

REPORT ON CORPORATE GOVERNANCE

THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Good Corporate Governance practices are fundamental to the success of any organization and for enhancement of value of all stakeholders. With this view Company has decided to adopt clause 49 of listing Agreement from 8th August, 2014, as prescribed by SEBI and incorporated in the Listing Agreement, though it is not mandatory for your Company to comply the clause 49 of Listing Agreement. To strengthen this belief the Company has further adopted a code of Conduct, which inter alia forms guidelines for "Leadership with Trust". The Company will focus its energies and resources in creating and safeguarding of shareholders' wealth and, at the same time, protect the interests of all its stakeholders.

BOARD OF DIRECTORS

The Board of Directors is an optimum combination of professionalism experience, executive, non executive, and Independent Directors, provides and evaluates the strategic directions of the Company; formulates and reviews management policies, serves and protects the overall interests of shareholders to ensure long-term value creation for stakeholders.

Composition:

Board of Directors comprise of '3' Directors as on 31st March 2014 namely Mr. M. M. Saklani, Mr. Dharendra Singh Bhandari and Mr. Deepak Sharma. Mr. Raj Kumar Gupta is appointed as an additional / Independent Director on 30.04.2014. Further Board of Directors also appointed Mr. Raman Mittal and Ms. Lalita Mittal as Additional / Independent Directors w.e.f. 02.06.2014 and 19.07.2014 respectively. Later on Board of Directors in its meeting held on 8th August, 2014 decided that it is imperative to appoint one of the Directors as Whole Time Director & Chief Financial Officer for carrying out the Business in comfortable and smooth manner and appoint Ms. Lalita Mittal as Whole Time Director & Chief Financial Officer. The resignation of Mr. M. M. Saklani was accepted w.e.f. 01.08.2014.

At present the composition of the Board of Directors:

NAME	CATEGORY
Ms. Lalita Mittal	Whole Time Director & CFO
Mr. Dharendra Singh Bhandari	Director
Mr. Deepak Sharma	Director
Mr. Raman Mittal	Independent Director
Mr. Raj Kumar Gupta	Independent Director.

BOARD MEETING

During the financial year ended March 31, 2014, Ten meetings of the Board of Directors were held as against the minimum requirement of 4 times. None of the two Board Meetings have a gap of more than 120 days between them. The dates of Board meetings and Directors attendance record is given below:

BOARD MEETINGS DATE

S. No	Date on which Meeting Held	S. No	Date on which Meeting Held
1.	22.04.2013	6.	28.12.2013
2.	19.07.2013	7.	11.01.2014
3.	26.08.2013	8.	31.01.2014
4.	09.10.2013	9.	28.02.2014
5.	30.11.2013	10.	29.03.2014

Attendance Record of Directors

Sr. No.	Name of Director	No. of Meeting attending during 2013-14			No. of Directorship in other Public Companies		No. of Committee positions held in other public companies	
		Board		Last AGM	Listed	Others	Chairman	Member
		Held*	Attended					
1.	Mr. Deepak Sharma	10	10	Yes	3	8	—	—
2.	Mr. M. M. Saklani	10	10	Yes	—	—	—	—
3.	Mr. Dharendra Singh Bhandari	10	10	Yes	4	2	—	—

* Denotes number of meetings held during the tenure of directorship of each director.

Note:

- ◆ None of the Directors of your Company is a member of more than 10 Committees or is the Chairman of more than five Committees across all the Public Companies in which they are Directors.
- ◆ The directorship/ committee membership is based on the disclosures received from the directors.
- ◆ No Director is inter-se related to any other Director on the Board of the Company.

RESUME OF DIRECTORS PROPOSED TO BE APPOINTED

The brief resume of Directors seeking appointment is appended herein above in the notice for calling Annual General Meeting

COMMITTEES OF THE BOARD

The Board has constituted for the first time the following standing Committees:

- [A] **Audit Committee**
- [B] **Remuneration and Nomination Committee**
- [C] **Shareholders'/Investors' Grievance Committee**

[A] AUDIT COMMITTEE

In pursuance of section 177 of the Companies Act, 2013 and other applicable laws Board of Directors of the Company has constituted an Audit Committee. The purpose of the audit committee is to ensure the objectivity, credibility and correctness of the Company's financial reporting and disclosure processes, internal controls, risk management policies and processes, tax policies, compliance and legal requirements and associated matters.

i) Terms of reference

1. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending the appointment, remuneration and terms of appointment and change of statutory and internal Auditors, fixation of audit fee and also approval for payment for any other services.
3. To review and monitor the independence and performance of auditors & effectiveness of audit process.
4. Reviewing with Management the quarterly / half yearly and the annual financial statements before submission to the Board, focusing primarily on:
 - o Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.

- o Any Change in accounting policies and practices.
 - o Major accounting entries based on exercise of judgment by management.
 - o The going concern assumption.
 - o Compliance with accounting standards.
 - o Compliance of legal requirements concerning financial statements.
 - o Any related party transactions.
5. Reviewing with the management, statutory and internal Auditors, the adequacy and compliance of internal control system.
 6. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval
 7. Reviewing the adequacy of internal audit function, reporting structure coverage and frequency of internal audit.
 8. Discussion on internal Auditors significant findings and follow up there on.
 9. Reviewing the findings of any internal investigations by the internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 10. Discussion with statutory Auditors about the scope of audit as well as have post audit discussion to ascertain any area of concern.
 11. Reviewing the Company's financial and risk management policies.
 12. Approval or any subsequent modification of transaction of the Company with the Related parties.
 13. Scrutiny of inter corporate loans and investments.
 14. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.

Further the Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Internal Auditor shall be subject to review by the Audit Committee.

ii) Composition:

Audit Committee shall comprise of three members, including Mr. Raj Kumar Gupta, Director, Mr. Deepak Sharma, Director and Mr. Raman Mittal, Non Executive Independent director.

Mr. Raj Kumar Gupta is heading the Audit Committee.

Audit Committee has been constituted by the Board of Directors in its Board meeting held on 08.08.2014, to inter alia to look in to the matters related to the Financial Reporting and Compliance of the Company with regulatory & legal requirements.

Meeting and attendance:

As the Audit Committee has been constituted in the current financial year therefore the attendance record for the last year is not given in this Report.

[B] REMUNERATION AND NOMINATION COMMITTEE

In Accordance with the provisions of Section 178 of the Companies Act, 2013 the Board of Directors of the Company in its meeting held on 08.08.2014 has constituted a Committee of Directors to be known as "Remuneration and Nomination Committee". The Role of the Remuneration and Nomination Committee and its constitution is given below.

Role of Remuneration and Nomination Committee

1. To identify the persons who are qualified to become the director and who may be appointed in the senior management.
2. To lay down the criteria and policy for selection relating to the appointment of Directors, Officers in the senior Management and their remuneration.
3. To recommend to the Board of Directors of the Company appointment and removal of Directors or officers in the senior management.

Constitution of the Committee

Remuneration and Nomination Committee shall consist of the following Directors:

1. Mr. Raman Mittal : Independent Director
2. Mr. D. S. Bhandari : Director
3. Ms. Lalita Mittal : Whole Time Director & CFO

Mr. Raman Mittal is the chairman of the committee.

ATTENDANCE RECORD & DETAILS OF THE COMMITTEE MEETING

As the committee has been constituted by the Board of Directors in the current financial year and same did not exist in the period under review therefore the attendance record and details of the meeting is not provided herewith.

[C] INVESTORS GRIEVANCE COMMITTEE

The purpose of constituting investors grievance committee is to expedite the process of redressal of investors' grievances and it is responsible for specifically to look into the matters related to the shareholders grievances and their complaints related to non receipt of share certificates, transfers, non-payment of dividend, etc.

i) Terms of reference

1. To consider and review the queries/complaints received from Share/ Debenture Holders
2. To take steps to redress queries/ complaints and ensure speedy satisfaction.
3. To work under the control & supervision of the Board of Directors

ii) Composition:

The Shareholders'/Investors' Grievance Committee comprises of three members, including Mr. Raj Kumar Gupta, Independent Director, Mr. D. S. Bhandari, Director and Ms. Lalita Mittal, Whole Time Director & CFO.

Mr. Raj Kumar Gupta is heading the Committee.

Meeting and attendance:

As the Committee has been constituted in this Financial Year therefore the attendance record for the last year is not given in this Report.

Role and Powers of Shareholders'/Investors' Grievance Committee:

The Investors' Grievance Committee shall have the following role, functions and responsibilities:

- (i) To look into and supervise the redressal of shareholders'/Investors' Complaints.
- (ii) To oversee the performance of the Registrars and Share Transfer Agents and recommend measures for overall improvement of the quality of investor services.
- (iii) To consider and approve transfer of shares, transmission of shares, dematerialization of shares, transposition of shares, issuance of duplicate share, deletion of names, splitting and consolidation of shares, etc.

GENERAL BODY MEETINGS

Date and venue of last three Annual General Meeting

Nature of Meeting	Date	Venue	Special Resolution passed
Annual General Meeting	30th September 2013	Registered Office	None
Annual General Meeting	29th September 2012	Registered Office	None
Annual General Meeting	30th September 2011	Registered Office	None

POSTAL BALLOT

No Ordinary or Special resolution was passed through Postal Ballot during the year under review.

DISCLOSURES

- (i) There are no materially significant transactions with the related parties' viz. Promoters, Directors or the Management, their subsidiaries conflicting with Company's interest. Suitable disclosures as required by the Accounting Standards (AS18) have been made in the Annual Report.
- (ii) In the preparation of the financial statements, the Company has followed the accounting standards issued by the Institute of Chartered Accountants of India to the extent applicable.
- (iii) There were no penalties, strictures imposed on the company by Delhi Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years.

MEANS OF COMMUNICATION

- ◆ The Company communicates with the shareholders through its Annual report and publication of financial results.
- ◆ The Board of Directors of the Company approves and takes on record the Un-audited financial results within 45 days of the close of the quarter and the results are announced to the Delhi Stock Exchange Limited. Further the highlights of the quarterly results published in the newspapers.

GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

- **Date and Time** : **17.09.2014 at 11:00 A.M.**
- **Venue** : Girish Chandra Bardalai Path
Bamuni Maidan, Guwahati, Assam

b) Financial Year of the Company

- Tentative Schedule for Financial Year 2014-15*** : from April 1st to March 31st
- 1st Quarter ending June 30, 2014 : Mid of August, 2014
- 2nd Quarter ending September 30, 2014 : Mid of November, 2014
- 3rd Quarter ending December 31, 2014 : Mid of February, 2015
- Annual Result for the year ended March 31, 2015 : Mid/ End of May, 2015

SWAGTAM TRADING & SERVICES LIMITED

- c) **Date of Book Closure/Record Date** : 12th - 17th September, 2014
- d) **Registered Office** : Girish Chandra Bardalai Path,
Bamuni Maidan, Guwahati, Assam
- e) **Dividend Payment Date** : N.A.
- f) **Listing of Equity Shares on Stock Exchanges** : Delhi Stock Exchange Limited
- g) **Stock Code**
Delhi Stock Exchange :
- h) **Registrar & Share Transfer Agents** : Alankit Assignments Limited

i) **Liquidity**

Equity Shares of your Company are listed on Delhi Stock Exchange Limited & the trading platform is not available at DSE, hence there is no liquidity in the shares of the Company.

j) **Market Price Data**

As the shares of your Company are listed only on Delhi Stock Exchange Limited therefore market price of the share is not available.

k) **Dematerialization of Shares**

Shares are in physical mode and Company's Application is in process with RTA / Depository.

l) **Outstanding GDRs/ADRs/Warrants or any other convertible instruments**

Your Company does not have any GDRs/ADRs/Warrants or any other Convertible Instruments.

m) **Investor Correspondence**

- (i) For transfer of shares, payment of dividend on shares and any other queries relating to the shares is handled by the Company's Registrar & Share Transfer Agent at the following address:

Mr. J. K. Singla (Sr. Manager)
M/s Alankit Assignments Limited
Address: 1-E/13, Alankit Heights,
Jhandewalan Extension, New Delhi-110055
Contact: 011-4254 1234, 4254 1960
Email id: rta@alankit.com

- (ii) Mr. Raj Kumar Gupta has been designated as the Compliance Officer of the Company as required under the Listing Agreement with Delhi Stock Exchange

n) **Address for Correspondence**

The Correspondence may be addressed to

Mr. Raj Kumar Gupta, Independent Director of the company, at the Office of the Company,

or

Mr. J. K. Singla, Senior Manager, Alankit Assignments Ltd.,
at 1-E/13, Alankit House, Jhandewalan Extension, New Delhi-110055,
Tel. No. +91-4254-1234, 4254-1960, Email id: rta@alankit.com.

SWAGTAM TRADING & SERVICES LIMITED

o) Shareholding Pattern

The shareholding pattern as on 30th June, 2014:

Category code	Category of Shareholder	Number of Shareholders	Total number of shares
(I)	(II)	(III)	(IV)
(A)	Shareholding of Promoter and Promoter Group²		
1	Indian		
(a)	Individuals/ Hindu Undivided Family	0	0
(b)	Central Government/ State Government(s)		
(c)	Bodies Corporate	6	51300
(d)	Financial Institutions/ Banks		
(e)	Any Others(Specify)		
(e-i)			
(e-ii)			
	Sub Total(A)(1)	6	51300
2	Foreign		
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0
b	Bodies Corporate	0	0
c	Institutions	0	0
d	Qualified Foreign Investor	0	0
e	Any Others(Specify)	0	0
e-i		0	0
e-ii			
	Sub Total(A)(2)	0	0
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	6	51300
(B)	Public shareholding		
1	Institutions		
(a)	Mutual Funds/ UTI	0	0
(b)	Financial Institutions / Banks	0	0
(c)	Central Government/ State Government(s)	0	0
(d)	Venture Capital Funds	0	0
(e)	Insurance Companies	0	0
(f)	Foreign Institutional Investors	0	0
(g)	Foreign Venture Capital Investors	0	0

SWAGTAM TRADING & SERVICES LIMITED

Category code	Category of Shareholder	Number of Shareholders	Total number of shares
(I)	(II)	(III)	(IV)
(h)	Qualified Foreign Investor	0	0
(i)	Any Other (specify)	0	0
(i-ii)			
(i-ii)			
	Sub-Total (B)(1)	0	0
B 2	Non-institutions		
(a)	Bodies Corporate	0	0
(b)	Individuals		
	i. Individual shareholders holding nominal share capital up to Rs 1 lakh	460	171876
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	2	24324
(c)	Qualified Foreign Investor		
(d)	Any Other (specify)	0	0
(d-i)			
(d-ii)			
	Sub-Total (B)(2)	462	196200
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	462	196200
	TOTAL (A)+(B)	468	247500
(C)	Shares held by Custodians and against which Depository Receipts have been issued		
1	Promoter and Promoter Group		
2	Public		
	Sub-Total (C)	0	0
	GRAND TOTAL (A)+(B)+(C)	468	247500

SWAGTAM TRADING & SERVICES LIMITED

p) Distribution of Shareholding as on 30.06.2014

NO OF SHARE HOLDERS	% TO TOTAL	SHARE HOLDING OF NOMINAL VALUE OF RS.	NO OF SHARES	AMOUNT IN RS.	% TO TOTAL
441	94.23	1 TO 5000	42326	423260	17.10
1	0.21	5001 TO 10000	1000	10000	0.40
3	0.64	10001 TO 20000	4500	45000	1.82
0	0.00	20001 TO 30000	0	0	0.00
0	0.00	30001 TO 40000	0	0	0.00
3	0.64	40001 TO 50000	15000	150000	6.06
14	2.99	50001 TO 100000	112350	1123500	45.39
6	1.28	100001 AND ABOVE	72324	723240	29.22
468	100		247500	2475000	100

By Order of Board of Director
Swagtam Trading & Services Limited

Date : 08.08.2014
Place: New Delhi

LALITA MITTAL
Whole Time Director & CFO
DIN: 06928783
Address: F-22, House No. 148,
Sector - 3, Rohini, Delhi - 110085