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AAKRUTS COMMOTRADE PRIVATE LIMITED

CIN: U51109GJ2010PTC061946
Regd. Office: 40, Karamshila Nilkanth Nagar Housing Society,
Bhatar Road, Surat-395001
Email:jileedesai@yahoo.co.in

Directors' Report

To,
The Members,
Aakruts Commotrade Private Limited

Your directors have pleasure in presenting their **Fifth** Annual Report on the business and operations of the company together with Audited Financial Statementsfor the financial year ended 31st March, 2015.

1. FINANCIAL HIGHLIGHTS:

Amount (in Lacs)

Particulars	2014-2015	2013-2014
Revenue from Operations	1626.87	614.48
Other Income	16.77	0.35
Profit/(Loss) before Depreciation and Tax	73.05	44.29
Less: Depreciation	18.66	15.15
Profit/(Loss) before tax	54.39	29.13
Less: Provision for Income Tax	14.98	8.36
Less/(Add): Deferred tax Liability/(Assets)	5.65	(0.51)
Profit/(Loss) after tax	33.76	21.28
Add: Balance B/F from the previous year	16.57	(4.70)
Balance Profit/ (Loss) C/F to the next year	50.33	16.57

2. PERFORMANCEREVIEW, OPERATION AND PROSPECTS:

The gross revenue from operations and other income for the financial year under review was Rs.1643.64 Lacs as against Rs.614.83 Lacs for the previous financial year. The profit after tax increased to Rs.33.76 Lacs as compared to Rs.21.28 Lacs for the previous financial year. This is mainly due to increase in volumes and other cost saving measures taken by the company.

Your Company is well on the way to further growth. The company has good order position on hand and with aggressive marketing strategy, it will further strengthen. Your company is also making continuous efforts to improve the quality of products to sustain and grow in the competitive market.

3. DIVIDEND:

During the year under review, the company has earned net profit. However, to strengthen long term financial position of company, your directors decided to retain the profit and hence do not recommend any dividend for the year.

4. TRANSFER TO RESERVES:

The company has not transferred any amount to General Reserve during the financial year.

5. **BOARD MEETINGS:**
The Board of Directors of the company met 13 times during the year 2014-2015. The details of the various Board Meetings are provided hereunder:

Sr. No.	Name of Directors	Date of Board Meetings				
		19.06.2014	25.06.2014	26.07.2014	01.09.2014	02.09.2014
1	Mr. Subhashchandra Desai	Y	Y	Y	Y	Y
2	Mr. Jignesh Desai	Y	Y	Y	Y	Y
3	Mrs. Linaben Desai	Y	Y	Y	Y	Y

Sr. No.	Name of Directors	Date of Board Meetings				
		23.09.2014	16.12.2014	21.01.2015	28.01.2015	02.02.2015
1	Mr. Subhashchandra Desai	Y	Y	Y	Y	Y
2	Mr. Jignesh Desai	Y	Y	Y	Y	Y
3	Mrs. Linaben Desai	L	Y	Y	Y	Y

Sr. No.	Name of Directors	Date of Board Meetings		
		02.03.2015	25.03.2015	31.03.2015
1	Mr. Subhashchandra Desai	Y	Y	Y
2	Mr. Jignesh Desai	Y	Y	Y
3	Mrs. Linaben Desai	Y	Y	Y

Y stands for 'Attended', A stands for 'Absent', NA stands for Not applicable and L stands for 'Leave granted'

6. **CHANGES IN DIRECTORS & KEY MANAGERIAL PERSONNEL:**
During the year under review, there were no changes in the directorship of the company.

7. **DIRECTORS' RESPONSIBILITY STATEMENT:**
Pursuant to the provisions of Section 134(5) of the Companies Act, 2013 the directors of the company confirm that:
(a) In the preparation of the Annual Accounts for the financial year ended on 31st March 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures;
(b) 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 as at 31st March 2015 and of the profit and loss account of the company for that period.
(c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
(d) The directors have prepared the Annual accounts on a 'going concern basis' and
(e) The directors have devised proper systems to ensure compliance with the provisions of all the applicable laws and that such systems were adequate and operating effectively.

8. **STATUTORY AUDITORS:**
The company Auditors, M/s. Rakesh Ayush & Co., Chartered Accountants, have been appointed for a period of 5 years from the conclusion of 04th AGM till the 09th AGM. Pursuant to provisions of Section 139(1) of the Companies Act, 2013 read with the Companies (Audit and Auditors), Rules 2014, the appointment of M/s. Rakesh Ayush & Co., Chartered Accountants, as auditors of the company for a period of 5 years shall be subject to ratification by shareholders at every AGM.

Accordingly, the appointment of M/s. Rakesh Ayush & Co., Chartered Accountants, as auditors of the company from this AGM till the conclusion of next AGM is put forth for your approval.

9. **AUDITOR'S REMARK:**
The observations made in the Auditor's Report are self-explanatory and do not require further explanation. There was no adverse remark in audit report.

10. **DETAILS OF SUBSIDIARY COMPANIES, JOINT VENTURE AND ASSOCIATE COMPANIES:**
The company did not have any subsidiary company, joint venture or associate company for the financial year ended 31st March, 2015.

11. **EXTRACT OF ANNUAL RETURN:**
The extract of the Annual Return in Format MGT-9 for the Financial Year 2014-15 has been enclosed with this report. (Annexure-I)

12. **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS U/S 186:**
The company has made/given the investment/loan/guarantee in/to subsidiary/associate company as mentioned hereunder:
    A. **LOANS AND ADVANCES GIVEN:**
    The company has given loan & advances to other as stated in Note No.11 of Audited Financial Statement (Please refer the note)

13. **RELATED PARTY TRANSACTIONS:**
All the transactions entered into with the Related Parties as defined under the Companies Act, 2013 during the financial year were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no Material Related Party Transactions during the year. Thus, disclosure in Form AOC-2 is not required. All the Related Party Transactions are placed before the Board of Directors for review and approval. Omnibus approval was obtained on a quarterly basis for transactions which are of repetitive nature.

14. **CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUT GO:**

A. CONSERVATION OF ENERGY:
The information relating to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014 is given hereunder.

A. **CONSERVATION OF ENERGY:**

The Company continues its efforts to improve methods of energy conservation and utilization. The Company's energy requirement is not large and the power consumption is in conformity with the industry norm. The total power & fuel consumption of the Company during the year is RS. 5.65 Lacs.

B. **RESEARCH AND DEVELOPMENTS:**

The company has installed indigenous technology provided and developed locally. The Company is well equipped and self sufficient in the matter of technology of manufacturing. The technology is being modernized and improved along with production without incurring additional expenses on research.

C. **FOREIGN EXCHANGE EARNING AND OUT GO:**

The foreign exchange earnings and out go of the company is nil.

15. RISK MANAGEMENT POLICY:

An effective Risk Management Framework is put in place in the Company in order to analyze, control or mitigate risk. The framework provides an integrated approach for managing the risks in various aspects of the business.

16. INTERNAL FINANCIAL CONTROLS:

The company has developed and maintained adequate measures for internal financial control for the year ended 31st March, 2015.

17. SHARE CAPITAL:

During the financial year, The company increased the authorised capital From Rs. 01.00 Crores to Rs. 05.00 Crores and Issued, subscribed and paid-up capital From Rs. 17,30,000/- to Rs. 1,81,60,000/-.

18. PUBLIC DEPOSITS:

The details relating to the deposits covered under Chapter V of the Act is as under:

(a) Accepted during the year:
Your company has not accepted any deposits within the meaning of Section 2(31) read with Section 73 of the Companies Act, 2013 and as such no amount of principal or interest was outstanding as on the date of the Balance Sheet.

(b) Remained unpaid or unclaimed as at the end of the year: None

(c) whether there has been any default in repayment of deposits or payment of interest thereon during the year: None

(d) The details of deposits which are not in compliance with the requirements of Chapter V of the Act: None

19. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS:

No significant and material order has been issued by any regulator/court/other authority which impacts the going concern status and company's operation in future.

20. MATERIAL CHANGES:

The Issued, subscribed and paid-up capital of the company has been increased from Rs. 1,81,60,000/- to Rs. 2,08,35,000/-.

21. DISCLOSURE UNDER SEXUAL HARRASMENT OF WOMEN AT WORKPLACE (Prevention, Prohibition & Redressal) Act, 2013

The company has in place an Anti-sexual Harassment policy in line with the requirement of the Sexual Harassment of woman at Workplace (Prevention Prohibition and redressal) Act, 2013. The following is the summary of the complaints received and disposed off during the financial year: 2014-2015:

a) No. of complaints received: NIL
b) No. of complaints disposed off: NIL

22. ACKNOWLEDGEMENT:

The Directors express their gratitude to the company's stakeholders and employees of the company. They also take the opportunity to thank the Company's valued customers, suppliers and the shareholders who have extended their support to the company.

By the Order of Board of Directors

(Jignesh Desai)	**(Subhashchandra Desai)**
Director	**Director**
DIN: 03086869	**DIN: 03086849**

Place: Surat
Date: 02nd September, 2015