

# **BOBSHELL ELECTRODES LIMITED**

## **22<sup>nd</sup> Audited Annual Report**

**FOR THE YEAR 2015 - 16**

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COMPANY REGISTRATION NO.: 04-023275

CIN NO.: L29308GJ1994PLC023275

Registered with Registrar of Companies, Gujarat State

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### **BOBSHELL ELECTRODES LIMITED**

**REGISTERED OFFICE**

**B-505, FAIRDEAL HOUSE, OPP. : ST. XAVIERS' LADIES HOSTEL,  
SWASTIK CROSS ROADS, NAVRANGPURA, AHMEDABAD, GUJARAT-380009, INDIA.**

**Email ID: bobshellelectrodes@yahoo.co.in**

**22ND ANNUAL REPORT**

<b>CIN</b>	:	L29308GJ1994PLC023275
<b>BOARD OF DIRECTORS</b>	:	Shri Shailesh M Joshi Chairman & Managing Director Shri Kamlesh M Shah Director Shri Anish Bodawala Director Smt. Mudraben Pathak Women Director
<b>REGISTERED OFFICE</b>	:	B-505, Fairdeal House, Opp. ST.Xaviers' Ladies Hostel Swastik Char Rasta, Navrangpura , Ahmedabad- 380009.
<b>ADMINISTRATIVE OFFICE</b>	:	802, 8TH Floor, Swagat Building, Near Lal Bungalow, C.G.Road, Ellisbridge, Ahmedabad- 380006.
<b>PLANT</b>	:	496, Bhagya Laxmi Industrial Estate, Manpasand Weight Bridge, Santej Rakanpur, Sola Santej, Gandhinagar-382721.
<b>AUDITORS</b>	:	DJNV & CO. Chartered Accountants 58, White House, Panchvati Circle C.G.Road, Ellisbridge, Ahmedabad- 380006.
<b>BANKERS TO THE COMPANY</b>	:	1. Union Bank of India, Industrial Finance Branch, Ahmadabad 2. State Bank of Saurashtra, Sikka 3. Dena Bank, Wanakbori 4. Bank of Baroda, Dhuvaran 5. Bank of Baroda, Ukai

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Shareholders are requested to bring their copies of Annual Report at the Annual General Meeting as the same will not be distributed in the Meeting Hall.

**NOTICE**

Notice is hereby given that the 22nd Annual General Meeting of the members of BOBSHELL ELECTRODES LIMITED will be held on the 30th day of September 2016 at 11:00 A.M. at the 802, Swagat Building, Near LalBunglow, C.G. Road, Ahmedabad- 380006 to transact the following business:

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2016, Statement of Profit & Loss for the financial year 2015-16 and the Reports of Board of Directors and the Auditors thereon.
2. To appoint a Director in place of ShriAnishBodawala (DIN 02197407), who retires by rotation and being eligible, offers himself for reappointment.
3. To ratify the Appointment of Auditors

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 139 and all other applicable provisions, if any of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies appointment of M/s DJNV & Co., Chartered Accountants, (FRN - 115145W) as Auditors of the Company for the financial year 2016-2017 to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company to examine and audit accounts of the Company at such remuneration as may be mutually decided between Board of Directors of the Company and Auditors .”

**SPECIAL BUSINESS :****4. Appointment of Director:**

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 161 of the Companies Act, 2013 refer to Companies (Directors Appointment & Qualification) Rules, 2014, Mrs. Mudraben P. Pathak (Holding a valid Director Identification Number: 06688937) is not disqualified for being appointed as a Director of the company in term of the section 164 of the Companies Act, 2013 or any other applicable provisions and had given her consent for appointment as an Independent woman Director be and is hereby appointed as an Independent Director of the company with effect from 20th January, 2016”

**RESOLVED FURTHER** that Mr. Shailesh M. Joshi , Managing Director (DIN: 01453505) of the Company,

be and is hereby authorized to sign all the forms and necessary documents in this regards and he is authorized to take such other steps as may be necessary in this regards”

**5. CHANGE IN PLACE OF KEEPING REGISTER OF MEMBERS, INDEX OF MEMBERS,ETC.**

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special resolution:

**“RESOLVED THAT** in suspension of the resolution passed earlier by the shareholders at the previously held Annual General Meeting and pursuant to Section 94 of the Companies Act, 2013 (the Act) and the Companies (Management and Administration) Rules, 2014 and any other law applicable for the time being in force (if any) (including any statutory modification or re- enactment thereof for the time being in force), consent of members be accorded to the Board of Directors of the Company for keeping the Register of Members together with the Index of Members and other security holders, if any, under Section 88 of the Act at the office premises of the Company's new Registrar and Share Transfer Agents viz. Bigshare Services Private Limited (R & T Agents) at 4th Floor , Samudra Complex, Near Klassic Gold Hotel, Off C. G. Road, Ahmedabad – 380006, Gujarat and/or at such other place in Ahmedabad where the R& T Agents may shift its office from time to time or such other place as may be decided by the Board of Directors from time to time.

**RESOLVED FURTHER THAT** the Board of Directors (including committee thereof, if any, constituted by the Board) be and are hereby authorized to settle any question, difficulty or doubt that may arise in giving effect to this Resolution and to delegate all or any of the powers or authorities herein conferred by this resolution to any Director(s) or any other Officer(s)/ Authorized Representative(s) of the Company or to engage any advisor, consultant, agent or intermediary.”

**NOTES :**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him/ herself and proxy need not be a member. The proxies to be effective should be deposited at the registered office of the company not later than 48 hours before the commencement of the meeting.

**A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten**

percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. For the convenience of members, an attendance slip is annexed to the proxy form. Members are requested to affix their signature as registered with the company at the space provided therein and handover the Attendance Slip at the entrance to the place of the Meeting.
3. Corporate Members intending to send their authorized representatives 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.
4. A statement pursuant to Section 102 (1) of the Companies Act, 2013, relating to the special business to be transacted at the meeting annexed hereto.
5. Members/ Proxies are requested to bring their attendance slip to the meeting.
6. In case of joint holder attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice and the statement is open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays during business hours up to the date of the Meeting.
8. Members are requested to address all correspondence to the Registrar and Transfer Agents (RTA): Bigshare Services Private Limited A – 402, 4th Floor, Samudra Complex, Near Klassic Gold Hotel, Off C. G. Road, Ahmedabad – 380006, Gujarat, India.
9. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address and bank mandates immediately to the Company/ RTA.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN in their Depository Participant with whom they are maintaining their Demataccounts, members holding shares in physical form can submit their PAN to the

Company RTA.

11. Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication including Notices, Circulars, etc. from the Company electronically.
12. The Notice of the Annual General Meeting and Annual Report of the Company for the year ended 31st March, 2016 is uploaded on the Company's website [www.bobshell.net](http://www.bobshell.net) and may be accessed by the members and also on the website of the Bombay Stock Exchange Ltd. [www.bseindia.com](http://www.bseindia.com).
13. The Company has implemented the 'Green initiative' as per Circular Nos. 17/2011 dated 21 April 2011 and 18/11 dated 29 April 2011 issued by the Ministry of Corporate Affairs (MCA) to enable electronic delivery of the notices/ documents. The email addresses indicated in your respective Depository Participant (DP) accounts are being periodically downloaded from NSDL/CDSL and will be deemed to be your registered email address for serving notices/ documents including those covered under Section 136 of the Companies Act, 2013 (Corresponding provisions of Section 219 of the Companies Act, 1956). Members may also note that the notice of the Annual General Meeting will also be available on the website of the Company, [www.bobshell.net](http://www.bobshell.net) for download. Members holding shares in physical mode are also requested to update their email addresses by writing to the RTA of the Company.
14. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company is providing e-Voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically. The instructions for e-voting are enclosed herewith.

#### **Instructions for e-voting:**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 read with Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 22nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

#### **The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on 27.09.2016 at 10.00 a.m. and ends on 29.09.2016 at 5.00 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 23.09.2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) 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.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
<b>PAN</b>	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN Field.</li> </ul>
<b>Dividend Bank Details or Date of Birth (DOB)</b>	<p>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.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) 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.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the Bobshell Electrodes Limited on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (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.
  - 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).

## BOBSHELL ELECTRODES LIMITED

- 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 linked in the login 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.

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)

**Date : 31st May 2016**

**Place : Ahmedabad**

**By order of the Board**

**Registered Office:**

B-505, Fairdeal House,  
Opp.ST.Xaviers' Ladies Hostel  
Swastik Char Rasta,

**SD/-  
Shailesh M. Joshi  
Chairman &  
Managing Director  
(DIN: 01453505)**

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND THE RULES FRAMED THEREUNDER

#### ITEM NO. 4:

#### **To regularize the appointment of Mrs. Mudraben P. Pathakas director of the company**

The Board of Directors of the Company at its meeting appointed **Mrs. Mudraben P. Pathak** (DIN: 06688937) as an Additional Director of the Company who holds her office only up to the date of ensuing Annual General Meeting of the members of the company.

Pursuant to provisions of Section 160 and other applicable provisions of the Companies Act, 2013 and Articles of Association of the company, the company has received a notice from **Mrs. Mudraben P. Pathak** signifying her candidature for the office of director of the company. Now, the Board of Directors proposes to shareholders of the company to approve and regularize her appointment as a Director of the company.

The resolution is recommended for approval of Shareholders.

None of the Directors, Promoters and their Relatives is interested or concerned in the resolution except their post and to the extent of their shareholding in the company.

#### ITEM NO. 5:

Securities and Exchange Board of India (SEBI) vide its Ex – Parte Ad Interim Order No. WTM/ RKA/ MIRSD2/ 41/ 2016 dated March 22, 2016 advised all the clients of M/s. Sharepro Services (India) Private Limited ("Sharepro") to carry out/ switchover their activities related to registrar to an issue and share transfer agent, either in – house or through another registrar to an issue and share transfer agent registered with SEBI.

Accordingly the Board of Directors on 12th August 2016 have appointed M/s. Bigshare Services Private Limited as Registrar and Share Transfer Agent of the Company in place of Sharepro Services (India) Private Limited.

Section 94 of the Companies Act, 2013 (the Act) provides that for keeping the Register of Members with Index of Members and other security holders, if any, under Section 88 of the Act, and copies of the Annual Return at a place in India other than registered office of the Company, in which more than one tenth of the total number of members entered in the Register of Members reside, approval of Members by way of Special Resolution is required.

Accordingly approval of the Members is sought for keeping the Register of Members with the Index of Members and other security holders, if any, together with the Index of Debenture Holders and other security holders, if any, under section 88 of the Act and copies of the Annual Return under Section 92 of the Act at the Company's new R & T Agents viz. Bigshare Services Private Limited (R & T Agents) at 4th Floor, Samudra Complex, Near U. S. Pizza, C. G. Road, Ahmedabad – 380006, Gujarat and or such other place in Ahmedabad where Registrar and Transfer Agents may shift its office from time to time or such other place as may be decided by the Board from time to time. The members may inspect the Register of Members at the address mentioned above can take extract of the same as per the provisions of applicable laws.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for the approval by the Members.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the proposed Special Resolution as set out in Item No. 5 of the Notice, except to the extent of their shareholding, if any in the Company.

**By Order of the Board of Directors  
For BOBSHELL ELECTRODES LIMITED**

**Sd/-  
Shailesh M. Joshi  
Chairman and Managing Director  
(DIN: 01453505)**

**BOBSHELL ELECTRODES LIMITED**

**DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT IN THE 22ND ANNUAL GENERAL MEETING OF THE COMPANY PURSUANT TO REGULATION 36(3) OF SEBI (LODR) REGULATIONS, 2015.**

<b>Name of Director</b>	<b>ANISH DEVENDRA BODAWALA</b>
DIN	02197407
Date of Birth	24.10.1980
Date of Appointment	31.08.2013
Relationship with other Directors Inter se	None
Profile & Expertise in Specific functional Areas	Mr. Anish Bodawala has done PGDHRM from NMIMS Mumbai and M.Com from L.S. Commerce College. He has experience working in departments like customer service, business development, HR operations in telecom & HR domain. He is having experience for more than 10 years in the said industries.
Qualification	M.Com , M.B.A. (H.R.)
No. of Equity Shares held in the Company	NIL
List of other Companies in which Directorships are held	NIL
List of committees of Board of Directors (across all other Companies) in which Chairmanship/ Membership is held	N.A.

**DIRECTORS' REPORT**

Dear Members,

Your Directors present 22nd Annual Report on the operations and performance together with the Audited Financial Statements for the year ended on 31st March 2016.

**FINANCIAL HIGHLIGHTS :**

Rs. In Lacs

PARTICULARS	FOR THE YEAR ENDED ON 31/03/2016	FOR THE YEAR ENDED ON 31/03/2015
Net Revenue from Operations	36,421,196	28,700,889
Other Income	942,280	801,714
Total Income.	37,363,476	29,502,603
Total Expenses	36,145,742	30,502,609
Profit Before Tax	1,217,734	(1,000,006)
Depreciation	926,047	988,699
Adjustment For Tax	233,000	0
Provision for FBT.	0	0
Profit / (Loss) After Tax.	927,623	(987,961)
Deferred Tax (Assets) Liability	57,111	12,045
Net Profit / (Loss) for the Year	927,623	(987,961)
Previous Year Balance B/F	(26,459,082)	(25,060,526)
Balance Carried to Balance Sheet	(25,531,459)	(2,60,48,487)
Earning Per Share (In Rs.)	0.15	(0.16)

**OPERATIONAL OVERVIEW :**

During the year under review Net Turnover of the Company has been increased from Rs. 28,700,889/- to Rs. 36,421,196/- as compared to previous year's turnover. As compared to the previous year, company has earned a net profit after tax of Rs. 927,623/- against loss of Rs. 987,961/- of previous year.

**DIVIDEND :**

The Board wants to plough back the profits in the business and therefore the Directors have not recommended dividend for the financial year 2015-16.

**RESERVES :**

The company proposed to transfer Rs. 9,27,623/- profit of the Company to the General Reserves for this year.

**TRANSFER OF UNPAID / UNCLAIMED DIVIDEND :**

The Company does not have any amount of Unpaid / Unclaimed Dividend as mentioned under section 124 of the Companies Act, 2013 which is required to be transferred as per the Section 125 of the Companies Act, 2013 to the

Investors Education & Protection fund and as required under provisions of the applicable laws.

**BUSINESS ACTIVITY :**

The Company is engaged in the business of manufacture of Low Heat Input Welding Electrodes since October 1994. The company has the most modern manufacturing facilities to produce least Defect Electrodes. All the facilities required to produce quality electrodes are there under one roof. There was no change in the nature of any of the business activity during the year.

**FIXED DEPOSIT :**

The Company has not accepted any public deposit during the year under review and no amount against the same was outstanding at the end of the year.

**REGULATORY STATEMENT :**

In conformity with provision of Regulation 34 in the SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, the Cash Flow Statement for the year ended 31.03.2016 is annexed hereto. The equity shares of the Company are listed on the Bombay Stock Exchange Ltd (BSE).

The Company has not paid listing fees for the year 2015-16 to above stock exchanges.

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

As required under Section 134 (3) (m) of the Act read with Rule 8 of The Companies (Accounts) Rules, 2014, particulars relating to conservation of Energy, R & D, Technology absorption and foreign Exchange earnings / outgo are separately provided in the Annexure – A to this report.

**DETAILS OF RELATED PARTIES TRANSACTIONS PURSUANT TO SECTION 188(1) OF THE COMPANIES ACT, 2013 :**

The Company entered into related party transactions were on an arm's length basis and in ordinary course of business. Accordingly, disclosure of related party transactions as required under S. 134 (3)(h) of the Companies Act, 2013 in Form AOC – 2 is attached in Annexure – B.

Regarding Performance Review of each of the member of the Board and also the performance of the various Committees and the Board, the Company has adopted the Model Code of Conduct for Independent Directors, Key Managerial Personnel as prescribed in Schedule IV to the Companies Act, 2013 and also as prescribed in the SEBI (Insider Trading) Regulations. The Company strictly follows the procedure to obtain necessary timely declarations from each of the directors and key managerial personnel from time to time.



**SIGNIFICANT MATERIAL ORDERS PASSED BY THE COURT OR REGULATORS :**

There are no significant orders passed by the Regulators/ Courts which would impact going concern status of the Company and its future operations.

**DETAILS OF LOANS, GUARANTEES AND INVESTMENTS U/S 186 OF THE COMPANIES ACT, 2013:**

During the year under review the Company has not made any inter corporate loans, investments, given any corporate guarantee to any other body corporate, subsidiary, associate or any other company.

**EMPLOYEE STOCK OPTION SCHEME :**

The Company has not issued Employee Stock Option.

**CORPORATE GOVERNANCE :**

The Board of Directors supports to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. In addition to the basic governance issues, the Board lays strong emphasis on transparency, accountability and integrity. The Report on corporate governance as stipulated under SEBI (LODR) Regulations, 2015 forms part of the Annual Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance as stipulated under the aforesaid LODR Regulations is attached to the Report on corporate governance.

**BOARD OF DIRECTORS :**

Details about the Board of Directors Meetings are attached to the Report on Corporate Governance.

ShriAnishBodawala, will be the Director retiring by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting.

During the year under review, Mrs. Mudraben Pradumna Pathak (DIN:06688937) was appointed as an Additional Director of the Company w.e.f 20th February 2016 under S. 161 of the Companies Act 2013 who shall hold office upto the date of ensuing Annual General Meeting. The Company has received a valid notice in writing under Section 160 of the Companies Act, 2013 from the member proposing her appointment as Director. The Board of Directors recommends her appointment.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Regulation 25 of the SEBI (LODR) Regulations, 2015 with the Stock Exchanges.

**DECLARATION BY INDEPENDENT DIRECTORS :****(Pursuant to Provisions of section 149(6) OF the Companies Act 2013)**

All the Independent Directors of the Company do hereby declare that:

- (1) All the Independent Directors of the Company are neither Managing Director, nor a Whole Time Director nor a Manager or a Nominee Director.
- (2) All the Independent Directors in the opinion of the Board are persons of integrity and possesses relevant expertise and experience.
- (3) Who are or were not a Promoter of the Company or its Holding or subsidiary or associate company.
- (4) Who are or were not related to promoters or directors in the company in terms of S.2 (77) of the Companies Act, 2013, its holding, subsidiary or associate company.
- (5) Who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company or their promoters or directors, during the two immediately preceding financial years or during the current financial year.
- (6) None of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary, or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakhs rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year,
- (7) Who neither himself, nor any of his relatives,
  - (a) Holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of three financial years immediately preceding the financial year in which he is proposed to be appointed.
  - (b) Is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial years in which he is proposed to be appointed of
    - (i) A firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; OR
    - (ii) Any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent, or more of the gross turnover of such firm; OR
    - (iii) Holds together with his relatives two per cent, or more of the total voting power of the company; OR
    - (iv) Is a Chief Executive or director, by whatever name called, or any non-profit

organization that receives twenty five per cent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; OR

- (v) Who possesses such other qualifications as may be prescribed.

#### **DIRECTORS' RESPONSIBILITY STATEMENT :**

In terms of section 134 Clause (C) of Sub-Section (3) of the Companies Act, 2013, in relation to financial statements for the year 2015-16, the Board of Directors state:

- a) In the preparation of the annual accounts for the financial year ended 31st March 2016, as far as possible and to the extent, if any, accounting standards mentioned by the auditors in their report as not complied with, all other applicable accounting standards have been followed along with proper explanation relating to material departure;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and profit and loss account of the Company for that period;
- c) The Directors 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 and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the annual accounts on a going concern basis; and
- e) The directors 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 have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **DECLARATION BY BOARD AS PER REQUIREMENT OF SECTION 178 (1) :**

In compliance with Section 178 (1) as also in compliance with SEBI (LODR) Regulations, 2015, the Board of Directors do hereby declares that:

- a. The Company has proper constitution of the Board of Directors including independent directors in proportion as per requirement of Regulation 17 of SEBI (LODR) Regulations, 2015.

- b. The Company has constituted Nomination and Remuneration Committee, Stakeholders Relationship Committee, Audit Committee as per requirements of the Regulation 19 of SEBI (LODR) Regulations, 2015 and provisions of the Companies Act 2013.
- c. The Company has the policy for selection and appointment of independent directors who are persons of reputation in the society, have adequate educational qualification, sufficient business experience and have integrity & loyalty towards their duties.
- d. The Company pays managerial remuneration to its Managing/Whole Time Directors based upon their qualification, experience and past remuneration received by them from their previous employers and company's financial position.
- e. The Independent Directors are not paid sitting fee for attending Board and other committee meetings as decided by the Board from time to time. This sitting fee is decided considering the financial position of the company.
- f. The Company is not paying any commission on net profits to any directors.
- g. During the year the Board has met 6 times during the year. The details of presence of every director at each meeting of the Board including the meetings of the Committees, if any, are given in the report of the Corporate Governance.

#### **INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY :**

The details in respect of internal financial control and their adequacy are included in Management Discussion and Analysis Report, which forms part of this report.

#### **SYSTEM OF PERFORMANCE EVALUATION OF THE BOARD, INDEPENDENT DIRECTORS AND COMMITTEES AND INDIVIDUAL DIRECTORS :**

1. The Board makes evaluation of the effectiveness and efficiency of every individual director, committee of directors, independent directors and board as a whole.
2. For these purpose the Board makes evaluation twice in a year on a half yearly basis.
3. The performance of individual directors are evaluated by the entire Board, excluding the Director being evaluated on the basis of presence of every directors at a meeting, effective participation in discussion of each of the business of agenda for the meetings, feedback receives from every directors on draft of the minutes and follow up for action taken reports from first line management.