

# **Mesco Pharmaceuticals Ltd**

## **30th Annual Report 2015-16**

**Mesco Pharmaceuticals Ltd**



## NOTICE

### MESCO PHARMACEUTICALS LIMITED

CIN: L24111UR1986PLC015895

Registered Office: Upper Kesalton, Tallital, Nainital-263 001, Uttarakhand

E-mail: nsparameswaran@mescosteel.com, Tel No. 09871862796

Notice is hereby given that the 30<sup>th</sup> Annual General Meeting of the Members of M/s Mesco Pharmaceuticals Limited will be held on Friday, 30<sup>th</sup> September, 2016 at 11:30 A.M. at Hotel Coronation, Opposite Nainital club, (near high court), Mallital, Nainital-263 001, Uttarakhand to transact the following businesses:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements for the Financial Year ended on 31<sup>st</sup> March, 2016 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Nurani Shankar Parameswaran (DIN 00091097), who retires by rotation and being eligible, offers himself for re-appointment.
3. Ratification of Appointment of Auditors

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

**"Resolved that** pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the appointment of M/s N. Dhawan & Co., Chartered Accountants (Firm Registration No. 007095N), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 31<sup>st</sup> AGM of the Company to be held in the year 2017 to examine and audit the accounts of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

#### SPECIAL BUSINESS

4. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"Resolved that** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder, read with Schedule IV of Companies Act, 2013, Regulation 17 of the SEBI Listing Regulations and other applicable provisions, if any Mr. Rajeev Moudgil (DIN :05209327), who was appointed as an Additional Director of the Company with effect from 19<sup>th</sup> April, 2016 under Section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 19<sup>th</sup> April, 2016."

5. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"Resolved that** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder, read with Schedule IV of Companies Act, 2013, Regulation 17 of the SEBI Listing Regulations and other applicable provisions, if any Mr. Subhash Chander Seth (DIN :07496990), who was appointed as an Additional Director of the Company with effect from 19<sup>th</sup> April, 2016 under Section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 19<sup>th</sup> April, 2016."

6. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"Resolved that** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder, read with Schedule IV of Companies Act, 2013, Regulation 17 of the SEBI Listing Regulations and other applicable provisions, if any Mrs. Savita Sethi (DIN :07558948), who was appointed as an Additional Director of the Company with effect from 2<sup>nd</sup> July, 2016 under Section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 2<sup>nd</sup> July, 2016."

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

**“Resolved that** the consent of the company be and is hereby accorded to the Board of Directors of the company under Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), to borrow any sum or sums of money from time to time at their discretion, for the purpose of business of the company, notwithstanding that the money or moneys to be borrowed together with moneys already borrowed by the company, apart from temporary loans obtained from the company’s bankers in the ordinary course of business, may exceed the aggregate of the paid up share capital and free reserves of the company, provided however, that the total amount so borrowed shall not exceed Rs 50,00,00,000 (Rupees Fifty Crore only).”

**Resolved further that** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all acts, deeds matters and things and to execute all documents, writings as may be necessary, proper or desirable or expedient to give effect to this resolution.”

**Regd. Office:**

Upper Kesalton, Tallital, Nainital-263 001  
Uttarakhand

By order of the board

**For Mesco Pharmaceuticals Ltd**

**Nurani Shankar Parameswaran**

**DIN: 00091097**

**Managing Director**

**N-1/152, I.R.C. Village, Bhubaneswar-  
751 015, Orissa**

**Date: 13<sup>th</sup> August, 2016**

**Place: New Delhi**

**NOTES**

1. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of item no. 4 to 7 of the notice set out above is annexed herewith.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED HERewith AND, IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE COMMENCEMENT OF ANNUAL GENERAL MEETING.
3. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY IN NUMBER AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. HOWEVER, A MEMBER HOLDING MORE THAN 10% 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 PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
4. Every member entitled to vote at the meeting, or on any resolution to be moved thereat, shall be entitled during the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the company, provided not less than three days’ notice in writing of the intention so to inspect is given to the company.
5. The Share Transfer Books and Register of Members of the Company will remain closed from Monday, 26<sup>th</sup> September, 2016 to Friday, 30<sup>th</sup> September, 2016 (both days inclusive).
6. In accordance with section 20 of the Companies Act, 2013 service of documents on members by a company is allowed through electronic mode. Accordingly, as a part of Green Initiative, soft copy of the Annual Report for the year ended March 31, 2016 has been sent to all the members whose email address(es) are registered with the Company unless any member has

requested for a hard copy of the same. Further, in terms of SEBI Circular No. CIR/CFD/DIL/7/2011 dated 05.10.2011 the hard copies of Annual Report have been sent to all other members who have not registered their email address(es). Members, who have not yet registered their email address with the Company/RTA, are requested to do the same at the earliest by to the Company/RTA. Members can also submit their form along with Attendance Slip at the Registration Counter at AGM.

7. The Shareholders/Proxies are requested to produce at the Registration Counter(s) the attendance slip duly completed and signed, for admission to the meeting hall. However, in case of non-receipt of Notice of Annual General Meeting, members are requested to write to the Company at its registered office for issuing the duplicate of the same or download the same from Company's website <http://mescosteel.in/mpl-invs.php>
8. In case you have any query relating to the enclosed Annual Accounts you are requested to send the same to the Company Secretary at the Registered Office of the Company at least 10 days before the date of Annual General Meeting so as to enable the management to keep the information ready for replying at the meeting.
9. Pursuant to Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the brief profile of Director eligible for appointment/re-appointment vide item no. 2, 4 to 6 is as follows:-

Particulars	Mr. N.S. Parameswaran	Mr. Rajeev Moudgil
DIN	00091097	05209327
Date of Birth	30 <sup>th</sup> January, 1936	1 <sup>st</sup> August, 1964
Date of appointment	1 <sup>st</sup> January, 2015	19 <sup>th</sup> April, 2016
Qualifications	Fellow Member (No. F2252) of Institute of Company Secretaries of India, New Delhi	MBA from Cranfield school of Management
Expertise in specific functional areas	Mt. N.S. Parameswaran is having more than 40 years of experience in the field of Finance & Accounts in National Aluminium Company Ltd, Hindustan Aeronautics Ltd etc.	Mr. Rajeev Moudgil is having over 20 years of expertise in strategic management, overseas joint venture, and to make investments, and negotiating business deals.
Directorships in other Companies	Mesco Laboratories Ltd Forrester Foods Pvt Ltd SAARC Helicopters Pvt Ltd	Forrester Foods Pvt Ltd Mesco Kalinga Steel Ltd Mesco Mining Ltd
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	NIL	Mesco Kalinga Steel Ltd- <i>Chairman in Audit Committee</i>  Mesco Mining Ltd- <i>Member in Audit Committee</i>
Number of shares held in the Company	NIL	NIL
Relationship with any Director(s) of the Company	NIL	NIL

Particulars	Mr. Subhash Chander Seth	Mrs. Savita Sethi
DIN	07496990	07558948
Date of Birth	15 <sup>th</sup> December, 1935	10 <sup>th</sup> March, 1973
Date of appointment	19 <sup>th</sup> April, 2016	2 <sup>nd</sup> July, 2016
Qualifications	Masters degree in Economics from Punjab University	Graduate in Chemistry Honors from Delhi University and PG Diploma in Human Resource Management
Expertise in	Mr. Subhash Chander Seth has 37	Mrs. Savita Sethi has over 15 years of

specific functional areas	Years of experience specializing in Logistics for movement of Food Grains, Fertilizer and Iron ore. During his tenure of 10 years with Mesco steel he has been instrumental in Construction of Railway Siding in the plant with the latest facilities available over Indian Railways.	experience of working in the social sector, and consulting in public sector. Her specialization includes; project management and monitoring & evaluation of development projects, and documentation. Formulating project implementation plans, developing M & E tools, and applying project management tools are her area of expertise. She had implemented projects supported by Government, national and international agencies; MHA, MHRD, USAID, and UN agencies.
Directorships in other Companies	NIL	NIL
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	NIL	NIL
Number of shares held in the Company	NIL	NIL
Relationship with any Director(s) of the Company	NIL	NIL

10. All the documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days between 11.00 am to 1.00 pm up to the date of Annual General Meeting. The Register of Directors' and Key Managerial Personnel & their Shareholding and the Register of Contracts & Arrangements in which directors are interested shall be open for inspection at the meeting to any person having right to attend the meeting.

## **EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **Item No. 4**

The Board of Directors of the Company ('the Board') at their meeting held on 19<sup>th</sup> April, 2016 have approved the appointment of Mr. Rajeev Moudgil as Additional Director and subject to the approval of the Members also as Independent Director, with immediate effect.

Notice under Section 160 of the Act proposing the appointment of Mr. Rajeev Moudgil as Independent director in terms of Section 149 read with Schedule IV of the Companies Act, 2013 and/or any amendment thereto or modification thereof ('the Act'), and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') has been received. Requisite consent, pursuant to Section 152 of the Act, has been filed by Mr. Rajeev Moudgil.

In the view of your Board, the association of Mr. Rajeev Moudgil and the rich experience he brings with him, would benefit the Company. Declaration has been received from Mr. Rajeev Moudgil that he meets the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the Listing Regulations. In the opinion of your Board, Mr. Rajeev Moudgil fulfills the conditions specified in the Act, the Rules thereunder and the Listing Regulations for appointment as Independent Director.

Mr. Rajeev Moudgil does not hold any share in the Company in his individual capacity or on a beneficial basis for any other person. Additional information in respect of Mr. Rajeev Moudgil, pursuant to the Listing Regulations and the Secretarial Standard on General Meetings issued by ICSI is annexed to the notice of the Annual General Meeting.

None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolution except Mr. Rajeev Moudgil. Mr. Rajeev Moudgil is not related to any of the Directors or Key Managerial Personnel of the Company.

Your directors recommend the appointment of Mr. Rajeev Moudgil as Independent Director of the Company for a period of five years with effect from 19<sup>th</sup> April, 2016.

#### **Item No. 5**

The Board of Directors of the Company ('the Board') at their meeting held on 19<sup>th</sup> April, 2016 have approved the appointment of Mr. Subhash Chander Seth as Additional Director and subject to the approval of the Members also as Independent Director, with immediate effect.

Notice under Section 160 of the Act proposing the appointment of Mr. Subhash Chander Seth as Independent director in terms of Section 149 read with Schedule IV of the Companies Act, 2013 and/or any amendment thereto or modification thereof ('the Act'), and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') has been received. Requisite consent, pursuant to Section 152 of the Act, has been filed by Mr. Subhash Chander Seth.

In the view of your Board, the association of Mr. Subhash Chander Seth and the rich experience he brings with him, would benefit the Company. Declaration has been received from Mr. Subhash Chander Seth that he meets the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the Listing Regulations. In the opinion of your Board, Mr. Subhash Chander Seth fulfills the conditions specified in the Act, the Rules thereunder and the Listing Regulations for appointment as Independent Director.

Mr. Subhash Chander Seth does not hold any share in the Company in his individual capacity or on a beneficial basis for any other person. Additional information in respect of Mr. Subhash Chander Seth, pursuant to the Listing Regulations and the Secretarial Standard on General Meetings issued by ICSI is annexed to the notice of the Annual General Meeting.

None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolution except Mr. Subhash Chander Seth. Mr. Subhash Chander Seth is not related to any of the Directors or Key Managerial Personnel of the Company.

Your directors recommend the appointment of Mr. Subhash Chander Seth as Independent Director of the Company for a period of five years with effect from 19<sup>th</sup> April, 2016.

#### **Item No. 6**

The Board of Directors of the Company ('the Board') at their meeting held on 2<sup>nd</sup> July, 2016 have approved the appointment of Mrs. Savita Sethi as Additional Director and subject to the approval of the Members also as Independent Director, with immediate effect.

Notice under Section 160 of the Act proposing the appointment of Mrs. Savita Sethi as Independent director in terms of Section 149 read with Schedule IV of the Companies Act, 2013 and/or any amendment thereto or modification thereof ('the Act'), and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') has been received. Requisite consent, pursuant to Section 152 of the Act, has been filed by Mrs. Savita Sethi.

In the view of your Board, the association of Mrs. Savita Sethi and the rich experience she brings with her, would benefit the Company. Declaration has been received from Mrs. Savita Sethi that he meets the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the Listing Regulations. In the opinion of your Board, Mrs. Savita Sethi fulfills the conditions specified in the Act, the Rules thereunder and the Listing Regulations for appointment as Independent Director.

Mrs. Savita Sethi does not hold any share in the Company in her individual capacity or on a beneficial basis for any other person. Additional information in respect of Mrs. Savita Sethi, pursuant to the

Listing Regulations and the Secretarial Standard on General Meetings issued by ICSI is annexed to the notice of the Annual General Meeting.

None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolution except Mrs. Savita Sethi. Mrs. Savita Sethi is not related to any of the Directors or Key Managerial Personnel of the Company.

Your directors recommend the appointment of Mrs. Savita Sethi as Independent Director of the Company for a period of five years with effect from 2<sup>nd</sup> July, 2016.

**Item No. 7**

In terms of the provisions of section 180(1)(c) of the Companies Act, 2013, the consent of the members by a Special Resolution is necessary to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the company, apart from temporary loans obtained from the Company's bankers in the ordinary course of business.

As required by provisions of section 180(1)(c) of the Companies Act, 2013 and keeping in view the company's future plan, it is considered desirable to increase the said limit to Rs 50,00,00,000 (Rupees Fifty Crore only).

Accordingly, the Board of Directors recommend the resolution for your approval by way of a special resolution.

None of the Directors and key managerial personnel (including relatives of directors or key managerial personnel) of the Company is concerned or interested, financially or otherwise, in this resolution.

**Regd. Office:**

Upper Kesalton, Tallital, Nainital-263 001  
Uttarakhand

By order of the board

**For Mesco Pharmaceuticals Ltd**

**Date: 13<sup>th</sup> August, 2016**  
**Place: New Delhi**

**Nurani Shankar Parameswaran**  
**DIN: 00091097**

**Managing Director**

**N-1/152, I.R.C. Village, Bhubaneswar-  
751 015, Orissa**

## DIRECTORS' REPORT

### TO THE MEMBERS OF MESCO PHARMACEUTICALS LTD

The Directors hereby present their 30<sup>th</sup> Annual Report on the business and operations of the Company and the financial accounts for the year ended 31<sup>st</sup> March, 2016.

#### Financial Highlights

(Amount in Rs.)		
Particulars	Current Year	Previous Year
Revenue from operations	-	-
Other Income	3,75,000	-
Profit/(Loss) before Tax	3,13,951	(46,76,43,636)
Provision for Tax	1,05,785	-
Tax relating to prior years	-	62,77,609
Profit/(Loss) after Tax	2,08,166	(46,13,66,027)
Transfer to General Reserve	10,79,15,000	-
Reserves and surpluses	(29,89,68,828)	(29,91,76,994)
Earnings per share	0.01	(22.70)

#### Company Performance/ Statement of Company's Affair

During the year under review total income of the Company was Rs. 3,75,000 as against Nil in the previous year. The Company was able to earn a marginal profit for the year of Rs. 2,08,166 against a loss of Rs. 46,13,66,027 in the previous year. Your Directors are putting in their best efforts to improve the performance of the Company.

#### Change in nature of Business of the Company

There has been no change in the nature of business of the Company.

#### Material Changes etc.

Save as mentioned elsewhere in this Report, no material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company-31<sup>st</sup> March, 2016 and the date of this Report.

#### Dividend

Directors have not recommended any dividend for the financial year ended on 31<sup>st</sup> March, 2016.

#### Share Capital

The paid up Equity Share Capital as on 31<sup>st</sup> March, 2016 was 19.73 crores. During the year under review, the Company has not issued any shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

#### Particulars of Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013

Pursuant to Section 134(3)(g) of the Companies Act, 2013 details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are provided in Notes 8 & 9 to the Financial Statements.

#### Disclosure on Deposit under Chapter V

The Company has neither accepted nor renewed any deposits during the Financial Year 2015-16 in terms of Chapter V of the Companies Act, 2013.

#### Report on Subsidiaries, Associates and Joint Venture companies

The Company has no subsidiaries, associates and joint ventures companies.



## Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

- a) **Conservation of Energy & Technology Absorption:** Since the Company is not engaged in any manufacturing activity, issues relating to conservation of energy and technology absorption are not given.
- b) **Export Activities:** There was no export activity in the Company during the year under review.
- c) **Foreign Exchange Earnings and Outgo:** The Income & Expenditure in foreign exchange is as under during the year under review:

Foreign Exchange outgo	:	Rs. Nil (previous year Rs. Nil)
CIF Value of Imports	:	Rs. Nil (previous year Rs. Nil)
Foreign Exchange Earning	:	Rs. Nil (previous year Rs. Nil)

## Listing

At present, the equity shares of the Company are listed at Bombay Stock Exchange Ltd. (BSE), Calcutta Stock Exchange and Ahmedabad Stock Exchange. However trading of shares of the Company is suspended on the exchange(s).

## Corporate Governance

Corporate Governance is all about ethical conduct, openness, integrity and accountability of an enterprise. Good Corporate Governance involves a commitment of the Company to run the business in a legal, ethical and transparent manner and runs from the top and permeates throughout the organization. It involves a set of relationships between a company's management, its Board, shareholders and Stakeholders. It is a key element in improving the economic efficiency of the enterprise. Credibility offered by Corporate Governance helps in improving the confidence of the investors – both domestic and foreign, and establishing productive and lasting business relationship with all stakeholders.

At Mesco Corporate Governance is more a way of business life than a mere legal obligation. Strong governance practices of the Company have been rewarded in terms of improved share valuations, stakeholder's confidence, improved market capitalization, credit ratings, etc.

A certificate from Auditors of the Company regarding compliance of the conditions of Corporate Governance, as stipulated under Schedule V of the Listing Regulations is attached in the Corporate Governance Report and forms part of this report.

Certificate of the CEO/CFO, *inter-alia*, confirming the correctness of the financial statements, compliance with Company's Code of Conduct, adequacy of the internal control measures and reporting of matters to the auditors and the Audit committee in terms of Regulation 17 of the Listing Regulations is attached in the Corporate Governance report, and forms part of this report.

## Changes in Directors and Key Managerial Personnel

During the year under review, Mrs. Rita Singh was resigned from the Board of Directors w.e.f. 26<sup>th</sup> May, 2015. Mrs. Vijaya Batth was appointed as Additional Director (Woman Director) on the Board w.e.f. 1<sup>st</sup> October, 2015 and she also resigned from the Board w.e.f. 2<sup>nd</sup> July, 2016.

During the year under review, Mr. N.S. Parameswaran was appointed as Managing Director of the Company in the Annual General Meeting held on 30<sup>th</sup> September, 2015. Mr. Sandeep Nunwal appointed as Company Secretary of the Company w.e.f. 13<sup>th</sup> May, 2015, who was relieved from the Post of Company Secretary w.e.f. 16<sup>th</sup> September, 2015. Further Mr. Pawan Sharma is appointed as Company Secretary w.e.f. 15<sup>th</sup> March, 2016.

With effect from 19<sup>th</sup> April, 2016, Mr. Rajeev Moudgil and Mr. Subhash Chander Seth and from 2<sup>nd</sup> July, 2016 Mrs. Savita Sethi were appointed as Additional Director by the Board.

The Company has also received a notice in writing from a member proposing the candidature of Mr. Rajeev Moudgil, Mr. Subhash Chander Seth and Mrs. Savita Sethi for the office of Director along with a deposit of Rupees one lakh. They will not be subject to retirement by rotation.

A brief resume of the Directors proposed to be re-appointed, the nature of their expertise in specific functional areas, disclosure of relationships between Directors inter-se, names of companies in which they have held directorships, committee memberships/ chairmanships, their shareholding etc., are annexed to the notice of the ensuing AGM. The Directors recommend their re-appointment at the ensuing AGM.

Pursuant to the provisions under Section 134(3)(d) of the Companies Act, 2013, with respect to statement on declaration given by Independent Directors under Section 149(6) of the Act, the Board hereby confirms that all the Independent Directors of the Company have given a declaration and have confirmed that they meet the criteria of independence as provided in the said Section 149(6).

### **Retire by Rotation of Director**

Pursuant to Sections 149, 152 of the Act Mr. N.S. Parameswaran, Director will retire by rotation at the ensuing AGM, and being eligible, offer himself for re-appointment in accordance with the provisions of the Companies Act, 2013.

### **Policy on Directors appointment and Policy on remuneration**

Pursuant to the requirement under Section 134(3)(e) and Section 178(3) of the Companies Act, 2013, the policy on appointment of Board members including criteria for determining qualifications, positive attributes, independence of a Director and the policy on remuneration of Directors, KMP and other employees is attached as **Annexure-1** respectively, which forms part of this report.

### **Particulars of remuneration of Directors/ KMP/Employees**

There are no employees who are in receipt of remuneration in excess of the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below: Not Applicable as at present Company is not paying any remuneration to the Managing Director of the company

### **Number of Meetings of the Board**

During the Financial Year 2015-16, 9 (Nine) meetings of the Board were held. For details, kindly refer the Corporate Governance Report forming part of this annual report

### **Performance Evaluation of the Board, its Committees and Individual Directors**

Pursuant to applicable provisions of the Companies Act, 2013 and the Listing Agreement with Stock Exchanges, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and Individual Directors, including Independent Directors.

A structured questionnaire has been prepared, covering various aspects of the functioning of the Board and its Committee, such as, adequacy of the constitution and composition of the Board and its Committees, matters addressed in the Board and Committee meetings, processes followed at the meeting, Board's focus, regulatory compliances and Corporate Governance, etc. Similarly, for evaluation of Individual Director's performance, the questionnaire covers various aspects like his/her profile, contribution in Board and Committee meetings, execution and performance of specific duties, obligations, regulatory compliances and governance, etc.

Board members had submitted their response on a scale of 5 (excellent) – 1 (poor) for evaluating the entire Board, respective Committees of which they are members and of their peer Board members, including Chairman of the Board.

### **Composition of Audit Committee**

As on 31<sup>st</sup> March, 2016, the Audit Committee of the Company comprises the following directors:

Mr. Jitendra Kumar Singh–Chairman (Non-executive and Promoter Director)

Mr. N.S. Parameswaran -Member (Executive and Professional Director)

Mr. D.K. Singh- Member (Non-executive and Promoter Director)