

Report on Corporate Governance

(Pursuant to Clause 49 of the Listing Agreement)

The Board of Directors of the Company gives due support to the principles behind the good Corporate Governance. Given below is a report on Corporate Governance:

A. Mandatory Requirements

1. Company's philosophy:

Corporate Governance is an integral part of value, ethics and best business practices followed by the Company. The core values of the Company are commitment to excellence and customer satisfaction, maximizing long-term value for stakeholders, socially valued enterprise and caring for people and environment.

PARTH INDUSTRIES LIMITED is committed to good Corporate Governance in order to all stakeholders – Customers, suppliers, lenders, employees, the shareholders. The detailed report on implementation by the company of the Corporate Governance Code as incorporated in Clause 49 of the Listing Agreement with the Stock Exchanges, is set out below :

2. BOARD OF DIRECTORS:

2.1 Composition of Board of Directors as on date of Report:

The Board of Directors as at 31st March, 2015 comprised Six Directors of whom four were non-executive Directors. The Chairman is an executive Managing Director.

Sr. No.	Name of Director	Category	No. of Directorship(s) held in Indian public & private Limited Companies	Committee(s) position	
				Member	Chairman
1	Mr. Kunal Doshi	Non Independent and Executive Director	1	Nil	Nil
2	Mr. Raghvendra Gopalrao Kulkarni	Non Independent and Executive Director	Nil	Nil	Nil
3	Mr. Manorama Jitendra Shah	Independent and Non Executive Director	1	Nil	Nil
4	Mr. Minesh Sheth	Independent and Non Executive Director	10	Nil	Nil

2.2 Responsibilities of the Board

The responsibility such as policy formulation, performance review and analysis and control, direction and management of the affairs of the company is vested in the Board of Directors presided over by the Chairman and Director. The Board has delegated some of its powers to the executives of the company. The Board reviews from time to time such delegated powers and their utilization for effective functioning of the Company.

2.3 Meeting and Attendance Record of Directors

The meetings of the Board of Directors are held at periodical intervals and are generally at the registered office of the Company, Ahmedabad. The meeting dates are decided well in advance and the agenda and notes on agenda are circulated in advance to the directors. All material information is incorporated in the notes on agenda for facilitating meaningful and focused discussion at the meeting. Where it is not perusable to attach supporting or relevant documents to the agendas, the same is tabled before the meeting. In case of business exigencies or urgency of matters, resolutions are passed by circulation. Senior Management persons are often invited to attend the Board Meetings and provide clarifications as and when required.

During the Financial year 2014-15, Following Board meeting were held during the year.

05/04/2014	08/04/2014	10/04/2014	29/05/2014	30/05/2014	03/07/2014
16/07/2014	28/07/2014	14/08/2014	27/08/2014	07/10/2014	08/10/2014
10/10/2014	30/10/2014	13/11/2014	29/12/2014	06/01/2015	15/01/2015
28/01/2015	13/02/2015	16/03/2015	30/03/2015		

Extra Ordinary General Meeting:

One Extra Ordinary General Meeting was held on 6th March, 2014 during the year under review to fill up the casual vacancy caused by the resignation of the Statutory auditor Mr. Bhadresh I Shah by appointing M/s. Suresh R Shah & Associates, Chartered Accountant, Ahmedabad.

The composition, attendance and other memberships of the Board of Directors of the company is as follows:

c. Attendance of Directors at Meetings of Board of Directors and last AGM:

Name of Director	Category of Directorship	No. of Board Meeting attended	Attendance at the AGM
Mr. Kunal Doshi*	Non Independent and Executive Director	14	No
Mr. Raghvendra Gopalrao Kulkarni*	Non Independent and Executive Director	14	No
Mr. Manorama Jitendra Shah**	Independent and Non Executive Director	1	No
Mr. Minesh Sheth	Independent and Non Executive Director	22	No
Mr. Deepak Patel [§]	Non Independent and Executive Director	15	Yes
Mr. Mitul Patel [#]	Non Independent and Executive Director	13	Yes
Mr. Sanjay Vyas [#]	Independent and Non Executive Director	13	Yes

* Appointed as on 30/10/2014

**Appointed as on 30/03/2015

\$ Resigned on 29/12/2014

Resigned on 30/10/2014

2.4 Details of Directors seeking re-appointment at the ensuing Annual General Meeting

As per the provisions of the Companies Act, 2013, two third of the directors of a company should be retiring directors, of which one third of such directors are required to retire every year and if eligible, they qualify for re-appointment.

Mr. Minesh N. Sheth, retire by rotation at the ensuing Annual General Meeting and offer him for re-appointment.

Profile of Mr. Minesh N. Sheth, Director being appointed u/s 152 of the Companies Act, 2013

Name	Mr. Minesh N. Sheth
Date of Birth	11/09/1951
Date of Appointment	01/04/2010
Directorship in other company	2
No of Shares Held	NIL
Membership of Committees of other public limited companies	NIL

2.5 Details of Directors who are as Chairman and Directors in other Public Companies

None of the Directors on the Board is a member or Chairman of any Committees (as specified in Clause 49 (C) (ii) across all the Companies in which he is a director. The necessary disclosure regarding Directorship and Committee position have been made by the Directors who are on the Board of the Company as on 31st March, 2015 and the same is reproduced herein below:

Sr. No	Name of Director	No of Directorship in other Public Companies	No. of Committees positions held as Chairman on other public Companies	No. of Committees positions held as member in other public Company
1.	Mr. Kunal Doshi	NIL	--	--
2.	Mr. Raghvendra Gopalrao Kulkarni	NIL	--	--
3.	Mr. Manorama Shah	1	--	--
4.	Mr. Minesh Sheth	2	--	--

INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on March 31, 2015, inter alia, to discuss:

- Evaluation of the performance of Non Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

On appointment of an individual as Independent Director, the Company issues a formal Letter of Appointment to the concerned director, setting out in detail, the terms of appointment, duties and responsibilities. Each newly appointed Independent Director is taken through a formal familiarisation program. The programme also provides awareness of the Independent Directors on their roles, rights, responsibilities towards the Company. Further, the Familiarisation Programme also provides information relating to the financial performance of the Company and budget and control process of the Company.

EVALUATION OF THE BOARD'S PERFORMANCE

During the year, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

In terms of Clause 49 of the Listing Agreement, the Board of Directors of the Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The said Code of Conduct has been posted on the website of the Company. The Board Members and Senior Management Personnel of the Company

have affirmed compliance with the Code. The Chairman & Managing Director of the Company has given a declaration to the Company that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code.

PREVENTION OF INSIDER TRADING

In accordance with SEBI (Prohibition of Insider Trading) Regulations, 1992, the Board has adopted the said codes and same has been placed at website of the company i.e. parthindustriesltd.webs.com

3. COMMITTEE OF BOARD:

The Company had four Board Committees. These are

1. Audit Committee
2. Nomination and Remuneration Committee
3. Sub-Committee (Quarterly Results Review Committee)
4. Stakeholders' Relationship Committee
(Share Transfer & Shareholders/Investor Grievance Committee)

Moving with various committees formed and reported in the previous Annual Report and in line with the requirements of SEBI and Stock Exchanges, the Board has formally constituted the following committees of Directors.

3.1 Audit Committee:

The Audit committee constituted by the Board of directors as per the provisions of Clause 49 of the listing Agreements as well as in Section 177 of the Companies Act,2013 and Rule 6 and 7 of Companies (Meetings of Board and its Powers) Rules,2014 deals with the Audit Committee.

Composition:

As on 31-03-2015, the Audit Committee comprised of three Directors namely:

Mr. Minesh Sheth	Chairman	- Director
Mr. Raghvendra Gopalrao Kulkarni	Member	- Director
Mr. Manorama Jitendra Shah	Member	- Director

The Audit Committee of the Board of Directors, Inter-alia, provides assurance to the Board on the adequacy of the internal control systems and financial disclosures.

The audit committee while reviewing the Annual Financial Accounts ensures compliance of the Accounting Standard (AS) issued by the Institute of Chartered Accountants of India.

TERMS OF REFERENCE:

The scope of activities of the Audit Committee includes the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
 - a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - b) Changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions;
 - g) Qualifications in the draft audit report;
 5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
 7. Review and monitor the auditor's independence and performance and effectiveness of audit process;
 8. Approval or any subsequent modification of transactions of the company with related parties;
 9. Scrutiny of inter-corporate loans and investments;
 10. Valuation of undertakings or assets of the company, wherever it is necessary;
 11. Evaluation of internal financial controls and risk management systems;
 12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 14. Discussion with internal auditors of any significant findings and follow up there on;

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. Explanation (i): The term “related party transactions” shall have the same meaning as provided in Clause 49(VII) of the Listing Agreement.

Executive summary of the Audit Committee Meetings are placed before the immediate next Board Meetings held after the Audit Committee for deliberations and the full minutes of the same are placed before the following Board Meeting for records. The Board of Directors, regularly appraised on the recommendations of the Audit Committee, further, at the beginning of the financial year, the Committee discuss the plan for the internal audit and statutory audit.

Dates of the Audit Committee Meetings are fixed in advance and agenda is circulated to the Directors at least seven days before the meeting.

As required under Clause 49(III) (E) of the Listing Agreement, the Audit Committee had reviewed the following information:

- Management Discussion and analysis of financial condition and results of operations.
- Statement of significant related party transactions submitted by management.
- Management letters/letters of internal controls, weaknesses issued by the Statutory Auditors.
- Internal Auditors Reports relating to internal control weaknesses; and
- The Appointment, removal and terms of remuneration of the internal auditors.

The Audit Committee has the following powers:

- to investigate any activity within its terms of reference.
- to seek any information from any employee.
- to obtain outside legal and professional advice.

- to secure attendance of outsiders with relevant expertise, if it considers it necessary.

The Audit Committee invites such of the executives as it considers appropriate (Particularly the head of the finance function), representatives of the statutory Auditors.

During the year under review, the 4 Audit Committee was held during Financial Year 2014-15. The dates on which the said meetings were held as follows:

29/05/2014	14/08/2014	13/11/2014	13/02/2015
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3.2 Nomination and Remuneration Committee:

The Nomination and Remuneration Committee reviewing the overall compensation policy, service agreements and other employments and other employment conditions of Managing / Whole time Directors and Managing Director:

Details of Remuneration of Executive / Non-Executive Directors for the financial year ended 31st March, 2015

The company has not paid remuneration to any director of the Company during the year under review.

The Composition of remuneration committee is as under;

Mr. Minesh Sheth	Chairman	- Director
Mr. Raghvendra Gopalrao Kulkarni	Member	- Director
Mr. Manorama Jitendra Shah	Member	- Director

Remuneration Committee constituted for the purpose of considering remuneration of executive and non-executive directors.

Non- Executive Director

The Company has not paid any sitting fees to any of the Directors of the Company.

Remuneration Policy

Payment of remuneration to the Managing/Whole Time Director is governed by the respective Agreements executed between them and the company. These agreements were approved by the Board and the Shareholders. Their Remuneration structure comprises salary, perquisites and allowances.

Terms of reference of the Committee inter alia, include the following:

Nomination of Directors / Key Managerial Personnel / Senior Management*

1. To evaluate and recommend the composition of the Board of Directors;

2. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down by the Committee;
3. Consider and recommend to the Board appointment and removal of directors, other persons in senior management and key managerial personnel (KMP);
4. Determining processes for evaluating the effectiveness of individual directors and the Board as a whole and evaluating the performance of individual Directors;
5. To administer and supervise Employee Stock Options Schemes (ESOS) including framing of policies related to ESOS and reviewing grant of ESOS;
6. Formulate the criteria for determining qualifications, positive attributes and independence of a Director;
7. To review HR Policies and Initiatives.

Remuneration of Directors / Key Managerial Personnel / Senior Management*/ other Employees

1. Evolve the principles, criteria and basis of Remuneration policy and recommend to the Board a policy relating to the remuneration for all the Directors, KMP, Senior Management and other employees of the Company and to review the same from time to time.
2. The Committee shall, while formulating the policy, ensure the following :
 - (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 remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (c) Remuneration to Directors, KMP 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.

* Senior Management for the above purpose shall mean personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

NOMINATION & REMUNERATION POLICY:

1. Purpose of this Policy:

The company has adopted this Policy on appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management (the "Policy") as required by the provisions of Section 178 of the Companies Act, 2013 (the "Act") and the provisions of Clause 49.

The purpose of this Policy is to establish and govern the procedure applicable:

- a) To evaluate the performance of the members of the Board.
- b) To ensure that remuneration to Directors, KMP 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.
- c) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

The Committee should ensure that 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 and the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

Definitions:

Independent Director means a director referred to in Section 149(6) of the Act and the Clause 49, as amended from time to time.

Key Managerial Personnel (the “KMP”) shall mean “Key Managerial Personnel” as defined in Section 2(51) of the Act.

Nomination and Remuneration Committee, by whatever name called, shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Act and the Clause 49.

Remuneration means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

Senior Management means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the Executive Directors, including all functional heads. Words and expressions used and not defined in this Policy, but defined in the Act or any rules framed under the Act or the Securities and Exchange Board of India Act, 1992 and Rules and Regulations framed there under or in the Clause 49 or the Accounting Standards shall have the meanings assigned to them in these regulations.

Composition of the Committee:

The composition of the Committee is / shall be in compliance with the Act, Rules made there under and the Clause 49, as amended from time to time.

4. Role of the Committee:

The Committee shall:

- a) Formulate the criteria for determining qualifications, positive attributes and independence of a Director;

- b) Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this Policy;
- c) Lay down the evaluation criteria for performance evaluation of Independent Director and the Board;
- d) Recommend to the Board, appointment, remuneration and removal of Director, KMP and Senior Management;
- e) To devise a Policy on Board diversity.

5. Criteria for Determining the followings:-

5.1 Qualifications for appointment of Directors (including Independent Directors)

- a) Persons of eminence, standing and knowledge with significant achievements in business, professions and/or public service;
- b) Their financial or business literacy/skills;
- c) Their textile industry experience;
- d) Other appropriate qualification/experience to meet the objectives of the Company;
- e) As per the applicable provisions of Companies Act, 2013, Rules made thereunder and Clause 49 of Listing Agreement.

The Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate/s.

5.2 Positive attributes of Directors (including Independent Directors):

- Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively and the willingness to address issues proactively;
- Actively update their knowledge and skills with the latest developments in the railway/heavy engineering/infrastructure industry, market conditions and applicable legal provisions;
- Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities;
- To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company;

- To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees;
- Independent Directors to meet the requirements of the Companies Act, 2013 read with the Rules made there under and Clause 49 of the Listing Agreement as amended from time to time.

5.3 Independence Standards

The following would be the independence review procedure and criteria to assist the Committee to evaluate the independence of Directors for recommending to the Board for appointment. A Director is independent if the Board affirmatively determines that the Director does not have a direct or indirect material relationship with the Company, including its affiliates or any member of senior management. "Affiliate" shall mean any company or other entity that controls, is controlled by, or is under common control with the Company.

Also, the candidate shall be evaluated based on the criteria provided under the applicable laws including Companies Act, 2013 read with Rules thereon and the Listing Agreement with the Stock Exchanges. In addition to applying these guidelines, the Board will consider all relevant facts and circumstances in making its determination relating to a director's independence.

Independence Review Procedures

1. Annual Review

The director's independence for the independent director will be determined by the Board on an annual basis upon the declaration made by such Director as per the provisions of the Companies Act, 2013 read with Rules thereon and the Listing Agreement.

2. Individual Director's Independence Determinations

If a director nominee is considered for appointment to the Board between Annual General Meetings, a determination of independence, upon the recommendation of the Committee, shall be made by the Board prior to such appointment.

All determinations of independence shall be made on a case-by-case basis for each director after consideration of all the relevant facts and circumstances and the standards set forth herein. The Board reserves the right to determine that any director is not independent even if he or she satisfies the criteria set forth by the provisions of the Companies Act, 2013 read with Rules thereon and the Listing Agreement.

3. Notice of Change of Independent Status

Each director has an affirmative obligation to inform the Board of any change in circumstances that may put his or her independence at issue.

5.4 Criteria for appointment of KMP/Senior Management

- To possess the required qualifications, experience, skills & expertise to effectively discharge their duties and responsibilities;
- To practice and encourage professionalism and transparent working environment;
- To build teams and carry the team members along for achieving the goals/objectives and corporate mission;
- To adhere strictly to code of conduct

5.5 Term

The Term of the Directors including Managing / Wholetime Director / Independent Director shall be governed as per the provisions of the Act and Rules made there under and the Clause 49, as amended from time to time.

Whereas the term of the KMP (other than the Managing / Wholetime Director) and Senior Management shall be governed by the prevailing HR policies of the Company.

5.6 Evaluation

The Committee shall carry out evaluation of performance of every Director.

The Committee shall identify evaluation criteria which will evaluate Directors based on knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence. The appointment / re-appointment / continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process.

5.7 Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules and Regulations there under and / or for any disciplinary reasons and subject to such applicable Acts, Rules and Regulations and the Company's prevailing HR policies, the

Committee may recommend, to the Board, with reasons recorded in writing, removal of a Director, KMP or Senior Management.

6. Remuneration of Managing / Whole-time Director, KMP and Senior Management

The remuneration / compensation / commission, etc., as the case may be, to the Managing / Whole time Director will be governed by the relevant provisions of the Companies Act, 2013 and applicable Rules and Regulations and will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission, etc., as the case may be, shall be subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required. Further, the Chairman &

Managing Director of the Company is authorised to decide the remuneration of KMP (other than Managing / Whole time Director) and Senior Management based on the standard market practice and prevailing HR policies of the Company.

7. Remuneration to Non-executive / Independent Director

The remuneration / commission / sitting fees, as the case may be, to the Non-Executive / Independent Director, shall be in accordance with the provisions of the Act and the Rules made there under for the time being in force or as may be decided by the Committee / Board / shareholders.

An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act and the Clause 49, as amended from time to time.

3.3 Sub-Committee (Quarterly Results Review Committee)

The Sub-Committee (Quarterly Results Review Committee) comprises as under:

Mr. Minesh Sheth	Chairman	- Director
Mr. Raghvendra Gopalrao Kulkarni	Member	- Director
Mr. Manorama Jitendra Shah	Member	- Director

The Committee is responsible for approving quarterly un-audited financial statements and monitoring the performance of the Company. Three meeting were held on the following dates:

29/05/2014	14/08/2014	13/11/2014	13/02/2015
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3.4 Share Transfer & Shareholders'/Investor Grievance Committee:

The Share Transfer & Shareholders'/Investor Grievance committee comprises as under:

Mr. Minesh Sheth	Chairman	- Director
Mr. Raghvendra Gopalrao Kulkarni	Member	- Director
Mr. Manorama Jitendra Shah	Member	- Director

Mr. Kunal Doshi was designated as the Compliance officer of the Company.

The committee is responsible for approving and monitoring transfers, transmission, splitting and consolidation of shares issued by the Company. In addition to that, the committee also monitors redressal of complaints from shareholders relating to transfer of shares, non-receipt of balance sheet etc., No sitting fees is paid to the committee members. The Committee reviewed redressal of investors Grievances pertaining to share transfer, dematerialization of shares, replacement of lost, mutilated and old share certificates, change of address etc. The committee has also taken steps to strengthening investors relations.

The status of shareholders' complaints received so far/number not solved to the satisfaction of shareholders/number of pending share transfer transactions (as on 31st March, 2015) is given below:-

Complaints Status: 01.04.2014 to 31.03.2015

- Number of complaints received so far : 8
- Number of complaints solved : 8
- Number of pending complaints : 0

4. GENERAL BODY MEETING:

a. Location and time where last three AGMs were held:

Year of AGM	Date of the AGM	Time	Place of AGM Held
2014	30/09/2014	09.30 A.M.	5 th Floor, Nilkanth Palace, B Block, Opp Seema Hall, 100ft. Sanjay Sachin Road, Satellite, Ahmedabad - 380015
2013	27/09/2013	12.30 Noon	S/19, Vikram Chambers, Nr. Sales India, Ashram Road, Ahmedabad-380009
2012	27/09/2012	12.30 Noon	S/19, Vikram Chambers, Nr. Sales India, Ashram Road, Ahmedabad-380009

Details for Special Resolution had passed in last AGM:

2014

No special business had been transacted in the said Annual General Meeting.

2013

No special business had been transacted in the said Annual General Meeting.

2012

No special business had been transacted in the said Annual General Meeting.

5. DISCLOSURES:

(a) Materially significant related party transactions:

The same are not disclosed at on the Significant Accounting Policies and notes on accounts- schedules.

(b) During the last three Years, there were no penalties, strictures imposed by either SEBI or stock Exchange or any statutory authority for non- Compliance of any matter related to the capital market.

6. CEO/CFO Certification:

(Under Clause 49(V) of Listing Agreement)

We certify that --

a. We have reviewed the financial statements and the cash flow statement for the year 2014-15 and that to the best of our knowledge and belief:

- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- 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 our knowledge and belief, no transactions entered into by the Company during the year 2014-15 which are fraudulent, illegal or violative of the Company's code of conduct;

c. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of 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

- Significant changes in internal control over the financial reporting during the year 2014-15;
- Significant changes in accounting policies during the year 2014-15 and that the same have been disclosed in the notes to the financial statements; and
- 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 the financial reporting.

7. MEANS OF COMMUNICATIONS:

The presentation as to the Company's performance etc., are made to the Institutional Investors/Financial Analysts as and when felt expedient.

The Company's financial results and officials news releases are displayed on the Company's website i.e parthindustriesltd.webs.com

The Management Discussions and Analysis Report forms part of the Directors Report and is given separately

WHISTLE BLOWER POLICY:

Recently, the Security & Exchange Board of India has also prescribed the adoption by all listed companies, of a Whistle Blower Policy as a non-mandatory requirement. The company has adopted a Whistle Blower Policy, which affords protection and confidentially to Whistle blowers.

The Audit Committee Chairman is authorized to receive Protected Disclosures under this Policy. The Audit Committee is also authorized to supervise the conduct of investigations of any disclosures made whistle blowers in accordance with policy.

No personnel have been denied access to the Audit Committee. As of March 31, 2015, no Protected Disclosures have been received under this policy.

8. GENERAL SHAREHOLDER INFORMATION:

- a. Annual General Meeting : 26th September, 2015
Date, Time and venue of : 09:30 a.m. at 407, Sarita Complex, B/H. Hotel Classic Gold, C.G. Road, Ahmedabad- 380009
- b. Financial Year: 1st April, 2014 to 31st March, 2015.
- c. Financial Calendar:
 - i. 1st quarterly results – second week of August, 2015
 - ii. 2nd quarterly results – second week of November, 2015
 - iii. 3rd quarterly results – second week of February, 2016.
 - iv. 4th quarterly results – Last week of May, 2016.
- d. Date of Book Closure : 19th September, 2015 to 26th September, 2015
(both days inclusive)
- e. Dividend Payment Date : Not Applicable
- f. Listing on Stock Exchanges

BSE Ltd
Phiroze jeejeebhoy Towers, Dalal Street, Mumbai – 400023

ASE Ltd
Ahmedabad Stock Exchange Limited Kamdhenu Complex, Near Polytechnic, Opposite Shahajanand Arts & Commerce College, Ambavadi, Ahmedabad - 380015.
- g. Registered and Transfer Agent: The Company has appointed M/s. MCS Share Transfer Agent Ltd, as the common agencies both in respect of demat shares.
- h. Share Transfer System: All the transfers are received and processed by the Registrar and Share transfer agent of the Company.
- i. Stock Code : BSE 526349 ASE 14320
- j. Demat ISIN number : INE218T01010
- k. Market price data : The Company has nothing to report as no trade has been reported to take place.

- l. Performance of the Company's shares in comparison with broad based indices as BSE's Sensex: The Company has nothing to report on the matter.
- m. Dematerialization of shares: As on 31-03-2015 Demat shares accounted for Nil (Equity Shares) of total equity.
- n. Distribution of Shareholding as on March 31, 2015.

Share Holding of Nominal Value		Share Holders		Share Amount	
Rs.	Rs.	No.	% to total	In Rs.	% to total
Up to	5,000	6446	97.73	651400	1.94
5,001 to	10,000	0	0.00	0	0.00
10,001 to	20,000	0	0.00	0	0.00
20,001 to	30,000	1	0.02	29000	0.09
30,001 to	40,000	0	0.00	0	0.00
40,001 to	50,000	0	0.00	0	0.00
50,001 to	1,00,000	2	0.03	139000	0.41
1,00,001 &	above	147	2.23	32680600	97.55
Total		6596	100.00	33500000	100.00

- o. Shareholding pattern as on 31st March, 2015

Category	No. of share held	% of shareholding
a. Promoters and persons who may be deemed to be acting in concert including promoter/directors group Companies	8,50,000	25.37%
b. Other bodies corporate	4,67,100	13.94%
c. Indian public	20,32,900	60.68%
Total	33,50,000	100%

- p. Top 10 Shareholders as on 31st March, 2015 (Other than Promoters):

Sr. No.	Name	Shareholding	% of Holding
1	Prime Corporate Services Ltd	89600	2.67
2	Nalinkumar I Patel	50000	1.49
3	Jiten K Shah	40000	1.19
4	Parshva Texchem (India) Private Limited	33000	0.98
5	Anar Project Limited	33000	0.98
6	24x7 Fitness Private Limited	31000	0.92
7	Navkar Surgical Gujarat Limited	31000	0.92
8	Rajratna Bigcinemas Private Limited	31000	0.92
9	Sans Boutique Private Limited	31000	0.92
10	Aahna Solar Private Limited	31000	0.92

q. Address for communication:

MCS Share Transfer Agent Ltd, 101, Shatdal Complex, 1st Floor, Opp. Bata Show Room, Ashram Road, Shreyas Colony, Ahmedabad – 380009	Parth Industries Limited, 407, Sarita Complex, B/H. Hotel Classic Gold, C.G. Road, Ahmedabad-380009 website www.parthindustriesltd.webs.com .
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Further the Company has not made any presentation to any financial institutional Investors/analysts or banks during the year.

Listing of Equity Shares on Stock Exchanges: Mumbai Annual listing fees for the financial Year upto 31-03-2015 has been paid

r. **Compliance Officer** : Mr. Kunal Doshi

s. Compliance Certificate of the Auditors:

The statutory Auditors have certified that the company has complied with the conditions of corporate governance as stipulated in clause 49 of the Listing Agreement with the Stock Exchange and the same is annexed to the Directors Report and Management Discussion and Analysis.

The Certificate from the statutory Auditors will be sent to the listed stock exchange along with the annual return of the Company.

DECLARATION

As provided under clause 49 of the Listing Agreement with the Stock Exchange, all Board members and Senior Manager personnel have affirmed compliance with PARTH INDUSTRIES LIMITED Code of Business conduct and ethics for the year ended March 31, 2015.

For And On Behalf Of the Company

Date: 23/05/2015

Place: Ahmedabad

**Sd/-
(Kunal Doshi)
Director
DIN: 06852748**

**Sd/-
(Lovely Doshi)
Director
DIN: 07192669**

**Sd/-
(Raghvendar Kulkarni)
Director
DIN: 06970323**

MANAGEMENT DISCUSSION AND ANALYSIS

Overall review, industry Structure and Developments:

The scenario of the stationary industry is changing from time to time as change in the Indian Economy level. However, at present small scale stationary makers are not often able to protect themselves against the fluctuations in the market prices. In addition, with a lower degree of investment in stationary making infrastructure in these countries, makers face lower switching costs. Thus, your Company is in the process of changing its activities to give boost to its stationary making & export activity. The stationery performance was affected on account of building focus and trying to build the business on a few states rather than on a pan- India basis, which was based on inputs from a leading consultancy firm which lowered off take amongst our distributors as operational modalities were carried on. This trend might continue for a couple of months but then the stationery business should be on track. Your company expects double digit growth for stationery business in the coming year as the outlook on exports continues to remain stable.

Opportunities and Threats

Opportunities

- Large, Potential Domestic Market
- Market is gradually shifting towards Branded Stationary.
- Increased Disposable Income and Purchasing Power of Indian Customer open New Market Development.
- Emerging Retail Industry and Malls provide huge opportunities for the Stationary segment of the industry.

Threats

- Competition from other developing states of the Country
- Continuous Quality Improvement is need of the hour as there are different demand patterns all over the world
- Elimination of Quota system will lead to fluctuations in Demand.
- Geographical Disadvantages.
- International labor and Environmental Laws.
- Increase in rate of service tax from 10 percent to 12 percent has given the intense competition in the Industry. Increased competition also translates into serious pressures on cost. These added to soaring commodity prices and volatility of exchange rates pose a serious challenge to cost management.

Segment wise Performance

The Company has identified its activities as single segment. Hence, the Company's performance is to be viewed as a single segment company operating in stationary industry.

Out Look

With the increasing trend in the stationary and export of variety pens, erasers, and pencils and with the implementation of expansion project in stationary making

business, it will provide new dimension to the working. The Company has made the four times profit during the year & the Company has also expanding its business by exporting materials to other countries.

Internal control System

In any industry, the processes and internal control systems play a critical role in the health of the Company. Company's well-defined organizational structure, documented policy guidelines, defined authority matrix and internal controls ensure efficiency of operations, compliance with internal policies and applicable laws and regulations as well as protection of resources. Moreover, the Company continuously upgrades these systems in line with the best available practices. Internal Auditors independently evaluate the adequacy of internal control systems. Their observations and recommendations are discussed by the Audit Committee to ensure effective corrective action. The internal control system is supplemented by extensive internal audits, regular reviews by management and adherence to standard policies and guidelines to ensure reliability of financial and other records. The management information system provides timely and accurate information for effective control. Rigorous business planning as well as expense, capital and manpower budgeting processes ensure that progress is monitored against targets, and control is exercised on all major expenses.

Human relations

Human Resources (HR) are an integral and important part of any organisation. The Company has put in place sound policies for the growth and progress of its employees. Individual performance management systems are being implemented to encourage merit and innovative thinking. Roles and responsibilities are clearly defined at all levels. It has a well-drawn recruitment policy and a performance-based compensation policy to enable the employees to develop a sense of ownership with the organisation. Company recognises the importance of providing training and development opportunities to its people to enhance their skills and experience, which in turn enables the Company to achieve its business objectives.

Cautionary Statement:

Statements in the Management Discussion and Analysis Report describing the Company's projections, estimates and expectations may be interpreted as "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply, price conditions in the domestic and international markets in which the Company operates, changes in Government regulations, tax laws and other statutes. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent development, information or events.

Conclusion

The Directors place on record their sincere appreciation for the cooperation and support received from investors, our dear shareholders, customers, business associates, vendors as well as regulatory and governmental authorities.

The Directors appreciate the invaluable contribution of the management team in performing an outstanding job in taking the Company to greater heights and also thank the employees for the significant contribution made by them to the Company's progress.

We would like to specifically thank your Chairman for the untiring work in the re-organization of our company.

For And On Behalf Of the Company

Date: 23/05/2015

Place: Ahmedabad

**Sd/-
(Kunal Doshi)
Director
DIN: 06852748**

**Sd/-
(Lovely Doshi)
Director
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