

Sreechem Resins Ltd.

CIN: L24222OR1988PLC002739

Regd. Office: Vill: Jhagarpur,

Post: Rajgangpur – 770 017

Dist: Sundargarh, Odisha

e-mail: sreechem.rajgangpur@rediffmail.com

website: www.sreechem.in

Ph: (06624) 211943 /211944/211945

NOTICE OF THE 27th ANNUAL GENERAL MEETING

NOTICE

NOTICE IS HEREBY GIVEN that the Twenty Seventh Annual General Meeting of the members of the company will be held at the Registered Office of the Company at 10.00 A.M. on Wednesday the 30th day of September, 2015 to transact the following business :

ORDINARY BUSINESS:

- 1) "To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2015, the Audited Balance Sheet as on that date and the Reports of the Directors and Auditors thereon".
- 2) "To appoint Directors in place of Sri B.M. Banerjee (DIN No. 03278293) and Sri S.K. Joshi (DIN No. 01457519), Directors who retires by rotation and being eligible, offers themselves for reappointment. Smt. Rajee Sharma (DIN No. 01771103) was appointed as women Director in the Board in terms of SEBI Guidelines and being eligible offers herself for re-appointment. You are requested to re- appoint her as a woman director.
- 3) To re-appointment of Messrs R. C. Jhaver & Co., Statutory Auditors, who have been appointed at the AGM held on 30th September, 2014 for a period of one year up to the conclusion of 27th AGM and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary resolution.

“RESOLVED THAT pursuant to Section 139, 142 of the Companies Act, 2013 and Audit and Auditors Rules, 2014 (the rules), (including any statutory modification(s) or enactment(s) thereof for the time being in force) and pursuant to the recommendation of the Audit Committee, Messrs R.C. Jhaver & Co., Chartered Accountants, Kolkata (ICAI Firm Registration Number – 310068E), the retiring Auditors of the Company, be and are hereby re-appointed as Statutory Auditors of the company for period of 5 (five) years for auditing the accounts of the Company from the financial years 2015-16 to 2019-20 (subject to ratification of the appointment by the members at every Annual General Meeting to be held during the period) and the Board of Directors be and is hereby authorized to fix their remuneration plus travelling expenses and other out of pocket expenses incurred by them in connection with statutory audit ”.

By Order of the Board

Registered Office

Vill : Jhagarpur,

Post : Rajgangpur-770 017

Orissa

Dated : The 21st day of August, 2015

S. N. KABRA

MANAGING DIRECTOR

Notes:

A member entitled to attend, vote at the meeting is entitled to appoint a proxy to attend and vote on his behalf, and a proxy need not be a member of this company. Proxies in order to be effective must be received at the registered office of the company not later than 48 hours before the commencement of the meeting. A blank proxy form is enclosed.

The Register of Members and Share Transfer Books of the company will remain closed from 23.09.2015 to 30.09.2015 (both days inclusive).

As required by the Listing Agreement, details of the Director retiring by rotation and eligible for re-appointment are annexed hereto.

No Dividend has been declared.

Members are requested to note that as per Section 124 of the Companies Act, 2013, dividends not en-cashed or claimed within seven years from the date of transfer to the Company's Un-paid Dividend Account, will be transferred to the Investor Education and Protection Fund.

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The Securities and Exchange Board of India (SEBI) has made it mandatory for all Companies to use the bank account details furnished by the depositories for depositing dividends. As per the recent RBI guidelines, effective from September 30, 2009, ECS credit will be moved completely on National Electronic Clearance System (NECS) platform through core banking system. Accordingly, dividend will be credited to the shareholders' Bank account through NECS where complete Core Banking details are available with the Company. In the event any branch of a Bank has not migrated to Core Banking system, or where the core banking account number is not furnished by the shareholder to the Depository/Company as the case may be, the Company will print the details available in its records on the dividend warrants to be issued to the shareholders. The Company is complying with SEBI's directive in this regard.

1. Members desiring to seek any information/clarification on the Annual Accounts are requested to write to the Company at least seven days before the Annual General Meeting.
2. Share holders are requested to notify their Bank particulars giving the name of the bank and the branch and the nature of account and also any change of address to the Company's Registrar and Share Transfer Agent, M/S MCS Share Transfer Agent Limited. Share holders are hereby intimated that under instructions from the Securities and Exchange Board of India (SEBI), furnishing of bank particulars by the shareholders has become mandatory.
3. Members are requested to send all communications relating to shares to the company's Registrar and Share Transfer Agent. (Physical and Electronic) M/s MCS Share Transfer Agent Limited, 12/1/5, Manoharpukur Road, Kolkata-700026. E-mail: mcssta@rediffmail.com
4. RBI vide its Circular No. DPSS. (CO). EPPD. No. 191.04.01.01/2009-2010 dated July 29, 2009 has instructed banks to move to the NECS platform from October 1, 2009. Consequently you are requested to provide your new account number allocated to you after implementation of Core Banking System by your Bank. otherwise NECS credit to your old account may either be rejected or returned.

Please provide to the Company's Share Registrar and Transfer Agent (M/S MCS Share Transfer Agent Limited, Kolkata) new Bank Account particulars along with a copy of the cheque duly cancelled by quoting your reference folio number in case of shares held by you in physical form. In case the shares are in Dematerialized form, you may kindly provide the same to your Depository participant, so that your future dividend payments can correctly be credited to your new account.

5. 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 exercise their right to vote on resolutions proposed to be considered at the 27th Annual General Meeting by electronic means and the other business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the 27th Annual General Meeting ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

The instructions for e-voting are as under:

(A) In case of members receiving e-mail from NSDL:

- i) Open e-mail and PDF file viz. "SREECHEM RESINS LIMITED e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user id and password for remote e-voting. Please note that the password is an initial password.
- ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- iii) Click on shareholder – Login.
- iv) Put user id and password as initial password in step (i) above. Click Login.
- v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi) Home page of remote e-voting opens. Click on remote e-voting cycles.
- vii) Select "EVEN" of Sreechem Resins Limited.
- viii) Now you are ready for **remote** e-voting as cast vote page opens.
- ix) Cast your vote by selecting appropriate option and click on "Submit" and also click "Confirm" when prompted.

(B) In case of members receiving physical copy of the notice of Annual General Meeting and attendance slip:

- i) Initial password is provided below the attendance slip.
- ii) If you are already registered with NSDL for **remote** e-voting then you can use your existing user id and password for casting your vote.

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- iii) The remote e-voting period commences on September 27, 2015 (9:00 AM) and ends on September 29, 2015 (5:00 PM). During this period shareholder of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 23, 2015, may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- iv) The voting rights of shareholders shall be as per the number of equity shares held by members as on the cut-off date (record date) of September 23, 2015.
- v) Mr J. Patnaik of M/s J. Patnayak & Associates, Company Secretaries, Kolkata has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- vi) The Scrutinizer shall after the conclusion of voting at the Annual 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 three days of the conclusion of the Annual General Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- vii) The results shall be declared on or after the Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website @ www.sreechem.in. Members may also note that the Notice of the 27th Annual General Meeting and the Annual Report for the year 2014-15, will be available on the Company's website.

Note: In case of queries/ grievances with regard to e-voting, contact Mr. Rajiv Ranjan, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013. Email: evoting@nsdl.co.in/ rajvir@nsdl.co.in. Tel: 022-24994600/ 022-249944738.

Registered Office

Vill : Jhagarpur,
Post : Rajgangpur-770 017
Orissa

Dated : The 21st day of August, 2015

By Order of the Board

S. N. KABRA
MANAGING DIRECTOR

Sreechem Resins Ltd.

DIRECTORS' REPORT TO SHAREHOLDERS

TO
THE MEMBERS

Your Directors have pleasure in presenting the Twenty Seventh Annual Report together with the Audited Accounts for the year ended 31st March 2015.

Financial Results:

	(Figures in Rs. '000)	
	Year ended 31.03.2015	Year ended 31.03.2014
Net Income from operations and other income	312708	307287
Profit Before Depreciation, Interest & Tax	11792	10925
Interest	4877	5078
Depreciation	2383	4574
Profit/Loss before Tax	3373	1273
Provision for Taxation & Previous year taxes	1065	1100
Deferred Tax	(68)	(688)
Profit/Loss after Tax	2375	879
Balance Brought forward from Previous year	13602	12723
Leaving a balance to be carried forward	15977	13602

OPERATIONS:

Your Directors have to report that the net Income from operations for the year is Rs 31.35 crores against last years Rs. 30.73 crores exclusive of Inter Unit Transfers of Rs.9.56 crores against Rs 6.76 crores last year. The profit before taxes is Rs. 33.73 lacs against Rs. 12.73 lacs in previous year. After provision for income tax amounting to Rs.10.65 lacs and write back of Deferred Tax Liabilities of Rs. 0.68 lacs, Net Profit amounts to Rs.23.75 lacs, against Rs.8.79 lacs last year. The Net Profit is higher mainly on account of lower depreciation. Adding the brought forward profit of Rs. 136.02 lacs, the balance of Rs. 159.77 lacs is carried over to the next year.

During the year sales increased marginally in value terms compared to last year. The prices of various raw materials increased substantially, which could not be passed on to customers. The Directors initiated cost reductions measures during the year under review. In spite of that the net profit was lower. There is huge competition from other manufacturers as reported in the last year and the directors do not expect the situation to improve in the foreseeable future as order inflows have reduced in the current year.

DIVIDEND:

Looking to small profit, Your Directors want to conserve the funds for use in working capital and as such do not declare any dividend for the year.

CLOSURE OF MEMBERS AND SHARE TRANSFER BOOKS:

The Register of Members and Share Transfer Books of the Company will be closed with effect from 23rd September, 2015 to 30th September, 2015 (both days inclusive).

TRANSFER TO RESERVES:

The Company did not transfer any amount to General Reserve during the year.

SHARE CAPITAL:

The Authorized Share Capital of the Company is 5,00,00,000/- (Rupees five Crores only) divided into 50,00,000 Equity Shares of 10/- each. As on March 31, 2015 the paid-up share capital of the Company is 4,00,00,000 (Rupees four Crores only) divided into 40,00,000 Equity Shares of 10/- each. During the year your Company has not issued any equity shares.

DEPOSITS:

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and as such, no amount of principal or interest was outstanding as at March 31, 2015.

PERSONNEL:

The Company does not have any employee whose particulars are required to be given under section 217(2A) of the Companies Act, 1956 read with the companies (Particulars of Employees) Rules, 1975.

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DIRECTORS:

Sri B.M. Banerjee and Sri S.K. Joshi, Directors who retires by rotation as required under company's act and being eligible, offers themselves for reappointment. Smt. Rajee Sharma was appointed as women Director in the Board in terms of SEBI Guidelines and being eligible, offers herself for re-appointment.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

A report on management discussion & analysis is enclosed as part "C" of the Directors Report as per requirement of the listing agreement with the Stock Exchanges.

BOARD EVALUATION:

Pursuant to the provisions of Section 134 (3) (p) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a structured questionnaire was prepared after taking into consideration of the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the independent Directors was completed. The performance evaluation of the Managing Director and the non-independent Directors was carried out by the independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

DETAILS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY:

The Company has not given any loans or guarantees covered under the provisions of Section 186 of the Companies Act, 2013 except as mentioned in annual report.

AUDITORS REPORT & AUDITORS' OBSERVATION:

There is no audit qualification in the Company's financial statements. The company continues to adopt practices to ensure best practice as per Indian Accounting Standards. The Notes on Accounts referred to in the Auditors' Report enclosed are self-explanatory and do not call for any further comments.

STATUTORY AUDIT:

M/s R.C. Jhaver & Co., Chartered Accountants (Reg. No. 110068E), the statutory auditors of the Company, were appointed as Statutory Auditors for 1 year at the Twenty Sixth Annual General Meeting of the Company held on 30.09.2014. The Board recommends their re-appointment for 5 years.

SECRETARIAL AUDIT:

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 Secretarial Audit has been carried out by M/s J Patnayak & associates, Kolkata a firm of company Secretaries in practice. The Secretarial Audit Report is annexed herewith as "Annexure I". The Secretarial Audit Report does not contain any qualification, reservation or adverse remarks.

COST AUDIT:

The Cost Audit Report for the Financial Year 2013-14 was filed with Ministry of Company Affairs.

AUDIT COMMITTEE RECOMMENDATION:

During the year all the recommendations of the Audit Committee were accepted by the Board. The composition of the Audit Committee is as described in the Corporate Governance Report.

LISTING:

The shares of the Company are listed at Bombay Stock Exchange, Ahmedabad Stock Exchange, Bhubaneswar Stock Exchange and Calcutta Stock Exchange Limited. The Scrip Code at BSE is 518075 and at CSE is 13054. ISIN No. for Demat of Shares is : INE377C01010

The respective listing fees have been paid to Bhubaneswar & Ahmedabad Stock Exchanges up to the year 2014-15.

RECONCILIATION OF SHARE CAPITAL:

As directed by Securities Exchange Board of India (SEBI), Reconciliation of Share Capital is being carried out quarterly by a practicing Company Secretary. The findings of the Reconciliation of Share Capital were satisfactory.

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DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to section 134 (3) (c) of the Companies Act, 2013 the Board of Directors of the Company confirm that;

- (i) in the preparation of annual accounts, the applicable Accounting Standards as specified by the Institute of Chartered Accountants of India have been followed and that there has been no material departures from the same;
- (ii) 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 and of the profit or loss of the company for that period.
- (iii) the Directors have taken proper and sufficient care, to the best of their for the maintenance of adequate accounting records in accordance with the provision of the Companies Act 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- (iv) the annual accounts have been prepared on going concern basis.

SUBSEQUENT EVENTS:

There are no material changes and commitments affecting the financial position of the company which have occurred between March 31, 2015 and the date of the report except the order inflows have come down and the Raigarh unit is running at a lower capacity.

NUMBER OF BOARD MEETINGS DURING FY 2014-15:

During the FY 2014-15 the number of meeting of Board of Directors of the Company comes to 6 (Six). The details of the number of meetings of the Board held during the financial year forms part of the Corporate Governance Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The prescribed details as required Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are set out in Annexure 'A' forming part of this report.

DECLARATION OF INDEPENDENCE:

The Company has received Declaration of Independence from Mr. S.K. Joshi (DIN- 01457519), Mr. Uttam Jhavar (DIN- 00631065), Mr. Sanjay Bansal (DIN – 00142576) the Independent Directors of the Company as per sub-section (6) of Section 149 of the Companies Act, 2013. The declarations are annexed to the Report as Annexure II

REMUNERATION & NOMINATION POLICY:

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. The detail of the policy is explained in the Corporate Governance Report.

RELATED PARTY TRASACTION:

There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large.

VIGIL MECHANISM POLICY:

The Company has a vigil mechanism named Fraud and Risk Management Policy to deal with instance of fraud and mismanagement, if any.

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Company has a Fraud Risk and Management Policy to deal with instances of fraud and mismanagement, if any.

The FRM Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

A high level Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board.

WHISTLE BLOWER POLICY:

The Company has a "Whistle Blower Policy" to report genuine concerns or grievances. The Whistle Blower Policy has been posted on the website of the Company.

PREVENTION OF INSIDER TRADING:

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

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REMUNERATION COMMITTEE: The remuneration committee is duly formed. The recommendations of the remuneration committee is considered by audit committee and forwarded to the Board.

SUBSIDIARIES: The Company does not have any subsidiaries.

MANAGERIAL REMUNERATION:

Executive Directors are paid remuneration by way of salary, commission, perquisites and retirement benefits as recommended by the Nomination and Remuneration Committee and approved by the Board and shareholders of the Company.

Key Managerial Personnel and senior Management Personnel are paid remuneration by way of salary (comprising fixed components and variable component). Remuneration to Directors, Key Managerial personnel involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The Company does not have any Stock Option Scheme. No severance pay is payable on termination of appointment.

BUSINESS RISK MANAGEMENT:

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & Clause 49 of the listing agreement, the company has constituted a business risk management committee. The details of the committee and its terms of reference are set out in the corporate governance report forming part of the Boards report. At present the company has not identified any element of risk which may threaten the existence of the company.

REGARDING KEY MANAGERIAL PERSONNEL:

The Company has appointed/designated the following as the Key Managerial Personnel of the Company:

Mr. S.N. Kabra - Managing Director

Mr. Binod Sharma – Jt. Managing Director

Mr. P.D. Somani – Chief Financial Officer

Selection and appointment of key managerial persons was done on recommendations of audit and remuneration committee.

EXTRACTS OF ANNUAL RETURN IN MGT- 9:

The details forming part of the extract of the Annual Return for the year ended on 31.03.2014 in Form MGT-9, as required under Section 92 of the Companies Act, 2013, is included in this Report as Annexure- III and forms an integral part of this Report.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS:

The Corporate Governance and Management Discussion & Analysis Report, which form an integral part of this Report, are set out as separate Annexure as mentioned below, together with the Certificate from the auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, the following form part of this Annual Report:

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

Details regarding the present energy consumption including captive generation, technology absorption, foreign exchange earning and outgo are furnished in Annexure-'A' as per the requirements of the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988, other reports includes:

- (i) Report on Corporate Governance – (Annexure 'B');
- (ii) Management Discussion & Analysis Report – (Annexure 'C').

ACKNOWLEDGEMENT AND APPRECIATION:

The Board wishes to place on record their sincere thanks to the Employees of the Company for their sincere and hard work. The Board also wish to place on record their sincere thanks to the Company's Bankers the ALLAHABAD BANK, KOLKATA and convey their gratitude and thanks to the Company's esteemed share holders, customers and other business associates for their support.

Place: Kolkata

For and by Order of Board

Dated : The 21st day of August, 2015

S. N. Kabra
Managing Director

Binod Sharma
JT. Managing Director

Sreechem Resins Ltd.

ANNEXURE 'A' TO DIRECTOR'S REPORT

Information as per Section 217(1) (e) read with Companies (Disclosure of particulars in the report of Board of Directors) Rules 1988 and forming part of the Directors Report for the year ended 31st March 2015.

1. CONSERVATION OF ENERGY:

Company has taken various steps for conservation of energy and has installed energy efficient equipments and thereby able to minimize the energy consumption.

TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION AS PER FORM-A OF THE ANNEXURE TO THE RULES IN RESPECT OF INDUSTRIES SPECIFIED IN THE SCHEDULED THERETO:

A. POWER & FUEL CONSUMPTION		2014-2015	2013-2014
1. Electricity			
Purchased Unit	KWH	434923	568574
Total Amount	Rs.	2953988	3520241
Rate	Rs./KWH	6.79	6.19
2. Own Generation through Diesel Generator			
Units	KWH	3123362	3436173
Unit per Litre of Diesel	KWH/ Ltr.	3.14	3.13
Cost per Unit	Rs./ KWH	16.26	17.48
B. Consumption per Unit Production			
(Electricity)	KWH/MT	138	141

TECHNOLOGY ABSORPTION:

A. Research & Development (R & D)

- Specific areas in which R & D carried out by the Company:
— New Product development
- Benefits derived as a result of above R & D :
— Addition to the existing range of products.
— Cost reduction
- Further plan of action :
— The Company will continue to further develop the Research & Development in the above areas and identify new areas of applications.
- Expenditure on R & D :
— The expenditure on R & D was incurred in developing and commercializing products and as such specific expenditure under this head cannot be classified.

B. Technology Absorption, Adoption and Innovation :

There is no technical collaboration agreement. The Company is manufacturing with the help of in-house developed technology. The entire range of product is manufactured through know-how developed by the Company in-house.

C. Foreign Exchange earnings and Outgo :

Earnings - Rs.3893700.00 (P/Y Rs. 5694000.00)
Outgo - Rs. NIL (P/Y Rs. NIL)

Place: Kolkata

For and by Order of Board

Dated : The 21st day of August, 2015

S. N. Kabra
Managing Director

Binod Sharma
JT. Managing Director

Sreechem Resins Ltd.

ANNEXURE 'B' TO DIRECTOR'S REPORT

CORPORATE GOVERNANCE REPORT

(a) Company's philosophy

The Company Firmly believes in and continues to practice good Corporate Governance. The Company's essential character is shaped by the very values of transparency, professionalism and accountability. The Company continuously endeavors to improve on these aspects on an ongoing basis.

(b) Board of Directors

The present strength of board is 9 as on 31st March 2015. The Board of Directors comprises a Managing Director, a Joint Managing Director, two Executive Directors, a women Director and Three independent Directors. During the year, 6 Board Meetings were held on 15.05.2014, 14.08.2014, 16.08.2014, 14.11.14, 11.02.2015 and 30.03.2015.

The composition of Board of Directors and their attendance at the meeting during the year and at the last Annual General Meeting and other requisite particulars are given below

Name & Designation of Directors	DIN No.	Board Meetings attended	Attendance at AGM	Directorship in Other Companies
Sri. S.N. Kabra Executive Director	00556947	6	Yes	5
Sri. B. Sharma Executive Director	00557039	6	Yes	11
Sri. B.M. Banerjee Director	03278293	5	Yes	None
Sri. V. Kabra Executive Director	00746232	6	Yes	1
Sri. S. K. Joshi Independent Director	01457519	5	Yes	4
Sri. Sanjay Bansal Independent Director	00142576	4	Yes	7
Sri Uttam Jhavar Independent Director	00631065	6	No	4
Sri. Vibhor Sharma Executive Director	03011540	5	Yes	5
Smt. Rajee Sharma Women director	01771103	1	NO	2

Audit Committee

1. Terms of reference : It oversees the Company's financial reporting process and disclosure of its financial information, to recommend the appointment of statutory Auditors and fixation of their fees, to review and discuss with the Auditors about internal control systems, the scope of audit including the observations of the Auditors, adequacy of the internal audit system, major accounting policies, practices and entries, compliances with accounting standards and listing Agreement entered into with the Stock Exchange and other legal requirements concerning financial statements and related party transactions, if any, to review the Company's financial and risk management policies and discuss with the internal Auditors any significant findings for follow up thereon, to review the Quarterly, Half yearly and Annual financial statements before they are submitted to the Board of Directors.

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The Committee also meets the operational management personnel and reviews the operations, new initiatives and performance of the business units. Minutes of the Audit Committee Meetings are circulated to the Members of the Board, discussed and taken note of. The committee performs the functions enumerated in clause 49 of the listing agreement and sec.292 A of the companies Act, 1956. The Chief of financial & Accounts section, statutory auditors & internal auditors are invited in its meetings. The committee met 4 times in the financial year

2. Composition:

The audit Committee was formed in 2002 and composition was changed in the year 2013. As on today it comprises 3 Non-executive Directors. The committee met 4 times during the year and the attendance of Members at the Meeting was as follows:

Name of Member	Status	No. of Meetings Attended
Mr. . S. K. Joshi	Chairman	4
Mr. B.M. Banerjee	Member	4
Mr. Uttam Jhawar	Member	4

Mr. P.D. Somani, Chief financial Officer, of the company is the Secretary of the Committee.

d) Composition of Shareholders/ Investors Grievance Committee:

The committee comprises of Mr. B. M. Banerjee as Chairman and Mr. S. K. Joshi & Mr. Vikram Kabra as other members. Mr. P. D. Somani, Manager Finance & Legal is the compliance officer of the committee.

e) NOMINATION AND REMUNERATION Committee :

Name of Member	Status	No. of Meetings Attended
Mr. . S. K. Joshi	Chairman	1
Mr. B.M. Banerjee	Member	1
Mr. Uttam Jhawar	Member	1

Mr. P.D. Somani, Chief financial Officer, of the company is the Secretary of the Committee.

The committee met once during the year. It recommends remuneration payable to senior management personals and Board members, which is considered by audit committee and submitted to the Managing Director

Except Managing Director, Joint Managing Director and two Executive Directors the remaining independent Directors did not receive any remuneration. The women director was appointed in March end, was not paid any remuneration.

REMUNERATION TO DIRECTORS:

The details of remuneration paid to all the directors during the year are given below :

Name of Director	Salary (Rs.)	Perquisites (Rs.)	Total (Rs.)
Mr. S.N. Kabra	6,00,000	13748	613748
Mr. B. Sharma	6,00,000	4792	604792
Mr. B.M. Banerjee	NIL	NIL	NIL
Mr. V. Kabra	3,00,000	NIL	300000
Mr. S. K. Joshi	NIL	NIL	NIL
Mr Sanjay Bansal	NIL	NIL	NIL
Mr. Uttam Jhawar	NIL	NIL	NIL
Mr. Vibhor Sharma	180000	NIL	180000
Mrs. Rajee Sharma	NIL	NIL	NIL

Remuneration Policy

Payment of remuneration to Managing Director, Joint Managing Director, and Executive Directors is governed by the respective agreements executed between them and the company. The Board and the Shareholders approved these agreements.

- (e) The Board has delegated the powers to approve transfer of the Share allotted by the Company to a Committee of Senior Executives. The Committee held 6 Meetings during the year and approved the transfer of the shares lodged with the Company.