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**SUVIDHA INFRAESTATE  
CORPORATION LIMITED**

(Formerly DairyField Ltd.)

CIN : L70102GJ1992PLC016978

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**23<sup>rd</sup> Annual Report 2014-2015**

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**SUVIDHA INFRAESTATE  
CORPORATION LIMITED**  
(Formerly DairyField Ltd.)  
CIN : L70102GJ1992PLC016978

### **BOARD OF DIRECTORS**

SHRI ASHOK KUMAR GOSWAMI	:	CHAIRMAN
SHRI KISHORE KUMAR GOSWAMI	:	MANAGING DIRECTOR
SHRI ANUP KUMAR GOSWAMI	:	DIRECTOR
SMT. PARUL GAJJAR	:	WOMEN DIRECTOR
SHRI KAMAL K. GAJJAR	:	INDEPEDANT DIRECTOR
SHRI MUKUNDRAI P. VADHER	:	INDEPEDANT DIRECTOR

### **AUDITORS**

**J. M. PARIKH & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
B-705, 7<sup>TH</sup> FLOOR, NIRMAN COMPLEX  
OPP. HAVMOR RESTAURANT,  
NAVRANGPURA, AHMEDABAD – 380 009.

### **REGISTERED OFFICE**

A-305, 306, KRISHNA COMPLEX,  
OPP. DEV ASHISH SCHOOL, BODAKDEV, AHMEDABAD, GUJARAT.

### **BANKERS**

I.D.B.I. BANK  
INDIAN BANK

### **SHARE TRANSFER AGENT**

**SYSTEM SUPPORT SERVICES**  
209, SHIVAI IND. ESTATE,  
89 ANDHERI KURLA ROAD, SAKINAKA  
MUMBAI – 400072.

**The Management Discussion & Analysis Report (MDA)**

The management of Suvidha Infraestate Corporation Limited presents its analysis covering the performance of the company during the year 2014-15 and an outlook for the future.

**INDUSTRY STRUCTURE:**

Your Company was engaged in the business of dairy products and no manufacturing activity has been carried out since 2001. The company has changed the main object to real estate and infrastructure business pursuant to the Special Resolution passed through postal ballot concluded on the 25<sup>th</sup> November, 2010.

**PERFORMANCE :**

The company's main business was into dairy products, which has recently been changed to real estate and infrastructure.

The Company is in near completion stages of its first project '64 Park Avenue' a 70 weekend homes project at NH8C Chiloda-Prantij Highway, Village Chandrala Taluka and District Gandhinagar.

**SEGMENT-WISE PERFORMANCE:**

The Company is not manufacturing any products. Thus no segment wise performance is given.

**THREATS:**

The company has not been doing any business in its earlier business activities i.e. dairy industry. The company has changed its main business activities to real estate and infrastructure. The Real estate and infrastructure has undergone significant changes during the past few years. There was a huge boom in the real estate sector on a pan India basis wherein there was dramatic rise in the rates of Residential, Commercial as well as land. The sector has seen a correction in the past year and is in process of reconsolidation. This has attributed in the slow down of the company since it was already facing financial strains, however the Company expects another splurge by investors and the revival of the sector in the very near future.

**EXPLORATION :**

The management has diversified business activities to the construction and real estate development business. It will take some time to properly explore the area and use the expertise of the Management in the real estate business to get the results.

**STRENGTHS :**

The promoters and management of the Company has a strong technical knowledge and experience in the real estate development business. Their experience and expertise in the construction and real estate development business has been used as a tool to overcome some of the losses incurred during the previous year and generate the profits in the coming years.

**OPPORTUNITIES AND OUTLOOK :**

On the domestic front, progressive policies impacting the infrastructure, real estate, manufacturing and core sectors of the economy has opened up a large vista of opportunities. Overall the Indian Real Estate Development Industry continues to move on a fast track and outlook for the proposed real estate industry is good. The real estate market of Ahmedabad City, after getting Metropolitan city status has been continuous upward trend and the company has started its operation in real estate business.

**RISKS AND CONCERNS:**

Your company is working essentially in global market place. Global macro economic factors remain permanent risks attached to our existing and proposed business. Further the booming market has seen new players entering the markets, which will also be a concern. However the capability of providing quality services, timely completion of projects and the excellent performance will provide the competitive edge to the company's proposed business in this sector.

**INTERNAL CONTROL SYSTEM :**

In last five years, the company has concentrated on reduction of fixed expenses and has also reduced direct variables cost. It has concentrated on value added products and optimize on available cash flow. The management is ensuring an effective internal control system to safeguard the assets of the company. Efforts for continued improvement of internal control system are being consistently made in this regard.

**HUMAN RESOURCES/INDUSTRIAL RELATIONS :**

Your company believes in a work environment that is congenial to on job learning and encourages team work. It has, therefore, continued to focus on developing the competence of its staff and employees. Cordial and harmonious relation with employees continued to prevail through out the year under review.

**Declaration:**

It is hereby declared that the Company has obtained affirmation from all the Members of the Board and Senior Management personnel that they have complied with the "Code of Conduct and Ethics for Board Members and Senior Management" for the year ended on 31st March, 2015.

For and on Behalf of the Board of Director

**Kishore K. Goswami**  
Managing Director  
DIN00289644

Place : Ahmedabad  
Date : 29.05.2015

## REPORT ON CORPORATE GOVERNANCE

### Company's philosophy on Code of Governance:-

Your Company's philosophy on the Code of Governance envisages the enhancement of the long term economic value of the company, its shareholders and all its stakeholders by adopting better corporate practices with highest levels of transparency, accountability and equity in all phases of its operations.

### I. BOARD OF DIRECTORS

#### • Composition

Board of Director: The Board is entrusted with the ultimate responsibility of the management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosure.

The Board of your company at present consists of 6 directors. Your company has an optimum combination of Executive and Non-Executive directors with not less than fifty percent of the Board of Directors comprising of Non-Executive and independent directors. Such Non-Executive directors are independent directors.

The necessary disclosure regarding Committee positions have been made by all the Directors. The names and categories of the Directors on the board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanship/Membership held by them in other Companies are given herein below:

Sr. No.	Name of Directorship	Category <sup>(1)</sup>	Board Meetings during FY 2014-15		Last AGM Attended held on 30.09.2014	No. of outside directorship (s) held <sup>(2)</sup>	No. of outside committee position(s) held <sup>(3)</sup>	
			Held	Attendance			Public	Chairman
1	Ashokkumar Goswami	Promoter & Chairman	5	5	Yes	-	-	-
2	Kishorekumar Goswami	P & M.D.	5	5	Yes	-	-	-
3	Anupkumar Goswami	P & E.D.	5	5	Yes	-	-	-
4	Kamal K. Gajjar	I & N.E.D.	5	5	Yes	-	-	-
5	Rakesh R. Singh	Director	5	2	Yes	-	-	-
6	Mukundrai P. Vadher	I & N.E.D.	5	5	Yes	-	-	-
7	Mrs. Parul K. Gajjar	W.D.	1	1	No	-	-	-

**Notes:**

- (1) Category:  
 P & E.D. – Promoter & Executive Director  
 P & M.D. – Promoter and Managing Director  
 I & N.E.D. – Independent and Non-executive Director  
 N.E.D. – Non-executive Director  
 E.D. – Executive Director  
 W.D – Women Director
- (2) Excluding directorships in foreign companies and companies under section 8 of the Act.
- (3) Includes only Audit Committee and Stakeholder Relationship Committee of Public Limited Companies
- (4) Mr. Rakesh Singh Resigned w.e.f. 13.11.2014
- (5) Mrs. Parul Gajjar appointed as women director w.e.f. 28.03.2015.

**• Board Meetings**

Five Board Meetings were held during the year under review and the gap between two meetings did not exceed 120 days. The dates on which the Board Meetings were held during the Financial Year and attendance on the same are as follows:

Sr. No.	Date of Meetings	Board Strength	No. of Directors present
1	29 <sup>th</sup> May, 2014	6	6
2	14 <sup>th</sup> August, 2014	6	6
3	13 <sup>th</sup> November, 2014	5	5
4	13 <sup>th</sup> February, 2015	5	5
5	28 <sup>th</sup> March, 2015	5	5

**I. AUDIT COMMITTEE:**

The Audit Committee acts as a link among the Management, the Statutory Auditors, Internal Auditors and the Board of Directors to oversee the financial reporting process of the Company. The Committee's purpose is to oversee the quality and integrity of accounting, auditing and financial reporting process including review of the internal audit reports and action taken report.

**• Composition**

The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Chairman of the audit Committee is a Non-executive and Independent Director. The present composition of the Audit Committee and particulars of meetings attended by them are given below:

Sr. No.	Name of Directorship	Chairman/ Member	Category	No. of Meetings during FY 2014-15	
				Held	Attended
1	Rakesh Singh	Chairman	I & N.E.D.	2	2
2	Kamal K. Gajjar	Chairman	I & N.E.D.	4	4
2	Mukundrai P. Vadher	Member	I & N.E.D.	4	4
3	Kishore Goswami	Member	P & M.D.	4	4

**Note**

- (1) Resigned w.e.f. 13.11.2014
- (2) Appointed as independent director and chairman of committee w.e.f.
- (3) Attended 2 meeting as chairman and 2 as member.

During the Financial Year 2014-15, 4 Meetings were held on 29<sup>th</sup> May, 2014; 14<sup>th</sup> August, 2014, 13<sup>th</sup> November, 2014 and 13<sup>th</sup> February, 2015.

Mr. Kishore K. Goswami held the office of compliance officer and acted as secretary to the committee.

• **Terms of reference:**

The terms of reference of the Audit Committee are wide enough to cover the matters specified for Audit Committee under Clause 49 of the Listing Agreements as well as in Section 177 of the Companies Act, 2013. The terms of reference of the Audit Committee are broadly as under:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - b) Changes, if any, in accounting policies and practices and reasons for the same.
  - c) Major accounting entries involving estimates based on the exercise of judgment by the management.
  - d) Significant adjustments made in the financial statements arising out of audit findings.
  - e) Compliance with listing and other legal requirements relating to financial statements.
  - f) Disclosure of any related party transactions.
  - g) Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter
7. Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, where ever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, the performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected from audit irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. Reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries

• **Review of Information by Audit Committee:**

1. The Management discussion and analysis of financial condition and results of operations.
2. Statement of significant related party transactions submitted by management.
3. Management letters / letters of internal control weaknesses issued by the Statutory Auditors.
4. Internal audit reports relating to internal control weaknesses and
5. The appointment, removal and terms of remuneration of the Chief internal auditor.

**II. NOMINATION AND REMUNERATION COMMITTEE:**

The Board of Directors of the Company in its meeting held on 29th May, 2014, changed the nomenclature of the "Remuneration Committee" of Board of Directors of the Company to "Nomination and Remuneration Committee" and also modified its terms of reference to comply with the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The constitution and terms of reference of Nomination and Remuneration Committee of the Company are in compliance with provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

• **Composition:**

During the financial year 2014-15, a meeting of the Nomination and Remuneration Committee was held on 29<sup>th</sup> May, 2014.

The composition of the Committee and the details of meeting attended by the members of the Committee are given below:

Sr. No.	Name of Directorship	Chairman/ Member	No. of Meetings during FY 2014-15	
			Held	Attended
1	Mukundrai P. Vadher	Chairman	1	1
2	Kamal Gajjar	Member	1	1
3	Rakesh Singh	Member	1	1
4	Parul Gajjar	Member	-	-

Note

- (1) Resigned w.e.f. 13.11.2014
- (2) Appointed w.e.f. 28.3.2015

• **Term of Reference:**

The broad terms of reference of Remuneration Committee areas under:

- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- (b) Formulation of criteria for evaluation of Independent Directors and the Board;
- (c) Devising a policy on Board diversity;



- (d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- (e) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- (f) To perform such other functions as may be necessary or appropriate for the performance of its duties.

• **Remuneration Policy:**

**Remuneration to Non-Executive Directors:**

The Board of Directors is not paying any remuneration or sitting fees to the Non-executive directors of the Company.

Executives Directors are also not being paid sitting fees for attending meetings of the Board of Directors / Committees.

There were no material pecuniary relationships or transactions by the Company with the Non-Executive and Independent Directors of the Company.

**Remuneration to Executive Directors:**

The Company pays remuneration to its Executive Directors byway of salary, perquisites and allowances (a fixed component) and commission (a variable component) in accordance with provision of the Schedule V read with other provisions of the Companies Act, 2013, as approved by the Members.

The Board on the recommendation of the Nomination and Remuneration Committee approves the annual increments. The Board fixes a ceiling on perquisites and allowances as a percentage of salary. Within the prescribed ceiling, the perquisite package is recommended by the Nomination and Remuneration Committee.

Commission is calculated with reference to the net profits of the Company in a particular financial year and is determined by the Board of Directors at the end of the financial year based on the recommendations of the Nomination and Remuneration Committee, subject to the overall ceiling as stipulated in Section 197 of the Companies Act, 2013.

The details of remuneration paid to Shri Kishore Goswami, Managing Director for the year ended 31<sup>st</sup> March 2015 is given below:

Name of Director	Designation	Salary	Perquisites	Commission	Total
Kishore Goswami	Managing Director	6,00,000	-	-	600000

**Performance Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Board Committees.

The performance evaluation of the Chairman and Managing Director and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

• **Remuneration Policy:**

**ESOP Scheme:**

No Stock Options were granted or exercised by any Employee of the Company during the year 2014-15. The Executive and Non-Executive Directors of the Company have not been granted any stock options in terms of the provisions under the SEBI Guidelines/Regulations.

**Service contract, severance fees and notice period:**

The appointment of the Managing Directors is governed by the Articles of Association of the Company and the Resolution passed by the Board of Directors and the Shareholders of the Company.

No separate Service Contract is entered into by the Company with the Managing Directors.

**I. STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

The Board of Directors of the Company in its meeting held on 29<sup>th</sup> May, 2014 changed the nomenclature of "Shareholders'/Investors' Grievances Committee" to "Stakeholders' Relationship Committee" and also modified its terms of reference to comply with the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The constitution and terms of reference of Stakeholders' Relationship Committee of the Company are in compliance with provisions of Companies Act, 2013 and Clause 49 of the Listing Agreement.

• **Terms of Reference:**

- (a) Oversee and review all matters connected with the transfer of the Company's securities.
- (b) Monitor redressal of investors' / shareholders' / security holders' grievances.
- (c) Oversee the performance of the Company's Registrar and Transfer Agents.
- (d) Recommend methods to upgrade the standard of services to investors.
- (e) Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

During the year 2014-15, four meetings of "Stakeholders' Relationship Committee" were held on 29<sup>th</sup> May, 2014; 14<sup>th</sup> August, 2014, 13<sup>th</sup> November, 2014 and 13<sup>th</sup> February, 2015.

The Composition of "Stakeholders' Relationship Committee" and the details of the meetings attended by its members are as follows:

Sr. No.	Name of Directorship	Chairman/ Member	Category	No. of Meetings during FY 2014-15	
				Held	Attended
1	Rakesh Singh	Chairman <sup>(1)</sup>	I & N.E.D.	2	2
2	Kamal K. Gajjar	Chairman <sup>(2)</sup>	I & N.E.D.	4	4 <sup>(3)</sup>
2	Mukundrai P. Vadher	Member	I & N.E.D.	4	4
3	Kishore Goswami	Member	P & M.D.	4	4