

EIGHTEENTH ANNUAL GENERAL MEETING PROGRAMME

DATE : 29th SEPTEMBER, 2012

DAY : Saturday

TIME : 11.00 A.M.

VENUE : Registered Office of the Company at
Corporate office of the Company at
802, 8th Floor, Swagat Building,
Near Lal Bunglow,
C.G.Road, Ellisbridge,
Ahmedabad: 380 006.

NOTE TO SHAREHOLDER :

As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the meeting.

CONTENTS :

- 1) Board of Directors and other Information
- 2) Notice
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- 12) Cash Flow Statement as per clause 32 of the Listing Agreement
- 13) Auditor's Report to the cash flow statement
- 14) Attendance Sheet & Proxy Form

BOARD OF DIRECTORS

Shri Shailesh. M. Joshi	Chairman and Managing Director
Shri Manshanker. T. Joshi	Director
Shri Kashyap. P. Pathak	Director

COMPANY SECRETARY (COMPANY LAW CONSULTANT)

M/s Kamlesh M Shah & Co.

Company Secretaries,
801-A, Mahalay Complex, Opp. Choice Restaurant Lane
B/h. Fairdeal House, Off. C.G.Road Navrangpura, Ahmedabad-380009.

BANKERS OF THE COMPANY

Union Bank of India, Industrial Finance Branch, Ahmedabad
State Bank of Saurashtra, Sikka
Dena Bank, Wanakbori
Bank FD A/C.
Bank of Baroda, Dhuvaran
Bank of Baroda, Ukai

STATUTORY AUDITORS

DJNV & CO.

Chartered Accountants
58, White House, Panchvati Circle
C.G. Road, Ellisbridge, Ahmedabad-380006

LISTING AT

AHMEDABAD

The Stock Exchange Ahmedabad
Kamdhenu Complex
Nr. Panjarapole,
Ambawadi, Ahmedabad-380015

MUMBAI

The Stock Exchange Mumbai
25th Floor, P.J. Towers,
Dalal Street Fort,
Mumbai 400001.

REGISTRAR & SHARE TRANSFER AGENTS

(Electronics Connectivity Only)

SHAREPRO SERVICES (INDIA) PVT. LTD
13/A-B, Samhita Warehousing Complex,
2nd Floor, Sakinaka Telephone Exchange,
Off Andheri-Kurla Road, Sakinaka,
Andheri East, Mumbai-400072.

SHARE DEPARTMENT

802, Swagat Building,.
8th Floor, C. G. Road,
Ellisbridge,
Ahmedabad: 380 006.

COMPLIANCE OFFICER

Mr. Shailesh. M. Joshi,
Chairman and Managing Director
802, Swagat Building, 8th Floor,
C.G.Road, Ellisbridge, Ahmedabad-380006.

NOTICE

Notice is hereby given to the Member of **Bobshell Electrodes Limited** that the **18th Annual General Meeting** of the Members of the Company will be held on Saturday the 29th September, 2012 at 11.00 A.M. at the Corporate Office of the Company at 802, 8th Floor, Swagat Building, Near Lal Bunglow, C. G. Road, Ellisbridge, Ahmedabad - 380 006 to transact the following Business.

ORDINARY BUSINESS :

- (1) To Receive, Consider, Approve and Adopt the Audited Statement of Accounts i.e. The Audited Balance Sheet as at 31.03.2012, the Profit and Loss Account for the year ended on that date, the Report of the Auditors and Director thereon.
- (2) To Appoint a Director in Place of Shri Shailesh M. Joshi who retires by rotation at this Annual General Meeting and being eligible offers himself for reappointment.
- (3) To Appoint M/s. DJNV & CO., Chartered Accountants as the Statutory Auditors and to fix their Remuneration.

**BY ORDER OF THE BOARD OF DIRECTORS
OF BOBSHELL ELECTRODES LIMITED**

**DATE : 4th September, 2012
PLACE : AHMEDABAD**

**SD/-
(SHAILESH. M. JOSHI)
CHAIRMAN AND MANAGING DIRECTOR**

NOTE :

- A Member entitled to attend a Meeting is also entitled to appoint a proxy attend the meeting and vote if poll is granted and that a member need not be a member of the Company.
- Proxies in order to be valid and effective should be executed in the prescribed form, stamped signed and must be deposited at the registered office of the company at least 48 hours before the time fixed for the meeting.
- The Register of the Members and Share Transfer books of the Company shall remain closed for a period from 27/09/2012 to 29/09/2012 (Both Days Inclusive) as per the requirements of clause 16 of the Listing Agreement.
- Members are requested to notify immediately any change in their address to the secretarial Department of the company at its Registered Office or directly to the Registrar and Share Transfer Agents.
- Member desiring any information as regards accounts are requested to write to the company atleast 10 days before the meeting to enable the management to keep the information ready.

DIRECTORS' REPORT

To,
The Members,
BOBSHELL ELECTRODES LIMITED

Dear Shareholders,

Your directors have pleasure in presenting herewith the 18th Audited Annual Report for the year ended on 31st March, 2012 of your Company.

FINANCIAL HIGHLIGHT :

The Financial performance of the company during the year is as under :

PARTICULARS	FORTHE YEAR ENDED ON 31/03/2012	FORTHE YEAR ENDED ON 31/03/2011
Income From Sales(Net)	2,55,88,732	2,49,61,183
Other Income	6,48,208	5,70,799
Total Income.	2,62,36,940	2,51,88,300
Total Expenses	2,68,73,680	2,49,95,050
Profit Before Depreciation & Tax	(63,739)	1,33,212
Depreciation	7,68,259	8,29,452
Adjustment For Tax	0	36,000
Provision for FBT.	0	0
Profit / (Loss) After Tax.	(7,52,713)	(33,754)
Deferred Tax (Assets) Liability	1,15,973	1,66,966
Net Profit / (Loss) for the Year	(7,52,713)	(33,754)
Previous Year Balance B/F	(2,27,78,031)	(2,26,01,257)
Balance Carried to		
Balance Sheet	(2,28,68,086)	(2,28,34,332)
Earning Per Share (In Rupees)	(-0.125)	(0.006)

DIVIDEND :

Due to negative Earning Per share, loss brought forward from the last year and loss after differed tax provision, your Director do not recommended any amount to be paid as a dividend.

TRANSFER OF UNPAID/ UNCLAIMED DIVIDEND :

The Company has no any liability on account of unpaid/ unclaimed dividend which may be required to be transferred and credited to the Investors Education and Protection Fund as per requirements of Section 205C of the Companies Act. The Company has also no outstanding unpaid/ unclaimed Interest liability on Deposits or

Debentures or no outstanding unpaid/ unclaimed principal amount of any Deposits or Debentures or share application money.

BUY BACK OF SHARES :

The Company has not announced any Buy Back Of Share of its Equity Share Capital since inception as per the provisions of Section 77A, 77AA, 77B of the Company Act 1956. Hence the Company is not required to complete any such formalities as provided in the Companies Act on account of Buy Back Of Shares.

CAPITAL STRUCTURE OF THE COMPANY :

The Company has not issued any share of any nature during the year under review. There were no changes in the Capital structure of the Company during the year.

YEAR UNDER REVIEW :

During the year under review your company has earned a Total income of Rs 2, 62,36,940 (Previous Year of Rs.2,51,88,300), After deduction of all Expenses of Rs. 2,68,73,680 (Previous year Rs. 2,49,95,050) your company has earned a net loss of 7,52,713 (Previous Year Operating Loss of Rs.33,754/-) which is carried to balance sheet. At the year end, total accumulated losses were at Rs. 2, 36, 20,799 (Previous year were at Rs. 2, 28, 68,086). The Company still holds positive net worth and is not a sick Industry. During the year, the company has repaid all its bank's liabilities and there is no interest liability for next financial year. This will add the profitability of the company. Further the improved cash flow in the company will entitle it negotiate further for raw material cost and ultimately improve the possibilities of earning profit margin on per unit of production.

COMPLIANCE TO CODE OF CORPORATE GOVERNANCE :**(CLAUSE 49 OF THE LISTING AGREEMENT)**

The Present board of directors is not in compliance with the clause 49 of the Listing Agreement. At present the Board is consisting of only 3 directors. Two are promoter directors and one is an independent director. The company is in process of inviting more professional persons to join the board as directors. However, due to accumulated financial losses and the size of the company being that of a small scale sector the management find it difficult to find independent professional directors to join the board. However, the company expects to complete the process of compliance with the corporate governance norms by end of the next financial year. In view of the same, corporate governance report is not given herewith.

INFORMATION PURSUANT TO THE LISTING AGREEMENT AND SEBI CIRCULAR NO SMDRP / CIR- 14 / 98 DATED APRIL 29TH, 1998

The Company's shares are at present listed on Ahmedabad and Mumbai Stock Exchanges. The complete address is given elsewhere in this report. The Company has paid the Annual listing fees for of Ahmedabad stock exchange. However, the same has been paid for Mumbai Stock Exchange. The shares of the company are traded on both the stock exchanges due to payment of Annual Listing fees and compliance with corporate governance norms

DEMATERIALISATION OF THE SECURITIES OF THE COMPANY :

The company has already signed Tripartite Agreement with NSDL & CDSL for Dematerializing of its Equity Shares. The Equity shares are now available for Dematerialization by investors. Due to non payment of Annual Maintenance charges of NSDL and CDSL as well as Sharepro services (India) Pvt.Ltd. the company is not getting timely information from the Depositories hence the company could not confirm the Dematerialization of shares of investors in time.

ENVIRONMENT PROTECTION :

The Company is engaged in the business of manufacture of welding rods. The process does not generate any type of Air or water pollution. The water is being used only for sanitation purpose. The metal scrap is being disposed off in regular manner as per practice prevailing in the industry. The manufacturing process does not generate any type of pollution.

INSURANCE AND PROTECTION OF ASSETS :

The Company's all fixed assets and tangible movable assets are properly insured against all available commercial risks like fire, flood, earthquake and other extraneous perils from the approved and reputed insurance companies. During the year the company has not made any insurance claims and no such claims are pending for settlement.

DEPOSITS : (SECTION 58A)

During the year under review your company has neither invited nor accepted any public deposit or deposits from the private parties as defined under section 58A of the Companies Act-1956.

DIRECTORS :

During the year Shri Manshankar Joshi shall retire by rotation. Your directors recommend reappointing him by passing the required resolution. Except this during the year there was no change in the constitution of the directors.

DIRECTORS RESPONSIBILITY STATEMENT (SECTION 217(2AA))

Pursuant to the provision contained in section 217(2AA) of the Companies Act 1956 the Directors of your Company Confirm:

- (A) That as far as possible and except for AS-15 on making provision for retirement benefits for Gratuity for employees, in the preparation of the annual account, the applicable accounting standards have been followed and no material departures have been made from the same;
- (B) That as far as possible and except for AS-15 on making provision for retirement benefits for Gratuity for employees, in the preparation of the annual account, the applicable accounting standards have been followed and no material departures have been made from the same;
- (C) That they have 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 for preventing and detecting fraud and other irregularities.
- (D) That they have prepared the annual account on a going concern basis.

STATUTORY AUDITOR :

The name of the firm M/s. Khandhar & Parikh, Chartered Accountants were changed to M/s. DJNV & CO. Mr. Vasant. L. Patel, Chartered Accounts, is a partner of the said firm. Hence, practically, there is no change in the Auditors during the year. The retiring auditors have given their letter of consent and confirmation under section 224(1B) of the Companies Act 1956 for reappointment as Statutory Auditors of the Company. Necessary Resolution making their appointment as the Statutory Auditors and fixing their resolution is proposed to be passed at the Annual General Meeting.

AUDITORS OBSERVATION :

Notes to the Accounts are self explanatory in nature. The Company has not made provision for Gratuity in the financial accounts for the year. This is because except the Managing Director no persons have put in the qualified services to be eligible for payment of gratuity. Managing Director is not covered under the provisions of the Act. However the gratuity as per provisions of the Appointment Agreement is payable only upon the attaining the age of maturity for gratuity. The management will take sufficient steps to make necessary

provision for this expense and will also arrange to create a separate fund for the purpose in future.

EMPLOYEES : (SECTION 217 (2A))

There is no employee of the company who were in receipt of the remuneration of RS. 24,00,000/- in the aggregate if employed for the year and in receipt of the monthly remuneration of RS. 2,00,000/- in the aggregate if employed for a part of the year. Hence the information required under section 217 (2A) of the companies Act, 1956 being not applicable are not given in this report.

FORMATION OF THE AUDIT COMMITTEE (SECTION 292A)

As stated in para corporate governance the present Board of Directors being not as per the requirements of Listing Agreement and the provisions of section 292A the company has yet not formed the Audit Committee within the organization. The management is taking active steps to regularize and make legal compliance in this regard immediately.

MATERIAL DEVELOPMENT :

No material development has taken place in the Company from the closure of the financial year till the date of this annual report and the same does not have any material

impact on the financial conditions or operation of the Company.

STATUTORY INFORMATION: (SECTION 217 (1) (E)) :

As the Company is a trading Company and not engaged in the manufacturing activating the information required to be disclosed as per the provisions of Section 217 (1) (E) of the Company Act – 1956 and the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988 are given in the annexure to this report.

APPRECIATION :

Your directors take this opportunity to acknowledge the trust reposed in your Company by its Shareholders, Bankers and Clients. Your Directors also keenly appreciate the dedication & Committee of all our employees, without which the continuing progress of the Company would not have been possible.

**ON BEHALF OF THE BOARD OF DIRECTORS
OF BOBSHELL ELECTRODES LIMITED**

SD/-

(Shailesh M. Joshi)

DATE : 4th September, 2012

CHAIRMAN &

PLACE : AHMEDABAD

MANAGING DIRECTOR

ANNEXURE-A TO DIRECTORS REPORT

DETAILS ON ENERGY CONSUMPTION, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND ADOPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.

[A] ENERGY CONSUMPTION AND CONSERVATION.

Sr. Particulars No.	For the Yr. ended 31/03/2012	For the Yr. ended 31/03/2011
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(1) CONSUMPTION OF ENERGY/POWER**(a) Electricity Purchased**

No. of Units consumed.	63760	51296
Total Amount of Electricity	Rs.519152.33	Rs.429679.76
Cost per unit of Electricity	Rs. 8.14	Rs. 8.38

(b) Electricity Generated

No. of Units Generated.	NIL	NIL
Total Amount of Power Generation.	NIL	NIL
Cost per Unit of Power Generated.	NIL	NIL

[c] CONSUMPTION OF FUEL

Type & Nature of Fuel Consumed		
Coal/ Firewood/ Bio Mass/ Furnace Oil/ Others	N.A.	N.A.
Total Quantity of Fuel Used	N.A.	N.A.
Total Amount of Fuel Used	N.A.	N.A.
Cost per Unit of Fuel Used	N.A.	N.A.
Cost per Unit of Product Manufactured	N.A.	N.A.

[d] Unit of Production

Total Units of Products Produced	91339	147216.99
Total Cost of Power/ Fuel per unit of Production.	Rs. 5.68	Rs. 2.92

RESEARCH AND DEVELOPMENT :

The Company is running an in house small Research & Development unit for Quality testing of the products manufactured. In fact the Company's entire process of manufacturing right from the raw material procurements to dispatch of finished goods is ISO Certified. The Company is following strict quality control norms as per requirements of ISO Certification. The ISO Certificate granting authorities are also conducting operational audit of the Company's entire process flow system. The Company is continuously

making research for reduction of manufacturing cost by improvement in quality of products, flux used, quality of wire bars used in manufacture of welding rods. All successful research and innovations are immediately implemented in the manufacturing process.

TECHNOLOGY UPGRADATION AND ADOPTION :

As stated above, the Company is continuously making Research & Development within its own Quality Control Lab. All the successful research for quality control, quality improvement, cost control measures are immediately implemented within the manufacturing units of the Company. The results are that, the Company despite continuous increase in the cost of raw materials, steel prices in the world, able to control the cost of operations and has yet not drawn in to cash operational losses.

FOREIGN EXCHANGE EARNINGS AND OUTGO :

(Amount in Rupees)

Sr. Particulars No.	For the Year 31/03/2012	For the year 31/03/2011
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[A] FOREIGN EXCHANGE EARNED

(1) On Export of Revenue Goods & Services	NIL	NIL
(2) On Export of Technology/ Research and IPRs	NIL	NIL
(3) On Export of Capital Goods	NIL	NIL
(4) On Any Other Matters	NIL	NIL

[A] FOREIGN EXCHANGE USED

(1) On Import of Revenue Goods & Services	NIL	NIL
(2) On Import of Technology/ Research and IPRs	NIL	NIL
(3) On Import of Capital Goods	NIL	NIL
(4) On Manpower Training or Remuneration paid to Foreign Technicians. Etc.	NIL	NIL
(5) On Any other Matters	NIL	NIL

**ON BEHALF OF THE BOARD OF DIRECTORS
OF BOBSHELL ELECTRODES LIMITED**

SD/-

(Shailesh M. Joshi)

DATE : 4th September, 2012

CHAIRMAN &

PLACE : AHMEDABAD

MANAGING DIRECTOR