

31<sup>ST</sup> ANNUAL REPORT 2014-15



**GOPALA POLYPLAST LTD.**

**BOARD OF DIRECTORS**

- |                             |                                 |
|-----------------------------|---------------------------------|
| Shri Mahendra Somani        | - Chairman & Wholetime Director |
| Shri Manoj Somani           | - Managing Director             |
| Shri Manish Somani          | - Executive Director            |
| Shri Jugal Kishore Khetawat |                                 |
| Shri Malay Dalal            |                                 |
| Shri Balkrishna Mittle      |                                 |
| Shri Rajkumar Poddar        | - (Resigned w.e.f. 09/05/2015)  |
| Smt. Nirali Patel           | - (Appointed w.e.f. 31/03/2015) |
| Ms. Anal Desai              | - Company Secretary             |

**REGISTERED & ADMIN. OFFICE**

485, Santej Vadsar Road, Santej,  
Taluka Kalol, Dist. Gandhinagar-382721

**REGISTRAR &  
TRANSFER AGENT**

MCS LIMITED  
101, 1st Floor, Shatdal Complex,  
Opp. Bata Show Room, Ashram Road,  
Ahmedabad-380 052

**WORKS**

- Unit-1 485, Santej Vadsar Road, Santej,  
Taluka Kalol, Dist. Gandhinagar-382721
- Unit-2 Siddhi Vinayak Filaments  
(A unit of Gopala Polyplast Ltd.)  
Survey No 207/P, Plot No. 6,  
Nr. Dadra Check Post, Village Dadra,  
Union Territory of Dadra and Nagar Haveli.
- Unit-3 Plot No. 58, Shed No. 3 to 7 & 23 to 29,  
Jayant Estate, Khatraj Bhoyan Road, Kahtraj,  
Ta. Kalol, Dist. Gandhinagar - 382721.
- Unit-4 Plot No 230/p & 231/p,  
Santej Vadsar Road, Po. Santej,  
Taluka Kalol Dist. Gandhinagar-382721

**AUDITORS**

M/s. V. K. Moondra & Co.  
Chartered Accountants

**BANKERS**

Dena Bank

CONTENTS	Page No.(s)
Notice	1-5
Directors' Report	6-17
Secretarial Auditors' Report	18-19
Corporate Governance Report	20-29
Auditors' Report	30-32
Balance Sheet	33
Profit & Loss Account	34
Cash Flow Statement	35
Notes Forming Part of Accounts	36-48

**31st Annual General Meeting**

Day : Wednesday

Date : 30th September, 2015

Time : 11 a.m.

Venue : 485, Santej Vadsar Road,  
Santej, Taluka Kalol,  
Dist. : Gandhinagar-382721.

**NOTICE**

Notice is hereby given that the 31st Annual General Meeting of GOPALA POLYPLAST LIMITED will be held at Plot No. 485, Santej Vadsar Road, Santej, Taluka Kalol, Dist. Gandhinagar - 382721, Gujarat on Wednesday, 30th September, 2015 at 11.00 a.m. to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015 and the Profit & Loss Account of the Company for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Mahendra Somani (DIN 00360950) who retires by rotation and being eligible, offers himself for reappointment
3. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 139 of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions, if any, of the Act (including any statutory modification or re-enactment thereof) and pursuant to the resolution of the Members at the 30th Annual General Meeting held on 30th September, 2014, the Company hereby ratifies the appointment of M/s V. K. Moondra & Co., Chartered Accountants (ICAI Firm Registration no. 106563W), as a Statutory Auditors of the Company; to hold the office from the conclusion of this 31st Annual General Meeting till the conclusion of the 33rd Annual General Meeting on such remuneration as may be fixed by the Board of Directors of the Company based on the recommendation of the Audit Committee."

**SPECIAL BUSINESS**

4. To appoint Ms. Nirali Patel (DIN: 01354974) as an Independent Director and in this regard 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 Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Ms. Nirali Patel (DIN: 01354974), who was appointed as an Additional Director on 31st March, 2015 pursuant to Section 161 of the Act subsequently categorized as an Independent Director on 31st July, 2015 and holds office only upto the date of this Annual General Meeting, has submitted a declaration that she meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and is eligible for appointment as an Independent Director 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 an Independent Director of the Company to hold office for 5 (Five) consecutive years from passing of this resolution and further during the tenure of her appointment the said Director shall not be liable to retire by rotation pursuant to Section 152 of the Act."

By Order of the Board

Date : 31st July, 2015  
Place : Santej

**Manoj Somani**  
Managing Director  
DIN : 00119021

Regd. Office: " Plot No. 485, Santej Vadsar Road, Santej, Taluka Kalol, Dist. Gandhinagar - 382721, Gujarat  
Phone : (02764) 286305, 286514, 286654. Fax : (02764) 286660. E-mail ID: hdpeaccounts@gopalapolyplast.com  
Website : www.gopalapolyplast.com CIN: L25200GJ1984PLC050560

**NOTES :**

1. The relevant Explanatory Statements pursuant to Section 102 of the Companies Act, 2013, in respect of the special business above is annexed thereto.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 23rd September, 2015 to 30th September, 2015 (Both days inclusive).
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the company. A person can act as proxy on behalf of members not



exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. 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. Proxy shall not have the right to speak at the meeting and shall not be entitled to vote at the meeting except on a poll.

4. The Proxy, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
5. The Company has applied to the Calcutta Stock Exchanges for voluntary delisting and its outcome is still awaited. The equity shares of the Company are continued to be listed on the Bombay Stock Exchange Limited (BSE) and has paid its listing fees for the financial year 2015-16.
6. The details of the Directors seeking appointment in forthcoming Annual General Meeting to be provided in terms of clause 49 of the Listing Agreement with the Stock Exchanges is furnished in the Annexure.
7. Shareholders seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
8. All documents referred to in the accompanying notice and explanatory statement will be kept open for inspection at the Registered Office of Company on all working days between 11.00 a.m. to 1.00 p.m. prior to date of Annual General Meeting.
9. Members holding the shares in physical mode are requested to notify immediately the change of their address and bank particulars to the R & T Agent of the Company. In case shares held in dematerialized form, the information regarding change of address and bank particulars should be given to their respective Depository Participant.
10. Voting through electronic means:

The Company is pleased to offer e-voting facility to all its members to enable them to cast their vote electronically in terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement (including any statutory modification or re-enactment thereof for the time being in force). Accordingly, a member may exercise his vote by electronic means and the Company may pass any resolution by electronic voting system in accordance with the above provisions.

The instructions for e-voting are as under:

#### **SECTION A - E-VOTING PROCESS -**

- (i) Open your web browser during the voting period and log on to the e-Voting Website: **www.evotingindia.com**.
- (ii) Click on "Shareholders" to cast your vote(s)
- (iii) Please enter User ID –
  - a. For account holders in CDSL : Your 16 digits beneficiary ID
  - b. For account holders in NSDL : Your 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
- (iv) Enter the Image Verification as displayed and Click on Login
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:
  - a. Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders. For members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and 8 digits of the sequence number printed on the address sticker affixed on the back side of Attendance Slip in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with Sequence number 100 then enter RA00000100 in the PAN field.
  - b. Enter the Date of Birth (DOB) recorded in the demat account in the Company records for the said demat account or folio in dd/mm/yyyy format.#
  - c. Enter your Dividend Bank details (Account Number) as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.#



# Any one of the details i.e. DOB or Dividend Bank details should be entered for logging into the account. If Dividend Bank details and Date of Birth are not recorded with the Depository or Company please enter the Member ID / Folio in in the Dividend Bank details field as mentioned in instruction (iii)

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. Members holding shares in Demat form will now reach Password Creation menu wherein they are required to mandatorily enter their login password in the password field. Kindly note that this password can also be used by the Demat holders for voting for resolution 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. If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- (ix) For Members holding shares in physical form, the password and default number can be used only for e-Voting on the resolutions given in the notice.
- (x) Click on the EVSN of the Gopala Polyplast Limited to vote.
- (xi) 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 YES or NO. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the Resolution File Link if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote. You can also take out print of voting done by you by clicking on "Click here to print" option on the voting page.

## **SECTION B - COMMENCEMENT OF E-VOTING PERIOD AND OTHER E-VOTING INSTRUCTIONS**

- i. The e-Voting period commences on September 27, 2015 (9.00 a.m.) and ends on September 29, 2015 (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 of September 23, 2015 may cast their vote electronically. The e-Voting module shall be disabled for voting thereafter.
- ii. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- iii. The voting rights of shareholders shall be in proportion to their shares of the Paid Up Equity Share Capital of the Company as on cut-off date for determining the eligibility to vote through electronic mode.
- iv. CS Nikunj N. Raval, Practising Company Secretary (Membership No.: FCS 4730; CP No: 2333) (Address: K-12, Kalpataru Flats, Mirambica Road, Naranpura, Ahmedabad - 380013, Gujarat, India) has been appointed as the Scrutinizer to scrutinize the e-Voting process.
- v. The Scrutinizer shall immediately after the conclusion of the voting at General Meeting, first count the votes cast at the meeting and thereafter unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any within three (3) days of conclusion of the meeting.
- vi. The Chairman shall declare the results of the voting forthwith. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.gopalaplyplast.com](http://www.gopalaplyplast.com) and on the website of CDSL immediately after the Chairman declare the results and communicated to the BSE Limited where the shares of the Company are listed.
- vii. The resolutions shall be deemed to be passed on the date of the Annual General Meeting, subject to receipt of sufficient votes.
- viii. Non-Individual Shareholders (i.e. other than individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate. 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. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com. They should also upload a scanned copy of the Board Resolution / 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.

- ix. You can also update your mobile number and E-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-Voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.
- x. 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](http://www.evotingindia.com) under help section or write an email to helpdesk.evoting@cdslindia.com.

**Contact Details****Company : Gopala Polyplast Limited**

Regd. Office: " Plot No. 485, Santej Vadsar Road, Santej, Taluka Kalol, Dist. Gandhinagar - 382721, Gujarat  
Phone : (02764) 286305, 286514, 286654 Fax : (02764) 286660, E-mail ID: [hdpeaccounts@gopalapolyplast.com](mailto:hdpeaccounts@gopalapolyplast.com)  
CIN: L25200GJ1984PLC050560

**Registrar and Transfer Agent**

MCS Limited  
101, 1st Floor, Shatdal Complex, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380009  
Phone: +91-79-26582878 Fax: +91-79-26581296

**e-Voting Agency :**

Central Depository Services (India) Limited  
E-mail ID: [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

**Scrutinizer : CS Nikunj N. Raval**

Practising Company Secretary  
E-mail ID: [nikunjraval@yahoo.com](mailto:nikunjraval@yahoo.com)

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****Item No. 4**

Ms. Nirali Patel (DIN: 01354974) was appointed by the Board of Directors as a Non-executive Woman Director of the Company at its meeting held on 31st March, 2015 pursuant to provision of Section 149(1) read with Section 161(1) of the Companies Act, 2013.

On resignation of Mr. Rajkumar Poddar, an Independent Director, effective from 9th May, 2015, Ms. Nirali Patel was categorised as an Independent Director of the Company by the Board of Directors at its meeting held on 31st July, 2015, as the Board was required to fill the vacancy so created within 3 months from the date of such resignation under proviso Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and clause 49 of the listing agreement, subject to approval of the Company in General Meeting pursuant to provision of Section 152(5) of the Companies Act, 2013.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013 Ms. Nirali Patel, being eligible, offers herself for appointment and is proposed to be appointed as an Independent Director for a term as stated in the Resolution.

Ms. Nirali Patel, non-executive independent director of the Company, has given a declaration to the Board that she meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and under Clause 49 of the Listing Agreement. In the opinion of the Board, Ms. Nirali Patel fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder for her appointment as an Independent Director of the Company and she is independent of the management. She is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and she has given her consent to act as Director.

Notice has been received from a member signifying his intention to propose appointment of Ms. Nirali Patel along with a deposit of Rs.1,00,000/-.

Brief resume of Ms. Nirali Patel, nature of her expertise in specific functional areas and names of the companies in which she holds 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 Stock Exchanges, are



provided in the Corporate Governance Report forming part of the Annual Report. This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Director which came into effect from April 1, 2014, the Independent Director shall be appointed for not more than two terms of five years and shall not be liable to retire by rotation. The Term shall be effective prospectively.

Copy of the letter for the appointment of Ms. Nirali Patel as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

Ms. Nirali Patel is interested in the resolutions set out at Item No. 4 of the Notice with regard to her appointment.

The relatives of Ms. Nirali Patel may be deemed to be interested in the resolution set out at Item No. 4 of the Notice, to the extent of their shareholding interest, if any, in the Company.

The Board commends this resolution as set out in the Notice for your approval as an Ordinary Resolution.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

By Order of the Board

Date : 31st July, 2015

Place : Santej

**Manoj Somani**

Managing Director

DIN : 00119021

---

Details of the Directors seeking appointment in forthcoming Annual General Meeting  
(in pursuance of clause 49 Of the Listing Agreement)

---

Name of Director	Mr. Mahendra Somani	Ms. Nirali Patel
Director Identification No.	00360950	01354974
Date of Birth	02/10/1947	29/03/1978
Date of Appointment	31/07/2006	31/03/2015
Expertise in specific functional areas	Industrialist	Marketing
Qualifications	S. S. C. E	M.B.A.
Shareholding in Gopala Polyplast Limited as on 31/03/2015	1208520	Nil
List of other Public Companies in which Directorship held as on 31/03/2015	Kamala Mercantile Limited	Nil
Chairman / Membership of the Committees of the Board of the Companies on which he/she is a Director	Nil	Nil

---

**DIRECTORS' REPORT**

To,

**The Members  
Gopala Polyplast Limited**

Dear Members,

The Directors submit this 31st Annual Report together with the Audited Accounts for the year ended 31st March, 2015.

**1. FINANCIAL RESULTS**

The performance of the Company during the year under review is summarized in the following statement:

	<b>2014-15</b>	Rs. in Lacs <b>2013-14</b>
Revenue from operations	28600.93	28485.84
<b>GROSS PROFIT/(LOSS) BEFORE INTEREST &amp; FINANCE CHARGES, TAX AND DEPRECIATION</b>	928.60	1274.80
Interest & Financial Charges	797.08	574.94
Depreciation	567.15	387.79
<b>PROFIT / (LOSS) BEFORE EXCEPTIONAL &amp; EXTRA ORDINARY ITEMS &amp; TAX</b>	(435.63)	312.07
Extra Ordinary Item Profit / (Loss) on sale of fixed assets / investment	(21.24)	(5.50)
<b>PROFIT / (LOSS) BEFORE TAX</b>	(456.87)	306.57
Provision for Taxation (including deferred tax)	13.99	5.41
<b>PROFIT / (LOSS) FOR THE YEAR</b>	(470.86)	<b>301.16</b>

**2. STATE OF AFFAIRS OF THE COMPANY**

While the revenue from operations during the year 2014-15 was marginally higher than the same in the previous year the Company incurred net loss of Rs.470.86 lacs in the year 2014-15 as against net profit of Rs.301.16 lacs earned in the year 2013-14 for the following reasons.

- The company is engaged in the manufacture of HDPE / PP bags and price of its raw material i.e. plastic granules is affected by fluctuations in prices of crude oil and dollar. During the previous year 2014-15 particularly during October to December quarter there was steep fall in crude oil prices and consequently domestic prices of the company's raw material had also fallen sharply and as a result thereof the company has incurred substantial losses during 3rd quarter of the year 2014-15. Company's inventory holding level generally remains high due to nature of its product and the overall stock from raw materials to finished goods which comprises Granules, Tape, Fabric, Cut Pieces, Bags (stitched and unstitched) and Ready bags on an average remains at the high level and it is required to be maintained at such level to manage production cycle. So if there is steep fall in prices then there will be substantial loss in the value of stock held by the Company. The Company lost about Rs.600/- lacs during 3rd quarter of the year 2014-15 merely on stock holding. Further in the falling prices scenario, the falling prices of raw materials impacts sales price also and it so happened that the Company was forced to sell its products at a price lower than its cost to its regular high profile clients just to stay in competition. So this is the reason for losses in the 3rd quarter of the year 2014-15. In fact, the company reported net profit during the remaining three quarters of the year 2014-15.
- Increase in interest cost due to term loan availed by the company and increase in provision for depreciation due to capex under its expansion cum modernization programme have also put pressure on the bottom-line of the Company.

The Company expects better performance during the year 2015-16

**3. MATERIAL CHANGES DURING THE YEAR UNDER REVIEW**

No material changes and commitments have occurred during the year and between the end of financial year under review and the date of this report of the Board of Directors, which affects the financial position of the Company.



**4. DIVIDEND**

No dividend is being recommended by the Directors for the year ending 31st March, 2015 due to losses.

**5. TRANSFER TO RESERVES**

The Board of Directors does not propose to transfer any amount to the General Reserve or to any other reserve.

**6. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Sec. 134 (5) of the Companies Act, 2013 the Directors confirm :

- i) that in the preparation of the annual financial statements for the year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii) that such accounting policies as mentioned in Note 1 of the Notes to the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the year ended on that date;
- iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the annual financial statements have been prepared on a going concern basis.
- v) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- vi) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

**7. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Pursuant to provision of Section 149 and other applicable provisions of the Companies Act, 2013 Mr. Malay Dalal (DIN: 01896746) Mr. Balkrishna Mittle (DIN: 00448528) and Mr. Rajkumar Poddar (DIN: 03567333), were appointed as Independent Directors at the Annual General Meeting of the Company held on 30th September, 2014. The terms and conditions of appointment of Independent Directors are as per Schedule IV of the Act. They have submitted a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and under Clause 49 of the Listing Agreement.

Pursuant to provision of Section 149(1) read with Section 161 (1) of the Companies Act, 2013 Ms. Nirali Patel (DIN: 01354974) was appointed as a woman director of the Company at the meeting of the Board of Directors held on 31st March, 2015. Subsequently, on resignation of Mr. Rajkumar Poddar, Independent Director, effective from 9th May, 2015, Ms. Nirali Patel was categorised as an Independent Director under Section 149 (4) of the Companies Act, 2013 at the meeting of the Board of Directors held on 31st July, 2015 subject to approval by the Company in General Meeting. The resolution seeking approval of the members for the appointment of Ms. Nirali Patel has been incorporated in the notice of the forthcoming Annual General Meeting of the Company along with the brief details about her. Ms. Nirali Patel has submitted a declaration to the Board that she meets with the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and under Clause 49 of the Listing Agreement. The company has received a notice under section 160 of the Act, along with the requisite deposit proposing the appointment of Ms. Nirali Patel.

Mr. Mahendra Somani retires by rotation and being eligible has offered himself for re-appointment.

During the year, the non-executive director of the Company had no pecuniary relationship or transaction with the Company.

Pursuant to provision of Section 203 (1) (iii) of the Companies Act, 2013 Mr. Krunal Shah was appointed as Chief Financial Officer of the Company w.e.f. from 1st June, 2014.

**8. MEETINGS OF THE BOARD**

Seven meetings of the Board were held during the year. For details of the meeting of the board, please refer to the corporate governance report, which forms part of this report.

The maximum time gap between two consecutive meetings of Board did not exceed the limit prescribed under the Companies Act, 2013.



The Agenda papers along with agenda notes were circulated well in advance to the Members of the Board for their review and to facilitate them to take informed decisions, if any.

The Company's last Annual General Meeting was held on 30th September, 2014.

#### **9. BOARD EVALUATION**

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual directors based on inputs from the directors pursuant to the provisions of the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under Clause 49 of the Listing Agreements.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings. Also, the Chairman was also evaluated on the key aspects of his role.

In the separate meeting of independent directors, performance of non independent directors, performance of the board as a whole and performance of the Chairman was evaluated. The same was discussed in the Board meeting that followed the meeting of the independent directors, at which the performance of the Board, its committee and individual director was also discussed.

#### **10. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS**

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the corporate governance report, which forms part of the directors' report.

#### **11. INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has adequate internal financial controls commensurate with the nature & size of business of the Company

#### **12. AUDIT COMMITTEE**

The details pertaining to composition of audit committee are included in the Corporate Governance Report, which forms part of this report.

#### **13. AUDITORS**

At the 30th Annual General Meeting held on 30th September, 2014, M/s. V. K. Moondra & Co., Chartered Accountants were appointed as statutory auditors of the Company to hold office till the conclusion of the 33rd Annual General Meeting. In terms of the first proviso of Section 139 of the Companies Act, 2013, the appointment of Auditor shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. V. K. Moondra & Co., Chartered Accountants, as statutory auditors of the Company is placed for ratification by the members. In this regard, the company has received a certificate from the Auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

#### **14. AUDITOR'S REPORT AND SECRETARIAL AUDITOR'S REPORT**

The auditor's report and secretarial auditor's report does not contain any qualifications, reservations or adverse remarks. Report of the secretarial audit is given as an annexure which forms part of this report.

#### **15. RISK MANAGEMENT**

The Board of the Company has formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. Major risks identified are systematically addressed through mitigating actions on a continuing basis.

#### **16. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENT**

During the year under review, the Company has not granted any Loans, guarantees or provided securities in excess of the limits prescribed under Section 186(2) of the Companies Act, 2013 and has not made any investment through more than two layers of investment Companies.

#### **17. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 in Form AOC-2 is annexed hereto in Annexure – I and forms part of this report.