

QUALITY SYNTHETIC INDUSTRIES LIMITED

REPORT ON CORPORATE GOVERNANCE

1. The Company's Philosophy on Corporate Governance

The Board of Directors and Management believe in adopting and practicing principles of good Corporate Governance with a view to:-

- Safeguard shareholders' interest through sound business decisions, prudent financial management and high standard of business ethics; and
- Achieve transparency, accountability and integrity in the dealings and transactions of the Company.

2. Board of Directors

(i) Composition: -

The Board of Directors comprises of Five Directors as under: -

S.No.	Name of Director	Brief Particulars	Category
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Promoter Group

1.	Shri A. K. Sureka	He is in business having 16 years' working experience in Steel Industry and joined the Board as Promoter Director w.e.f. 1st December, 2003.	Managing Director
2.	Shri Anand Gupta	He is in business having 46 years' working experience in Steel Industry and joined the Board as a Promoter Director w.e.f. 1st March, 1979.	Non-executive

Independent

3.	Shri Madhav Sureka	He is an Industrialist having 10 years' experience of Steel Industry. He joined the Board as an Independent director w.e.f. 13 th June, 2014	Non-executive
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4.	Shri Archit Kataruka	He is an Industrialist having 10 years' experience of Pipe Industry. He joined the Board as an Independent director w.e.f. 13 th June, 2014.	Non-executive
5.	Smt. Sujata Kumar	She is in service having 11 years experience in software industry, She joined the Board as an Independent Director w.e.f. 12 th August, 2014	Non-executive

(ii) Board Meetings and attendance: -

Fourteen Board Meetings were held during the financial year ended on 31st March, 2014 and the gap between two Board Meetings did not exceed four months.

The dates on which Board meetings were held are as follows: -

S.No	Date of Meeting	Board Strength	No. Of Directors Present
01.	06.04.2013	3	2
02.	30.05.2013	3	3
03.	08.07.2013	3	2
04.	11.07.2013	3	3
05.	24.07.2013	3	2
06.	12.08.2013	3	3
07.	07.10.2013	3	2
08.	16.10.2013	3	2
09.	14.11.2013	3	3
10.	08.01.2014	3	2
12.	12.02.2014	3	3

(iii) Attendance of each Director at the Board meetings and last Annual General Meeting (AGM) and the number of Companies and committees where he is Director/Member:-

Name of Director	Category of Directorship	Number of Board Meetings Attended	Attendance at the last AGM held on 09.08.2013	Number of Directorships in other Public Limited Companies	Number of Committee positions held in other Companies
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Shri A. K. Sureka	Executive	10	No	02	-
Shri Anand Gupta	Non-Executive	06	No	01	-
Shri Mohan Lal	Non-Executive	11	Yes	02	03

3. Audit Committee

The Audit Committee was constituted in accordance with the code of Corporate Governance which consisted of two non-executive Directors namely Shri Mohan Lal and Shri Anand Gupta and one Executive Director, Shri Akhil Kumar Sureka with Shri Mohan Lal as its Chairman.

- (i) The terms of reference of the Audit Committee are as per the guidelines set out in clause no. 49 of the Listing agreement with the Calcutta Stock Exchange where the shares of the Company are listed.
- (ii) The Audit Committee had five Meetings during the financial year 2013-14 ended on 31st March, 2014 as per details thereof and the names of Directors who attended the said meetings, are as here-under:-

Details of the Audit Committee Meetings held during the financial year 2013-14 and attended by the Directors: -

Date of Meeting held	30.05.2013	11.07.2013	12.08.2013	14.11.2013	12.02.2014
Name of Director					
Shri Mohan Lal	Yes.	Yes.	Yes.	Yes.	Yes.
Shri Anand Gupta	Yes	Yes.	Yes	Yes.	Yes
Shri A. K. Sureka	Yes	Yes	Yes	Yes	Yes

4. Remuneration Committee

The Board did not constitute a Remuneration Committee upto the close of the financial year 2013-14 closed on 31st March, 2014 as the same was not mandatory.

5. Remuneration Policy

Sitting fees of Rs. 250/- for attending Board Meetings is paid to each of the Directors, who are not paid any remuneration.

Since Shri A.K. Sureka opted to be an Honorary Managing Director, no remuneration was paid to him during the financial year 2013-14 ended on 31st March, 2014.

(i) Sitting fees paid to Directors for meetings of the Board: -

Name of Director	Amount (Rupees)
Shri A.K. Sureka	2500/-
Shri Anand Gupta	1500/-
Shri Mohan Lal	2750/-
Total	6750/-

6. Code of Conduct for the Directors & Senior Managerial Personnel

In compliance to the provisions of Clause 49 of the Listing Agreement, the Board has laid down a code of conduct for all the Board Members and Senior Managerial Personnel and all Board Members and Senior Managerial Personnel have affirmed compliance of code of conduct as on 31st March, 2014 and a declaration to that effect duly signed by the Managing Director is attached and forms part of this report.

7. Investors'/ Shareholders' Grievance Committee

This Committee, was constituted in accordance with listing agreement, with a view to redress shareholders'/investors' complaints etc. relating to delay in transfer of shares, demat, non-receipt of annual accounts, delays in balance sheet, split, duplicate, transmission, etc. of the shares issued by the Company. This Committee consisted of two Non-executive Directors namely Shri Mohan Lal and Shri Anand Gupta with Shri Mohan Lal as Chairman.

Shri Yogesh Mathur was nominated as the Compliance Officer.

Number of pending transfers Nil

Number of Shareholders' Complaints received Nil

Number of Complaints not solved. Nil

8. General Body Meetings

Details of location and time of holding of last three Annual General Meetings:

AGM for the Financial Year Ended	Venue	Date	Time
2010-2011 36 th AGM	Room No. 107, 1 st Floor, Anand Jyoti Building, 41, Netaji Subhas Road, Kolkata-700001	19.08.2011	11.30 A.M.
2011-2012 37 th AGM	Room No. 107, 1 st Floor, Anand Jyoti Building, 41, Netaji Subhas Road, Kolkata-700001	29.09.2012	11.30 A.M.
2012-13 38 th AGM	Room No. 107, 1 st Floor, Anand Jyoti Building, 41, Netaji Subhas Road, Kolkata-700001	09.08.2013	11:30 A.M.

9. Details of Directors seeking Appointment/Reappointment in the ensuing Annual General Meeting to be held on 29th September, 2014.

Name of Directors	Shri Anand Kumar Gupta	Shri Madhav Sureka	Shri Archit Kataruka	Smt. Sujata Kumar
DIN	00024458	06889850	06897147	01310030
Date of Birth	08/05/1955	27/01/1986	30/10/1979	08/10/1975
Date of Appointment	01/03/1979	13/06/2014	13/06/2014	12/08/2014
Qualification	B.Com	Post Graduate	M.B.A.	M.B.A.
Expertise in specific functional area	He is in business having 46 years' working experience in Steel Industry.	He is in Business having 10 years' experience in Steel Industry.	He is in service having 10 years' experience of Pipe Industry.	She is in service having 11 years experience in software industry
List of public companies in which directorship held (including foreign Companies)	Dhakalia Investments Ltd.	Srinarayan Rajkumar Merchants Ltd.	1.Srinarayan Rajkumar Merchants Ltd. 2.Biharji Ispat Udyog Ltd.	1.Mauria Udyog Ltd.
Chairman/ Member of the Committee of Board of Directors of public Companies	NIL	-Audit Committee and Nomination & Remuneration Committee-- Srinarayan Rajkumar Merchants Ltd. and Quality Synthetics Industries Ltd. as Chairman. -Stakeholders Relationship Committee and Risk Management Committee Srinarayan Rajkumar Merchants Ltd. and Quality Synthetics Industries Ltd. as Member.	-Audit Committee-- Srinarayan Rajkumar Merchants Ltd., Biharji Ispat Udyog Ltd. & Quality Synthetics Ind. Ltd. as Member -Nomination & Remuneration Committee - Srinarayan Rajkumar Merchants Ltd., Biharji Ispat Udyog Ltd. & Quality Synthetics Ind. Ltd. as Member -Stakeholders Relationship Committee - Srinarayan Rajkumar Merchants Ltd., Biharji Ispat Udyog Ltd. & Quality Synthetics Ind. Ltd. as Chairman. -Risk Management Committee-- Srinarayan Rajkumar Merchants Ltd., Quality Synthetics Industries Ltd. as Member	-Risk Management Committee- Mauria Udyog Ltd. as a Member -Stakeholders Relationship Committee- Quality Synthetics Industries Ltd.
Shareholding in the Company	Nil	NIL	NIL	NIL

10. Disclosure

(a) Materially Significant related party transactions

During the period, no transaction of material nature had been entered into by the Company with the management or their relatives that may have potential conflict with the interests of the Company.

(b) Details of non-compliance by the company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

There was no instance of penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority as well as non-compliance of any matter related to the Capital Markets during the last three years.

11. Means of Communication

The quarterly and yearly results are published in English in widely circulating "The Financial Express" and in Bengali in "Duranta Barta" from Kolkata.

12. General Shareholder information

AGM : Date, time and venue	39 th AGM to be held on Monday, 29 th September, 2014 at 10.30 A.M. at Room No.107, 1 st Floor, Anand Jyoti Building, 41, Netaji Subhas Road, Kolkata-700001
• Financial Calendar (Tentative)	
Results for quarter ending June 30, 2014 Declared on	12 th August, 2014
Results for quarter ending September 30, 2014	14 th November, 2014
Results for quarter ending December 31, 2014	14 th February, 2015
Audited Results for the entire Financial Year ending March 31, 2015	30 th May, 2015
• Date of Book closure	Thursday, the 25 th September, 2014 to Monday, the 29 th September, 2014 (both days inclusive)
Stock Code – Physical Demat ISIN Number for NSDL and CDSL	27005 on Calcutta Stock Exchange INE062F01011

High/Low of Market price of the Company's Year shares traded on the Stock Exchange during share the financial year ended 31st March, 2014

The shares have not been traded during the Financial 2013-14. The last quoted price was of Rs.134.70 per as per the transaction on Calcutta Stock Exchange on 31.03.2006.

- Registrar & Transfer Agents

M/s Beetal Financial & Computer Services Pvt. Ltd.
 BEETAL HOUSE", 99, Madangir, Behind Local
 Shopping Centre, Near Dada Harsukhdas Mandir, New
 Delhi-110062.
 Phone No. 011-29961281-82
 Fax No. 011-29961284

- Share Transfer System

All the transfers received are processed by the Registrar and Share Transfer Agent. Share Transfers are registered and returned within maximum of 15 days from the date of lodgement if documents are complete in all respect. In case the shares are transferred through Demat mode, the procedure is adopted as stated in Depositories Act, 1996.

Shareholding pattern as on 31.03.2014

Category	Nos. of Shares	Percentage
Promoters	22,83,640	41.52
Persons acting in concert	-	-
Mutual Funds & UTI	-	-
Banks, Financial Institution & Insurance Companies	-	-
FII's	-	-
Private Corporate Bodies	9,03,950	16.44
Indian Public	23,12,410	42.04
NRI's/OCBs	-	-
Total	55,00,000	100.00

- Distribution of shareholding as on 31st March, 2014

NO. OF SHARES FROM - TO	FOLIO		AMOUNT	
	Number	% to Total	Rs.	% to Total
(1)	(2)	(3)	(4)	(5)
00001 - 00500	432	65.06	2,14,650	0.39
00501 - 01000	07	1.05	60,000	0.11
01001 - 02000	45	6.78	5,81,000	1.06
02001 - 03000	16	2.41	4,63,050	0.84
03001 - 04000	10	1.51	3,78,050	0.69
04001 - 05000	18	2.71	8,74,890	1.59
05001 - 10000	49	7.38	41,11,600	7.47
10001 and above	87	13.10	4,83,16,760	87.85
Total	664	100.00	5,50,00,000	100.00

Declaration of Managing Director

The Code of Conduct for the Directors and the Senior Managerial Personnel was adopted by the Board of Directors. All the Board Members and Senior Managerial Personnel have affirmed that they have complied with the Code of Conduct during the financial year ended on 31st March, 2014.



(A.K. Sureka)
Managing Director

Place: Kolkata

Date : 28th August, 2014