



34th Annual Report
2014 - 2015

**GUJARAT THEMIS
BIOSYN LIMITED**

BOARD OF DIRECTORS

DR. DINESH S. PATEL *Chairman*

DR. SACHIN D. PATEL

MR. VIJAY AGARWAL

MS. DHARMISHTA N RAVAL

MR. J.H CHOI

MR. S. S. LEE

DR. VIKRAM D SANGHVI
(w.e.f 25-03-2015)

MR. SIDDHARTH Y KUSUMGAR
(w.e.f 28-05-2015)

MR. HINESH DOSHI
(Alternate to Mr.J.H Choi w.e.f 17-03-2015)

AUDITORS

M/s. KHANDELWAL JAIN & CO.
Chartered Accountants, Mumbai

BANKERS

UNION BANK OF INDIA

REGISTERED OFFICE AND WORKS

69/C, GIDC INDUSTRIAL ESTATE
VAPI – 396 195, DIST. VALSAD
GUJARAT, INDIA

CIN : L24230GJ1981PLC004878

E-mail : gtblmumbai@gtbl.in / accounts@gtbl.co.in

Website : www.gtbl.in

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 34th Annual General Meeting of Gujarat Themis Biosyn Limited will be held on Monday, 21st September, 2015, at 12 Noon, at 69/C, GIDC Industrial Estate, Vapi-396 195, Dist. Valsad, Gujarat, to transact the following business :-

Ordinary Business

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial year ended 31st March, 2015 together with Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Dr. Dinesh S Patel, (DIN: 00033273) who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. S.S. Lee, (DIN: 01933988) who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Statutory 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 the applicable provisions of the Companies Act, 2013 M/s. Khandelwal Jain & Co., Chartered Accountants (Firm Registration No. 105049W), be and is hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till conclusion of the next Annual General Meeting, at a remuneration decided by the Board of Directors of the Company."

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 the provisions of Sections 149, 150 & 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules made thereunder (including any statutory modification(s) or re-enhancement thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 Ms. Dharmishta N Raval (DIN: 02792246) Independent Director of the Company, who has submitted a declaration that she meets the criteria for Independence as provided in section 149(6) of the Act and who is eligible for re-appointment be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years commencing from 21st September, 2015, not liable to retire by rotation."
6. 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 of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act, Dr. Vikram D. Sanghvi (DIN: 06858267), who was appointed as an Additional Director of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years commencing from 21st September, 2015, not liable to retire by rotation."
7. 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 of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act, Mr. Siddharth Yogesh Kusumgar (DIN: 01676799), who was appointed as an Additional Director of the Company and who hold office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years commencing from 21st September, 2015, not liable to retire by rotation."

Registered Office

69/C, GIDC Industrial Estate,
Vapi- 396 195
Dist. Valsad, Gujarat

CIN : L24230GJ1981PLC004878

Place : Mumbai
Date : 28-05-2015

By Order of the Board of Directors

Sd/-
Dr. Dinesh S. Patel
Chairman

NOTES:

1. **A MEMBER OF THE COMPANY ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THAT THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. 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, provided such person shall not act as a proxy for any other person or shareholder.
3. The Proxy to be effective must be deposited at the Registered Office of the Company not later than 48 hours before the time appointed for holding of the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 15th September, 2015 to 21st September, 2015 (both days inclusive).
5. Members are requested to notify immediately changes in their addresses, if any, to the Company / Registrar & Share Transfer Agents quoting reference of the Registered Folio Number.
6. Members are requested to quote their Folio Numbers in their correspondence with the Company / Registrar & Share Transfer Agent.
7. Company shares are listed at BSE Limited, Mumbai. The Company has paid listing fees for the year 2015-16 to the above Stock Exchange.
8. 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 their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Link Intime.
9. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
10. The Members, whose names appear in the Register of Members/list of Beneficial Owners as received from Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) on 14th September, 2015 are entitled to vote by Ballot Paper attending Annual General Meeting in person(s) on the resolutions set forth in this Notice.
11. Details of Directors seeking appointment / re-appointment in the 34th Annual General Meeting, in pursuance of clause 49 of the Listing Agreement.

Name of Director	Dr. Dinesh S. Patel (DIN : 00033273)	Mr. S.S. Lee (DIN : 01933988)	Ms. Dharmishta N Raval (DIN : 02792246)	Dr. Vikram D Sanghvi (DIN : 06858267)	Mr. Siddharth Yogesh Kusumgar (DIN : 01676799)
Date of Birth	02-11-1948	03-11-1961	12-01-1956	06-11-1949	07-05-1976
Date of appointment	25-05-1992	19-01-2008	30-10-2009	25-03-2015	28-05-2015
Expertise in specific functional areas	Industrialist with expertise in Medicinal & Pharmaceutical Research, Fermentation Technology and Business Management.	Product Development, Overseas Business	Eminent Corporate Lawyer with vast experience in matters related to Company law, Labour Laws, Income Tax, Excise and Sick Industries Companies Act etc.	Surgical Oncologist	Industrialist with experience in Market Development, Sales, Finance and Administration
Qualifications	M.Sc. PHD.C. Chem., FRSC (Lon).	B. Science	BSc, L.L.M	M.S, F.I.C.S	Diploma in Man Made Textiles from SASMIRA and training at Philadelphia College of Textiles in U.S.A

Name of Director	Dr. Dinesh S. Patel (DIN : 00033273)	Mr. S.S. Lee (DIN : 01933988)	Ms. Dharmishta N Raval (DIN : 02792246)	Dr. Vikram D Sanghvi (DIN : 06858267)	Mr. Siddharth Yogesh Kusumgar (DIN : 01676799)
List of companies (excluding foreign and private Ltd. companies in which outside Directorships held as on 31st March, 2015)	Themis Medicare Ltd. Artemis Biotech Ltd.	Nil	Ace Derivatives and Commodity Exchange Ltd. Cadila Healthcare Ltd. Nocil India Ltd., Themis Medicare Ltd. NSDL e-Governance Infrastructure Ltd. Adani Enterprises Ltd.	Nil	Nil
Chairman/ Member of the Committees of the Board of the companies on which he/she is a director as on 31st March, 2015	Member of Audit Committee of Themis Medicare Ltd.	Nil	Member of Audit, Remuneration and CSR Committee of Cadila Healthcare Ltd. Member of CSR Committee of Themis Medicare Ltd. Member of Remuneration and Investment Committees of NSDL e-Governance Infrastructure Ltd.	Nil	Nil

12. Information and other instructions relating to e-voting are as under:

- (i) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Clause 35B of the Listing Agreement, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
- (ii) The Board of Directors of the Company has appointed Mr. Shyam Sundar Purohit (Membership No.FCA 135746 and CP No. 138905), Patel Purohit & Associates, Practicing Chartered Accountants, Vapi, as a Scrutinizer to scrutinise the Insta Poll and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose
- (iii) The voting period begins on 17th September, 2015 (at 9.00 am) and ends on 20th September, 2015 (till 5.00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 14th September, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (iv) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (v) The shareholders should log on to the e-voting website www.evotingindia.com.
- (vi) Click on Shareholders.
- (vii) 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.

- (viii) Next enter the Image Verification as displayed and Click on Login.
- (ix) 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.
- (x) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number 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 ABHIJITH with sequence number 1 then enter AB00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (vii).

- (xi) After entering these details appropriately, click on "SUBMIT" tab.
- (xii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xiii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xiv) Click on the EVSN for the relevant GUJARAT THEMIS BIOSYN LTD. on which you choose to vote.
- (xv) 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.
- (xvi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xvii) 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.
- (xviii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xix) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xx) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xxi) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xxii) 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.

In case of members receiving the physical copy:

- (A) The Ballot Form will be provided for the benefit of shareholders, who do not have access to E-voting facility.
- (B) Pursuant to Clause 35B of the Listing Agreement, members who do not have access to E-voting facility, may exercise their right to vote on business to be transacted at the Annual General Meeting of the Company by submitting the Ballot Form.
- (C) At the end of the discussion on the resolutions on which voting is to be held, the members who are present at the meeting but have not cast their votes by availing the e-voting facility will be allowed voting with the assistance of Scrutinizer by way of ballot form.
- (D) The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- (E) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.gtbl.in and on the website of CDSL www.evotingindia.com immediately after the declaration of result by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the BSE Limited, where the shares of the Company are listed.

EXPLANATORY STATEMENT TO THE SPECIAL BUSINESS TO BE TRANSACTED AT THE ANNUAL GENERAL MEETING

ITEM NO: 4

Ms. Dharmishta N Raval (DIN: 02792246) is an Independent Director of the Company from 30th October, 2009. She is the member of Audit Committee & Nomination & Remuneration Committee of the Board of Directors of the Company.

Ms. Dharmishta N Raval, an eminent corporate lawyer and has a vast experience in matters related to Company law, Labour Laws, Income Tax, Excise and Sick Industries Companies Act etc. The Board of the Company has benefited from her expertise during her association with the Company.

Ms. Dharmishta N Raval retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. However, as per requirements of provisions of the Companies Act, 2013 and rules made there under, the Independent Directors are not liable to retire by rotation and are required to be appointed by Shareholders. The Board recommends to re-appoint her as an Independent Director of the Company for a term of five consecutive years from the conclusion of this Annual General Meeting dated 21st September, 2015.

Except for Ms. Dharmishta N Raval no other director is concerned or interested in this resolution.

ITEM NO: 5

Dr. Vikram D Sanghvi (DIN : 06858267) was appointed as Additional Director on 25th March, 2015 in the category of Independent Director under the provisions of Section 149, 150 and 152 of the Companies Act, 2013. Dr. Vikram D Sanghvi is a Surgical Oncologist, who was Professor and Chief of Surgical Oncology at Tata Memorial Hospital. As an Additional Director his tenure ends on the ensuing Annual General Meeting. Being eligible, Dr. Vikram D Sanghvi offers himself for appointment as a Independent Director of the Company.

The Board of Directors has received a notice under Section 160 of the Companies Act, 2013 from one of the shareholders along with requisite deposit proposing the candidature Dr. Vikram D Sanghvi as an Independent Director under the provisions of the Companies Act, 2013.

The Resolution seeks the approval of members for the appointment of Dr. Vikram D Sanghvi as Independent Director of the Company for a term of 5 consecutive years pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made hereunder. He is not liable to retire by rotation.

The Board recommends passing of resolution by members appointing Dr. Vikram D Sanghvi as Independent Director of the Company.

ITEM NO: 6

Mr. Siddharth Yogesh Kusumgar (DIN : 01676799) was appointed as an Additional Director on 28th May, 2015 in the category of Independent Director under the provisions of Section 149, 150 and 152 of the Companies Act, 2013. He was also appointed as a member of the Audit Committee by the Board. Mr. Siddharth Yogesh Kusumgar has an academic background in Textiles with Diploma in Man made Textiles from SASMIRA and training at Philadelphia College of Textiles in U.S.A. as an Additional Director his tenure ends on the ensuing Annual General Meeting. Being eligible, Mr. Siddharth Yogesh Kusumgar offers himself for appointment as an Independent Director of the Company.

The Board of Directors has received a notice under Section 160 of the Companies Act, 2013 from one of the shareholders along with requisite deposit proposing the candidature Mr. Siddharth Yogesh Kusumgar as an Independent Director under the provisions of the Companies Act, 2013.

The Resolution seeks the approval of members for the appointment of Mr. Siddharth Yogesh Kusumgar as an Independent Director of the Company for a term of five consecutive years pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made hereunder. He is not liable to retire by rotation.

The Board recommends passing of resolution by members appointing Mr. Siddharth Yogesh Kusumgar (DIN : 01676799) as an Independent Director of the Company.

Registered Office

69/C, GIDC Industrial Estate,
Vapi- 396 195
Dist. Valsad, Gujarat

CIN : L24230GJ1981PLC004878

Place : Mumbai

Date : 28-05-2015

By Order of the Board of Directors

Sd/-
Dr. Dinesh S. Patel
Chairman

DIRECTORS' REPORT

The Members,

Gujarat Themis Medicare Limited

Your Directors have pleasure in presenting herewith the 34th Annual Report together with the Audited Accounts of the Company for the Financial Year ended 31st March, 2015.

FINANCIAL RESULTS:

The Company's performance during the year ended 31st March, 2015 as compared to the previous financial year, is summarized below:

(Rs. in Lakhs)

PARTICULARS	Year ended 31.03.2015	Year ended 31.03.2014
Revenue from Operation	3144.02	3023.03
Operating Profit / (Loss)	629.14	652.27
Other Income	8.88	16.01
Finance Cost	(38.72)	(71.48)
Profit / (Loss) before depreciation, prior period adjustments & tax	599.29	596.80
Depreciation and amortization expenses	(137.54)	(146.25)
Prior period adjustment	(2.35)	2.04
Profit after depreciation, exceptional item and prior period adjustments	459.41	452.59
Net Profit after tax	459.41	452.59
Impact on depreciation pursuant to transitional provision in Schedule II	(3.95)	-
Surplus/(Deficit) brought forward	(1492.51)	(1945.11)
Surplus / (Deficit) carried forward to Balance Sheet	(1037.05)	(1492.51)

OPERATIONS:

Your Company's performance during the year was marginally better than the previous year, as the Company is doing Job Work for other Pharma Company with fixed contracted price. The production capacity was utilized to the maximum level during the both years. Your Company has generated cash profit during the year under review as well as in the previous year.

Your Company's major operations were from Job Work. During the period conversion charges recorded at Rs.3144.02 Lacs (previous year Rs.3023.03 Lacs). The operating Profit for the year is Rs.629.14 Lacs as compared to operating Profit of Rs. 652.27 Lacs for the previous year. The Net Profit recorded by the Company for the year is Rs.459.41 Lacs as compared to net profit of Rs. 452.59 Lacs in the previous year.

The Company proposes to carry the profit after tax of Rs. 459.41 Lacs for adjustment brought forward losses.

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year and as on the date of the report which affect the Balance Sheet.

BIFR

Your Company was referred to BIFR under Sick Industrial Companies (Special Provisions) Act, 1985 on 2nd June, 2008 and Registered under Case No. 67/2007. The Scheme of Rehabilitation was approved by BIFR on 12th January, 2012.

During the year, one of the promoters Pharmaceutical Business Group (India) Ltd. has offloaded 1423000 equity shares (9.79%) of Rs.5/- each fully paid up to public on 7th August, 2014 by way of offer for sale through Stock Exchange Mechanism. As a result, the Company has achieved minimum public shareholding of 25% in compliance with BIFR and SEBI orders.

Your Company has complied with all the requirements as per BIFR order and the performance of the Company is in line with the Scheme approved by the BIFR order dated 12th January, 2012.

Barring unforeseen circumstances, your Company expects positive net worth of the Company during the Financial year 2015-16 much before the period envisaged for positive net worth under Scheme approved by the BIFR.

SUBSIDIARIES

The Company does not have any subsidiary.

ASSOCIATES

The Company has two Associate Companies namely Themis Medicare Ltd., & Pharmaceutical Business Group (India) Ltd. The details of Associate Companies are given in **Annexure I**.

DIVIDEND:

In view of carry forward losses, your Directors do not recommend any dividend for the year under consideration.

TRANSFER TO RESERVES:

Due to Carry forward losses, your Board has not recommended transfer of any amount of profit to reserves during the year under review.

REVISION OF FINANCIAL STATEMENT:

There was no revision of the financial statements for the year under review.

FIXED DEPOSITS:

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 (the Act) and the Companies (Acceptance of Deposits) Rules, 2014.

DISCLOSURES UNDER SECTION 134(3)(I) OF THE COMPANIES ACT, 2013:

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.

STATEMENT ON DECLARATION UNDER SECTION 149(6) OF THE COMPANIES ACT, 2013:

The Board has received declaration from the Independent Directors under section 149(6) of the Companies Act, 2013 that they are not otherwise disqualified to be Independent Directors. The Board further States that all the Independent Directors are persons of integrity and possesses relevant expertise and experience to discharge their duties and roles as Independent Directors of the Company.

STATEMENT UNDER SECTION 178

Your Company had Constituted Nomination and Remuneration Committee as well as Stakeholder Relation Committee as contemplated under section 178(1) of the Companies Act, 2013. The Nomination and Remuneration Committee consider that the Qualifications, Experience and positive attributes of the Directors on the Board of the Company are sufficient enough to discharge their duties as such.

During the financial year 2014-15, the Company has neither paid sitting fees nor paid any remuneration & commission to Board Members.

BOARD'S EXPLANATION ON AUDITORS' REPORTS:

I. Explanation On Statutory Auditors' Report

Observations of Statutory Auditors on Accounts for the year ended 31st March 2015: There are following qualifications, reservations or adverse remark or disclaimer made by the Statutory Auditors in respect of financial statement as on and for the year ended 31st March, 2015.

Following are the explanations for the Statutory Auditor's remarks in the Audit report.

Point No.1 Regarding preparation of financial statement on going concern basis

The Company has made profit in the current and previous financial years. In the opinion of the Board there is no doubt about the Company's ability to continue as a going concern, hence these accounts are prepared on a going concern basis.

Point No.2 Regarding confirmation of balances

The Company does not foresee any major impact on the accounts of the Company due to non receipt of balance confirmation from the parties as stated in the auditor's report.

II. Explanation On Secretarial Auditors' Report

Provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, mandates to obtain Secretarial Audit Report from Practicing Company Secretary. The Secretarial Audit Report for the financial year 2014-15 is given in **Annexure II**.

In respect of the observations made in the Secretarial Audit Report. Following are the explanations and comments offered by the Board.

Point No.1 Regarding non filing of certain forms with Registrar of Companies in respect of appointment of CS/CEO and Resignation of CEO.

The non filings of the certain forms were mainly due to ambiguity and uncertainty of the applicability of the same for the relevant period. However, the Company would ensure in future that all the provisions are complied with the fullest extent.