



29TH ANNUAL REPORT 2016-2017

CIN:L21019GJ1988PLC040325

BOARD OF DIRECTORS

SHRI JAIKISHAN B.GUPTA - Chairman
SHRI NAVEEN J.GUPTA - Managing Director
SMT.SUDHA GUPTA - Director
SHRI RAMESH CHAND - Director
SHRI SHIVRATAN SHARMA - Director upto 01/04/2016
SHRI RAM BILAS - Director w.e.f.30/05/2016

AUDIT COMMITTEE

SHRI RAMESH CHAND
SHRI SHIVRATAN SHARMA - upto 01/04/2016
SMT.SUDHA GUPTA
SHRI RAM BILAS - w.e.f.30/05/2016

STAKEHOLDERS RELATIONSHIP COMMITTEE

SHRI JAIKISHAN GUPTA
SHRI NAVEEN GUPTA
SHRI SHIVRATAN SHARMA - upto 01/04/2016
SHRI RAMESH CHAND

NOMINATION & REMUNERATION COMMITTEE

SHRI RAMESH CHAND
SMT. SUDHA GUPTA
SHRI SHIVRATAN SHARMA - upto 01/04/2016
SHRI RAM BILAS - w.e.f.30/05/2016

STATUTORY AUDITOR

V. D.AGGARWAL & CO.
Chartered Accountants, Delhi

REGISTRARS & SHARES TRANSFER AGENTS

LINK INTIME INDIA PVT.LTD.
HEAD OFFICE :
C-101, 247 Park , LBS Marg, Vikhroli (West), Mumbai-400083.
Tel.: 91-22-49186270. Fax: 91-22 - 4918 6060
E-mail : mumbai@linkintime.co.in
BRANCH OFFICE :
5th Floor, 506 to 508, Amarnath Business Center-1 (ABC-1),
Beside Gala Business Center, Nr. St. Xavier's College Corner, Off
C.G. Road, Ellisbridge, Ahmedabad-380006.
Tel.: 079-26465179. E-mail : ahmedabad@linkintime.co.in

E -VOTING AGENCY

CENTRAL DEPOSITORY SERVICES (INDIA)LIMITED
E-mail : helpdesk.evoting@cdslindia.com

SCRUTINIZER

CS ASHOK P.PATHAK
Practising Company Secretary
E-mail : csashokppathak@gmail.com

REGISTERED OFFICE

701, Avdhesh House, Opp. Gurudwara, Near Thaltej Chokdi, Ahmedabad-380054
Tel.: 079 2685 8510 / 11. Fax: 079 30171202.
E-mail : contact@kalptaru.co.in Website : www.kalptaru.co.in

HEAD OFFICE

C 8/10, Model Town, Delhi-110009

WORKS

Khatraj Chokdi, Village Karoli, Kalol, Dist. Gandhinagar, Gujarat.

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NOTICE

NOTICE is hereby given that the 29th Annual General Meeting of the Members of M/S. Kalptaru Papers Limited will be held on Wednesday, 27th day of September, 2017 at 11:30 a.m. at the Registered Office of the Company situated at 701, Avdhesh House, Opp. Gurudwara, Near Thaltej Chokdi, Ahmedabad - 380054 to transact the followings:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Accounts for the Financial Year ended on 31st March 2017 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Naveen Gupta (having DIN 00148096), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors to hold office from the conclusion of this Annual General Meeting of the Company until the conclusion of next Annual General Meeting and fix their remuneration and in this regard 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 139, 142 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendations of the Board of Directors, M/s. Manoj Garg & Associates, Chartered Accountants, Delhi (Firm Registration Number 09684N) with the Institute of Chartered Accountants of India, who have offered themselves for appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and rule 4 of the rules, be and are hereby appointed as Statutory Auditor of the Company from the conclusion of this forthcoming Annual General Meeting of the Company until the conclusion of the sixth Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors, exclusive of traveling and other out of pocket expenses."

Regd. Office:

701, Avdhesh House,
Opp. Gurudwara,
Near Thaltej Chokdi,
Ahmedabad - 380054 Gujarat

Date: 9th August, 2017

**By Order of the Board
For, Kalptaru Papers Limited**

**Jaikishan B. Gupta
Chairman
DIN: 00148067**

NOTES:

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

1. A person can act as proxy on behalf of members not exceeding fifty(50) and holding in the aggregate not more than ten percent of the total share capital of the Company. Proxies In Order To Be Effective Must Be Received By The Company Not Less Than 48 Hours Before The Meeting.
2. The relevant details as stipulated under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect to Directors seeking appointments / re-appointments as directors under Item No. 2 are also annexed hereto.
3. The Registrar of members and share transfer books of the Company will remain closed from Thursday, the 21st day of September, 2017 to Wednesday, the 27th day of September, 2017 (both days inclusive) for the purpose of Annual General Meeting.
4. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the company on all working days, except Sundays, between 11:00 a.m. to 1:00 p.m. up to the date of the meeting.
5. The Equity Shares of the Company are available for Dematerialization, as the Company has entered into an agreement with National Securities Depository Limited (NSDL) and The Central Depository Services Limited (CDSL). Those Shareholders who wish to hold the Company's Share in electronic form may approach their Depository participants.
6. Members holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Share Transfer Agent M/s. Link Intime India Pvt. Ltd., C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai-400083. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant only and not to the company or Company's Registrar and Share Transfer Agent. As per Circular No.MRD/ Dop/ Cir-05/2009 dated 20th May 2009 issued by Securities and Exchange Board of India (SEBI), it is mandatory to quote PAN for transfer of shares in physical form. Therefore, the transferee(s) are required to furnish a copy of their PAN to the Registrar and Share Transfer Agent of the Company.
7. Members / Proxies should fill in the Attendance Slip for attending the meeting and they are requested to bring their Attendance Slip along with their copy of Annual Report to the meeting. Members who hold shares in dematerialized form are requested to write their Client ID and DPID and those who hold shares in physical form are requested to write their Folio No in Attendance Slip for attending the meeting.
8. Members may also note that the Notice of the 29th Annual General Meeting and the Annual Report for 2016-17 will also be available on the Company's website www.kalptaru.co.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id :contact@kalptaru.co.in

9. Members are requested to intimate to the company, queries, if any, on the accounts at least ten days before the meeting to enable the Management to keep the required information available at the meeting.
10. Voting through electronic means:
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 Companies (Management and Administration) Amendment Rules, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 29th Annual General Meeting (AGM) by electronic means and the business may be transacted through the e-Voting services provided by CDSL-Central Depository Services (India) Limited.
11. General Instructions for e-voting:
 - i. The e-voting period commences on Sunday, September 24, 2017 (9.00 a.m. IST) and ends on Tuesday, September 26, 2017 (5.00 p.m. IST). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on Wednesday, September 20, 2017 (being the cut-off date), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast, the shareholder shall not be allowed to change it subsequently.
 - ii. The e-voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on Wednesday, September 20, 2017.
 - iii. Shri Ashok P. Pathak, Practicing Company Secretary (Membership No.ACS 9939 and COP No.2662) of Ashok P. Pathak & Co., Company Secretaries, Ahmedabad has been appointed as the Scrutinizer to scrutinize the e-voting process (including the ballot form received from the shareholders) in a fair and transparent manner.
 - iv. The scrutinizer shall count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and make within forty eight hours of the conclusion of the meeting, a consolidated scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairperson or a person authorized by him in writing who shall countersign the same.
 - v. The results of the e-voting of the 29th AGM of the Company held on Wednesday, September 27, 2017 along with the scrutinizer's report shall be immediately placed on the Company's website www.kalptaru.co.in and on the website of CDSL www.evoting.cdsli.com and simultaneously communicated to Bombay Stock Exchange Limited, where the shares of the Company are listed.

Procedure / Instructions for e-voting are as under:

A . For shareholders who receive notice of annual general meeting through e-mail:

- i. The voting period begins on Sunday, September 24, 2017 at 9:00 AM and ends on Tuesday, September 26, 2017 at 5.00 PM. 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 Wednesday, September 20, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. If you are holding shares in Demat form and had logged on to <https://www.evotingindia.co.in> and casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used.
- iii. Log on to the e-voting website <https://www.evotingindia.com>.
- iv. Click on "Shareholders" tab to cast your vote.
- v. If you are a first time user follow the steps given below :

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by the Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)
	Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio 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. e.g. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
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*	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.

*Please enter DOB or Dividend Bank details in order to login. If the details are not recorded with the depository or Company please enter the number of shares held by you as on the cut-off date in the Dividend Bank details field.

- vi. After entering these details appropriately, click on "SUBMIT" tab.
- vii. Members holding shares in physical form will then reach directly to the EVSN 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. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@ # \$ % & *). 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.

- viii. Click on the relevant EVSN (170824068) on which you choose to vote.
- ix. 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.
- x. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolutions.
- xi. 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.
- xii. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xiii. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xiv. Note for Non – Individual Shareholders and Custodians:
 - a. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to HYPERLINK "<http://www.evotingindia.com>" and register themselves as Corporates.
 - b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - c. 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.
 - d. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - e. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - f. Further they are requested to send the scanned copy of the Authority letter to the email id of Scrutinizer (csashokppathak@gmail.com), RTA (ahmedabad@linkintime.co.in) and Company (contact@kalptaru.co.in).

ii. 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, under help section or write an email to helpdesk.evoting@cdslindia.com.

iii. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution/Authority letter in PDF format in the system for the scrutinizer to verify the same. Further, they are requested to send the scanned copy of the Board Resolution/ Authority letter to the email id of Scrutinizer (csashokppathak@gmail.com), RTA (ahmedabad@linkintime.co.in) and Company (contact@kalptaru.co.in).

B. VOTING AT AGM :

- i. The members who have not casted their votes either electronically or through Ballot form, can exercise their voting rights at the AGM.
- ii. A member who are present at AGM and have not cast their vote by availing the remote e-voting facility can vote at AGM by use of ballot or polling papers.

Regd. Office:

701, Avdhesh House,
Opp. Gurudwara,
Near Thaltej Chokdi,
Ahmedabad -380054. Gujarat

Date: 9th August, 2017

**By Order of the Board
For, Kalptaru Papers Limited**

**Jaikishan B. Gupta
Chairman
DIN: 00148067**

ANNEXURE TO THE NOTICE

Notes on Directors seeking appointment / re-appointment at the annual general meeting as required under the Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

Profile of Directors being appointed / re-appointed:

Item No 2

Name	Shri Naveen Gupta
Qualification	Graduate in Commerce
Experience	He has experience of more than two decades in marketing and manufacturing papers and its allied products, products metals or non ferrous metals. He is associated with the Company since incorporation. Under his able guidance and direction, the Company has achieved phenomenal growth and prosperity.
Directorship held in Listed Companies	None
Other Directorship	Kalptaru Alloys Pvt. Ltd. Kalptaru Fincap Limited Kalptaru Infosoft Pvt. Ltd.
Chairman / Member of the Committees of the Board of the other companies on which he is a director	None
No. of shares held in the company	3,11,820 Equity Shares of Rs.10/- each
Disclosure of the relationships	Shri Naveen Gupta, Managing Director of the Company is son of Shri Jai Kishan Gupta- Chairman of the Company.

Regd. Office:

701, Avdhesh House,
Opp. Gurudwara,
Near Thaltej Chokdi,
Ahmedabad -380054. Gujarat

Date: 9th August, 2017

By Order of the Board
For, Kalptaru Papers Limited

Jaikishan B. Gupta
Chairman
DIN:00148067

DIRECTORS' REPORT

To,
The Members,
Kalptaru Papers Limited,
Ahmedabad.

Your directors are presenting herewith their 29th Annual Report together with the Audited Statements of Accounts for the period ended on 31st March, 2017.

PERFORMANCE HIGHLIGHTS:

(Rs. in Lac)

Particulars	Current year Ended on 31/03/2017	Previous year Ended on 31/03/2016
Revenue from Operations	NIL	NIL
Other Income	31.74	12.10
Profit/Loss before exceptional & extraordinary items & tax	(380.40)	(740.56)
Exceptional Items	(646.05)	—
Extraordinary Items	(9.16)	—
Profit /Loss before Tax	(1035.61)	(740.56)
Current Tax	—	—
Deferred Tax	—	(480.31)
P/L from the period from continuing Operations	(1035.61)	(260.25)
P/L from the period from discontinuing Operations	—	—
P/L for the period	(1035.61)	(260.25)

DIVIDEND:

Due to loss incurred during the year under review, your directors do not recommend any dividend for the financial year ended on 31st March, 2017.

RESERVES

Due to loss incurred during the year under review, your directors do not transfer any amount to Reserves for the financial year ended on 31st March, 2017.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 125 of the Companies Act, 2013, there is no unclaimed or unpaid Dividend is due for remittance to the Investor Education and Protection Fund established by the Central Government.

BUSINESS PERFORMANCE & PROSPECTS

During the year under review, the company has NIL turnover, which is same as previous year and the operation for the year under review has resulted into net loss of Rs. 1035.61 Lac in compared to previous year's loss of Rs. 260.25 Lac.

PUBLIC DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review. The Company will repay earlier accepted deposits according to the terms of Deposits.

BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR/STATE OF COMPANY'S AFFAIR

The company is operating in only one segment i.e. paper. However, there was not any production during the year under consideration. As the Company was closed, the main activity was to try for arranging the funds and restart the Company as far as possible.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Your Company has a comprehensive system of internal controls to safeguard the Company's assets against loss from unauthorized use and ensure proper authorization of financial transactions. The Company has an exhaustive budgetary control system to monitor all expenditures against approved budgets on an ongoing basis. The Company maintains a system of internal controls designed to provide assurance regarding the effectiveness and efficiency of operations, the reliability of financial controls and compliance with applicable laws and regulations as applicable in the various jurisdictions in which the Company operates.

CORPORATE GOVERNANCE CERTIFICATE

The compliance with the Corporate Governance provisions as specified in the Regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 and Paras C, D and E of Schedule V of SEBI (Listing Regulations), 2015, are not applicable to the companies having Paid up Share Capital not exceeding Rs.10 Crores and Net Worth not exceeding Rs.25 Crore, as on the last day of previous year. According to these regulations your company is not mandatorily required to comply with the provisions of these regulations, for the time being as the Paid up Share Capital of the company is not exceeding Rs.10 Crores and the Net Worth is not exceeding Rs.25 Crores, as on the last day of the previous year, however, the company has made all possible efforts to comply with the provisions of these regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of the Companies Act, 2013, during the year under review. In terms of Regulation 34 of SEBI (LODR) Regulations, 2015, a certificate from Auditors of the Company on compliance of conditions of Corporate Governance is annexed to the Annual Report. A report on Corporate Governance as provided in Regulation 34 of SEBI (LODR) Regulations, 2015 is included in the Annual Report.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report is set out in a separate section included in this Annual Report and forms part of this Report.

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT :

The following material changes and commitment occurred during the year under review affecting the financial position of the Company.

The company was exclusively listed on Delhi Stock Exchange Limited (DSE), de-recognized and non-operational Stock Exchange, which has now moved to the Dissemination Board (DB) vide Bombay Stock Exchange Limited (BSE) Notice dated 09th July, 2015. The Equity Shares of the company was admitted to Trade Category on the BSE bearing Script Name: KALPAPER and having Script Code No.590036.BSE vide its Notice No.20150106-34 dated 06/01/2015 have discontinued the trading on account of derecognition of Regional Stock Exchange i.e. DSE vide SEBI Order dated 19/11/2014.

The company has made an application on 27.03.2017 to BSE Limited of ELC, seeking removal of name from Dissemination Board of BSE due to Nil or Negative Valuation in the company as per SEBI Circular No. SEBI/HO/MRD/DSA/CIR/P/2016/110 dated October 10, 2016. The company has made an application on 27.03.2017 to BSE Limited of ELC, seeking removal of name from Dissemination Board of BSE due to Nil or Negative Valuation in the company as per SEBI Circular No. SEBI/HO/MRD/DSA/CIR/P/2016/110 dated October 10, 2016.

All IOB loan Account are NPA Account and IOB had sold all NPA loan account to M/s. Invent Assets Securitisation and Reconstruction Pvt. Ltd. on 31.03.2017 vide letter dtd. 19.05.2017.

The Company has also defaulted in repayment of loans amounting Rs.2,92,02,267/- as per Ledger balance of Axis Bank. Bank has also issued notice under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 vide letter dated 01.09.2016.

The Company has defaulted in the payment of principal outstanding of Rs.3,23,79,525.00 of Religare Finvest limited vide letter dated 07.04.2017. Religare Finvest Limited has also issued notice under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 vide letter dated 15.02.2017.

CORPORATE SOCIAL RESPONSIBILITY (CSR) :

(Criteria prescribed under section 135 is not attracted)

Every Company is required to constitute / formulate CSR Committee if it gets attracted in one of the criteria prescribed in Section 135.

According to Section 135 of the Companies Act, 2013, Every Company having Net Worth of Rs.500 Crore or More, or Turnover of Rs.100 Crore or more, or Net Profit of Rs.5 crore or more during any financial year shall constitute a Corporate Social Responsibility Committee and should undertake Corporate Social Responsibility as prescribed in Schedule VII.

None of the above criteria was applicable to the company for the financial year 2016-2017 and hence the company was not required to constitute CSR Committee.

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

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in "Annexure-A" and is attached to this report.

STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

Pursuant to section 134(3)(n) of the Companies Act, the company has framed Risk Management Policy. The detailed policy as

adopted is available on the website of the company. The risk management includes identifying types of risks and its assessment, risk handling and monitoring and reporting. At present the company has not identified any element of risk which may threaten the existence of the company.

DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

There was no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.

EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

AUDITORS REPORT:

The explanation on qualification (s) / observation(s) in the Auditors' Report:

Point 1. Note No. 33(3) to the Auditor's Report: Depreciation on fixed assets has been provided on straight-line basis at useful life assumed by management.

Explanation 1

Explanation to Note No. 33(3) to the Auditor's Report : Majority of Machineries are old and obsolete and hence it were not feasible to identified the useful life under Schedule II (Part C) of the Companies Act, 2013 & hence Management has assumed the useful life accordingly.

Secretarial Auditor:

The Board has considered the recommendation of Audit Committee regarding appointment and necessity of Secretarial Audit Report as mandate for every listed company in Section 204 of the Act, and has appointed M/s. Ashok P. Pathak & Co., Company Secretaries, Ahmedabad as Secretarial Auditor for the financial year 2017 -2018.

Secretarial Audit Report:

The Secretarial Audit Report for the financial year 2016-2017 is annexed herein and forming part of the Board Report "ANNEXURE-B". The explanation on comments / observation(s) in the Secretarial Audit Report:

Point 1. The company have not appointed a Company Secretary as part of Key Managerial Personnel (KMP) according to the requirements of Section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 during the period from 01.04.2016 to 14.10.2016 and 18.01.2017 to 31.03.2017.

Explanation 1.:

The company has a small capital base medium size company. The company is running in a loss during the year on account of closure of its unit, and hence it was difficult for the company to find qualified company secretary in full time willing to work. However the company has appointed full time company secretary w.e.f. 15.06.2017.

Point 2. The functional website of the company has not been timely updated.

Explanation 2 :

The Board of Directors hereby ensure to keep the functional website of the company being timely updated according to the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Point 3. As at 31.03.2017 the company has shown an advance against materials and finished goods from two parties for a period exceeding three hundred and sixty five days from the date of acceptance of such advances, and an advance received in connection with consideration for immovable property and such advance is not adjusted against such property in accordance with the terms of agreement or arrangement.

Explanation 3 :

Due to financial crisis consequent to closure of the factory unit the company is unable to repay the advances received against material, finished goods and immovable property. The Board assure to repay this advances at the earliest.

COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished below:

• **Appointment criteria and qualifications for Directors**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment..

- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

• **Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:**

- a) Fixed pay

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the payscale and quantum perquisites including employer's contribution to P.F., pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government wherever required.

- b) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director/ Managing Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

- c) Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he/she shall such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

• **Remuneration to Non- Executive / Independent Director:**

- a) Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the articles of association of the Company and the Act.

- b) Sitting Fees:

The Non Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

- c) Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

- d) Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in "ANNEXURE - C" and is attached to this Report.

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Company had 7 (Seven) Board meetings during the financial year under review. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement that:-

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The directors had 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 of the profit and loss of the company for that period;
- c) the directors had 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 had 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.

Note: Internal financial control means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems