

# **ANNUAL REPORT**

## **2013 - 2014**



**Sunil Agro Foods Limited**

**An ISO22000 : 2005 Certified**

**SUNIL AGRO FOODS LIMITED**  
**TWENTY SIXTH ANNUAL GENERAL MEETING 2013-14**

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**BOARD OF DIRECTORS:**

Mr. B. Shantilal	Managing Director
Mr. Pramod Kumar S	Executive Director
Mr. AVS Murthy	Director
Mr. Shailesh Siroya	Director
Mrs. Pinky Jain	Director

**REGISTERED OFFICE & FACTORY**

Plot No: 39/A2  
Hosakote Industrial area,  
Chokkahalli  
Hoskote - 562 114

**CORPORATE OFFICE**

No: 1/104, Ahuja Chambers,  
Kumara Krupa Road,  
Bangalore - 560 001  
CIN: L01111KA1988PL008861

**AUDITORS**

Messrs MSSV & Co.  
Chartered Accountants  
Bangalore

**COMPANY SECRETARY ADVISOR**

Mr. Vijayakrishna K T  
Practising Company Secretary

**BANKERS**

HDFC Bank Ltd.  
Seshadripuram Branch, Bangalore

**SHARE TRANSFER AGENTS**

Integrated Enterprises (India) Limited  
Bangalore

**SUNIL AGRO FOODS LIMITED**

REGD. OFFICE : PLOT NO. 39/A2, HOSAKOTE INDUSTRIAL AREA  
CHOKKAHALLY, BANGALORE - 562 114

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**NOTICE**

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the Shareholders of the Company will be held at Bharatiya Vidya Bhavan, Race Course Road, Bangalore - 560 001, at 10.30 am on Wednesday, the 10th Day of September, 2014, to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date, together with the reports of Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint Mrs. Pinky Jain, Director, who retires by rotation and being eligible, offers herself for reappointment.
4. To re-appoint Auditors and fix their remuneration.

**SPECIAL BUSINESS:**

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. A V S Murthy (holding DIN 00085805), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to March 31, 2019.”

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188 and any other applicable provisions of the Companies Act, 2013, if any, consent of the members be and is hereby accorded for

transaction of milling activity being/be undertaken with Brindavan Softland Private Limited (BSPL), a Company in which Directors are interested, the transaction being in the ordinary course of business and at arm's length prices for such period as may be agreed to, by the Board of Directors.”

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188 and any other applicable provisions of the Companies Act, 2013 if any, consent of the members be and is hereby accorded for acquisition of the business as a Slump Sale and ongoing business including Machinery and Equipments, other assets and liabilities if any, of Brindavan Softland Private Limited, the value being not more than Rs. 3,00,000/- Lakhs.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to enter into agreement and do all such acts or things as may be necessary to give effect to the above resolution.”

8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188 and any other applicable provisions of the Companies Act, 2013, consent of the members be and is hereby accorded to grant the unused office premises belonging to the Company at Bangalore to Markasia Foods Private Limited on lease basis to house its office at arm's length terms.

RESOLVED FURTHER THAT any one of the Directors of the Company be and is hereby authorized to sign and execute all such documents and to take all necessary actions that may be necessary to enter into the said lease agreement.”

By the Order of the Board  
For SUNIL AGRO FOODS LIMITED

Place: Bangalore  
Date: 30.07.2014

**Pramod Kumar S**  
Executive Director

**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 need not be a member of the Company. Proxies in order to be effective, must be received at the Registered Office of the Company at least 48 hours before the meeting.
2. Explanatory Statement as per Section 102 of the Companies Act, 2013 is attached hereto, in respect of Special Business.
3. Listing fee has been paid to the BSE Ltd, Mumbai up to date.
4. The Register of Members and the Share Transfer books of the Company will remain closed from 2nd September, 2014 to 10th September, 2014 (both days inclusive).
5. Dividend of Re. 0.50 (50%) per Equity Share as recommended by the Board, if approved at the Meeting, will be paid to those members whose names appear on the Register of Members of the Company/beneficial owners as per the records of depositories as on 1st September, 2014.
6. Members are requested to quote the Folio Numbers or Demat Account Numbers and Depository Participant ID (DPID) in all correspondence to the Registrar and Share Transfer Agents of the Company.
7. Members holding shares in physical form are requested to consider converting their holding to dematerialized to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or Integrated Enterprises (India) Limited for assistance in this regard.
8. Pursuant to SEBI Notification No. MED/DOP/ Circular/05/2009, dated May 20, 2009, it has become mandatory for the transferee(s) to furnish copy of PAN Card to the Company/RTA to enable/effect transfer of Shares in physical form.
9. The Equity Shares of the Company are available for trading in dematerialized form (electronic form) through Depository Participants. The Company has entered in to agreements with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). ISIN No. INE224D01012. All the Shareholders holding Shares in the physical form are requested to make use of this facility. Members are requested to open Demat Account with any of the Depository Participants to enable transacting in the Stock Exchanges.

10. Members are requested to bring copy of the Annual Report along with them to the Annual General Meeting.
11. The Shares of the Company are compulsorily traded in electronic form. Members are requested to inform the Company's Registrars and Share Transfer Agents viz., Integrated Enterprises (India) Limited, Unit: Sunil Agro Foods Limited, 30, Ramana Residency, Ground Floor, 4th Cross, Sampige Road, Malleshwaram, Bangalore-560 003, about the changes, if any, in their registered addresses, along with the PIN Code number quoting their folio number. All correspondence relating to transfer of shares may be sent directly to the aforesaid Transfer Agents of the Company.
12. As regards to re-appointment of Mrs. Pinky Jain, referred to in item No. 3 of the notice, the following necessary disclosures are made for the information of the Shareholders:

Particulars	Details
Name	Mrs. Pinky Jain
Date of Birth	12.10.1971
Date of Appointment	30.07.2011
Qualifications	Graduate in Arts
Expertise in specific functional area	General Management
Directorships held in other Public Companies (excluding foreign companies)	Micro Labs Limited
Membership/Chairmanships of Committees of other public companies (included only Audit and Shareholders/ Investors Grievance Committee)	NIL

13. Voting through electronic means:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 26th Annual General Meeting to be held on Wednesday, the 10th Day of September, 2014 at 10.30 am. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide the e-voting facility.

The instructions for e-voting are as under:

In case of members receiving e-mail:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>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 last 8 digits of the demat account/folio number in the PAN field.</li> <li>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
DOB#	<p>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.</p>
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.</li> </ul>

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant Sunil Agro Foods Ltd on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to

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log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

### In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on Wednesday, 03rd September, 2014 (9.00 a.m.) and ends on Friday, 5th September, 2014 (6.00 pm). During this period the Shareholds of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 15th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

Mr. Parameshwar G Bhat, Practicing Company Secretary, Bangalore has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period of not exceeding three working days/from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make his report of the votes cast in favour or against and shall submit to Chairman of the Meeting.

By the Order of the Board  
For SUNIL AGRO FOODS LIMITED

Place: Bangalore  
Date: 30.07.2014

Pramod Kumar S  
Executive Director

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

### Item No. 5

Mr. A V S Murthy (DIN 00085805): As regards appointment of Mr. A V S Murthy as an Independent Director referred to, in Item No.5 of the notice, the following necessary disclosures are made for the information of the Shareholders:

Particulars	Mr. AVS Murthy
Date of Birth	23.06.1952
Date of Appointment	30.07.2002
Qualifications	BE (Mechanical) Bangalore University, MS(Grain Science & Industry), Kansas State University, USA, MIE Institution of Engineers, India
Expertise in specific functional area	General Management
Directorships held in other Companies (excluding foreign companies)	1. Krishna Industries Private Limited 2. Mysore Snack Foods Limited 3. Mysore Vegetable Oil Products Limited 4. Alampalli Investments Private Limited
Membership / Chairmanships of Committees of other public companies (included only Audit and Shareholders/ Investors Grievance Committee)	NIL

None of the Directors/Key Managerial Personnel except Mr. AVS Murthy himself is concerned or interested in this Resolution.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

### Item No. 6

The Company has been transacting the milling activities with Brindavan Softland Private Limited. The business is in the ordinary course and at arm's length prices.

However, considering the new Companies Act, 2013 your Board recommends the Resolution for your approval.

Your Directors recommend the passing of the Resolution as a Special Resolution.

None of the Directors/Key Managerial personnel, except Mr. Pramod Kumar S, Mr. B Shantilal and Mrs. Pinky Jain is interested or concerned in the resolution.

**Item No. 7**

Your Company proposes to acquire ongoing business including Machinery and Equipments, other assets and liabilities if any, of Brindavan Softland Private Limited on Slump Sale basis. The proposed transaction will be at arm's length price and duly valued by an Independent Valuer.

Mr. Pramod Kumar S, Executive Director of the Company is also Director in Brindavan Softland Private Limited; therefore the proposed contract attracts the provisions of Section 188 of the Companies Act, 2013.

Your Directors recommend the passing of the Resolution as a Special Resolution.

None of the Directors/Key Managerial personnel, except Mr. Pramod Kumar S, Mr. B Shantilal and Mrs. Pinky Jain is interested or concerned in the resolution.

**Item No. 8**

Your Board of Directors has proposed to let the unused space available at Bangalore to Markasia Foods Private Limited, a company incorporated under the Companies Act, 2013, to situate its office, on such terms as are market related and at arm's length basis.

Mr. Pramod Kumar S, Executive Director of the Company is also Director in Markasia Foods Private Limited; therefore the proposed deal attracts the provisions of Section 188 of the Companies Act, 2013.

Your Directors recommend the passing of the Resolution as a Special Resolution.

None of the Directors/Key Managerial personnel, except Mr. Pramod Kumar S, is interested or concerned in the resolution.

By the Order of the Board  
For SUNIL AGRO FOODS LIMITED

Place: Bangalore  
Date: 30.07.2014

**Pramod Kumar S**  
Executive Director

**DIRECTORS' REPORT**

Your Directors are pleased to present the Twenty Sixth Annual Report and the audited statements of accounts of the Company for the year ended 31st March, 2014. As notified by MCA Circular No. 1/19/2013-CL-V dated 04.04.2014, the Company has followed the Companies Act, 1956, in respect of the report.

**FINANCIAL RESULTS :** (Rs. in Lacs)

Particulars	Year ended 31-03-2014	Year ended 31-03-2013
Total Revenue	13659.21	10742.97
Profit before depreciation & tax	229.40	237.58
Less: Depreciation	79.22	70.13
Profit/(Loss) before tax	150.18	167.45
Less: Provision for tax	42.89	59.16
Profit/(Loss) after Tax	107.29	108.298

**DIVIDEND :**

With the surplus profit available with the Company, your Directors recommend Dividend of Re. 0.50 per Equity Shares of Rs. 10/- each (5%) on the fully paid up Equity Share Capital of the Company. The Dividend, if approved by the Shareholders at the ensuing Annual General Meeting shall absorb a sum of Rs. 15,01,450/- exclusive of Dividend Tax.

**PERFORMANCE :**

Your Company performed better during the year under report. A milestone of crossing Rs.100 Crores revenue was achieved during the year under report. This was made possible because of the following reasons:

- Usage of refurbished machineries
- Better rates of the wheat in Karnataka compared to other states and previous year.
- Trading of wheat added to the turnover.
- Increase in volume, higher revenue and better margin
- Sustained Business with General Mills
- Addition of new Customers.
- Proposal to add new line (Additional infrastructure) to increase capacity and quality.
- Continued investments on refurbishing of accessories

**DIRECTORS:**

Mr. AVS Murthy, Director, retires by rotation and being eligible, offer himself for re-appointment. In terms of the requirement of the new Companies Act, 2013, his appointment as Independent Director is proposed under Special Business.

Mrs. Pinky Jain, Non Independent Non Executive Director, retires by rotation as per the new Companies Act, 2013 and being eligible, offers herself for re-appointment.

**AUDIT COMMITTEE:**

During the year under report, the Audit Committee duly constituted by the Board of Directors with requisite composition to fall in line with the prevailing laws and continued to discharge its functions.

**AUDITORS:**

Messrs MSSV & Co., Chartered Accountants, retire as Auditors at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

**DEPOSITS:**

The Company did not accept any deposits from public during the year and there was no outstanding deposit due for payment.

**SECRETARIAL COMPLIANCE CERTIFICATE:**

Pursuant to the provisions of Section 383A of the Companies Act, 1956 read with Companies (Compliance Certificate) Rules, 2001, the Board is pleased to enclose the Secretarial Compliance Certificate for the year ended 31st March, 2014 as part of this Report.

**PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956:**

There were no employees drawing remuneration in excess of the limits prescribed under the above mentioned Section of the Act during the year.

**INFORMATION PURSUANT TO SECTION 217(1)(e) OF THE COMPANIES ACT, 1956:**

The information as required under the above Section is given in Annexure and forms part of the Report.

**CORPORATE GOVERNANCE REPORT:**

Your Company has implemented various measures of Corporate Governance aiming to assist the Management of the Company and to meet the obligations to Shareholders and towards enhanced transparency.

A report on Corporate Governance is given in Annexure and forms part of this Report.

**INDUSTRIAL RELATIONS:**

The relations with employees continued to be cordial throughout the year. Your Directors wish to place on record their sincere appreciation for the excellent team spirit displayed by the employees at all levels.

There was no complaint lodged by any woman employee under Sexual Harassment of Women at Workplace



## Sunil Agro Foods Limited

(Prevention, Prohibition and Redressal) Act, 2013, with the Company during the period under report.

### DIRECTORS' RESPONSIBILITY STATEMENT :

The Directors have fulfilled their responsibility for the preparation of the accompanying financial statements by taking all reasonable steps to ensure that:

These statements have been prepared in conformity with the generally accepted accounting principles and appropriate accounting standards. Judgments and estimates that are reasonable and prudent have been made wherever necessary.

The accounting policies selected and applied consistently give a true and fair view of the financial statements.

The Company has implemented internal controls to provide reasonable assurance of the reliability of its financial records, proper safeguarding and use of its assets and detection of frauds and irregularities. Such controls are based on established policies and procedures and are implemented by trained, skilled and qualified personnel with an appropriate segregation of duties. The Company's internal auditors conduct regular internal audits, which complement the internal controls.

The Company's Statutory Auditors Messrs. MSSV & Co., Chartered Accountants, Bangalore, have audited the financial statements in accordance with the generally accepted auditing standards and practices as indicated in their report.

### Going Concern :

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

### ACKNOWLEDGEMENTS :

Your Directors wish to place on record their gratitude to the customers, distributors, dealers, vendors, bankers and investors and employees for their continued and valued support.

By order of the board  
For SUNIL AGRO FOODS LIMITED

Place : Bangalore      **B. SHANTILAL**      **PRAMOD KUMAR S**  
Date : 30-07-2014      Managing Director      Executive Director

### ANNEXURE TO THE DIRECTORS' REPORT

Conservation of Energy Technology Absorption and Foreign Earnings/Outgo:

#### 1. Energy Conservation measures taken:

The Company has a system to monitor consumption of energy and all efforts for conservation of energy wherever possible are made and have installed Solar Energy lights

in the plant. Energy efficient electric Tubes have been installed to save energy. The Company has also installed energy efficient meters controlling waste of power.

2. Additional investments and proposal being implemented for reduction and consumption of energy and the impact of the same in the cost of production of goods:
3. **Energy Audit done:** The Company's investment in machinery designed for low energy consumption made in the previous year is operational for this year.

#### FORM – A

Discoloure of particulars with respect to conservation of energy

	2013-14	2012-13
Power and Fuel Consumption		
i) Electricity:		
a) Purchase Unit	3825360	3380838
b) Total Amount (Rs)	23013859	19324817
c) Rate Per Unit (Rs)	6.02	5.72
ii) In own Generation:		
a) Through Diesel Generator	NIL	6833
b) Units/Liter of diesel Oil	NIL	3.64
c) Cost per Unit (Rs)	NIL	15.28
iii) Consumption per ton of production	69.16	66.87
iv) Grinding	55311.92	50659.138

#### 3) Technology Absorption Adoption and Innovation:

The Company is committed to maintaining its standard and high quality of its production and is constantly engaged in efforts to confer to the guaranteed customer satisfaction.

#### 4) Foreign Earning and Outgo: (Amount in Rs.)

Sl. No	Particulars	2013-14 Current Year	2012-13 Previous Year
1	Foreign Exchange Earnings	NIL	NIL
2	Foreign Exchange Outgo towards		
	a) Royalty, Professional Consultancy Fees, Know-How etc	NIL	NIL
	b) Travel Expenses, Ticket& Visa charges	4,66,189/-	2,45,357/-
	c) Other Expenses	24,935/-	NIL
	Purchase of raw materials and Capital Goods		
1.	Import of Wheat	NIL	NIL
2.	Import of Spares and Components	1,99,240/-	NIL
3.	Capital Goods	NIL	31,47,225/-

By order of the board  
For SUNIL AGRO FOODS LIMITED

Place : Bangalore      **B. SHANTILAL**      **PRAMOD KUMAR S**  
Date : 30-07-2014      Managing Director      Executive Director

## CORPORATE GOVERNANCE REPORT

### A. Company Philosophy :

The Company's philosophy is sustained profitable growth and increase in stakeholders' value. This will be done through proper transparency and disclosures, adequate internal controls in its business practices and risk management, proper communication and good standards in safety, health, environment management, highest standards in accounting fidelity, product and service quality. The Company complies with the listing requirements of the Stock Exchanges, where its Shares are listed and endeavors to meet necessary listing guidelines. The Company has complied with all the provisions of Companies Act, SEBI guidelines and also those of the Stock Exchanges guidelines and is committed to good Corporate Governance. The Board fully understands and takes responsibility for its commitments to stakeholders, employees, vendors, customers and the communities where it operates. The primary objective of Customer Satisfaction is relentlessly pursued.

### B. Board of Directors :

The Board of Directors comprises of 5 Directors out of whom 2 are Executive Directors and 3 are Non - Executive Directors.

1. Board Meetings: During the financial year ended 31st March, 2014, four Board Meetings were held on 29th May, 2013, 30th July, 2013, 05th November, 2013 and 24th January, 2014.
2. Compositions of Board and Attendance of Directors in the Meeting: The composition of Directors and their attendance at the Board Meeting during the year and at the last Annual General Meeting as also number of other Directorship/Membership of the Committees are as follows:

Name of Directors	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM	No. of other Directorships	Committee Memberships
Mr. B Shantilal	Executive	4	Yes	5	0
Mr. Pramod Kumar S	Executive	4	Yes	6	2
Mr. AVS Murthy	Non-Executive Independent	4	Yes	5	0
Mr. Shailesh Siroya	Non-Executive Independent	4	Yes	10	2
Mrs. Pinky Jain	Non-Executive Non Independent	3	Yes	1	0

### C. Audit Committee :

The Audit Committee of the Company was constituted earlier. By the requirement of Companies Act, 1956, all companies with a paid up capital of Rs. 5 Crores and above should have an Audit Committee. Though the paid up capital of the Company is less than Rs. 5 Crores, the Audit Committee was formed to comply with the requirements of Clause 49 of the Listing Agreement.

#### 1) Terms of Reference

- a. Overview of the Company's financial process and the disclosure of its financial information.
- b. Recommend the appointment/removal of external auditor, nature and scope of audit, fixation of audit fee and payment for any other services to external auditors.
- c. Review with the Management, of the half yearly and annual financial statements before submission to the Board.
- d. Review with the Management, external and internal auditors, the internal audit report and the report of external auditors.
- e. Review of the adequacy and effectiveness of Internal Audit function, the internal control system of the Company, compliance with the Company's Policies and the applicable laws and regulations.

The Audit Committee may also review such matters as considered appropriate by it or referred to it by the Board.

#### 2) Composition and Attendance of Members in the Meeting:

The Committee comprises 2 Non-Executive Directors and one Executive Director. During the financial year, four Meetings were held on 29th May, 2013, 30th July, 2013, 05th November, 2013 and 24th January, 2014 and all the members of the Committee attended the same.