

Report on Corporate Governance For the Financial Year 2012-13

1. Compliance on Mandatory Requirements

A. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company believes that good corporate governance consists of a combination of business practices which results in enhancement of the value of the Company to the shareholders and simultaneously enables the Company to fulfill its obligations to the stakeholders including employees and financiers and to the society in general. The Company further believes that such practices are founded upon the core values of transparency, empowerment, accountability, independent monitoring and environmental consciousness. The Company makes its best endeavors to uphold and nurture these core values in all aspects of its operations.

B. BOARD OF DIRECTORS

(i) Composition of Board, Directorship and Committee Membership in other Companies as at 31st March 2013:

Sl. No	Director	Executive / Non-Executive / Independent	No. of outside Directorship*	No. of outside committee membership-position held #	
				As Chairman	As Member
1.	Mr. A. Khaitan	Non-Executive Chairman	7	2	2
2.	Mr. D. Khaitan	Non-Executive	7	—	2
3.	Mr. T.R. Swaminathan	Independent	3	5	1
4.	Mr. R.S. Jhawar	Non-Executive	7	—	3
5.	Mr. K. K. Baheti	Non-Executive	9	—	2
6.	Mr. C.K. Pasari	Independent	4	—	—
7.	Mr. J. Hazarika	Independent	2	—	—
8.	Mr. G. Saraf	Independent	1	—	—

* Excluding Foreign Companies, Private Companies and Companies under Section 25 of the Companies Act, 1956.

For this purpose only three types of Committees viz. the Audit Committee, Shareholders' Grievance Committee and Remuneration Committee are considered.

'Independent Director' is defined as one who, apart from receiving sitting fees as a Director and Directors' Commission, does not have any other material pecuniary relationship or transactions in his/her personal capacity with the Company, its promoters, its management or its subsidiaries.

The Non-Executive Directors have no material pecuniary relationship or transactions in their personal capacities with the Company.

(ii) Changes in Composition of Board of Directors since last Report :

Since last Report there has been no change in the composition of the Board of Directors of the Company.

(iii) Inter-se relationship between Directors : Mr. D. Khaitan and Mr. A. Khaitan are related to one another.

(iv) Attendance of Directors in Meetings held during the Financial Year 2012-13 :

Director	Date of Board Meeting				Date of AGM
	28.05.12	31.07.12	30.10.12	25.01.13	26.09.12
Mr. A. Khaitan	P	P	P	P	A
Mr. D. Khaitan	A	A	A	P	A
Mr. T. R. Swaminathan	P	P	P	P	A
Mr. R. S. Jhawar	A	P	P	P	A
Mr. K. K. Baheti	P	P	P	P	A
Mr. C. K. Pasari	P	A	A	P	A
Mr. J. Hazarika	P	P	P	A	P
Mr. G. Saraf	P	P	P	P	A

P = Attended, A = Not Attended

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C. AUDIT COMMITTEE

(i) Terms of Reference / Powers :

The Audit Committee was constituted on 30th January, 2001 and reconstituted on 30th December, 2005 having following terms / powers :

- (a) Overseeing of the Company's financial reporting process and the disclosure of the financial information to ensure that the financial statement is correct, sufficient and credible.
- (b) Recommending the appointment and removal of statutory auditors, fixation of audit fee and also approval for payment for any other services.
- (c) Reviewing with the management the annual financial statements before submission to the Board focussing primarily on:
 - Any changes in accounting policies and practices.
 - Major accounting entries of judgement by management.
 - Qualification in audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards and Directors' Responsibility Statement in Directors' Report.
 - Compliance with Stock Exchanges and legal requirements concerning financial statements.
 - Any related party transactions, i.e., transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.
- (d) Reviewing with the management, statutory and internal auditors the adequacy of internal control systems.
- (e) Reviewing the adequacy of internal audit function including the structure of the internal audit department, if any, for the time being and staffing and seniority of the officials heading the same and reporting structure coverage and frequency of internal audit.
- (f) Discussion with internal auditors any significant finding and follow up thereon.
- (g) 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.
- (h) Discussion with statutory auditors before the audit commences, on the nature and scope of audit as well as having post-audit discussion to ascertain any area of concern.
- (i) Reviewing the Company's financial and risk management policies.
- (j) Looking into the reasons for substantial defaults in the payment to the shareholders (in case of dividends) and creditors.

(ii) Composition, Names of Members and Chairman :

During the Financial Year ended 31st March, 2013 four meetings of the Committee were held on 28.05.12, 31.07.12, 30.10.12 and 25.01.13. The composition of the Committee and the attendance of each member at these meetings are as under :

Sl. No.	Member	Meetings Attended
1.	Mr. T. R. Swaminathan - Chairman (Independent)	4
2.	Mr. R. S. Jhavar - (Non-Executive)	3
3.	Mr. C. K. Pasari - (Independent)	2
4.	Mr. J. Hazarika - (Independent)	3

(iii) Secretary

Mr. P. Bandyopadhyay is the Company Secretary of the Company and consequently, acting as the Compliance Officer of the Company for the requirements under the Listing Agreements with the Stock Exchanges. He is the Secretary of the Audit Committee.

(iv) Invitees : (Being entitled to attend as per relevant provision of applicable Laws/Rules and/or as and when felt necessary)

- (i) Statutory Auditors
- (ii) Internal Auditors

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D. REMUNERATION COMMITTEE

The Remuneration Committee of the Board is comprising of Mr. T. R. Swaminathan (Chairman), Mr. R. S. Jhavar and Mr. K. K. Baheti as its Members with the following terms of reference :

To approve and recommend to the Board the remuneration package of the Managing Director / Wholetime Director / Manager as the case may be, including periodical revisions therein. The remuneration is considered and approved having regard to the applicable provisions of Schedule XIII to the Companies Act, 1956 which is subject to the approval of the Members of the Company at their General Meeting.

The details of Remuneration of the Directors during the Financial Year 2012-13 are as under :

Sl.No.	Name of Directors	Board Meeting Fees (in Rs.)	Committee Meeting Fees (in Rs.)
1.	Mr. A. Khaitan	20,000	—
2.	Mr. D. Khaitan	5,000	—
3.	Mr. T. R. Swaminathan	20,000	70,000
4.	Mr. R. S. Jhavar	15,000	60,000
5.	Mr. K. K. Baheti	20,000	50,000
6.	Mr. C. K. Pasari	10,000	10,000
7.	Mr. J. Hazarika	15,000	15,000
8.	Mr. G. Saraf	20,000	—
	Total	1,25,000	2,05,000

E. SHAREHOLDERS' COMMITTEE

The Shareholders' / Investors' Grievance Committee of the Board consists of Mr. R. S. Jhavar as its Chairman, Mr. T. R. Swaminathan and Mr. K. K. Baheti as its Members. The terms of reference of the Committee are to look into the redressal of investors' complaints relating to transfer of shares, non-receipt of share certificates, issue of duplicate share certificates, issue of dividend warrants, non-receipt of dividend warrants, notices / Annual Reports and other grievances. One Committee Meeting was held during the year on 30th March, 2013.

(a) Shareholders' Complaints and Redressal during 2012-13 :

Number of complaints pending at the beginning of the Year	No. of Complaints received during the Year	No. of Complaints redressed during the Year	Number of complaints pending at the end of the Year
Nil	1	1	Nil

(b) Number of pending Share transfers as at 31.3.2013 : Nil

F. GENERAL BODY MEETINGS

(i) Details of Annual General Meetings of the last three years :

AGMs	Date	Location	Time
AGM (37th)	16.09.2010	House No.37, 5th Bye Lane, Mother Teresa Road, Zoo Narengi Road, Guwahati - 781 021	3.00 p.m.
AGM (38th)	21.09.2011	- do -	12.30 p.m.
AGM (39th)	26.09.2012	Udayan, House No.147, 2nd Floor, Ganeshguri, R.G. baruah Road, Guwahati - 781 005	10.00 a.m.

One Special Resolution was passed in the last Annual General Meeting held on 26.09.2012. No other Special Resolution was passed in any of the three previous Annual General Meetings.

During the year ended 31st March, 2013 no Special Resolution was put through postal ballot.

G. DISCLOSURES

- (i) Related party transactions have been disclosed under Notes Forming Part of the Financial Statements for the Year under review.
- (ii) The Company has complied with all the requirements of the Listing Agreements with the Stock Exchanges as well as regulations and guidelines of the SEBI. No penalties have been imposed or stricture has been issued by the SEBI, Stock Exchanges or any Statutory Authorities on matters relating to the Capital Markets during the last three years.

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H. MEANS OF COMMUNICATION

(i) Financial Results :

Quarterly, half-yearly and annual results in the forms prescribed by the Stock Exchanges in Listing Agreements are published in prominent daily newspapers viz. The Sentinel and Ajir Asom.

(ii) Management Discussion and Analysis Report (MD&A) :

The Management Discussion and Analysis Report forms part of the Annual Report.

(iii) Other Information

General Information of the Company is displayed on the Company's Website www.williamsonfinancial.in

I. GENERAL SHAREHOLDER INFORMATION

(i) Next Annual General Meeting :

Date	Time	Venue
23rd September, 2013	10.00 A.M.	Udayan, House No. 147, 2nd Floor Ganeshguri, R. G. Baruha Road Guwahati - 781 005

(ii) Financial Calendar (tentative) for year 2013-14 :

The Company's Financial Year is from April 1 to March 31 of the following year. The Calendar for 2013-14 is as follows :-

Publication of Results	Quarter / Half Year / Year ended	Time
Quarterly (Un-audited)	30.06.2013	Within 14th August, 2013
Half Yearly / Quarterly (Unaudited)	30.09.2013	Within 14th November, 2013
Quarterly (Un-audited)	31.12.2013	Within 14th February, 2014
Yearly (Audited)	31.03.2014	Within 30th May, 2014

(iii) Dates of Book Closure :

The Register of Members of the Company will remain closed from 16th September, 2013 to 23rd September, 2013 (both days inclusive) for the purpose of the Annual General Meeting of the Company.

(iv) Date of Dividend Payment :

In view of the accumulated loss of the Company the Board does not propose any dividend in respect of the year 2012-13.

(v) Information pertaining to the Stock Exchanges :

(a) Listing on Stock Exchange :

- The Gauhati Stock Exchange Limited, Saraf Building, A. T. Road, Guwahati - 781 001.
- The Calcutta Stock Exchange Limited, 7 Lyons Range, Kolkata - 700 001.
- Bombay Stock Exchange Limited, Floor 25, P J Towers, Dalal Street, Mumbai - 400 001.

(b) Stock Code for

	Stock Code
The Gauhati Stock Exchange Limited	L/527
The Calcutta Stock Exchange Limited	33039
The Bombay Stock Exchange Limited	519214

The Company pays Annual Listing Fees to the Stock Exchanges in due course.

ISIN for the Company's Shares in Demat Form : INE188E01017

Depository Connectivity : NSDL and CDSL

(vi) Stock Market Price Data :

The Shares of the Company are sparsely traded on the Stock Exchanges. It was occasionally traded on the Stock Exchange, Mumbai. The Company's stock price data during the last financial year and their comparison to broad based indices, such as BSE Sensex are as under :

Month	Company's Shares		BSE Sensex	
	High (Rs.)	Low (Rs.)	High	Low
April, 2012	31.85	24.40	17,664.10	17,010.16
May, 2012	29.75	24.00	17,432.33	15,809.71
June, 2012	33.30	26.90	17,448.48	15,748.98
July, 2012	33.00	27.20	17,631.19	16,598.48

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August, 2012	30.40	27.20	17,792.54	17,026.97
September, 2012	33.90	25.70	18,869.94	17,250.80
October, 2012	32.00	25.50	19,137.29	18,393.42
November, 2012	29.50	25.00	19,372.70	18,255.69
December, 2012	29.75	25.05	19,612.18	18,149.03
January, 2013	28.95	23.00	20,203.66	19,596.38
February, 2013	27.45	22.10	19,966.69	18,793.97
March, 2013	30.90	19.75	19,754.66	18,568.43

(vii) Registrars and Transfer Agents for Demat and Physical Shares :

Maheshwari Datamatics Pvt. Ltd., 6, Mangoe Lane, 2nd Floor, Kolkata - 700 001.

(viii) Share Transfer System for Physical Shares :

The Directors' Share Transfer Committee of the Company meets regularly for approving share transfers and for other related activities. The average time taken for processing of transfers is about two weeks. The time taken to process dematerialisation requests is about 10 to 14 days.

(ix) Distribution of Shareholding as on 31st March, 2013 :

(a) According to Category of Holding :

Category	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Resident Individuals	7923	97.64	22,01,915	26.34
Domestic Companies	135	1.89	35,50,188	42.49
Banks / Financial Institutions	8	0.09	1,855	0.02
Non-Resident Indian	22	0.29	1,67,004	1.99
Non-Domestic Companies	1	0.02	23,46,500	28.07
UTI, LIC, GIC etc.	5	0.07	91,674	1.09
Total	8094	100.00	83,59,136	100.00

(b) According to number of Equity Shares held :

No. of Shares	No. of Shareholders	% of Shareholders
1 to 500	7442	91.97
501 to 1000	348	4.29
1001 to 2000	147	1.81
2001 to 3000	56	0.69
3001 to 4000	18	0.22
4001 to 5000	19	0.23
5001 to 10000	30	0.37
10001 and above	34	0.42
Total	8094	100.00

(x) Dematerialisation of Shareholding and liquidity :

The Company entered into Agreements with both the depositories registered under the Depositories Act, 1996, i.e. **National Securities Depository Limited**, Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013 (**NSDL**) and **Central Depository Services Limited**, Phiroze Jeejeebhoy Towers, 28th Floor, Dalal Street, Mumbai - 400 001 (**CDSL**), to facilitate holding of shares in the Company in dematerialised form in accordance with the provisions of the Depositories Act, 1996.

Share Certificates of the Company were mandated by the SEBI for settlement only in dematerialised form by all investors. Upto 31st March, 2013, 58.88% of the Paid-up Capital of the Company has been dematerialised. The Company encourages the shareholders of the Company who have not as yet dematerialised their

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shareholding, to do so to eliminate the risk of holding securities in the physical form and thereby enjoy high liquidity and other advantages.

For further details, Members may write to the Share Department of the Company at its Kolkata Office.

- (xi) **Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity** : Not Applicable.
- (xii) **Insider Trading** :
The Code of Internal Procedure & Conduct and Code of Corporate Disclosure Practices as per the SEBI (Prohibition of Insider Trading) Regulations, 1992 initiated by the Board at its Meeting held on 29th July, 2005 are in force and the same with the latest amendment are available in the Company's website.
- (xiii) **CEO / CFO Certification**
The CEO and CFO has certified to the Board in terms of Clause 49V of the Listing Agreements regarding the authenticity of the financial reporting and adequacy of the internal control systems.
- (xiv) **Code of Conduct**
The Company laid down its Code of Conduct for its Directors as well as Senior Management Personnel in terms of Clause 49.1(D) of the Listing Agreements, which was approved by the Board at its Meeting held on 28th October, 2005.
- (xv) **Plant Location** :
The Company is a Financial Services Company and is not engaged in manufacturing operations. Its Registered Office earlier situated at House No.37, 5th Bye Lane, Mother Teresa Road, Zoo Narengi Road, Guwahati - 781 021 has been shifted during the Year under review to the premises at Udyan, House No.147, 2nd Floor, Ganeshguri, R.G. Baruha Road, Guwahati - 781005. Its Kolkata Office is situated at Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata - 700 001.
- (xvi) **Whom and where to contact for share related services** :
- (a) **For routine matters**
- Share Department, Williamson Financial Services Limited
Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata - 700 001.
 - Maheshwari Datamatics Pvt. Ltd., 6, Mangoe Lane, 2nd Floor, Kolkata - 700 001
- (b) **For Redressal of Complaints and Grievances** :
- | | |
|---|--|
| Mr. P. Bandyopadhyay
Williamson Financial Services Limited
Udyan, House No. 147
2nd Floor, Ganeshguri,
R. G. Baruha Road
Guwahati 781 005
E-mail : pb@wmg.co.in | Mr. P. Bandyopadhyay
Share Department
Williamson Financial Services Limited
Four Mangoe Lane
Surendra Mohan Ghosh Sarani
Kolkata - 700 001
E-mail : pb@wmg.co.in |
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2. Non-Mandatory Requirements

- (a) **Chairman of the Board** :
The Company does not bear the expenses of the Chairman's office.
- (b) **Remuneration Committee** :
The Remuneration Committee of the Board was constituted on 30th June, 2003 with Mr. T.R. Swaminathan as the Chairman and Mr. R. S. Jhavar and Mr. K. K. Baheti are other Members as stated in Item No.D above.
- (c) **Shareholders' Rights** :
Half-yearly results including summary of the significant events are presently not being sent to Shareholders of the Company.

On behalf of the Board of Directors

Kolkata
24th May, 2013

A. Khaitan
Chairman