



# **JYOTI RESINS & ADHESIVES LIMITED**

405-406 RAJKAMAL PLAZA-B, NR. SAMRUDDHI BUILDING  
OPP. OLD HIGH COURT, AHMEDABAD - 380014.

CIN : L24229GJ1993PLC020879

**22<sup>nd</sup>**

**Annual Report**

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**2014 - 2015**

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## **TWENTYSECOND ANNUAL REPORT 2014 - 2015**

### **BOARD OF DIRECTORS**

JAGDISH N. PATEL	:	CHAIRMAN & MANAGING DIRECTOR
CHANDULAL C. PATEL	:	DIRECTOR
UTKARSH J. PATEL	:	DIRECTOR
HARSHAD G. PATEL	:	DIRECTOR
KALPESH R. PATEL	:	DIRECTOR
UMAKANT G. PATEL	:	DIRECTOR
JYOTIKABEN J. PATEL	:	DIRECTOR

### **BANKERS**

**KALUPUR COMMERCIAL CO-OPERATIVE BANK LTD.  
ASHRAM ROAD BRANCH, AHMEDABAD**

**UNION BANK OF INDIA  
ASHRAM ROAD BRANCH, AHMEDABAD**

**AXIS BANK LIMITED  
NAVRANGPURA BRANCH, AHMEDABAD**

### **AUDITORS**

**RAMAN M. JAIN & CO.  
CHARTERED ACCOUNTANTS  
B-31-33, GHANSHYAM AVENUE,  
4TH FLOOR, OPP. C.U.SHAH COLLEGE,  
INCOME-TAX, AHMEDABAD-380 014.**

### **REGISTERED OFFICE**

**405-6, RAJKAMAL PLAZA - B,  
NR. SAMRUDDHI BLDG, OPP. OLD HIGH COURT,  
AHMEDABAD-380014.**

### **FACTORY**

**PLOT NO. 873, VILLAGE SANTEJ,  
TAL.: KALOL, DIST.: GANDHINAGAR, GUJARAT.**



**CIN No.: L24229GJ1993PLC020879**

**NOTICE**

NOTICE is hereby given that the TWENTY SECOND ANNUAL GENERAL MEETING of the members of the company will be held on Wednesday, the 30th September, 2015 at 3.00 P.M. at Rajkamal Plaza - B, Nr. Samruddhi Bldg., Opp. Old High Court, Ahmedabad 380 014 to transact the following business:

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March 2015 , Statement of Profit & loss for the year ended on that date together with the Reports of Directors' and Auditors' thereon.
2. To appoint a director in place of Mr. Harshad G. Patel who retires by rotation and being eligible offers him self for reappointment.
3. To appoint the Auditors of the Company for the financial year 2015-16 pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time 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 Ordinary resolution:  
"RESOLVED THAT Mrs. Jyotika Jagdish Patel , DIN : 07134331, who was appointed as additional director by the board of directors as on 24th March 2015 to hold office up to this annual General Meeting in terms of section 161 of the companies act 2013 and in respect of whom notice under section 160 of the companies act 2013 has been received by the company from a member signifying her intention to propose her as candidate for the office of director of the company , be and is hereby appointed as a director of the company , liable to retire by rotation"

5. Increasing Remuneration to Managing Director:

To consider and if thought fit, to pass, with or without modification the following resolution as anSpecial Resolution.

"RESOLVED THAT subject to the pursuant to the provisions of section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014framed thereunder, as amended from time to time, ShriJagdish Nathala Patel , be and is hereby already appointed as Managing Director of the Company for a period of 5 years w.e.f. 01.04.2014 to 31/03/2019, not liable to retire by rotation, on the remuneration including salary and perquisites to be paid or granted to him as laid out in the draft agreement between the Company and Shri Jagdish Nathalal Patel placed before the meeting and initialed by the Chairman of the Board for the purpose of identification, be and the same is hereby approved."

"RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized further to increase, enlarge, vary and including salary, dearness allowances, perquisites, commission and other allowance etc. up to the limits prescribed in this behalf under Schedule V of the companies Act, 2013 or any further statutory revision, modification, clarification or re-enactment thereof for the time being in force and / or the guidelines for managerial remuneration issued by the Central Government from time to time and from the date the statutory provisions and / or the guidelines coming into force without any further reference to the Company in General Meeting.

"RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds, things, matters as may be considered necessary, desirable or expedient to give effect to this Resolution."

**NOTES :**

1. A Member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself/herself and such proxy(s) need not be a member.
2. Proxies in order to be effective must be lodged with the company at its Registered Office not less then 48 hours before the commencement of the meeting.
3. Register of Members and Share Transfer Books of the Company will remain closed from 24<sup>th</sup> September, 2015 to 30<sup>th</sup> September, 2015 (both days inclusive).
4. Members are requested to bring their copy of the Annual Report at the meeting & produce the Attendance Slip at the Entrance where the Annual General Meeting will be held.

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5. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
6. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members.  
To support this green initiative, members holding shares in demat form are requested to provide their e-mail ID to the depository through their concerned depository participant and members holding shares in physical form are requested to provide e-mail ID to the Company's RTA, SHAREX DYNAMIC (INDIA) PVT LTD, UNIT NO 1 LUTHRA INDL. PREMISES, ANDHERI-KURLA ROAD, SAFED POOL, ANDHERI EAST, MUMBAI-400 072 and also notify the e-mail address as and when there is any change.
7. Members holding shares in physical mode are requested to immediately notify the Company or its Share Transfer Agent about any change of address and their bank particulars. Members holding shares in dematerialized form are requested to immediately notify their respective Depository Participants about any change of address and their bank particulars.
8. A Statement pursuant of Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
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. Process and manner for members opting for e-voting are as under :

In compliance with provision of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 the Company is pleased to provide e-voting facility to all the shareholders of the Company. For this purpose the Company has entered into an agreement with National Securities Depository Limited to provide the facility of electronic voting ("E-Voting") in respect of the Resolution proposed at this AGM.

### I. The instructions for e-voting are as under :

- (i) Open your web browser during the voting period and navigate to <https://www.evoting.nsdl.com/>
- (ii) Enter the login credentials (i.e., user-id & Password) mentioned on the Postal Ballot Form. Your folio/ DP Client ID will be your User-ID.

User-ID	For Members holding shares in Demat Form:- For NSDL : 8 Characters DP ID followed by 8 Digits Client ID For CDSL :- 16 digits beneficiary ID For Members holding shares in Physical Form:- Event no. followed by Folio Number registered with the Company
Password	Your Unique password is printed on the Postal Ballot Form/via email forwarded through the electronic notice
Captcha	Enter the Verification code i.e., Please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

- (iii) After entering these details appropriately, click on "LOGIN".
- (iv) Members holding shares in Demat/Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password field. The new password has to be minimum eight characters consisting of at least one upper case(A-Z). one lower case(a-z), one numeric value(0-9) and as special character. Kindly note that this password can 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 NSDL. System will prompt you to change your password and update any contact details like mobile, email ID etc. on 1st Login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (v) You need to login again with the new credentials.
- (vi) On successful login, system will prompt to select the 'Event' i.e., 'Company Name'



- (vii) If you are holding shares in Demat Form and had logged in to <https://evoting.nsdl.com> and casted your vote earlier for any company, then your existing login id and password are to be used.
- (viii) On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the shareholder do not wants to cast, select 'ABSTAIN'.
- (ix) 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.
- (x) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- (xi) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [info@euro7000.com](mailto:info@euro7000.com), with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). The file scanned image of the Board Resolution should be in the naming format "Corporate Name\_Event no."

## II. In case of Shareholders' receiving Physical copy :

- (i) Initial password is provided as below/at the bottom of the Postal Ballot Form :

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) of (a) above, to cast vote.

## III. General Information :

- (a) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- (b) If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- (c) 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 future communication(s).
- (d) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 23<sup>RD</sup> September, 2015.
- (e) E-Voting right cannot be exercised by a proxy.
- (f) The Voting period begins on September 27, 2015 (10.00 a.m. IST) and ends on September 29, 2015 (5.00 p.m. IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23<sup>RD</sup> September, 2015 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.
- (g) Ms. Meenu Maheshwari, Practicing Company Secretary has been appointed as Scrutinizer for scrutinizing the e-voting procedure in a fair and transparent manner.
- (h) The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, 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 of or against, if any, forthwith to the Chairman of the Company.

The result of the e-voting will be declared on or after the date of the AGM i.e. 30<sup>th</sup> September, 2015. Such results will also be forwarded to the Stock Exchanges where the Company's shares are listed.

**By Order of the Board**

**Place : AHMEDABAD**  
**Date : 30<sup>th</sup> MAY, 2015**

**JAGDISH N.PATEL**  
**CHAIRMAN**



## JYOTI RESINS & ADHESIVES LTD

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 RELATING TO THE SPECIAL BUSINESS UNDER THE ITEM NO - 4.

#### **ITEM NO. 4 :**

Pursuant to the provision of Section 161 of the Companies Act, 2013, the term of office of Mrs. Jyotika Jagdish Patel, appointed as an additional director of the Company on the Board with effect from 24<sup>th</sup> March, 2015 and in terms of Section 161(1) of the Companies Act, 2013 she will hold office as Additional Director only up to the date of this Annual General Meeting. As required under section 160 of the above Act, a notice has been received from a member signifying his intention to propose her as a candidate for the office of Director of the Company. In the opinion of the Board, Mrs. Jyotika Jagdish Patel fulfills the conditions specified in the Company Act, 2013 and Rules made there under and also under the Listing Agreement for her appointment as Directors of the Company. Her Appointment shall also comply with the provision of Section 149(1) of the Act and amended clause 49 of the Listing Agreement to have at least one woman director. The Board considers that her association would be of immense benefit to the Company and it is desirable to avail her services

This Explanatory statement may also be regarded as a disclosure under the applicable provisions of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges. Mr. Jagdish Nathalal Patel and Mr. Utkarsh Jagdish Patel is deemed to be concerned or interested, financially or otherwise in this resolution being relative of Mr. Jyotika Jagdish Patel. None of the other Directors is concerned or interested in this Resolution.

#### **ITEM NO. 5 :**

Mr. Jagdish Nathalal Patel is looking after the overall management of the Company. His term of appointment expires on 31.03.2014. Pursuant to the recommendation of the Remuneration Committee, the Board of Directors, proposes to reappoint him for a period of 5 years from 1st April 2014 on the terms and conditions mentioned herein below:

- (i) **Salary :** In the range of Rs. 90000 – Rs. 2,50,000 per month, within which his basic salary, house rent allowance, special allowances, LTA, other allowances etc. would be determined, with annual increments, within the aforesaid range, as may be decided by the Board in accordance with the company's policy and provisions of Schedule V of the Companies Act, 2013.
- (ii) **Perquisites :** In addition to Salary Mr. Jagdish Nathalal Patel will be entitled to the following perquisites / benefits.

#### **CATEGORY – A :**

- 1. **Medical Reimbursement :**  
Expenses incurred for the Director and his family, subject to a ceiling of one month's salary over a period of one year
- 2. **Leave Travel Concession :**  
For self and his family, once in a year in accordance with the rules of the Company.
- 3. **Personal Accident Insurance :**  
Premium not exceeding 15000/- per annum.

#### **CATEGORY – B :**

- 1. Company's contribution towards provident fund as per the rules of the Company.
- 2. Company's contribution towards superannuation fund as per the rules of the Company.
- 3. Gratuity as per the rules of the Company not exceeding one half month's salary for each completed year of service as a Director.

#### **CATEGORY – C :**

- 1. Free telephone facility at residence.
- 2. Provision of car with driver for use on Company's business.
- 3. Leave on full salary and perquisites for a period of one month for every eleven months service subject to a condition that leave accumulated but not availed of will not be allowed to be encashed.
- 4. The Director shall also be entitled to reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company.

The remuneration, inclusive of salary and perquisites, of Mr. Jagdish Nathalal Patel would be governed by and subject to the ceilings prescribed under Schedule V to the Companies Act, 2013, or any other amendment, modification, verification or re-enactment thereof.

The explanatory statement together with the notice should be treated as an abstract of the terms of Agreement and Memorandum of concern or interest under section 190 of the Companies Act, 2013. Mr. Jagdish Nathalal Patel is deemed to be concerned or interested in Resolution which pertains to his appointment and remuneration payable to him. Further Mrs. Jyotika Jagdish Patel and Mr. Utkarsh Jagdish Patel is deemed to be concerned in this resolution being relative of Mr. Jagdish Nathalal Patel. None of the other Directors is concerned or interested in this Resolution.

**Explanatory Statement pursuant to SECTION II OF PART II OF SCHEDULE XIII TO THE COMPANIES ACT, 1956 AND / OR SCHEDULE V TO THE COMPANIES ACT, 2013.****ITEM NO. 5 :****I. GENERAL INFORMATION ABOUT THE COMPANY :**

The company is engaged in the business of manufacturing of Wood Adhesive. It has built up a reputation as a manufacturer of "high quality" products and is known for its ethical dealings in business. The company supplies its products to leading Hardware & Plywood Stores in all over India. The management's view on the business operations and financial performance of the company, including performance and earnings, is given under the Directors' Report forming part of the Annual Report of the company.

**II. INFORMATION ABOUT THE APPOINTEE :**

Mr. Jagdish Nathalal Patel, the Managing Director of the Company, has been associated with the company right from the conceptual stage till date. His current tenure is for a period of 5 years w.e.f 01.04.2014

Mr. Jagdish Nathalal Patel is a highly qualified person with a B.Com. He has over 35 years of experience in the Chemicals and Paints industry and is widely acknowledged as an industry expert. He is a member of various Industry Association committees, in an advisory and executive role. He is also a first generation entrepreneur and often lectures at prestigious institutes of Ahmedabad on that subject.

He has been at the helm of your Company for many years and is responsible for the overall strategic growth of the company as well as the day-to-day functioning of the company. Under his leadership, the company has been able to turn around and wipe out all carried forward losses. Being an industry expert, he provides invaluable technical guidance to the production department and is fully involved at a micro level with all issues pertaining to the factory and production. He is also liaising with various regulatory bodies and govt. departments.

The present remuneration of the Managing Director includes a salary of 90,000/- per month and other perquisites, for the last two years.

The present salary is below the industry standard of salary for similarly qualified and experienced professionals at such high positions. In the last few years, the remuneration levels in the Chemicals industry have gone up significantly, at all levels and across all sizes of industry. It is becoming increasingly difficult to retain technically qualified people at lower salary levels.

It is now proposed to re-appoint Mr. Jagdish Nathalal Patel at a salary of ' 90000 to 250000/- per month and other perquisites, as per details given in the Notice to the AGM along with the Explanatory statement(s) forming part of the Notice, subject to approval of the shareholders

**III. OTHER INFORMATION :**

The company is presently in a phase of financial consolidation. The difficult times faced by the company during its initial years of operations had resulted in carried forward losses, which the company has been able to wipe off in the last few years. On account of its prior experiences, the company is presently working in certain low volume high margin niche products and also limiting its sales to few select prestigious customers. Consequently, the profits of the company are presently seen to be inadequate.

However, the company is now focusing on adjusting its growth strategy with the rapidly changing economic scenario. The present consolidation phase will provide a good launching pad to the company. The company is also working with some domestic merchant for increase its business as also trying to identify some high volume, low margin products to improve capacity utilization of its facilities.

**IV. DISCLOSURES :**

The remuneration paid to managerial person(s) in 2015-2016 was ' 21,60,000. Other disclosures are mentioned under the heading "Corporate Governance" in the Director's Report attached to the Annual Report.

The proposed remuneration of the Managing Director is within the ceiling limits prescribed under Schedule V of the Companies Act, 2013. The proposed enhancement in salary has been approved by a resolution passed by the Remuneration Committee.

The explanatory statement together with the notice should be treated as an abstract of the terms of Agreement and Memorandum of concern or interest under section 190 of the Companies Act, 2013. Mr. Jagdish Nathalal Patel is deemed to be concerned or interested in this resolution, as resolutions at Item No.5 pertains to his re-appointment and fixing of his remuneration. Mrs. Jyotika Jagdish Patel and Mr. Utkarsh Jagdish Patel is deemed to be concerned in this resolution being relative of Mr. Jagdish Nathalal Patel. None of the other Directors is concerned or interested in these Resolutions.

**By Order of the Board****Place : AHMEDABAD.****Date : 30<sup>th</sup> MAY, 2015****JAGDISH N.PATEL  
CHAIRMAN**

**DIRECTORS' REPORT**

Your Directors have pleasure in presenting their Twenty Second Annual Report together with the audited statements of accounts for the year ended 31st March, 2015.

**BUSINESS PERFORMANCE & FINANCIAL PERFORMANCE :**

<b>FINANCIAL RESULTS</b>	<b>2014-2015 Rs.</b>	<b>2013-2014 Rs.</b>
Sales & Other Incomes	2662,37,296	1527,02,598
Operating Profit (PBDTM)	978,31,610	6,16,54,659
Net Profit after Tax	20,79,999	24,16,951
Brought Forward Profit / (Loss)	8,10,848	(16,06,104)
Profit / Loss Carried Forward to B/S	11,77,782	8,10,848

During the year under report Company has earned net Cash profit of Rs. 978.32 lacs in compare to previous year Rs. 616.55 lacs. Company has earned Net Profit of Rs. 20.80 lacs against previous year Rs. 24.17 lacs after providing depreciation, miscellaneous expenses and prior period item. During the year Turnover and other income of the Company was increased to Rs.2662.37 Lacs from Rs. 1527.03 Lacs. Director has continued their efforts to reduce expenses & increase turnover of the Company. Your directors are hopeful about better performance of the company in coming years.

**DIVIDEND :**

In view of insufficient profit no dividend has been proposed by your Directors.

**DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS :**

Review the adequacy and effectiveness of the Company's system and internal controls. Review and discuss with the Management the Company's major financial risk exposures and steps taken by the Management to monitor and control such exposure.

**DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES :**

Your Company has not any Subsidiary or Joint Venture or Associate Company.

**PUBLIC DEPOSITS :**

The Company has not accepted any deposits falling under Companies Act, 2013.

**AUDITORS' REPORT :**

The notes to the accounts referred to in the Auditors' Report are self explanatory and therefore do not require any further comments under Companies Act, 2013.

**CORPORATE GOVERNANCE :**

Your Company strives to incorporate the appropriate standards for good corporate governance. A separate Report on Corporate Governance is given in Annexure – B, Auditor's statement on Compliance of Corporate Governance is given in Annexure – C, Certificate by Managing Director regarding compliance of clause 49 of listing agreement in Annexure 'D' and Management discussion and analysis in Annexure – E.

**AUDITORS :**

M/s. Raman M. Jain & Co. Chartered Accountant retires as auditors of the company at the ensuing Annual General Meeting and being eligible, offers them for reappointment.

**DIRECTORS :**

- Mr. Harshad G. Patel (DIN 03572394) retire by rotation, and being eligible, have offered themselves for reappointment. The Board recommends their re-appointment.
- Declaration by an Independent Director(s) and re- appointment, if any: A declaration by an Independent Directors that they meet the criteria of independence as provided in sub-section (7) of Section 149 of the Companies Act, 2013 has been received and taken on note.
- Formal Annual Evaluation: The Nomination and Remuneration Committee of the Board has formulated a Performance Evaluation Framework, under which the Committee has identified the criteria upon which the Committee has identified the criteria upon which every Director shall be evaluated. The Policy also provides the manner in which the Directors, as a collective unit in the form of Board Committees and the Board function and perform

**DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES :**

The Company promotes ethical behavior in all its business activities and has put in implementation of a mechanism wherein the Employees are free to report illegal or unethical behavior, actual or suspected fraud or violation of the





Company's Codes of Conduct or Corporate Governance Policies or any improper activity to the Chairman of the Audit Committee of the Company or Chairman of the Company or the Compliance Officer. The Whistle Blower Policy has been appropriately communicated within the Company. Under the Whistle Blower Policy, the confidentiality of those reporting violation(s) is protected and they are not subject to any discriminatory practices. No personnel have been denied access to the Audit Committee.

**PARTICULARS OF LOANS GUARANTEES OR INVESTMENTS UNDER SECTION 186 :**

The company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013. The details of the investments made by company is given in the notes to the financial statements.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES :**

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto shall be disclosed in Form No. AOC-2. However your company has not entered in any transaction attracting provision of Section 188 of Companies Act, 2013. Hence AOC-2 is not required to be attached.

**MANAGERIAL REMUNERATION :**

Your company has paid Rs. 10, 80,000/- remuneration to the Managing Director JAGDISH NATHALAL PATEL of the Company. Your Company has not any employee, who was in receipt of remuneration in excess of limits specified in the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**SECRETARIAL AUDIT :**

Pursuant to the provisions of Section 204 of the Companies Act 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Meenu Maheshwari & Associates , Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit in Form MR 3 for the financial year ended March 31, 2015 is annexed as Annexure - F to the Report. The following qualification was observed by the Secretarial Auditor in her Report to which the Board has shared the following explanation:

Qualification 2: Non appointment of CFO as at 31st March 2015 [section 203 non compliance]

Response: In complying with the provisions of Section 203 of the Companies Act 2013 regarding appointment of CFO your company was in the process of identifying a suitable person and accordingly has appointed Mr. Ashok C Jardosh as CFO of the company effective 30th, May 2015

**RISK MANAGEMENT POLICY :**

A statement indicating development and implementation of a risk management policy for the Company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company.

The Board of Directors has duly developed and implemented a risk management policy for the company.

**CODE OF CONDUCT :**

The Board has laid down a Code of Conduct for Board Members and for Senior Management and Employees of the Company ("Code"). All the Board Members and Senior Management Personnel have affirmed compliance with these Codes. A declaration signed by the Managing Director to this effect is enclosed at the end of this Report.

The Board has also laid down a Code of Conduct for Independent Directors pursuant to section 149(8) and Schedule IV to the Companies Act, 2013 via terms and conditions for appointment of Independent Directors, which is a guide to professional conduct for Independent Directors and is uploaded on the website of the Company.

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL ACT, 2013 :**

The Company has been employing about one woman employee. The Company has in place an Anti- harassment policy in line with the requirements of the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee is set up to redress complaints received regularly, is monitored and directly report to the Chairman & Managing Director. There was no complaint received from employee during the financial year 2014-15 and hence no complaint is outstanding as on 31.03.2015 for Redressal.

**DIRECTOR RESPONSIBILITY STATEMENT :****Your Directors confirm :**

- i. that in the preparation of annual accounts, the applicable accounting standards have been followed;
- ii. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2015 and of the profit of the Company for the year;
- iii. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in



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accordance with the provisions of Companies Act, 2013, for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities;

iv. That the Directors have prepared the annual accounts on a going concern basis.

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS :**

Members' attention is drawn to the statement on contingent liabilities, commitments in the notes forming part of the financial statement.

### **SHARE CAPITAL :**

The paid up capital of the Company is Rs. 4, 00, 00,000/-. Your Company has not issue any kind of Share during the financial Year ending on 31st March, 2015.

### **EXTRACT OF THE ANNUAL RETURN :**

The extract of the annual return in Form No. MGT – 9 shall form part of the Board's report (comment: as on 31/03/2015 status of annual return)

### **PARTICULARS OF THE EMPLOYEES :**

The Particulars required under Section 217(2A) of the Companies Act, 2013 are not required to be given as there is no employee drawing Rs.2,00,000/- p.m. or Rs.24,00,000/- p.a., during the year under report.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUT GO :**

#### **(A) CONSERVATION OF ENERGY :**

The information required under 134 of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 [Chapter IX] in respect of Conservation of Energy is annexed hereto and forms part of this Report.

#### **(B) TECHNOLOGY ABSORPTION :**

Being the fact that the manufacturing process has been indigenously developed; there is nothing to report on the status of technology absorption.

#### **(C) RESEARCH & DEVELOPMENT :**

The Company has established an in house laboratory with the modern facilities to carry out intensive analysis of variety of Raw materials & Finished goods. During the year under consideration, continuous efforts were made for up gradation of the products of your company.

#### **(D) FOREIGN EXCHANGE EARNING & OUTGO :**

No Foreign Exchange earning or outgo has occurred during the year.

### **AUDIT COMMITTEE :**

During the year under review, the Audit Committee was constituted in accordance with the provisions of the Companies Act, 2013 and listing agreement entered into by the Company with the Stock Exchanges.

### **FIXED DEPOSITS :**

During the year under review, the Company has not accepted any deposit from the public.

### **CORPORATE GOVERNANCE :**

Your Company has complied with the Corporate Governance guidelines as per Clause 49 of the Listing Agreement with the Stock Exchanges.

A report on Corporate Governance practices followed by your Company, in terms of Clause 49(VI) of the Listing Agreement and a Certificate from the Auditors of the company regarding compliance with Corporate Governance guidelines as stipulated and Management Discussion & Analysis reports have been attached by way of separate section as part of this Annual Report.

### **ACKNOWLEDGMENTS :**

Your Directors thanks various Government Authorities, banks & other business associates for the support & assistance extended to the Company from time to time and looks forward to their unstinted co-operation in development of the Company. Your Directors sincerely thanks the members for the confidence reposed by them in the company and look forward to their valuable support for the future plans of the Company.

**For & On Behalf of the Board**

**Place : Ahmedabad.  
Dated : 30<sup>th</sup> May 2015**

**Jagdish N.Patel  
Chairman & Managing Director**