

**DIRECTORS' REPORT**

To,  
The Members,  
Maruti Infrastructure Limited  
Ahmedabad

Your Directors have pleasure in presenting the 21<sup>st</sup> Annual Report of your Company for the financial year ended on March 31, 2015.

**FINANCIAL RESULTS:**

(Amount in ₹)

| PARTICULARS                                                                 | Current Year<br>2014-15 | Previous Year<br>2013-14 |
|-----------------------------------------------------------------------------|-------------------------|--------------------------|
| Total Income                                                                | 22,02,75,542            | 8,45,02,936              |
| Profit Before Depreciation and a mortization<br>expense & Financial charges | 1,85,33,452             | 89,31,742                |
| Financial charges                                                           | 10,10,993               | 8,26,637                 |
| Depreciation and amortization expense                                       | 16,65,204               | 10,89,574                |
| Profit Before Taxation                                                      | 10,58,57,255            | 70,15,531                |
| Provision For Taxation including Deferred Tax                               | 52,00,810               | 22,30,170                |
| Profit After Tax                                                            | 1,06,56,445             | 47,85,361                |
| <b>APPROPRIATIONS:</b>                                                      |                         |                          |
| Balance Brought Forward                                                     | 1,77,24,539             | 1,29,39,178              |
| Balance Carried Forward                                                     | 2,83,80,984             | 1,77,24,539              |

**OPERATIONS:**

The Company is recognized by Gujarat Institute of Housing and Estate Developers (GIHED), Builder Association of India (BAI), Ahmedabad Urban Development Authorities (AUDA) and has affiliated with Professional Institutes such as The Gujarat Institute of Civil Engineers and Architects (GICEA), Indian Plumbing Association (IPA), Gujarat Contractor Association (GCA).

During the year under review, the total income of the Company increased from ₹ 8,45,02,936/- to ₹ 22,02,75,493/-. The net profit during the Financial Year ₹ 1,06,56,482/- which has increased by 122.69% as against the net profit of previous year of ₹ 47,85,361/-.

**DIVIDEND:**

In order to conserve the financial resources, the Board of Directors of the Company do not recommended any dividend for the Financial Year 2014-15.

**FIXED DEPOSIT:**

The Company neither has accepted nor invited any deposit from the public, within the meaning of section 73 of the Companies, Act, 2013 and the Rules made thereunder.

AUTHORISED OFFICIAL

**SHARE CAPITAL**

The Company in order to meet with its increasing long term working capital requirements, long term resources for expansion of current activities, to carry out the additional residential and commercial projects, investment in Land and Buildings, infrastructure projects, for investment in subsidiary Company/Companies and/or Bodies Corporate, for the repayment of secured and unsecured loan, for general corporate purposes and to enable to raise additional borrowing in case of requirement raised funds by way of issue of 24,71,500 Warrants converted into equal number of equity shares of ₹ 10/- with a premium of ₹ 5/- each on preferential basis, to the Promoters and Non-Promoters in accordance with the Regulations for Preferential Issue contained in Chapter VII of the SEBI (ICDR) Regulations as amended time to time.

During the year 2014-15, the Company on conversion of warrants into equity shares issued and allotted 18,71,500 Equity Shares of Rs. 10/- each at a premium of ₹ 5/- aggregating to ₹ 2,80,72,500/- on 24<sup>th</sup> May, 2014 and also allotted the 6,00,000 Equity Shares of ₹ 10/- each at a premium of ₹ 5/- aggregating to ₹ 90,00,000/- on 9<sup>th</sup> June, 2014.

**ANNUAL RETURN:**

The extract of Annual Return as prescribed under Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, is set out in an annexure as 'Annexure I' to this report.

**DIRECTORS:**

In accordance with the provisions of the Companies Act, 2013 and the Company's Articles of Association, Shri Nimesh D. Patel (DIN: 00185400), Director of the Company, retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Smt. Hiteshi N. Patel has been inducted as an Additional / Director (Women) with effect from 31<sup>st</sup> March, 2015 and hold office up to ensuing Annual General Meeting of the Company. The Company has received notice from member under section 160 of the Companies Act, 2013, signifying her intention to propose the candidature of above mentioned person for the office of Director.

The information of Director(s) seeking re-appointment, details pertaining to brief resume and expertise in functional area is furnished in notes.

All the Independent Directors have submitted the declaration to the Company that they meet the criteria of independence, as per section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

**ANNUAL PERFORMANCE EVALUATION:**

In compliance with the provision of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own and the Directors individually and reported under the Corporate Governance Report as annexed hereto.

**MEETINGS OF BOARD:**

During the financial year 2014-2015, Seven (7) Board Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Based on the framework of internal financial controls established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors, the reviews performed by Management and the relevant Board Committees, the Board, with the concurrence of the Audit Committee, is of the opinion that the Company's internal financial controls were adequate and effective as on 31<sup>st</sup> March, 2015.

Pursuant to Section 134 of the Companies Act, 2013, the Board of Directors of the Company hereby state and confirm that:

- (a) that in the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) that we 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 March 31, 2015 and of the profits of the company for the year ended March 31, 2015;
- (c) they proper and sufficient care has been taken 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) that the annual accounts have been prepared on a going concern basis;
- (e) that proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively; and
- (f) that proper internal financial controls were laid down and that such internal financial controls are adequate and were operating effectively.

**AUDITORS AND AUDIT:****➤ STATUTORY AUDITORS:**

M/s. J. B. Shah & Co., Chartered Accountants, Ahmedabad have been appointed as Statutory Auditors of the Company for period of three years from the conclusion of the 20<sup>th</sup> Annual General Meeting till 23<sup>rd</sup> Annual General Meeting of the Company subject to ratification of their appointment at every AGM held after the 20<sup>th</sup> AGM. The members of the Audit Committee and Board of Directors of the Company recommended ratifying their appointment as Statutory Auditors of the Company for the financial year 2015-16.

There are no qualifications or adverse remarks in the Auditors' Report which require any clarification/explanation. The Notes on financial statements are self explanatory, if any, and needs no further explanation.

**➤ SECRETARIAL AUDITOR:**

Pursuant to the provisions of section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration personnel) Rules, 2014, the Board of Directors appointed the M/s. Bharat Prajapati & Co., Practicing Company Secretaries, Ahmedabad as Secretarial Auditor to conduct the Secretarial Audit of the Company for Financial Year 2014-15. The Report of the Secretarial Audit Report is set out in an annexure as 'Annexure 'II' to this report.



In connection, with the auditors' observation in the Secretarial Audit Report, the explanation / clarifications of the Board of Directors are as under:

- (i) With regard to the appointment of Chief Financial Officer, it is clarified that the Company is seeking eligible candidate to appoint as a Chief Financial Officer.
- (ii) With regard to the appointment of Company Secretary, it is clarified that the Company is seeking eligible candidate to appoint as a Company Secretary.

**POLICY ON DIRECTOR'S APPOINTMENT & REMUNERATION:**

Your Company's Policy on Director's Appointment & Remuneration and other matters provided in Section 178 (3) of the Companies Act, 2013 is set out in an Annexure as Annexure III to this report

**PARTICULARS OF EMPLOYEES:**

The particulars of employees in accordance with the provisions of Section 197 of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is set out in an "Annexer IV" to this report.

The particulars of employees falling under the purview of Section 197 read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are NIL.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

Details of Loan, Guarantee and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**RELATED PARTY TRANSACTIONS:**

All the transactions entered into with related parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement, if any, during the year were on an arm's length price basis and in the ordinary course of business. Such transactions have been approved by the Audit Committee. The Board of Directors of the Company has formulated the Policy on Related Party Transactions.

During the Financial Year 2014-15, the Company did not have any material pecuniary relationship or transactions with Non-Executive Directors. In the preparation of financial statements, the Company has followed the Accounting Standards. The significant accounting policies which are applied have been set out in the Notes to Financial Statements. The Board has received disclosures from Key Managerial Personnel, relating to material, financial and commercial transactions where they and/or their relatives have personal interest. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large.

**LISTING:**

The Company's Shares are listed on the BSE Limited, Mumbai (BSE). The Company has paid the Annual Listing Fees to the BSE Limited for the Financial Year 2015-2016.

The Company has already applied for delisting of its securities from the Ahmedabad Stock Exchange Limited (being the Regional Stock Exchange) on October 20, 2004. The same is still pending with the Exchange and the Company has not received any communication from the said Exchange till date. Hence, the listing fees of the Ahmedabad Stock Exchange Limited has not been paid.

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

The additional information required under the provisions of section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, is not applicable as the Company is engaged in Infrastructure Development.

- |    |                                    |   |     |
|----|------------------------------------|---|-----|
| 1. | Conservation of Energy             | : | NA  |
| 2. | Technology Absorption              | : | NIL |
| 3. | Foreign Exchange Earning and Outgo | : | NIL |

**CORPORATE GOVERNANCE:**

Corporate Governance, in accordance with the Clause 49 of the Listing Agreements, on Corporate Governance forms part of the Annual Report. The Auditors' Certificate on the compliance of Corporate Governance Code embodied in Clause 49 of the Listing Agreement is attached hereto and forms part of this Report.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

Pursuant to clause 49 of the Listing Agreement, the Management Discussion and Analysis Report is annexed after the Directors' Report and forms a part of this Report.

**CORPORATE SOCIAL RESPONSIBILITY(CSR) COMMITTEE:**

The provisions for Corporate Social Responsibility Committee and Corporate Social Responsibility activities are not applicable to the Company. However, as good governance practice the Company has constituted the Corporate Social Responsibility (CSR) Committee. Details of the role and composition of the Committee are provided in the Corporate Governance Section of the Annual Report.

**ESTABLISHMENT OF VIGIL MECHANISM:**

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has adopted a Whistle-Blower Policy/ Vigil mechanism, which provides a formal mechanism for all employees of the Company to make protected disclosures to the Management about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. Disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. During the year under review, No employee of the Company has been denied access to the Audit Committee.

**BOARD COMMITTEE:**

The Board of Directors of your Company had already constituted various Committees in compliance with the provisions of the Companies Act, 2013 and / or Listing Agreement viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee. During the year under review, in compliance with the provisions of Clause 49 of the Listing Agreement.

All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of reference / role of the Committee are taken by the Board of Directors.

Details of the role and composition of these Committees, including the number of meetings held during the financial year and attendance at meetings, are provided in the Corporate Governance Section of the Annual Report.



#### INDEPENDENT DIRECTORS MEETING:

During the year under review, the Independent Directors of the Company met on March 2, 2015, inter alia to discuss:

- i) Evaluation of Performance of Non-Independent Directors and the Board of Directors of the Company as a whole.
- ii) Evaluation of performance of the Chairman and / or Managing Director of the Company, taking into views of Executive and Non-executive Directors.
- iii) Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

#### RISK MANAGEMENT :

The Board reviews the risks associated with the Company every year while considering the business plan. Considering the size of the Company and its activities, it is felt that the development and implementation of a Risk management policy is not relevant to the Company and in the opinion of the Board there are no risks which may threaten the existence of the Company.

#### SEXUAL HARASSMENT POLICY:

The Company has in place a Prevention of Sexual Harassment policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year 2014-2015, no complaints were received by the Company related to sexual harassment.

#### ACKNOWLEDGEMENT:

Your Directors wish to place on record their sincere appreciation and gratitude for the valuable support and co-operation received from the Customers and Suppliers, various Financial Institutions, Banks, Government Authorities, Auditors and Shareholders during the year under review. Your Directors wish to place on record their deep sense of appreciation for the devoted services of the Executives, Staff and Workers of the Company for its success.

On behalf of Board of Directors  
For, MARUTI INFRASTRUCTURE LIMITED

Place: Ahmedabad  
Date: August 14, 2015

NIMESH D. PATEL  
CHAIRMAN & MANAGING DIRECTOR