

BHARAT AGRI FERT & REALTY LTD.



**30th ANNUAL REPORT
(2014 - 2015)**

Corporate Informations

BOARD OF DIRECTORS

Shri Yogendra D. Patel
Chairman & Managing Director
Smt. Anjni Y. Patel
Whole Time Director
Ms. Chandni Y. Patel
Whole Time Director
Shri Vijal Y. Patel
Whole Time Director
Shri K. N. Jethwa
Whole Time Director
Shri Suresh M. Bhadrecha
Director
Shri Shirish P. Gajendragadkar
Director
Shri Pradyumna J. Bapat
Director
Shri Ramesh J. Vekaria
Director
Shri Yogesh S. Rathod
Director

C.E.O.

Shri Shailendra D. Patel

COMPANY SECRETARY

Shri A. J. Chakote

STATUTORY AUDITORS

M/s. Desai Saksena & Associates
Chartered Accountants

BANKERS

Bank of Baroda

REGISTERED OFFICE

Bharat Fertiliser House,
12, Nanabhai Lane,
Fort,
Mumbai – 400 023
Tel.No.(022)22835547
Website : www.bharatrealty.co.in

REGISTRARS & SHARE TRANSFER AGENT

M/s. Link Intime (India) Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West)
Mumbai – 400 078

CORPORATE OFFICE

301, 3rd Floor, Hubtown Solaris
N. S. Phadke Marg, Near East West Flyover
Andheri (East) Mumbai – 400 069
Tel. No.(022)61980100/26820498/90/91
CIN No. L24100MH1985PLC036547

SITE OFFICE

Shiv Sai Paradise, 'C' Mayfair Gr. Floor,
Opp. URCT, Majiwada, Thane (West) - 400601

PLANT

Kharivali Village
Taluka : Wada
Dist : Palghar.

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<u>ANNUAL GENERAL MEETING</u> Date : Friday 25 th September, 2015 Time : 3.30 P.M. Venue : Sardar Patel Baug, Shri Vile Parle Patidar Mandal, Parleshwar Road, Vile Parle (East), Mumbai – 400 057.	<u>BOOK CLOSURE :</u> 16 th September, 2015 To 25 th September, 2015 (Both Days Inclusive)
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NOTICE TO THE MEMBERS

NOTICE is hereby given that the 30th Annual General Meeting of the Members of **BHARAT AGRI FERT & REALTY LIMITED** will be held on Friday, 25th September, 2015, at 3.30 P.M. at Sardar Patel Baug, Shri Vile Parle Patidar Mandal, Parleshwar Road, Vile Parle (East), Mumbai - 400 057 to transact, with or without modification(s) the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statements of the Company which includes the Audited Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss for the year ended as on that date and Cash Flow statement together with Reports of the Board of Directors and Statutory Auditors thereon.
2. To declare Dividend on Equity Shares for the year ended 31st March, 2015.
3. To appoint a Director in Place of Shri K. N. Jethwa (DIN NO: 00107034), who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and, if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 139, 142 and all other relevant provisions of the Companies Act, 2013 and the Rules made thereunder, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the appointment of M/s. Desai Saksena & Associates, Chartered Accountants, Mumbai (Firm Registration Number 102358W with the Institute of Chartered Accountants of India), as Statutory Auditors of the Company, by resolution passed at the 29th AGM until the conclusion of the 33rd AGM be and is hereby ratified for the balance term and accordingly they continue from the conclusion of the 30th AGM until the conclusion of the 33rd AGM on such remuneration as may be agreed upon by the Audit Committee/ Board of Directors in consultation with the Auditors."

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s S. R. Singh, Cost Accountants (Firm Registration No 101398) appointed by the Audit Committee/ Board of Directors to conduct the audit of the cost records of the Company's be paid a remuneration for the financial year ending 31st March, 2016 of Rs. 75,000/- p.a. plus service tax as applicable and out of pocket expenses as may be incurred by them in connection with the aforesaid audit.
6. To consider and if thought fit to pass with or without modifications the following resolution as a **Special Resolution**:
"RESOLVED THAT pursuant to the provisions of Section 14 and all applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) and re-enactment thereof, for the time being in force), the existing Articles of Association of the Company be and are hereby replaced with the new Articles of Association placed before the members at this meeting and initialed by the Company Secretary for the sake of identification, and the New Articles of Association be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.
"RESOLVED FURTHER THAT the Board of Directors of the Company or any other Committee thereof be and is hereby authorized to do all acts, deeds, matter and things and take all such steps as may be necessary, proper or expedient to give effect to the resolution."

By order of the Board
For Bharat Agri Fert & Realty Ltd.

Registered Office:

Bharat Fertiliser House,
12, Nanabhai Lane, Fort, Mumbai 400 023.
Dated: 28th May, 2015

A. J. Chakote
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF/HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

THE INSTRUMENT APPOINTING THE PROXY, DULY COMPLETED, MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM FOR THE AGM IS ENCLOSED.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten

percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent 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 a proxy for any other person or shareholder.

2. The business set out in the notice may be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 24 The Company will also send communication relating to remote e-voting which inter alia would contain details about User ID and password along with a copy of this Notice to the members separately.
3. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed hereto.
4. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.
6. A statement giving the details of the Directors seeking re-appointment, nature of their expertise in specific functional areas, names of the companies in which they hold directorships, memberships / chairmanships for Board / Committees, shareholding and relationship between Directors inter-se as stipulated in Clause 49 of the Listing Agreement with Stock Exchange, are provided in the Annexure.
7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
8. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday 16th September., 2015. to Friday 25th September, 2015. (both days inclusive).
9. The dividend on Equity Shares, if any, as recommended by the Board of Directors of the Company, when approved at the Annual General Meeting of the Company will be paid on or after 30th September, 2015 to those members:
 - (a) whose names appear as members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company / Registrar and Transfer Agent on or before 15th September, 2015; and
 - (b) whose names appear as Beneficial Owners in the list of Beneficial Owners on 15th September, 2015 furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.
10. 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 electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Registrar / Company.
11. Members desirous of seeking any information concerning the Accounts of the Company are requested to address their queries in writing to the Company at least seven days before the date of the meeting so that the requested information can be made available at the time of the meeting.
12. Members / Proxies are requested to please bring their copies of the Annual Report to the meeting since copies of the Annual Report will not be distributed at the meeting.
13. The shares of the Company are listed on BSE Limited, Mumbai.
14. In view of Circular issued by the SEBI for appointing common agency for both the modes of transfers i.e. physical as well as Demat, the Company has already appointed M/s. Link Intime (India) Pvt. Ltd. as Registrar & Transfer Agent for both the modes of transfer i.e. physical as well as Demat. Members are therefore requested to send their grievances to them for early disposal at the address given below.

M/S. LINK INTIME (INDIA) PRIVATE LIMITED
[Unit: BHARAT AGRI FERT & REALTY LIMITED]
C-1,3, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (West), Mumbai - 400 078.
Phone: 022-25946970; Fax: 022-25946969.
Email: rnt.helpdesk@linkintime.co.in; URL: www.linkintime.co.in
15. Members holding Shares in physical form are requested to notify immediately any change in their address with PIN CODE to the Registrar and Transfer Agent of the Company at the address given below AND in case their shares are held in Demat, this information should be passed on directly to their respective Depository Participants and not to the Company.
16. (a) Members are informed that in order to avoid fraudulent encashment of dividend warrants they should send to the Registrar and Transfer Agent of the Company at the address given above under the signature of the Sole/First Joint holder the information relating to Name and Address of the Banker along with the Pin Code Number and Bank Account Number to print on the Dividend Warrants.
(b) Members desirous of availing the facility of Electronic Credit of Dividend are requested to send ECS mandate to the Registrar and Transfer Agent of the Company at the address given above.
(c) Members holding shares in dematerialized form and desirous to change or correct the bank account details should

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send the same immediately to the concerned Depository Participant. Members are also requested to give IFSC code and MICR Code to the Depository Participant.

17. All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours except public holidays between 11.00 a.m. and 1.00 p.m. upto the date of the AGM.
18. Members/Proxies holding their Shares in physical mode are requested to fill the enclosed attendance slip and handover the same at the entrance with signature. In the absence thereof, they may not be admitted to the meeting venue.
19. Members who are holding shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification at the meeting.
20. In all correspondence with the Company, members are requested to quote their Folio No. and in case their shares are held in demat form, they must quote their Client ID and DP ID numbers.
21. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to update your email address with the Depository Participant to enable us to send you the quarterly reports and other communications via email.
22. Pursuant to Section 205A(5) of the Companies Act, 1956, the unpaid dividend that are due for transfer to the Investor Education and Protection Fund are as follows :

Sr. No.	Year ended	Date of Declaration	Due date of transfer to IEPF
1	31.03.2012	24.07.2012	30.08.2019
2	31.03.2013	22.10.2012	28.11.2019
3	31.03.2013	16.08.2013	22.09.2020
4	31.03.2014	24.10.2013	30.11.2020
5	31.03.2014	11.09.2014	17.10.2021

Members who have not encashed the dividend warrant(s) so far in respect of the above financial years, are therefore, requested to make their claim to the Registrar of the Company or the Company at the Registered Office, with full details.

23. The brief profile of the Director retiring by rotation and eligible for re-appointment by Clause 49 (VIII) (E) of the Listing Agreement with the Stock Exchange is given below and forms part of the notice:

Sr.	Nature of Information	Item No. 3 of Notice
1	Name	Shri Kantilal N. Jethwa
2	Date of Birth	02/12/1944
3	Date of Appointment	03/07/1997
4	Nature if experience in specific Functional Area	Operation Executive of Fertiliser & Realty Division
5	Directorships in other Companies	Wada Alums & Acids Private Limited.
6	Member of Committee of the Board in other Companies	None
7	No. of shares held in the Company	3770 Equity shares of Rs. 10/- each

24. Voting through electronic means:
 - (i) Pursuant to Section 108 of the Companies Act, 2013, (Companies Management & Administration) Rules, 2014, as amended from time to time, the Company is pleased to provide its members the facility of remote e-voting (i.e., e-voting from a place other than venue of AGM) to exercise their right to vote at the 30th Annual General meeting (AGM). The business may be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL).
 - (ii) The facility for voting, either through electronic voting system or through ballot/polling paper shall also be made available at the venue of 30th AGM. The members attending the meeting, who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at AGM.
 - (iii) The Board of Directors has appointed Shri. Prabhat Maheshwari, Partner GMJ & Associates, Company Secretaries, Mumbai as the Scrutinizer for conducting the remote e-voting and voting process at AGM in a fair and transparent manner.
 - (iv) Voting rights shall be reckoned on the paid up value of shares registered in the name of the members/ beneficial owner (in case of electronic shareholding) as on cut-off date i.e., 18th September, 2015.
 - (v) A person, whose name is recorded in the register of members or in register of beneficial owners maintained by the depositories as on the cut-off date, i.e., 18th September, 2015 only shall be entitled to avail the facility of e-voting / remote e-voting.
 - (vi) Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e., 18th September, 2015, may obtain the User ID and password from LINK INTIME (INDIA) PRIVATE LIMITED (Registrar & Transfer Agents of the Company.)
 - (vii) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e., 25th September, 2015.

The instructions for members for voting electronically are as under:-

- (i) The voting period begins on Monday the 21st September, 2015 at 10.00 a.m and ends on Thursday, the 24th September, 2015 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on cut-off date i.e., 18th September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL after 5.00 p.m on 24th September, 2015.
- (ii) Log on to the e-voting website www.evotingindia.com
- (iii) Click on "Shareholders" tab.
- (iv) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (v) 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.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) 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.
- (viii) 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 Address Sticker.
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.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folionumber in the Dividend Bank details field.

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then reach directly 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Bharat Agri Fert & Realty Ltd.> on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Note for Non – Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to

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helpdesk.evoting@cdslindia.com.

- After receiving the login details they have to create a user who would be able to link the account(s) 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.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xx) 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

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013:

The Following statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice.

Item No. 5:

The Board, on the recommendation of the Audit Committee, has approved the appointment of the Cost Auditor, M/s. S. R. Singh, Cost Accountants, Cost Accountants to conduct the audit of the cost records of the Company at Rs. 75,000/- plus service tax as applicable to be paid as remuneration for the financial year ending 31st March, 2016.

In terms of the provisions of Section 148 of the Act read with the Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2016.

None of the Directors / Key Managerial Personnel of the Company / their relatives is / are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.5 of the Notice.

Item No. 6:

The existing Articles of Association ("AOA") of the Company are based on Companies Act, 1956 and several regulations in the existing Articles contain reference to specific sections of the Companies Act, 1956. Some regulations in the existing AOA are no longer in conformity with the provisions of the Companies Act, 2013 ("the Act").

With the enactment of the Act, several regulations of the existing AOA of the Company require alteration and/or deletion. Given this position, it is considered expedient to wholly replace the existing AOA by a new set of AOA.

A copy of the draft new set of AOA is available for inspection by the members at the Registered office of the Company on all working days (except Sundays and public holidays) between 11.00a.m. to 01.00 p.m. up to the date of Annual General Meeting for perusal by the shareholders.

None of the Directors and/or, Key Managerial Personnel of the Company and their relatives, is in any way, concerned or interested in the said resolution.

The Board of Directors recommends the Special Resolution set out in Item No.6 of the accompanying Notice for the approval of the members of the Company.

By Order of the Board
Bharat Agri Fert & Realty Ltd.

Registered Office:

Bharat Fertiliser House,
12, Nanabhai Lane, Fort, Mumbai 400 02.

Dated: 28th May, 2015

A.J. Chakote
Company Secretary

BHARAT AGRI FERT & REALTY LTD.

DIRECTORS REPORT TO MEMBERS

Your Directors have great pleasure in presenting the 30th Annual Report along with the Audited Statement of Accounts for the year ended 31st March, 2015.

FINANCIAL RESULTS

(Rs. in Lacs)

Particular	2014-15	2013-14
Sales and other Income (Gross)	5850.99	7918.06
Profit / (Loss) before tax and appropriation	1219.59	2680.50
Profit / (Loss) after tax	939.62	2099.42
Balance brought forward	5238.67	3504.39
Balance available for appropriation	6178.29	5603.81
<u>Appropriations</u>		
Interim Dividend 10%	0.00	52.86
Proposed Final Dividend 15%	79.28	79.28
Tax on Dividends (Interim & Proposed)	15.85	23.07
General Reserve	93.96	209.94
Balance Carried To Balance Sheet	5989.19	5238.67

OPERATIONAL REVIEW & STATE OF COMPANY'S AFFAIRS :

a) Fertilizer Division:-

The Company has produced 38287.000 M.T. SSP during the year and sold 33223.000 M.T. SSP during the year ended 31st March, 2015. The realization from Fertilisers was low as market flooded with inventories by suppliers. The Company organized Dealers Conference to boost marketing of Fertilisers and has planned production and sale of 75,000 MT SSP Fertiliser during 2015-2016. However this could be improved depending upon favourable monsoon during the current year.

b) Realty Division:-

The Company has started construction of Phase II project with one Tower i.e. "F' wing- OXFORD" & work is completed up to 80% including finishing work. The balance work will be positively completed in next 6 months. TDR Policy was not announced by State Government hence the company had to purchase TDR with approval of authorities concerned. The 'F' Tower work is in progress & Phase II Towers G/H/I will be completed in next 3/4 years. The Company has started developing its surplus land for construction of ANCHAVIYO Boutique Resort for Guests, Corporates, Banks & Business House for Spiritual, Cultural programs on commercial basis.

c) Agriculture Division:-

The Scope for Agricultural Division being limited and as such the company has shifted to land development for more remunerative use.

DIVIDEND:

Your Board is pleased to recommend for approval of the Members, at its 30th Annual General Meeting payment of Dividend of Rs. 1.50 paise (15%) per Equity Share for the financial year ended 31st March, 2015. If approved at the forthcoming Annual General Meeting, it will result in an outflow of Rs. 79.28 Lacs to the Members of the Company, coupled with Rs. 15.85 Lacs as dividend distribution tax.

RESERVES:

Your Directors propose to transfer Rs 93.96 lacs to the General Reserve Account. An amount of Rs 5989.19 lacs is proposed to be retained in the Statement of Profit & Loss.

SHARE CAPITAL OF THE COMPANY:

The Paid up Equity Share Capital, as at 31st March, 2015 was Rs. 5,28,55,110/- divided into 52,85,511 Equity shares, having face value of 10/- each fully paid up. During the year under review, the Company has not issued any shares nor granted any stock options nor sweat equity.

SUBSIDIARIES, ASSOCIATE COMPANIES & JOINT VENTURES:

The Company does not have any subsidiary, associate companies & joint ventures.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

During the year the Company has constituted a "Corporate Social Responsibility" (CSR) Committee. As part of its initiatives

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under CSR, the company has contributed funds for activities like distributing books, educational material, holding seminars for educational purpose, arranged food for needy children and also arranged for various development activities benefiting children. The contributions in this regard have been made to the registered trust which is undertaking these activities.

The Annual Report on CSR activities is annexed herewith as: **Annexure 'A'**.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined by the Audit Committee. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the Chairman & Managing Director of the Company.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Based on the report of internal audit function, the Company undertakes corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS:

The Company adheres to the requirements set out by the Securities and Exchange Board of India's Corporate Governance practices and have implemented all the stipulations prescribed. The Company has implemented several best corporate governance practices.

The Corporate Governance and Management Discussion & Analysis Report, which form an integral part of this Report, are set out as separate Annexures, together with the Certificate from the Auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

RELATED PARTY TRANSACTIONS:

The details of related party disclosure and transactions as prescribed in Form AOC-2 are given in the Note No. 38 of Notes on Financial Statements. All the transactions are done at arm's length and pertain to FY 2014-15 period only and as approved by Board of Directors on recommendation of Audit Committee.

The disclosure in Form AOC-2 is given as per **Annexure 'B'**. Further, there are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

All related party transactions are placed before the Audit Committee and also before the Board for their approval in accordance with the Policy on Related Party Transactions formulated by the Board of Directors of the Company and has been posted on the website of the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Number of meetings of the board of directors:

The details of the number of meetings of the Board held during the Financial Year 2014-15 forms a part of the Corporate Governance Report.

Directors:

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Shri K. N. Jethwa, Whole Time Director retires by rotation and being eligible offers himself for re-appointment.

Statement on declaration given by Independent Directors:

The Independent Directors have submitted the declaration of independence, as required pursuant section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence provided in sub-section(6).

Board evaluation:

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an evaluation after taking into consideration various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, remuneration, obligations and governance.

The performance evaluation of the Independent Directors was completed. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

Appointment of KMP:

The Board of Directors had on the recommendation of the Nomination and Remuneration committee appointed Mrs. Vidya Pradeep Gidde as CFO effective from 12th March, 2015.

During the year under review, the Company has designated the following persons as the Key Managerial Personnel.

Sr. No.	Name of the Person	Designation
1.	Mr. Yogendra Dahyabhai Patel	Chairman & Managing Director
2.	Mr. Arvind Jaykumar Chakote	Company Secretary
3.	Mrs. Vidya Pradeep Gidde	Chief Financial Officer

DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134 of the Companies Act, 2013:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b) the Directors 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) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis;
- e) the Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS AND AUDITOR'S REPORT:**Statutory Auditor:**

M/s. Desai Saksena & Associates, Chartered Accountants, (Firm Registration No.102358W) were appointed as the Statutory Auditors of the Company at the AGM held on 11th September, 2014 to hold office till the conclusion of the fourth consecutive AGM, are recommended for ratification of appointment for the financial year 2015 -2016. As required under the provisions of section 139 & 142 of the Companies Act, 2013, the Company has obtained written confirmation from M/s Desai Saksena & Associates that their appointment, if made, would be in conformity with the limits specified in said Section.

Secretarial Audit:

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, the company has appointed M/s. GMJ & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as **Annexure 'C'** and forms an integral part to this Report.

Cost Audit:

As per the requirement of the Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your company has been carrying out audit of the cost records.

The Board of Directors, on the recommendation of the Audit Committee, has appointed M/s. S R Singh & Co., Cost Accountants as the Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year 2015-16 at a remuneration of Rs. 75,000/- p.a. plus service tax as applicable and out of pocket expenses. As required under the Companies Act, 2013, a resolution seeking member's approval for remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting.

Auditor's observations:

There were no audit qualifications in the Statutory Auditors report as well as the Secretarial audit Report for the financial year 2014-2015 as annexed to this Annual Report.

DISCLOSURE:**Audit Committee:**

In accordance with the provisions of the Listing Agreement and Corporate Governance, the Company has constituted an Audit Committee comprising of 2 Independent Directors & 1 Executive Director. The Audit Committee acts in accordance with the terms of reference specified from time to time by the Board. The details of the terms of Audit Committee and other details are explained in the Corporate Governance Report.

Nomination & Remuneration Committee & its Policy:

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The policy lays down the criteria for selection and appointment of Board Members. The details of the policy are explained in the Corporate Governance Report.

Risk Management Policy:

During the year, your Directors have constituted a Risk Management Committee which has been entrusted with the responsibility to assist the Board (a) to ensure that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e. to ensure adequate systems for risk management (b) to establish a framework for the company's risk management process and to ensure its implementation (c) to enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices and (d) to assure business growth with financial stability.

A Risk Management Policy was reviewed and approved by the Committee.

Vigil Mechanism/Whistle Blower Policy:

The Company has a Vigil Mechanism / Whistle Blower policy to report genuine concerns, grievances, frauds and