



**31<sup>st</sup>**  
**Annual Report**  
**2014-2015**

**CAL S REFINERIES LIMITED**

**BOARD OF DIRECTORS**

Mr. Deep Kumar Rastogi	Executive Chairman
Mr. Alexander Walter Schweickhardt	Director (Ceased to be Director w.e.f. 31 <sup>st</sup> March, 2015)
Mr. Sameer Rajpal	Director
Mr. Pranav Kumar	Director
Mrs. Monika Moorjani	Director (Appointed as an Additional Director w.e.f 10 <sup>th</sup> February, 2015)

**COMPANY SECRETARY & COMPLIANCE OFFICER**

Mr. Suvindra Kumar

**CHIEF FINANCIAL OFFICER (CFO)**

Mrs. Rekha Sarada (Ceased to be CFO w.e.f. 29<sup>th</sup> July, 2015)

**BANKERS**

Axis Bank Limited

**AUDITORS**

M/s Kanu Doshi Associates, Mumbai Statutory Auditor

**REGISTERED OFFICE**

Unit No. 209, 2nd Floor, Suneja Tower-II,  
District Centre, Janakpuri, New Delhi-110058.

**REGISTRAR & SHARE TRANSFER AGENTS**

MCS Limited (upto 14.07.2015)  
MCS Share Transfer Agent Limited (with effect from 15.07.2015)  
F-65, 1st Floor, Okhla Industrial Area Phase-1,  
New Delhi-110020.

**LISTING OF SECURITIES**

The Bombay Stock Exchange,  
Phiroze Jeejeebhoy Towers,  
25<sup>th</sup> Floor, Dalal Street, Mumbai- 400001

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**IMPORTANT COMMUNICATION TO MEMBERS**

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to write to "MCS Share Transfer Agent Limited (Unit- Cals Refineries Limited), F- 65, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-1, New Delhi- 110020 with the details like Name, Folio No and e-mail id to register the same at our Registrar and Transfer Agents.

## NOTICE



**NOTICE** is hereby given that the Thirty First Annual General Meeting of the members of Cals Refineries Limited will be held on Friday, September 25, 2015 at 10.30 a.m. at Executive Club, Dolly Farms & Resorts, 439, Village Shahurpur, P.O, Fatehpur Beri, New Delhi- 110074, to transact the following businesses:

### ORDINARY BUSINESS

#### 1. Adoption of Financial Statement:

To receive, consider and adopt the audited financial statement of the Company for the financial year ended 31st March, 2015 and the Reports of Director's and Auditor's thereon.

#### 2. Appointment of Directors:

To appoint a Director in place of Mr. Deep Kumar Rastogi (DIN-01229644) who retires by rotation and being eligible, offers himself for reappointment.

#### 3. Appointment of Auditors:

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 139 of Companies Act, 2013 and rules made thereunder and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s VATSS & Associates, Chartered Accountants, New Delhi (Firm Registration No.- 017573N), be and are hereby appointed as the auditors of the Company for 5 years to hold office from the conclusion of this Annual General Meeting (AGM held in the year 2015-16) till the conclusion of the Sixth consecutive Annual General Meeting (AGM to be held in the year 2020-21) (subject to the ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting) and the Board of Directors be and are hereby authorized to fix their remuneration as may be determined by the Audit Committee in consultation with the Auditors."

### SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to section 149, 152, Schedule-IV and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Monika Moorjani (DIN: 06884948), who was appointed as an additional Director of the Company by the Board of Directors with effect from February 10, 2015 and who holds office till the date of the AGM in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013, signifying its intention to propose Ms. Monika Moorjani as a candidate for the office of the Director of the Company, be and is hereby appointed as an Independent Director of the Company for a period up to February 09, 2020, not liable to retire by rotation."

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

"RESOLVED THAT in supersession of the Ordinary Resolution adopted at the Annual General Meeting held on 12th September, 2007 under section 293 (1) (D) of the Companies Act, 1956, the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any committee, made/to be made for this purpose), be and is hereby authorised, in accordance with section 180 (1) (c) and any other applicable provisions of the Companies Act, 2013 and rules made thereunder, (including any statutory modification(s) or reenactment thereof for the time being in force and the Articles of Association of the Company), to borrow any sum or sums of moneys (including non fund based facilities) in one or more tranches, from time to time at their discretion, from any one or more banks, financial institution and other person, firms, bodies corporate, notwithstanding that the monies to be borrowed together with moneys, if any, already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) may, at any time, exceed a sum of

Rs. 50,00,00,000/- (Rupees Fifty Crores only) over and above the aggregate of the then paid up share capital of the Company and its free reserves (that is to say Reserves not set apart for any specific purpose) and that the Board of Directors be and are hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as they may, in their absolute discretion, think fit.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all acts, deeds and things as may be deemed necessary, desirable or expedient for giving effect to this resolution."

#### 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 clause 49 (VII) of the amended Listing Agreement, being effective from 01<sup>st</sup> Day of October, 2014, a material related party transaction, entered with Nyra Holdings Pvt. Ltd., (a related party under section 2 (76) of the Companies Act, 2013), for obtaining loan of Rs. 1,13,75,000/- in the financial year 2014-15, be and is hereby ratified.

**RESOLVED FURTHER THAT** pursuant to the aforesaid clause 49 (VII) of the listing agreement, the consent of the Members be and is hereby accorded to the Board of Directors of the Company to enter into material related party transaction by way of obtaining loan or otherwise from such related parties as explained in clause 49 (VII) (B), including Nyra Holdings Pvt. Ltd., for the financial year 2015-16 and in future, subject to the maximum limits of borrowing as set out in the Resolution No.- 5 of this Notice.

**By Order of the Board of Directors**

Place : New Delhi  
Date : 07.08.2015

**(Suvindra Kumar)**  
Company Secretary

### NOTES

1. The Relevant Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, relating to the special business of notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS BEHALF. A 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 UNIT NO. 209, 2ND FLOOR, SUNEJA TOWER-II, JANAKPURI DISTRICT CENTRE, NEW DELHI-110058 NOT LESS THAN 48 HOURS BEFORE THIS ANNUAL GENERAL MEETING. A FORM OF PROXY IS GIVEN AT THE END OF THIS ANNUAL REPORT.
3. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights.
4. Provided that a member holding more than ten percent of the total paid up share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
5. In case of Joint holders attending the meeting, only such holder who is higher in the order of names will be entitled to vote.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 19, 2015 to Friday September 25, 2015 (both days inclusive).
7. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect proxies lodged at any time during the business hours of the Company, provided that not less than 3 day's notice is given in writing to the Company.
8. The Register of Directors and Key Managerial Personnel and their Shareholding, maintained under Section 170 of Companies Act, 2013 and the Register of Contracts and Arrangements in which Directors are Interested maintained under Section 189 of Companies Act, 2013 will be available for inspection by the members at the AGM.

9. The Shareholding of Independent Directors seeking appointment/re-appointment at this meeting are as under:  
Mrs. Monika Moorjani: Nil shares.
10. Corporate Members intending to send their authorised representative to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
11. Members/Proxy Holders are requested to produce at the entrance of hall, attendance slips duly completed and signed, in accordance with the specimen signature registered with the Company for admission to the Meeting Hall.
12. The members are requested to
  - a. Bring their copy of Annual report at the Annual General Meeting.
  - b. **I In case shares are held in physical form:** notify immediately the change of address, if any, to the Company at Unit No. 209, 2<sup>nd</sup> Floor, Suneja Tower-II, Janakpuri District Centre, New Delhi-110058 or to the Registrar and Share Transfer Agent of the Company, MCS Share Transfer Agent Limited, F-65, 1<sup>st</sup> Floor, Okhla Industrial Area Phase I, New Delhi-110020 quoting their folio number.  
**II In case shares are held in dematerialized form:** notify to their depository participants, change/correction in their address/bank account particulars etc. as the Company uses the information provided by Depositories in respect of shares held in dematerialized form.
  - c. Send, in case of those members who have multiple accounts in identical names or joint names in same order, all the share certificates to the Registrar and Share Transfer Agent of the Company, MCS Share Transfer Agent Limited at the aforesaid address for consolidation of all such shareholdings into one account to facilitate better service.
13. All the documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on all days except Saturday, Sunday and Public holidays up to the date of the Annual General Meeting.
14. The Annual Report 2014-15 is being sent through electronic mode only to the members whose email addresses are registered with the Company/ Depository Participant(s), unless any member has requested for a physical copy of the Report. For members who have not registered their email addresses, physical copies of the annual report 2014-15 are being sent by the permitted mode. Members may also note that copy of the annual report of the Company is also available on Company's website "www.cals.in".
15. With a view to using Natural Resources responsibly, we request Shareholders to update their email address with their Depository participants to enable the Company to send all communications including Annual Report, Notices, Circulars, etc. electronically. Members who hold shares in physical form are requested to write to "**MCS Share Transfer Agent Limited (Unit Cals Refineries Limited), F-65, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-1, New Delhi-110020**" with details like Name, Folio No. and Email ID to register the same at our Registrar and Transfer Agent.
16. Brief profile and other additional information pursuant to clause 49 of the Listing Agreement of Directors seeking appointment / reappointment at the forthcoming Annual General Meeting is furnished as annexure to the notice. The Directors have furnished consent/ declaration for their appointment/re-appointment as required under Companies Act, 2013 and rules made thereunder.
17. In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, e-voting facility is being provided to the members. Details of the e-voting process and other relevant details are being sent to all the Members along with the Notice. The facility for voting through ballot paper will also be made available at the AGM and the members attending the AGM and who have not cast their vote electronically shall be able to exercise their right at the AGM through

ballot paper. Members who have cast their vote by e-voting may attend the AGM but shall not be entitled to cast their vote again.

18. **Voting through Electronics Means-** A detailed instructions and related write ups, on Electronic Voting Process, which forms part of this notice, is given at the end of this Annual Report. Shareholders are requested to kindly follow the said process for casting their vote electronically.
19. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the Securities Market. Members holding shares in electronic form are, therefore requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form are required to submit their PAN details to the Company and/or its RTA.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013**

**Item No. 4**

Ms. Monika Moorjani, aged about 38 years, was appointed as an Additional Director by the Board of Directors on 10<sup>th</sup> February, 2015 under Article 85 of the Articles of Association of the Company and pursuant to the provisions of Section 161 (1) of the Companies Act, 2013. She is presently an Independent Director on the Board as per the requirements of Clause 49 of the Listing Agreement. She will hold office up to the date of ensuing Annual General Meeting. In terms of Section 149, 152, Schedule IV and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Ms. Monika Moorjani being eligible and offering her for appointment, is proposed to be appointed as an Independent Director for a period up to February 09, 2020, not liable to retire by rotation.

The Company has received a notice in writing from a member along with the requisite deposit, signifying its intention to propose the candidature of Ms. Monika Moorjani for the office of Independent Director of the Company, under the provisions of Section 160 of the Companies Act, 2013.

Ms. Monika Moorjani is a practising Company Secretary. She is having experience of more than 14 years in the field of Corporate Laws Consulting and has served a wide array of Companies including a Government Navratna Company. She is a Commerce graduate and fellow member of The Institute of Company Secretaries of India (ICSI). She is holding degree of Bachelor of Law from Delhi University. She holds the directorship in one another Company.

The Company has received from Ms. Monika Moorjani (i) consent in writing to act as Director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014, (ii) intimation in form Dir 8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub section (2) of section 164 of the Companies Act, 2013 (iii) a declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of section 149 of the Companies Act, 2013.

In the opinion of the Board, Ms. Monika Moorjani fulfills the conditions specified in the Companies Act, 2013, and rules made thereunder for her appointment as an Independent Director of the Company and is Independent to the management of the Company. The Board also noted that with her appointment, Company meets the requirement of appointing a woman Director on the Board, as envisaged in the Companies Act, 2013 and the Listing Agreement. A copy of the draft letter for her appointment as an independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working day up to the date of the AGM.

Having regard to her qualifications, knowledge and experience her appointment as an Independent Director will be in the interest of the Company. The Board of Directors accordingly recommends the resolution set out at Item No. 4 of the accompanying Notice for the approval of the members.

None of the Directors, Key Managerial Personnel and/or their relatives, except the Director, are concerned or interested in the subject matter of the resolution.

**Item No. 5**

The members of the Company at their Annual General Meeting held on 12<sup>th</sup> September, 2007 approved by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs. 4000 Crores (Rupees four thousand crores). However, members are informed that Section 180(1)(c) of the Companies Act, 2013 which is effective from 12<sup>th</sup> September, 2013 required that the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the company accorded by way of a special resolution. Further Ministry of Corporate Affairs had granted one year period to the Companies from 12<sup>th</sup> September 2013 to comply with the provisions of Section 180(1)(c) of the Companies Act, 2013.

In our case the aforesaid approval of the shareholder was expiring at the previous year on 11<sup>th</sup> September, 2014, however the Company did not move the resolution in this respect as the circumstances exists at that moment was not requiring to do so, since the total amount of loan obtained by the Company till the date of previous AGM was Rs. 6.68 Crores and as on 31<sup>st</sup> March, 2015 was Rs. 7.08 Crores, which was well under the limits of the power of the Board as prescribed under section 180 of the Companies Act, 2013. Your Management had considered that the then existing scenario of the Company, was also not requiring to set that much of borrowing limits of the Company as it was fixed in the year 2007.

At present your management has taken decision for writing off of its various capital advances and other assets/lands from the financial statement of the Company, just to meet with the prerequisite to the existing circumstances of the Company and also to present true and fair picture of the financial statement, this has resulted as the negative net worth of the Company as at the end of the financial year 2014-15.

This situation has further led the Company to be in a position where the borrowing powers of the Board of the Company is completely eroded.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 5 of the Notice, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money upto Rs. 50.00 Crores (Rupees fifty crores) in excess of the aggregate of the paid up share capital and free reserves of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

The Board recommends the resolution set forth in Item no. 5 for the approval of the members.

**Item No. 6**

The Shareholders be apprised that the Securities and Exchange Board of India has amended the Clause 49 of the Listing Agreement on 17<sup>th</sup> April, 2014 to be effective from 01<sup>st</sup> October, 2014 and subsequent amendment to the clause was made on 15<sup>th</sup> September, 2014.

The amended clause 49 of the Listing agreement defines related party transaction in wider terms, Clause 49 (VIII) (A) says that "a related party transaction is a transfer of resources, services, or obligations between the Company and a related party, regardless of whether a price is charged." Based on this definition, your management took cognizance of the arrangement of Loan which Company has been borrowing from Nyra Holdings Private Limited, a related party, under the definition of related party as defined u/s 2 (76) of the Companies Act, 2013. Management also considered that Clause 49 (VII)(C) differentiate the related party transaction and the material related party transaction and it prescribed the limit of the transaction which will be treated as the material related party transaction i.e., "transaction/s with related party

being entered individually or taken together with previous transaction during a financial year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statement." The sub clause (D) prescribes that prior approval of the Audit Committee for all related party transaction is required, however sub Clause (E) mandates that all material related party transaction shall require approval of the shareholders through special resolution.

Presently as on the date of the Balance sheet of 31<sup>st</sup> March, 2015, your company has borrowed a sum of Rs. 6.83 Crores from Nyra Holdings Private Limited, however in the financial year 2014-15, the Company has borrowed a sum of Rs. 1.14 Crores. In context to the Listing agreement as enumerated above this transaction with Nyra Holdings Pvt. Ltd. shall be treated as a Material related party transaction, as Company's turnover as per previous audited Balance Sheet (2013-14) is Nil. Though we had not taken any shareholders approval in this respect, earlier, we need to have the transactions entered in this financial year (2014-15), be ratified by you. As informed above, management further apprises you, this amendment in Clause 49 of the listing agreement has come on 17<sup>th</sup> April, 2014, which was effective from 01<sup>st</sup> of October, 2014, however a subsequent amendment in this respect has come on 15<sup>th</sup> September, 2014, the related party transaction with the Nyra Holding Private Limited, was well under the limit as prescribed in the previous version of amended corporate governance, i.e., before 15<sup>th</sup> September, 2014, therefore the Company did not arranged for the shareholder's approval in their previous meeting held in the month of September, 2014.

The Management is proposing to you for your ratification with respect to the transaction entered with Nyra Holdings Pvt. Ltd. in the financial year 2014-15 and also recommending you to give your approval with the resolution to enable the Company to enter into the material related transaction with such related parties, in future.

As prescribed under explanation (ii) of clause 49 (VII) (E) of the Listing Agreement, all entities falling under the definition of related parties shall abstain from voting irrespective of whether the entity is a party to the particulars transaction or not, here Related party means the entities as mentioned in section 2 (76) of the Companies Act, 2013 and as per applicable accounting standards. Hence All the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution.

**By Order of the Board of Directors**

Place : New Delhi  
Date : 07.08.2015

**(Suvindra Kumar)**  
Company Secretary

**NOTES ON DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT ENTERED INTO WITH THE STOCK EXCHANGE**

**Mr. Deep Kumar Rastogi** - He is a Promoter Director and is on the Board of the Company since 19<sup>th</sup> January, 2008. He is into trading business and having more than 47 years of experience. He is further serving the following Companies, as a Director:

- Nyra Holdings Private Limited
- Delhikem India Private Limited
- Spice Energy Private Limited
- BND Gas Private Limited
- Metropolitan Gas (Odisha) Pvt. Ltd. (under process of striking off)
- SRM Energy Tamilnadu Private Limited

**Ms. Monika Moorjani** who joins the Board on 10<sup>th</sup> February, 2015 as an Independent Director of the Company, is Commerce graduate and fellow member of The Institute of Company Secretaries of India (ICSI). She has also to her credit additional degree of Bachelor of Law from Delhi University. She is having experience of more than 14 years in the field of Company Secretaries and has served a wide array of Companies including a Government Navratna Company. She holds the directorship in following Company(ies)

- Tandem Hydraulics Pvt. Ltd.

To, the Members of **Cals Refineries Limited**

The Directors present their Thirty First Annual Report and Audited Financial Statements for the financial year 2014-15.

**1. Financial Summary/highlights on Performance of the Company (Standalone)**

(₹ in million)

Description	Year Ended March 31, 2015	Year Ended March 31, 2014
Revenue from Operations	-	-
Other Income	0.16	3.76
<b>Total Revenue</b>	<b>0.16</b>	<b>3.76</b>
Operational Expenses	-	-
Employee Benefit Expenses	6.47	6.32
Interest and Finance Charges	0.00	81.90
Depreciation and Amortizations	0.38	0.45
Other Expenses	8.29	17.57
<b>Total Expenses</b>	<b>15.14</b>	<b>106.24</b>
<b>Profit/(Loss) before exceptional items</b>	<b>(14.98)</b>	<b>(102.48)</b>
Exceptional Items	5587.67	(47.19)
<b>Profit/(Loss) for the year</b>	<b>(5602.65)</b>	<b>(55.29)</b>

**2. Dividend**

As there is no operating income and consequently, no profit is available for distribution as dividend.

**3. Reserves**

The Company is not having any income and therefore there is no surplus available to be carried forward to Reserves.

**4. Brief description of the Company's working during the year/ State of Company's affair**

**A. Company's operation during the year**

This business operation of the Company has been stand still since long. We have to the extent possible, tried to explain the reason behind such situation. The prime reasons for such stagnancy in the business operation was the investigation conducted by the Securities and Exchange Board of India (SEBI) and the restrictive order passed by SEBI in this respect in the year 2011.

The prolonged investigation took approx. 2 years and ended with a negative order against the Company, issued on 23<sup>rd</sup> October, 2013, restricting the Company from entering into the securities market and altering its capital structure, in any manner effectively for period of 8 years from the date of the order. The Company has challenged that order of SEBI at Securities Appellate Tribunal in December, 2013. Approx. 2 years have elapsed since then, and the matter is still pending before the Tribunal.

The aforesaid incident has grossly affected the status of the Company at large and as a result the business operations of the company have come to a complete stand still.

Since there is no business operation in the Company, the prime responsibility of the Company is limited to the compliances of the various statutory requirements under different laws, rules and regulations, dealing with the litigations and other day to day administrative activities.

In addition to the above, and as apparent from the financial statement, the Company has not had any operational income since a long time and therefore serious thought is required to be taken on how the requisite funds should be arranged to maintain the necessary statutory compliances of the Companies. Being a listed Company with a wide shareholder base of approx. 1.85 lakh shareholders, the costs of compliances remains on the higher side. It is pertinent to note here that the Management of the Company remains vigilant to the necessary compliances, as applicable to the Company. They have ensured that all the requisite compliances are complied with in the given time period of the prescribed law, rules and regulations. Despite of having

managed to efficiently comply with all the applicable compliances and has also not defaulted on the payment of the statutory dues.

Till date the Company has been managing its day to day activity expenses to make the necessary compliances and payment of statutory dues through an arrangement of loan from one of its related parties namely Nyra Holdings Pvt. Ltd., which may not be a viable long term solution. Considering the constraint situation of the Company your Company has also written to the Securities and Exchange Board with a copy to the Registrar of Companies, making prayers, that an exemption be granted to the Company from making its Compliances till the SEBI prohibition is lifted and to allow M/s Nyra Holdings Private Limited to give interest free loans to the company without considering the same to be a default of the provisions of the Companies Act, 2013 and also to modify the SEBI order dated 23<sup>rd</sup> October 2013, and permit the current promoters (M/s Nyra Holdings Private Limited, in specific) to induct capital / funds against issue of equity. The Company has received no reply till date.

Further, to reiterate, the Company's operation has come to a standstill and no improvements is being made towards implementation of the project of the Company. The contracts and the agreements which were entered by the Company w.r.t the implementation of the refinery project have also lapsed or expired long back. Capital advances, which were made at the implementation stage of the project are either not recoverable or specific performance against the said advances cannot be enforced. The Board of Directors after analyzing the status and also based on the opinion received from legal firms, have decided to write off these advances, land and pre-operative expenses etc. from the balance sheet of the Company, to give true and fair picture of the financial statement. The Board further considered that carrying such advances which have no material value or relevance to the books of accounts would be inappropriate and would not give a true and fair view to the investors/shareholders of the Company.

It should also be noted that such writing off of aforesaid advances, land and pre-operative expense have resulted in substantial change in the profit/loss of the Company as compared to the previous year. The loss for this year is Rs. 5602.65 Million. as compared to the Loss for the previous year of Rs. 55.29 Million. This has further affected the Net worth of the Company, which is now completely eroded.

The Auditor's have also pointed this out in their Report and qualified their opinion, the Board has given their comment on the qualification of Auditor's in the later part of this Report.

**Investigation of Serious Fraud Investigation Office (SFIO)**

The Members be apprised that the Serious fraud investigation office (SFIO) had initiated an investigation into the affairs of the Company on 4<sup>th</sup> Day of February, 2015. They were appointed as investigating authority under section 212 of the Companies Act, 2013, the investigation was relating to the issuance of GDRs by the Company in the year 2007 and the proposed GDR issue in the year 2011.

Your Company has provided all the requisite information and lent the necessary support to the officers of SFIO, we have also provided all the documents as enquired by them from time to time.

**B. Status of project**

Company's Crude Oil refinery proposed in 2007 at Haldia (West Bengal) with a capacity of 5 MMTPA, has now become unviable and is an opportunity lost on account of non-availability of funds, restrictive order of SEBI having a long lasting impact, pending litigations, unrecoverable advances paid to suppliers on account of non-fulfilment of financial obligations by company in time. As considerable time has lapsed and the company could not raise the required funding in time, all efforts and investments in the project has been reduced to negligible financial value. A discussion containing important milestones, past and present status of the project is given below, which would give a fair idea of how non-achievement of financial closure and other related issues have damaged the prospect of the project revival:

- **Allotment of land admeasuring about 400 acres at Haldia by Haldia Development Agency (HDA), West Bengal**

Haldia Development Authority (HDA), vide its memo dated March 25, 2008, offered land admeasuring about 400 acres

at Haldia, West Bengal to the Company for setting up the refinery project ('the project'). As per the terms of the said memo, lease premium of Rs. 600 million was stipulated, which could not be paid by the company pending financial closure for the refinery project. Subsequently, the Company entered into a tripartite agreement dated March 19, 2010 along with HDA and West Bengal Industrial Development Corporation Limited (WBIDC). The Company was given permissive possession of the land for a period of six months from the date of the agreement with a condition that the land shall be sub-leased in favour of the Company at the end of six months, subject to compliance with certain conditions. Since the Company could not comply with these conditions, it had requested additional time from WBIDC for the same.

WBIDC, while granting such extension, stipulated additional conditions relating to tie up of equity and achievement of financial closure for the project. The Company was not in a position to comply with these conditions as the SEBI order was subsisting and informed WBIDC accordingly requesting further extension. However, WBIDC had not acceded to the Company's request and had withdrawn the permissive possession of land.

In the absence of any development in the project and withdrawal of the permissive possession of land, Cost of leasehold land Rs. 990.71 million, including cost of land development Rs. 196.91 million and civil work of factory building (included in capital work in progress) Rs. 49.64 million are written off.

- **Environment clearance**

The Ministry of Forest and Environment (MOEF), upon our application, had accorded Environmental Clearance for 5 MMTPA refinery project Company in the past, the Company had revised the capacity of refinery, envisaged in Haldia to 10 MMTPA from 5 MMTPA and had filed an application to Ministry of Environment to enhance the approval for putting up 200,000 bpd equivalent to 10 MMTPA capacity refineries. The Ministry vide its letter dated September 20, 2011 declined the request as Haldia has been notified as a critically polluted area and no new capacity or expansion can be permitted till it is de-notified.

- **Civil construction**

Initial civil construction was done at the project site and included the boundary wall at the project site. The other necessary construction w.r.t establishment of the refinery was being undertaken in the past. Presently no construction is going on at the site.

- **Arrangements to the Import of Plant and Machinery (the Refineries) to India:**

Initially the Company entered into contracts for relocation of one refinery from Ingolstadt, Germany and had also paid advances for such equipments. However, the Company could not achieve financial closure and fulfill the terms of the said contract, resulting in cancellation of the contract and forfeiture of the advances paid.

Similarly, other advances were also paid to various other suppliers for import of refinery and refinery equipments. These have also now been written off as the company could not achieve financial closure and fulfil the terms of the contracts. Further the Company on March 15, 2011, entered into an Asset Purchase Agreement with Tagore Investments SA (Tagore) (an affiliate of Hardt group) for the CENCO Petroleum Refinery at a cost of US\$ 275 million. The Company had also contracted for another set of Refinery equipments from another affiliate of Hardt group namely Amber Energy SA (Amber) at a cost of US\$ 142 million. Simultaneously, the Company had entered in to a 'Deed of Novation' with an affiliate of Hardt Group for assuming the contractual obligations envisaged on the supplier under an erstwhile agreement of plant & machinery for which an advance of Rs. 4,583.44 million had been paid. The Hardt Group had agreed to become a strategic investor in the Company and assist it in implementing the refinery project. Abboro Limited (affiliate of Hardt Group) had brought in Rs. 136.52 million as equity during March, 2011 to March, 2012 (out of which 120.76 million already allotted & the balance 15.76 million to be allotted as equity shares). However these agreements have also now lapsed and after the restrictive order of SEBI, their commitment to the project may have diminished.

### C. Future outlook

As reported above that the Company has been sailing through rough times for the past few years and the reasons for same were also explained to the extent possible. Presently the management is only concentrating on trying to get rid of the adverse conditions. It would be pertinent to note that the Company's future will be depending on the outcome of the proceeding at SAT, where Company has filed an appeal against the restrictive order of the SEBI issued against the Company on 23<sup>rd</sup> October, 2013.

In the current circumstances any discussion on the project implementation will be a futile exercise as with passage of time the chances of the survival of the project are getting bleak. The previous contracts, agreements which were entered into w.r.t the implementation of refineries, have expired long back and now not in force, moreover at this moment the Company has no operational project and hence no operational revenues accrues to the Company. Moreover, as reported above, various capital advances, pre-operative expenses, consultancy fee and capital work in progress, were written off from the balance sheet of the Company, just to give true and fair picture of the financials. As submitted above that the Company's future is highly dependent on the outcome of the SAT in the proceedings against the restrictive order of the SEBI.

- 5. **Change in the nature of business, if any**

There was no change in the nature of business of the Company during the financial year 2014-15.

- 6. **Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.**

There are no changes and commitments, which are affecting the financial position of the Company from the end of the financial year, i.e., 31<sup>st</sup> March, 2015 till the date of this Report. i.e., 07<sup>th</sup> August, 2015. Though, Ms. Rekha Sarda, the Chief Financial Officer (CFO) of the Company has resigned from the office w.e.f 29<sup>th</sup> July, 2015. The Company is in the process to identify a suitable person to be appointed as CFO of the Company.

- 7. **Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.**

SEBI Vide Interim Order in 21<sup>st</sup> September, 2011 had issued directions to the Company not to issue equity or any other instruments convertible into equity or alter capital structure in any manner till further directions, which was confirmed on 30<sup>th</sup> December, 2011. The SEBI further issued a final order dated 23<sup>rd</sup> October, 2013 against the Company, which operative portions are as under:

- a. *That the Company will not issue equity shares or any other instruments convertible into equity shares or any other security, for a period of ten years.*

- b. *Vide Interim Order dated September 21, 2011 (later confirmed through the Confirmatory Order on December 30, 2011), the Company was directed not to issue equity shares or any other instrument convertible into equity shares or alter their capital structure in any manner till further directions. In this context, the Company has already undergone the prohibition imposed vide the Interim Order for a period of approximately two years. In view of this factual situation, it is clarified that the prohibition already undergone by the Company pursuant to the aforementioned SEBI Order shall be reduced while computing the period in respect of the prohibition imposed vide this order.*

From the above Order it is clear that the Company is restrained from issuing any further equity shares or any other instruments, convertible into equity shares or any other security, effectively for a period of **eight years (approx) from the date of the order.**

The Company's various efforts to restart the project also failed due to the embargo on issue of new equity by SEBI. The aforesaid order has also compelled the Company to stand still its project and also to struggle to manage funds for its day to day operations.

The aforesaid restrictive order has helped building such circumstances, wherein the Company was not able to move ahead with its project and various contracts and agreements

which were entered into and for which advances were paid have expired long back. The Management has taken suitable decision to write off such advances, pre-operative expenses, consultancy fee and capital work in progress to give true and fair picture of the financials, though such writing off has completely eroded net worth of the Company.

The Auditor's of the Company has taken note of the same and qualified their Report raising their apprehension on the going concern of the Company. The management has given their detailed comments on such qualification of the Auditor's at the later part of this Report. Though it is pertinent to note that the ability of the Company to continue as a going concern is significantly dependent on getting a favourable order from SAT and the management is confident for such favourable order.

**8. Details in respect of adequacy of internal financial controls with reference to the Financial Statements.**

The Company has adequately adopted the procedures to ensure the proper internal control, suitable policies and guidelines as required under various provisions of the Companies Act, 2013 and the Listing Agreement are in place. These policies, e.g. Vigil Mechanism policies/Whistle Blower Policies, Risk Management Policy are meant to adhere the proper guideline, rules and regulations to comply with the requirement of the law, to reduce the possible threats of fraud and to ensure the orderly and efficient conduct of the business of the Company. These policies and guidelines are adequately monitored by the designated Committees of the Board.

The Company apart from the above, has also in place a system of Internal Control adequate in respect to the size and operations of the Company. M/s Hemant K. Agrawal & Associates, had been the Internal Auditor of the Company for the financial year 2014-15. He has been conducting internal audit at regular intervals at every quarter ending. No material discrepancies have reported by him during the period of his Audit. The Company prepares the financial information/Reporting as per the requisite requirements of the Companies Act, 2013 and the Listing Agreement, and place it to the Audit Committee and Board for the approval, once approved the said financial results are submitted to the stock exchange and also placed on the website of the Company.

**9. Details of Subsidiary/ Joint Ventures/ Associate Companies**

The Company neither has any Subsidiary nor any Joint Venture or Associate Company. Since, the Company is not having any Subsidiary accordingly no policy has been formulated for determining Material Subsidiaries.

**10. Performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement.**

The Company is not having any Subsidiary, Joint Venture or Associate Company.

**11. Deposits**

The Company has not accepted any deposits during financial year 2014-15 under the provisions of Chapter V of Companies Act, 2013.

**12. Statutory Auditors**

M/s Kanu Doshi Associates, Chartered Accountants, (ICAI Firm Registration No.- 104746W) have conducted the audit of the Company for the financial year 2014-15. They have shown their unwillingness to continue as auditor of the Company.

In view of the above, the Audit Committee considered appointment of a new auditor. It was noted that all the operations of the Company including day to day activities are based at Delhi. Majority of the Board members reside in Delhi-NCR and meetings of the Board of Directors are ordinarily held in Delhi. The registered office of the Company is also at Delhi. Hence, the committee agreed to hire services of a CA Firm based at Delhi-NCR. The Committee after review of few profiles of the Auditors, found M/s VATSS & Associates, Chartered Accountants, New Delhi (Firm Registration No.- 017573N), suitable to replace the retiring auditors M/s Kanu Doshi Associates, Mumbai. Consent of the proposed auditors was obtained. The new auditors have agreed to complete the audit for the financial year 2015-16 at the same fees which was being charged by the retiring auditors.

The Board recommends the appointment of M/s VATSS & Associates, Chartered Accountants as the new auditors of the Company for a period of 5 consecutive years commencing from the financial year 2015-16 till the financial year 2019-2020, subject

to the ratification of the appointment by the members at every Annual General Meeting. Members are requested to consider and approve the same.

**13. Auditors' Report**

The Auditors have qualified their Audit Report issued to the Company, by stating the following qualification:

*"Attention of the matters is invited to note no. 30(d) of the notes to accounts regarding the financial statements of the Company having been prepared on a Going concern basis, notwithstanding that due to continuous losses incurred by the Company during the past years and current year, the accumulated losses of the Company have far exceeded its net worth resulting in negative net worth on balance sheet date. The Company has written-off a substantial part of its Fixed Asset during the year. This situation indicates the existence of a material uncertainty that may cast a significant doubt on the Company's ability to continue as a Going concern."*

**The Board considered the aforesaid qualification and recorded its comment as below:**

The board noted that the audit qualification has raised the question on the ability of the Company to continue as going concern, as the Company has suffered continuous losses in past years and in current year the accumulated losses of the Company have far exceeded its Net Worth resulting in negative Net Worth on the balance sheet date as the Company has written-off a substantial part of its Fixed Asset during the year.

The board had further taken on record that the Losses which the Company has suffered during the previous years were obvious, as the Company was going through the implementation process of the project and the expenses were incurred as pre-operational expenses of the project since 2011, i.e., till the time when SEBI has issued its interim order prohibiting the Company from entering into the capital market, or issuing any kind of securities and altering its capital structure. This order had slowed the project implementation process and related expenses. A final order by SEBI against the company on 23<sup>rd</sup> October, 2013, which has prohibited the Company from entering into the capital market, or issuing any kind of securities and altering its capital structure for an effective period of approx 8 years from the date of the order. Thesaid order has been challenged at Securities and Appellate Tribunal, for which the proceeding is going on. However this restrictive order has brought this Company to be in a position where no project could be implemented and no source of income could be generated till date, which has in turn resulted into the accumulated losses for the Company over the year.

The Board took note of the auditor's Observation on writing off of substantial part of the Fixed Assets during the year. The Board recorded that the writing off of the Fixed Assets were required and mandated to give a true and fair picture of the financial statement. The Board noted that the auditors in the meeting of the Board of Directors held on 10<sup>th</sup> february, 2015 had raised query regarding the sanctity of carrying capital advances in the books, as the enforcing contracts and agreements, mandating these advances earlier given, expired long back. They had wanted board to review the possibility of the recovery of the advances.

The Board thereafter took the legal opinion on this matter from M/s Chauhan and Chauhan, Law Office, Greater Kailash Part-1, New Delhi-110048. The lawyer have considered all the aspect relating to this matter Including evaluation of two core concerns on the issue, i.e,

- A. Status of Asiatexx contracts and
- B. Options/ Remedies Available Qua Advances Made

Relevant extract of the lawyer's opinion is reproduced herein below for ready reference.

**A. Status of Asiatexx contracts**

- *"We, accordingly, are of the opinion conclude that any endeavour to claim enforcement or pursue the Asiatexx contract shall prove to be a futile exercise with nil chances of success. We are further of the opinion that the SEBI Order dated 23<sup>rd</sup> October, 2013 inter alia prohibiting/ banning Querist from not issuing any equity shares or any other instruments convertible into equity shares or any other security, is operative, binding and continues to subsists. Though, an appeal has been filed, however no stay has been granted. Such and presently for this very reason the Querist is unable to comply with its obligations to issue GDRs.*



The company also cannot violate the SEBI orders. Otherwise also, we are informed that the Querist has no running business or revenue return or available funds to make balance or equivalent payments under these contracts. At one time, it may have been a viable project but presently it has no takers. Infact, the company is at its worst and facing a severe financial crunch. The project site/ lands given under concessions agreement at Haldia, West Bengal have been cancelled. In absence of such site/land, the Refinery Project it seems cannot be implemented. All these supervening factors are required to be considered in a correct perspective. Necessarily, they further render it futile and imprudent for the Querist to pursue or try to enforce the Asiatexx agreement with Asiatexx or Hardt Group or seek its performance."

- On another note, it is imperative to point out that Asiatexx, we are informed, is a company devoid of assets. Any proceedings initiated against Asiatexx, even if successful including by a arbitration award in favour Querist, would not result in payments being realized by the Querist. Asiatexx is also likely to resist any proceedings / award on the ground of (a) fraud having been perpetrated against it, (b) no moneys having been received by it consequent to the fraud.

#### B. Options/ Remedies Available Qua Advances Made

- We further more and am of the opinion that by way of the SEBI Order dated 31<sup>st</sup> December, 2014 has exercised jurisdiction over the advances paid to Asiatexx contract. Also all issues as to Asiatexx contract are open and pending before the SEBI/ SAT. Querist itself is a party to these proceedings. Presently, therefore, to file claims for recovery of advance may not serve any purpose. We believe the Querist should anyways await the final outcome of the SEBI/ SAT proceedings. One of the possible outcome of these proceedings can be that the order of disgorgement is confirmed either to be paid by Gagan Rastogi/ Asiatexx or Sanjay Malhotra. In any event at such stage, the purpose of recovery would be achieved in investor interest. We also note that the SEBI in its capacity as a regulator is bound to deal with the proceeds of disgorgement in terms of Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009. These Regulations provide for establishment of the Investor Protection fund. Rule 5 of these Regulations further provide the purposes for which the fund can be utilized. Significantly by way of sub-section 3 of Rule 5 the Board, has to utilize the amounts disgorged and credited to the fund and the interest accrued thereon to reconstitute eligible and identifiable investors who have suffered losses resulting from violation of securities laws. Necessarily this adjudication currently underway cannot be pre-empted. Querist must await its outcome as per law.
- We furthermore note that from the circumstances explained above, the advances to Asiatexx should be written off in the books of the Querist so that the financial statements of the Querist reflect true and fair view of the financial position. It be also noted and for this we find support in a Supreme Court Judgment of *Salim Akbarali Nanji Vs Union of India (UOI) and Ors.*; holding that the concept of writing off debts is a internal management/ accounting procedure to clean up the balance sheet of a company. Such procedure/ decision to write off an advance/ debt can be resorted to even in cases where a party has not exhausted all the avenues for recovery of dues. It has no impact on the right of a party to proceed against the opposite party. Nor does it bar or render non-maintainable recovery proceedings.

The Board after considering the aforesaid legal opinion and considering that possibility of recovery of the Capital advances or enforceability of such Contract (including novation) against them, is bleak, consented to write off these advances.

The board recorded that the decision of writing off is necessary to give true and fair view of the financial statement of the Company, the Board while taking it on record also decided to write off other Fixed Assets and advances, which is having similar nature as aforesaid and accordingly various advances, fixed assets and Pre-operative expenses were written off by the Board. Details of write offs are appropriately explained in the notes to the accounts.

Even if the auditors have qualified their report by raising apprehension on the going concern status of the Company as the Company's networth has been completely eroded due to the

decision taken by the management to write off various capital advances and fixed assets. Your management justify its decision, as such writing off is to give true and fair pictures of the financial statement of the Company. Apart from this your management is also hoping to have the positive outcome from the SAT proceedings, which Company has initiated against the restrictive orders of the SEBI, which will considerably determine the future of the Company.

#### 14. Share Capital

The Company's Capital Structure remains unchanged during Financial Year 2014-15.

#### 15. Extract of the annual return

The extract of the annual return in Form No. MGT - 9 is annexed as **Annexure -01**.

#### 16. Conservation of energy, technology absorption and foreign exchange earnings and outgo

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

##### (A) Conservation of energy and Technology absorption

The Company has not initiated its operations till date, no particulars in respect of conservation of energy and technology absorption have been furnished as per Section 134(3)(m) of the Companies Act, 2013.

##### (B) Foreign exchange earnings and outgo

There were no foreign exchange earnings and outgo during the year under review.

#### 17. Corporate Social Responsibility (CSR)

The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is enclosed as **Annexure-02**.

#### 18. Directors

##### A) Changes in Directors and Key Managerial Personnel:

###### Cessation of Directors:

During the Year under review, Mr. Alexander Walter Schweickhardt ceased to be associated with the Company as a Director on the Board with effect from the end of the business hours on 31<sup>st</sup> March, 2015 due to vacation of office under Section 167 of the Companies Act, 2013, for not attending any meetings of the Board during the Financial year 2014-15. In spite of giving due notice of the meeting of the Board of Directors and also making him aware about the relevant provisions of the Companies Act, 2013 w.r.t vacation of office of Director, he did not turn up for the meeting.

The Directors would like to place on record their appreciation of the contributions made by Mr. Alexander Walter Schweickhardt during his tenure as the Non- Executive Independent Director.

###### Appointment of New Directors:

The Board of Directors on the recommendations of the Nomination & Remuneration Committee appointed Mrs. Monika Moorjani, as Additional Directors (in capacity of Independent Director) on 10<sup>th</sup> February, 2015 in compliance to Section 149 and 161 of the Companies Act, 2013 read with Clause 49 of the listing agreement and she will be holding the office of Director till the date of ensuing Annual General Meeting of the Company. Appointment of Mrs. Monika Moorjani as an Independent Director in the Company also fulfills the requirement of appointment of a Women Director as per Rule 3 of Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49(II)(A)(1) of the Equity Listing Agreement entered into with Stock Exchange.

###### Reappointment of Directors:

As mentioned above, the office of Mrs. Monika Moorjani as an additional Director in the Company is till the date of ensuing Annual General Meeting of the Company. The Company has received notices under Section 160 (1) of the Companies Act, 2013 from member(s) proposing her candidature for appointment as directors. The Board of Directors has recommended her appointment.

Further, Subject to the provisions of Section 152(6) of Companies act, 2013, Mr. Deep Kumar Rastogi, Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for

re-appointment. Brief resume of directors seeking appointment and reappointment along with other details as stipulated under clause 49 of the listing agreement, are provided in the Notice for convening the Annual General Meeting.

**B) Declaration by an Independent Director(s) & re-appointment, if any**

All Independent Directors have submitted declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the listing agreement.

**C) Details of training imparted to Independent Directors**

Every new Independent Director inducted on the Board attends an orientation program in which he/she is familiarized with the strategy, operations and Status of the Company. They are further briefed with history of the Company and also handed over a Copy of the bunch of Company's Annual reports, its Memorandum and Articles of Association, various policies and the Code of Conduct of the Company.

Further, at the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/her role, functions and duties/responsibilities as a Director. The Format of the letter of appointment is provided on our website, a web link thereto is given below:

<http://www.cals.in/Data/Documents/Cals%20Refineries%20-%20OD%20-%20Model%20LOI%20-%20Independent%20Directors.pdf>

**D) Formal Annual Evaluation**

Clause 49 of the Listing Agreement mandates that the Board shall monitor and review the framework of its evaluation. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual Directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

The Independent Directors of the Company in their meeting held on February 10, 2015 reviewed the performance of the Non Independent Directors, in case of our Company, Mr. Deep Kumar Rastogi the Executive chairman of the Company and the Board as a whole. Further, the Board of Directors in their meeting held on May 29, 2015 evaluated the performance of all the Independent Directors based on set questionnaires circulated to the Board. On the Basis of the above evaluations, the performance of the entire Board, Executive Directors and Independent Directors were found satisfactory, specially taking into consideration of the existing circumstances, in which the Company is operating.

**19. Number of meetings of the Board of Directors**

The Board met 5 Times during the year, the details of which are given in Corporate Governance report forming part of this annual report. The intervening gap between any two meetings was within the time prescribed under Companies Act, 2013.

**20. Audit Committee**

During the year, the Audit Committee was constituted with Mr. Sameer Rajpal, Chairman of the Committee, Mr. Pranav Kumar and Mr. Alexander Walter Schweickhardt. However, the office Mr. Alexander Walter Schweickhardt was vacated, with effect from the end of the business hours of 31st March, 2015 under Section 167 of the Companies Act, 2013, for not attending any meetings of the Board during the Financial year 2014-15. The Committee was reconstituted with the appointment of Mr. Deep Kumar Rastogi as a member of the Committee.

A detail description about the audit Committee is given in the Corporate Governance Report, forming part of the Director's Report. Further all recommendations made by Audit Committee during the year were accepted by the Board.

**21. Details of establishment of vigil mechanism for directors and employees**

The Members of the Audit Committee recommended to the Board a draft Vigil Mechanism/Whistle Blower Policy as per the requirements of Section 177 of Companies Act, 2013 and Clause 49(II)(F) of the Listing Agreement in their meeting held on 14th November, 2014 and finally accepted and adopted by the Board in the

A weblink to the policy is mentioned below:

<http://www.cals.in/Data/Documents/Cals%20Refineries%20-%20OD%20-%20Vigil%20Mechanism.pdf>

**22. Nomination and Remuneration Committee**

The policy formulated by the Board relating to the remuneration for the Directors, Key Managerial Personnel and other employees and also the Criteria for determining the Qualifications, positive attributes and Independence of a Director pursuant to Section 178(3) of Companies Act, 2013 is annexed as **Annexure-03** to this Report.

**23. Particulars of loans, guarantees or investments under section 186**

The Company has not granted any Loans, extended any Guarantees or made Investments during the Financial year 2014-15, pursuant the provisions of Section 186 of Companies Act, 2013.

**24. Particulars of contracts or arrangements with related parties**

The Company has not made any contracts with related parties pursuant to Section 188 of Companies Act, 2013.

However your Company has been obtaining loan from Nyra Holdings Pvt. Ltd. a related party as per Section 2 (76) of the Companies Act, 2013, to meet its day to day financial needs and also to meet the statutory dues and necessary compliances. Such arrangements of obtaining loan from related party falls into the category of material related party transaction as per Clause 49 (VII) of the Listing Agreement.

Further, clause 49 (VII)(C) differentiate the related party transaction and the material related party transaction, it prescribes the limit of the transaction which will be treated as the material related party transaction i.e., "transaction/s with related party being entered individually or taken together with previous transaction during a financial year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statement, will be material related party transaction. Sub Clause (E) of this clause mandates that all material related party transaction shall require approval of the shareholders through special resolution.

As on the date of the Balance sheet of 31st March, 2015, your company has borrowed a sum of Rs. 6.83 Crores from Nyra Holdings Private Limited, however in the financial year 2014-15, the total borrowing from the said related party was Rs. 1.14 Crores. As Company's Turnover as per previous audited Balance Sheet (2013-14) is Nil the aforesaid transaction with Nyra holdings pvt. Ltd. shall be treated as material related party transaction, which requires approval of the shareholders. The Company has circulated the matter in the Notice convening this AGM for the requisite approval of the shareholders.

Moreover, the Company has formulated a policy on materiality of related party transactions and also on dealing with Related Party Transactions which can be downloaded from the link mentioned below:

<http://www.cals.in/Data/Documents/Cals%20Refineries%20-%20OD%20-%20RPT%20Policy.pdf>

**25. Managerial Remuneration:**

Disclosure pursuant to Section 197(12) of Companies Act, 2013 and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided below:

- i) The Ratio of the remuneration of each Director to the Median remuneration of the employees of the Company for the year 2014-15:

<b>Directors</b>	<b>Nature of Directorship</b>	<b>Ratio</b>
Mr. Deep Kumar Rastogi	Whole time Director & Executive Chairman	N.A.*
Mr. Alexander Walter Schweickhardt	Non-Executive Independent Director	N.A.*
Mr. Pranav Kumar	Non-Executive Independent Director	1:15.33
Mr. Sameer Rajpal	Non-Executive Independent Director	1:13.63
Mrs. Monika Moorjani	Non-Executive	

\*Mr. had c

- ii) The percentage increase in remuneration of each Director, CFO, CEO, CS or Manager in the financial year:  
There was no increase in the remuneration of any of the Director during the financial year.  
The remuneration of CS & CFO of the Company has been increased by 21.83% and 8.72%, respectively from financial year 2013-14.
- iii) the percentage increase in the median remuneration of employees in the financial year:  
An increase of 16.37% from financial year 2013-14.
- iv) the number of permanent employees on the rolls of Company:  
During the year 2014-15, there were 4 employees on the rolls of the Company, one of the employee left the Company in the middle of the year. Accordingly, as on 31<sup>st</sup> March, 2015, only 3 employees were there on the rolls of the Company.
- v) the explanation on the relationship between average increase in remuneration and Company Performance:  
The Company is not into operations since a long, it has recorded huge losses and also maintaining the bare minimum staff required to keep the Company going. The management decided to make a nominal increase in the remuneration of the employees to retain them according to their caliber and expertise and to match up with the growing inflation.
- vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:  
Out of the three KMP's in the Company, Mr. Deep Kumar Rastogi, the Whole time Director is not withdrawing any remuneration from the Company.  
Apart from him, remuneration of CS & CFO of the Company has been increased by 21.83% and 8.71%, respectively from financial year 2013-14, which was necessary to retain them and to match up the growing inflation. The Company is facing a lot of legal complexities and therefore, qualified and experienced personnel is required to sail the Company out of this adverse situation and hence it was imperative to give them their due raise.
- vii) variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:  
The Company had allotted shares at Rs. 10/- each under its last public offer which were later subdivided into face value of Rs. 1/- per Equity Share. The Market Quotations/price of shares as at 31<sup>st</sup> March, 2015 at BSE compared to the IPO decreased by 91%.

Particulars	As at 31st March, 2015	As at 31st March, 2014	Variation (%)
Closing Share Price	Rs. 0.09/-	Rs. 0.09/-	Nil
Market Capitalization (INR) (Market Value per share *No. of Outstanding Shares)	Rs.746456679/-	Rs.746456679/-	Nil
P/E ratio (Market Value per share/EPS)	Rs.-0.13/-	Rs.-9.00/-	-98.56%

- viii) average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:  
There has been no increase in the remuneration of managerial personnel apart from that of KMP's, justification for which has been given in point (vi) above.
- ix) Comparison of the each remuneration of the Key Managerial personnel against the performance of the Company  
As mentioned in point (vi) above the remuneration of CS & CFO of the Company has been increased by 21.83% and 8.71%, respectively from financial year 2013-14, which was necessary to retain them and also to match up the inflation

growth. Since the Company has not recorded any performance as no business operations was recorded, during the year, therefore such comparison of the each remuneration of the Key Managerial personnel against the performance of the Company is not possible.

- x) the key parameters for any variable component of remuneration availed by the Directors:  
Only the Independent Directors of the Company are withdrawing sitting fee from the Company, nothing else is being paid to the Directors in form of remuneration and hence, there is no variable component.
- xi) The ratio of the remuneration of the highest paid director to that of the employees who are not Directors but receive remuneration in excess of the highest paid director during the year:  
The ratio of the remuneration of the highest paid director to that of the employees who are not Directors but receive remuneration in excess of the highest paid director during the year is 1:82.64.
- xii) The Remuneration is as per the remuneration policy of the Company.

**26. Secretarial Audit Report**

A Secretarial Audit Report in Form No. MR-3 for the Financial year 2014-15 given by M/s Vineet Gupta & Associates, Company Secretaries is annexed as **Annexure-04** with this report.

The following disclosures has been made by the Secretarial Auditor in his report, requiring explanation:

**"Share application money for an amount of Rs 1,57,57,463/- remains pending for allotment."**

**Explanations given:**

It has been explained to the Secretarial Auditor that the above mentioned amount of Rs. 1,57,57,463/- is part of FDI, which was received from M/s Abboro Limited, a foreign Body Corporate. This amount is pending for allotment due to the restrictive order of SEBI dated 23<sup>rd</sup> October, 2013 which has restricted the Company from accessing the Capital markets and/or issuing shares and/or any other instruments convertible into equity or altering its capital structure. Though the Company through its letter dated 12<sup>th</sup> May, 2015, has asked for a special permission from SEBI, under intimation of Registrar of Companies, NCT of Delhi and Haryana, for the relaxation in its order, so that the equity shares could be allotted to M/s Abboro Limited.

The same fact has been suitably recorded by the Secretarial Auditor in his Report.

**27. Risk management policy**

Pursuant to the requirements of Clause 49(VI) of the Listing agreement, the Board has constituted the Risk Management Committee and has also laid down the Risk Management Plan of the Company. The Committee is responsible for the monitoring and reviewing of the Risk Management Plan. The Major elements of Risk which may threaten the existence of the Company have been identified and laid down in the Risk Management Plan of the Company. Simultaneously, the Audit Committee of the Company is also looking after the areas of Financial Risk and Controls. The Risk Management System of the Company is working systematically and is commensurate with the Nature, Size and Operations of the Company.

**28. Management Discussion and Analysis Report**

The Management Discussion and Analysis Report as required under Clause 49 of the Listing Agreement with the stock Exchange forms part of this Report.

**29. Corporate Governance Report**

A separate Section on Corporate Governance forming part of the Director's Report and a certificate from the Practicing Company Secretary confirming compliance of the Corporate Governance Norms as stipulated in Clause 49 of the Listing Agreement is included in this Annual Report.

**30. Listing of Securities**

The Securities of your Company are currently listed with Bombay Stock Exchange (BSE) with ISIN- INE 040C01022 and scrip code 526652. The Company has paid listing fee to the Bombay Stock Exchange for the financial year 2015-16. All compliances with respect to the listing agreement is being made in regular course.

**31. Directors' Responsibility Statement**

In terms of the provisions of Section 134(5) of the Companies Act, 2013, your Directors confirm that -

- (a) in the preparation of the annual accounts, 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 at the end of the financial year and of the profit and loss 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 this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**32. Acknowledgements**

Your Directors wish to place on record their appreciation for the Cooperation and assistance received from Regulatory Bodies, Government, Bankers, Shareholders, business associates and various other Stakeholders who have extended their valuable, sustained support and encouragement during the year under review.

The Directors would also like to place on record a hearty thanks to the management and the employees of the Company, who have been standing with the Company and giving their tireless support in the adverse circumstances.

**For and on behalf of the Board of Directors**
**(Deep Kumar Rastogi)**

Executive Chairman

DIN : 01229644

Place : New Delhi

Date : 07.08.2015

**(Sameer Rajpal)**

Director

DIN : 05184612

**ANNEXURE-01**
**Form No. MGT-9  
EXTRACT OF ANNUAL RETURN**
**As on the financial year ended on 31st March 2015**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i.	CIN	:	L51909DL1984PLC018775
ii.	Registration Date	:	25/07/1984
iii.	Name of the Company	:	Cals Refineries Limited
iv.	Category / Sub-Category of the Company	:	Company Limited by Shares/ Indian Non-Government Company
v.	Address of the Registered office and contact details	:	Unit No. 209, 2nd Floor, Suneja Tower-II, District Centre, Janakpuri, New Delhi-110058 Phone No.: 011-45067736
vi.	Whether listed company	:	Yes / No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	MCS Share Transfer Agent Limited F-65, 1st Floor, Okhla Industrial Area, Phase-1 New Delhi - 110020, Phone: 011- 41406149-52 Fax: 41709881, Email: admin@mcsdel.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

The Company did not conducted any business operation during the financial year 2014-15, hence no turnover was recorded.

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
	N.A.	N.A.	N.A. N.A.

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Company is not having any holding, subsidiary and associate Company, hence no details are provided:

Sl.No.	Name and address of the Company	CIN/GLN	Holding/ subsidiary/ Associate	% of shares held	Applicable Section
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## i. Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year (2014-15)				No. of Shares held at the end of the year (2014-15)				%Change during the year
	Demat	Physical	Total Shares	% of Total Shares	Demat	Physical	Total Shares	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	0	0	0	0.00	0	0	0	0.0000	0.0000
b) Central Govt.	0	0	0	0.0000	0	0	0	0.0000	0.0000
c) StateGovt(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
d) Bodies Corp.	233196000	0	233196000	2.8116	233196000	0	233196000	2.8116	0.0000
e) Banks/FIs	0	0	0	0.0000	0	0	0	0.0000	0.0000
f) Any Other	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>Sub-total (1):-</b>	<b>233196000</b>	<b>0</b>	<b>233196000</b>	<b>2.8116</b>	<b>233196000</b>	<b>0</b>	<b>233196000</b>	<b>2.8116</b>	<b>0.0000</b>
<b>(2) Foreign</b>									
a) NRIs- Individuals	0	0	0	0.0000	1110000000	0	1110000000	13.3832	13.3832
b) Other- Individuals	0	0	0	0.0000	0	0	0	0.0000	0.0000
c) Bodies Corp.	0	0	0	0.0000	0	0	0	0.0000	0.0000
d) Banks/FI	0	0	0	0.0000	0	0	0	0.0000	0.0000
e) Any Other	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>Sub-total (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>1110000000</b>	<b>0</b>	<b>1110000000</b>	<b>13.3832</b>	<b>13.3832</b>
<b>Total shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>233196000</b>	<b>0.00</b>	<b>233196000</b>	<b>2.8116</b>	<b>1343196000</b>	<b>0</b>	<b>1343196000</b>	<b>16.1948</b>	<b>13.3832</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0.00	112000	112000	0.0014	0	112000	112000	0.0014	0.0000
b) Banks / FI	35000	78000	113000	0.0014	135000	78000	213000	0.0026	0.0012
c) Central Govt	0	0	0	0	0	0	0	0	0.0000
d) State Govt(s)	0	0	0	0	0	0	0	0	0.0000
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0.0000
f) Insurance Companies	0.00	0.00	0.00	0.00	0	0	0	0	0.0000
g) FIs	10	0.00	10	0	10	0	10	0	0.0000
h) Foreign Venture capital	0	0	0	0	0	0	0	0	0.0000
(i) Others (specify)	0	0	0	0	0	0	0	0	0.0000
<b>Sub-total (B)(1):-</b>	<b>35010</b>	<b>190000</b>	<b>225010</b>	<b>0.0027</b>	<b>135010</b>	<b>190000</b>	<b>325010</b>	<b>0.0039</b>	<b>0.0012</b>
<b>2. Non- Institutions</b>									
<b>a) Bodies Corp.</b>									
Indian	573860162	158000	574018162	6.9209	485403215	157000	485560215	5.8544	(1.0665)
Overseas	25000	120767100	120792100	1.4564	0	120767100	120767100	1.4561	(0.0003)
<b>b) Individuals</b>									
Individual shareholders holding nominal share capital upto Rs. 1 lakh	2269370522	12488106	2281858628	27.5123	2266387180	12372546	2278759726	27.4749	(0.0374)
Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2893529042	2708959	2896238001	34.9198	3012459956	3646459	3016106415	36.3651	1.4453
<b>c) Others (specify)</b>									
Trust & Foundations	120000	0.00	120000	0.0014	120000	0	120000	0.0014	0.0000
Non Resident Individuals	181969749	6000	181975749	2.1941	161583184	6000	161589184	1.9483	(0.2458)
<b>Sub-total(B)(2):-</b>	<b>5918874475</b>	<b>136128165</b>	<b>6055002640</b>	<b>73.0049</b>	<b>5925953535</b>	<b>136949105</b>	<b>6062902640</b>	<b>73.1002</b>	<b>0.0953</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>5918909485</b>	<b>136318165</b>	<b>6055227650</b>	<b>73.0077</b>	<b>5926088545</b>	<b>137139105</b>	<b>6063227650</b>	<b>73.1041</b>	<b>0.0964</b>
<b>C. Shares held by Custodian for GDRs&amp;ADRs</b>	<b>2005539450</b>	<b>0</b>	<b>2005539450</b>	<b>24.1807</b>	<b>887539450</b>	<b>0</b>	<b>887539450</b>	<b>10.7010</b>	<b>(13.4797)</b>
<b>GrandTotal (A+B+C)</b>	<b>8157644935</b>	<b>136318165</b>	<b>8293963100</b>	<b>100.00</b>	<b>8156823995</b>	<b>137139105</b>	<b>8293963100</b>	<b>100.00</b>	<b>0.0000</b>

**ii) Shareholding of Promoter**

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			%Change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Gagan Deep Kumar Rastogi	111000000*	13.3832	0.00	13.3832	13.3832	0.00	0.00
2.	Nyra Holdings Private Limited	233196000	2.8116	0.00	233196000	2.8116	0.00	0.00
	Total	1343196000	16.1948	0.00	1343196000	16.1948	0.000	0.00

\* The shareholding of Mr. Gagan Rastogi at the beginning of the year was in the form of GDR, underlying equity shares of 50, Which was converted in to the equity shares, in the month of July, 2014.

**iii. Change in Promoters' Shareholding (please specify, if there is no change):** There is no change in the promoters' shareholding during the year of reporting.

**iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Abboro Limited	120767100	1.4561	120767100	1.4561
2.	Manpreet Singh Chadha	53130163	0.6406	53130613	0.6406
3.	Niftys Technologies Private Limited	53036191	0.6395	47536191	0.5731
4.	Jatinder Kaur	46349213	0.5588	46349213	0.5588
5.	Rajinder Singh Chadha	45845520	0.5528	45845520	0.5528
6.	Rajinder Singh Chadha	35854758	0.4323	35854758	0.4323
7.	Karvy Stock Broking Limited	29604071	0.3569	27594329	0.3327
8.	Shri Parasram Holdings Private Limited	23610927	0.2847	22922161	0.2764
9.	Bonanza Portfolio Limited	20657776	0.2491	22595380	0.2724
10.	Suresh Chandra Rajpal	21900000	0.2640	21900000	0.2640
11.	Master Capital Services Limited	27530718	0.3319	1881930	0.0227
12.	Srinivas Sridharan	25171688	0.3035	0	0.0000

Note: Details of Date wise increase or decrease in shareholding is given on the website of the Company.

**v. Shareholding of Directors and Key Managerial Personnel:** No KMPs and Directors other than Mr. Sameer Rajpal, held equity shares of the Company, the details are as under:

Sl No.	For Each of the Director & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	15468439	0.19	15468439	0.19
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	N.A.	N.A.	N.A.	N.A.
	At the End of theyear	15468439	0.19	15468439	0.19

Also to note that Mr. Sameer Rajpal has sold his entire shareholding in the Company on 21st and 22nd July, 2015, due compliances for giving intimation to the Stock Exchange, as per SEBI (Prohibition of Insider Trading) Regulations, 2015 has been complied with, in the given time period.

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	Nil	59.39	Nil	59.39
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total ( i +ii + iii)</b>	<b>Nil</b>	<b>59.39</b>	<b>Nil</b>	<b>59.39</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	Nil	11.39	Nil	11.37
• Reduction	Nil	Nil	Nil	Nil
<b>Net Change</b>	<b>Nil</b>	<b>11.39</b>	<b>Nil</b>	<b>11.37</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	Nil	70.76	Nil	70.76
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total ( i +ii + iii)</b>	<b>Nil</b>	<b>70.76</b>	<b>Nil</b>	<b>70.76</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:** No Remuneration was paid to Mr. Deep Kumar Rastogi, the only whole time Director of the Company, during the financial year 2014-15, as he has opted not to take any managerial remuneration.

**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount (Rs.)
		Sameer Rajpal	Pranav Kumar	Monika Moorjani	
1.	Independent Directors				
	• Fee for attending board committee meeting	45,000/-	40,000/-	5,000/-	90,000/-
	• Commission	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil
	<b>Total(1)</b>	<b>45,000/-</b>	<b>40,000/-</b>	<b>5,000/-</b>	<b>90,000/-</b>
2.	<b>Other Non-Executive Directors</b>				
	• Fee for attending board committee meetings	N.A	N.A	N.A	N.A
	• Commission				
	• Others, please specify				
	<b>Total(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total(B)=(1+2)</b>	<b>45,000/-</b>	<b>40,000/-</b>	<b>5,000/-</b>	<b>90,000/-</b>
	<b>Total Managerial Remuneration</b>	<b>45,000/-</b>	<b>40,000/-</b>	<b>5,000/-</b>	<b>90,000/-</b>
	Overall Ceiling as per the Act	-	-	-	-

**C. Remuneration to key managerial personnel other than MD/Manager/WTD**
*(Amount in Rs.)*

Sl. No.	Particulars of Remuneration	Key Management Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	N.A.	6,78,696	33,46,920	40,25,616
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	N.A.	N.A.	N.A.	N.A.
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	N.A.	N.A.	N.A.	N.A.
2.	Stock Option	N.A.	N.A.	N.A.	N.A.
3.	Sweat Equity	N.A.	N.A.	N.A.	N.A.
4.	Commission				
	• as % of profit				
	• Others, specify	N.A.	N.A.	N.A.	N.A.
5.	Others, please specify	N.A.	N.A.	N.A.	N.A.
	Total	N.A.	6,78,796	33,46,920	40,25,616

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:** No Penalty, Punishment was imposed by any authority e.g., Regional Director, NCLT and/or Court and therefore no Compounding of penalties and punishment was made/applied for by the Company its Directors and Officers in default under the Companies Act, 2013, during the year of reporting.

However, the Securities and Exchange Board of India (SEBI), in matter of the alleged Market Manipulation using GDR issue of Cals Refineries Limited, u/s 11, 11B and 11 (4) of the Securities and Exchange Board of India Act, 1992 read with Regulation 11 (1) of the SEBI (Prohibition of fraudulent and unfair trade practices relating to securities market) Regulations, 2003, vide its Order dated 31st December, 2014 has prohibited Mr. Deep Kumar Rastogi from accessing the Capital Market directly or indirectly, and dealing in securities or instruments with Indian Securities as underlying, in any manner whatsoever, for a period of 10 years from the date of the Order.

Mr. Deep Kumar Rastogi has challenged this order in the Appellate Tribunal, which proceedings are undergoing.



**ANNEXURE-02**

**Corporate Social Responsibility (CSR)**

*[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]*

**1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

Cals Refineries Limited (CALS) believes that a Company has responsibility towards Society, Community and Environment in which it operates. Its aim is to achieve responsible growth and hence it is committed to operate in a socially responsible way. All the activities listed in Schedule V of Companies Act, 2013 have been incorporated in the Company's CSR policy. Presently the financial status of the Company does not allow it to allocate the funds for the CSR activities of the Company as there is no revenue generation in the Company since long time and therefore no profits. The one of the prime reasons for such circumstances was the restrictive orders on the Company, which led to a situation, where Company was unable to enter into the market and also to procure requisite investment, which in turn substantially hampers the project establishments. However, to meet the necessary compliance of law a policy had been formulated as per the requirements of Section 135 of Companies Act, 2013, but no activity as mentioned under the CSR policy was taken up during the year of reporting, due to the reasons as mentioned above.

A web link to the CSR policy of the Company is mentioned below:

<http://www.cals.in/Data/Documents/Cals%20Refineries%20-%20OD%20-%20CSR%20Policy.pdf>

**2. The Composition of the CSR Committee.**

The CSR Committee of the Company consists of following members:

- Mr. Pranav Kumar (Chairman)
- Mr. Sameer Rajpal
- Mr. Deep Kumar Rastogi

**3. Average net profit of the company for last three financial years**

The Company is not having any profit during the last three financial years.

**4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)**

Since, there has been no profits during last three financial years, no amount has been prescribed/allocated for CSR expenditure during the financial year 2014-15.

**5. Details of CSR spent during the financial year.**

(a) **Total amount to be spent for the financial year:** NIL

(b) **Amount unspent, if any:** No amount has been spent.

(c) **Manner in which the amount spent during the financial year is detailed below.**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other Specify (2) The State district and where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct Expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency*
1	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-
	<b>TOTAL</b>	-	-	-	-	-	-

*\*Give details of implementing agency.*

**6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.**

The Company has not spent any amount on CSR activities of the Company, since the Company has no operational income and revenue generation and has not booked any profit during the last three financial years.

**CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.**

Sd/-  
(Deep Kumar Rastogi)  
Executive Chairman

Sd/-  
(Pranav Kumar)  
Chairman of CSR Committee

**ANNEXURE-03**
**POLICY RELATING TO THE REMUNERATION OF WHOLE TIME/ EXECUTIVE/ MANAGING DIRECTOR, KEY MANAGERIAL PERSONNEL(KMP) AND SENIOR MANAGEMENT PERSONNEL.**
**PREAMBLE**

This Policy has been prepared in accordance with the requirements of Clause 49(IV)(B)(1) of the Equity Listing Agreement and Section 178(3) of Companies Act, 2013.

This policy shall stand automatically modified with respect to any statutory modifications in the said act or their allied rules.

**DEFINITIONS**

"Act" means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

"Board" means Board of Directors of the Company.

"Directors" means the Whole time Directors/Executive Directors/Managing Directors of the Company.

"Key Managerial Personnel" means

- i. Managing Director or Chief Executive Officer or Manager and in their absence Whole- time director;
- ii. Chief Financial Officer;
- iii. Company Secretary; and

"Senior Management" means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.

**APPLICABILITY**

This Policy shall be applicable on all Directors, Key Managerial Personnel and Senior Management of the Company.

**PURPOSE**

This policy has been designed by the Nomination and Remuneration Committee of the Company to devise a criteria for payment of remuneration to Directors, KMP and Senior Management of the Company. Any Appointments made in future shall be governed by this policy.

**REMUNERATION CRITERIA**
**i. General:**

- a) The remuneration / compensation / commission etc. to the Directors, KMP and Senior Management will be determined by the Nomination and Remuneration Committee and recommend to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b) The remuneration and commission to be paid to the Whole-time Directors/ Managing Directors shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.
- c) Increments to the existing remuneration/ compensation structure may be recommended by the Nomination and Remuneration Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director and Managing Director.
- d) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

**ii. Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:**
**a) Fixed pay:**

The Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to Provident Fund, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

**b) Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Directors/Managing Directors in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

**c) Provisions for excess remuneration:**

If any Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Shareholders and Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by Law.

**iii. Remuneration to Non- Executive / Independent Director:**
**a) Remuneration / Commission:**

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

**b) Sitting Fees:**

The Non- Executive / Independent Director may receive sitting fees for attending meetings of Board or Committee thereof. Currently, the maximum amount prescribed by the Central Government is Rs.1,00,000/- per meeting of the Board or Committee thereof. However the Company, presently gives Rs. 5,000/- for every meeting attended by them.

**c) Commission:**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

**d) Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company.

**Notes:**

The total managerial remuneration payable by a public company to its directors, including managing director and whole time director in respect of any financial year shall not exceed 11% of the net profits of the company. Any payment exceeding 11% would require Central Government approval.

The remuneration payable to any one managing director; or whole time director shall not exceed 5% of the net profits of the company and if there is more than one such director remuneration shall not exceed 10% of the net profits to all such directors taken together. Any payment exceeding the said 5% or 10% limits would require the approval of the shareholders.

The remuneration payable to all the non-executive directors shall not exceed 1% of the net profits of the Company, if there is a managing or whole time Director. As there is a Whole time Director in the Company, the applicable limit is of 1% of the net profit. Any payment exceeding 1% would require the approval of the shareholders subject to the overall limit of 11%.

However, the Company in general meeting may, with the approval of the Central Government, authorise the payment of remuneration exceeding 11% of the net profits of the company, subject to the provisions of Schedule V.

**CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES & INDEPENDENCE OF DIRECTOR**

S.No.	Criteria
1.	<b>Qualifications of a Director:</b> A director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the company's business.
2.	<b>Positive attributes of a Directors:</b> A director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the company in implementing the best corporate governance practices.
3.	<b>Independence of Directors:</b> Directors should be free to present their view point independently, Company has also adopted to conduct the separate meeting of the independent Directors, which will ensure that the independent directors of the Company can review the performance of the Board and Chairman. Moreover the Directors should meet the other requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement concerning independence of directors.

**ANNEXURE-04**

**FORM No. MR-3**

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH 2015**

[Pursuant to section 204(1) of Companies Act, 2013 and rule no. 9 of the companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
**The Members,**  
**Cals Refineries Limited**

We have conducted the secretarial audit of the compliance of **Cals Refineries Limited**, applicable statutory provisions and adherence to good corporate practices by **Cals Refineries Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended 31<sup>st</sup> March, 2015 complied with the statutory provisions listed hereunder. The Company has proper Board - processes and compliance -mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2015 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye- laws Framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
  - a) The securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
  - b) The securities and Exchange Board of India (Prohibition of insider Trading) Regulation, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- d) The securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(Not applicable to the Company during the Audit Period);**
- e) The securities and Exchange Board of India (Issue and Listing Of Debt Securities ) Regulations, 2008 **(Not applicable to the Company during the Audit Period);**
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)** and
- h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period);**

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial standards issued by The Institute of The companies Secretaries of India.
- ii. The Listing Agreement entered into by the Company with Bombay Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that** The Board of directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors and that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through while the dissenting member's views are captured and recorded as a part of minutes. **Many of the decisions at the Board Meetings were passed unanimously.**

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period, **Share application money** for an amount of **Rs. 1,57,57,463/-** received from M/s Abboro Limited as a Foreign Direct Investment, remains pending for allotment. SEBI vide its order no. WTM/SR/ISD/27/2013 dated 23rd October, 2013 restricted the company from accessing the Capital markets and/or issuing shares and/or any other instruments convertible into equity or altering its capital structure from the date of the order effectively for a period of approx. eight years. In respect of that, Company has asked special permission from Securities and Exchange Board of India (SEBI) with a copy to Registrar of Companies, National Capital Territory of Delhi & Haryana, making a request to SEBI for relaxing its aforesaid order to enable the Company to allot the equity share against the aforesaid share application money, pending allotment, the Company has however not received any reply from the concern authority.

**We further report that** during the audit period, the Company has received a letter from the Luxembourg Stock Exchange (LSE) intimating it about the delisting of the Company's GDRs from the official list of the Luxembourg Stock Exchange and also to withdraw their trading on the Euro MTF Market of the LSE w.e.f 14th July, 2014.

**FOR VINEET GUPTA & ASSOCIATES**  
*Company Secretaries*

**VINEET GUPTA**  
*Company Secretary*  
CP No. 11634  
M.No. 31753

**Place: New Delhi**

**Date: 05.08.2015**

This Report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

**'Annexure A'**

To,  
**The Members**  
**Cals Refineries Limited**

Our report of even date is to be read along with this letter.

- (1) Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
- (2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records.  
The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- (3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- (4) Where ever required, we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
- (5) The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. Our examination was Limited to the verification of procedures on test basis.
- (6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

**FOR VINEET GUPTA & ASSOCIATES**  
*Company Secretaries*

**VINEET GUPTA**  
*Company Secretary*  
CP No. 11634  
M.No. 31753

**Place: New Delhi**

**Date: 05.08.2015**

To the Members of

**Cals Refineries Limited**

We have examined the compliance of conditions of Corporate Governance by Cals Refineries Ltd., for the year ended on 31<sup>st</sup> March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management.

Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement, except to the requirement of clause 49(VII) (E), for taking shareholder's approval for material related party transactions entered during the year, though the management has assured for taking the requisite approval/ratification in the upcoming Annual General Meeting.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For Priya Gupta & Associates**  
Company Secretaries

Place : Delhi  
Date : 07.08.2015

**(Priya Gupta)**  
Proprietor  
M. No.- 22710  
C.P. No.- 8180

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**CEO/CFO CERTIFICATION**

**To**  
**Board of Directors**  
**Cals Refineries Limited**

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2015 and that to the best of our knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material facts or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and that we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
- (i) Significant changes in internal control over financial reporting during the year;
  - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**(Deep Kumar Rastogi)**  
Executive Chairman  
DIN: 01229644

**(Rekha Sarda)**  
Chief Financial Officer

Place : Gurgaon  
Date : 29.05.2015

**REPORT ON CORPORATE GOVERNANCE**
**CORPORATE GOVERNANCE PHILOSOPHY**

We believe that, Good governance practices stem from the culture and mindset of the organisation. These practices are characterised by a firm commitment and adoption of ethical practices by an organization in all its dealing with a wide group of stakeholders."

The Company cultivates a culture in which high standards of ethical behavior, individual accountability and transparent disclosure are embedded in all its dealings and shared by its board of directors, management and employees. As a responsible corporate citizen, the Company is committed to ensure high standards of transparency and accountability in all its activities. The Company has established systems and procedures to ensure that its board of directors is well-informed and well-equipped to cope up with its overall responsibilities and to provide the management with the strategic direction needed to create long-term shareholder value.

**1. BOARD OF DIRECTORS:**

The Board of Directors consists of following directors during financial year 2014-15.

**a. Composition and category of Directors :**

S.No.	Name of the Directors	Category
1.	Deep Kumar Rastogi	Whole Time Director (Promoter Category)
2.	Alexander Walter Schweickhardt *	Non Executive and Independent Directors
3.	Sameer Rajpal	Non Executive and Independent Directors
4.	Pranav Kumar	Non Executive and Independent Directors
5.	Monika Moorjani	Non Executive and Independent Directors

**b. Attendance of each Director at the Board meetings and the last AGM.**

S.No.	Name of the Directors	Attendance Particulars	
		No. of Board meetings attended	Last AGM attended (Yes/No)
1.	Deep Kumar Rastogi	5	Yes
2.	Alexander Walter Schweickhardt*	0	No
3.	Sameer Rajpal	5	Yes
4.	Pranav Kumar	4	Yes
5.	Monika Moorjani**	1	N.A.

\*Ceased to be associated as the Director of the Company from the end of the business hours of 31<sup>st</sup> March, 2015 due to vacation of Office pursuant to Section 167 of Companies Act, 2013 for not attending any meeting of the Board during financial year 2014-15.

\*\* Appointed w.e.f. February 10, 2015.

**c. Number of other Boards or Board Committees in which Directors are member or Chairperson as on 31<sup>st</sup> March, 2015.**

S.No.	Name of the Directors	No. of other Directorships and Committee member or Chairmanship		
		Other Directorships	Committee Memberships	Committee Chairmanships
1.	Deep Kumar Rastogi	6	5*	1
2.	Alexander Walter Schweickhardt	-	2**	0
3.	Sameer Rajpal	4	8	5
4.	Pranav Kumar	5	4	1
5.	Monika Moorjani	1	0	0

\* Mr. Deep Kumar Rastogi was inducted as the member of Audit Committee and Nomination and Remuneration Committee w.e.f 04<sup>th</sup> May, 2015.

\*\* Pursuant to the vacation of office of Directorship of Mr. Alexander Walter Schweickhardt, w.e.f 31<sup>st</sup> March, 2015, he was removed from the membership of Audit Committee and Nomination and Remuneration Committee

**d. Number of Board meetings held during the reporting year and dates thereof.**

During the year, Five Board Meetings were held on May 29, 2014, August 14, 2014, September 25, 2014, November 14, 2014 and February 10, 2015.

e. During the year under review, the Independent Directors held one separate meeting on 10<sup>th</sup> February, 2015 to evaluate the performance of the Chairman, Individual Directors and the Board as a whole and also to assess the Quality, Quantity and timeliness of the flow of Information between the Company Management and the Board. All the independent Directors had attended the meeting except Mr. Alexander Walter Schweickhardt.

## 2. COMMITTEES OF THE BOARD:

### I. AUDIT COMMITTEE

The Company is having in its place an adequately qualified Audit Committee, which is suitably equipped with the mixture of qualified professional and experienced person. The Committee is also fulfilling the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Board in its meeting held on 29<sup>th</sup> May, 2014 had changed the nomenclature of the Committee from Audit Sub Committee to Audit Committee and also adopted the new set of terms of reference to cope up with the requirements of the Companies Act, 2013 and the Listing Agreement with the prime intention to make the Committee more effective.

#### i. Terms of Reference

The terms of reference stipulated by the Board to the Audit Committee, as contained under Clause 49 of the Listing Agreement and as per the Companies Act, 2013, are enumerated herein below:

1. Recommendation for appointment, fixation of remuneration, terms of appointment and removal, of auditors of the company;
2. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
3. Discussion with statutory auditors before audit commences, as regards nature and scope of audit as well as having post audit discussion to ascertain any areas of concern;
4. Examining and 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 Director's 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, based on exercise of judgment by the Management.
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with the stock exchange and other legal requirements relating to financial statements
  - f. Any related party transactions. i.e., transactions of the Company of a material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with larger interests of the Company and also approval of any subsequent modification of transactions of the Company with Related Parties.
  - g. Qualifications in the draft audit report
  - h. Compliance with the Accounting standard.
  - i. Going concern assumptions.
5. Reviewing, with the management, the quarterly, half yearly financial results before submission to the board for approval;
6. Scrutiny of Inter Corporate Loan and Investments;
7. Valuation of undertaking or assets of the Company wherever it is necessary;
8. Evaluation of internal financial controls and risk Management system;
9. Reviewing adequacy of Internal Audit Function, coverage and frequency of Internal Audit Report;
10. Discussion with Internal Auditors and concurrent Auditors on any significant finding in their reports and follow up thereon;
11. Review of the appointment, removal and terms of remuneration of the internal auditor;
12. 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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
13. 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;
14. 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;
15. To investigate any activity within its terms of reference;
16. To seek information from any employee;
17. To obtain outside legal or other professional advice;
18. To secure attendance of outsiders with relevant expertise, if it considers necessary;
19. Recommendation of a Vigil Mechanism (Whistle Blower Mechanism) to the Board for consideration and any change thereto from time to time. The Board shall establish the Vigil Mechanism;
20. The Audit Committee shall oversee and review the functioning of the Vigil Mechanism and if any of the members of the Committee has a conflict of interest in a given case, they should rescue themselves and others on the Committee shall deal with the matter in hand. In appropriate and exceptional cases, the Vigil Mechanism to provide for Direct Access to the chairperson of the Audit Committee;

**ii. Composition, Name of Members and Chairperson of the Committee:**

During the Financial year 2014-15, The Audit Committee comprised of Mr. Alexander Walter Schweickhardt, Mr. Sameer Rajpal, and Mr. Pranav Kumar, though the office of Directorship of Mr. Alexander Walter Schweickhardt, was vacated w.e.f 31<sup>st</sup> March, 2015, hence he was removed from the membership of Audit Committee and at his place Mr. Deep Kumar Rastogi Executive Chairman was inducted as the member of the Audit Committee w.e.f 04<sup>th</sup> May, 2015.

Mr. Sameer Rajpal is presently the Chairman of the committee. Mr. Suvindra Kumar, Company Secretary and Compliance officer is the secretary of the Committee, the Chief financial officer of the Company and the statutory auditors are permanent invitees to the meeting of the Audit Committee. The minutes of each Audit Committee meeting are placed before and discussed in the Board.

**iii. Meetings and attendance during the year:**

During the year, the Committee has met 4 times on May 21, 2014, August 14, 2014, November 14, 2014 and February 10, 2015.

Attendance of each member at the Audit Committee meetings held during the year is as follows:

<b>Name of Committee Members</b>	<b>No. of Meetings held</b>	<b>No. of Meetings Attended</b>
Alexander Walter Schweickhardt*	4	Nil
Sameer Rajpal	4	4
Pranav Kumar	4	4

\*Pursuant to the vacation of office of Directorship of Mr. Alexander Walter Schweickhardt, w.e.f 31<sup>st</sup> March, 2015, he was removed from the membership of Audit Committee, from that date, and Mr. Deep Kumar Rastogi, Executive Chairman was inducted as the member of the Audit Committee w.e.f 04<sup>th</sup> May, 2015.

**II. NOMINATION AND REMUNERATION COMMITTEE**

The Company has a duly constituted Nomination and Remuneration Committee, which is responsible for identification of the suitable person as Directors, KMPs, and other Senior Management and recommending to the Board for their appointment. The detailed terms of reference of the said Committee is as under:

**(i) Terms of reference:**

The terms of reference for the Nomination and Remuneration Committee as enumerated herein below:

1. to identify persons
  - who are qualified to become Directors, and
  - who may be appointed in senior management

in accordance with the criteria laid down, recommended to the Board their appointment and removal and shall carry out evaluation of every director's performance.
2. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration for the Directors, Key managerial personnel and other employees.
3. To ensure that:
  - (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully,
  - (b) Relationship of the remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (c) Remuneration to Directors, Key Managerial Personnel and Senior Management 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.

Explanation: The expression "Senior Management" means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of the management one level below the Executive Director, including all the functional heads.

**(ii) Composition, Name of Members and Chairperson of the committee:**

During the year 2014-15, the Nomination and Remuneration committee consists of following 3 members:

- Alexander Walter Schweickhardt
- Sameer Rajpal
- Pranav Kumar

Mr. Sameer Rajpal is the Chairman of the Committee. Further during the year the office of Directorship of Mr. Alexander Walter Schweickhardt, was vacated w.e.f 31<sup>st</sup> March, 2015, hence he was removed from the membership of Nomination and Remuneration committee and Mr. Deep Kumar Rastogi, Executive Chairman was inducted as the member of this Committee w.e.f 04<sup>th</sup> May, 2015;



**(iii) Attendance during the year:**

Only one meeting of the Nomination and Remuneration Committee was held during the year on February 10, 2015 at which only two members were present namely, Mr. Sameer Rajpal and Mr. Pranav Kumar.

**(iv) Remuneration Policy:**

During the year under review, the Board of Directors of the Company upon recommendation of the Nomination and Remuneration Committee has adopted a Remuneration Policy for Directors, KMPs and other employees. The said policy forms part of the Board's Report.

**(v) Details of remuneration paid to all the Directors:**

Mr. Deep Kumar Rastogi, Executive Director, have opted not to take any managerial remuneration.

Mr. Alexander Walter Schweickhardt had opted not to take any sitting fees.

The sitting fees paid for the year ended March 31, 2015, to the Directors are as follows:

<b>Name of Directors</b>	<b>Sitting Fees (₹)</b>
Mr. Sameer Rajpal	45000
Mr. Pranav Kumar	40000
Mrs. Monika Moorjani	5000

**III. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Prime responsibility of the Stake holder's Relationship Committee is to ensure that the shareholder grievances and to resolve the same amicably, within the given time period.

**(i) Name of Non-executive Director heading the Committee:**

Mr. Sameer Rajpal and Mr. Deep Kumar Rastogi are the members of the Committee, Mr. Sameer Rajpal acts as the Chairman of the Committee, he was also present in the previous Annual General Meeting of the Company held on 25<sup>th</sup> September, 2014. M/s MCS Limited was the Registrar and Share Transfer Agents to handle the grievances of the shareholders. The Company suitably monitors and analyse the work of registrar to ensure that the investor's grievances are settled in given time period.

The main areas and functions looked after by Stakeholders Relationship Committee are as under:

1. Redressal of shareholders and investors complaints like transfer of shares, non-receipt of Annual Report, non-receipt of declared dividends, if any etc.
2. Consolidation and sub-division of share certificates.
3. Approving the transfer(s), transmission(s) of share certificates.
4. To oversee the performance of the Registrar and Transfer Agent of the Company.

**(ii) Name and Designation of Compliance officer:**

The Compliance officer of the Company is Mr. Suvintra Kumar, the Company Secretary of the Company, he also acts as a secretary of the Committee.

**(iii) Number of Shareholder Complaints received so far:**

The Company has Nil Complaints pending at the beginning of the year and it received 1 (one) complaint from the shareholders during the year and all the complaints were resolved by furnishing the requisite information/ documents. There were Nil complaints pending as on March 31, 2015.

**(iv) Number of complaints not solved to the satisfaction of Shareholders: Nil****(v) Number of Pending Complaints: Nil****IV. CSR COMMITTEE**

The CSR Committee of the Company comprises of Mr. Pranav Kumar, Chairman of the Committee, Mr. Sameer Rajpal and Mr. Deep Kumar Rastogi.

The CSR policy of the Company has been placed on the website of the Company.

Considering the present financial status, the Company did not allocate any funds for the CSR activities of the Company as there is no revenue generation in the Company since long time and therefore no profits were earned. Considering this reason the Company has not spent any amount on its CSR activities.

The Terms of Reference of the Committee are as follows:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
2. To recommend the amount and area of expenditure to be incurred on various activities.
3. To monitor the Corporate Social Responsibility Policy of the Company from time to time.
4. Any other item as may be referred to by the Board.

**V. RISK MANGEMENT COMMITTEE**

The Risk Management Committee of the Company has been established pursuant to Clause 49 of the Listing Agreement. The Committee comprises of Mr. Deep Kumar Rastogi, Mr. Sameer Rajpal and Mr. Pranav Kumar. The Committee is chaired by Mr. Deep Kumar Rastogi.

The Company has framed its own Risk Management Policy to monitor, control and mitigate the risks which might affect the existence of the Company.

The Terms of Reference of the Committee are as follows:

1. Assessment of the Company's risk profile and key areas of risk in particular.
2. To identify, assess, manage and monitor risk.
3. To allow investors and other Stakeholders to be informed of material changes to the Company's risk profile.
4. To monitor and review the Risk Management plan/policy.
5. Examining and determining the sufficiency of the Company's internal processes for reporting on and managing key risk areas.

**3. ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETING**

*Location and time, where last three AGMs held.*

<b>Year</b>	<b>AGM</b>	<b>Location</b>	<b>Date</b>	<b>Time</b>
2013-14	AGM	Executive Club, Dolly Farms & Resorts, 439, Village Shahurpur, P.O. Fatehpur Beri, New Delhi-110074.	25.09.2014	10.30 A.M.
2012-13	AGM	Executive Club, Dolly Farms & Resorts, 439, Village Shahurpur, P.O. Fatehpur Beri, New Delhi-110074.	27.09.2013	10.30 A.M.
2011-12	AGM	Executive Club, Dolly Farms & Resorts, 439, Village Shahurpur, P.O. Fatehpur Beri, New Delhi-110074.	26.09.2012	10.30 A.M.

No Special Resolutions were passed in any of the previous three AGM's.

No Special Resolution was passed through postal ballot last year, further at present there is no Special Resolution proposed to be conducted through postal ballot.

**4. DISCLOSURES**
**i. Disclosures on materially significant related party transactions that may have potential conflict with the interests of company at large.**

None of the transactions with any of the related parties, were in conflict with the interests of the Company.

**ii. Details of non-compliance by the company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.**

The Securities and Exchange Board of India (SEBI), while investigating certain entities in regard to "Market Manipulation using GDR issues" had by its ex-parte order No.WTM/PS/ISD/02/2011 dated September 21, 2011, which was later confirmed vide order dated December 30, 2011, directed your Company not to issue equity shares or any other instruments convertible into equity shares or alter capital structure in any manner till further directions in this regard. SEBI, in this matter, on 23<sup>rd</sup> October, 2013, had issued a final order against the Company, which operative portion are as under:

- a. *That the Company will not issue equity shares or any other instruments convertible into equity shares or any other security, for a period of ten years.*
- b. *Vide Interim Order dated September 21, 2011 (later confirmed through the Confirmatory Order on December 30, 2011), the Company was directed not to issue equity shares or any other instrument convertible into equity shares or alter their capital structure in any manner till further directions. In this context, the Company has already undergone the prohibition imposed vide the Interim Order for a period of approximately two years. In view of this factual situation, it is clarified that the prohibition already undergone by the Company pursuant to the aforementioned SEBI Order shall be reduced while computing the period in respect of the prohibition imposed vide this order.*

From the above Order it is clear that the Company is restrained from issuing any further equity shares or any other instruments convertible into equity shares or any other security, effectively for a period of eight years (approx.), from the date of the order.

**iii. The Company has in place a Vigil Mechanism/ Whistle Blower Policy, the details of establishment of which are given in Board's Report. Further, no personnel has been denied access to the audit committee.**
**iv. The Company is compliant with the mandatory requirements applicable to the Company under Clause 49 of the Listing Agreement.**

### 5. MEANS OF COMMUNICATION

Pursuant to clause 41 of the Listing Agreement, the unaudited/audited financial results are intimated to the stock exchange, immediately after the Board meetings at which they are approved. These quarterly results/disclosures is published in Pioneer/Business Standard and Veer Arjun, New Delhi.

The financial results/disclosure are also displayed on the website of the Company, i.e., [www.calsrefineries.in](http://www.calsrefineries.in)

### 6. GENERAL SHAREHOLDER INFORMATION

#### i. Annual General Meeting (For financial year 2014-2015)

Date and Time : Friday, September 25, 2015 at 10.30 a.m.  
 Venue : Executive Club, Dolly Farms & Resorts,  
 439, Village Shahurpur, P.O. Fatehpur Beri, New Delhi 110074.

#### ii. Financial Year 01<sup>st</sup> April to 31<sup>st</sup> March of every year.

##### Financial Calendar (Tentative and subject to change)

Financial Results/Disclosure for the Quarter ending June 2015	On 07 <sup>th</sup> August, 2015
Financial Results/Disclosure for the Quarter ending September 2015	On or before 14 <sup>th</sup> November, 2015
Financial Results/Disclosure for the Quarter ending December 2015	On or Before 14 <sup>th</sup> February, 2016
Financial Results/Disclosure for the Quarter ending March 2016	On or Before 30 <sup>th</sup> May, 2016
Annual General Meeting	September, 2016

#### iii. Date of Book closure: Saturday, September 19, 2015 to Friday, September 25, 2015 (Both days inclusive).

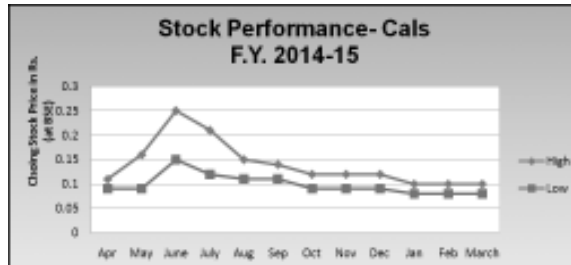
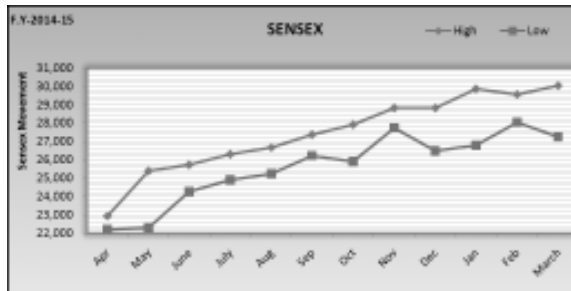
#### iv. Dividend payment date: Since Company is not proposing any dividend, this date is not applicable.

#### v. Listing on Stock Exchanges, Stock Code & ISIN:

INSTRUMENT	STOCK EXCHANGE	STOCK CODE	ISIN
Equity Shares	Bombay Stock Exchange, Mumbai	Trading Symbol- CALSREF- 526652	INE 040C01022

#### vi. Market Price Data : High, Low during each month in last financial year and performance in comparison to BSE SENSEX:

Months	Share Price (BSE) (In ₹)		SENSEX		Volume (No. of Shares)
	Month's High Price	Month's Low Price	Month's High	Month's Low	
April 2014	0.11	0.09	22,939.31	22,197.51	5,96,04,133
May 2014	0.16	0.09	25,375.63	22,277.04	18,75,25,266
June 2014	0.25	0.15	25,725.12	24,270.20	18,43,56,477
July 2014	0.21	0.12	26,300.17	24,892.00	13,68,63,392
August 2014	0.15	0.11	26,674.38	25,232.82	8,58,82,082
September 2014	0.14	0.11	27,354.99	26,220.49	10,37,09,630
October 2014	0.12	0.09	27,894.32	25,910.77	6,64,25,618
November 2014	0.12	0.09	28,822.37	27,739.56	8,20,74,697
December 2014	0.12	0.09	28,809.64	26,469.42	9,31,45,699
January 2015	0.10	0.08	29,844.16	26,776.12	8,38,89,415
February 2015	0.10	0.08	29,560.32	28,044.49	5,23,14,182
March 2015	0.10	0.08	30,024.74	27,248.45	7,61,37,443

**Our Stock Performance for the year 2014-15:**

**Sensex Movement for the year 2014-15:**

**vii. Registrar and Share Transfer Agents (RTA):**

During the year of reporting the Registrar and transfer activity was being handled by M/s MCS Limited situated at F-65, 1st Floor, Okhla Industrial Area, Phase I, New Delhi - 110020. E-Mail: admin@mcsdel.com.

The Company upon request of the existing RTA has changed the Registrar and Transfer Agents with effect from 15<sup>th</sup> July, 2015, the new RTA is MCS Share Transfer Agent Limited.

Presently the Registrar and Transfer Agents of the Company is MCS Share Transfer Agent Limited, the email id is same as previous one, i.e., admin@mcsdel.com. Phone No: 011- 41406149- 51.

**viii. Share Transfer System:**

Presently, the share transfers, which are received in physical form, are processed and the Share certificates returned within the prescribed time period, subject to the documents being valid and complete in all respects.

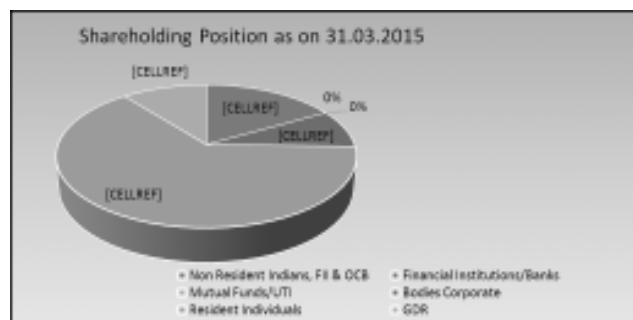
**ix. a. Distribution of shareholding as on March 31, 2015:**

Range	Shares	Percent Shares	Folios	Percent Holders/Folio
1 - 500	3539636	0.042	12419	6.784
501 - 1000	25546316	0.308	26251	14.340
1001 - 2000	34955568	0.422	18948	10.351
2001 - 3000	28279975	0.341	10169	5.555
3001 - 4000	19270381	0.232	5065	2.767
4001 - 5000	101496225	1.224	20442	11.167
5001 - 10000	296161109	3.571	32588	17.802
10001 - 50000	1030452714	12.424	39607	21.637
50001 - 100000	778030738	9.381	9470	5.173
And Above	5976230438	72.055	8097	4.424
<b>Total</b>	<b>8293963100</b>	<b>100.000</b>	<b>183056</b>	<b>100.000</b>

**b. Distribution of shareholding among Non-Resident, FII, Body Corporate and Individuals:**

As on the end of year of reporting, i.e., as on 31.03.2015, the Distribution of shareholdings between NRI, FIIs, OCBs, Body Corporate and Individuals are represented below:

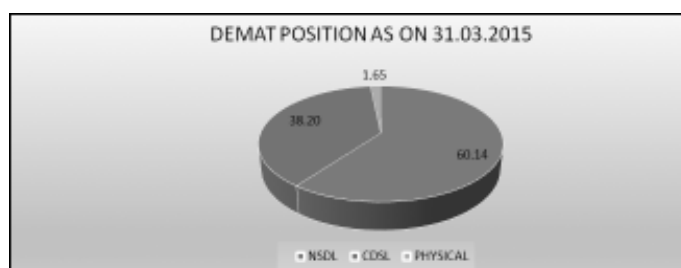
Category	No. of Shares	% age
Non Resident Indians, FII & OCB	139,23,56,294	16.79
Financial Institutions/Banks	2,13,000	0.00
Mutual Funds/UTI	1,12,000	0.00
Bodies Corporate	71,87,56,215	8.67
Resident Individuals	5,29,49,86,141	63.84
GDR	88,75,39,450	10.70
<b>Total</b>	<b>8,293,963,100</b>	<b>100.00</b>



**x. Dematerialisation of shares and liquidity:**

As at the end of March 31, 2015, 8156823995 Equity Shares (98.34 % of the equity capital of the company) were dematerialized. The Following table shows the details relating to dematerialization of shares of the Company:

Particulars	No. of Shares	% age
NSDL	4,98,83,35,774	60.15
CDSL	3,16,84,88,221	38.20
PHYSICAL	13,71,39,105	1.65
<b>Total</b>	<b>8,29,39,63,100</b>	<b>100.00</b>



**xi. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity**

The GDR's outstanding as on March 31, 2015 were 1,77,50,789 representing underlying 88,75,39,450 Equity Shares which were listed at Luxembourg Stock Exchange, and delisted w.e.f 14<sup>th</sup> July, 2014.

**xii. Address for correspondence**

**Investor Correspondence:**  
(For transfer/dematerialisation of shares and any other query related to the shares of the Company)

**For shares held in physical form**  
**MCS Share Transfer Agent Limited**  
Address: F-65, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase I, New Delhi - 110020  
Phone: 011-41406149/50/51  
Fax: 011-41709881  
E-Mail: admin@mcsdel.com

**For shares held in Dematerialised form**  
To the depository participant

**Any query on Annual Report**

**Cals Refineries Limited**  
Shares Department  
Address: 209, 2nd Floor, Suneja Tower - II, District Centre, Janak Puri, New Delhi-110058.  
Phone: 011- 45067736,  
E-Mail: cs@calsrefineries.com

**DECLARATION**

It is hereby declared that all the Board Members and senior management of the Company have reaffirmed adherence to in compliance with the 'Code of Conduct' laid down by the Company.

Place : New Delhi  
Date : 07.08.2015

**(Deep Kumar Rastogi)**  
Executive Chairman

**FORWARD-LOOKING STATEMENTS**

The report contains forward-looking statements, identified by words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates', 'envisages/ envisaged' and so on. All statements that address expectations or projections about the future, but not limited to the Company's strategy for expenditures, and financial results, are forward-looking statements. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realized. The Company's actual results, performance or achievements could thus differ from any forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events.

**INDUSTRY STRUCTURE AND DEVELOPEMENTS**
**GLOBAL**

The economy around the globe remained divergent during the financial year 2014-15, the oil producing Company also witnessed the stress of sharp decline in the energy prices during the year. The oil market remained over supplied, resulting in sharp decline in the oil process as few key consumption economies had weak demand during the year.

In Global scenario during the year OECD's (Organization for Economic Co-operation and Development) demand of Oil reduced considerably by 0.5 MMBPD due to lower consumption in European countries along with Japan, however Non-OECD demand grew by 1.1 MMBPD. The considerable reason for such slowdown in the growth of demand was that the Non OECD countries have improved as energy efficient. The low Chinese demand and the energy efficiency standards have been two prime reason for the decline in Oil demand in the year 2014-15.

The fall in the oil prices had significantly affected the producer country though it has benefitted oil importers as the production cost for the ultimate goods has been reduced. But overall the stiff decline in Oil prices on global basis has boosted the consumption of the Oil leading the remarkable growth in the later part of 2014-15. In previous year the average Oil demand grew by 0.7 MMBPD to 92.5 MMBPD, however in the previous year the crude oil remained over supplied the supply has recorded overall increase of 2.0 MMBPD.

The production of the crude oil was increased in Iraq, Canada and Brazil, which has in turn boosted the Oil Supply, globally and steep drop in oil prices, during the year. This reason may lead to cut in the production of shale oil in near future. The gap between supply increase of 2.0 MMBPD against the growth of demand by 1.1 MMBPD, lead to bent the price of crude oil at global platform. The average price during the year was \$ 109/bbl in the 1st half of the previous year.

**DOMESTIC**

The oil and gas sector is one of the six core industries in India. It is of strategic importance and plays a pivotal role in influencing decisions across other important spheres of the economy.

In 1997-98, the New Exploration Licensing Policy (NELP) was envisioned to deal with the ever-growing gap between demand and supply of gas in India. As per a recent report, the oil and gas industry in India is anticipated to be worth US\$ 139,814.7 million by 2015. With India's economic growth closely linked to energy demand, the need for oil and gas is projected to grow further, rendering the sector a fertile ground for investment.

To cater to the increasing demand, the Government of India has adopted several policies, including allowing 100 per cent foreign direct investment (FDI) in many segments of the sector, such as natural gas, petroleum products, and refineries, among others. The government's participation has made the oil and gas sector in the country a better target of investment. Today, it attracts both domestic and foreign investment.

According to data released by the Department of Industrial Policy and Promotion (DIPP), the petroleum and natural gas sector attracted foreign direct investment (FDI) worth **US\$ 6,519.53** million between April 2000 and January 2015.

Further it is expected that by 2015-16, India's demand for gas is set to touch 124 MTPA against a domestic supply of 33 MTPA and higher imports of 47.2 MTPA, leaving a shortage of 44 MTPA, as per projections by the Petroleum and Natural Gas Ministry of India. Moreover, Business Monitor International (BMI) predicts that India will account for 12.4 per cent of Asia-Pacific regional oil demand by 2015.

**RISKS AND CONCERNS**

The followings could be listed as the risk factors w.r.t **the Oil and Gas industry**:

1. Regulatory and legislative changes and increased cost of compliance
2. Volatile oil and gas prices
3. Inability to expand reserves or find replacement reserves
4. Operational hazards including blowouts, spills and personal injury
5. Natural disasters and extreme weather conditions

6. Inaccurate reserve estimates
7. Inadequate liquidity or access to capital, indebtedness
8. Environmental or health restrictions and regulations
9. General national or global economic concerns
10. General industry competition

**FINANCIAL PERFORMANCE AND REVIEW**

We have been reporting since long, and in this report also, that the Company is not having any operational income and profit and also due to non-availability of funds in time the project could not be implemented. Whatever fund was raised through GDRs in the year 2007, the same was invested in the pre-operative set-up expenses, while the company was nearing its implementation schedule, SEBI started investigation in to modalities of GDRs in the year 2011, with a restrictive orders on the Company from entering into the capital market and issuing any securities and altering its capital structure, SEBI finally vide order dated 23rd October, 2013, prohibited the company for approx. 8 year from the date of the order to access the capital market, issuance of any kind of securities and alteration in capital structure of the Company. Having no surplus funds and equity was a major initial funding, prohibition on issue/allotment of received share application money from foreign investors had material adverse effect. The company defaulted in its obligations to vendor and the vendors cancelled their agreements. Most of efforts made in the past become futile as the requisite financial resources could not be marshalled. With SEBI's adverse order, many other un-necessary and unwarranted connected investigations from ED, SFIO etc. started. Thus the company had no business operations and the likely hood of starting the proposed project has also been substantially diluted. The company future prospect is bleak, unless the SEBI and other investigations, against which the company filed appeals on merit, are withdrawn, stayed or results into favorable orders for the company.

While considering the financial statement of this year, the Board with an intention to give true and fair view of the financial statement of the Company have decided to write off various capital advances and the assets of the Company, which is either not recoverable or also not enforceable. The write offs of the Company has resulted into the negative net worth of the Company, which in turn invited the attention of the Auditors, who have qualified their Report for the financial year 2014-15. A detail discussion in this respect is provided in the Directors' Report under heading *Auditor's Report*.

In the year of reporting the turnover of the Company has remained Nil, the Company did not have any operational profit, the Loss before the exceptional items was Rs. 14.98 Million, and the exceptional item, during the year was Rs. 5587.67 Million as compared to Rs. 47.19 Million of the previous year, the sharp and considerable increase in the exceptional item was recorded due to the decision of writing off of various capital advances and assets of the Company. Consequently net loss for the year remained to Rs. 5602.65 Million, compared to Rs. 55.29 Million during the previous year.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has adequately adopted the procedures to ensure the proper internal control, suitable policies and guidelines as required under various provisions of the Companies Act, 2015 and the Listing Agreement are in place. These policies, e.g. Vigil Mechanism policies/ Whistle Blower Policies, Risk Management Policy are meant to comply with the requirement of the law, to reduce the possible threats of fraud and to ensure the orderly and efficient conduct of the business of the Company. These policies and guidelines are adequately monitored by the designated Committees of the Board.

The Company apart from the above, has also in place a system of internal audit adequate in respect to the size and operations of the Company. M/s Hemant K. Agrawal & Associates, Chartered accountants had been the Internal Auditor of the Company for the financial year 2014-15. Quarterly internal audit exercise was conducted by them. No material discrepancies have been reported by them during the period of the Audit. The Company prepare the financial information/Reporting as per the requisite requirements of the Companies Act, 2013 and the Listing Agreement, and place it to the Audit Committee and Board for the approval, once approved the said financial results are submitted to the stock exchange and also placed on the website of the Company.

**HUMAN RESOURCE DEVELOPMENT**

The Company has only limited administrative staffs with no business operation, Human Resources/Industrial Relations during the financial year have been dispute free and cordial. The company has a policy relating to the remuneration to the of Whole time Director/ Executive/ Managing Director, Key Managerial Personnel (KMP) and Senior Management Personnel, as required under the Companies, 2013 and the Clause 49 of the Listing Agreement. The same was adopted by the board and placed on record. The Company has been operating with 4 employees during the year, though one employee left in the middle of the year, however no fresh appointments was made.

To,

**The Members of CALS REFINERIES LIMITED**

**Report on the Financial Statements**

We have audited accompanying financial statements of **CALS REFINERIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015 and the Statement of Profit and Loss and Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information.

**Management' Responsibility for the Financial Statements**

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the provisions of the Act, the Accounting and Auditing standards and the matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Basis of Qualified Opinion**

*Attention of the matters is invited to note no. 30 (d) of the notes to accounts regarding the financial statements of the company having been prepared on a Going Concern basis, not withstanding that due to continuous losses incurred by the company during the past years and current year, the accumulated losses of the Company have far exceeded its Net Worth resulting in negative net worth on Balance Sheet date. The company has written-off a substantial part of its Fixed Asset during the year. This situation indicates the existence of a material uncertainty that may cast a significant doubt on the company's ability to continue as a going concern.*

**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matters described in the basis of Qualified Opinion paragraph*, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- in the case of the Statement of Profit and Loss, of the loss for the period ended on that date; and
- in the case of Cash Flow Statement, of the cash flows for the period ended on that date.

**Emphasis of matter**

Without qualifying our opinion we draw attention to:

- In absence of any development in the project and withdrawal of the permissive possession of land. Cost of leasehold land ₹ 990.71 million (including cost of land development ₹ 196.91 million), civil work of factory building (included in capital work in progress) ₹ 49.64 million, expenses incurred on the project which are 'Preoperative Expenses Pending Allocation' ₹ 432.51 million, 'Consultancy Fees' ₹ 65.62 million shown under 'Capital Work in Progress' and 'Capital Advances' ₹ 4,723.59 million shown under 'Loan and Advances' are written off.
- The Securities Exchange Board of India (SEBI) has issued a final order dated October 23, 2013 against the Company in the matter of "Market Manipulation using GDR Issues", which imposes a restriction on any further issue of equity shares or any other instruments convertible into equity shares or any other security by the Company for a period of ten years. As on date of order, the Company has undergone such prohibition as laid down in the order for approximately two year which means the restriction will be reduced effectively to eight years from the date of order. Further SEBI vide order dated 31/12/2014 has also raised a question of siphoning of funds for the benefit of promoters of the Company. The Company is in appeal against the aforesaid order of SEBI in Securities Appellate Tribunal (SAT). The matter is sub-justice and the impact, if any, of the outcome of the same cannot be ascertained at this stage.
- The Company had deferred expenses related to equity and GDR issues amounting to ₹ 246.24 million, which forms part of other non-current assets. With reference to the aforementioned order of SEBI and the embargo on the further issuance of equity or any equity convertible instruments by the Company, since there is no future economic benefit arising out of such expenses incurred during the previous years the expense has been written off in the current year.
- The company has share application money pending allotment for a period of more than one year and cannot issue shares or refund the money as instructed by SEBI in its order as mentioned in point (b) above.
- Trade payables appearing in the books of accounts are subject to confirmation and reconciliation, if any. Consequential impact, if any, will be considered as and when determined.

**Report on other Legal and Regulatory Requirements**

- As required by the Companies (Auditor's Report) Order, 2015, ("the order") issued by the central Government of India in terms of sub-section (11) of 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.
- As required by section 143(3) of the Act, we report that:
  - We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors, as on March 31, 2015 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014; in our opinion and to the

best of our information and according to the explanations given to us:

- 1) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 22 to the financial statements;
- 2) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- 3) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March 2015.

For **Kanu Doshi Associates**  
Chartered Accountants  
Firm Registration Number: 104746W

**Jayesh Parmar**  
Partner

Membership No: 45375

Place : Mumbai  
Date : 30.05.2015

## ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 1 of '**Report on other Legal and Regulatory Requirements**' in our Report of even date on the accounts of CALS REFINERIES LIMITED for the year ended March 31, 2015

- i. (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, all fixed assets have been physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on such verification.
- ii. The Company's nature of operations does not require it to hold inventories. Consequently, clause (ii) of the order is not applicable.
- iii. As informed to us, the Company has not granted loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Hence clauses 3(iii), (iii) (a) & (iii) (b) of the order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal control system.
- v. During the year, the Company has not accepted any deposits. As such, the compliance with directives issued by the Reserve Bank of India and the provisions of section 73 and 78 the Act and the rules framed there under are not applicable.
- vi. We have been informed that the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Act.
- vii. (a) According to the information and explanations given to us and on the basis of records produced before us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it, though there has been a slight delay in

few cases. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at March 31, 2015 for a period of more than six months from the date they became payable.

- (b) There are no dues in respect of Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise duty, and cess that have not been deposited with appropriate authorities on account of any dispute.
- (c) There is no dividend outstanding hence; clause 3 (vii) c is not applicable.
- viii. The Company has accumulated losses at the end of the financial year exceeding fifty percent of its net worth. Further, the Company has incurred cash losses in the current financial year and in the immediately preceding financial year.
- ix. In our opinion and according to the information and explanations given to us, the Company has not taken any loans from any financial institutions, banks or debenture holders and hence the question of defaulting in repayment of dues does not arise.
- x. According to the information and explanations given to us and the record examined by us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xi. There were no term loans taken during the year.
- xii. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For **Kanu Doshi Associates**  
Chartered Accountants  
Firm Registration Number: 104746W

**Jayesh Parmar**  
Partner

Membership No: 45375

Place : Mumbai  
Date : 30.05.2015



**BALANCE SHEET AS AT MARCH 31, 2015**


(₹ in million)

<i>Particulars</i>	<i>Note No.</i>	<i>As at March 31, 2015</i>	<i>As at March 31, 2014</i>
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' funds</b>			
(a) Share Capital	3	<b>8,293.96</b>	8,293.96
(b) Reserves and Surplus	4	<b>(8,487.72)</b>	(2,884.79)
		<b>(193.76)</b>	5,409.17
<b>2. Share application money pending allotment</b>	5	<b>15.76</b>	15.76
<b>3. Non-current liabilities</b>			
(a) Long-Term Provisions	6	<b>1.50</b>	1.16
		<b>1.50</b>	1.16
<b>4. Current liabilities</b>			
(a) Short Term Borrowings	7	<b>70.76</b>	59.39
(b) Trade payables	8	<b>113.17</b>	1,071.38
(c) Other Current Liabilities	9	<b>0.97</b>	1.07
(d) Short Term Provisions	6	<b>0.04</b>	0.06
		<b>184.94</b>	1,131.90
<b>TOTAL</b>		<b>8.44</b>	6,557.99
<b>II. ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	10	<b>0.53</b>	1.76
(ii) Intangible Assets	10	-	0.00
(iii) Capital Work-in-Progress	11	-	1,538.48
(b) Long-term Loans and Advances	12	<b>7.71</b>	4,770.66
(c) Other Non-current Assets	13	-	246.24
		<b>8.24</b>	6,557.14
<b>2. Current assets</b>			
(a) Trade Receivables	14	-	-
(b) Cash and Cash Equivalents	15	<b>0.18</b>	0.74
(c) Short-term Loans and Advances	12	<b>0.02</b>	0.11
		<b>0.20</b>	0.85
<b>TOTAL</b>		<b>8.44</b>	6,557.99

Significant Accounting Policies and Notes to Accounts

As per our Report of even date

**For & on Behalf of the Board of Directors**

 For **Kanu Doshi Associates**

Chartered Accountants

**Deep Kumar Rastogi**  
Executive Chairman

**Sameer Rajpal**  
Director

 Per **Jayesh Parmar**

(Partner)

Membership No. 45375

FRNo. : 104746W

**Suvindra Kumar**  
Company Secretary

**Rekha Sarda**  
Chief Financial Officer

Place : Mumbai

Date : 30.05.2015

Place : Gurgaon

Date : 29.05.2015

(₹ in million)

<i>Particulars</i>	<i>Note No.</i>	<i>For the year ended March 31, 2015</i>	<i>For the year ended March 31, 2014</i>
<b>Income</b>			
<b>Revenue from operations :</b>			
Other Income	16	<u>0.16</u>	<u>3.76</u>
<b>Total Revenue</b>		<b>0.16</b>	<b>3.76</b>
<b>Expenditure</b>			
Employee Benefits Expenses	17	6.47	6.32
Finance Costs	18	0.00	81.90
Depreciation and Amortization Expenses	10	0.38	0.45
Other Expenses	19	8.29	17.57
<b>Total Expenses</b>		<u>15.14</u>	<u>106.24</u>
Profit/(Loss) before Exceptional Items		<b>(14.98)</b>	<b>(102.48)</b>
Exceptional Items	20	<b>5,587.67</b>	<b>(47.19)</b>
Profit/(Loss)		<u><b>(5,602.65)</b></u>	<u><b>(55.29)</b></u>
<b>Earnings per equity share:</b>			
	21		
(1) Basic		<b>(0.68)</b>	<b>(0.01)</b>
(2) Diluted		<b>(0.68)</b>	<b>(0.01)</b>

Significant Accounting Policies and Notes to Accounts

As per our Report of even date

**For & on Behalf of the Board of Directors**

 For **Kanu Doshi Associates**  
Chartered Accountants

**Deep Kumar Rastogi**  
Executive Chairman

**Sameer Rajpal**  
Director

 Per **Jayesh Parmar**  
(Partner)  
Membership No. 45375  
FRNo. : 104746W

**Suvindra Kumar**  
Company Secretary

**Rekha Sarda**  
Chief Financial Officer

 Place : Mumbai  
Date : 30.05.2015

 Place : Gurgaon  
Date : 29.05.2015

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015**


(₹ in million)

	<b>For the year ended March 31, 2015</b>	For the year ended March 31, 2014
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/ (Loss) before tax as per Statement of Profit and Loss	(5,602.65)	(55.29)
<b>Adjustment for :</b>		
Depreciation and Amortization Expense	0.38	0.45
Loss on Fixed Assets Sold/Discarded	0.53	0.03
Service Tax Expenses	39.35	-
Balances - Written off	(960.52)	-
Capital Work in Progress Written off	1,538.48	-
Interest Reversed	-	(4.38)
GDR Issue Expenses Written Off	223.45	-
Capital Advance Written off	4,723.59	-
Equity Share Capital issue expenses Written off	22.79	-
Operating Profit Before Working Capital Changes	<b>(14.60)</b>	<b>(59.19)</b>
<b>Movements in working capital :</b>		
Increase/(Decrease) in Trade Payables	2.31	112.02
Increase /(Decrease) in Long-Term Provisions	0.34	(0.05)
Increase /(Decrease) in Short-Term Provisions	(0.02)	0.02
Increase/(Decrease) in Other Current Liabilities	(0.10)	(7.78)
Decrease /(Increase) in Long-Term Loans and Advances	-	(7.75)
Decrease /(Increase) in Short-Term Loans and Advances	0.09	0.17
Cash Generated from /(used in) Operations	<b>(11.98)</b>	<b>37.44</b>
<b>Net cash flow from/ (used in) Operating Activities (A)</b>	<b>(11.98)</b>	<b>37.44</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceed from Sale of Fixed Assets	0.05	0.00
Additions/Deletions in Capital Work in Progress	-	(64.29)
<b>Net cash flow from/(used in) Investing Activities (B)</b>	<b>0.05</b>	<b>(64.29)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Decrease in Miscellaneous Expenditure	-	-
Proceeds from Short-Term Borrowings	11.37	25.70
<b>Net Cash Flow from/(used in) Financing Activities (C)</b>	<b>11.37</b>	<b>25.70</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)</b>	<b>(0.56)</b>	<b>(1.15)</b>
Opening Balance of Cash and Cash Equivalents	0.74	1.89
Closing Balance of Cash and Cash Equivalents	0.18	0.74
	<b>(0.56)</b>	<b>(1.15)</b>

As per our Report of even date

**For & on Behalf of the Board of Directors**

 For **Kanu Doshi Associates**  
 Chartered Accountants

**Deep Kumar Rastogi**  
 Executive Chairman

**Sameer Rajpal**  
 Director

 Per **Jayesh Parmar**  
 (Partner)  
 Membership No. 45375  
 FRNo. : 104746W

**Suvindra Kumar**  
 Company Secretary

**Rekha Sarda**  
 Chief Financial Officer

 Place : Mumbai  
 Date : 30.05.2015

 Place : Gurgaon  
 Date : 29.05.2015

**1. Corporate information**

Cals Refineries Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of Companies Act, 2013. Its shares are listed on Bombay Stock Exchange in India.

**2. Significant accounting policies**
**a) Basis for preparation of financial statements**

These financial statements have been prepared under historical cost convention from books of accounts maintained on an accrual basis (unless otherwise stated hereinafter) in conformity with accounting principles generally accepted in India and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India and referred to Sec 129 & 133 of the Companies Act, 2013, of India. The accounting policies applied by the company are consistent with those used in previous year.

**b) Use of estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates and revisions, if any, are recognized in the current and future periods.

**c) Tangible Fixed assets and depreciation/amortisation**

- (i) Fixed assets are stated at cost less accumulated depreciation/amortisation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.
- (ii) Fixed assets under construction and cost of assets not ready for use as at the year-end are disclosed as capital work-in-progress.
- (iii) Expenses incurred relating to project prior to commencement of commercial production are classified as "Pre-operative expenses pending allocation" and are disclosed under Capital work in progress (net of income earned during the project development stage).
- (iv) In respect of fixed assets acquired during the year, depreciation/ amortisation is charged on a straight line basis so as to write off the cost of the assets over the useful lives and for the assets acquired prior to 1 April, 2014, the carrying amount as on 1 April, 2014 is depreciated over the remaining useful life based on an evaluation:

<b>Type of asset</b>	<b>Useful life (Years)</b>
Computers	3
Furniture and fixtures	10
Vehicles	
- Motor Cycles	10
- Motor Cars	8
Office equipment	5

- (v) Assets costing less than Rs. 5,000 individually have been fully depreciated in the year of purchase. Obsolete assets have been discarded during the year.
- (vi) The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

**d) Intangible Fixed assets and depreciation/amortisation**

Software costs relating to acquisition of initial software license fee and installation costs are capitalized in the year of purchase. Depreciation has been provided based on life assigned to each asset in accordance with Schedule II of the Companies Act, 2013.

**e) Leases**

Leases of assets under which significant risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognized as expense in the "Statement of Profit and Loss" on a straight line basis over the lease term.

**f) Borrowing costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to the statement of profit and loss account as incurred

**g) Impairment of assets**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the "Statement of Profit and Loss". If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

**h) Revenue recognition***Sale of goods*

Revenue from the sale of goods is recognized when significant risk and rewards in respect of ownership of the goods are transferred to the customer. Revenue is stated net of trade discounts, rebates, sales return and sale tax or value added tax, where ever applicable

**i) Foreign currency transactions**

Transactions in foreign currency and non-monetary assets are accounted for at the exchange rate prevailing on the date of the transaction. All monetary items denominated in foreign currency are converted at the year-end exchange rate. The exchange differences arising on such conversion and on settlement of the transactions are recognized income or as expense for the year.

**j) Employee benefits**

Expenses and liabilities in respect of employee benefits are recorded in accordance with Revised Accounting Standard 15 - Employee Benefits (Revised 2005)

**i) Gratuity**

Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged or credited to the "Statement of Profit and Loss" in the year in which such gains or losses are determined.

**ii) Provident Fund**

The Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provision Act, 1952 which is a defined contribution plan and contribution payable is recognized as an expense in the year in which services are rendered by the employee.

**iii) Compensated absences**

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

**iv) Other short term benefits**

Expense in respect of other short-term benefits is recognized on the basis of the amount payable for the year during which services are rendered by the employee.

**k) Taxation**

Provision for tax comprises current income-tax and deferred tax. Current income-tax is determined in respect of taxable income with deferred tax being determined as the tax effect of timing differences representing the difference between taxable income and accounting income that originate in one period, and are capable of reversal in one or more subsequent period(s). Such deferred tax is quantified using rates and laws enacted or substantively enacted as at the end of the financial year.

**l) Contingent liabilities and provisions**

Depending upon the facts of each case and after due evaluation of legal aspects, claims against the Company not acknowledged as debts are treated as contingent liabilities. In respect of statutory dues disputed and contested by the Company, contingent liabilities are provided for and disclosed as per original demand without taking into account any interest or penalty that may accrue thereafter. The Company makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of obligation can be made. Possible future or present obligations that may but will probably not require outflow of resources or where the same cannot be reliably estimated, have been disclosed as a contingent liability in the financial statements.

**m) Miscellaneous expenditure**

Miscellaneous expenditure on account of increase in share capital and other related expenses are written off over a period of 5 years from the date of commencement of commercial production. Any reimbursements received from the depository are credited to "Miscellaneous expenditure" in the year such reimbursement is received. As there is no future benefits to be derived out of Unamortized Miscellaneous Expenditure, the same amount has been written off during the year.

**n) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of dilutive potential equity shares.

**3. Share Capital** (₹ in million)

	<b>As at March 31, 2015</b>	As at March 31, 2014
<b>Authorized shares</b>		
Equity Shares of ₹ 1 each	40,000.00	40,000.00
	<u><b>40,000.00</b></u>	<u><b>40,000.00</b></u>
<b>Issued, subscribed and paid-up</b>		
Equity Shares of ₹ 1 each	8,293.96	8,293.96
<b>Total issued, subscribed and paid-up share capital</b>	<u><b>8,293.96</b></u>	<u><b>8,293.96</b></u>

**a) The details of Shareholders holding more than 5% shares :**
(₹ in million)

<b>Name of the Shareholder</b>	<b>31 March 2015</b>		<b>31 March 2014</b>	
	<b>No. of Shares</b>	<b>% held</b>	<b>No. of Shares</b>	<b>% held</b>
Gagan Deep Kumar Rastogi	<b>1,110.00</b>	<b>13.38%</b>	1,110.00	13.38%

The above includes underlying Equity Shares in Global Depository Receipts (GDR).

**b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**
(₹ in million)

<b>Shares</b>	<b>31 March 2015</b>		<b>31 March 2014</b>	
	<b>No. of Shares</b>	<b>₹</b>	<b>No. of Shares</b>	<b>₹</b>
At the beginning of the period	8,293.96	8,293.96	8,293.96	8,293.96
Issued during the period	-	-	-	-
Outstanding at the end of the period *	<u><b>8,293.96</b></u>	<u><b>8,293.96</b></u>	<u><b>8,293.96</b></u>	<u><b>8,293.96</b></u>
* The above includes underlying Equity Shares in GDR and each GDR represents 50 underlying Equity Shares of ₹ 1 each.	<b>17.91</b>	<b>895.54</b>	<b>40.11</b>	<b>2,005.54</b>

**c) Terms / rights attached to Equity Shares/GDRs**

- # The Company has only one class of shares referred to as equity shares having a par value of ₹ 1/-. Each holder of equity shares is entitled to one vote per share. Holders of GDRs will have no voting rights with respect to the Deposited Shares.
- # In case of Depository receipts, the Depository will, if so requested by the Board of Directors of the Company and subject to receipt from the Company of an opinion from the Company's legal counsel, (such counsel being reasonably satisfactory to the Depository, that to do so will not be illegal or violate any applicable law of India, or subject the Depository to liability to any Holder or any shareholder of the Company), either vote as directed by the Board or as conveyed by the Chairman of the Company or give a proxy or power of attorney to vote the Deposited Shares in favour of a Director of the Company or other person or vote in the same manner as those shareholders designated by the Board.
- In the absence of receipt from the Company of an opinion from legal counsel as aforesaid, the Depository shall not have any obligation to exercise any voting rights and shall have no liability to the Company or any holder.
- # The Company declares and pays dividend in Indian rupees. During the year ended March 31, 2015, the amount of dividend recognized as distribution to equity shareholders was ₹ Nil per share (Previous year : ₹ Nil).
- # In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

**4 Reserves and Surplus** (₹ in million)

	<b>As at March 31, 2015</b>	As at March 31, 2014
<b>Surplus/(Deficit) in the Statement of Profit and Loss</b>		
Balance as per the last financial statements	(2,884.79)	(2,829.50)
Adjustment to carrying value of Fixed assets as per provisions of Companies Act 2013	(0.28)	-
Profit/ (Loss) for the period	(5,602.65)	(55.29)
	<u><b>(8,487.72)</b></u>	<u><b>(2,884.79)</b></u>

**5 Share Application Money Pending Allotment**

Share application money pending allotment	15.76	15.76
	<u><b>15.76</b></u>	<u><b>15.76</b></u>
a) No. of equity shares of ₹ 1 each proposed to be issued at par	15.76	15.76
b) The Company has sufficient authorised capital to cover the share capital amount resulting from allotment of shares against share application money.		

(₹ in million)

c) <i>Period before which shares were to be allotted</i>	<b>March 31, 2015</b> <b>No. of shares</b>	March 31, 2014 No. of shares
October 19, 2011*	2.09	2.09
March 20, 2012*	11.95	11.95
August 28, 2012*	1.72	1.72
	<b>15.76</b>	<b>15.76</b>

- d) \* The Securities and Exchange Board of India has issued an Order dated October 23, 2013 against the Company, which mainly states that:
- Cals shall not issue equity shares or any other instrument convertible into equity shares or any other security, for a period of ten years.
  - Vide the Interim Order dated September 21, 2011 (later confirmed through the Confirmatory Order on December 30, 2011), Cals was directed not to issue equity shares or any other instrument convertible into equity shares or alter their capital structure in any manner till further directions. In this context, Cals has already undergone the prohibition imposed vide the Interim Order for a period of approximately two years. In view of this factual situation, it is clarified that the prohibition already undergone by Cals pursuant to the aforementioned SEBI Order shall be reduced while computing the period in respect of the prohibition imposed vide this order.

#### 6 Provisions (₹ in million)

	<b>Long-term</b>		<b>Short-term</b>	
	<b>As at</b> <b>March 31, 2015</b>	As at March 31, 2014	<b>As at</b> <b>31 March 2015</b>	As at 31 March 2014
<b>Provision for Employee Benefits</b>				
Provision for Gratuity	0.74	0.56	0.02	0.02
Provision for Compensated Absences	0.76	0.60	0.02	0.04
	<b>1.50</b>	<b>1.16</b>	<b>0.04</b>	<b>0.06</b>

#### 7 Short-term Borrowings (₹ in million)

	<b>As at</b> <b>March 31, 2015</b>	As at March 31, 2014
Unsecured Loans Repayable on Demand *		
- From related party (refer note no. 28)	68.26	56.89
- From others#	2.50	2.50
	<b>70.76</b>	<b>59.39</b>

\* Loans Repayable on Demand. Interest is not provided due to moratorium as per the loan agreement.

# Loan from Ex-directors.

#### 8 Trade Payables

Micro, Small and Medium Enterprises (refer note no. 25 for details of dues to micro and small enterprises)	-	-
Others	113.17	1,071.38
	<b>113.17</b>	<b>1,071.38</b>

#### 9 Other Current Liabilities

Service tax payable	0.00	-
TDS payable	0.12	0.23
Other current liabilities	0.85	0.84
	<b>0.97</b>	<b>1.07</b>

**10 Fixed Assets**

(₹ in million)

Description	Gross Block				Depreciation and Amortization				Net Book Value	
	As at April 1, 2014	Additions	Deductions/ Adjustments	As at March 31, 2015	As at April 1, 2014	Additions	Deductions/ Adjustments	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
Computers	1.20	-	0.70	0.50	1.17	-	0.69	0.48	0.02	0.03
Vehicles	1.32	-	-	1.32	0.84	0.26	-	1.10	0.22	0.48
Office Equipments	0.47	-	0.47	-	0.15	-	0.15	-	-	0.32
Furniture & fixtures	1.47	-	0.88	0.59	0.54	0.12	0.36	0.30	0.29	0.93
<b>Total (A)</b>	<b>4.46</b>	<b>-</b>	<b>2.05</b>	<b>2.41</b>	<b>2.70</b>	<b>0.38</b>	<b>1.20</b>	<b>1.88</b>	<b>0.53</b>	<b>1.76</b>
<b>Software (B)</b>	<b>0.80</b>	<b>-</b>	<b>0.80</b>	<b>-</b>	<b>0.80</b>	<b>0.00</b>	<b>0.80</b>	<b>-</b>	<b>-</b>	<b>0.00</b>
<b>Total (A+B)</b>	<b>5.26</b>	<b>-</b>	<b>2.85</b>	<b>2.41</b>	<b>3.50</b>	<b>0.38</b>	<b>2.00</b>	<b>1.88</b>	<b>0.53</b>	<b>1.76</b>
Previous Year	5.33	-	0.07	5.26	3.08	0.45	0.03	3.50	1.76	2.25

Note : Leasehold Land regrouped as a part of the Capital Work in Progress. Previous year figures have been re-classified/ re-grouped to conform to current year's classification.

**11 Capital Work in Progress**

(₹ in million)

	As at March 31, 2015	As at March 31, 2014
Pre-operative expenses pending allocation	-	432.51
Consultancy fees	-	65.62
Factory building	-	49.64
Leasehold Land	-	990.71
	-	1,538.48
	-	-

**12 Loans and Advances**

(₹ in million)

	Long-term		Short-term	
	As at March 31, 2015	As at March 31, 2014	As at 31 March 2015	As at 31 March 2014
<b>Capital advances</b>				
Unsecured, considered good	-	4,723.59	-	-
(A)	-	4,723.59	-	-
<b>Security deposit</b>				
Unsecured, considered good	0.50	0.50	-	-
(B)	0.50	0.50	-	-
<b>Advances recoverable in cash or kind</b>				
Secured considered good	-	-	0.02	0.02
Unsecured considered good*	7.21	7.21	-	-
(C)	7.21	7.21	0.02	0.02
<b>Other loans and advances</b>				
Loans to employees	-	-	-	0.09
CENVAT credit receivable	-	39.36	-	-
(D)	-	39.36	-	0.09
<b>Total (A+ B + C + D)</b>	<b>7.71</b>	<b>4,770.66</b>	<b>0.02</b>	<b>0.11</b>

\* Deposit with Mumbai High Court

**13 Other Non Current Assets**

(₹ in million)

	As at March 31, 2015	As at March 31, 2014
<b>Unamortized expenditure</b>		
Global Depository Receipt (GDR) issue expenses	-	223.45
Equity Share Capital issue expenses	-	22.79
	-	246.24



## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS



(₹ in million)

	As at March 31, 2015	As at March 31, 2014
<b>14 Trade Receivables (non-current)</b>		
<i>Outstanding for a period exceeding six months from the date they are due for payment</i>		
Doubtful	-	4.60
	-	4.60
Less: Provision for doubtful receivables	-	4.60
	-	-
<b>15 Cash and Cash Equivalents</b>		
<i>Balances with banks:</i>		
- On current accounts	0.17	0.71
Cash on hand	0.01	0.03
	<b>0.18</b>	<b>0.74</b>
		(₹ in million)
	<b>For the year ended March 31, 2015</b>	For the year ended March 31, 2014
<b>16 Other Income</b>		
Liabilities Written Back	0.04	3.76
Bad Debts Recovered	0.12	-
	<b>0.16</b>	<b>3.76</b>
<b>17 Employee Benefit Expenses</b>		
Salaries, wages and bonus	5.86	5.83
Contribution to provident and other fund	0.59	0.45
Staff welfare expenses	0.02	0.04
	<b>6.47</b>	<b>6.32</b>
<b>18 Finance Costs</b>		
Bank charges	0.00	0.00
Interest	-	81.90
Interest on outstanding statutory dues	0.00	0.00
	<b>0.00</b>	<b>81.90</b>
<b>19 Other Expenses</b>		
Communication	0.04	0.12
Legal and professional	1.15	7.35
Printing and stationery	0.01	0.25
Repair and maintenance - building	0.02	0.10
Repair and maintenance - others	0.01	0.02
Auditor's remuneration (Refer 19(i))	0.57	0.59
Directors' sitting fees	0.10	0.08
Rates and taxes	4.05	3.55
Rent	-	0.10
Travelling and conveyance	0.10	0.35
Miscellaneous expenses	0.10	0.15
Foreign Exchange - Gain/Loss	2.14	4.91
	<b>8.29</b>	<b>17.57</b>
<b>(i) Payment to Auditors</b>		
<i>As Auditor:</i>		
-Audit Fee	0.45	0.45
-Limited Review Fee	0.08	0.08
<i>In other capacity:</i>		
Reimbursement of expenses	0.04	0.06
	<b>0.57</b>	<b>0.59</b>

**20 Exceptional Items**

(₹ in million)

	<b>For the year ended March 31, 2015</b>	For the year ended March 31, 2014
Balances - Written Off	(960.52)	-
Interest Reversed	-	(4.38)
Capital Work in Progress Written off	1,538.48	-
Loss on Fixed Assets Sold/Discarded	0.53	0.03
GDR Issue Expenses Written Off	223.45	-
Service Tax Expenses	39.35	-
Equity Share Capital issue expenses Written off	22.79	-
Capital Advance Written off	4,723.59	-
Provision for Bad Debts	-	(42.84)
	<b>5,587.67</b>	<b>(47.19)</b>

**21 Earnings Per Share (EPS)**

(₹ in million)

<b>Particulars</b>	<b>For the year ended March 31, 2015</b>	For the year ended March 31, 2014
Net profit/(loss) for calculation of basic/diluted EPS (in million)	(5,602.65)	(55.29)
Weighted average number of equity shares in calculating basic & diluted EPS (in million)	8,293.96	8,293.96
Basic and Diluted Earning per share (₹)	(0.68)	(0.01)
Face Value per equity share (₹)	<b>1.00</b>	<b>1.00</b>

**22 Contingent Liabilities and Commitments (To The Extent Not Provided For)**

(₹ in million)

<b>Particulars</b>	<b>As at March 31, 2015</b>	As at March 31, 2014
<b>Contingent Liabilities :</b>		
Claim against the Company not acknowledged as debt	7.71	7.71
<b>Capital &amp; other commitments :</b>		
Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)	-	25,723.01

**23 Disclosure of "Employee Benefits" as per Accounting Standard 15 are as follows:**
**A. Gratuity**
**Statement of Profit and Loss**

Net employee benefit expense recognized in employee cost

(₹ in million)

<b>Description</b>	<b>March 31, 2015</b>	March 31, 2014
Current service cost	0.12	0.11
Interest cost	0.05	0.05
Actuarial (gain)/loss recognized during the year	0.02	(0.12)
Past service cost	-	-
	<b>0.19</b>	<b>0.04</b>

**Balance Sheet**

Details of provision for Gratuity

(₹ in million)

<b>Description</b>	<b>March 31, 2015</b>	March 31, 2014
Opening defined benefit obligation	0.57	0.54
Current service cost	0.12	0.10
Interest cost	0.05	0.05
Actuarial (gain)/ loss recognized during the year	0.02	(0.12)
Benefits paid	-	-
Past service cost	-	-
Closing defined benefit obligation	<b>0.76</b>	<b>0.57</b>

The entire amount of plan obligation is unfunded therefore changes in the fair value of plan assets, categories of plan assets as a percentage of the fair value of total plan assets and the Company's expected contribution to the plan assets in the next year is not given.

For determination of the gratuity liability of the Company, the following actuarial assumptions were used:

	2015	2014
Discount rate	8.00%	9.00%
Rate of increase in compensation levels	7.00%	7.00%
Withdrawal Rate	5% at younger ages and reducing to 1% at older ages according to graduated scale	
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ult.	

Estimates of future salary increase are based on inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market.

Amounts for the current and previous three years are as follows:

	Gratuity			(₹ in million)
	31/3/2015	31/3/2014	31/3/2013	31/3/2012
Defined benefit obligation	0.76	0.57	0.54	0.63
Deficit	0.76	0.57	0.54	0.63
Experience adjustments on plan liabilities Loss/(Gain)	0	0	0	0

#### B. Compensated Absences

##### Statement of Profit and Loss

(₹ in million)

Description	March 31, 2015	March 31, 2014
Current service cost	0.11	0.08
Interest cost	0.05	0.06
Actuarial loss recognized during the year	0.07	(0.11)
Past service cost	-	-
	<u>0.23</u>	<u>0.03</u>

##### Balance Sheet

(₹ in million)

Description	March 31, 2015	March 31, 2014
Opening defined benefit obligation	0.64	0.71
Current service cost	0.11	0.08
Interest cost	0.05	0.06
Actuarial loss recognized during the year	0.07	(0.11)
Benefits paid	(0.09)	(0.10)
Closing defined benefit obligation	<u>0.78</u>	<u>0.64</u>

For determination of the liability in respect of compensated absences of the Company, following actuarial:

	2015	2014
Discount rate	8.00%	9.00%
Rate of increase in compensation levels	7.00%	7.00%

#### C. Provident fund

Contribution made by the Company during the year is ₹ 0.40 million (Previous year ₹ 0.41 million).

- 24 In the opinion of the Board of Directors, current assets, loans and advances have a value on realization in the ordinary course of the business at least equal to the amounts at which they are stated and provision for all known liabilities have been made.
- 25 The Company has not received confirmation from its vendors to confirm their status under Micro, Small and Medium Enterprises Development Act (MSMED), 2006. Based on this, we are not able to comment on amounts due to any micro or small enterprise under the MSMED Act, 2006.
- 26 Balances of Trade Payables and Loans are subject to confirmation.
- 27 Related deferred tax assets amounting ₹ 50.52 million were not recognized since utilization of the tax losses against future taxable profits is not deemed probable in the foreseeable future.

**28 a) Related Party Disclosures**

<b>Nature of Relationship</b>	<b>Name of Related Parties</b>
Key managerial personnel	Mr. Deep Kumar Rastogi (Executive Chairman)
Enterprises owned or significantly influenced by key management personnel or their relatives	Nyra Holding Private Limited

**b) Transaction during the year with related party** (₹ in million)

<b>Nature of Transactions</b>	<b>2014-15</b>	<b>2013-14</b>
<b>Enterprises owned or significantly influenced by key management personnel or their relatives</b>		
<b>Transactions during the year :</b>		
Loan received during the year	11.38	25.70
<b>Closing Balance :</b>		
Loan payable	<b>68.26</b>	<b>56.89</b>

**29 Expenditure in Foreign Currency**

(On cash basis including amount capitalized) (₹ in million)

<b>Description</b>	<b>For the year ended March 31, 2015</b>	<b>For the year ended March 31, 2014</b>
Bank charges	0.00	0.00
Stock exchange fees	0.21	0.20
<b>Total</b>	<b>0.21</b>	<b>0.20</b>

**30 Project Status**

a The Company has a plan to set up crude oil refinery in Haldia, West Bengal. Ministry of Forest and Environment (MOEF) has accorded Environmental Clearance for 5 MMTPA refinery project. The Haldia Development Authority (HDA) / West Bengal Industrial Development Corporation (WBIDC) had allotted land in Haldia. The Government of West Bengal extended various concessions which included VAT incentives equivalent to the investment in Plant & Machinery. The Company raised Equity for US\$ 200 million in Dec'07 by issuing Global Depository Receipts (GDR) for part funding the project. The proceeds of the GDR issue were fully utilized to pay capital advances related to purchase of equipment of two used oil refineries and other corporate expenses incurred during construction period. The Company entered into contracts for relocation of one refinery from Ingolstadt, Germany and had also paid advances for such equipments. However, the Company could not achieve financial closure and fulfill the terms of the said contract, resulting in cancellation of the contract and forfeiture of the advances paid.

The Company had, on March 15, 2011, entered into an Asset Purchase Agreement with Tagore Investments SA (Tagore) (an affiliate of Hardt group) for the CENCO Petroleum Refinery at a cost of US\$ 275 million. As per the said agreement, the cost of such equipments was to be settled by the Company by issue of Equity in the form of GDR to the extent of US\$ 175 million to Tagore and balance US\$ 100 million in cash on achievement of financial closure.

The Company had also contracted for another set of Refinery equipments from another affiliate of Hardt group namely Amber Energy SA (Amber) at a cost of US\$ 142 million which was to be paid by issue of GDR of US\$ 142 million to Amber.

Simultaneously, the Company had entered in to a 'Deed of Novation' with an affiliate of Hardt Group for assuming the contractual obligations envisaged on the supplier under an erstwhile agreement of plant & machinery for which an advance of ₹ 4,583.44 million had been paid.

Hardt Group had agreed to become a strategic investor in the Company and assist it in implementing the refinery project. Abboro Limited (affiliate of Hardt Group) had brought in ₹ 136.52 million as equity during March'11 to March'12 (out of which 120.76 million already allotted & the balance 15.76 million to be allotted as equity shares) to meet funding requirement for working capital and project activities.

After signing the agreements with Hardt Group for purchase of refinery equipment and with the set of refining equipment for which the Company had already contracted and paid advances, the Company revised the capacity of refinery envisaged in Haldia to 10 MMTPA from 5 MMTPA. It filed an application to Ministry of Environment to enhance the approval for putting up 200,000 bpd equivalent to 10 MMTPA capacity refineries. However, the Ministry vide its letter dt. Sept 20, 2011 declined the request as Haldia has been notified as a critically polluted area and no new capacity or expansion can be permitted till it is de-notified. Meanwhile, the Company lost the Bayeroil equipment as it couldn't fulfill its contractual commitments.

The Company's proposal for issue of such GDRs to Tagore and Amber, aggregating US\$ 317 million was approved by the Foreign Investment Promotion Board (FIPB) in their meeting held on May 20, 2011. Since the amount of issue had exceeded ₹ 12,000 million, the proposal was recommended to Cabinet Committee on Economic Affairs (CCEA). However, prior to receipt of the CCEA approval, SEBI Vide Interim Order in Sep'11 had issued directions to the Company not to issue equity or any other instruments convertible into equity or alter capital structure in any manner till further directions. The SEBI has issued a final order dated 23rd October, 2013 against

the Company which mainly states that the Company will not issue equity shares or any other instruments convertible into equity shares or any other security, for a period of ten years.

Further, the Company has already undergone the prohibition imposed vide the Interim Order for a period of approximately two years. In view of this factual situation, it is clarified that the prohibition already undergone by the Company pursuant to the aforementioned SEBI Order shall be reduced while computing the period in respect of the prohibition imposed vide this order. Hence the restriction period of ten years will be reduced to eight years.

The Company's various efforts to restart the project also failed due to the embargo on issue of new equity by SEBI. Hardt Group has also stopped infusing further funds. The contracts entered with Hardt group have expired. However, the Company has filed an application to the Hon'ble Securities and Appellate Tribunal (SAT), against the abovementioned order of the SEBI, which process is undergoing.

- b Land- Haldia Development Authority (HDA), vide its memo dated March 25, 2008, offered land admeasuring about 400 acres at Haldia, West Bengal to the Company for setting up the refinery project ('the project'). As per the terms of the said memo, lease premium of ₹ 600 million was stipulated, which could not be paid by the Company pending financial closure for the refinery project. Subsequently, the Company entered into a tripartite agreement dated March 19, 2010 along with HDA and West Bengal Industrial Development Corporation Limited (WBIDC). The Company was given permissive possession of the land for a period of six months from the date of the agreement with a condition that the land shall be sub-leased in favour of the Company at the end of six months, subject to compliance with certain conditions. Since the Company could not comply with these conditions, it had requested additional time from WBIDC for the same.

WBIDC, while granting such extension, stipulated additional conditions relating to tie up of equity and achievement of financial closure for the project. The Company was not in a position to comply with these conditions as the SEBI order was subsisting and informed WBIDC accordingly requesting further extension. However, WBIDC had not acceded to the Company's request and had withdrawn the permissive possession of land.

In the absence of any development in the project and withdrawal of the permissive possession of land, Cost of leasehold land ₹ 990.71 million (including cost of land development ₹ 196.91 million) and civil work of factory building (included in capital work in progress) ₹ 49.64 million are written off.

- c In the absence of any development in the project and withdrawal of the permissive possession of land, expenses incurred on the project which are 'Preoperative Expenses Pending Allocation' ₹ 432.51 million, 'Consultancy Fees' ₹ 65.62 million shown under 'Capital Work in Progress' and 'Capital Advances' ₹ 4,723.59 million shown under 'Loan and Advances' are written off.

It is pertinent to note here that the resources including the Capital raised through GDR issue etc. have been fully utilised to pay capital advances related to purchase of equipment of Refineries and other corporate expenses incurred during the construction period. At this moment the Company has no operational project and hence no operational revenues accrues to the Company. The Company has been funding its day to day operations and statutory requirements through the funding received by way of unsecured loans from one of the related parties. It has now become difficult to continue receiving funding support from any other sources including by way of unsecured loans. In view of the complex statutory requirements and financial position of the Company, no lender other than the related party, is ready to lend money to the Company.

Further the Company's ability to raise funds has been restricted due to the adverse order of SEBI as explained above. In view of the current scenario the project contemplated is difficult to be made viable at least until significant funding is possible to this effect.

The management has reviewed all capital advances given to various suppliers standing in the books of the company relating to their realisability and value for the company going ahead. It also noted the possibility of recovery and cost / chances associated with it. Having considered the circumstances, project status, the chances of recovery and the costs associated therewith along with the legal opinions received on the matters, it has become imperative to write off the advances to reflect a true and fair view of the value of the assets of the Company.

It may also be noted that the aforesaid writing offs has given major impact on the Exceptional items and the Net Profit and Loss of the financial year 2014-15 and has also resulted into the negative net worth of the Company. Though such writing off was just and proper and also to meet with the pre-requisites to the existing circumstances of the Company and also to present the true and fair picture of the financial statements.

- d The ability of the Company to continue as a going concern is significantly dependent on getting a favourable order from SAT and the management is confident for such favourable order. The promoter is committed to provide necessary funds to meet the Company's liabilities arising in the foreseeable future. These financial statements have been prepared on a going concern basis and do not include the adjustments that would result if the Company is unable to continue as a going concern.

31 Previous year figures have been re-classified/ re-grouped, wherever considered necessary to conform to current year's classification.

As per our Report of even date

*For & on Behalf of the Board of Directors*

**For Kanu Doshi Associates**

Chartered Accountants

**Deep Kumar Rastogi**  
Executive Chairman

**Sameer Rajpal**  
Director

Per **Jayesh Parmar**

(Partner)

Membership No. 45375

FRNo. : 104746W

**Suvindra Kumar**  
Company Secretary

**Rekha Sarda**  
Chief Financial Officer

Place : Mumbai

Date : 30.05.2015

Place : Gurgaon

Date : 29.05.2015

1. Pursuant to Section 108 and corresponding Rules of Companies Act, 2013, the Company will provide e-voting facility to the members. All business to be transacted at the annual general meeting can be transacted through the electronic voting system.
2. The notice of annual general meeting will be sent to the members, whose names appear in the register of members/ depositories as at closing hours of business, on Friday, 21<sup>st</sup> August, 2015.
3. The shareholders shall have one vote per equity share held by them. The facility of e-voting would be provided once for every folio/ client id, irrespective of the number of joint holders.
4. The Company has appointed, a scrutinizer for conducting the e-voting process in the fair and transparent manner.
5. The result of the e-voting will also be placed at the website of the Company viz. [www.cals.in](http://www.cals.in) and also on [www.cdslindia.com](http://www.cdslindia.com).
6. The scrutinizer's decision on the validity of e-voting will be final.

**INSTRUCTIONS FOR E-VOTING**

- (i) The voting period begins on Tuesday, September 22, 2015 at 09:00 A.M. and ends on Thursday, September 24, 2015 at 05:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, September 18, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted through e-voting prior to the meeting date would not be entitled to vote through physical mode at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders" tab.
- (v) 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.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) 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.
- (viii) If you are a first time user follow the steps given below:

**For Members holding shares in Demat Form and Physical Form**

- |  |   |
|--|---|
| PAN  | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <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 8 digits of the sequence number in the PAN field. Sequence number is printed on the stickers pasted on the cover of the annual report.</li> <li>In case the sequence 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 sequence number 1 then enter RA00000001 in the PAN field</li> </ul> |
| Dividend Bank Details<br><b>OR</b> Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id/folio number in the dividend bank details field as mentioned in instruction(v).</li> </ul>   |
- (ix) After entering these details appropriately, click on "SUBMIT" tab.
  - (x) Members holding shares in physical form will then directly reach 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.
  - (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
  - (xii) Click on the EVSN for the '**Cals Refineries Limited**' on which you choose to vote.
  - (xiii) 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.
  - (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
  - (xv) 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.
  - (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
  - (xvii) You can also take print out of the voting done by you by clicking on "Click here to print" option on the Voting page.
  - (xviii) 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.
  - (xix) Note for Non - Individual Shareholders and Custodians
    - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates. Corporates and Custodians already registered with CDSL should use their login details.
    - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
    - The Admin login details will be sent by CDSL. After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for 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.
    - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - (i) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. September 18, 2015 may follow the same instructions as mentioned above for e-Voting.
  - (ii) 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)

**CALS**  
**CALS REFINERIES LIMITED**

CIN: L51909DL1984PLC018775  
Regd. off: Unit No. 209, 2<sup>nd</sup> Floor, Suneja Tower-II, District Centre,  
Janakpuri, New Delhi-110058., Phone: +91 (011) 45067736,  
Email: info@calsrefineries.com, Web: www.cals.in

**PROXY FORM**

**Form No. MGT-11**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies(Management and Administration) Rules, 2014]

Name of the member (s) :  
Registered address :  
E-mail Id :  
Folio No/ Client Id :  
DP ID :

I/We, being the member (s) of CALS REFINERIES LIMITED shares of the above named company, hereby appoint

1. Name : \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him
2. Name : \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him
3. Name : \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31<sup>st</sup> Annual General Meeting of the Company, to be held on the 25<sup>th</sup> day of September, 2015 at Executive Club, Dolly Farms & Resorts 439, Village Shahurpur, P.O. Fatehpur Beri, New Delhi 110074 at 10:30 A.M. and at any adjournment thereof in respect of such resolutions as are indicated below :

**Ordinary Business:**

1. To receive, consider and adopt the audited financial statement of the Company for the financial year ended 31<sup>st</sup> March, 2015 and the Reports of Director's and Auditor's thereon.
2. To appoint a Director in place of Mr. Deep Kumar Rastogi (DIN- 01229644) who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint M/s VATSS & Associates, Chartered Accountant (Firm Registration No.- 017573N), statutory auditors of the Company for a period of five years, to hold office from the conclusion of this annual general meeting until the conclusion of Sixth consecutive annual general meeting and to authorise the Board of Directors of the Company to fix their remuneration.

**Special Business:**

4. Appointment of Ms. Monika Moorjani as Independent Director
5. Setting up the Borrowing limits of the Company under Section 180(1)(c) of Companies Act, 2013 upto Rs. 50 crores.
6. Ratification of Material Related Party Transaction entered into with Nyra Holdings Private Limited and authorisation to enter into material related party transaction pursuant to the requirement of Clause 49 of the Listing Agreement.

Affix  
Revenue  
Stamp

Signed this..... day of..... 20.....

\_\_\_\_\_  
Signature of shareholder

\_\_\_\_\_  
Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

----- Cut Here -----

**CALS**  
**CALS REFINERIES LIMITED**

CIN: L51909DL1984PLC018775  
Regd. off: Unit No. 209, 2<sup>nd</sup> Floor, Suneja Tower-II, District Centre,  
Janakpuri, New Delhi-110058., Phone: +91 (011) 45067736,  
Email: info@calsrefineries.com, Web: www.cals.in

**ATTENDANCE SLIP**

**31<sup>ST</sup> ANNUAL GENERAL MEETING**

**PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL**

I/We hereby record my/our presence at the 31<sup>st</sup> Annual General Meeting of the Company to be held on Friday, September 25, 2015 at 10.30 A.M. at Executive Club, Dolly Farms & Resorts 439, Village Shahurpur, P.O. Fatehpur Beri, New Delhi 110074

Name(s) of the Shareholder(s) or Proxy (in Block Letters)	No. of Shares held	Registered Folio/ Client ID No.

I certify that I am a member/proxy/ authorized representative for the member of the Company.

\_\_\_\_\_  
**Signature/s of the Shareholder/s or Proxy**  
(To be signed at the time of handing over the slip)

**PLEASE CARRY YOUR COPY  
OF ANNUAL REPORT**

**NO GIFTS/SNACKS WILL BE  
PROVIDED AT THE MEETING**

