

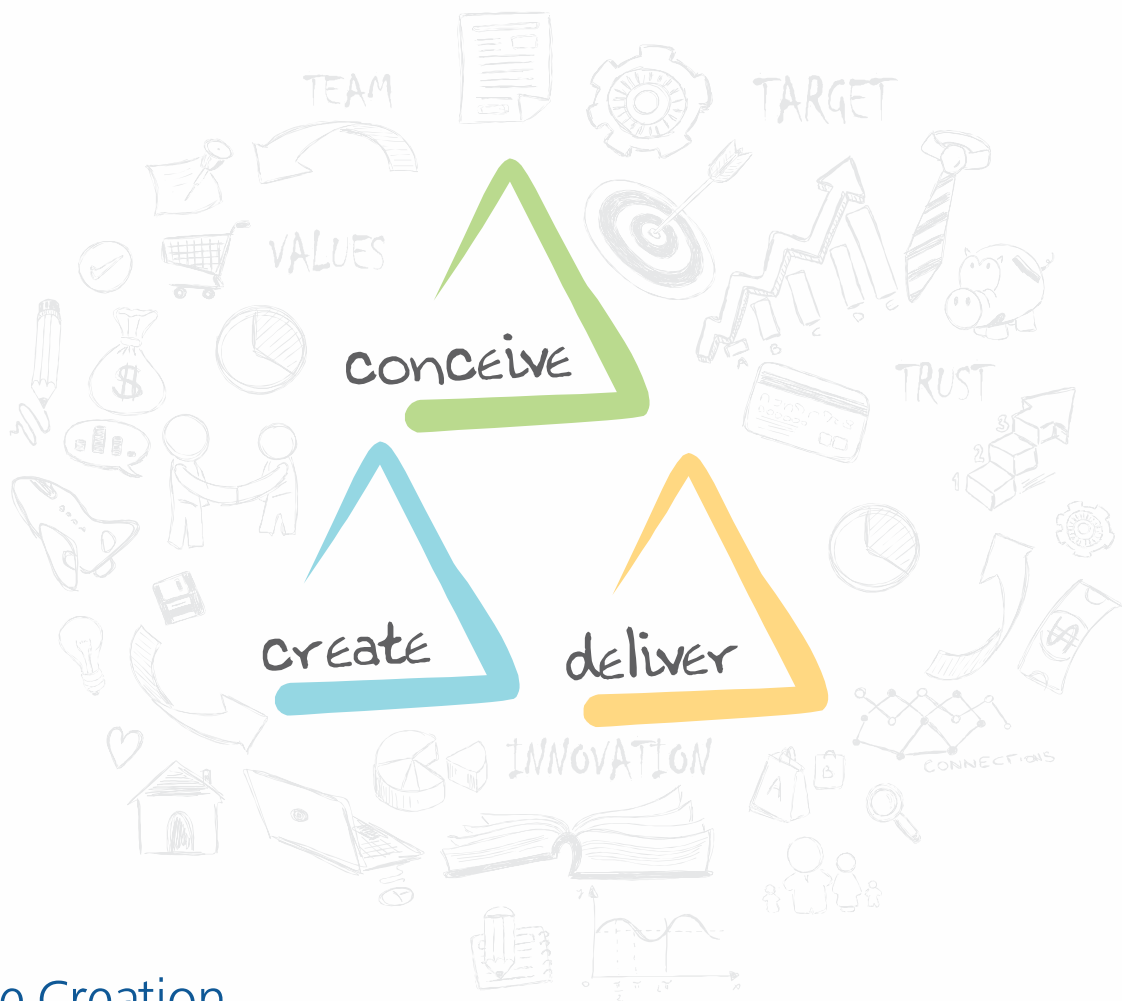
Value Creation



 **JENBURKT**

Delivering Excellence in Life Sciences

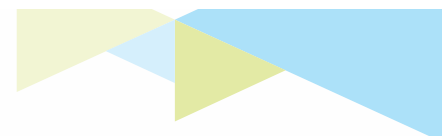
Annual Report 2015-16



Value Creation

It is an era of opportunity! An era that will change the course of history of our great nation. But an era of increasing customer expectations, increasing regulatory requirements and intense competition. Such times require every Company to have a strong foundation to sustain with good health. In order to grow, in such an era, strict adherence to one's ideal and a committed pursuit of excellence becomes imperative, something that has helped Jenburkt to stay ahead, not just today, but from the very days it began.

Profit has always been a good indicator of any business model. However, to really judge the robustness of the business model the financial stability must be viewed from a complete perspective. On a longer horizon, a business model can only remain robust, if the process of "Conceive, Create and Deliver" is focused year-on-year. Relentless pursuit to Conceive, Create and Deliver, over the years, by Jenburkt, has resulted in "Value Creation" for our Customers, Employees and Shareholders.



Founders

Hemendra N. Bhuta
Uttam N. Bhuta

Board of Directors

Ashish U. Bhuta	Chairman and Managing Director
Dilip H. Bhuta	Whole Time Director & Chief Financial Officer
Bharat V. Bhate	Non-Executive and Independent Director
Rameshchandra J. Vora	Non-Executive and Independent Director
Arun R. Raskapurwala	Non-Executive and Independent Director
Anjali S. Dalvi	Non-Executive and Independent Director

Company Secretary

Ashish R. Shah

Auditors

D. L. Arora & Co.
Chartered Accountants, Mumbai

Bankers

Bank of Baroda

Registered Office

Nirmala Apartments, 93, Jayprakash Road, Andheri (W), Mumbai – 400 058.
CIN: L24230MH1985PLC036541
Tel. No.: +91-22-67603603 • Fax. No.: +91-22-66943127
E-mail: investor@jenburkt.com • Website: www.jenburkt.com

Plant

11-12, GIDC, Phase - I, Bhavnagar Road, Sihor, Gujarat - 364240.

Registrars & Transfer Agents

Bigshare Services Pvt. Ltd.
E-2 & 3, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai – 400 072
Tel. No.: 404 30 200. • E-mail: investor@bigshareonline.com • Website: www.bigshareonline.com

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Notice

NOTICE is hereby given that the 31st Annual General Meeting of the Members of Jenburkt Pharmaceuticals Limited will be held on Wednesday, the 27th July, 2016 at 3.30 p.m. at the ISKCON Auditorium, Hare Krishna Land, Juhu, Mumbai - 400049 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Financial Statements of the Company for the year ended on 31st March, 2016, together with the Directors' and Auditors' Report thereon.
2. To confirm the interim dividend paid during the year and to declare final dividend for the Financial Year ended on 31st March, 2016.
3. To appoint a Director in place of Shri Dilip H. Bhuta (DIN-03157252), who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint the Statutory Auditors and authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification the following resolution, as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modifications or re-enactment thereof for the time being in force, the Cost Auditors' remuneration as approved by the Board of Directors of the Company, of Rs.1,10,000/- (Rs. One Lac Ten Thousand Only) to conduct the audit of cost records of the Company of the financial year 2016-17, be and is hereby ratified.
RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts and take steps as may be necessary and proper to give effect to this resolution."

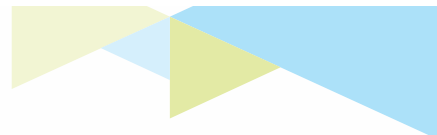
By order of the Board of Directors

Ashish R. Shah
Company Secretary

Mumbai, 30th May, 2016

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
A person can act as a proxy on behalf of not exceeding fifty members 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 a proxy and such person shall not act as a proxy for any other person or shareholder.
2. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given below. The Company will also send details about User ID and password along with a copy of this Notice to the members, separately.
3. Members / proxies should bring the filled-in attendance slip to attend the meeting. Duly completed proxy forms, in order to be effective, must be received at the registered office of the Company, not less than 48 hours before the scheduled time of the meeting.
4. Corporate members intending to send their authorized representatives to attend the meeting are requested to send, in advance to the Company, a certified copy of the Board resolution, authorizing their representatives to attend and vote on their behalf at the meeting.
5. Members / proxies are requested to bring their copies of Annual Report to the meeting.
6. Members who wish to seek any information on the financial accounts and operations are requested to write to the Company, so as to reach the registered office of the Company at least one week before the date of the Annual General Meeting so that the information required can be made available at the Annual General Meeting. All the information / clarification shall be provided only at the Annual General Meeting.
7. 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.
8. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents, Bigshare Services Pvt. Ltd. cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the member.
9. Members holding shares in single name and in physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website www.jenburkt.com under the section 'Investors'.
10. The Register of Members and the Share Transfer books of the Company will remain closed from Thursday, 21st July, 2016 to Wednesday, 27th July, 2016 (both days inclusive).
11. The final dividend on equity shares as recommended by the Board, if declared at the Annual General Meeting, will be paid by NACH/NEFT or by dividend warrants which will be dispatched on or after 11th August, 2016.
12. Non Resident Indian (NRI) members are requested to inform the Registrars regarding (a) Change in their residential status and (b) Particulars of their bank accounts with complete details viz. name of the bank, branch address with pin code, account type, account number, MICR, NEFT details, etc.
13. The Company will be transferring the unpaid or unclaimed amount of



- dividend pertaining to Financial Year 2008-09, to the Investors' Education and Protection Fund of the Central Government, during the year. Shareholders, who have not yet claimed their dividend for the Financial Year 2009-10 and thereafter, are requested to do so at the earliest.
14. Brief profile of the Directors proposed to be appointed/re-appointed, with other relevant details as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are appearing in the Corporate Governance Report under the Annual Report.
 15. 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. Members who have not registered their bank details are requested to register the same at the earliest to receive the dividends through NACH i.e. direct credit in to your bank account.
 16. Instructions for members for voting electronically are as under:
 - I. In compliance with 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) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations), the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through 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 National Securities Depository Limited (NSDL).
 - II. The process and manner for remote e-voting are as under:
 - A. Members whose email addresses are registered with the Company/Depository Participant(s) will receive an email from NSDL informing them of their user ID and password. Once a Member receives the email, he or she will need to go through the following steps to complete the e-voting process:
 - (i) Open email and open PDF file viz. "jenburkt e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Enter your ID and password as initial password (noted in step (i) above) and Click on Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" (E-voting event number) of "Jenburkt Pharmaceuticals Ltd."
 - B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy]:
 - (i) Initial password is provided as below at the bottom of the Attendance Slip for the AGM:
EVEN (Remote e-voting Event Number) user id and password
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- III. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
 - IV. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
 - V. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 - VI. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 20th July, 2016.
 - VII. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 20th July, 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in.
However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
 - VIII. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - IX. **The remote e-voting period commences on 24th July, 2016 at 9.00 a.m. and ends on 26th July, 2016 (5:00 pm).** During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date
 - (viii) Now you are ready for e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also click on "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to nilesh@ngshah.com with a copy marked to evoting@nsdl.co.in

of 20th July, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

- X. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XI. Mr. Nilesh G. Shah, Nilesh Shah & Associates, Practicing Company Secretary (C.P. 2631, FCS: 4554) has been

appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

By Order of the Board of Directors
For Jenburkt Pharmaceuticals Ltd

Ashish R. Shah
Company Secretary

Mumbai, 30th May, 2016

Annexure to the Notice

EXPLANATORY STATEMENT

Pursuant to Section 102(1) of the Companies Act, 2013, setting out all material facts relating to the Special Business:

For item number 5 of the Notice:

In terms of the Section 148 (3) of the Companies Act, 2013, read with Company (Audit and Auditors) Rules 2014 the Cost Accountant is to be appointed by the Board and the approval of their remuneration need to be ratified by the members of the Company.

The Audit Committee recommended and the Board of Directors approved at their respective meetings held on 30th May, 2016, the appointment and payment of remuneration of M/s. Jagdish R. Bhavsar, cost accountants, in practice, as the cost auditor of the Company to carry out the audit of cost records relating to the drug formulations of the Company for the Financial Year 2016-17.

Accordingly consent of members is sought by passing a resolution as set out in the item no.5 of the Notice for ratifying the amount of remuneration mentioned therein, payable to the Cost Auditors for the Financial Year 2016-17.

None of the Directors or KMP of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution at item numbers 5 of the Notice.

The Board recommends the Ordinary Resolution as set out at item number 5 of the Notice, for the approval of the Members.

By Order of the Board of Directors
For Jenburkt Pharmaceuticals Ltd

Ashish R. Shah
Company Secretary

Mumbai, 30th May, 2016

Directors' Report

With immense pleasure, your Directors present the 31st Annual Report along with the Audited Financial Statements of the Company, for the Financial Year ended 31st March, 2016.

1. Summary of Financial Performance: (₹ in Lacs)

PARTICULARS	31-3-2016	31-3-2015
Net Income	9358.50	8521.04
Profit before Tax	1682.83	1434.00
Less: Tax Expenses	604.93	469.08
Profit after Tax	1077.90	964.92
Add: Balance in Profit & Loss Account	2544.32	1931.11
Net of excess/ short provision written back	0.00	8.98
Sub-total	3622.22	2905.01
Less: Appropriation:		
Dividend on equity shares	334.75	292.91
Tax on dividend	68.15	59.63
Others	0.00	8.15
P&L Surplus	3219.32	2544.32

From the operations, your Company has registered a total net income of Rs. 9358.50 lac for the Financial Year 2015-16, as compared to Rs. 8521.04 lac registered in the previous Financial Year 2014-15, a rise of 9.83 %.

Your Company achieved a profit of Rs.1682.83 lac before tax for the Financial Year under review as compared to Rs. 1434.00 lac for previous Financial Year 2014-15, a rise of 17.35%. Also, it registered a profit of Rs.1077.90 lac after tax for the Financial Year under review as compared to Rs. 964.92 lac, for the previous Financial Year 2014-15, a rise of 11.70%. The earnings per share of the Company, for the Financial Year under review, stood at Rs.23.18 as compared to Rs.20.75 registered for the Financial Year 2014-15.

2. Dividend and Reserves:

At its meeting dated 10th March, 2016, your Directors have declared an interim dividend at the rate of Rs.6.30 (63%). In addition, at its meeting held on 30th May, 2016, they have recommended a final dividend at the rate of Rs.0.90 (9%) per Rs.10/- paid up equity shares of the Company, subject to approval of the Shareholders at the ensuing Annual General Meeting.

The total of interim dividend already paid (Rs.6.30) and the recommended final dividend (Rs.0.90) for the Financial Year 2015-16 is Rs.7.20 (72%) per equity share

of Rs.10/- each, which amounts to Rs.334.75 lac. This is equivalent to 31.06% of the net profit of the Company for the Financial Year 2015-16. The total of the dividend and dividend distribution tax thereon amounts to Rs.402.90 lac.

The amount of dividend appropriated stands at Rs.334.75 lac for the Financial Year 2015-16 as against Rs.292.90 lac for Financial Year 2014-15.

The Reserves and Surplus amount stood at Rs.3553.94 lac as on 31st March, 2016 as compared to Rs. 2878.94 lac as on 31st March, 2015.

The Register of Members and Transfer Books will remain closed from 21st July, 2016 to 27th July, 2016 for the purpose of dividend and for the Annual General Meeting. The Annual General Meeting is scheduled for 27th July, 2016.

3. Management Discussion & Analysis Report:

a. Industry Structure and Development:

India enjoys an important position in the global pharmaceutical market. With a large pool of scientists and other professionals, the only way forward is to achieve new heights. Various reports which are in public domain, suggest that the Indian pharma industry is estimated to grow at a greater speed over the next five years and that it will outperform the global pharma industry with a good margin. Indian Companies rank the highest in manufacturing facilities registered with US FDA, compared to other countries.

Spending on medicines globally is expected to grow substantially in the next five years as compared to its absolute growth in the past five years. This growth will mainly come from emerging countries, while the growth from developed countries is expected to be comparatively less. Significant efforts through various schemes are made by these emerging countries to cover more people with health insurance and basic medical services, while millions still have limited access to healthcare facilities. At present, the average spending per person on healthcare is USD 609 in developed countries whereas the same is a meager USD 91 in emerging countries like ours. This indicates huge deficiencies of healthcare facilities to

the masses and on other side provides huge opportunities to the pharma industry in India.

The Government of India's "Pharma Vision 2020" is aimed at making India a global leader in end to end drug manufacturing. Affordability and availability of medicines to masses is also aimed at.

Some of the major steps initiated by the Government of India to promote the pharma sector in India are to incentivize bulk drug manufactures, to reduce dependencies on import of API through its "Make in India" plan, to provide resolution of issues and constraints faced by the pharma industry in India, to support start-ups in R&D in pharmaceutical and biotech industries and to allow FDI up to 100% for manufacturing of medical devices.

Your Company appreciates the vision of the Government of India to enable the Indian Pharma Industry to play a leading role in the global market and to ensure abundant availability, at a reasonable price within the country, with good quality pharmaceuticals for mass consumption.

b. Business Performance, Opportunities and Outlook:

The Indian Pharma Companies are expected to achieve robust growth, driven by consumer spending, rapid urbanization and rising healthcare awareness. Better growth in domestic sales would depend on the ability of companies to align their product portfolio towards chronic therapies for critical diseases. Schemes like "Jan-Aushadh" and rural healthcare performances are in the focus of the Government of India and are expected to benefit the public at large and also the pharma companies. Invention and new technologies to treat life threatening diseases can be an engine to the robust growth expectation of the Indian Pharmaceutical Sector.

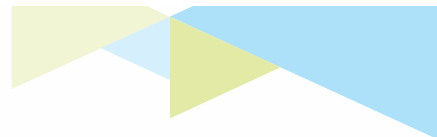
c. Risk, Concerns & Threats:

The pharmaceutical product prices in India are regulated by the National Pharmaceuticals Pricing Authority (NPPA). The NPPA, vide various notifications, declares the ceiling price of the formulations mentioned in the NLEM (National List of Essential Medicines), beyond which the

companies are restrained to fix the MRP of their products. The Department of Pharmaceuticals, vide its Notification dated March 10, 2016 has amended Schedule-I of DPCO, 2013 by substituting NLEM 2011 with NLEM 2015. As per this notification, few more products have been brought under price control, while few have been removed. However, the products in price control contribute a very small amount to the total revenue of your Company.

The NPPA had served a show cause notice to your Company alleging that the pricing of a product of the Company was violating the NPPA's standing order. However, after a personal hearing and detailed submission, the NPPA passed a written order stating that your Company's product had not violated the standing order. Subsequently, without having any power to review, the NPPA reviewed its own order, and issued Show Cause Notices and a Demand Notice to your Company. Your Company subsequently filed a writ petition against the demand of NPPA, at the Hon'able High Court of Bombay. The matter was settled in favor of your Company. After over a year, the NPPA filed a Special Leave Petition (SLP) demanding Rs. 16.45 crore at the Hon'able Supreme Court, where the matter is pending after being admitted for further arguments. DPCO, 1995, explicitly debars the NPPA to review its own order, the very reason cited by the Hon'able High Court of Bombay, while quashing the Show Cause Notices and the Demand Notice in their judgement dated 08th August, 2013 and 26th September, 2013. Your Company has been legally advised, that based on the facts and merits of the case, the demand raised by the NPPA is not likely to crystallize.

The Ministry of Health and Family Welfare, Government of India, vide its notification dated 10th March, 2016 banned 344 Fixed Dose Combinations (FDCs) with immediate effect. Many Companies including your Company have challenged the said notifications at the Hon'ble High Court of Delhi. The Hon'ble Court has stayed the enforcement of the said notifications and the matter now is sub-judice. Seven products of your Company are affected by the said notifications. The Management is of the opinion that if the said notifications are upheld and come into effect, they will not substantially impact the sales and profitability of the Company.



The constant change in policies by the Government of India and its delays in product approvals have an undesirable effect on the industry.

Any further increase in the number of FDCs banned or in the number of drugs on the National List of Essential Medicines (NLEM) may hamper the profitability of the Company.

d. Internal Control System:

The Senior Management of the Company is committed to maintain and improve the internal control system of the Company which comprises of compliances, risk management, etc.

The Company has formulated various standard operating procedures and policies. Day to day operations are identified and systematically broken down in accordance with the individual activities involved. Adequate Financial Control System comprising of various activities, from recording of transactions to auditing and various informative systems, preparation of financial statements, etc. are directly monitored by the Chief Financial Officer. All statutory and other dues and payments are made within the stipulated time limit. All compliances are taken care of by dedicated software, to enhance the timely compliance process. A robust internal audit system at the registered office, plant and other locations is in place with dedicated employees.

With regard to raw material, packing material and finished goods at the plant and other locations, strong systems are set up through software, to record and monitor each and every movement of such material.

Your Company's WHO approval plant and Quality Assurance and Quality Control Department, are equipped with the latest laboratory equipments, instruments and technology, to ensure strict quality compliances of all its products within the Company's premises.

e. Research and Development:

Various products, including Fixed Dose Combination products are being developed by your Company, for the Indian and International market at its R&D unit at Sihor. The Government of India renewed the Research and Development Unit status of your

Company's R&D Centre, up to 31st March, 2018.

f. Human Resources:

In our journey towards excellence, we are driven by certain core values - Quality, Stability, Reliability, Trust, Consistency, Courage, Commitment, Team Spirit, Innovation, Integrity, etc. Your Company always strives to uphold these high ethical values. Your Company proactively strategizes the development needs of Jenburktians and explores their talents and strengths to utilize them for the achievement of organization goals.

Workshops were conducted for all levels of employees. "Punaraadhan" was conducted for Quest & Quest II teams covering Kaizen, transiting from being a Manager to a Leader and Collaborative Leadership. Training programmes were conducted for the sales force and the Head Office staff on a regular basis. Various topics like transactional leadership, new expectation and deliverances and communication skills were covered in these programmes.

During the year, Industrial harmony prevailed in the organization.

g. Sales and Marketing:

Your Company has undertaken expansion in the field, by increasing the number of headquarters to further extend the coverage of practicing doctors.

Your Company believes in optimum reach of potential prescribers so as to increase the yield / productivity per doctor. This will give incremental per capita revenue generation.

Your Company has augmented the training and development efforts for its Managers and the Medical Representatives to help them achieve the sales targets effectively.

Your Company has participated in various national and regional level conferences of Orthopaedicians, Neurologists, Dermatologists and Consultant Physicians. This has helped the Company improve its visibility and build a positive image in the medical fraternity. Your Company also conducts Continuing Medical Education (CME) programmes for doctors on a regular basis.

Your Company periodically launches new products in India and in International markets.

h. International Business:

Your Company's business in the International Market is stable and expected to grow steadily. It's a highly competitive market. Registration was applied for a few products in some countries and few new products are under the registration process at existing countries. In line with the Company's strategy, a new distributor has been appointed in Sri Lanka. Few plant registrations were renewed during the year.

i. Segment-wise Performance:

Jenburkt operates exclusively in one segment i.e. pharmaceutical formulations.

4. Directors and KMP:

Shri Dilip H. Bhuta (DIN:03157252), existing Whole Time Director & Chief Financial Officer is liable to retire by rotation. Being eligible, he has offered his candidature for re-appointment. His appointment is subject to the Members approval at the ensuing Annual General Meeting. He was appointed as the Whole Time Director & Chief Financial Officer of the Company, liable to retire by rotation, for a period of three years from 1st April, 2016 to 31st March, 2019, by Members at their 30th Annual General Meeting held on 8th September, 2015.

Pursuant to section 149, 152 and Schedule IV of the Companies Act, 2013, Shri Bharat V. Bhate (DIN:00112361), Shri Rameshchandra J. Vora (DIN:00112446) and Shri Arun R. Raskapurwala (DIN:00143983) were appointed as Independent Directors on 30th May, 2014 and Ms. Anjali S. Dalvi, (DIN:03293810) was appointed as an Independent Director on 24th July, 2015. They all have submitted a declaration stating that each of them meets the criteria of independence. The Board relies on their declaration of independence.

5. Statutory Auditors and Report:

M/s. D. L. Arora and Co. Chartered Accountants, Mumbai, Statutory Auditors of the Company will retire at the conclusion of the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment. The Board of Directors has recommended their re-appointment for the period from the conclusion of the ensuing 31st Annual General Meeting till the

conclusion of the next (32nd) Annual General Meeting of the Company. They have confirmed their eligibility and also that their re-appointment would be within the prescribed limit under the Companies Act, 2013 and that they are not disqualified for re-appointment. The Auditors' Report does not contain any qualification, reservation or adverse remarks. Hence, it is an unmodified opinion in terms of the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

6. Secretarial Auditors:

The Board of Directors has appointed M/s. Nilesh Shah & Associates, Practicing Company Secretary, Mumbai, to carry out the Secretarial Audit of the Company for the Financial Year 2016-17. Their Secretarial Audit Report for the Financial Year 2015-16 is attached to this Report as "Annexure A". The Secretarial Audit Report does not contain any qualification, reservation or adverse remarks.

7. Cost Auditors:

The Board of Directors has re-appointed M/s. Jagdish R. Bhavsar, Cost Accountants, Mumbai, as the Auditors of the cost records of the Company, for the Financial Year 2016-17. Their fees, as fixed by the Board of Directors of the Company, are to be ratified by the Members at the ensuing 31st Annual General Meeting of the Company. Members are requested to refer to the Notice convening the ensuing Annual General Meeting along with the explanatory statement for the ratification of their remuneration.

8. Directors Responsibility Statement:

Pursuant to Section 134 (5) of the Companies Act, 2013, your Board of Directors state that:

- a. in preparation of the Annual Accounts for the Financial Year 2015-16, the applicable accounting standards have been followed;
- b. the estimates and judgments relating to Financial Statements have been made on a prudent and reasonable basis, in order to ensure that the Financial Statements reflect, in a true and fair manner, the form and substance of the transactions, and reasonably present the Company's state of affair and profit for the year;
- c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for