

CHEMO PHARMA LABORATORIES LIMITED

**74TH ANNUAL REPORT
2015-2016**

BOARD OF DIRECTORS

SMT. SHANTA SOMANI
SHRI. ASHOK SOMANI
SHRI. BALKISHAN LOHIA
SHRI. GHANSHYAM K. JOSHI
SHRI. PRAKASH CHAND JAIN
(Appointed w.e.f. 23.07.2015)

**COMPANY SECRETARY &
COMPLIANCE OFFICER**

MRS. NEHA VORA

CHIEF EXECUTIVE OFFICER

SMT. SHANTA SOMANI

CHIEF FINANCIAL OFFICER

SHRI. ASHOK SOMANI

BANKERS

AXIS BANK LTD., MUMBAI
&
STATE BANK OF INDIA, MUMBAI

STATUTORY AUDITOR

M/S. BATLIBOI & PUROHIT,
CHARTERED ACCOUNTANTS,
MUMBAI

INTERNAL AUDITOR

M/S. SARDA SONI & ASSOCIATES LLP,
CHARTERED ACCOUNTANTS, MUMBAI

SECRETARIAL AUDITOR

M/S. S. K. JAIN & CO.,
PRACTICING COMPANY SECRETARIES

REGISTERED OFFICE

5, KUMUD APARTMENT CHS. LTD.,
KARNIK ROAD, CHIKAN GHAR,
KALYAN, DIST. THANE - 421301,
(MAHARASHTRA)

CORPORATE OFFICE

EMPIRE HOUSE, 3RD FLOOR
214, DR. D. N. ROAD,
FORT, MUMBAI – 400 001

**REGISTRAR AND
SHARE TRANSFER AGENTS**

M/S. SHAREX DYNAMIC (INDIA) PVT. LTD.
UNIT – 1, LUTHRA INDUSTRIAL PREMISES,
ANDHERI-KURLA ROAD, SAFED POOL,
ANDHERI (EAST), MUMBAI – 400 072
Email Id - sharexindia@vsnl.Com

WEBSITE

www.thechemopharmalaboratoriesltd.com

E-MAIL ID

chemopharmalab@gmail.com

Registered Office: 5-Kumud Apartment Co. Op. Hsg. Soc. Ltd., Karnik Road,
Chikan Ghar, Kalyan, Dist. Thane- 421301.

Tel No. – (022) 22078381/22078382

CIN No.-L99999MH1942PLC003556

Website: www.thechemopharmalaboratoriesltd.com

Email Id: chemopharmalab@gmail.com

NOTICE CONVENING ANNUAL GENERAL MEETING

NOTICE is hereby given that the **SEVENTY FOURTH ANNUAL GENERAL MEETING** of the Shareholders of **CHEMO PHARMA LABORATORIES LIMITED** will be held at 5- Kumud CHS Ltd., Karnik Road, Chikan Ghar, Kalyan, Dist. Thane - 421 301 on Tuesday, 30th August, 2016 at 04:00P.M. to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31/03/2016 and the report of Board of Director's and Auditors thereon.
2. To appoint a Director in place of Shri. Ashok Somani (DIN No. - 03063364), who retires by rotation and being eligible for re-appointment.
3. To appoint Statutory Auditors and fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification (s) the following resolution as an Ordinary Resolution -

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and The Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. VMD & Co., Chartered Accountants (Firm Registration No. - 125002W), be and are hereby appointed as Statutory Auditors of the Company in place of M/s. Batliboi & Purohit, Chartered Accountants (Firm Registration No. - 101048W), who have expressed their unwillingness for re-appointment as Statutory Auditor of the Company for the Financial Year ended 2016-2017 due to prior commitments, to hold office until the conclusion of Seventy Ninth Annual General Meeting (AGM) of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to service tax and re-imbursement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to fix their remuneration for the said period and re-imbursement of actual out-of-pocket expenses, as may be incurred in the performance of their duties."

SPECIAL BUSINESS

4. REGULARISATION OF SHRI. PRAKASH CHAND JAIN AS DIRECTOR

To regularise Shri. Prakash Chand Jain (DIN No. - 00370447), as Director and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution -

"RESOLVED THAT pursuant to the provision of Section 149 (1) and 152 and other applicable provisions of the Companies Act, 2013 (the Act) read with The Companies (Appointment and Qualification of Directors) Rules, 2014 (the Rules), including any Statutory Modification (s) or re-enactment (s) thereof for the time being in force, Shri. Prakash Chand Jain (DIN No. - 00370447), who was appointed as an Additional Director of the Company by the Board of Directors, with effect from 26th October, 2015, pursuant to the Section 161 of the Companies Act, 2013 and who holds office of Directorship up to the date of this Annual General Meeting, who being eligible, offers himself for appointment and in respect of whom the Company has received a notice along with requisite deposit, proposing his candidature for the office of the Director, from the Member of the Company under Section 160 of the Companies Act, 2013 be and is hereby appointed as a Director of the Company in the Category of Non-Executive Independent Director.

RESOLVED FURTHER THAT Shri. Ghanshyam Kamalashankar Joshi (DIN No.- 01032861), Director of the Company be and is hereby authorised to file E-Form DIR-12 with the Registrar of Companies (ROC) and to do all such acts, deeds and things as may be necessary in this regards."

Notes:

1. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours upto the date of the Meeting.

2. The Relative Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Item Nos. 4 of the accompanying Notice are annexed hereto.
3. In respect of Resolutions at Item No. 2 and 4, a Statement giving additional information on the Directors seeking appointment / re-appointment is annexed herewith as required as under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
4. A Member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than 48 hours before the commencement of the Meeting i.e. on 28/08/2016 by 04:00 P.M.
5. A person can act as a proxy on behalf of Members not exceeding fifty in number 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.
6. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company a certified copy of the relevant Board Resolution together with their respective specimen signature authorizing their representative to attend and vote on their behalf at the Meeting.
7. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No..
8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
9. The Company has notified closure of Register of Members and Share Transfer Books from 17th August, 2016 to 30th August, 2016 (both days inclusive).
10. 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 or bank mandates immediately to the Company / Sharex India Pvt. Ltd.
11. 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 to their Depository Participants with whom they are maintaining their DEMAT Accounts. Members holding shares in physical form can submit their PAN to the Company / Sharex India Pvt. Ltd.
12. Members holding shares in single name and in physical form are advised to make a nomination in respect of their shareholding in the Company and those Members who hold shares singly in dematerialized form are advised to make a nomination through their Depository Participants.
13. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Sharex India Pvt. Ltd., for consolidation into a single folio.
14. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
15. Members holding shares in their single name are advised to make a nomination in respect of their shareholding in the Company. The Nomination Form can be down from the Company's Website – www.thechemopharmalaboratoriesltd.com by accessing the icon of Company's Act 2013 Compliance. Members holding shares in physical form should file their nomination form with the Company whilst the Members holding shares in dematerialized form should file their Nomination Form with their DP.
16. A Route Map showing directions to reach the venue of the 74th Annual General Meeting is given at the end of the notice as per the requirement of Secretarial Standards – 2 on "General Meeting".

GENERAL INFORMATION:

1. In Compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of The Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) as amended from time to time, the Company is pleased to offer Remote E-Voting Facilities to its members in respect of the business to be transacted at the 74th Annual General Meeting. The Company has engaged the services of Central Depository Services Limited (CDSL) as authorized agency to provide Remote E-Voting Facility. Resolutions passed by the Members through Remote E-Voting or Ballot Form are deemed to have been passed as if they have been passed at the Annual General Meeting (AGM).
2. The Members who have cast their votes by Remote E-Voting or by Ballot Form Prior to the AGM may also attend the meeting but they shall not be entitled to cast their vote again.
3. The Remote E-Voting Period will commence on Saturday, 27th August, 2016 at 09:00 A.M. and will end on Monday, 29th August, 2016 at 05:00 P.M. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on cut-off date i.e. Tuesday, 23rd August, 2016, may cast their vote by Remote E-Voting. The Remote E-Voting module will be disabled by CDSL for the voting thereafter.

The voting rights of Members shall be in proportion of the paid up equity share capital of the Company as on the cut-off date i.e. Tuesday, 23rd August, 2016.

Only those Members whose names are recorded in the Register of Members of the Company as on the cut-off date shall be entitled to vote. If a person was a Member on the date of the Book Closure date as aforesaid but has ceased to be a Member on the cut-off date, he/she shall not be entitled to vote. Such person should treat this notice for information purpose only.

4. Dr. Shubh Karan Jain, Practising Company Secretary, has been appointed as the Scrutinizer for overseeing the voting and Remote-E-voting in a fair and transparent manner.
5. The Scrutinizer shall submit his report to the Chairman. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company i.e. www.thechemopharmalaboratoriesltd.com and on the website of CDSL i.e. <https://www.evotingindia.com> after the declaration of result by the Chairman or a person authorized by him in his behalf. The Results shall be uploaded on the BSE Listing Portal.
6. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of Annual General Meeting i.e. Tuesday, 30th August, 2016.

PROCESS FOR MEMBERS OPTING FOR REMOTE E-VOTING

In Compliance with provisions of Amendment Rules, 2015 and Regulation 44(1) of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, the Company will be providing Members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means and the business may be transacted through Remote E-Voting Services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ("Remote E-Voting") will be provided by Central Depository Services Limited (CDSL). The detailed procedure to be followed in this regard has been given in **Annexure – A** to the notice. The Members are requested to go through them carefully.

**BY ORDER OF THE BOARD OF DIRECTORS
FOR CHEMO PHARMA LABORATORIES LIMITED**

Sd/-
ASHOK SOMANI
DIRECTOR
(DIN No. – 03063364)

Place: Mumbai
Date: 30th May, 2016

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013**ITEM NO. 4**

The Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee appointed Shri. Prakash Chand Jain (DIN No. - 00370447) as an Additional Director of the Company, pursuant to the Section 149 (1), 152 and 161 of the Companies Act, 2013 read with Rule 3 of The Companies (Appointment and Qualification of Directors) Rules, 2014 of the Companies Act 2013 and the Articles of Association of the Company, with effect from 26th October, 2015.

In terms of provisions of Section 161(1) of the Companies Act, 2013, Shri. Prakash Chand Jain (DIN No. - 00370447) holds office up to the date of ensuing Annual General Meeting.

A Company has received a notice dated 25th May, 2016 in writing under Section 160 of the Companies Act, 2013 along with requisite deposit from a Member proposing the candidature of Shri. Prakash Chand Jain (DIN No. - 00370447) for the Office of Director of the Company.

Shri. Prakash Chand Jain (DIN No. - 00370447) is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

Brief resume of Shri. Prakash Chand Jain (DIN No. - 00370447) is given in Board Report forming part of the Annual Report to the Company.

Except Shri. Prakash Chand Jain (DIN No. - 00370447) and his relatives, no other Director is concerned or interested or deemed to be concerned or interested in the proposed Resolution. Shri. Prakash Chand Jain (DIN No. - 00370447) is not holding any share in Chemo Pharma Laboratories Limited (the "Company").

The Board of Directors recommends the passing of proposed Resolution.

BY ORDER OF THE BOARD OF DIRECTORS

FOR CHEMO PHARMA LABORATORIES LIMITED

**Sd/-
ASHOK SOMANI
DIRECTOR
(DIN No.- 03063364)**

**Place: Mumbai
Date: 30th May, 2016**

ANNEXURE TO THE ITEM NO. 2 AND 4 OF NOTICE

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT / APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING IN PUSUANCE OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Sr. No.	1	2
Name of the Director	Shri. Ashok Somani	Shri. Prakash Chand Jain
Director Identification Number	03063364	00370447
Date of Birth	10-06-1960	15-11-1938
Nationality	Indian	Indian
Date of Appointment on Board	14-01-2013	23-07-2015
Shareholding in the Company	3	NIL
List of Directorships held in other Companies(excluding foreign, private, and Section 8 Company)	1. M/s. Solace Logistics Private Limited. 2. M/s. Citric India Limited 3. M/s. Shree Consultations & Services Private Limited	1. M/s. Tecil Chemicals And Hydro Power Limited
Memberships/Chairmanships of Audit Committee and Share Transfer and Stakeholders Relationship Committee	NIL	4

ANNEXURE 'A' TO THE NOTICE**INSTRUCTIONS FOR VOTING THROUGH ELECTRONIC MEANS**

- (i) The Remote E-Voting period begins on Saturday, 27th August, 2016 at 09:00 A.M. and will end on Monday, 29th August, 2016 at 05:00 P.M. During this period, Shareholders' of the Company, holding shares either in physical form or in Dematerialized Form, as on the cut-off date (record date) of 23rd August, 2016, may cast their vote electronically. The Remote 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.
- (iii) Click on Shareholders.
- (iv) 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.
- (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 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:

PAN	<p>For Members holding shares in DEMAT Form and Physical Form Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both DEMAT shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</p> <p>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
DOB	Enter the Date of Birth as recorded in your DEMAT Account or in the company records for the said DEMAT Account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your DEMAT account or in the Company records for the said DEMAT account or folio.</p> <p>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 as mentioned in instruction (iv)</p>

- (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 Remote 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 Remote E-Voting on the resolutions contained in this Notice.

- (xi) Click on the EVSN for the relevant **CHEMO PHARMA LABORATORIES 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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If DEMAT account holder has forgotten the same 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) **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 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.

After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

The list of accounts should be mailed to helpdesk.evoting@cdslindia.com 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.

- (xix) In case you have any queries or issues regarding Remote E-Voting, you may refer the Frequently Asked Questions ("FAQs") and Remote E-Voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

FOR CHEMO PHARMA LABORATORIES LIMITED

Sd/-
ASHOK SOMANI
DIRECTOR
(DIN No. – 03063364)

Place: Mumbai
Date: 30th May, 2016

BOARD'S REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

**TO,
THE MEMBERS OF
M/S. CHEMO PHARMA LABORATORIES LIMITED**

The Directors take pleasure in presenting the **Seventy Fourth Annual Report** together with the audited financial statements for the year ended **31st March, 2016**. The Management Discussion and Analysis has also been incorporated into this report.

FINANCIAL RESULTS**1. OVERVIEW**

The financial statements have been prepared provisions of Section 129 and Schedule III of Companies Act, 2013 and in accordance with the Accounting Principles generally accepted in India including the Accounting Standards specified under Section 133 of the said Act read with Rule 7 of the Companies (Accounts) Rules, 2014. Our management accepts responsibility or the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present our state of affairs, profits and cash flows for the year.

2. FINANCIAL RESULTS

Particulars	31/03/2016 (Rs.)	31/03/2015 (Rs.)
Income		
Other Income	49,18,799	50,44,016
Profit before Tax and Depreciation	31,86,289	38,39,054
Less: Depreciation	-	-
Profit after Depreciation but before Tax	31,86,289	38,39,054
Less: Tax Expenses	10,17,853	10,40,000
Profit after Tax	21,68,436	27,99,054
Earning Per Share (Nominal Value of Share Rs. 10/-) Basic & Diluted	1.45	1.84

3. DIVIDEND

Due to inadequacy of profit, our Directors did not recommend any dividend.

4. SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2016 was Rs. 1.5 Crore. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

5. INDUSTRY STRUCTURE AND DEVELOPMENTS

Since the Company had discontinued its manufacturing operations few years back, the Directors are exploring new business opportunities.

6. OUTLOOK, OPPORTUNITIES AND THREATS

At present the Company is not carrying any manufacturing operation and hence surplus funds have been deployed in a manner that same can be liquidated at any time to meet Capital requirement of the new business.

7. CONSOLIDATION OF FINANCIAL STATEMENTS

In terms of Section 129 (3) of the Companies Act, 2013 read with Accounting Standard (AS) 23, the Company has prepared Consolidated Financial Statements in respect of its Associate Company i.e. M/s. Tecil Chemicals And Hydro Power Limited.

8. RISK AND CONCERN

The Company has adopted Risk Management Policy as per Section 134 (3) (n) of the Companies Act, 2013. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk policy defines the risk management approach which helps in

identifying risks trend, exposure and potential impact analysis at a Company level as also separately for business segments. The detailed risk management policy has been hosted on the website of the Company. There are no perceived risks in the present activity.

9. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place well defined and adequate internal controls commensurate with the size of the Company and the same were operating effectively throughout the year.

The Company as an in-house Internal Audit Function (IA). To maintain its objectivity and independence, the IA Department evaluates the efficacy and adequacy of internal control system, its compliance with operating systems and policies of the Company and accounting procedures at all locations of the Company. Based on the report of IA function, process owners undertake corrective action in their respective areas and thereby strengthening the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

The Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. The Company has policies and procedures in place of ensuring proper and efficient conduct of the business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and timely preparation of reliable financial information.

Pursuant to Section 138 of the Companies Act, 2013, the Company has appointed M/s. Sarda Soni & Associates LLP as Internal Auditor of the Company. Pursuant to Section 134 (5) (e) of the Companies Act, 2013, the Board of Directors has adopted Internal Financial Control Policy which has also been hosted on Company's Website.

10. DIRECTORS

The Board of Directors had on the recommendation of the Nomination and Remuneration Committee appointed Shri. Prakash Chand Jain (DIN No. - 00370447) as an Additional Director w.e.f. 23rd July, 2015 in the Board Meeting held on 23rd July, 2015. He held office upto the date of the last Annual General Meeting i.e. 28th August, 2015.

Shri. P. C. Jain who had ceased to hold his office as an Additional Director of the Company at the last Annual General Meeting held on 28th August, 2015 was appointed as an Additional Director under Section 161 (1) of the Companies Act, 2013 by the Board of Directors at its meeting held on 26th October, 2015. He now holds his office upto the ensuing Annual General Meeting.

A Notice has been received in writing from a Member of the Company along with the requisite deposit proposing his appointment as the Director under Section 160 of the Companies Act, 2013.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 and 25 of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015) for fulfilment of their responsibilities in a professional and faithful manner and to promote confidence of the investment community, particularly Minority Shareholders, regulators of the Company.

Shri. Ashok Somani, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

11. INDEPENDENT DIRECTORS

Independent Directors play an important role in their governance process of the Board. They bring to bear their expertise and experience on the deliberations of the Board. This enriches the decision making process at the Board with different point of view and experiences and prevents conflict of interest in the decision making process.

The appointment of Independent Director is carried out in a structured manner. The Nomination and Remuneration Committee identifies potential candidates based on certain laid down criteria and takes in to consideration the diversity of the Board.

The Independent Directors have been appointed for a fixed tenure of five years from their respective dates of appointment.

None of the Independent Directors serves as "Independent Directors" in more than seven years.

During the year under review, the Independent Directors met on 12th January, 2016, inter alia, to discuss:

- (a) Evaluation of the Performance of Non-Independent Directors and the Board of Directors as a whole;
- (b) Evaluation of the Performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- (c) 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.