

Process
Engineering
Systems

Annual Report 2014-2015

AXTEL INDUSTRIES LIMITED

TWENTY THIRD ANNUAL REPORT 2014-2015

BOARD OF DIRECTORS	:	Shri Kirit Kumar Pathak, Non-Executive Director Shri Ajay Naishad Desai, Executive Director Shri Ajay Nalin Parikh, Executive Director Shri Hardip Singh Bubber, Non-Executive Director Shri Ajit Singh Bubber, Non-Executive Director Shri Ameet Nalin Parikh Non-Executive Director Shri Sandeep Lalwani, Independent Director Shri Nikhil Ramesh Parikh, Independent Director Smt. Anjali Harshvardhan Hegde, Independent Director
COMPANY SECRETARY	:	Mrs. Prerna Sudeep Bokil
AUDITORS	:	V. K. SHASTRI & CO., Chartered Accountants, Baroda
BANKERS	:	Bank of Baroda, Halol
REGISTERED OFFICE & WORKS	:	Plot No. 43 / 1, Village Nurpura, P.O. Baska, Taluka HALOL - 389 350, Dist: Panchmahals, Gujarat. Tel : [02676] 247900 Fax : [02676] 247125
Corporate Identification number(CIN)	:	L91110GJ1991PLC016185
E-mail address	:	info@axtelindia.com
website	:	www.axtelindia.com

NOTICE

NOTICE is hereby given that the twenty third annual general meeting of the members of AXTEL INDUSTRIES LIMITED will be held at 11.00 a.m. on Monday, the 31st August,2015 at the Registered Office of the Company situated at Plot No. 43/1, Village Nurpura, P.O. Baska, Tal. Halol - 389 350, Dist. Panchmahals, Gujarat to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2015 and the Profit & Loss Account of the Company for the year ended on that day together with the Directors' and Auditors' Reports thereon.

2. To appoint a Director in place of Shri Ameet Nalin Parikh (DIN 00007036), who retires by rotation and being eligible offers himself for re-appointment.

3. To appoint a Director in place of Shri Kirit Kumar Pathak (DIN 01849295), who retires by rotation and being eligible offers himself for re-appointment.

4. To Reappoint the Auditors of the Company and fix their remuneration.

SPECIAL BUSINESS :

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

   RESOLVED THAT pursuant to the provisions of section 149, 150, 152 and any other provisions applicable, if any, of the Companies Act,2013 and the rules made thereunder read with schedule IV of the Companies Act,2013, Shri Nikhil Ramesh Parikh (DIN 01868080) who ceases at the ensuing annual general meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company to hold office for five consecutive years up to 29th March,2020.

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

   RESOLVED THAT pursuant to the provisions of section 149, 150, 152 and any other provisions applicable, if any, of the Companies Act,2013 and the rules made thereunder read with schedule IV of the Companies Act,2013, Smt. Anjali Harshvardhan Hegde (DIN 01683723) who ceases at the ensuing annual general meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as Independent Director of the Company to hold office for five consecutive years up to 29th March,2020.

7. To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions:

   RESOLVED THAT pursuant to section 188(1) and other provisions, applicable if any, of the Companies Act, 2013, the Company do avail professional service from Tranzmute Capital & Management Private Ltd. a company incorporated under the Companies Act, 1956 having its registered office at Hoechst House, Ground Floor, Nariman Point, Mumbai-400 001 for a period of five years with effect from 1st October,2015 to enhance the Company's growth as under:

   i. Establish vision and a strategy for the Company

   ii. Establish a sound strategy for each of the enablers and for growth

   iii. Implementation and monitoring of the above strategies

   on a professional fee of Rs. 2,50,000 (Rupees Two Lac Fifty Thousand Only) per month and service tax and other taxes as applicable from time to time in addition to the said professional fee and re-imbursement of out of pocket expenses, which may be incurred by Tranzmute Capital & Management Private Ltd.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to enter into Memorandum of Understanding for a period of five years.

By the Order of the Board of Directors

Dated : 29.05.2015
Place : Registered Office :
Plot No.43/1, Village: Nurpura,
P.O. Baska, Tal. Halol - 389 350
Dist. Panchmahals, Gujarat

Ajay Naishad Desai
Executive Director
DIN: 00452821

NOTES:

1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL ONLY TO VOTE INSTEAD OF HIM. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. A PROXY FORM IS SENT HEREWITH.

   A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company.

   Proxy submitted on behalf of the companies, Societies etc. must be supported by an appropriate resolution/ authority as applicable.

2) Members should notify change in the address, if any, specifying full address in block letters with pin code of the post office.

3) Members seeking further information on the accounts or any other matter contained in the notice are requested to write to the Company at least 7 days before the meeting, so that relevant information can be kept ready at the meeting.

4) The register of members and share transfer book will remain closed from Monday, the 24th August, 2015 to Monday, the 31st August, 2015 [both days inclusive].

5) Members attending the meeting are requested to bring their copy of the Annual Report.

6) Pursuant to Section 72 of the Companies Act, 2013, members who hold shares in the physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest, to avail of the nomination facility by filing required form.

7) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number(PAN) by every participant in securities market. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agent.

8) Pursuant to Clause 47(f) of the Listing Agreement entered into with the Bombay Stock Exchange, the company has created an exclusive E-mail. Id : investors@axtelindia.com for quick redressal of shareholders/investors grievances.

9) In terms of the Circulars No. 17/2011 of 21st April, 2011 and 18/2011 of 29th April, 2011 issued by the Ministry of Corporate Affairs(MCA) as part of its "green initiative in Corporate Governance", MCA allows paperless compliances including service of a notice/document by companies to their members through electronic mode. Therefore as was done last year, the Company proposes to send documents required to be sent to the members like Notices of General Meetings (including AGM), Audited Financial Statements, Report of the Directors, Independent Auditor's Report etc to the members in electronic form to the e-mail IDs provided by them and made available to the Company by the Depositories. This will also ensure prompt receipt of communication and avoid loss in postal transit. These documents will also be available on the Company's website www.axtelindia.com for download by the Members. The physical copies of the annual report will be made available upon receipt of a requisition from the members, any time as a member of the Company.

10) In terms of Section 152 of the Companies Act, 2013, Shri Ameet Nalin Parikh (DIN 00007036) and Shri Kirit Kumar Pathak (DIN 01849295), Directors, retire by rotation at the meeting and being eligible, offer themselves for reappointment. Further, in terms of Section 160 of the Companies Act, 2013, Shri Nikhil Ramesh Parikh (DIN 01868080) and Smt. Anjali Harshvardhan Hegde(DIN 01683723) are proposed to be re-appointed as Independent Directors. The Board of Directors of the Company recommend their respective re-appointments. Brief resume of Directors including those proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Bombay Stock Exchange, are provided in the Board's Report forming part of the Annual Report.

11) Voting through electronic means : E-voting : Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Clause 35B of the Listing Agreement, the Company is pleased to provide E-voting facility through Central Depository Services (India) Limited (CDSL) as an alternative for all the members of the Company to enable them to cast their votes electronically. The instructions for E-voting are attached herewith.

12) The Board of Directors of the Company has appointed Dineshchandra Mangaldas Mehta of M/s.Dinesh Mehta & Co., Company Secretary in Practice as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.

13) Voting rights shall be reckoned on the paid up value of shares registered in the name of the member (in case of electronic shareholding) as on the cut-off date i.e 24th August, 2015.

14) A person, whose name is recorded in the register of members by the depositories as on the cut-off date, i.e. 24th August, 2015 only shall be entitled to avail the facility of e-voting / Poll.

15) The e-voting facility will be available during the following period: Commencement of e-voting : From 9.00 a.m. (IST) on 28th August, 2015

   End of e-voting : Up to 5.00 p.m. (IST) on 30th August, 2015

   The e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by (CDSL) upon expiry of aforesaid period.

16) The Scrutinizer, after scrutinising the votes cast at the meeting on poll and through e-voting will, not later than three days of conclusion of the meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results

declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.axtelindia.com and the results shall simultaneously be communicated to the Bombay Stock Exchange.

17) Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting.

18) Explanatory statement setting out all material facts concerning the special business u/s102 of the Companies Act, 2013 is annexed hereto :

The instructions for shareholders voting electronically are as under:

(i) The e-voting period begins From 9.00 a.m. (IST) on 28th August, 2015 and end e-voting at 5.00 p.m. (IST) on 30th August, 2015. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 24th August,2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non - Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Explanatory statement in respect of the special business u/s 102 of the Companies Act, 2013

Item No.5

Shri Nikhil Ramesh Parikh was appointed as Additional Non-Executive Independent Director of the Company with effect from 30th March,2015 at the meeting of the Board of Directors of the Company held on 30th March,2015. He is a member of Audit Committee and Nomination & Remuneration Committee of the Company. He is B.E.(Electrical) from Maharaja Sayajirao University of Vadodara. On graduation, he joined the family business called EEC group of companies manufacturing non destructive testing equipment and machines for the textile industry, import substitutes used for highly sensitive applications in the engineering industry, railways, nuclear energy equipment etc. He has varied and rich experience of over 34 years in engineering field.

Shri Nikhil Ramesh Parikh will cease to be Director under section 161(1) of the Companies Act,2013. at the ensuing AGM Your Company has received a notice under section 160(1) of the Companies Act,2013 from a member of the Company proposing to appoint Shri Nikhil Ramesh Parikh as an Independent Director of the Company.

In the opinion of the Board Shri Nikhil Ramesh Parikh fulfils the conditions specified in the Companies Act,2013 and Rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. A copy of the letter for appointment of Shri Nikhil Ramesh Parikh as an independent director setting out the terms and conditions would be available for inspection by members at the registered office of the company during normal business hours on any working day excluding Saturday and Sunday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to appoint him as Independent Director of your Company. Your Board recommends his appointment as Independent Director of your Company.

No Director, Key Managerial Personnel or their relatives, except Shri Nikhil Ramesh Parikh is directly or indirectly concerned or interested in the above resolution.

This statement may also be regarded as a disclosure under Clause 49 of the listing agreement with the Stock Exchange.

Item No.6

Smt. Anjali Harshvardhan Hegde was appointed as Additional Non-Executive Independent Director of the Company with effect from 30th March,2015 at the meeting of the Board of Directors of the Company held on 30th March,2015. She is a member of Nomination & Remuneration Committee of the Company. She is an MMS from Jamnalal Bajaj Institute of Management Studies, Bombay and a post graduate in Business Economics from M S University, Baroda. She is the CEO of Reprise Media, a full service digital agency of the IPG Mediabrands Group. With 24 years in the media and advertising industry, she has been in the digital industry from 1999. Prior to that, Anjali spent 6 years with Bennett Coleman & Company Ltd (The Times of India Group) as Response Head of Baroda, Gujarat. She is a life member of National Geographic Society and Heritage Society of India.

Smt. Anjali Harshvardhan Hegde will cease to be Director under section 161(1) of the Companies Act,2013 at the ensuing AGM. Your Company has received a notice under section 160(1) of the Companies Act,2013 from a member of the Company proposing to appoint Smt. Anjali Harshvardhan Hegde as an Independent Director of the Company.

In the opinion of the Board Smt. Anjali Harshvardhan Hegde fulfils the conditions specified in the Companies Act,2013 and Rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management. A copy of the letter for appointment of Smt. Anjali Harshvardhan Hegde as an independent director setting out the terms and conditions would be available for inspection by members at the registered office of the company during normal business hours on any working day excluding Saturday and Sunday.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to appoint her as Independent Director of your company. Your Board recommends her appointment as Independent Director of your Company.

No Director, Key Managerial Personnel or their relatives, except Smt. Anjali Harshvardhan Hegde is directly or indirectly concerned or interested in the above resolution.

This statement may also be regarded as a disclosure under Clause 49 of the listing agreement with the Stock Exchange.

Item No.7

Your Company has been availing professional services in connection with growth, value creation and financial security from Tranzmute Capital & Management Private Ltd. since 1st August,2012 as per the order of the Regional Director, North- Western Region, Ahmedabad under letter no. RD(NWR) / Sec.297/183/2011-12/1564 dated 9th August,2012 for a period of three years with effect from 01.08.2012 to 31.07.2015 on a professional fee of Rs.2,50,000 per month.

Your Company has made expansion under monitoring of Tranzmute Capital & Management Private Ltd. successfully within time.

Your Board proposes to avail the aforesaid professional services from Tranzmute Capital & Management Private Ltd. for a further period of five years for the interest of your Company.

Your Board recommends to approve the ordinary resolutions.

No Director, Key Managerial Personnel or their relatives, except Shri Ameet Nalin Parikh being Director of Tranzmute Capital & Management Private Ltd. and Shri Ajay Nalin Parikh being a relative of Shri Ameet Nalin Parikh is directly or indirectly concerned or interested in the above resolutions.

By the Order of the Board of Directors

Dated :29/05/2015
Place : Registered Office :
Plot No.43/1, Village: Nurpura,
P.O. Baska, Tal. Halol - 389 350
Dist. Panchmahals, Gujarat

Ajay Naishad Desai
Executive Director
DIN: 00452821

BOARD's REPORT

To,

The Members,

Your Directors have pleasure in presenting their 23rd Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2015.

1. Financial summary or highlights/Performance of the Company

The financial results for the year are as under: [Rupees in Lacs]

	Year ended 31.03.2015	Year ended 31.03.2014
Sales and other Income	4016.02	4833.64
Profit before depreciation	(400.41)	695.78
Less: Depreciation	388.61	279.82
Profit/(Loss) of the year	(789.02)	415.96
Less: Provision for tax of earlier year	1.39	84.87
Provision for deferred tax	(36.47)	54.71
Profit/(Loss) after taxation	(753.94)	276.38
Balance brought forward from previous year	1672.46	1396.08
Balance carried to balance sheet	918.52	1672.46

2. Dividend

Your Board does not recommend any dividend for the financial year 2014-15.

3. Reserves

Your Board does not propose to carry to any reserves for the financial year 2014-15.

4. Brief description of the Company's working during the year/State of Company's affair

Total turnover during the year 2014-15 decreased by Rs.820.90 lac (17.05%) compare to previous year 2013-14 and there is loss of Rs.753.94 lac (after tax) during the year 2014-15 against net profit of Rs.276.40 lac (after tax) in previous year 2013-14. Due to recession in domestic and international market sales has come down during the year 2014-15 and loss accordingly due to decrease in sales and depreciation and overhead expenses.

5. Change in the nature of business, if any

There is no change in the nature of business during the financial year 2014-15.

6. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

No material changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report.

7. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

No significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future during the financial year and or subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report.

8. Details in respect of adequacy of internal financial controls with reference to the Financial Statements.

The Company has appointed internal auditor for adequacy of internal financial controls and your Board has taken adequate care for financial control.

9. Details of Subsidiary/Joint Ventures/Associate Companies

Your Company has no Subsidiary/Joint Ventures/Associate Companies during the year.

10. Performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement.

Your Company has no Subsidiary/Joint Ventures/Associate Companies during the year.

11. Deposits

Your Company has not accepted any deposit during the year and there was no deposit at the beginning of the year. Therefore the details relating to deposits, covered under Chapter V of the Act is not applicable.

12. Statutory Auditors

M/s. V.K. Shastri & Co., Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for reappointment.

The Company has obtained a letter of consent and also a certificate under section 139 and 141 of the Companies Act, 2013 from the Auditors to the effect that, their appointment, if made would be within the limits prescribed in the said section.

13. Auditors' Report

The observations of the Auditors are explained, wherever necessary, in an appropriate notes to the Audited Statement of Accounts. No qualification, reservation or adverse remark or disclaimer has been made by the auditor in their auditors' report for the year 2014-15.

14. Share Capital

Your Company has allotted 61,55,000 equity shares of Rs.10 each for cash at par aggregating Rs.6,15,50,000 on preferential basis to entities of promoters' group during the financial year ended 31st March,2015.

During the year under review, the Company has not issued any other shares nor has granted any stock option or sweat equity.

15. Extract of the annual return

The extract of the annual return in Form No. MGT - 9 forming part of the Board's report is attached herewith as (Annexure-E)

16. Conservation of energy, technology absorption and foreign exchange earnings and outgo

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are attached herewith (Annexure-A)

17. Corporate Social Responsibility (CSR)

As net worth of the Company is below rupees five hundred crore or turnover is below rupees one thousand crore or a net profit is below rupees five crore during the preceding financial year ended on 31st March,2014, section 135 of the Companies Act,2013 is not applicable and therefore the Company has not spent any sum towards Corporate Social Responsibility during the financial year 2014-15.

18. Directors

A) Changes in Directors and Key Managerial Personnel

Your Company has appointed Smt. Anjali Harshavardhan Hedge (DIN - 01683723) and Shri Nikhil Ramesh Parikh (DIN - 01868080) as independent Directors during the year. Shri Neeraj Pathak, Alternate Director to Shri Kirit Kumar Pathak ceased to be Alternate Director on 6th January,2015.

Your Company has been received a notice under section 160(1) of the Companies Act,2013 from members of the Company proposing to appoint Smt. Anjali Harshvardhan Hegde and Shri Nikhil Ramesh Parikh as Independent Directors of the Company.

Your Company appointed Shri Vishal Sharma as Chief Financial Officer during the year. However due to his personal reason, he resigned as Chief Financial Officer with effect from 16th May,2015.

Your Company appointed Smt.Prerna Sudeep Bokil as Company Secretary during the year.

Shri Ameet Nalin Parikh and Shri Kirit Kumar Pathak retire by rotation at the ensuing annual general meeting and being eligible offered themselves for re-appointment as Directors.

B) Declaration by an Independent Director(s) and re- appointment, if any

A declaration by Shri Sandeep Gul Lalwani, Smt. Anjali Harshavardhan Hedge and Shri Nikhil Ramesh Parikh Independent Directors that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 have been given and the same have been displayed on Company's website.

The Board of Directors declare that the Independent Directors Shri Sandeep Gul Lalwani, Smt. Anjali Harshavardhan Hedge and Shri Nikhil Ramesh Parikh in the opinion of the Board are :

a) persons of integrity and they possess relevant expertise and experience;

b) not a promoter of the Company or its holding, subsidiary or associate company;

c) not related to promoters or directors of the company, or its holding, subsidiary or associate company;

d) have/had no pecuniary relationship with the company, its holding or subsidiary or associate company or promoters or directors of the said companies during the two immediately preceding financial years or during the current financial year;

e) none of their relatives have or had pecuniary relationship or transactions with the company, its holding, subsidiary or associate company or promoters or director of the said companies amounting to two percent or more of its gross turnover or total income or fifty lakh rupees whichever is lower during the two immediately preceding financial years or during the current financial year;

f) neither they or any of their relatives -

i. hold or have held the position of a key managerial personnel or are or have been employees of the Company or its holding, subsidiary, associate company in any of the three financial years immediately preceding the current financial year

ii. are or had been employee or proprietor or a partner in any of the three financial years immediately preceding the current financial year of

a) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company or

b) any legal or consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten percent or more of gross turnover of the said firm;

iii) do not hold together with their relatives two percent or more of the total voting power of the company or

iv) not a Chief Executive or director of any non-profit organization that receives twenty-five percent or more of its receipts from the company, any of the promoters or directors of the company or its holding, subsidiary or associate company or that holds two percent or more of the total voting powers of the company;

g) possess qualifications prescribed in Rule 5 of The Companies (Appointment and Qualification of Directors) Rules, 2014.

Smt. Anjali Harshavardhan Hedge and Shri Nikhil Ramesh Parikh are eligible for r-appointment at the ensuing annual general meeting.

Details of director seeking re-appointment as per clause 49 of listing agreement with the Bombay stock exchange is attached herewith (Annexure- F)

C) Formal Annual Evaluation

The Company has devised a policy for performance evaluation of Independent Directors, Board, Committees and individual Directors which includes criteria for performance evaluation of executive directors and non-executive directors.

In evaluating the suitability of individual Board members, the Committee may take into account factors, such as:

i. General understanding of the Company's business;

ii. Educational back ground and experience:

iii. Personal and professional ethics, integrity and values;

iv. Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

19. Number of meetings of the Board of Directors

During the year from 01st April, 2014 to 31st March, 2015 the Board of Directors met seven times on the following dates :

Sr	Date	Board Strength	No. of Directors Present
1	30-05-2014	7	4
2	04-06-2014	7	4
3	11-08-2014	7	4
4	12-11-2014	7	6
5	07-01-2015	7	3
6	13-02-2015	7	6
7	30-03-2015	7	4

20. Audit Committee

Audit Committee comprising of the following Directors of the Board re-constituted on 30.03.2015:

	Name of Director	Status
1	Shri Sandeep Gul Lalwani	Non-Executive Independent Director
2	Shri Nikhil Ramesh Parikh	Non-Executive Independent Director
3	Shri Ameet Nalin Parikh	Director

There was no occasion regarding non acceptance of any recommendation of the Audit Committee during the year.

21. Details of establishment of vigil mechanism for directors and employees

The Board has appointed the following persons as members of vigil committee:

1. Shri Ajay Naishad Desai
2. Shri Sandeep Gul Lalwani
3. Shri Ameet Nalin Parikh

The Company has framed a whistle blower policy in terms of listing agreement and the same may be accessed on the Company's website.

22. Nomination and Remuneration Committee

Nomination and Remuneration Committee comprising of the following Directors of the Board re-constituted on 30.03.2015:

	Name of Director	Status
1	Shri Sandeep Gul Lalwani	Non-Executive Independent Director
2	Shri Nikhil Ramesh Parikh	Non-Executive Independent Director
3	Mrs. Anjali Harshvardhan Hegde	Non-Executive Independent Director

The policy formulated by nomination and remuneration committee:

The terms of reference of the committee inter alia include succession planning for Board of Directors and Senior Management Employees, identifying and selection of candidates for appointment of Directors/Independent Directors based on certain laid down criteria, identifying potential individuals for appointment of Key Managerial personnel and other senior managerial position and review the performance of the Board of Directors and Senior Management personnel including Key managerial personnel based on certain criteria approved by the Board. While reviewing the performance, the committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talents, remuneration commensurate with the performance of individual and group and also maintains a balance between both short and long term objectives of the company.

The Committee met on 12/11/2014 and 30/03/2015 during the year.

23. Particulars of loans, guarantees or investments under section 186

The Company has not given any loan, guarantees or investments under section 186 to any person or body corporate except loan to employees of the Company as per Company's policy for employees.

24. Particulars of contracts or arrangements with related parties:

The Company has not entered into any contract or arrangement with related party referred to in sub-section (1) of section 188 of the Companies Act, 2013 except contract with Tranzmute Capital & Management Private Limited to avail professional services, which has been approved by the Regional Director, North- Western Region, Ahmedabad under letter no. RD(NWR) / Sec.297/183/2011-12/1564 dated 9th August,2012 for a period of three years with effect from 01.08.2012 to 31.07.2015. Form No. AOC -2 regarding transactions under section 188 of the Companies Act, 2013 is enclosed herewith (Annexure-B).

25. Managerial Remuneration:

Disclosures pursuant to section 197(12) of the Companies Act,2013 read with Rule 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are enclosed herewith (Annexure-C).

26. Secretarial Audit Report

The Secretarial Audit Report pursuant to section 204(1) of the Companies Act,2013 given by M/s. Dinesh Mehta & Co., a company secretary in practice enclosed herewith (Annexure-D).