

Quarterly Compliance Report on Corporate Governance

Name of Company: SMIFS Capital Markets Limited

Quarter Ending on: 30.09.2014

Particulars	Clause of Listing Agreement	Compliance Status (Yes/ No)	Remarks
1	2	3	4
I. Board of Directors	49 (I)		
(A) Composition of Board	49 (IA)	Yes	<p>As on September 30, 2014, the Board of Directors included the following 6(six) members :</p> <p>A. Promoter Directors - <u>Non-Executive capacity</u></p> <p>1.Mr. Utsav Parekh – Non-Executive Chairman 2. Mr. Ajay Kumar Kayan – Director</p> <p>B. Independent Directors</p> <p>1.Mr. Ramesh Maheshwari 2.Mr. Santosh Kumar Mukherjee 3.Mrs. Ramya Hariharan- Additional Director</p> <p>C. Managing Director</p> <p>1. Mr. Kishor Shah</p>
(B) Non – Executive Directors’ compensation & disclosures	49 (IB)	Yes	<p>(a) Fees for attendance in the Board Meetings to the Non-Executive Directors is Rs. 7500/-per meeting</p> <p>(b) Audit Committee Meeting Fee - Rs. 1000/- per meeting. (Shareholders’ Grievance Committee Meeting Fee - Rs. 1000/- per meeting.</p> <p>(d) Remuneration Committee Meeting Fee - Rs. 1000/- per meeting.</p>
(C) Other Provision as to Board and Committees	49 (IC)	Yes	<p>Board Meeting during the quarter ended September 30, 2014 was held on August 6 2014 at 5.00 p.m. and September 20, 2014 at 1.00 p.m. Information to be placed before the Board of directors as per Annexure 1A of Clause 49 of the Listing Agreement are regularly placed before the Board of directors.</p>

(D) Code of Conduct	49 (ID)	Yes	<p>Compliance of Code of Conduct ('Code') was approved in the Board Meeting held on 30.12.2005. The Directors and senior management confirmed the compliance of the code on annual basis for the year 2013-14.</p> <p>Compliance of the code on annual basis for the year 2013-14 has been obtained.</p>
II. Audit Committee	49 (II)		
(A) Qualified & Independent Audit Committee	49 (IIA)	Yes	<p>As on September 30, 2014 the Audit Committee included the following 3 members :</p> <ol style="list-style-type: none"> 1. Mr. Santosh Kumar Mukherjee - Chairman 2. Mrs. Ramya Hariharan – Additional Director-Member 3. Mr. Utsav Parekh – Promoter Director & Non Executive Chairman- Member <p><u>Director – in – Charge of Finance</u></p> <ol style="list-style-type: none"> 1. Mr. Kishor Shah –Managing Director <p>Mr. Shreemanta Banerjee CFO-cum- Assistant Vice President (Finance and Taxation).</p> <p>Clause 49(II) of the Listing Agreement has been complied.</p>
(B) Meeting of Audit Committee	49(IIB)	Yes	<p>Audit Committee Meeting during the quarter ended September 30, 2014 was held on August 6, 2014 at 3.30 p.m.</p>
(C) Powers of Audit Committee	49(IIC)	Yes	<p>The audit committee has the following powers :</p> <ol style="list-style-type: none"> 1. To investigate into any activity within its terms of reference. 2. To seek information from any employee. 3. To seek outside legal or other professional advice. 4. To secure attendance of outsiders with relevant expertise, if it is considered necessary.
(D) Role of Audit Committee	49(IID)	Yes	
(E) Review of Information by Audit Committee	49(IIE)	Yes	<p>The Audit Committee mandatorily reviews the following information:</p> <ol style="list-style-type: none"> 1. Management Discussion & Analysis of financial condition and result of operations. 2. Statement of significant related party transaction (as defined by the audit committee), submitted by management. 3. Management letter/letters of the internal control weaknesses issued by the statutory auditors; 4. Internal audit reports relating to internal control weaknesses; and 5. The appointment, removal and term of remuneration of the Internal Auditor shall be subject to review by the audit committee.

III. Subsidiary Companies	49(III)	Yes	<p>1. On September 30, 2014 the Company had one wholly-owned subsidiary company namely:</p> <p>(i) SMIFS Capital Services Limited (100% Subsidiary) (SCSL).</p> <p>(ii) Board of Directors of SCSL:</p> <p>a. Mr. Utsav Parekh b. Mr. Kishor Shah c. Mr. Santosh Kumar Mukherjee</p> <p>2. Mr. Santosh Kumar Mukherjee, Independent Director on the Board of SMIFS Capital Markets Limited are also Directors in the wholly-owned subsidiary, SMIFS Capital Services Limited.</p> <p>3. The accounts for the year ended March 31, 2014 were reviewed in the Audit Committee Meetings of SMIFS Capital Markets Ltd., the holding company held on May 23, 2014.</p> <p>4. The minutes of the Board meetings of the subsidiary company for the quarter ended June 30, 2014 was considered in the Board Meeting of the company held on August 6, 2014 at 4.45 p.m. and September 20, 2014 at 12.00 p.m.</p>
IV. Disclosures	49(IV)		
(A) Basis of Related Party Transaction	49(IVA)	Yes	Statement for the quarter ended June 30, 2014 was placed in the Audit Committee Meeting held on August 6, 2014 at 5.20 p.m.
(B) Disclosure of Accounting Treatment	49(IVB)	Yes	Accounting Standards as laid down are followed in the preparation of the accounts for the quarter ended September 30, 2014.
(C) Board Disclosure – Risk Management	49(IVC)	Yes	Risk assessment and minimization procedure, as laid down by the Board, has been reviewed in the Board Meeting held on August 6, 2014.
(D) Proceeds from public issue, right issue, preferential issue etc.	49(IVD)	NA	No amount has been raised on account of public, rights and preferential issues.
(E) Remuneration of Directors	49(IVE)	Yes	-
(F) Management	49(IVF)	Yes	Management Discussion and Analysis Report was the part of Annual Report for the year ended March 31, 2014 and was included in the Annual Report for the year ended March 31, 2014.
(G) Shareholders	49(IVG)	Yes	<p>Mr. Ajay Kumar Kayan who retired by rotation at the Annual General Meeting held on September 20, 2014 was re-appointed Director in the said Annual General Meeting.</p> <p>Mr Ajay Kayan aged about 57 years is a Commerce Graduate with experience of over 32 years in the securities market.</p>
V. CEO/CFO Certification	49(V)	Yes	Certificate from CEO & CFO for the year ended March 31, 2014 has been obtained.
VI. Report on Corporate Governance	49(VI)	Yes	Corporate Governance Report dated May 28, 2014 for the year ended March 31, 2014 forms part of Annual Report for the year ended March 31, 2014.

VII. Compliance	49(VII)	Yes	For the year ended March 31, 2014 Compliance Certificate dated May 28, 2014 obtained from Statutory Auditor forms the part of the Annual Report for the year ended March 31, 2014.
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Note:

- 1) Detail under each head is provided to incorporate all the information required as per the provision of Clause 49 of the Listing Agreement.
- 2) In the column No.3, compliance or non-compliance is indicated by Yes/No/N.A. For example, if the Board has been composed in accordance with the Clause 49 I of the Listing Agreement, "Yes" is indicated, Similarly, in case the company did not raise any proceeds from the public issue, rights issue, preferential issue etc. "N.A." is indicated against 49 (IVD).
- 3) In the remark Column, reasons for non-compliance are indicated.
- 4) Mr. Ramesh Maheshwari has been appointed as an Independent Director of the Company, to hold office for five consecutive years for a term up to 31st March, 2019 w.e.f September 20, 2014.
- 5) Mr. Santosh Kumar Mukherjee has been appointed as an Independent Director of the Company, to hold office for five consecutive years for a term up to 31st March, 2019 w.e.f September 20, 2014.
- 6) Mrs. Ramya Hariharan has been appointed as an Additional Director of the Company, w.e.f September 20, 2014

For SMIFS CAPITAL MARKETS LIMITED

Place: Kolkata
Dated: October 10, 2014

(Poonam Bhatia)
Company Secretary-cum-Senior Manager Legal