

WILLIAMSON FINANCIAL SERVICES LIMITED

Report on Corporate Governance For the Financial Year 2011-12

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 2012:

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. Jhavar	Non-Executive	7	—	3
5.	Mr. K. K. Baheti	Non-Executive	8	—	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 2011-12 :

Director	Date of Board Meeting				Date of AGM
	30.05.11	11.08.11	01.11.11	30.01.12	21.09.11
Mr. A. Khaitan	P	P	P	P	A
Mr. D. Khaitan	A	P	P	P	A
Mr. T. R. Swaminathan	A	P	P	P	A
Mr. R. S. Jhavar	P	A	A	P	A
Mr. K. K. Baheti	P	P	P	P	A
Mr. C. K. Pasari	P	P	P	P	A
Mr. J. Hazarika	P	P	P	P	P
Mr. G. Saraf	P	P	P	A	A

P = Attended, A = Not Attended

WILLIAMSON FINANCIAL SERVICES LIMITED

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, 2012 four meetings of the Committee were held on 30.05.11, 11.08.11, 01.11.11, and 30.01.12. 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)	3
2.	Mr. R. S. Jhawar - (Non-Executive)	2
3.	Mr. C. K. Pasari - (Independent)	4
4.	Mr. J. Hazarika - (Independent)	4

(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

WILLIAMSON FINANCIAL SERVICES LIMITED

D. REMUNERATION COMMITTEE

The Remuneration Committee of the Board is comprising of Mr. T. R. Swaminathan (Chairman), Mr. R. S. Jhawar 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 2011-12 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	15,000	—
3.	Mr. T. R. Swaminathan	15,000	65,000
4.	Mr. R. S. Jhawar	10,000	50,000
5.	Mr. K. K. Baheti	20,000	55,000
6.	Mr. C. K. Pasari	20,000	20,000
7.	Mr. J. Hazarika	20,000	20,000
8.	Mr. G. Saraf	15,000	—
	Total	1,35,000	2,10,000

E. SHAREHOLDERS' COMMITTEE

The Shareholders' / Investors' Grievance Committee of the Board consists of Mr. R. S. Jhawar 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, 2012.

(a) Shareholders' Complaints and Redressal during 2011-12 :

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	7	7	Nil

(b) Number of pending Share transfers as at 31.3.2012 : Nil

F. GENERAL BODY MEETINGS

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

AGMs	Date	Location	Time
AGM (36th)	11.09.2009	House No.37, 5th Bye Lane, Mother Teresa Road, Z00-Narengi Road, Guwahati 781 021	3.00 p.m.
AGM (37th)	16.09.2010	- do -	3.00 p.m.
AGM (38th)	21.09.2011	- do -	12.30 p.m.

No Special Resolution was passed in any of the three previous Annual General Meetings.

During the year ended 31st March, 2012 no Special Resolution was put through postal ballot.

G. DISCLOSURES

- (i) Related party transactions have been disclosed under Note No.31 on 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.

WILLIAMSON FINANCIAL SERVICES LIMITED

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
26th September, 2012	10.00 A.M.	Udyan, House No. 147, 2nd Floor Ganeshguri, R. G. Baruha Road Guwahati - 781 005

(ii) **Financial Calendar (tentative) for year 2012-13 :**

The Company's Financial Year is from April 1 to March 31 of the following year. The Calendar for 2012-13 is as follows :-

Publication of Results	Quarter / Half Year / Year ended	Time
Quarterly (Un-audited)	30.06.2012	Within 14th August, 2012
Half Yearly / Quarterly (Unaudited)	30.09.2012	Within 14th November, 2012
Quarterly (Un-audited)	31.12.2012	Within 14th February, 2013
Yearly (Audited)	31.03.2013	Within 30th May, 2013

(iii) **Dates of Book Closure :**

The Register of Members of the Company will remain closed from 19th September, 2012 to 26th September, 2012 (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 2011-12.

(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, 2011	40.00	33.05	19,811.14	18,976.19
May, 2011	36.00	29.05	19,253.87	17,786.13
June, 2011	34.85	25.05	18,873.39	17,314.38
July, 2011	41.00	27.00	19,131.70	18,131.86

WILLIAMSON FINANCIAL SERVICES LIMITED

August, 2011	37.25	25.10	18,440.07	15,765.53
September, 2011	37.45	24.75	17,211.80	15,801.01
October, 2011	35.00	26.00	17,908.13	15,745.43
November, 2011	31.00	21.65	17,702.26	15,478.69
December, 2011	23.20	17.75	17,003.71	15,135.86
January, 2012	24.40	18.45	17,258.97	15,358.02
February, 2012	26.00	20.70	18,523.78	17,061.55
March, 2012	32.40	22.70	18,040.69	16,920.61

(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 three to four weeks. The time taken to process dematerialisation requests is about 10 to 14 days.

(ix) Distribution of Shareholding as on 31st March, 2012 :

(a) According to Category of Holding :

Category	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Resident Individuals	8141	97.85	22,76,991	27.24
Domestic Companies	142	1.71	34,64,567	41.45
Banks / Financial Institutions	8	0.10	1,855	0.02
Non-Resident Indian	22	0.26	1,67,006	2.00
Non-Domestic Companies	1	0.01	23,46,500	28.07
UTI, LIC, GIC etc.	6	0.07	1,02,217	1.22
Total	8320	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	7635	91.7668
501 to 1000	374	4.4952
1001 to 2000	145	1.7428
2001 to 3000	63	0.7572
3001 to 4000	19	0.2284
4001 to 5000	21	0.2524
5001 to 10000	33	0.3726
10001 and above	32	0.3846
Total	8320	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, 2012, 58.67% 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 shareholding,

WILLIAMSON FINANCIAL SERVICES LIMITED

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
---	--

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.

3. Disclosure as per Part II of Schedule XIII to the Companies Act, 1956:

(i) All elements of remuneration package of all the Directors : The Directors do not receive any remuneration other than fees for attending Meetings as given in this Report. Remuneration of the Manger has been given in the Explanatory Statement of the Notice convening the Annual General Meeting being circulated along with this Report.

WILLIAMSON FINANCIAL SERVICES LIMITED

- (ii) Details of fixed component and performance linked incentives along with the performance criteria : There is no such fixed or performance linked incentive.
- (iii) Service contracts, notice period, severance fees : Principal terms of the Agreement re-appointing the Manager with effect from 1st April, 2012 are given in the Explanatory Statement of the Notice convening the Annual General Meeting being circulated along with this Report. There is nothing as severance fee. The appointment is terminable by three calendar months' notice from either side without any right to compensation for loss of office. The Company reserves the right to pay three months' salary in lieu of such notice.
- (iv) Stock option details : N A

On behalf of the Board of Directors

Kolkata
28th May, 2012

A. Khaitan
Chairman

DECLARATION BY CEO REGARDING COMPLIANCE BY THE BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges this is to confirm that the Company has received from the Board Members and Senior Management Personnel affirmations of compliance with the Code of Conduct as applicable to them.

Kolkata
28th May, 2012

For Williamson Financial Services Limited
S. R. Mundhra
Manager

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

The Shareholders

We have reviewed the compliance of conditions of Corporate Governance by **Williamson Financial Services Limited** for the year ended 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the Company with Stock Exchanges, with the relevant record and documents maintained by the Company as furnished to us.

The compliance conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an Audit nor an expression of opinion on the financial statements of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or the effectiveness with which the management has conducted the affairs of the Company.

No investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges have been complied with in all material respect by the Company .

Four Mangoe Lane,
Surendra Mohan Ghosh Sarani,
Kolkata - 700 001
28th May, 2012

For V. Singhi & Associates
Chartered Accountants
V. K. Singhi
Partner
Membership No. 300/50051