

CORPORATE GOVERNANCE REPORT

Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success, and we remain committed to maximizing stakeholders' value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. This approach to value creation emanates from our belief that sound governance system, based on relationship and trust, is integral to create enduring value for all.

STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's Governance policy is based on trusteeship, transparency and accountability. As a corporate citizen, our business fosters a culture of ethical behavior and disclosures aimed at building trust of our stakeholders.

Governance Structure

The Corporate Governance structure at RUNIT INVESTMENTS COMPANY LIMITED is as follows:

1. Board of Directors:

The Board is entrusted with the ultimate responsibility of the management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's Management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosure.

2. Committees of the Board:

The Board has constituted the following Committees viz, Audit Committee, Remuneration and Nomination Committee and Stakeholder Relationship Committee/Investors Grievance Committee. Each of the said Committee has been mandated to operate within a given framework.

BOARD OF DIRECTORS

Size and Composition of the Board and Attendance Status

The composition of the board is in line with the Listing Agreement. The Board of Directors of the Company consists of 4 Directors; out of which 2 (Two) are Non Executive-Independent Directors, and 2 (Two) are Non-Executive Non-Independent Director. The Chairman of the Board is a Non-Executive Non Independent Director.

The composition of the Board, category-of Directors and Attendance Status at the Board meetings and AGM are as under:

Name of the Director	Category	Designation	No. of membership in Boards of other companies	No. of Board Meetings Attended	Attendance of each director at last AGM
Mr. Navin Kumar Bhatta	Promoter & Non-Executive Director	Director	17 and 7 LLP	8	Yes
Mrs. Vineeta Bhatta	Promoter and Non-Executive Director	Director	17 and 5 LLP	8	Yes
Mr. Sougata Dey	Independent Director	Independent Director	11	6	Yes
Mr. Jayvardha Kayan	Independent Director	Independent Director	3	6	No

None of the Directors on the Board is a member of more than ten Committees and Chairman of more than five Committees across all companies in which they are Directors.

Independent Directors

The Non-Executive Independent Directors fulfil the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Rules made there under and meet with requirement of Clause 52 of the SME Equity Listing Agreement entered into with the Stock Exchanges.

Board Meetings

Eight Board Meetings were held during the financial year 2017-2018. The interval between two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and the Listing Agreement.

The details of Board meetings are given below:

Date	Board Strength	No. of Directors Present
April 03, 2017	4	4
June 30, 2017	4	3
July 31, 2017	4	3
August 09, 2017	4	4
October 31, 2017	4	4
January 31, 2018	4	3
March 03, 2018	4	3
March 20, 2018	4	4

Meetings of Independent Directors

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel. Such meetings are conducted informally to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views. The Independent Director takes appropriate steps to present their views to the Chairman and Managing Director. One meeting of Independent Directors was held during the Financial Year 2017-18.

Board's Procedures

It has always been the Company's policy and practice that apart from matters requiring Board's approval by statute, all major decisions including quarterly results of the Company, financial restructuring, capital expenditure proposals, collaborations, material investment proposals in joint venture/promoted companies, sale and acquisition of material nature of assets, mortgages, guarantees, donations, etc. are regularly placed before the Board. This is in addition to information with regard to actual operations; major litigation feedback reports, information on senior level appointments just below the Board level and minutes of all Committee Meetings.

CODE OF CONDUCT

The Company has in place Code of Conduct (the Code) applicable to all the Directors & Senior Management. The Code is applicable to Directors & Senior Management to such extent as maybe applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code reflects the values of the Company viz-Customer Value, Integrity and Excellence.

The Company has also placed a separate code for Independent Directors. It helps in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.

A copy of these Codes is available at the registered office of the company. The Codes has been circulated to Directors and Management Personnel, and its compliance is affirmed by them annually.

A declaration signed by the Director is published in this Report.

BOARD COMMITTEE

The Board of directors has constituted Board committees to deal with specific areas and activities which concern the company and need a closer review. The Board Committees are formed with

approval of the Board and function under their respective Charters. These Board Committees play an important role in overall management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals, takes necessary steps to perform its duties entrusted by the Board. To ensure good governance, the Minutes of the Committee Meetings are placed before the Board for their noting.

Details of the Board Committees and other related information are provided hereunder:

A. AUDIT COMMITTEE Composition

Pursuant to the provisions of Section 177 of the Companies Act, 2013 and clause 52 of the Listing Agreement, an audit committee comprising of majority of independent Directors had been constituted to perform all such powers and functions as were required to be performed under the said provisions.

Meetings & Attendance

The Audit Committee met four times in the financial Year 2017-18. The constitution and attendance of Audit Committee is as given below:

Name of Member	Designation	Nature of Directorship	Attendance
Mr. Jayvardhan Kyvan	Chairman	Independent Director	Four
Mr. Sougata Dey	Member	Independent Director	Four
Mrs. Vineeta Bhartia	Member	Non-Executive Director & Non-Independent	Four

Terms of Reference

Powers of Audit Committee

The Audit Committee shall have powers, which should include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of Audit Committee

The role of the Audit Committee shall include the following:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - 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
 - Disclosures of any related party transactions
 - Qualifications in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 - Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 - Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 - Approval or any subsequent modification of transactions of the company with related parties;
 - Scrutiny of inter-corporate loans and investments;
 - Valuation of undertakings or assets of the company, wherever it is necessary;
 - Evaluation of internal financial controls and risk management systems;
 - Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
 - Discussion with internal auditors of any significant findings and follow up there on;
 - 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;
 - Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 - To review the functioning of the Whistle Blower mechanism;
 - Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
 - Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Reviewing the following information:

The Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

B. NOMINATION AND REMUNERATION COMMITTEE

Terms of Reference

- Reviewing the overall compensation policy, service agreements and other employment conditions of Managing / Whole-time Director(s)/KMPs
- Reviewing the performance of the Managing / Whole-time Director/KMPs and recommending to the Board, the quantum of annual increments and annual commission.

Composition

The Board of Directors constituted a Nomination and Remuneration Committee comprising three Non- Executive Directors on 27th March, 2015. The Nomination and Remuneration Committee met four times during the financial year 2017-18. The Committee and attendance is given below:

Name of Member	Designation	Nature of Directorship	Attendance
Mr. Sougata Dey	Chairman	Independent Director	Four
Mr. Jayvardhan Kayar	Member	Independent Director	Four
Mr. Navin Kumar Bharti	Member	Non Executive Director & Non-independent Director	Four

The function of the Nomination and Remuneration Committee includes recommendation of appointment of Whole-time Director(s)/ Managing Director/Joint Managing Director and recommendation to the Board of their remuneration.

Remuneration Policy

The company's remuneration policy is directed towards rewarding performance based on review of achievements periodically. The remuneration policy is in consonance with the existing industry practice. Nomination and Remuneration policy is available at the Company's Website.

Equity Shares held by the Directors

Except as stated hereunder, none of the directors, held any shares in the Company as on March 31, 2018:

Name of the Director	No. of Shares Held	% of Shareholding
Mr. Navin Kumar Bharti	21430	10.72%

The Company does not have any Stock Option Scheme for its employees.

C. Stakeholder Relationship Committee/Investors Grievance Committee

The Stakeholders relationship Committee / Investors Grievance Committee was constituted vide resolution passed at the meeting of the Board of Directors held on 18th December, 2014. The Shareholder Grievance Committee, inter alia, oversees and reviews all matters connected with the investor services in connection with applications received and shares allotted in the Initial Public Offer, status of refund account, conversion of partly paid shares into fully paid shares, rematerialization and dematerialization of shares and transfer of shares of the Company.

The Committee oversees performance of the Registrar and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services.

The Board has delegated the power of approving transfer of securities to the officers of the Company.

Four meetings were held during the Financial year 2015-16. The constitution of the Committee and attendance of each member is as given below:

Name of Member	Designation	Nature of Directorship	No. of Meeting attended
Mr. Jayvardhan Kayan	Chairman	Independent Director	Four
Mr. Sougata Dey	Member	Independent Director	Four
Mrs. Vineeta Bhardia	Member	Non Executive Director & Non Independent	Four

Compliance Officer

Mr. Navin Kumar Bhardia is the Compliance Officer w. e. f. June 1, 2014 and is complying with the requirements of the Listing Agreement with the Stock Exchanges and requirements of SEBI (Prohibition of Insider Trading) Regulation, 2015.

Complaints from Investors

No. of complaints pending at the beginning of the year	Nil
No. of complaints received by correspondence during the year ended 31.03.2017	Nil
No. of complaints received for Refund / Instrument correction during the year	Nil
No. of complaints received from BSE during the year	Nil
No. of complaints received from DSE during the year	Nil
No. of complaints received from SEBI during the year	Nil
No. of complaints resolved / replied during the year	Nil
No. of Investors complaints pending at the ending of the year 31.03.2018	Nil

We confirm that No complaints remained unattended / pending for more than 30 days.
There were no share transfers pending for registration for more than 15 days as on the said date.

General Body Meetings

Annual General Meetings (AGM)

Year	Date, Time & Venue	Matters for Special Resolution passed
35 th AGM 2016-2017	26.09.2017, 02.00 PM Registered Office	Nil
34 th AGM 2015-2016	30.09.2016, 02.00 PM Registered Office	Nil

35 th AGM 2014-2015	30.09.2015, 04.00 PM Registered Office	NIL
32 nd AGM 2013-2014	30.09.2014, 10.00 AM Registered Office	NIL
31 st AGM 2012-2013	30.09.2013, 1 0.00 PM Registered Office	NIL

No Extraordinary General Meeting was held during the year 2017-18.
No Postal Ballot was made during the year 2017-18.

Subsidiaries

The Company has no subsidiary.

Disclosures

There are no materially significant related party transactions made by the Company with its Promoters, Directors or management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large. The transactions with related parties as per requirements of Accounting Standard (AS-18) - 'Related Party Disclosures' are disclosed in Notes to Accounts Section in the Annual Report.

All mandatory requirement as per Clause 52 of the Listing Agreement have been complied with by the Company. There were no restriction and penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital market during the year under review.

The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and there is no statutory audit qualification in this regard.

Vigil Mechanism/ Whistle Blower Policy

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Ethics and Compliance Task Force which operates under the supervision of the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

Adoption of Mandatory and Non-mandatory Requirements of Clause 52

The Company has complied with all mandatory requirements of Clause 52 of the Listing Agreement. The Company has not adopted any non-mandatory requirements of Clause 52 of the Listing Agreement.

Means of Communication

Quarterly/Half yearly report sent to each household of shareholders	No	
Quarterly/Half Yearly/Yearly results of the Company normally published in	News paper	
Any website where financial results and official news displayed	www.cae.india.com	
Whether any advertisement also displayed officials news releases And presentations made to Institutions or Investors/analysts	No presentation made	
Whether management discussions and analysis forms part of Annual Report	Yes	
Whether shareholders information section forms part of Annual Report	Yes	

General Shareholders' Information

Scheduled AGM's Day, Date, Time & Venue	36th ANNUAL GENERAL MEETING 29 th September, 2018 Saturday at 2.00 PM 12, Government Place East, Kolkata - 700069
Tentative Financial Year 2018-2019	• Financial reporting for the half year ending 30 th September 2018: By 31 st October 2018 for UFR • Financial reporting for the half year/year ending 31 st March, 2019: By 31 st May 2019 for AFR.
Book Closure Period	24 th September 2018 to 29 th September 2018 both days inclusive
Dividend	In order to meet the additional working capital requirements of the Company, No Dividend has been declared.

Registered Office	12, GOVERNMENT Place East, Kolkata - 700069 Email id: nbhanja@gmail.com
Listing of Equity Shares on Stock Exchanges and Payment of Listing Fee	Calcutta Stock Exchange (CSE) Annual Listing fee for the year 2017-18, has been paid by the Company to Stock Exchange.
Registrar & Transfers Agents	Niche Technologies Pvt. Ltd D-511, Bagree Market, 71, B. A. B. Basu Road, Kolkata - 700001 Phone: 91-33-22357271 Fax: 91-33-22156823 Email: nichetechpl@nichetechpl.com
Share Transfer System	Share Transfer in physical form can be lodged at Registered office of the Company.
ISIN for Equity Shares	INE550E01019
Script Code	N. A.

Stock Market Price Data on Calcutta Stock Exchange:

Month	Calcutta Stock Exchange	
	High (Rs.)	Low (Rs.)
April, 2017	N.T.	N.T.
May, 2017	N.T.	N.T.
June, 2017	N.T.	N.T.
July, 2017	N.T.	N.T.
August, 2017	N.T.	N.T.
September, 2017	N.T.	N.T.
October, 2017	N.T.	N.T.
November, 2017	N.T.	N.T.
December, 2017	N.T.	N.T.
January, 2018	N.T.	N.T.
February, 2018	N.T.	N.T.
March, 2018	N.T.	N.T.

Note: N.T. denotes No Trading

Shareholding pattern as on 31 st March 2018:-CATEGORY		NO. OF SHARE HELD	% OF SHAREHOLDING
(A)	Shareholding of Promoter and Promoter Group		
1	Indian		
(a)	Individuals/Hindu Undivided Family	24731	12.37

(b)	Bodies Corporate	75729	37.86
	Sub Total (A)(1)	100460	50.23
2	Foreign	Nil	Nil
	Sub Total (A)(2)	Nil	Nil
	Total Shareholding of Promoter and Promoter Group (A)-(A)(1)-(A)(2)	100460	50.23
(B)	Public Shareholding		
1	Institutions		
(a)	Market Makers	0	
	Sub Total (B)(1)		
2	Non-Institutions		
(a)	Bodies Corporate	0	
(b)	Individuals		
1.	Individual shareholders holding nominal share capital up to Rs. 1 Lakh	99540	49.77
	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	0	
(c)	Other		
	Sub Total (B)(2)	99540	49.77
	Total Public Shareholding (B)-(B)(1)-(B)(2)	99540	49.77
	TOTAL (A)+(B)	200000	100.00
(C)	Shares held by Custodians and against which depository Receipts have been issued	0	0
	GRAND TOTAL (A)+(B)+(C)	200000	100.00

Distribution of Shareholding

Share holding Range	No. of Shareholders	%	Total Shares	%
UP TO 500	399	97.56%	94490	47.25%
501 - 1000	7	1.71%	5050	2.52%
1001 - 5000	1	0.24%	3301	1.65%
5001 & ABOVE	2	0.49%	97159	48.58%
TOTAL	409	100.00%	200000	100.00%

Dematerialization of shares and liquidity

45.715% of the Company's Paid up Equity Shares Capital is in the dematerialized form as on 31st March, 2018.

Registered Office:

12, Government Place East,

Kolkata - 700092, India

T: +91 33 22466007

Address for Correspondence

(a) Investor Correspondence: For any query in relation to the shares of the Company.

For Shares held in Physical Form:

Secretarial Department,

Runit Investments Company Limited

12, Government Place East,

Kolkata - 700089

Phone: 91-33-22466007

Fax: 91-33-22435068

Email: rbitalia@gmail.com

For Shares held in Demat Form

To the Investors' Depository participant(s) and / or Niche Technologies Pvt. Ltd. at the above address

For grievance redressal and any query on Annual Report

Secretarial Department

Runk Investments Company Limited

12, Government Place East,

Kolkata - 700069

Phone: 91-33-22486007

Fax: 91-33-22435068

Email: ncharita@gmail.com

Compliance Certificate of the Auditors/ Practicing Company Secretary
Compliance Certificate for the Financial Year 2016-17 is attached.

By Order of the Board
For Runk Investments Company Limited

(Navin Kumar Sharma)

Director DIN: 00259552

Residential Address:

25B, Ballygunge Park,

Kolkata - 700019, INDIA

Vineeta Bhartiya

(Vineeta Bhartiya)

Director DIN: 00259493

Residential Address:

25B, Ballygunge Park,

Kolkata - 700019, INDIA

Place: Kolkata

Date: 30th June, 2018