distribution of shareholding & shareholding pattern :

Distribution of shareholding as on 31/03/2011

Ordinary Shares held	Number of shareholders	% of shareholders	Number of shares held	% of shares held
Upto 500	29	24.17	9,470	0.09
501-1000	25	20.83	16,500	0.16
1001-5000	6	5.00	14,550	0.14
5001-10000	2	1.67	14,050	0.14
10001-50000	33	27.50	8,82,330	8.53
50001-100000	13	10.83	8,75,800	8.47
100001 and above	12	10.00	85,28,800	82.47
Total	120	100.00	1,03,41,500	100.00

## Shareholding Pattern as on 31/03/2011

Sl. No.	Category	No. of shares held	% of shareholding
1	Promoters/Directors & their relatives including Associate Companies	3245600	31.38
2	Other bodies Corporate	7048930	68.16
3	Indian public	46970	0.45
	<b>TOTAL</b>	<b>10341500</b>	<b>100.00</b>

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

M/s. Niche Technologies Private Limited.  
D-511, Bagree Market, 71, B.R.B. Basu Road, Kolkata 700 001,  
Phone Nos. (033) 2235-7271 / 7270  
E- mail: nichetech@nichetechpl.com

- Address for any kind of assistance/clarification :

Mr. Sunil Kumar Surana, Compliance Officer  
C/o. Appu Marketing & Manufacturing Limited.  
9/12, Lal Bazar Street, Room No-16, 3<sup>rd</sup> Floor, Kolkata – 700 001

### 10. 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.

### 11. DECLARATION

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

Place : Kolkata  
Dated : 30.06.2011

For and on behalf of the Board of Directors

Sd/-  
Sunil Kumar Surana  
Chairman