

CORPORATE GOVERNANCE REPORT

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

Corporate Governance is about commitment to values, ethical business conduct, transparency and it makes distinction between personal and corporate funds in the management of the Company.

Company's Corporate Governance Philosophy is to satisfy the spirit of the law and not just the letter of the law, to be transparent and to maintain a high degree of disclosure levels and to attain the performance goals with integrity.

2 Board of Directors

The Company's Board of Directors as on 31st March, 2014 comprises of one Executive Director and three Non Executive Directors including the Chairman.

Seven Meetings of the Board were held during the financial year 2013-2014 i.e. on 10/04/2013, 30/05/2013, 10/06/2013, 12/08/2013, 20/09/2013, 14/11/2013 and 10/02/2014.

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. Bhagwan Das Soni	Independent Director	7	Yes	8	11	3	0
Mr. Sudip Laha	Managing Director	7	Yes	4	5	...	
Mr. Tanumay Laha	Independent Director	7	Yes	4	4	...	
Mr. Kamal Kumar Bararia	Independent Director	7	Yes	0	1	...	

3 Audit Committee

(a) Composition :

The Audit Committee comprises of three Independent Directors and one Executive Director as on 31st March, 2014. The Committee met 4 (Four) times during the year i.e. on 30/05/2013, 12/08/2013, 14/11/2013 and 10/02/2014.

The attendances of the members were as follows:

Sl. No.	Name	Status	No. of Meetings Attended
1	Mr. Bhagwan Das Soni	Independent Director - Chairman of the Committee	4
2	Mr. Kamal Kumar Bararia	Independent Director	4
3	Mr. Tanumay Laha	Independent Director	4
4	Mr. Sudip Laha	Managing Director	4

(b) Terms of Reference:-

APPU MARKETING & MANUFACTURING LIMITED
27, Weston Street, 5th Floor, Room No.526, Kolkata-700 012
Phone: 033-4007-0593, E-Mail : admin@appumkt.com, Website : www.appumkt.com
CIN: L51495WB1983PLC035864

The terms of reference of the Committee are in accordance with that specified in clause 49 of the Listing Agreement with the stock exchange and also confirms to the requirements 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. Tanumay Laha	Independent Director - Chairman of the Committee
2.	Mr. Bhagwan Das Soni	Independent Director
3.	Mr. Kamal Kumar Bararia	Independent Director

During the Financial Year 2013-2014, one meeting of the erstwhile Remuneration Committee was held on 30.05.2013.

(b) Terms of Reference:

The terms of reference and the scope of Nomination and Remuneration Committee of the Board of Directors 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 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. Sudip Laha, Managing Director of the Company, has been paid Rs.45,000 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 on 30.05.2014. The Committee comprises of three Independent Directors. 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, and also to resolve any grievances of security holders of the Company. The composition of the Committee members is as under:

Sl. No.	Name	Status
1.	Mr. Bhagwan Das Soni	Independent Director - Chairman of the Committee
2.	Mr. Tanumay Laha	Independent Director
3.	Mr. Kamal Kumar Bararia	Independent Director

Twelve Meetings of Share Transfer & Investors Grievance Committee were held during the financial year 2013-2014.

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

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	27, Weston Street, 5 th Floor, Room No. 526 Kolkata – 700 012	11.00 A.M.

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2011-2012	29-09-2012	9/12, Lal Bazar Street, Kolkata – 700 001.	3.30 P.M.
2010-2011	30-09-2011	9/12, Lal Bazar Street, Kolkata – 700 001.	3.30 P.M.

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

At the 30th Annual General Meeting held on 30/09/2013 : One (Appointment of Managing Director)

At the 29th Annual General Meeting held on 29/09/2012 : Nil

At the 28th Annual General Meeting held on 30/09/2011 : 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. No penalty has been imposed or strictures have been issued by SEBI or any other Stock Exchange 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 with the Listing Agreement with stock exchange in 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 forms part of this Annual Report.

9. GENERAL SHAREHOLDERS INFORMATION

• **Annual General Meeting:**

• **Date** : 29th September, 2014

• **Time** : 10.00 a.m.

• **Venue** : 27, Weston Street, 5th Floor, Room No – 526, Kolkata – 700 012

• **Financial Calendar : (Tentative)**

Financial Year – 1 st April, 2014 to 31 st March, 2015	Relevant Dates
Board Meeting for consideration of annual accounts	30 th May, 2014
Book closure dates	22 nd September, 2014 to 27 th September, 2014

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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:
 1. Calcutta Stock Exchange Limited (Stock code: 10021082)
7, Lyons Range,
Kolkata - 700 001
- The Company has paid the listing fee to the Calcutta Stock Exchange Limited for the year 2014-2015.
- Stock Market Price for the Financial Year 2013-2014:

Month	Quotation of Calcutta Stock Exchange (in Rs.)		
	High (₹)	Low (₹)	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. 1,07,43,100 equity 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. **compliant@appumkt.com**

- Registrar & Share Transfer Agent :

M/s. Niche Technologies Private Limited.
 Bagree Market, 5th Floor, 71, B.R.B. Basu Road, Kolkata 700 001,
 Phone Nos. (033) 2235-7271/7270
 E- mail: nichetech@nichetechpl.com

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- Dematerialization of Shares and Liquidity:

The Company's shares are tradeable 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 INE649L01013. Nearly 83.24% of total equity shares have been dematerialized as on 31.03.2014.

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Distribution of shareholding and shareholding pattern:

a. Distribution of shareholding as on 31/03/2014, are as under:

Ordinary held	Shares	Number of shareholders	% of shareholders	Number of shares held	% of shares held
Upto 500		69	5.92	16,220	0.11
501-1000		28	2.40	19,040	0.13
1001-5000		514	44.08	1,883,562	12.92
5001-10000		342	29.33	2,930,689	20.11
10001-50000		159	13.64	3,252,129	22.31
50001-100000		38	3.26	2,818,000	19.33
100001 and above		16	1.37	3,656,860	25.09
Total		1166	100.00	14,576,500	100.00

b. Shareholding Pattern as on 31/03/2014 are as under:

Sl. No.	Category	No. of shares held	% of shareholding
1	Promoters and Promoters Group	151,000	1.04
2	Public - Bodies Corporate	2,046,288	14.04
3	Public - Individuals	12,336,712	84.63
4	NRI/OCBs	40,000	0.27
5	Clearing Member	2,500	0.02
	TOTAL	14,576,500	100.00

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

M/s. Niche Technologies Private Limited.
D-511, Bagree Market, 5th Floor, 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. Sankar Mukherjee,
Company Secretary & Compliance Officer
C/o. Appu Marketing & Manufacturing Limited.
27, Weston Street, 5th Floor, Room No. 526, Kolkata – 700 012.

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:

- Financial Statement, in particular the investment made by the unlisted subsidiaries companies are reviewed by the Audit Committee of the Company.
- Minutes of the Board Meeting of all subsidiary companies are placed before the Board of Directors of the Company at their meetings.

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- 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 Company's code of conduct.

Place : Kolkata
Dated : 29.05.2014

For and on behalf of the Board of Directors

Tanumay Laha
Director
DIN: 05338827