

# **BOBSHELL ELECTRODES LIMITED**

## **23<sup>rd</sup> Audited Annual Report**

**FOR THE YEAR 2016 - 17**

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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**

**23<sup>rd</sup> 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**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2017, Statement of Profit & Loss for the financial year 2016-17 and the Reports of Board of Directors and the Auditors thereon.
2. TO REAPPOINT Shri Kamlesh Shah (DIN 00013228), as Director.
3. Appointment of Statutory Financial 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 read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company do hereby appointment of M/s ANA & Associates., Chartered Accountants, (FRN – 130797W) as Financial Statutory Auditors of the Company 5 (FIVE) financial years commencing from 2017-18 to 2021-22 and to hold the office as such from the conclusion of 23rd Annual General Meeting till the conclusion of the 28th Annual General Meeting of the Company for the financial year 2021-22 subject to ratification of their appointment in each Annual General Meeting at such remuneration and reimbursement of out of pocket expenses if any, as may be mutually decided between Board of Directors of the Company and Auditors for each of the financial year separately on year to year basis.”

**SPECIAL BUSINESS**

4. **Appointment of Managing 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 provisions of Sections 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, (including any statutory modifications or re-enactment thereof, for the time being in force) read with Companies (Appointment and Remuneration of Key Managerial Personnel) Rules 2014 as also subject to approval and confirmation of the members in the General Meeting and subject to approval of the Central Government and such other consents and permission if any, as may be necessary or required from time to time Mr. Shailesh Manshankar Joshi, a Director of the Company be and is hereby appointed as Chairman And Managing Director of the Company for the period of three years from 30th May, 2017 to 29th May, 2020 at the monthly Remuneration of Rs.2,50,000 or such other Higher or Lower amount of

Remuneration as may be decided by the Board from time to time in consultation with the Managing Director and also subject to such modifications within the overall ceiling limits as laid down under the provisions of the Companies Act, 2013 and Schedule V of the Companies Act 2013 subject to the condition that the Managing Director may be paid remuneration by way of cash or in kind (Other than Securities of the Company), and may be paid either on monthly, quarterly, half yearly, yearly or in any other mode and the remuneration payable to the managing director may in addition to the above limit, also include with it such of the perquisites, benefits, reimbursement of expenses, retirement benefits, bonuses, performance bonuses, commission on net profits etc or by one or more of any of the above said combinations.

**FURTHER RESOLVED THAT** Smt Jenish Joshi, Chief Financial Officer of the Company, Mudraben Pathak, Director of the Company or the Company Secretary of the Company for the time being in the employment of the Company be and is hereby authorized to sign the relevant forms using their digital signatures and file the same with the Registrar of Companies in this behalf along with all necessary documents, papers, consent letter etc. and also be further authorized to update all statutory records, registers and to do all other acts, things, deed, sign etc. in this regard.

**THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS OF THE COMPANY SHALL REMAIN CLOSED FOR THE PURPOSE OF ANNUAL GENERAL MEETING FROM 22ND SEPTEMBER 2017 TO 28TH SEPTEMBER 2017 (BOTH DAYS INCLUSIVE)**

**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 – 802, 8th 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 Demat accounts, 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, 2017 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 23rd 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 **25.09.2017 at 09.00 a.m. and ends on 27.09.2017 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 22.09.2017** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

# BOBSHELL ELECTRODES LIMITED

- (ii) Mr. Jay Khatnani, Practicing Company Secretary, (Membership No. A50727 and COP No. 18421) (Address: 801-A, Mahalay Complex, Opp: Hotel President, B/h. Fairdeal House, Swastik Cross Roads, Navrangpura, Ahmedabad: 380 009, Gujarat, India, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (iii) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.
- (iv) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (v) Click on Shareholders.
- (vi) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vii) Next enter the Image Verification as displayed and Click on Login.
- (viii) 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.
- (ix) If you are a first time user follow the steps given below:

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

<b>Birth (DOB)</b>	<ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>
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- (x) After entering these details appropriately, click on "SUBMIT" tab.
- (xi) 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.
- (xii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xiii) Click on the EVSN for the Bobshell Electrodes Limited on which you choose to vote.
- (xiv) 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.
- (xv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xvi) 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.
- (xvii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xviii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xix) 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.
- (xx) **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.

(xxi) **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).
- 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 favor 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 : 30th August, 2017**

**Place : Ahmedabad**

**By order of the  
Board of Directors of  
Bobshell Electrodes Limited**

**Registered Office:  
B-505, Fairdeal House,  
Opp. ST. Xaviers'  
Ladies Hostel  
Swastik Char Rasta,  
Navrangpura,  
Ahmedabad- 380009  
CIN:L29308GJ1994PLC023275**

**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**

**Reappointment Mr. Shailesh M Joshi as Managing director of the company.**

Mr. Shailesh. M. Joshi is a Main Promoter and Director of the Company. He is also the Managing Director of the Company. As per his last Reappointment as Managing director, his term as Managing Director has expired on 30th May 2017. The Board of Directors had reappointed him for a further period of 3 years from 30th May 2017 up to 29th May 2020 with slight increase in Managerial Remuneration payable to him.

The Terms and Conditions of appointment and the details of Remuneration payable or proposed to be paid to him is fixed by the Board by way of passing necessary resolution which is subject to further confirmation and ratification by the members in General Meeting as per provisions of the Companies Act 2013.

Hence, s Special Resolution is proposed to be passed at Annual General Meeting is forming part of the Notice convening 23rd Annual General Meeting at Sr. No. 4. Your

directors recommend to pass the same with requisite majority.

Mr. Shailesh. M. Joshi himself and Mrs. Jenish S. Joshi, Chief Financial Officer of the Company being his wife, may be deemed to be concerned or interested in the proposed resolution to the extent of their Shareholding in the company.

Except the above stated Directors and KMP, no other Directors, or KMP or any of their relatives are in any may be deemed to be concerned or interested in the proposed Resolution.

**Date : 30th August, 2017**

**Place : Ahmedabad**

**By order of the  
Board of Directors of  
Bobshell Electrodes Limited**

**Registered Office:  
B-505, Fairdeal House,  
Opp. ST. Xaviers'  
Ladies Hostel  
Swastik Char Rasta,  
Navrangpura,  
Ahmedabad- 380009  
CIN:L29308GJ1994PLC023275**

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

**BOBSHELL ELECTRODES LIMITED**

**DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT IN THE 23RD ANNUAL GENERAL MEETING OF THE COMPANY PURSUANT TO REGULATION 36(3) OF SEBI (LODR) REGULATIONS, 2015**

<b>Name of Director</b>	<b>KAMLESH M SHAH (DIN: 00013228)</b>
Date of Birth	22.06.1963
Date of Appointment	31.08.2013
Relationship with other Directors Inter se	None
Profile & Expertise in Specific functional Areas	He is Practicing Company Secretary . He has been working in this filed for more than 22 years.
Qualification	Company Secretary(C.S.) & LLB
No. of Equity Shares held in the Company	NIL
List of other Companies in which Directorships are held	1. Paramount Club Private Limited 2. Tristar Organisers Private Limited 3. Everest Extrusions Limited
List of committees of Board of Directors (across all other Companies) in which Chairmanship/ Membership is held	N.A.

<b>Name of Director</b>	<b>SHAILESH MANSHANKAR JOSI (DIN: 01453505)</b>
Date of Birth	19.11.1958
Date of Appointment	14.10.1994
Relationship with other Directors Inter se	None
Profile & Expertise in Specific functional Areas	He has vast experience in Business of manufacturing and marketing special purpose low heat Input Welding Electrodes for more than 20 years..
Qualification	B.E (Mechanical )
No. of Equity Shares held in the Company	5, 50,000 equity Shares.
List of other Companies in which Directorships are held	1. Paramount Club Private Limited 2. Tristar Organisers Private Limited 3. Everest Extrusions Limited
List of committees of Board of Directors (across all other Companies) in which Chairmanship/ Membership is held	N.A.

## BOBSHELL ELECTRODES LIMITED

### DIRECTORS' REPORT

Dear Members,

Your Directors present 23rd Annual Report on the operations and performance together with the Audited Financial Statements for the year ended on 31st March 2016.

### FINANCIAL HIGHLIGHTS

(Amt in Rs.)

PARTICULARS	FOR THE YEAR ENDED ON 31/03/2017	FOR THE YEAR ENDED ON 31/03/2016
Net Revenue from Operations	2,91,76,674	36,421,196
Other Income	9,52,790	942,280
Total Income.	3,01,29,464	37,363,476
Total Expenses	3,04,17,608	36,145,742
Profit Before Tax	(2,88,144)	1,217,734
Depreciation	8,81,886	926,047
Adjustment For Tax	0	233,000
Provision for FBT.	0	0
Profit / (Loss) After Tax.	(3,60,511)	927,623
Deferred Tax (Assets) Liability	72,367	57,111
Net Profit / (Loss) for the Year	(3,60,511)	927,623
Previous Year Balance B/F		(26,459,082)
Balance Carried to Balance Sheet	(2,58,91,970)	(25,531,459)
Earning Per Share (In Rupees)	0.06	0.15

### OPERATIONAL OVERVIEW

During the year under review Net Turnover of the Company has reduced from Rs. 3, 64, 21,196/- to Rs.2, 91, 76,674/- as compared to previous year's turnover. As compare to the previous year, company has incurred a net loss of Rs. 3,60,511/-.

### DIVIDEND

The Board wants to plough back the profits in the business and therefore the Directors have not recommended dividend for the financial year 2016-17.

### RESERVES

The company due to insufficient profits will be unable to transfer the funds to Reserves during the current 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 31.03.2017 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 2016-17 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.

Shri Kamlesh Shah, will be the Director retiring and he offers himself for reappointment at the ensuing Annual General Meeting.

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.
4. Effectiveness and performance of various committees are evaluated on the basis of the scope of work assign to each of the committees the action taken by the committees are reviews and evaluated on the basis of minutes and agenda papers for each of the committee meetings.
5. The performance of independent directors are evaluated on the basis of their participation at the meetings and post meeting follow up and communication from each of such independent directors.