



**27<sup>th</sup> ANNUAL REPORT 2015-2016**



## NPR FINANCE LIMITED

**CIN : L65921WB1989PLC047091**

**REGISTERED OFFICE :**

Todi Mansion, 9<sup>th</sup> Floor  
1, Lu-Shun Sarani,  
Kolkata - 700 073  
Phone : (033) 2237-7201/02  
Fax : (033) 2237-6111  
E-mail : npr1@nprfinance.com  
Website: www.nprfinance.com

**BOARD OF DIRECTORS**

**Managing Director :**

Pawan Kumar Todi

**Directors :**

Nandlal Todi  
Arun Charan Mukherji  
Nitin Guha  
Rajendra Kumar Duggar  
Sarika Mehra

**COMMITTEES :**

**Audit Committee :**

Arun Charan Mukherji  
Nitin Guha  
Nandlal Todi  
Rajendra Kumar Duggar

**Stakeholders Relationship**

**Committee :**

Nitin Guha  
Nandlal Todi  
Pawan Kumar Todi

**Nomination and Remuneration**

**Committee :**

Nitin Guha  
Arun Charan Mukherji  
Rajendra Kumar Duggar

**Risk Management Committee :**

Pawan Kumar Todi  
Nandlal Todi  
Shankar Birjuka

**Fair Practice Code Committee :**

Pawan Kumar Todi  
Nandlal Todi  
Nitin Guha

**Executive Director & Company**

**Secretary :**

Sarika Mehra

**Chief Financial Officer :**

Ashok Kumar Shah

**BRANCHES**

**AHMEDABAD BRANCH :**

106-07, 1<sup>st</sup> Floor "Samedh"  
Above Oriental Bank of Commerce  
Near Associated Petroleum  
C. G. Road, Panchavati  
Ahmedabad - 380 006  
Phone : (079) 2640 1482/3  
Fax : (079) 2640 4346

**BHUBANESWAR BRANCH :**

Plot No. K8/555, Kalinga Nagar  
P.O.- Ghatikia, P.S.- Khandagiri  
Dist.- Khurda,  
Bhubaneswar 751 003  
Phone: 09040079790

**KOCHI BRANCH : (w.e.f. 15.07.2016)**

Konnamkudy House, Greenland  
Gardens, Parappuram, Perumbavoor  
Ernakulam (Dist)  
Pin - 683 542  
Kunnathunadu Taluk,  
Perumbavoor Village

**CHENNAI BRANCH :**

No. 35/36, Greams Road  
Ground Floor, Thousand Light  
Chennai - 600 006  
Phone : (044) 2829 5745  
Fax : (044) 2829 5746

**NEW DELHI BRANCH :**

8C/6, W. E. A. Abdul Aziz Road  
Karol Bagh, (Opp. Shastri Park)  
2<sup>nd</sup> Floor, New Delhi -110 005  
Phone : (011) 2875 2585/2481/2081  
Fax : (011) 28750672

**FOREX DIVISION :**

Todi Mansion, 2<sup>nd</sup> Floor  
1, Lu-Shun Sarani,  
Kolkata - 700 073

**AUDITORS**

**STATUTORY AUDITORS :**

M/s. R. P. Boobna & Co.  
Chartered Accountants  
209, A. J. C. Bose Road  
"Karnani Estate"  
2<sup>nd</sup> Floor, Room No. 87  
Kolkata - 700 017

**SECRETARIAL AUDITOR :**

Niaz Ahmed  
Practicing Company Secretary  
1/2 A, Noor Ali Lane  
Kolkata - 700 014

**BANKERS :**

Allahabad Bank  
HDFC Bank Limited  
ICICI Bank Limited  
Federal Bank Limited.

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## NPR FINANCE LIMITED

### DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 27<sup>th</sup> Annual Report of the Company together with Audited Accounts for the year ended 31<sup>st</sup> March, 2016.

#### 1. Financial Summary or Highlights:

The highlights of the financial performance of the Company for the financial year ended 31<sup>st</sup> March, 2016 as compared to the previous financial year are as under:-

₹ in Lacs

Particulars	2015-2016	2014-2015
Gross Profit before depreciation, interest and Tax	206.58	443.03
(Less) : Depreciation	(62.28)	(61.40)
(Less) : Interest	(18.26)	(49.74)
(Less) : Provision for Current Tax	(96.74)	(125.43)
Add/(Less) : Provision for Deferred Tax	12.01	22.02
<b>Net Profit after tax</b>	<b>41.31</b>	<b>228.48</b>
Add : Brought forward from previous year	1705.59	1540.17
Add/(Less) : Income Tax adjustment of earlier years	1.83	(0.53)
Add/ (Less) : Depreciation Adjustments of earlier years	-	(16.84)
Profit available for appropriation	1748.73	1751.28
<b>APPROPRIATIONS</b>		
Statutory Reserve	8.26	45.69
Surplus Carried to balance sheet	1740.47	1705.59
<b>Total</b>	<b>1748.73</b>	<b>1751.28</b>

#### 2. Dividend

Profit after tax for the Financial Year ended 31<sup>st</sup> March, 2016, has been decreased by ₹ 187.16 lacs. Such decrease in Profit after Tax is by and large attributable to higher in the provision towards diminution in value of investment by ₹ 99.50 lacs.

The Company for the foreseeable future, shall retain earnings for use in the operation of its business and the Management feels that, it is prudent to use the cash to invest in new business opportunities for future growth. The Company has scaled down its core business activity of financing three wheeler and the Board of Directors (hereinafter referred to as "the Board"), feels it necessary to conserve the internal accruals and financial reserves of the Company so that the Company can exploit the opportunities to undertake development projects for improving the profitability of the Company in the long run.

#### 3. The amount proposed to be carried to reserves

The details of the amounts apportioned to the reserves has

been provided in Point No. 1 of this Directors Report under the category "Financial Summary or Highlights".

#### 4. Change in Share Capital

During the year under review, there has been no change in the Authorised or Paid-up Share Capital.

The Authorised Share Capital of the Company stands at ₹7,00,00,000/- divided into 70,00,000 Equity Shares of ₹10/- each.

The Paid-up Share Capital of the Company is ₹5,98,96,000 divided into 59,89,600 Equity Shares of ₹10/- each.

#### 5. Listing

The equity shares continue to be listed on the BSE Ltd. which has nation-wide terminals and therefore, shareholders/ investors are not facing any difficulty in trading in the shares of the Company from any part of the country. The Company has paid the annual listing fee for the financial year 2016-17 to BSE Ltd. Further, in terms of the requirement of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations"), the Company has entered into a fresh Listing Agreement with the BSE Ltd, wide the Listing Agreement dated 23<sup>rd</sup> February, 2016.

#### 6. Corporate Governance Report

Your Company has been complying with all the requirements of the code of Corporate Governance, as specified by SEBI.

A separate report on Corporate Governance is furnished as a part of the Directors' Report and the certificate from the Company Secretary in whole time practice regarding compliance of condition of Corporate Governance is annexed to the said Report.

#### 7. Extract of the Annual Return

The Extract of the Annual Return as on the financial year ended on 31<sup>st</sup> March, 2016, in Form MGT-9 pursuant to section 92(3) of the Companies Act, 2013 (hereinafter referred to as the "Act") and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 is appended to the Directors' Report in **Annexure-I**.

#### 8. Number of Meetings of the Board

The Board of Directors of the Company met four(4) times during the Financial Year under review.

Further, one exclusive meeting of the Independent Directors, pursuant to Schedule IV of the Act and sub-regulation 3 of Regulation 25 of the Listing Regulations, was held on 11<sup>th</sup> February, 2016.

The Meetings were held in accordance with the provisions of the Act, the erstwhile Listing Agreement and the Listing Regulations, 2015.



## NPR FINANCE LIMITED

The details of the Meetings of the Board of Directors during the Financial Year 2015-16 is encompassed in the Corporate Governance Report which is annexed to the said Report.

### 9. Disclosure pursuant to Section 177(8) of the Companies Act, 2013-Composition of the Audit Committee.

The Audit Committee of the Company comprises of three non-executive independent directors and one non-executive non-independent promoter director as on 31<sup>st</sup> March, 2016. The Committee is chaired by a non-executive Independent Director, Mr. Nitin Guha (DIN- 01107480).

The detail of the same is morefully provided in the Corporate Governance Report.

During the Financial Year under review, the Committee met four (4) times and all such meetings were held in accordance with the provisions of the Act, Clause 49 of the erstwhile Listing Agreement and the Listing Regulations, 2015.

Further, the Board of Directors have accepted all the recommendations of the Audit Committee in the Financial Year 2015-16.

### 10. Composition of the Nomination and Remuneration Committee

The Remuneration Committee which was constituted on 30/10/2002, was reconstituted as the Nomination and Remuneration Committee at the meeting of the Board of Directors held on 16<sup>th</sup> May, 2014, pursuant to the requirements of Section 178 of the Act.

The Nomination and Remuneration Committee of the Company comprises of three Non Executive Independent Directors.

The details of the Committee is provided in the Corporate Governance Report.

### 11. Composition of the Stakeholders Relationship Committee

The Share Transfer and Investors Grievance Committee was reconstituted as the Stakeholders Relationship Committee at the meeting of the Board of Directors held on 16<sup>th</sup> May, 2014 pursuant to the requirements of Section 178 of the Act.

The Committee consists of one Non - Executive Independent Director, one Non-Executive Non- independent Promoter Director and one Executive Non- independent Promoter Director.

The details of the Committee is provided in the Corporate Governance Report.

### 12. Directors' Responsibility Statement

Pursuant to the provisions of Section 134 (3) (c) read with section 134 (5) of the Act, the Directors hereby confirm and state that:

- a. In the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with the proper explanation relating to material departures, if any.
- b. The Directors have selected such accounting policies and have 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 as on the Financial Year ended on 31<sup>st</sup> March, 2016 and of the profit of the company for the year under review.
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

*However, during the Financial Year under review, fraud was committed by an ex-employee of the Company, wherein, there was mis-appropriation of funds to the tune of ₹ 9.45 Lacs (approx.). The accused has been terminated from employment and is presently absconding. Accordingly, FIR has been lodged with the Bowbazar Police Station, Kolkata.*

- d. The Directors have prepared the annual accounts on a going concern basis.
- e. The Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively.

*However, in the light of the fraud been detected, as mentioned in point no. 12 (c) above, such control system has been further strengthened.*

- f. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 13. Declaration by the Independent Directors

Section 149(7) of the Act requires every independent director to give a declaration that he meets the criteria of Independence, defined in section 149(6) of the Act, at the first Board Meeting of every financial year.

Accordingly, the Statement of Declaration of Independence has been submitted by all the Independent Directors; viz: Mr.



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Nitin Guha (DIN: 01107480), Mr. Rajendra Kumar Duggar (DIN:- 00403512 ) and Mr. Arun Charan Mukherji (DIN:- 00063975).

### 14. Policy on Directors' Appointment & Remuneration

Pursuant to the provisions of Section 178(4) of the Act read with the Rules made thereunder and Clause 49 of the erstwhile Listing Agreement entered into with the BSE Ltd., the Nomination and Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of a director and has further formulated a policy relating to the remuneration for directors, key managerial personnel and other employees, which has been duly approved by the Board of Directors.

While formulating the Policy, the Nomination and Remuneration Committee has assured that:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- The relationship of remuneration to performance is clear and meets appropriate benchmarks; and
- The remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The details of the same have been provided in the Corporate Governance Report for the Financial Year 2015-16.

### 15. Auditors & Auditors' report

#### A. Statutory Auditors

The appointment of M/s R. P. Boobna & Co.(Firm Registration No. 304093E), Chartered Accountants of 209, A.J.C. Bose Road, "Karnani Estate", 2<sup>nd</sup> Floor, Room No. 87, Kolkata 700 017 is subject to ratification by the members at the ensuing Annual General Meeting.

In this connection, M/s R.P. Boobna & Co. have furnished a Certificate of Eligibility pursuant to Section 141 of the Act read with the Rules framed thereunder.

Based on the recommendation of the Audit Committee, the Board of Directors have recommended their ratification to the shareholders.

#### B. Independent Auditors' Report

The Self Explanatory Independent Auditors' Report does not contain any adverse remarks or qualification, *save and except for, a fraud been committed by an ex-employee of the Company, which has been mentioned in point no. "i" of the Independent*

*Auditor's Report under the category of "Report on Other Legal and Regulatory Requirements".*

*In the light of the fraud detected, the Board of Directors have further strengthened the Internal Control System, to prevent its recurrence in the future.*

#### C. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act read with the Rules made thereunder, Mr. Niaz Ahmed (C.P. No. 5965, Membership No. 15555), Company Secretary in whole-time Practice, was appointed for the issuance of the Secretarial Audit Report for the Financial Year ended 31<sup>st</sup> March, 2016.

He has been further, re-appointed by the Board of Directors at their meeting held on 26.05.2016, on the recommendation of the Audit Committee, to issue the Secretarial Audit Report for the Financial Year ended 31<sup>st</sup> March, 2017.

#### D. Secretarial Audit Report

The Secretarial Audit Report is appended to the Directors' Report in **Annexure-II**.

Secretarial Audit Report does not contain any adverse remark save and except the following:

- There was a delay in TDS Deposit for the month of July, 2015 as the bills were received at a later date.*
- There was a delay in depositing the Service Tax liability for various months.*

*The details of the same alongwith the reason(s) thereto are enumerated hereunder:*

Month ended	Reason(s) for Delay as explained by the Management
March, April and, May, 2015	Service tax payment was delayed due to delay in bills provided by the concerned party.
July and November, 2015	There was delay in making provision for service tax under reverse charge mechanism on works contract by the Branch(s) Office.
March, 2016	1. The due date for service tax payment being 31 <sup>st</sup> March, 2016, the service tax payment was made after considering the transactions as on 30 <sup>th</sup> March, 2016. However, certain transactions of the Money Changing Division were executed on 31 <sup>st</sup> March, 2016 and therefore, the service tax payments pertaining to such transactions were made after the due date.

	2. Further, the deficit service tax payments pertaining to the Financial Year 2015-16 were also made after the due date.
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3. There was a delay in submission of Quarterly Return in Form - B, regarding Generation of Energy in respect of the Wind Turbine Generators of the Company, located at Dhule and Sangli.

The relevant non-compliance quarter alongwith the reasons thereto, are enumerated hereunder:

Quarter ended	Wind Turbine Generator at Dhule / Sangli - Reason(s) for Delay as explained by the Management
June, 2015	<b>Dhule &amp; Sangli :</b> The disclosure sent to the office of the Chief Engineer at Mumbai was undelivered due to change in address. However, the Company was not intimated of the same. The disclosure was sent upon receipt of the correct address from the vendor's Office: M/s Suzlon Global Services Limited.
December, 2015	<b>Dhule :</b> The Company did not receive the invoice for the months of November & December, 2015, since, its Vendor, M/s Suzlon Global Services Limited, informed that, the delay was being caused due to structuring of a Centralised Billing System. Therefore the Company submitted Form-B within the due date on the basis of the Invoice of Oct, 2015. Subsequently, the Invoices were received after the expiry of the due date for submission of the Return, and thereafter, the Company resubmitted the revised Form.
March, 2016	<b>Dhule :</b> The Company did not receive the invoice for the month of March, 2016, since its Vendor, M/s Suzlon Global Services Limited, informed that, M/s Maharashtra State Electricity Distribution Company Limited (MSEDCL) was conducting its audit process. Therefore the Company submitted Form-B on the basis of the Credit Reports of January and February, 2016. Subsequently the Invoice for March, 2016, was received after the expiry of the due date and thereafter, the Company resubmitted the revised Form.

4. The Company's Master Data on the portal of the Ministry of Corporate Affairs reveals prosecution proceedings being initiated against the Company.

The Company did not receive any show cause notice or prosecution notice, or copy of complaint filed with Ld. Court, any other documents pertaining to the prosecution and therefore, in this connection, the Company has been corresponding with the concerned Department(s) of the Ministry of Corporate Affairs in order to obtain the prosecution details. The same is in process.

## 16. Particulars of Loans, guarantees or investments under Section 186 of the Act.

The provisions of Section 186 of the Act are not applicable upon a Non-Banking Financial Company. Therefore, the Company is not required to provide any disclosure pursuant to Section 134(3)(g) of the Act.

## 17. Particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 of the Act in the prescribed form.

All related party transactions, contracts or arrangements that were entered into, during the financial year under review, were on an arms-length basis and in the ordinary course of business. The Company has adhered to its "Policy on Related Party Transactions and Materiality of Related Party Transactions" while pursuing all Related Party transactions.

During the year under review, the Company has entered into material related party transaction as defined in Clause 49 of the erstwhile Listing Agreement, and/or section 188 of the Act read with the Rules made thereunder, and/or Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Audit Committee at its meeting held on 27<sup>th</sup> May, 2015, had granted omnibus approval in line with the Company's Policy on Related Party Transactions, to pursue such transactions subject to a maximum threshold limit of ₹1 Crore per Related Party Transactions that are repetitive in nature, for the financial year 2015-16. The Committee has, on a quarterly basis, reviewed the details of the Related Party Transactions entered into by the Company pursuant to each omnibus approval accorded. In terms of sub-clause VII of Clause 49 of the erstwhile Listing Agreement entered into by the Company with the BSE Ltd., and Notification dated 14<sup>th</sup> December, 2015, as issued by the Ministry of Corporate Affairs, regarding Companies (Meetings of Board and its Powers) Second Amendment Rules, 2015, such omnibus approval is valid only for one year.

Accordingly, the Audit Committee at its Meeting held on 11<sup>th</sup> February, 2016, has accorded fresh omnibus approval to pursue related party transactions subject to a maximum threshold limit of ₹1 Crore per Related Party Transactions that are repetitive in nature, for the financial year 2016-17.



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The Committee shall, on a quarterly basis, review the details of the Related Party Transactions entered into by the Company pursuant to each such omnibus approval accorded.

Further, in terms of Regulation 23 of the Listing Regulations and section 188 of the Act, the consent of the members shall be sought at the ensuing 27<sup>th</sup> Annual General Meeting for approval/ratification of various Related Party Transactions.

All the Material Related Party Transactions entered in the ordinary course of business and at arm's length basis have been reported in Form No. AOC-2 by way of **Annexure – III** in terms of Section 134 of the Act read with the Rules made thereunder.

### 18. State of Company Affairs & Future Outlook

NPR Finance Ltd. a Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Company, is committed to transparency and fairness in dealing with all stakeholders and to develop a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct or violation of law in force.

As on 31<sup>st</sup> March, 2016, the Company does not have any outstanding public deposits and the Company shall not accept in future and in the Financial Year 2016-2017, any public deposit without obtaining the prior approval in writing of the Reserve Bank of India.

Considering the stiff competition from similar market players and the depression phase of the Indian economy in the financial year 2015-16, the Company has cautiously executed few fresh finances and is focusing more on recoveries. It is shifting its focus from Financing activities to Real Estate activities. However, your Company has considered it prudent to concentrate on the smooth running of its existing business ventures till it identifies suitable real estate projects.

Similar to the previous financial year, the Company is expecting consistent profitability on account of interest income on inter-corporate deposits given to related parties and others.

The Company's financial disbursement has gone down by ₹355.67 lacs, in comparison to the previous financial year. The Company is continuously reducing its exposure in three-wheeler financing due to difficult operating environment. The Company's entire focus is on recoveries against earlier year losses and write-offs. The Company has recorded ₹193.35 lacs towards recovery from bad debts as against ₹279.28 lacs recorded in the previous year.

The income from the Money Changing Business which is operational in Kolkata has increased by 18.80% and the Company expects consistent but modest profitability from this area of business.

As regards the Wind Energy Sector, the Company has focused on strengthening the monitoring of its Wind Turbine Generators installed at Dhule and Sangli- Maharashtra, by engaging M/s WinDforce Management Services Pvt. Ltd., for monitoring the Operation and Management of the wind farms, being maintained by M/s Suzlon Global Services Limited. Taking into account the regulatory support to the Power Generation sector, and the fact that, this sector is exposed to climatic risk, Operation and Maintenance Risk, and varied velocity, the Company has adopted a wait and watch policy to review the consistency in revenue generation from this sector, before considering further expansion into any similar venture.

During the period under review, the Company has not generated any income from the Real Estate Division. However, the Company is desirous to explore this arena in the near future, subject to suitable opportunities.

### 19. Material Changes and commitments, if any, affecting the financial position of the Company, which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the 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 to which the financial statements relate and the date of this Directors' Report.

### 20. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings And Outgo.

Disclosure in terms of Rule 8(3) of the Companies (Accounts) Rules, 2014 :

#### a. Conservation of Energy

The Company has no activity relating to conservation of energy .

#### b. Technology Absorption

In terms of Section 134 (3) (m) of the Act read with the Rules made there under, the Company has no activity relating to Technology Absorption. Further, the Company has not entered into any technology transfer agreement.

#### c. Foreign Exchange earnings and outgo

The Company does not have any Foreign Exchange earnings and outgo during the year under review.

## 21. Risk Management Policy

**In terms of Clause 49 of the erstwhile Listing Agreement, and in compliance with Section 134(3)(n) of the Act, the Company has a Risk Management Policy which provides for the identification therein of elements of risk, which in the opinion of the Board may threaten the existence of the Company.**

Pursuant to Schedule IV(II)(4) of the Act, the Independent Directors, inter-alia amongst others, review the system from time to time to ensure that Risk Management is robust and satisfactory.

Further, in terms of Regulation 17(9)(b) of Listing Regulations, and Clause 49(I)(D)(2)(a) of the erstwhile Listing Agreement, the Board of Directors is responsible for framing, implementing and monitoring the Risk Management Plan of the Company, and has delegated the power of monitoring and reviewing of the risk management plan to the Risk Management Committee.

The Risk Management Committee is responsible for laying down procedures to inform Board members about the risk assessment and minimization procedures. This is described morefully in the Corporate Governance Report.

## 22. Policy on Corporate Social Responsibility (CSR) Initiatives

Pursuant to provisions of Section 135 of the Act, the Company is not required to constitute a Corporate Social Responsibility Committee or to undertake any CSR activities.

Therefore, the Company is not required to make any disclosure as specified in Section 134(3) (o) of the Act.

## 23. Manner of formal annual evaluation by the Board of its own performance and that of its committees and individual directors.

Pursuant to Section 134(3)(p) of the Act read with Rule 8(4) of the Companies (Accounts) Rules, 2014, other applicable provisions of the Act, and various applicable clauses of the Listing Regulations, and the erstwhile Listing Agreement, the disclosure regarding the manner of formal annual evaluation by the Board of its own performance and that of its various committees and individual directors is provided hereto:

### a. Evaluation Criteria

Pursuant to Part C of Schedule II of the Listing Regulations, the Nomination and Remuneration Committee has formulated the criteria for evaluation of the performance of the Independent Directors and the Board. The Nomination and Remuneration Committee also identifies persons qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommends to the Board their appointment and removal and carries out the evaluation of every director's performance in accordance with

Section 178(2) of the Act read with the Rules framed there under and Part C of Schedule II of the Listing Regulations.

The Board shall monitor & review the Board Evaluation Framework and evaluate the performance of all the Board Committees.

Further, pursuant to Clause 49(IV)(B)(1) of the erstwhile Listing Agreement, the Nomination and Remuneration Committee has formulated criteria for determining qualifications, positive attributes and independence of a director and recommended to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees. The details of the same is morefully described in the Corporate Governance Report.

Further, the Committee has also devised a Policy on Board Diversity as provided in Clause 49(IV)(B)(3) of the erstwhile Listing Agreement.

### b. Performance Evaluation of the individual directors

Pursuant to section 178(2) of the Act, the Nomination and Remuneration Committee of the Company carries out the performance evaluation of the individual directors.

### c. Board of Directors

A separate meeting of the Independent Directors of the Company was held on 11<sup>th</sup> February, 2016, pursuant to Clause VII of Schedule IV to the Act and Regulation 25 of the Listing Regulations, for transacting the following businesses as set forth in the Agenda :

1. Review the performance of the non-independent directors and the Board as a whole.
2. Review the performance of the Chairman of the Company, taking into account the views of the executive directors and non-executive directors.
3. Assessment of the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The same was perused in accordance with the Evaluation criteria determined by the Nomination and Remuneration Committee.

The Independent Directors of the Company in fulfilling their role and functions as specified in Clause II of Schedule IV to the Act, help in bringing an objective view in the evaluation of the performance of the Board and management.

The Independent Directors expressed satisfaction over the performance of all the non-independent Directors and the Chairman.



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### **d. Performance Evaluation of the Independent Directors**

Pursuant to Clause VIII of Schedule IV to the Act and Regulation 19 of the Listing Regulations, read with Part D of Schedule II thereto, the performance evaluation of the Independent Directors is pursued by the entire Board of Directors, excluding the director being evaluated.

On the basis of the report of performance evaluation, the extension of the term of appointment or its continuance in respect of the independent directors is being considered.

### **e. Performance Evaluation of the Committee**

The Board of Directors evaluate the performance of all the Board Committees, based on the Company's Performance Evaluation Policy.

### **24. Nomination and Remuneration Policy**

Based on the recommendation of the Nomination and Remuneration Committee, the Board has adopted a Nomination and Remuneration Policy in terms of Section 178 of the Act, read with Rules made thereunder and Clause 49(IV)(B) of the erstwhile Listing Agreement with the BSE Ltd. and Listing Regulations.

The Nomination and Remuneration Policy is reproduced in **Annexure-IV**.

### **25. Change in the nature of business**

There has been no change in the nature of business of the Company in the Financial Year under review.

### **26. Directors & Key Managerial Personnel**

#### **a. Non-Executive & Executive Directors- Non-independent.**

Mr. Nandlal Todi (DIN-00581581), Non-Executive Non-independent Promoter Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. He is the relative of Mr. Pawan Kumar Todi (DIN-00590156), Managing Director of the Company.

Further, Ms. Sarika Mehra (DIN-06935192), Executive Director & Company Secretary, was appointed as an Executive Director of the Company for a term of five years with effect from 19<sup>th</sup> September, 2014.

Mr. Pawan Kumar Todi (DIN-00590156), Managing Director was re-appointed for a term of five years with effect from 1<sup>st</sup> November, 2014.

#### **b. Independent Director.**

All the Independent Directors of the Company viz. Mr. Nitin Guha, Mr. Arun Charan Mukherji and Mr. Rajendra Kumar Duggar were appointed for a term of five years at the 25<sup>th</sup>

Annual General Meeting of the Company with effect from 19<sup>th</sup> September, 2014.

### **c. Chief Financial Officer**

Mr. Ashok Kumar Shah, is the Chief Financial Officer of the Company.

### **27. Names of Companies which have become or ceased to be the Company's subsidiaries, joint ventures or associate companies during the year under review**

The Company does not have any Subsidiary or associate companies (as defined in Section 2(6) of the Act) nor is associated with any joint ventures and therefore the disclosure requirement pursuant to Rule 8 of the Companies (Accounts) Rules, 2014 is not applicable for the Company.

### **28. Details relating to deposits covered under Chapter V of the Act**

The Company has not accepted any deposits during the financial year under review.

As on 31<sup>st</sup> March, 2016 and as on date, the Company has no outstanding public deposit and the Company shall not accept in future and in the Financial Year 2016 - 2017 any public deposit without obtaining prior approval in writing of the Reserve Bank of India.

### **29. Details of deposits which are not in compliance with the requirements of Chapter V of the Act**

Since the Company has neither accepted any deposits during the financial year under review, nor has any outstanding deposits as on 31<sup>st</sup> March, 2016, therefore there are no disclosures as specified in Rule 8(5) (vi) of the Companies (Accounts) Rules, 2014, for non-compliance with the requirements of Chapter V of the Act.

### **30. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's future operations**

No significant and material orders have been passed by the regulators or courts or tribunals impacting the going concern status and the Company's future operations.

The Company's Master Data on the portal of the Ministry of Corporate Affairs reveals prosecution proceedings being initiated against the Company. However, the Company did not receive any show cause notice or prosecution notice, or copy of complaint filed with Ld. Court, any other documents pertaining to the prosecution and therefore, in this connection, the Company has been corresponding with the concerned Department(s) of the Ministry of Corporate Affairs in order to obtain the prosecution details. The same is in process.