

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Hozef Abdulhussain Darukhanawala	Managing Director
Mrs. Duraiya Hozef Darukhanawala	Director
Mr. Nathmal Gokuldas Lohia	Independent Director
Ms. Sadhana Nathmal Lohia	Independent Director
Ms. Minakshi Muchhal	Company Secretary
Mrs. Tasneem Lakdawala	Chief Financial Officer

### REGISTERED OFFICE

4, Akash Deep, Ground Floor, TPS VI  
1st Road, Milan Subway, Santacruz (West)  
Mumbai- 400 054  
Tel: +91 22 26613184  
Email: [mm.moneymasters@gmail.com](mailto:mm.moneymasters@gmail.com)  
Website: [www.moneymasters.in](http://www.moneymasters.in)

### BANKERS

Central Bank of India  
Bombay Mercantile Cooperative Bank Ltd  
SamataSahakari Bank Ltd  
United Bank of India

### STATUTORY AUDITORS

M/s. Meena N. Shetty & Co.,  
Chartered Accountants,  
4, NavjivanGrih, Gr. Floor, S.V. Road,  
Santacruz (West), Mumbai – 400 054

### REGISTRAR AND SHARE TRANSFER AGENTS

M/s. Universal Capital Securities Pvt. Ltd.  
21/25 Shakil Niwas, Opp. Satya Saibaba Temple,  
Mahakali Caves Road, Andheri (East),  
Mumbai - 400 093.  
Tel: (022) 2820 7203/7205  
Fax: (022) 2820 7207  
E-mail: [info@unisec.in](mailto:info@unisec.in)

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## NOTICE

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Members of **Money Masters Leasing & Finance Limited** will be held on Monday, September 28, 2015 at 4.00p.m. at 4, Akash Deep, Ground Floor, TPS VI 1st Road, Santacruz (West), Mumbai - 400 054 to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider, approve and adopt the audited Balance Sheet as at March 31, 2015, the Profit and Loss Account for the year ended on that date and the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mrs. Duraiya Hozef Darukhanawala (DIN: 00177073), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
3. **Appointment of Statutory Auditor of the Company:**

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 section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s. Meena N. Shetty & Co., Chartered Accountants., (Firm Registration No.106130W), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Twentieth Annual General Meeting of the Company to be held in the year 2016 and to fix their remuneration for the financial year ending 31st March, 2016 as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

**On behalf of Board of Directors of  
Money Masters Leasing & Finance Limited  
Sd/-**

**Hozef Darukhanawala  
Managing Director**

**Date: August 26, 2015  
Place: Mumbai**

### **NOTES:**

1. A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote on a poll on his behalf. A proxy need not be a member of the Company. A person can act as proxy on behalf of not exceeding fifty Members and holding in the aggregate not more than 10% of the total Equity Share Capital of the Company. Any Member holding more than 10% of the total Equity share capital of the Company may appoint a single person as proxy and in such a case, the said person shall not act as proxy for any other person or member. The instrument appointing proxy should be duly completed and in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. (Proxy form MGT-11 is annexed herewith).
2. The Company's Registrar and Share Transfer Agent for its Share Registry work (Physical and Electronic) are Universal Capital Securities Private Limited, having their office premises at 21, Shakil Niwas, Opp. Satya Sai Baba Temple, Mahakali Caves Road, Andheri (East), Mumbai – 400 093.
3. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of Equity Shares of the Company will remain closed from September 22, 2015 to September 28, 2015 (Both days inclusive).
4. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
5. Corporate Members are requested to send to the Registered Office of the Company, a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorising their representative to attend and vote at the Annual General Meeting.

6. Members are requested to notify immediately about any change in their address / e-mail address /dividend mandate / bank details to their Depository Participant (DP) in respect of their shareholding in Demat mode and in respect of their physical shareholding to the Company's Registrar and Share Transfer Agent.
7. Members who are desirous of seeking any further information or clarification, if any, particularly with regard to the accounts are requested to write to the Company at least ten days in advance of the meeting so that the information can be made available at the meeting.
8. The copies of Annual Report are being dispatched to all the shareholders as are appearing in the register of members as on August 28, 2015.
9. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic/ demat form, the members may please contact their respective depository participant.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or the Company's Share Registrars and Transfer Agents.
11. Members are requested to give their valuable suggestions for improvement of the services and are also advised to quote their E-mail Id's, telephone / facsimile no. for prompt reply of their communications.
12. In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this Notice.
13. Voting through electronic means:
  - In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to cast their votes using an electronic voting system from place other than venue of AGM ("remote e-voting") to be provided by Central Depository Services (India) Limited (CDSL).
  - The facility for voting through ballot paper shall be made available at AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
  - The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitle to cast their vote again.
  - The remote e-voting period commences on September 25, 2015 (9.00 a.m) and ends on September 27, 2015 (5.00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 21, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
14. The instructions and process for e-voting are as under:
  - Open your web browser during the voting period and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
  - Now click on 'Shareholders' tab to cast your votes
  - Now, select the 'Electronic Voting Sequence Number (EVSN)' along with 'Money Masters Leasing & Finance Limited' from the drop down menu and click on 'SUBMIT'
  - Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
  - If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for EVSN of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
  - Now, fill up the following details in the appropriate boxes:

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (in Capital) (Applicable for both demat shareholders as well as physical shareholders)
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DOB#	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.

- \* 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 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. Eg. If your name Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
- # Please enter any one of the details in order to login. In case both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.
- After entering these details appropriately, click on 'SUBMIT'
  - Equity Shareholders holding Equity shares in Physical form will then reach directly to the EVSN selection screen. However Equity Shareholders holding shares in Demat form will now reach 'Password Change' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to 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.
  - Equity Shareholders holding shares in physical form can use these details only for e-voting on the resolutions contained in this Notice.
  - Click on the relevant EVSN on which you choose to vote.
  - On the voting page, you will see Description of Resolution(s) and option for voting Yes/No for voting. Select the option yes or no as desired. The option 'YES' implies that you assent to the resolution & 'NO' implies that you dissent to the resolution
  - Click on the Resolution file link if you wish to view the entire Notice.
  - 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.
  - Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
  - You can also take out print of the voting done by you by clicking on 'Click here to print' option on the Voting page.
  - If Demat account holder has forgotten the changed password then enter the User ID and Captcha Code click on Forgot password & enter the details as prompted by the system.
  - Institutional Equity Shareholders (i.e. other than individuals, HUF, NRI etc) are required to log on <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board resolution and Power of Attorney which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
15. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to CDSL on [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or to the Investor relations officer of the Company on [minakshi.moneymasters@gmail.com](mailto:minakshi.moneymasters@gmail.com).
  16. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. September 21, 2015, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  17. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital in the Company as on the cut-off date i.e. September 21, 2015.
  18. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
  19. M/s. MihenHalani & Associates, Practicing Company Secretaries, have been appointed as the Scrutinizer to scrutinize the e-voting process and votes cast through Ballot Paper at the AGM in a fair and transparent manner.

## DIRECTOR'S REPORT

To,  
The Members,

Your Directors have pleasure in presenting their 19<sup>th</sup> Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2015.

### 1. FINANCIAL RESULTS:

Particulars (Standalone)	(Amount in INR/lakhs)	
	2014-15	2013-14
Total Income	237.85	204.21
Total Expenditure	203.35	178.29
<b>Profit before exceptional items and Tax</b>	<b>34.49</b>	<b>25.92</b>
Less: Exceptional Items	-	-
<b>Profit before Tax</b>	<b>34.49</b>	<b>25.92</b>
Less: Provision for Tax	9.85	15.79
<b>Profit after Tax</b>	<b>24.64</b>	<b>10.13</b>
Balance brought forward from previous year	6.74	7.71
<b>Balance carried to the Balance Sheet</b>	<b>31.38</b>	<b>17.84</b>

### 2. DIVIDEND:

Your directors have decided to deployed back the profits earned during the year and therefore not declared any dividend for the current financial year.

### 3. RESERVES:

There are no amounts transferred to Reserves during the year under review. However credit balance of Profit and Loss Account is transferred to Reserves and Surplus in Balance Sheet.

### 4. INFORMATION ON THE STATE OF COMPANY'S AFFAIR:

The company during the year sanctioned and disbursed HP loans to 230 auto rickshaws amounting to Rs. 397 lacs and other Hire purchase loans against computers, Equipment, Machinery etc to a tune of Rs. 546 lacs. Hence maintaining a very satisfactory ratio of Hire purchase activity to its total assets way above the RBI norm of 60%.

As resolved in December 2011 the company did not accept any Public Deposit and repaid deposits due during the year. Amounting to Rs 72.65 lacs. The Company also maintained a very satisfactory CRAR of 51.87% minimum required as per the norm is 15%.

### 5. PERFORMANCE REVIEW:

The Company is engaged in the business of Hire-purchase finance. The net receipts from Operations during the year under review were Rs. 23,784,695/- as against Rs. 20,420,750/- in the previous year. The Profit after tax is Rs. 2,464,467/- as against Rs. 1,013,561/- in the previous year.

### 6. SNAPSHOT OF PERFORMANCE:

Particulars	(Amount in INR/lakhs)	
	2014-2015	2013-2014
Deposits and interest payable	147	224

Corporate Deposits	52.73	-
Asset Financing and interest receivable	1611.50	1310.36

Your Company has consolidated its Deposits and Asset financing base during the year. The Total Income has gone up from Rs. 20,420,750/- to Rs. 23,784,695/-.

Gross and Net Non-Performing Advances have been Rs. 81.75 lacs and Rs. 56.73 lacs in FY 2014-15. In percentage terms Gross NPAs are now at 4.02 % and Net NPAs are at 2.79 % of total assets. Provision for NPA has been done in accordance to the norm.

## **7. APPROPRIATIONS:**

Appropriations from the net profit after the write offs, write backs and provisioning have been affected as under:

<b>Appropriations</b>	<b>(Amount in INR/lakhs)</b>
Provision for Income tax	9.85 lacs
Preference Share dividend and Dividend Distribution tax	20.67 lacs
Transfer to Reserves Fund 45IC	4.93 lacs

## **8. MATERIAL CHANGES AND COMMITMENTS BETWEEN END OF FINANCIAL YEAR AND DATE OF REPORT:**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report.

## **9. DIRECTORS' RESPONSIBILITY STATEMENT:**

As per the clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, the Directors' state that:

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

## **10. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:**

The Company does not have any subsidiary, joint ventures and associate company.

## **11. SHARE CAPITAL:**

The Paid-up Share Capital as on March 31, 2015 was Rs. 7,49,42,000/- comprising 44,94,200 Equity Shares of Rs. 10/- each and 30,00,000 7% CCR Preference Shares of Rs.10/- each.

During the year under review, the Company raised funds through issue and allotment of 633,800; 7% CCR Preference Shares of Rs.10/- each at par. These Equity Shares ranks paripassu in all respect with the existing Equity Shares of the Company.



**12. CAPITAL ADEQUACY RATIO:**

Your Company's total Capital fund to Risk weigh Assets Ratio (CRAR) as on March 31, 2015 stood at 51.87%. (Minimum required by RBI norms 15%).

**13. NETWORTH:**

Net worth of Company as at March 31, 2015 was Rs. 918.39 lacs comprising of Equity Shares, Preference Shares, Reserves and Share Premium.

**14. DEPOSITS:**

The average cost of deposits was 11 % pa. The Company maintained the limit of acceptance of deposit to 1.5 times of its Net owned funds as per the norms. It has stopped accepting public deposits since December 2011.

**15. ASSET FINANCING:**

The average yield on Advances was 16 % pa. The Company was always above the required minimum norm of Asset financing of 60% of Total Assets.

**16. INVESTMENTS:**

The Company had an Investment portfolio of Rs. 72 lacs as on 31.03.2015 of which Rs. 72 lacs were investments in GOI and State Government bonds out of which SLR was maintained at 15% of its Public Deposits.

**17. KNOW YOUR CUSTOMER (KYC/ANTI-MONEY LAUNDERING (AML) MEASURES:**

The Company has been implementing KYC/AML policy as approved by the Board of Directors in accordance with the PMLA 2002 (Prevention of Money Laundering Act 2002) and RBI/IBA (Reserve Bank of India/Indian Bank's Association) guidelines.

**18. HUMAN RESOURCES: KEY COMPETITIVE ADVANTAGE:**

The Company strongly believes that in a service industry like Banking and finance, it is only through people and their contributions that most of the objectives like offering products to various customer groups and servicing the poor can be achieved. Your Company believes in spreading the risk, and financing self generating assets like Auto rickshaws, taxis, machineries, equipments etc.

The Management has a healthy relationship with the officers and the Employee.

**19. RISK MANAGEMENT POLICY:**

The Company has adopted a Risk Management Policy duly approved by the Board and is overseen by the Audit Committee of the Company on a continuous basis to identify, assess, monitor and mitigate various risks to key business objectives.

**20. ADEQUACY OF INTERNAL FINANCIAL CONTROLS:**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

**21. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

As required by Clause 52 of the SME Listing Agreement with Stock Exchanges, the Management Discussion and Analysis Report, which forms part of this Annual Report.

**22. CORPORATE GOVERNANCE:**

The Company is committed to good corporate governance in line with the Listing Agreement and Money Masters Corporate Governance norms. The Company is in compliance with the provisions on Corporate Governance specified in the Listing Agreement with BSE. The Compliance certificate from M/s. Meena N. Shetty & Co., Chartered Accountants regarding compliance of conditions of corporate governance as stipulated in Clause 52 of the SME Listing agreement has been annexed with the report.

**23. PREVENTION OF SEXUAL HARASSMENT POLICY:**

The Company has in place a Prevention of Sexual Harassment policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up headed by Ms. Anjum Syed to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year 2014-2015, no complaints were received by the Company related to sexual harassment.

**24. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Mr. Hozef Darukhanawala, Managing Director of your Company was re-appointed for a period of 3 (three) years commencing from October 01, 2013 to September 30, 2016 by the shareholders of the Company at 18<sup>th</sup> AGM of your Company held on September 30, 2014.

Further, in compliance with the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Nathmal Gokuldas Lohia (DIN 00177112) and Ms. Sadhana Nathmal Lohia (DIN 00177146) were appointed as Independent Directors on the Board of Directors of your Company at 18<sup>th</sup> AGM of your Company held on September 30, 2014 to hold office upto 5 (five) consecutive years.

Ms. Tasneem Lakdawala was appointed as Chief Financial Officer of the Company w.e.f. March 20, 2015.

Mrs. Duraiya Hozef Darukhnwala (DIN: 00177073), Non-Executive Director is liable to retire by rotation at the ensuing Annual General Meeting and, being eligible he has offered himself for re-appointment. Your Board has recommended his re-appointment.

**25. DECLARATION OF INDEPENDENT DIRECTORS:**

The Company has received declarations from all Independent Directors that they meet the criteria of independence as laid down under Section 149(6) of the Act and Clause 52 of the SME Listing Agreement with the Stock Exchanges.

**26. EVALUATION OF BOARD'S PERFORMANCE:**

Pursuant to the provisions of the Companies Act, 2013 and Clause 52 of the SME Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.



**27. BOARD AND BOARD COMMITTEES:**

The details of Board Meetings held during the year, attendance of the directors at the meetings and details of all the Committees along with their charters, composition and meetings held during the year, are provided in the "Report on Corporate Governance", a part of this Annual Report.

**28. MANAGERIAL REMUNERATION:**

Disclosures of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as "Annexure A".

The details of remuneration paid to the Managing Director of the Company are given in Form MGT-9 forming part of the Directors Report.

**29. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

The Company has not granted any loans or given guarantees or made any investments covered under the provisions of Section 186 of the Companies Act, 2013.

**30. CORPORATE SOCIAL RESPONSIBILITY (CSR):**

The Company is not required to develop and implement any Corporate Social Responsibility initiatives as the said provisions are not applicable.

**31. RELATED PARTY TRANSACTIONS:**

During the financial year 2014-15, your Company has not executed any transactions with related parties as defined under Section 2(76) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014. During the financial year 2014-15, there were no transactions with related parties which qualify as material transactions under the Listing Agreement.

Your Company has framed a Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board.

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

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

**33. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO:**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, are as below:

- **Energy Conservation:** Company working in such business segment which does not require it to take steps for energy conservation.
- **Technology Absorption:** company working in such business segment which does not require to take steps for Technology Absorption.

- **Foreign Exchange Earnings and Outgo:** During the period under review there was no foreign exchange earnings or out flow.

### **34. STATUTORY AUDITORS:**

The Statutory Auditors M/s. Meena N. Shetty & Co., Chartered Accountants, Mumbai, having Firm Registration No. 106130W holds office until the conclusion of the ensuing Annual General Meeting and is eligible for reappointment.

Your Company has received confirmation from the Auditors to the effect that their appointment, if made, will be in accordance with the limits specified under the Companies Act, 2013 and the firm satisfies the criteria specified in Section 141 of the Companies Act, 2013 read with Rule 4 of Companies (Audit & Auditors) Rules 2014. Your Board is of the opinion that continuation of M/s. Meena N. Shetty & Co., Statutory Auditors during FY 2015-16 will be in the best interests of the Company and therefore Members are requested to consider their re-appointment as Statutory Auditors of the Company from the conclusion of ensuing Annual General Meeting till the conclusion of the Twentieth AGM of the Company to be held in the year 2016 at remuneration as may be decided by the Board.

### **35. AUDITORS' OBSERVATION & REPORT:**

The observation made in the Auditors' Report read together with relevant notes thereon are self explanatory and hence do not call for any further comments under Section 134 of the Companies Act, 2013.

### **36. SECRETARIAL AUDIT:**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed M/s. Mihen Halani & Associates, Practicing Company Secretaries for conducting Secretarial Audit of the Company for the financial year 2014-2015.

The Secretarial Audit Report is annexed herewith as "Annexure B".

### **Board's Reply of the comments in the Secretarial Audit Report:**

The Company has not appointed internal auditor for the financial year under review.	The Company will finalize the said appointment in the current financial year 2015-2016.
The Company has allotted 7% Redeemable preference shares on preferential basis in the financial year under review in which the following discrepancies have been observed: a. The disclosures stipulated to be made in the resolution and explanatory statement under Rule 9 of the Companies (Share Capital and Debentures) Rules, 2014 are not complied properly. b. Preferential allotment rules under Sec 62(1)(c) have not been complied.	Due to administrative reasons and beyond the control at the time of the allotment the company inadvertently oversight certain provision of the said section and rules.
The Company has re-appointed Managing Director, but has not filed Form MR-1 for the appointment.	The non-filing of relevant form was not intentional the same is being filed.
The website of the Company is not updated. The website does not have details of financial data, policies as required under Clause 33, 34 and 43 of the SME Listing Agreements.	The Company is in process of updating the website and will update the details as required under SME Listing Agreements.