

24th

ANNUAL REPORT

2014 - 2015

AJANTA

AJANTA SOYA LIMITED

**BOARD OF DIRECTORS**

Mr. Sushil Goyal	<i>Managing Director</i>
Mr. Abhey Goyal	<i>Whole Time Director</i>
Mr. Harsh Chander Kansal	<i>Director</i>
Mr. Hemant Kumar Bansal	<i>Director</i>
Ms. Sushila Jain	<i>Director</i>

STATUTORY AUDITORS**M/s. TAS Associates**

Chartered Accountants
Flat No. 4, 11/71, Punjabi Bagh West
New Delhi - 100 026

SECRETARIAL AUDITORS**M/s. R&D**

Company Secretaries
785, Pocket-E, Mayur Vihar, Phase-II
Delhi - 110 091
Phone/Fax : 22725301 / 43012488
E-Mail : rndregular@gmail.com

**SHARES LISTED WITH STOCK EXCHANGE AT
BSE Limited**

Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001

BANKERS

State Bank of India
Overseas Branch,
Jawahar Vyapar Bhawan
1, Tolstoy Marg, New Delhi - 110001

Standard Chartered Bank,
10 Sansad Marg,
New Delhi-110 001

INTERNAL AUDITOR

S.Chand Mittal & Co.
810, GD ITL North Ex. Tower
A-8, Netaji Subhash Place,
New Delhi -110034

REGISTERED OFFICE

SP-916, RIICO Industrial Area Phase - III,
Bhiwadi - 301 019, Distt. Alwar (Rajasthan)
CIN: L15494RJ1992PLC016617

INVESTORS RELATION CENTRE

12th Floor, Bigjos Tower, A-8 Netaji Subhash Place
Wazirpur District Centre, New Delhi - 110 034
Phone : 011-42515151, Fax : 011-42515100
E-mail : cs@ajantasoya.com
Website : www.ajantasoya.com

REGISTRAR & SHARE TRANSFER AGENT

Skyline Financial Services Pvt. Ltd.
D-153A, 1st Floor, Okhla Industrial Area, Phase-I,
New Delhi - 110020
Phone No. : 011-30857575
Fax No. : 011-30857562
E mail : admin@skylinerta.com

*ALL CORRESPONDENCE RELATING TO TRANSFER
OF SHARES, CHANGE IN ADDRESS ETC. SHOULD BE
SENT TO THE REGISTRAR & SHARE TRANSFER
AGENT OR INVESTORS RELATION CENTRE*

CONTENTS	Page No.
Notice	1
Director's Report	5
Management Discussion & Analysis	27
Corporate Governance	29
Auditor's Report	37
Balance Sheet	40
Profit & Loss Statement	41
Cash Flow Statement	42
Notes	44

NOTICE

Notice is hereby given that the 24th Annual General Meeting of the Members of M/s Ajanta Soya Limited will be held on Saturday, 26th September, 2015 at 12.30 P.M. at the Registered Office and Factory Premises of the Company at SP-916, Phase III, Industrial Area, Bhiwadi, 301019, Distt. Alwar, Rajasthan to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements for the Financial Year ended on 31st March, 2015 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr Sushil Goyal (DIN 00125275), who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of Tas Associates, Chartered Accountants (Firm Registration No.10520N) as approved by Members at the Twenty Third Annual General Meeting as Statutory Auditors of the Company, to hold office until the conclusion of Twenty sixth Annual General Meeting, and to fix their remuneration for the financial year ending 31st March, 2016.

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“Resolved that pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder, read with Schedule IV of the said Act, Ms Sushila Jain (DIN :03432157), who was appointed as an Additional Director of the Company with effect from 28th March, 2015 under Section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 28th March, 2015.”

5. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“Resolved That pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s K.G. Goyal & Associates, Cost Accountants, having Firm Registration No. 000024, appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2015-16, amounting to Rs. 50,000 (Rupees Fifty thousand only) per annum plus service tax as applicable and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit, as recommended by the Audit Committee and approved by the Board of Directors of the Company, be and is hereby ratified and confirmed.”

Regd.Office:

SP-916, Phase III, Industrial Area,
Bhiwadi, 301019,
Distt. Alwar, Rajasthan

By order of the Board
For **AJANTA SOYA LTD**

SUSHIL GOYAL
Managing Director
DIN: 00125275

Address:

House No. 42-A, Road No. 78, West Punjabi Bagh
New Delhi - 110 026

Date : 13th August, 2015

Place : New Delhi

Notes:

1. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of item no. 4 & 5 of the notice set out above is annexed herewith.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED HERewith AND, IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE COMMENCEMENT OF ANNUAL GENERAL MEETING.
3. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY IN NUMBER AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. HOWEVER, A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
4. Every member entitled to vote at the meeting, or on any resolution to be moved thereat, shall be entitled during the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the company, provided not less than three days' notice in writing of the intention so to inspect is given to the company.
5. The Share Transfer Books and Register of Members of the Company will remain closed from Monday, 21st September, 2015 to Saturday, 26th September, 2015 (both days inclusive).
6. A. Members holding shares in physical form are requested to notify/send the following to the Registrar & Transfer Agent (RTA) of the Company M/s Skyline Financial Services Pvt Ltd., D-153/A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi- 110 020; Phone No. 011-26812682-83:-
 - i) their bank account details in order to receive payment of dividend through electronic mode,
 - ii) their email id, in case the same have not been sent earlier, for the purpose of receiving the communication electronically,
 - iii) any change in their address/e-mail id/ECS mandate/ bank details, share certificate(s), held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholding into one account.B. Members holding shares in dematerialized form are requested to notify to their Depository Participant:
 - i) their email id.
 - ii) all changes with respect to their address, email id, ECS mandate and bank details.C. Kindly note that as per SEBI Circular CIR/MRD/DP/10/2013 dated March 21, 2013 it is mandatory for the company to print the bank account details of the investors in dividend payment instrument. Hence, you are requested to register/ update your correct bank account details with the Company/RTA/Depository Participant, as the case may be.
7. The Securities and Exchange Board of India has notified that the shareholders/ transferee of shares (including joint holders) holding shares in physical form are required to furnish a certified copy of their Income Tax Permanent Account Number (PAN) card to the Company / RTA while transacting in the securities market including transfer, transmission or any other corporate action. Accordingly, all the shareholders/ transferee of shares (including joint holders) in physical form are requested to furnish a certified copy of their PAN Card to the company/ RTA while transacting in the securities market including transfer, transmission or any other corporate action.
8. The shares of the Company are under compulsory Demat trading. Members holding shares in physical form are requested to convert their shares into dematerialized form in their own interest and convenience purpose.
9. In accordance with section 20 of the Companies Act, 2013 service of documents on members by a company is allowed through electronic mode. Accordingly, as a part of Green Initiative, soft copy of the Annual Report for the year ended March 31, 2015 has been sent to all the members whose email address(es) are registered with the Company/Depository Participant(s) unless any member has requested for a hard copy of the same. Further, in terms of SEBI Circular No. CIR/CFD/DIL/7/2011 dated 05.10.2011 the hard copies of Annual Report have been sent to all other members who have not registered their email address(es). Members, who have not yet registered their email address with the Company/RTA/Depository Participant, are

requested to do the same at the earliest by submitting duly filled in "e-Communication Registration Form" (available on our website "www.ajantasoya.com" in Investor Relation) to the Company/RTA. Members can also submit their form along with Attendance Slip at the Registration Counter at AGM. Members holding shares in dematerialized form are requested to register their email address with their Depository Participant only. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon receipt of request for the same, free of cost. The Notice of the 24th Annual General Meeting and the Annual Report for 2014-15 will also be available on the Company's website www.ajantasoya.com for download by the members. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during business hours.

10. The Shareholders/Proxies are requested to produce at the Registration Counter(s) the attendance slip duly completed and signed, for admission to the meeting hall. However, in case of non-receipt of Notice of Annual General Meeting, members are requested to write to the Company at its registered office for issuing the duplicate of the same or download the same from Company's website www.ajantasoya.com.
11. In case you have any query relating to the enclosed Annual Accounts you are requested to send the same to the Company Secretary at the Registered Office of the Company at least 10 days before the date of Annual General Meeting so as to enable the management to keep the information ready for replying at the meeting.
12. The information required to be provided under the Listing Agreement entered into by the Company with the Stock Exchanges regarding the Directors proposed to be reappointed are provided in the Report on Corporate Governance forming part of the Annual Report.
13. Details under Clause 49 of the Listing agreement with the Stock exchanges in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, is separately annexed hereto. The Directors seeking appointment/re-appointment have furnished the declaration under Rule 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014 as required under section 164(2) of the Companies Act, 2013.
14. All the documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days between 11.00 am to 1.00 pm up to the date of Annual General Meeting. The Register of Directors' and Key Managerial Personnel & their Shareholding and the Register of Contracts & Arrangements in which directors are interested shall be open for inspection at the meeting to any person having right to attend the meeting.
15. **Voting through electronic means:**

- i) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, a member may exercise his right to vote by electronic means (e-voting) in respect of the resolutions contained in this notice.
- ii) The Company is providing e-voting facility to its members to enable them to cast their votes electronically. The Company has engaged the services of National Securities Depository Limited as the Authorised Agency to provide e-voting facilities.
- iii) The Board of Directors have appointed Mr Debabrata Deb Nath, Company Secretary in Whole Time Practice, 785, Pocket-E, Mayur Vihar-II, Delhi-110 091 as the Scrutinizer, for conducting the e-voting process in a fair and transparent manner.
- iv) Members are requested to carefully read the instructions for e-voting before casting their vote.
- v) The e-voting facility will be available during the following voting period after which the portal will be blocked and shall not be available for e-voting :

Commencement of e-voting	From 9.00 a.m. (IST) on Wednesday, 23 rd September, 2015
End of e-voting	Upto 5.00 p.m. (IST) on Friday, 25 th September, 2015

- vi) The cut-off date (i.e. the record date) for the purpose of e-voting is 21st September, 2015.
- vii) Declaration of Result of e-voting:
 - a) The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date (i.e. the record date).
 - b) The Scrutinizer shall after the conclusion of e-voting period and before the closing of working hours on 26th September, 2015 unblock the votes in the presence of at least two (2) witnesses not in the employment of the

Company and will make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

- c) The Scrutinizer's decision on the validity of the vote shall be final and binding.
- d) The Results on resolutions shall be declared on or after the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolutions.
- e) The result declared along with the Scrutinizer's report shall be placed on the website of the Company (www.ajantasoya.com) within 3 (three) days of passing of the resolutions at the AGM and communicated to the Stock Exchanges where the Company shares are listed.

viii) The procedure and instructions for e-voting are given separately with this Annual Report.

EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

The Board of Directors of the Company had appointed Ms. Sushila Jain an Additional Director of the Company with effect from 28th March, 2015. In accordance with the provisions of Section 161 of Companies Act, 2013, Ms. Sushila Jain shall hold office up to the date of the forthcoming Annual General Meeting and is eligible to be appointed as an Independent Director for a term upto five years. The Company has received notice under Section 160 of the Companies Act, 2013 from Ms. Sushila Jain signifying her candidature as an Independent Director of the Company.

A brief profile of Ms. Sushila Jain, including nature of her expertise, is provided at Corporate Governance Report of this Annual Report.

The Company has received a declaration of independence from Ms Sushila Jain. In the opinion of the Board, Ms Sushila Jain fulfills the conditions specified in the Companies Act, 2013 and the Equity Listing Agreement, for appointment as Independent Director of the Company. A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of appointment of Independent Directors is available for inspection at the Registered Office of the Company during business hours on any working day and is also available on the website of the Company www.ajantasoya.com

None of the Directors or Key Managerial Personnel and their relatives, except Ms Sushila Jain, are concerned or interested (financially or otherwise) in this Resolution. The Board commends the Ordinary Resolution set out at Item no.4 for approval of the Members.

Item No. 5

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s K.G. Goyal & Associates, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ended 31st March, 2016. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the members of the Company. Accordingly, the members are requested to ratify the remuneration payable to the Cost Auditors for audit of cost records of the Company for the financial year 2015-16 as set out in the resolution for the aforesaid services to be rendered by them.

None of the Directors or Key Managerial Personnel of the Company (including relatives of Directors and Key Managerial Personnel) are in any way, whether financially or otherwise, concerned or interested, in the said resolution.

The Board of Directors recommend the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the members.

Regd. Office:

SP-916, Phase III, Industrial Area,
Bhiwadi, 301019,
Distt. Alwar, Rajasthan

By order of the Board
For **AJANTA SOYA LTD**

SUSHIL GOYAL
Managing Director
DIN: 00125275

Address:

House No. 42-A, Road No. 78, West Punjabi Bagh
New Delhi - 110 026

Date : 13th August, 2015

Place : New Delhi

DIRECTORS' REPORT

Dear Members,

The Directors hereby present their 24th Annual Report on the business and operations of the Company and the financial accounts for the year ended 31st March, 2015.

FINANCIAL HIGHLIGHTS

(Amount in Lacs)

Particulars	Financial Year ended	
	31 st March, 2015	31 st March, 2014
Revenue from operations	55,266.42	47,317.60
Other Income	190.51	157.89
Profit/(Loss) before Tax	224.74	192.28
Provision for Tax	(29.88)	52.40
Profit/(Loss) after Tax	254.62	139.88
Transfer to General Reserve	254.62	139.88
Reserves and surpluses	1119.54	1221.42
Earning per share	1.64	0.90

Company Performance

During the year under review total income of the Company was Rs.55,456.93 Lac as against Rs. 47,475.49 Lac in the previous year. The Company was able to earn profit for the year of Rs. 254.62 Lacs against a profit of Rs. 139.88 Lacs. Your Directors are putting in their best efforts to improve the performance of the Company.

Statement of Company's Affair

The Company is engaged in the business of manufacturing of VanasPati and Refined Oil with shortening products (bakery & biscuit). During the year company has produced 89472.406 MT of Vanaspati/Refined Oil as against 75441.978 MT in the previous year.

The most popular brands of Vanaspati/refined oil are "Dhruv" and "Anchal", both of which enjoy a considerable market share.

Detailed information on the operations of the Company and details on the state of affairs of the Company are covered in the Management Discussion and Analysis Report attached to this report.

Change in nature of Business of the Company

There has been no change in the nature of business of the Company.

Material Changes etc.

Save as mentioned elsewhere in this Report, no material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company-31st March, 2015 and the date of this Report.

Dividend

The Board of Directors of your Company has decided to retain and plough back the profits into the business of the Company, thus no dividend is being recommended for this year.

Share Capital

The paid up Equity Share Capital as on 31st March, 2015 was 15.50 crores. During the year under review, the Company has not issued any shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

Particulars of Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013

Pursuant to Section 134(3)(g) of the Companies Act, 2013 details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are provided in Notes 13, 15 and 37 to the Financial Statements.

Disclosure on Deposit under Chapter V

The Company has neither accepted nor renewed any deposits during the Financial Year 2014-15 in terms of Chapter V of the Companies Act, 2013.

Report on Subsidiaries, Associates and Joint Venture companies

The Company has no subsidiaries, associates and joint ventures companies.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Pursuant to provisions of Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 the details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are attached as **Annexure 1** which forms part of this report.

Listing

At present, the equity shares of the Company are listed at Bombay Stock Exchange Ltd. (BSE). The annual listing fees for the financial year 2015-16 to BSE has been paid.

Corporate Governance

Corporate Governance is the system by which corporate entities are directed and controlled. It provides the structure through which the company's objectives are set and provides the means of attaining those objectives and monitoring performance. It is the application of best management practices, compliance of law, adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for the sustainable development of all stakeholders. Ajanta Soya Limited be holds Corporate Governance measures as an integral part of business strategy which adds considerable internal and external values and contributes to the business growth in ethical perspective. Besides complying with the prescribed Corporate Governance practices as per Clause 49 of the Listing Agreement in terms of revised dispensation, the Company has voluntarily adopted various practices of governance confirming to highest ethical and responsible standard of business, globally benchmarked. Strong governance practices of the Company have been rewarded in terms of improved share valuations, stakeholder's confidence, improved market capitalization, high credit ratings and bagging of various awards for brands, stocks, environmental protection, etc.

A certificate from Auditors of the Company regarding compliance of the conditions of Corporate Governance, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is attached in the Corporate Governance Report and forms part of this Report.

Certificate of the CEO/CFO, inter-alia, confirming the correctness of the financial statements, compliance with Company's Code of Conduct, adequacy of the internal control measures and reporting of matters to the Audit Committee in terms of Clause 49 of the Listing Agreement with the Stock Exchanges, is attached in the Corporate Governance Report and forms part of this Report.

Directors

During the year Mr Babu Lal Jain and Mr Bishan Goyal resigned w.e.f 14th August, 2014 from the board due to their pre-occupation. The Board takes this opportunity to place its gratitude for services rendered by them.

In Pursuant to Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, one-third of such of the Directors as are liable to retire by rotation, shall retire every year and, if eligible, offer themselves for re-appointment at every AGM. Consequently, Mr Sushil Goyal, Managing Director will retire by rotation at the ensuing AGM, and being eligible, offer himself for re-appointment in accordance with the provisions of the Companies Act, 2013.

Pursuant to Section 149(1) of the Companies Act, 2013 the Board of Directors of the Company had on 28th March, 2015 appointed a Women Director Ms. Sushila Jain as Additional Director in the category of Non-Executive Independent Director. Ms. Sushila Jain shall hold office upto the date of the ensuing AGM of the Company and, being eligible, offer herself for re-appointment. The Company has also received a notice in writing from a member proposing her candidature for the office of Director along with a deposit of Rupees one lakh. She will not be subject to retirement by rotation, for a term of 5 (five) consecutive years commencing from the date of her appointment as an Additional Director in the Company i.e. 28th March, 2015.

The brief resume of the Directors being appointed/reappointed, the nature of their expertise in specific functional areas, names of companies in which they have held Directorships, Committee Memberships/ Chairmanships, their shareholding etc., are provided in the report on Corporate Governance forming part of the Annual Report.

Pursuant to the provisions under Section 134(3)(d) of the Companies Act, 2013, with respect to statement on declaration given by Independent Directors under Section 149(6) of the Act, the Board hereby confirms that all the Independent Directors of the Company have given a declaration and have confirmed that they meet the criteria of independence as provided in the said Section 149(6).

Key Managerial Personnel

The Key Managerial Personnel (KMP) in the Company as per Section 2(51) and 203 of the Companies Act, 2013 are as follows:

Name	Designation
Mr Sushil Goyal	Managing Director
Mr Abhey Goyal	Whole Time Director
Ms Priya Pandey*	Company Secretary
Mr Jai Gopal Sharma	Chief Financial Officer
Mr Kapil*	Company Secretary

*Resigned as Company Secretary w.e.f. May 19, 2015 and Mr Kapil was appointed as Company Secretary w.e.f. May 30, 2015.

During the year, Mr Sushil Goyal was re-appointed as Managing Director of the Company w.e.f. July 26, 2014. Mr Jai Gopal Sharma was appointed as Chief Financial Officer of the Company w.e.f. May 30, 2014.

Policy on Directors appointment and Policy on remuneration

Pursuant to the requirement under Section 134(3)(e) and Section 178(3) of the Companies Act, 2013, the policy on appointment of Board members including criteria for determining qualifications, positive attributes, independence of a Director and the policy on remuneration of Directors, KMP and other employees is attached as **Annexure 2** respectively, which forms part of this report.

Particulars of remuneration of Directors/ KMP/Employees

There are no employees who are in receipt of remuneration in excess of the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure 3** which forms part of this report.

Number of Meetings of the Board

During the Financial Year 2014-15, 12 (Twelve) number of Board meetings were held. For details there of kindly refer to the section Board of Directors in the Corporate Governance Report.

Performance Evaluation of the Board, its Committees and Individual Directors

Pursuant to applicable provisions of the Companies Act, 2013 and the Listing Agreement with Stock Exchanges, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and Individual Directors, including Independent Directors.

A structured questionnaire has been prepared, covering various aspects of the functioning of the Board and its Committee, such as, adequacy of the constitution and composition of the Board and its Committees, matters addressed in the Board and Committee meetings, processes followed at the meeting, Board's focus, regulatory compliances and Corporate Governance, etc. Similarly, for evaluation of Individual Director's performance, the questionnaire covers various aspects like his/her profile, contribution in Board and Committee meetings, execution and performance of specific duties, obligations, regulatory compliances and governance, etc.

Board members had submitted their response on a scale of 5(excellent) – 1 (poor) for evaluating the entire Board, respective Committees of which they are members and of their peer Board members, including Chairman of the Board.

The Independent Directors had met separately without the presence of Non-Independent Directors and the members of management and discussed, inter-alia, the performance of non-Independent Directors and Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of executive and Non-Executive Directors.

The Nomination and Remuneration Committee has also carried out evaluation of every Director's performance. The performance evaluation of all the Independent Directors have been done by the entire Board, excluding the Director being evaluated. On the basis of performance evaluation done by the Board, it shall be determined whether to extend or continue their term of appointment, whenever the respective term expires. The Directors expressed their satisfaction with the evaluation process.

Composition of Audit Committee

As on 31st March, 2015, the Audit Committee of the Company comprises the following directors:

Mr Harsh Chander Kansal–Chairman (Independent Director)

Mr Hemant Kumar Bansal-Member (Independent Director)

Mr Abhey Goyal- Member (Executive and Promoter Director)

Further, all recommendations of Audit Committee were accepted by the Board of Directors.

Statutory Auditors and their Report

The Auditors, M/s Tas Associates, Chartered Accountants, were appointed with your approval at the 23rd AGM to hold such office till the conclusion of the 26th AGM. The Board, in terms of Section 139 of the Act, on the recommendation of the Audit Committee, has recommended for the ratification of the Members the appointment of M/s Tas Associates from the conclusion of the ensuing AGM till the conclusion of the 26th AGM.

The Board, in terms of Section 142 of the Act, on the recommendation of the Audit Committee, has also recommended for the approval of the Members the remuneration of M/s Tas Associates for the financial year 2015-16.

There are no observations (including any qualification, reservation, adverse remark or disclaimer) of the Auditors in their Audit Report that may call for any explanation from the Directors. Further, the notes to accounts referred to in the Auditor's Report are self-explanatory.

Secretarial Auditors

Your Board, during the year, appointed M/s R & D Company Secretaries, to conduct secretarial audit of the Company for the financial year ended 31st March, 2015. The Report of M/s R & D Company Secretaries in terms of Section 204 of the Act is provided in the **Annexure 4** forming part of this Report.

Directors' Responsibility Statement

Pursuant to the provisions under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, the Directors confirm:

- a) That in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b) That they had selected such accounting policies and applied them consistently, and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) That they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) That they had prepared the annual accounts on a going concern basis;
- e) That they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) That they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Corporate Social Responsibility (CSR)

The Company does not come under the preview of Section 135 of the Companies Act, 2013 in relation to Corporate Social Responsibility.

Internal Financial Controls with reference to the financial statements

Details of internal financial control and its adequacy are included in the Management Discussion and Analysis Report, which forms part of this Report.

Risk Management Policy

The Company has adopted a Risk Management Policy in accordance with the provisions of the Act and Clause 49 of the Listing Agreement. It establishes various levels of accountability and overview within the Company, while vesting identified managers with responsibility for each significant risk.

The Internal Audit Department facilitates the execution of Risk Management Practices in the Company, in the areas of risk identification, assessment, monitoring, mitigation and reporting. Through this programme, each Function and Unit addresses opportunities and risks through a comprehensive approach aligned to the Company's objectives. The Company has laid down procedures to inform the Audit Committee as well as the Board of Directors about risk assessment and management procedures and status.

Sustainability is embedded in the Corporate Enterprise Risk Management programme, which gives an opportunity to increase the effectiveness of risk management practices and for improving business efficiency. The Company's social and environmental policies correlate strongly with the risk management strategy and ultimately the financial performance.