

VIRAT LEASING LIMITED

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY

Corporate Governance refers to set of systems and practices that enable an organization to perform business efficiently with the highest levels of accountability and transparency in all its transactions. It has become crucial to foster and sustain a culture that integrates all components of good governance by carefully balancing the interrelationship among board of directors, audit committee, accounting and auditors.

We believe in the adoption of most relevant and practical practices for good Corporate Governance in its totality to boost up the image of the Company by adhering to be fair to all the Shareholders. Transparency in day-to-day affairs, full disclosure, independence, long term approach, growth in absolute terms and Social welfare had been the essence of the management of the Company.

BOARD OF DIRECTORS

An active, informed and independent Board is necessary to ensure highest standards of Corporate Governance. The main role of Board is to take right decision to safeguard and enhance shareholders value.

Composition of the Board

The Board of Directors presently consists of three Directors, of which two are non-executive. Management of the Company is headed by Sri Rajeev Kothari, Managing Director of the Company, subject to general supervision, control and direction of the Board. None of the Non-Executive Directors have any material pecuniary relationship or transaction with the Company.

During the Year under review Nine Board Meetings were held and the gap between two meetings did not exceed four months. Dates of the Board Meeting are 25.04.2012, 14.05.2012, 30.06.2012, 14.08.2012, 30.08.2012, 14.11.2012, 03.01.2013, 14.02.2013 and 30.03.2013.

Name of the Director	Category	Financial Year 2012-2013		Attendance at the Previous AGM	No. of Directorship in other Public Limited Companies incorporated in India	Committee Positions held in other Public Companies	
		Board Meeting held	Board Meeting attended			Chairman	Member
Sri Rajeev Kothari	Managing Director	9	9	Yes	02	Nil	Nil
Sri Jitendra Kumar Goyal	Independent and Non-Executive	9	9	Yes	04	03	06
Sri Pradeep Kumar Agarwal	Independent and Non-Executive	9	9	Yes	Nil	Nil	Nil

Appointment and Tenure

The Directors of the Company are appointed by the shareholders at the General Meeting. All Directors except the Managing Director are subject to retirement by rotation and at every General Meeting, one third of such Directors, if eligible, offer themselves for re-appointment.

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Board Meetings, Board Committee Meetings and Procedures

- **Decision Making Process**

The Board meets at least once in every quarter to review the quarterly financial results and operation of the Company. Apart from above additional Board Meeting are convened to as per the requirement of the Company. The Executive Director in consultation with other Directors finalizes the Agenda and other related matters for the Board Meeting. The Board Meeting is held at the registered office of the Company.

All the relevant information during the Financial Year 2012-2013 as enumerated in Clause 49 of the Listing Agreement has been placed before the Board for its consideration. The draft minutes of each meeting are circulated to all Directors for their comments before being recorded in the minutes book. The important decisions taken at board meetings are communicated to the concerned departments promptly.

- **Scheduling and selection of Agenda Items for Board Meetings**

- i. Minimum four Board Meetings are held every year and in addition, as and when it is required, the same is called and convened by giving due Notice to all the Board Members.
- ii. The meetings are usually held at the Registered Office of the Company.
- iii. The Executive Director in consultation with other Directors finalizes the Agenda and other related matters for the Board Meeting.
- iv. The Board is provided with the sufficient Financial Information as and when required by them by way of Quarterly, half yearly and so on.
- v. All the relevant in formations are placed before the Board in compliance of the Listing agreement with the Stock Exchanges as well as other Statutory Requirements.

- **Minutes of Proceeding at Board and Committee Meetings**

The Minutes are prepared for each Board and Committee Meeting. Each member of the Board/Committee receives a draft copy of the Minutes for their comments before its final recording into Minutes Book.

CODE OF CONDUCT

The Code of Conduct is in line with the provisions of Clause 49 of the Listing Agreement has been framed /adopted by the Board and is applicable to all the members of the Board and Senior Management Executives. This Code forms an integral part of the Company's Governance policy. The Company adheres to the highest Standards of business ethics, compliance with the Statutory and legal requirements and commitment to transparency in business dealings.

Declaration affirming compliance of Code of Conduct

A declaration by the Managing Director affirming compliance of Board members and senior Management Personnel to the Code is mentioned herewith:

Declaration signed by the Managing Director

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Personnel have confirmed compliance with the Code of Conduct for the year ended 31st March, 2013.

Place: Kolkata
Date: 30.05.2013

For Virat Leasing Limited
(Rajeev Kothari)
Managing Director

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COMMITTEES OF THE BOARD

The Board of Directors of the Company has constituted three Committee viz, Audit Committee, Remuneration Committee and Shareholders'/Investors' Grievances Committee. The minutes of the Committee Meetings are noted by the Board. The role and Composition of the aforesaid Committees, including the number of meetings held and the related attendance of the members are given below:

A. Audit Committee

The Board of Directors has in accordance with the requirements of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, constituted an Audit Committee for overseeing the accounting, auditing and overall financial reporting process of the Company. The Committee's purpose is to oversee quality and integrity of accounting, auditing and financial reporting process. The Committee also oversees the appointment, performance and remuneration of the statutory auditors.

Power of Audit Committee

As enumerated in clause 49 of the Listing Agreement, the Audit Committee has following powers:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other independent professional advice
- To secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

The terms of reference as stipulated by the Board to the Audit Committee include:

1. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the Statutory Auditor and the fixation of audit fees.
3. Reviewing with the Management, the annual financial statement before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors Responsibility Statement in the Directors Report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualification in the draft audit report, if any.
4. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
5. Reviewing with the management, performance of auditors, and adequacy of internal control systems.
6. Discussion with statutory auditors before the audit commences, about the nature and scope of the audit as well as post - audit discussion to ascertain any area of concern.
7. To review the functioning of Whistle Blower Mechanism, in case the same is existing.
8. Carrying out any other function as is mentioned in the terms of reference of the audit Committee.

Mr. Pradeep Kumar Agarwal, the Chairman of the Audit Committee was present at the previous Annual General Meeting of the Company which held on 29th September, 2012.

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During the year under review, four meetings of the committee were held on 12.05.2012, 13.08.2012, 12.11.2012 and 13.02.2013. The composition of the committee and attendance at its meeting is given below:

Name of the Director	Category	No. of Meetings held	No. of Meetings Attended
Sri Pradeep Kumar Agarwal, Chairman	Non-Executive, Independent	4	4
Sri Rajeev Kothari	Executive, Non-Independent	4	4
Sri Jitendra Kumar Goyal	Non-Executive, Independent	4	4

The Composition of the committee is in conformity with clause 49II (A) of the Listing Agreement. The necessary quorum was present for all the meetings. The Statutory Auditors are regular invitee. The Company Secretary acts as the Secretary of the committee.

B. Remuneration Committee

The Company has formed Remuneration Committee and the Committee meeting during the year under review held on 28th May, 2012. All the members were present in the meeting.

Sri Jitendra Kumar Goyal was appointed as the Chairman of Remuneration Committee. The other members of the Committee are Sri Rajeev Kothari and Sri Pradeep Kumar Agarwal.

The broad terms of reference of the Remuneration Committee are as under:

- To approve the annual remuneration plan of the Company.
- To approve the remuneration and commission/incentive payable to the Managing Director for each financial year
- Such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend/approve
-

Remuneration to the Managing Director:

The Managing Director, Mr. Rajeev Kothari is paid a fixed quantum of Salary and perquisites as recommended by the Board of Directors within the overall limits permissible under the Companies Act and as approved by the Shareholders.

Shares held by the Directors as on 31st March, 2013.

Name of the Director	Category	No. of Equity Shares held
Sri Rajeev Kothari	Non-Independent	4000
Sri Pradeep Kumar Agarwal	Independent	NIL
Sri Jitendra Kumar Goyal	Independent	NIL

Sitting fee has been waived and no sitting fee is presently paid to any director or any member of any committee of Directors.

C. Shareholders'/Investors' Grievance Committee

The shareholders'/Investors' Grievance committee of the Board has been constituted to look into complaints like transfer of shares, non-receipt of dividend etc. The committee is headed by Sri Jitendra Kumar Goyal, Non-Executive Director and other members are Sri Rajeev Kothari, Managing Director and Sri Pradeep Kumar Agarwal, Non-Executive Director. Mr. Rajeev Kothari is designated as the Compliance Officer. The Committee generally meets once in three months to deal with any complaints or grievances as may be received from the Shareholders. No Complaint had been received during the Financial Year. The Company is registered with SEBI under SCORES.

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SUBSIDIARY COMPANY

The Subsidiaries of the Company are managed by its Board while the Company monitors performance of the subsidiaries in the following manner:-

- The Financial Statements are regularly presented by the subsidiary Companies;
- All major investments/transactions are reviewed on quarterly basis and / or as and when need arises.
- The Financial Statements including particulars of investments made by all the significant transaction of all the unlisted subsidiary companies are reviewed by the audit committee.

The Minutes of the subsidiary companies as well as statement of significant transactions and arrangements entered into by the subsidiary companies are placed before the Board Meeting for their review.

GENERAL BODY MEETINGS

Location and time of last three Annual General Meetings:

AGM for the Financial Year	Date	Time	Venue
2009-2010	30.09.2010	3.00 P.M.	Mercantile Building, Block-E, 2 nd Floor, 9/12, Lalbazar Street, Kolkata – 700 001
2010-2011	30.09.2011	3.00 P. M.	Mercantile Building, Block-E, 2 nd Floor, 9/12, Lalbazar Street, Kolkata – 700 001
2011-2012	29.09.2012	3.00 P.M.	Mercantile Building, Block-E, 2 nd Floor, 9/12, Lalbazar Street, Kolkata – 700 001

No extra-ordinary general meeting of the shareholders was held during the year.

RESOLUTION PASSED THROUGH POSTAL BALLOT DURING THE YEAR

There were two Special Resolutions passed through Postal Ballot in the year 2012-13:

Effective Date	Matter	Person who conducted the Postal Ballot Exercise
08 th February, 2013	To migrate the shares of the company to be listed at SME platform of BSE Limited in accordance with regulation 106T of SEBI (ICDR) Regulation, 2009 thereby delist its shares from the floor of Delhi Stock Exchange.	M/s. Ajay M L & Co, Chartered Accountants
08 th February, 2013	To adopt new set of Articles of Association for the Company.	M/s. Ajay M L & Co, Chartered Accountants

M/s. Ajay M L & Co, Chartered Accountant was appointed as Scrutinizer for conducting the Postal Ballot Process in fair and transparent manner and to receive and scrutinize the completed Ballot Forms from the members. The Procedure for the postal ballot was as per Section 192A of the Companies Act, 1956 and Rules made there under, namely Companies (Passing of Resolution by Postal Ballot) Rules, 2011. Further none of the businesses are proposed to be transacted at the ensuing Annual General Meeting which requires passing of a Special Resolution through Postal Ballot.

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DISCLOSURES

Disclosure on materially significant related party transactions

- a. There were no materially significant related party transactions i.e. transactions of the Company of material nature, which its promoters, the Directors of the Management, their subsidiaries or relatives etc., that may have potential conflict with the interest of the Company at large. The related party transactions have been duly disclosed in the “Notes on Accounts” to the Balance Sheet.
- b. There were no cases of non-compliance by the Company and no penalties / structures imposed on the Company by any Statutory Authority on any matter.
- c. The statutory financial statements of the Company are unqualified.
- d. Reconciliation of Share Capital Audit:
A Qualified Company Secretary carried out a Share Capital Audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.
- e. Code For Prevention Of Insider Trading:
In compliance with the SEBI Regulations on prevention of Insider Trading, the company has framed a comprehensive Code of Conduct for prevention of Insider Trading for its designated employees. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company, and cautioning them of the consequences of violations.

COMPLIANCE CERTIFICATE

Compliance Certificate on Corporate Governance from the Auditors of the Company is annexed with this Report.

MEANS OF COMMUNICATION

The Quarterly and Half Yearly results are published normally in Business Standard and Newz Bangla/Duranta Barta. The results are not sent individually to the shareholders. The Company has its own website <http://www.vll.co.in> and all vital information relating to the Company and its performance including financial results and corporate presentations, etc. are regularly posted on the website. There were no presentations made to the institutional investors or analysis during the year.

GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting	
Date and Time	: 30 th September, 2013 at 3.00 P.M.
Venue	: Registered office: Mercantile Building, Block-E, 2 nd Floor, 9/12, Lalbazar Street, Kolkata – 700 001
Financial Calendar	2013-2014 (Tentative Dates) : First Quarter Results 2nd week of August, 2013 Second Quarter Results 2nd week of November, 2013 Third Quarter Results 2nd week of February, 2014 Fourth Quarter Results Last week of May, 2014
Date of Book Closure	: 25 th September, 2012 to 30 th September, 2012 (both days inclusive)
Dividend payment date	: No dividend is being recommended
Listing on stock exchange	: Delhi Stock Exchange Ltd.
The Company has paid listing fees as applicable to the stock exchange.	

The ISIN Number of the Company on NSDL and CDSL is INE347L01014.

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MARKET PRICE DATA

There has been no trading in shares of the company during the Financial Year 2012-2013.

REGISTRAR & SHARE TRANSFER AGENT

M/s Niche Technologies Pvt. Ltd.
D-511, Bagri Market, 71, B.R.B.B. Road,
Kolkata – 700 001

SHARE TRANSFER SYSTEM

The Authority to approve Share transfers has been delegated by the Board of Directors to the Share Transfer Committee. Requests received for transfer of Shares are processed within thirty days of receipt. Since all the Shares of the Company are still in physical form only, Share Certificates are sent by Registered Post.

SHAREHOLDING PATTERN (AS ON 31ST MARCH 2013)

Category	No. of Shares	% of Shares
Domestic Companies	5848800	45.06
Indian Public	7131700	54.94
	12980500	100.00

DISTRIBUTION OF SHAREHOLDINGS

SL	No. of Shares	No. of	% to Total	Total Shares	% to Total	
1.	UPTO	500	-	-	-	
2.	501	1000	-	-	-	
3.	1001	5000	22	16.54	88700	0.68
4.	5001	10000	24	18.04	168707	1.30
5.	10001	50000	10	7.52	177200	1.36
6.	50001	100000	54	40.60	3911700	30.14
7.	100001	AND ABOVE	23	17.30	8634193	66.52
		TOTAL	133	100.000	12980500	100.000

DEMATERIALISATION OF SHARES

As on 31st March 2013, 100% of the total equity capital of the company was held in physical form.

OUTSTANDING GDR/ADR/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND IMPACT ON EQUITY

The Company has not issued any GDR/ADR/Warrants hence no amount is outstanding as at the year end.

ADDRESS FOR CORRESPONDENCE

For any assistance in respect of status of dematerialization of shares, transfer, transmission, issue of duplicate certificates, change of address, non-receipt of Annual Reports, Investors are requested to write to:

“Mercantile Building”, Block-E,
2nd Floor, 9/12, Lalbazar Street,
Kolkata – 700 001.
Email: info@vll.co.in

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CEO / CFO CERTIFICATION

**The Board of Directors
M/s Virat Leasing Limited**

Re: Financial Statement for the Financial Year 2012-2013 – Certification by Managing Director

I, Rajeev Kothari, Managing Director of M/s **Virat Leasing Limited** on the review of Financial Statements and Cash Flow Statement for the year ended 31st March, 2013 and to the best of my knowledge and belief, hereby certify that:

1. These statement do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2013 which is fraudulent, illegal or violative of Company's Code of Conduct.
4. I accept responsibility of establishing and maintaining internal control systems of the Company pertaining the financial reporting and I have disclosed to the auditors and the Audit Committee those deficiencies in the design and operation of such internal controls of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
5. I have indicated to the Auditors and the Audit Committee:
 - i. There have been no significant changes in internal control over financial reporting during the period.
 - ii. There have been no significant changes in accounting policies during the period.
 - iii. There have been no instances of significant fraud of which I have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.

**Place: Kolkata
Date: 30.05.2013**

**For and on behalf of the Board
(Rajeev Kothari)
Managing Director**

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CERTIFICATE OF THE AUDITORS IN RESPECT OF COMPLIANCE OF CORPORATE GOVERNANCE

To the Members of
VIRAT LEASING LIMITED

We have examined the compliance of conditions of corporate governance by **VIRAT LEASING LIMITED**, for the year ended on 31st March, 2013, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchange.

The compliance of 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 the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the abovementioned Listing Agreement.

As required by Guidance Note issued by the Institute of Chartered Accountants of India we have to state that no investor grievances were pending for a period of one month against the company as per the records maintained by the Shareholders'/Investors' Grievance Committee.

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

Place: Kolkata
Date: 30.05.2013

For S. K. Rungta & Co.
Chartered Accountants
FRN.308081E
(S. K. Rungta)
Proprietor
Membership No.013860