



**29<sup>th</sup>**  
**Annual Report**  
**2012-2013**

**CALS REFINERIES LIMITED**

**BOARD OF DIRECTORS**

|                                    |   |                                      |
|------------------------------------|---|--------------------------------------|
| Mr. Deep Kumar Rastogi             | : | Executive Chairman                   |
| Mr. D. Sundararajan                | : | Managing Director                    |
| Mr. Alexander Walter Schweickhardt | : | Director                             |
| Mr. Sameer Rajpal                  | : | Director                             |
| Mr. Sarvesh Kumar Goorha           | : | Director (Resigned on May 25, 2013)  |
| Mr. R. Rajagopalan                 | : | Director (Appointed on May 30, 2013) |

**COMPANY SECRETARY &  
COMPLIANCE OFFICER**

Mr. Suvindra Kumar

**BANKERS**

Axis Bank Limited

**AUDITORS**

M/s Kanu Doshi Associates, Mumbai

**REGISTERED OFFICE**

21 Basant Lok Complex,  
Vasant Vihar, New Delhi- 110 057.

**REGISTRAR & SHARE TRANSFER AGENTS**

MCS Limited  
F-65, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-1,  
New Delhi-110 020.

**LISTING OF SECURITIES**

The Bombay Stock Exchange,  
Phiroze Jeejeebhoy Towers,  
25<sup>th</sup> Floor, Dalal Street,  
Mumbai- 400 001

Luxembourg Stock Exchange (GDR),  
11, Avenue De La Porte- Neuve,  
L-2227, Luxembourg.

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## NOTICE



**NOTICE** is hereby given that the Twenty Ninth Annual General Meeting of the members of Cals Refineries Limited will be held on Friday, September 27, 2013 at 10.30 a.m. at Executive Club, Dolly Farms & Resorts, 439, Village Shahurpur, P.O, Fatehpur Beri, New Delhi- 110 074, to transact the following businesses:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as on March 31, 2013 and Statement of Profit and Loss for the year ended on that date together with the reports of Director's and Auditor's thereon.
2. To reappoint Mr. D. Sundararajan who retires by rotation and being eligible offers himself for reappointment.
3. To reappoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS

4. To consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions, inter alia, of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force, Mr. R. Rajagopalan be and is hereby appointed Director of the Company liable to retire by rotation."

By Order of the Board of Directors

Place : New Delhi  
Date : July 9, 2013

(Suvindra Kumar)  
Company Secretary

### NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING MAY APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY AT 21 BASANT LOK COMPLEX, VASANT VIHAR, NEW DELHI - 110 057 NOT LESS THAN 48 HOURS BEFORE THIS ANNUAL GENERAL MEETING. A FORM OF PROXY IS GIVEN AT THE END OF THIS ANNUAL REPORT.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 20, 2013 to Friday September 27, 2013 (both days inclusive).
3. The members are requested to:
  - a. bring their copy of Annual report at the Annual General Meeting.
  - b. bring the attendance slip duly filled in for attending the Meeting.
  - c. I **In case shares are held in physical form:** notify immediately the change of address, if any, to the Company at 21 Basant Lok Complex, Vasant Vihar, New Delhi - 110 057 or to the Registrar and Share Transfer Agent of the Company, MCS Limited,

F-65, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase I, New Delhi-110 020 quoting their folio number.

- II **In case shares are held in dematerialized form:** notify to their depository participants, change/correction in their address/bank account particulars etc. as the Company uses the information provided by Depositories in respect of shares held in dematerialized form.

- d. send, in case of those members who have multiple accounts in identical names or joint names in same order, all the share certificates to the Registrar and Share Transfer Agent of the Company, MCS Limited at the aforesaid address for consolidation of all such shareholdings into one account to facilitate better service.
4. All the documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on all days except Saturday, Sunday and Public holidays up to the date of the Annual General Meeting.
  5. Brief profile of Directors seeking appointment/reappointment at the forthcoming Annual General Meeting are disclosed hereunder as required in Clause 49 of the Listing Agreement.

### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

#### Item No. 4

The Board of Directors of the Company (the Board), had, at its meeting held on May 30, 2013 co-opted, pursuant to the provisions of Section 260 of the Companies Act, 1956 (the Act) and Article 85 of the Articles of Association of the Company, Mr. R. Rajagopalan as an Additional Director of the Company.

In terms of the provisions of Section 260 of the Act, Mr. R. Rajagopalan would hold office up to the date of next General Meeting.

The Company has received a notice in writing from a member along with a deposit of ₹500/- proposing the candidature of Mr. R. Rajagopalan for the office of Director of the Company, under the provisions of Section 257 of the Act.

Mr. R. Rajagopalan is a Post Graduate in Science and an Associate Member of Institute of Bankers, besides being a qualified Cost Accountant. He has banking experience of over 36 years with Punjab National Bank. During his tenure with the bank, he has held various positions and headed many large corporate branches contributing to growth of business, before retiring as General Manager of the bank in 2013. He does not hold any other directorship.

The Board of Directors accordingly recommends the resolution set out at Item No. 4 of the accompanying Notice for the approval of the Members.

None of the Directors except Mr. R. Rajagopalan is, in any way, concerned or interested in the said resolution.

By Order of the Board of Directors

Place : New Delhi  
Date : July 9, 2013

(Suvindra Kumar)  
Company Secretary

**NOTES ON DIRECTORS SEEKING APPOINTMENT/  
REAPPOINTMENT AS REQUIRED UNDER CLAUSE 49VI(A)  
OF THE LISTING AGREEMENT ENTERED INTO WITH THE  
STOCK EXCHANGE**

At the ensuing Annual General Meeting, Mr. D. Sundararajan retires by rotation and being eligible, offers himself for reappointment and Mr. R. Rajagopalan will be appointed as a director of the Company.

**Mr. D. Sundararajan** brings with himself an impressive repository of knowledge. His key responsibilities include identifying new business opportunities, negotiating contracts for joint ventures, attracting potential investors and laying the foundation for a sustainable growth path for the Refinery project.

Mr. Sundararajan started his career in Chennai in Small & Medium Enterprises and has since worked with major public & private institutions for more than 37 years. After a successful stint in Canara Bank he joined private sector in 1991. He has significantly performed outside the traditional role of CFO in organizations like Prag Bosimi Synthetics Ltd., ABG Infralogistics Ltd., ABG Shipyard Ltd., Fasel Ltd., and the Braj Binani Group. Mr. Sundararajan has been highly influential in introducing best practices into his organization and has been effective in resource mobilization and its deployment. He has achieved several significant milestones in his career that include handling premium IPOs, implementing ERP, successfully turning around

companies, enhancing investor relations and much more. Actively participated and led merger and acquisition activities and structured functional integration process at Idea Cellular Ltd. Mr. Sundararajan has significantly contributed in launch of mobile telephony in Gujarat for one of the operators and turning it to be a market leader in that State. He has helped a leading private life insurance company to set up business in 3 Indian states.

Mr. Sundararajan has completed his Bachelors in Applied Science from Madras University, where he also obtained a Master's degree in Mathematics along with a Bachelors degree in Law. Furthermore, he is a Certified Associate from the Indian Institute of Bankers and an Associate from the Institute of Cost Accountants of India.

He is on the Board of following Companies:

- SRM Energy Limited
- SRM Energy Tamilnadu Private Limited

**Mr. R. Rajagopalan** is a Post Graduate in Science and an Associate Member of Institute of Bankers, besides being a qualified Cost Accountant. He has banking experience of over 36 years with Punjab National Bank. During his tenure with the bank, he has held various positions and headed many large corporate branches contributing to growth of business, before retiring as General Manager of the bank in 2013. He does not hold any other directorship.

## DIRECTOR'S REPORT



The Directors present herewith the Twenty Ninth Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2013.

### FINANCIAL RESULTS:

(₹ in millions)

| Description                                             | Year Ended<br>March 31,<br>2013 | Year Ended<br>March 31,<br>2012 |
|---------------------------------------------------------|---------------------------------|---------------------------------|
| Sale                                                    | 0.72                            | 0.00                            |
| Other Income                                            | 10.32                           | 7.74                            |
| <b>Total Revenue</b>                                    | <b>11.04</b>                    | <b>7.74</b>                     |
| Purchases                                               | 0.71                            | 0.00                            |
| Employee Benefits Expense                               | 7.44                            | 9.76                            |
| Interest and Finance Charges                            | 84.28                           | 8.13                            |
| Depreciation and Amortizations                          | 0.86                            | 1.44                            |
| Other Expenses                                          | 15.33                           | 29.53                           |
| <b>Total Expenses</b>                                   | <b>108.62</b>                   | <b>48.86</b>                    |
| Profit / (Loss) before<br>exceptional and extraordinary | (97.58)                         | (41.12)                         |
| Extra-ordinary Items                                    | (19.72)                         | 2,643.05                        |
| <b>Loss for the year</b>                                | <b>(77.86)</b>                  | <b>(2,684.17)</b>               |

### DIVIDEND:

As the Company is in the process of implementing the refinery project and there is no operating income, your directors have not recommended any dividend for the year.

### PROGRESS OF THE PROJECT:

The Company has a plan to set up crude oil refinery in Haldia, West Bengal. During the year, the progress of the project was severely hampered and project implementation has come to standstill due to factors beyond the control of the Company. As stated in the last Annual Report, SEBI, while investigating certain entities in regard to "Market Manipulation using GDR issues" had by its ex-parte order No.WTM/PS/ISD/02/2011 dated September 21, 2011, which was later confirmed vide order dated December 30, 2011, directed our Company not to issue equity shares or any other instruments convertible into equity shares or alter capital structure in any manner till further directions in this regard. The said order of SEBI is still subsisting.

Subsequently SEBI had from time to time sought further information for early completion of the investigations in the matter and also summoned the Managing Director for a Personal Appearance, which was complied with and queries of SEBI were replied to. The Company is regularly following up with SEBI and expects to receive the final orders from SEBI anytime soon, after which the Company will take necessary steps for tie up of funds and start project implementation.

After signing the agreements with Hardt Group for purchase of refinery equipment and with the set of refining equipment for which the Company had already contracted and paid advances, the Company revised the capacity of refinery envisaged in Haldia to 10 MMTPA from 5 MMTPA. It filed an application to Ministry of Environment to enhance the approval for putting up 200,000 bpd equivalent to 10 MMTPA capacity refineries. However, the Ministry vide its letter dated September 20, 2011 declined the request as Haldia has been notified as a critically polluted area and no new capacity or expansion can be permitted till it is de-notified. Meanwhile, the Company lost the Bayernoil equipment as it couldn't fulfill its contractual commitments. The Company's various efforts to restart the project also failed due to the embargo on issue of new equity by SEBI. Hardt Group has also stopped infusing further funds pending revocation of SEBI order.

In the light of the above the Company intends to proceed with only a 5 MMTPA refinery on receiving favourable orders from SEBI. The Project cost for setting up of 5 MMTPA refinery with equipments contracted from Hardt Group along with balancing equipments is estimated at around US \$ 1 billion, which would be funded by a Debt:Equity ratio of 70:30. The equity requirement will be met by issue of GDRs to the Hardt group and the existing equity.

Hardt Group had agreed become a strategic investor in the Company and assist it in implementing the refinery project and had brought in ₹ 136.52 million during March'11 to March'12, through Abboro Limited (another affiliate of Hardt Group), which enabled the Company to meet its funding for working capital and project activities.

Though the contracts entered with affiliates of Hardt group have expired as of now, Hardt Group has indicated their willingness to extend the same once a favourable order from SEBI is received. The Company is confident of the support of Hardt Group in implementing the project after receiving a favourable order from SEBI.

### STATUS OF FINAL ORDER FROM SEBI:

The Company is regularly following up with SEBI and is expecting the final orders anytime soon. However at the same time, as considerable time has elapsed since the ex-parte interim order passed by SEBI in September 2011, the Board has also severally authorized the Executive Chairman and Managing Director of the Company to approach the Securities Appellate Tribunal (SAT) at the appropriate time and to take necessary steps in this regard.

### STATUS OF FIPB, CCEA APPROVAL:

The Company's proposal for issue of such GDRs to Tagore and Amber, aggregating US \$ 317 million was approved by the Foreign Investment Promotion Board (FIPB) in their meeting held on May 20, 2011. Since the amount of issue had exceeded ₹ 12,000 million, the proposal was recommended to Cabinet Committee on Economic Affairs (CCEA). However, prior to receipt of the CCEA approval, SEBI in September'11, had issued directions to the Company not to issue equity or any other instruments convertible into equity or alter capital structure in any manner.

Pursuant to the SEBI order, FIPB, had also withdrawn its approval. The Company had represented to FIPB requesting them to reconsider their decision. However, FIPB had rejected our request vide its letter dated July 23, 2012 in view of change in the FDI Policy with effect from April 1, 2012. The Company has again represented to FIPB, stating that the proposal was earlier approved under the then prevailing FDI policy and the delay was on account of factors beyond the Company's control, which has also been rejected by FIPB vide their letter dated November 2, 2012 for want of final orders from SEBI.

The Company now proposes to take up the matter with FIPB, once the favourable order from SEBI is received.

### STATUS OF LAND AT HALDIA:

Haldia Development Authority (HDA), had offered land admeasuring about 400 acres at Haldia, West Bengal to the Company for setting up the project, stipulating a lease premium of ₹ 600 million. As the Company could not pay the said lease premium pending financial closure, it entered into a tripartite agreement along with HDA and West Bengal Industrial Development Corporation Limited (WBIDC), whereby, WBIDC paid the lease premium and other development charges to HDA and gave permissive possession of the land to the Company for six months from the date of the agreement, subject to compliance with certain conditions. Since the Company could not comply with these conditions, it had requested additional time from WBIDC for the same. Though WBIDC granted such extension, it stipulated additional conditions relating to tie up of equity and

achievement of financial closure for the project, which could not be complied with as the SEBI order was subsisting. The Company had accordingly informed WBIDC, requesting further extension, which was not acceded to and WBIDC had withdrawn the permissive possession.

The Company has again represented to WBIDC requesting time till March 2014 for complying with the conditions. The strategic investor Hardt group has agreed to provide the required funding to clear the dues of WBIDC, subject to the condition that the Company obtains a favourable order from SEBI and gets the required extension from WBIDC. The management is confident of sourcing the required funds for clearance of the WBIDC dues and getting extensions on annulment of the SEBI order.

**DIRECTORS:**

Mr. D. Sundararajan retires by rotation as required under the Companies Act, 1956 and being eligible, offers himself for reappointment.

Mr. Sarvesh Goorha, Non- Executive Independent Director of the Company, resigned from the Board vide his letter dated May 25, 2013 and the same was accepted by the Board of Directors, in their meeting held on May 30, 2013. The Directors would like to place on record their appreciation of the contributions made by Mr. Sarvesh Goorha during his tenure as the Non- Executive Independent Director.

Mr. R. Rajagopalan was co-opted as the Additional Director on the Board of the Company with effect from May 30, 2013 and holds office as such upto the ensuing Annual General Meeting. Notice from the shareholders together with necessary deposit proposing their names as Directors have been received.

**FIXED DEPOSITS:**

The Company has not accepted any deposit under section 58A of the Companies Act, 1956, during the financial year under review.

**CORPORATE GOVERNANCE:**

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, a compliance report on Corporate Governance is annexed as part of the Annual Report.

**DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to the Director's Responsibility Statement, the Directors confirm on the basis of information placed before them by the Management and Auditors: -

1. That in the preparation of the annual accounts for the Financial Year ended March 31, 2013, the applicable Accounting Standards have been followed;
2. That the Company has selected appropriate accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair state of the affairs of the Company at the end of the financial year and of the Profit and Loss of the Company for the year under review;
3. That the Company has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. That the accounts of the Company for the financial year ended March 31, 2013 have been prepared on a going concern basis.

**CODE OF CONDUCT:**

The Company has established the Code of Conduct which is applicable to Directors, Senior Management and Employees of

the Company. This Code is based on fundamental principles, viz. good corporate governance and good corporate citizenship. The Code covers Company's commitment to sustainable development, concern for occupational health, safety and environment, a gender friendly workplace, transparency and auditability and legal compliance. The Code while laying down, in detail, the standards of business conduct, ethics and governance, centers around the following theme:

"All Directors, Officers and employees of the Company are committed to conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. This code is intended to provide guidance and help in recognizing and dealing with ethical issues, provide mechanisms to report unethical conduct, and to help foster a culture of honesty and accountability. Each Director, officer and employee is expected to comply with the letter and spirit of this Code."

**AUDITOR'S REPORT:**

Auditor's Report read together with Annexures referred to in Paragraph 3 of the Auditor's Report do not contain any qualification and do not call for any explanation/clarification.

**AUDITORS:**

M/s Kanu Doshi Associates, Chartered Accountants, the Auditors of the Company retire at the ensuing Annual General Meeting and have expressed their willingness and eligibility to continue in the office, if reappointed.

Members are requested to reappoint them and authorize the Board to fix their remuneration and pay out of pocket expenses.

**LISTING OF SECURITIES:**

Your Company's securities are currently listed with Bombay Stock Exchange. The Company's Global Depository Receipts (GDRs) are listed at Luxembourg Stock Exchange. The Company has paid the listing fees to Bombay Stock Exchange and Luxembourg Stock Exchange for the financial year 2013-14 and Calendar Year 2013 respectively.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNING AND OUTGO:**

As the company is not covered in Companies (Disclosure of particulars in report of Board of Directors) Rules, 1988, provisions of Section 217(1) (e) of the Companies Act, 1956 are not applicable.

The details of the foreign exchange earnings and outgo during the year have been given in the schedules to the accounts.

**PARTICULARS OF THE EMPLOYEES:**

There is no employee drawing the salary as prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

**ACKNOWLEDGEMENT:**

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from Regulatory Bodies, Government, Bankers, stakeholders and other business associates who have extended their valuable, sustained support and encouragement during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff at all levels of the Company. We look forward for your continued support in the future.

For and on behalf of the Board

Place : New Delhi  
Date : July 9, 2013

**(Deep Kumar Rastogi)**  
Executive Chairman

To the Members of

**Cals Refineries Limited**

We have examined the compliance of conditions of Corporate Governance by Cals Refineries Ltd., for the year ended on March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that no Share Transfer cum Grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholder's/Investor's Grievance Committee.

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

**For Priya Gupta & Associates**  
Company Secretaries

Place : Delhi  
Date : July 9, 2013

**(Priya Gupta)**  
Proprietor  
M. No.- 22710  
C.P. No.- 8180

**CEO/CFO CERTIFICATION**

To

**Board of Directors**  
**Cals Refineries Limited**

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material facts or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
- (i) Significant changes in internal control over financial reporting during the year;
  - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**(D. Sundararajan)**  
Managing Director

**(Rekha Sarda)**  
V.P. - Finance

Place : New Delhi  
Date : July 9, 2013

**REPORT ON CORPORATE GOVERNANCE**

The Company is in compliance with clause 49 of its listing agreement with the BSE and the Indian corporate governance rules applicable to it.

From March 31, 2001 various corporate governance provisions became applicable to all members of the BSE 200 and the S&P, C&X and Nifty indices, as well as to all newly listed companies. In March 2002 this requirement was extended to companies with paid up capital of over ₹ 100,000,000 all of which have had a net worth of over ₹ 250,000,000. In March 2003 the capital threshold was reduced to ₹ 30,000,000. All companies are required to submit quarterly compliance reports to the stock exchanges on which their shares are listed within 14 days of the end of each financial quarter, including reports on the following eight areas:

**1. Company's Philosophy on Code of Governance**

Your Company believes that adoption of sound Corporate Governance practices ensures attainment of highest levels of transparency, accountability and equity in all facets of business. The Company has always worked towards building trust with shareholders, employees, suppliers and other stakeholders.

The Company has established systems and procedures to ensure that its Board of Directors is well-informed and well-equipped to cope up with its overall responsibilities and to provide the management with the strategic direction needed to create long-term shareholder value.

**2. Board of Directors**

The Board of Directors consists of 5 directors.

**Composition and category of Directors is as follows:**

| Category                                | Name of the Directors                                              |
|-----------------------------------------|--------------------------------------------------------------------|
| Promoter Director                       | Deep Kumar Rastogi                                                 |
| Non Executive and Independent Directors | Alexander Walter Schweickhardt<br>Sameer Rajpal<br>R. Rajagopalan* |
| Whole Time Director                     | D. Sundararajan                                                    |

\*Appointed w.e.f. May 30, 2013

Attendance of each Director at the Board meetings, last Annual General Meeting and Number of other Directorship (other than Pvt. Ltd. Companies) and Chairmanship/Membership of Committee of each Director in various companies including the Company:

| Name of The Directors          | Attendance Particulars |          | No. of other directorships (other than Pvt. Ltd. Co.) and committee member/chairmanship |                       |                         |
|--------------------------------|------------------------|----------|-----------------------------------------------------------------------------------------|-----------------------|-------------------------|
|                                | Board Meeting          | Last AGM | Other Directorships                                                                     | Committee Memberships | Committee Chairmanships |
| Deep Kumar Rastogi             | 4                      | Yes      | 2                                                                                       | 3                     | -                       |
| D. Sundararajan                | 4                      | Yes      | 2                                                                                       | 3                     | 2                       |
| Alexander Walter Schweickhardt | -                      | No       | 6                                                                                       | 5                     | -                       |
| Sameer Rajpal                  | 4                      | Yes      | 1                                                                                       | 2                     | -                       |
| Sarvesh Kumar Goorha*          | 3                      | Yes      | N.A                                                                                     | N.A                   | N.A                     |
| R. Rajagopalan**               | N.A                    | N.A      | N.A                                                                                     | N.A                   | N.A                     |

\*Resigned on May 25, 2013

\*\* Appointed w.e.f. May 30, 2013

**Number of Board Meetings held and the dates on which held**

During the year, five Board Meetings were held on May 29, 2012, August 13, 2012, September 26, 2012, November 09, 2012 and February 11, 2013.

**3. Committees of the Board**
**(a) Audit Committee**

The terms of reference stipulated by the Board to the Audit Sub Committee are, as contained under Clause 49 of the Listing Agreement, as follows:

- To oversee financial reporting and disclosure process.
- To recommend the appointment and removal of statutory auditors and decide their remuneration.
- To review financial results and statements, before submission to the Board, focus primarily on-
  - Any change in accounting policies and practices.
  - Major accounting entries, based on exercise of judgment by the management.
  - Qualifications in the draft audit report.

- Significant adjustments arising out of the audit.
  - Going concern assumption.
  - Compliance with accounting standards.
  - Compliance with stock exchange and legal requirements concerning financial statements.
  - Any related party transactions i.e. transactions of the Company of a material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with larger interests of the Company.
- d. To oversee adequacy of internal control systems.
- e. Reviewing adequacy of internal audit function, coverage and frequency of internal audit report.
- f. Discussion with internal auditors and concurrent auditors on any significant findings in their reports and follow up thereon.
- g. Discussion with external auditors before audit commences, as regards nature and scope of audit, as well as having post audit discussions to ascertain any areas of concern.
- h. Reviewing the Company's financial and risk management policies.

During the year, the Committee has met four times on May 29, 2012, August 13, 2012, November 07, 2012 and February 11, 2013.

The Audit Committee comprised of Mr. Alexander Walter Schweickhardt, Mr. Sameer Rajpal and Mr. Sarvesh Kumar Goorha in the year 2012-13. However, Mr. Sarvesh Kumar Goorha had submitted his resignation from the Board of Directors vide letter dated May 25, 2013, which was accepted in the Board Meeting held on May 30, 2013. In the same meeting the Board co-opted Mr. R. Rajagopalan as an additional director of the Company and also appointed him a member of the Audit Committee with immediate effect.

Mr. R. Rajagopalan is presently the Chairman of the committee. The minutes of each Audit Committee meeting are placed before and discussed in the Board.

Attendance of each member at the Audit Committee held during the year.

| Name of Committee Members      | No. of meetings held | No. of meetings attended |
|--------------------------------|----------------------|--------------------------|
| Alexander Walter Schweickhardt | 4                    | Nil                      |
| Sameer Rajpal                  | 4                    | 4                        |
| Sarvesh Kumar Goorha*          | 4                    | 4                        |
| R. Rajagopalan#                | -                    | -                        |

\* Ceased to be the member w.e.f. May 25, 2013, #Appointed member w.e.f. May 30, 2013

#### (b) Remuneration Committee

The Remuneration Committee comprised of Mr. Alexander Walter Schweickhardt, Mr. Sameer Rajpal and Mr. Sarvesh Kumar Goorha in the year 2012-13. However, Mr. Sarvesh Kumar Goorha had submitted his resignation from the Board of Directors vide letter dated May 25, 2013, which was accepted in the Board Meeting held on May 30, 2013. In the same meeting the Board co-opted Mr. R. Rajagopalan as an additional director of the Company and also appointed him a member of the Audit Committee with immediate effect.

The Remuneration Committee is constituted as per the provisions of schedule XIII of the Companies Act, 1956 and clause 49 of the listing agreement entered by the Company with the Stock Exchanges.

The Broad terms of reference of the Remuneration Committee are to review the performance of the Executive Directors, after considering the Company's performance and also to give recommendations to the Board, as and when required for their remuneration including salary, perquisites and commission to be paid to them, keeping in view the overall remuneration structure in the industry.

The Committee did not meet during the year.

#### Details of remuneration paid to the Directors for the year:

Mr. Deep Kumar Rastogi, Executive Chairman and Mr. D. Sundararajan, Managing Director, have opted not to take any managerial remuneration.

Mr. Alexander Walter Schweickhardt has opted not to take any sitting fees. The sitting fees paid for the year ended March 31, 2013, to the Directors are as follows:

| Name of Directors        | Sitting Fees (₹) |
|--------------------------|------------------|
| Mr. Sarvesh Kumar Goorha | 40,000           |
| Mr. Sameer Rajpal        | 45,000           |

**(c) Share Transfer Cum Shareholder's/Investor's Grievance Committee**

**Constitution:** The Board of Directors of the Company has reconstituted the Share Transfer cum Shareholder's /Investor's Grievance Committee on May 30, 2013, comprising of Mr. Deep Kumar Rastogi and Mr. Sameer Rajpal, replacing Mr. Sarvesh Kumar Goorha, as he ceased to be on the Board of the Company w.e.f May 25, 2013. The Committee is chaired by Mr. Sameer Rajpal.

The members of the Committee have opted not to take the sitting fees for Share Transfer cum Shareholder's/Investor's Grievance Committee meetings.

**Objective :** The committee oversees redressal of shareholder's and investor's grievances, transfer of shares, non - receipt of balance sheet, and related matters. The committee also oversees the performance of the registrar and share transfer agent, recommends measures for overall improvement in the quality of investors services, approves issue of duplicate / split / consolidation of share certificates and reviews all matters connected with the securities transfers.

Mr. Suvindra Kumar, Company Secretary is the Compliance officer of the Company as per the Listing Agreement, and performs as a secretary to the Committee his e-mail ID: [cs@calsrefineries.com](mailto:cs@calsrefineries.com).

The main areas and functions looked after by Share Transfer and Shareholder's/Investor's Grievance Committee are as under:

1. Redressal of shareholders and investors complaints like transfer of shares, non-receipt of Annual Report, non-receipt of declared dividends, if any etc.
2. Consolidation and sub-division of share certificates.
3. Approving the transfer(s), transmission(s) and issue of duplicate share certificates.
4. To oversee the performance of the Registrar and Transfer Agent of the Company.

The Company has 3 Complaints pending at the beginning of the year and it received 3 complaints from the shareholders during the year. All the 6 Complaints have been resolved by furnishing requisite informations/documents. There were Nil complaints pending as on March 31, 2013.

**4. General Body Meetings**

Location and time for the last three Annual General Meetings were:

| Year      | AGM | Location                                                                                              | Date       | Time       |
|-----------|-----|-------------------------------------------------------------------------------------------------------|------------|------------|
| 2011-2012 | AGM | Executive Club, Dolly Farms & Resorts, 439, Village Shahurpur, P.O. Fatehpur Beri, New Delhi 110 074. | 26.09.2012 | 10.30 a.m. |
| 2010-2011 | AGM | Executive Club, Dolly Farms & Resorts, 439, Village Shahurpur, P.O. Fatehpur Beri, New Delhi 110 074. | 27.09.2011 | 10.30 a.m. |
| 2009-2010 | AGM | Executive Club, Dolly Farms & Resorts, 439, Village Shahurpur, P.O. Fatehpur Beri, New Delhi 110 074. | 28.07.2010 | 10.30 a.m. |

In the last three financial years, special resolutions as set out in the schedule below were passed by the members of the Company either in AGM/EGM or through Postal Ballot:

**2012-2013**

AGM (26.09.2012)

No special Resolution was passed

**2011-2012**

AGM (27.09.2011)

Issue of Equity Shares under Section 81(1A) of the Companies Act, 1956 to Abboto Limited up to US \$ 7 million at par for cash.

**2010-2011**

AGM (28.07.2010)

Preferential Allotment of 188,800,000 equity shares of ₹ 1/- each to Nyra Holdings Private Limited, at par under Section 81(1A) of the Companies Act, 1956.

**Resolutions Passed by Postal Ballot Notice dated March 28, 2011**

Seven resolutions were passed through Postal Ballot, details of which are as follows:

**Resolution No. 1**

Alteration of Article 3 of Capital Clause in Articles of Association.

**Resolution No. 2**

Issue of Equity Shares under Section 81(1A) of the Companies Act, 1956 to Nyra Holdings Private Limited up to ₹ 60,000,000 at par for cash.

**Resolution No. 3**

Issue of Equity shares under Section 81(1A) of the Companies Act, 1956 to Abboto Limited up to US \$ 7 million at par for cash.