

**NOBLE EXPLOCHEM LIMITED  
BOARD OF DIRECTORS**

**Shri Tikamchand Kothari**  
Chairman and Executive Director

**Shri Rameshchand Kothari**  
Managing Director

**Ms. Vinda Warhadpande**  
Director –HR and Systems

**Shri Shyam Sunder Sharma**  
Independent Director

**Shri Vijay Kumar Jain**  
Independent Director

**Shri Rajesh Joshi**  
Independent Director

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<b>Statutory Auditors</b>	<b>Secretarial Auditors</b>
Amar Bafna & Associates Chartered Accountants Mumbai	P. S. Channe & Associates Company Secretaries Nagpur
<b>Bankers</b>	<b>Registrar and Share transfer Agent</b>
HDFC Bank State Bank of India Bank of India	Satellite Corporate Services Pvt. Ltd B-302, Sony Apartment, Opp. St. Jude's High School, Off Andheri Kurla Road, Jarimari, Sakinaka, Mumbai - 400053.

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**AGM Date: Wednesday the 20<sup>th</sup> December 2017**  
**Book Closure: Thursday 14<sup>th</sup> December 2017 to Wednesday 20<sup>th</sup> December 2017**  
**(Both days inclusive)**  
**E-voting Date: Sunday 17<sup>th</sup> December 2017 9.00 a.m.**  
**To Tuesday 19<sup>th</sup> December 2017 5.00 p.m.**  
 Cut-off date for E-Voting: 13<sup>th</sup> December 2017

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<b>Registered Office</b>	<b>Works</b>
54-/B, "Shree Towers", West High Court Road, Shankar Nagar (E), Nagpur – 440010	At Village Hingni Taluka- Seloo, Dist.- Wardha – 442 104 Maharashtra
<b>Contact details</b>	
Phone No. 0712-2538791 Email: <a href="mailto:noble_explochem@rediffmail.com">noble_explochem@rediffmail.com</a> WEB: <a href="http://www.neclindia.com">www.neclindia.com</a>	

**NOTICE OF 35<sup>TH</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the Thirty Fifth Annual General Meeting of the members of Noble Explochem Limited will be held at 54/B, Shree Towers, West High Court Road, Shankar Nagar, Nagpur – 440010 on Wednesday, the 20<sup>th</sup> December 2017 at 3.00 p.m. to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2017 and the Profit and Loss Account for the year ended on that date and the Directors' and Auditors' Reports thereon.
2. To appoint Director in place of Smt. Vinda Warhadpande, (DIN 06973719) who will retire by rotation in this Annual General meeting and being eligible, offers herself for re-appointment.
3. To ratify the appointment of the Statutory Auditors of the Company and to fix their remuneration.

**SPECIAL BUSINESS****4. To pass the following resolution with or without modification as a Special Resolution:**

“Resolved that, pursuant to the provisions of Sections 196, 197, Schedule V and other related provisions of the Companies Act, 2013, Memorandum and Articles of Association of the Company and subject to the approval of Statutory Authorities required in this respect, if any, Smt. Vinda Warhadpande, (DIN: 06973719) be and is hereby appointed as Whole Time Director with a designation as Director –HR & Systems, for the period of 3 years with effect from 1<sup>st</sup> October 2017, on the terms and conditions mentioned herein below

- a) **SALARY:** Salary at the rate of Rs. 25,000/- per month.
- b) **COMMISSION:** Commission on the net profits of the Company computed in the manner laid down in Section 198 of the Companies Act, 2013, as may be fixed by the Board of Directors subject to the ceiling limits laid down in Section 198 of the Companies Act, 2013.
- c) **PERQUISITES:** In addition to the aforesaid salary and commission, the Director HR & Systems shall be entitled to the following perquisites:
  - (i) Reimbursement of medical expenses incurred for self and family and medical accident insurance.
  - (ii) Leave travel concession for self and family once in a year in accordance with the rules of the Company or as may be agreed to by the Board of Directors.
  - (iii) Personal accident insurance premium.

For the purposes of the above ceilings perquisites shall be evaluated as per the Income tax Rules wherever applicable. In the absence of any such Rules, perquisites will be evaluated at actual costs.

Wherein any financial year during the currency of the tenure of the Director – HR & Systems, the Company has made no profits or its profits are inadequate, the Company shall pay to the Director – HR & Systems, the above salary and perquisites except commission subject to the ceiling limits prescribed in Section of Schedule V of the Companies Act, 2013.

- d) The Director – HR & Systems shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified herein above:
  1. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
  2. Gratuity payable at a rate not exceeding half a month salary for each completed year of service.
  3. Earned privilege leave at a rate of one month's leave for every eleven months of service. The Director – HR & Systems shall be entitled to encash leave at the end of her tenure as Chairman and Executive Director.
  4. Provision of telephones at the residence of the Director – HR & Systems shall not be treated as perquisites.

**Other Terms:**

The Director – HR & Systems shall be entitled to reimbursement of actual expenses on entertainment and traveling incurred in the course of the Company's business.

Either party shall be entitled to terminate the Appointment by giving the other party 90 days notice in writing without showing any cause.”

**5. To pass the following resolution with or without modification as a Ordinary Resolution:**

“RESOLVED THAT, pursuant to the provisions of Section 149, 152 Companies Act, 2013 read with Schedule IV of the Act, Companies (Appointment and Qualification of Directors) Rules, 2014 including any amendment therein from time to time, and Rule 16(b) and 19(4) read with the part D of schedule II of SEBI (listing Obligations and Disclosure Requirement) Regulations, 2015, and the provisions of Articles of Association of the Company, and pursuant to the recommendation of Nomination and Remuneration Committee Shri Ishwar Raka (DIN 08005159) be and is hereby appointed as an Independent Director of the Company, in respect of which the Company has received the notice from member of the Company along with the deposit of requisite amount under section 160 of the Act, and who has submitted his declaration of independence as per the provisions of Section 149(6) of the Act, be and is hereby appointed as an Independent Director of the Company to hold the office of Independent Director for the period of 5 (Five) years commencing from 20<sup>th</sup> December 2017 and who will not be liable for retirement by rotation.

RESOLVED FURTHER THAT, the Board of Directors of the Company be and is hereby authorised to do all acts and deeds and take such steps as may be necessary, expedient to give effect to this resolution.”

Place: Nagpur  
Date: 13<sup>th</sup> November 2017

By order of the Board Of Directors  
Sd/-  
T. C. Kothari  
**Chairman and Executive Director**  
**DIN: 01810966**

**NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.
2. The instrument appointing a proxy should be deposited at the registered office of the company not less than **Forty Eight Hours** before the commencement of the meeting.
3. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten (10) percent of the total share capital of the Company. A member holding more than ten (10) percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person cannot act as a proxy for any other member. Proxy submitted on behalf of any company, society, entity etc., must be supported by an appropriate resolution/ authority letter, as applicable.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday the 14<sup>th</sup> December 2017 to Wednesday the 20<sup>th</sup> December 2017 (both days inclusive).
5. The cut-off date for e-voting shall be Wednesday the 13<sup>th</sup> December 2017.
6. Members are requested to notify promptly any change in their addresses to the Company's Registrars and Share Transfer Agents, **Satellite Corporate Services Private Limited, B-302, Sony Apartment, Opp. St. Jude's High School, Off Andheri Kurla Road, Jarimari, Sakinaka, Mumbai - 400 053.**

**7. The instructions for shareholders voting electronically are as under:**

- (i) The cutoff date will be Wednesday the 13<sup>th</sup> December 2017.
- (ii) The E-voting period begins on Sunday 17<sup>th</sup> December 2017 at 9.00 a.m. and ends on Tuesday 19<sup>th</sup> December 2017 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (15<sup>th</sup> December 2017) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (iii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iv) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (v) Click on Shareholders.
- (vi) Now Enter your User ID
  - a) For CDSL: 16 digits beneficiary ID,
  - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vii) Next enter the Image Verification as displayed and Click on Login.
- (viii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (ix) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Shekhar Kumar with sequence number 1 then enter SA00000001 in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (x) After entering these details appropriately, click on "SUBMIT" tab.
- (xi) Members holding shares in physical form will then directly reach the Company's 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. 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.
- (xii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xiii) Click on the EVSN for the Noble Explochem Limited on which you choose to vote.
- (xiv) 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.
- (xv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xvi) 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.
- (xvii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xviii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xix) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xx) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xxi) **Note for Non – Individual Shareholders and Custodians**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxii) 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xxiii) Shri Pradip S. Channe, Practising Company Secretary has been appointed as the Scrutiniser to scrutinise the e-voting process in the fair and transparent manner.
- (xxiv) The scrutiniser shall within a period not exceeding three (3) days from the conclusion of the e-voting period, unlock the votes in the presence of at least two witnesses not in the employment of the Company and will

make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Meeting.

- (xxv) The results on the resolutions shall be declared at or after the Annual General Meeting of the Company and the resolutions will be deemed to be passed on the Annual General Meeting date subject to receipt of the requisite number of vote in favour of the resolutions.
- (xxvi) The results declared along with the scrutinizer's report(s) will be available on the website of the Company within two days of passing of the resolutions and will be communicated to Bombay Stock Exchange Limited where the shares of the Company are listed.

8. All the documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during the normal business hours (10.00 a.m. to 5.00 p.m.) on all working days except Saturdays up to and including the date of the Annual General Meeting of the Company.

**Registered Office:**

54/B, SHREE TOWER,  
SHANKAR NAGAR (EAST),  
WEST HIGH COURT ROAD, NAGPUR – 440010

**By order of the Board of Directors**

Sd/-  
T. C. Kothari  
Chairman and Executive Director

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**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

**Item No. 4**

Smt. Vinda Warhadpande was appointed as a woman director and subsequently as Whole Time Director w. e. f. 1st October 2014. Her term as a Director of the Company ends on the conclusion of this Annual General Meeting and liable for retirement by rotation. Being eligible she offered herself for re- appointment as Director of the Company. The Board of Directors on the recommendation of Remuneration and Nomination Committee vide its meeting held on 30<sup>th</sup> May 2017 had proposed to reappoint her as Director and Whole Time Director of the Company for the period of next 3 years. She has wide experience in the field of HR and Information Technology System.

**Additional information to be given in respect of appointment of Managerial Personnel as required under the provisions of Part II of Schedule V of the Companies Act, 2013**

I. General Information:						
(1) Nature of industry	Manufacturers of Explosives, Chemicals and Horticulture					
(2) Date or expected date of commencement of commercial production	The Company has been in the business for many years					
(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable					
(4) Financial performance based on given indicators	2011-12	2012-13	2013-14	2014-15	2015-16	
	(Rs. in lacs)					
Turnover	00	00	00	00	00	
Net profit/(Loss) (as computed under section 198)	(101.05)	(100.18)	(99.95)	(82.62)	(64.02)	
Net profit/ (Loss) as per profit and loss account	(101.05)	(100.18)	(99.95)	(82.62)	(64.02)	
Amount of Dividend paid	00	00	00	00	00	
Rate of Dividend declared	00	00	00	0	0	
Earning before interest, depreciation & taxes	(0.53)	(0.40)	(0.52)	(0.43)	(0.033)	
% of EBIDT to turnover	00	00	00	0	0	
(5) Export performance and net	2011-12	2012-13	2013-14	2014-15	2015-16	

foreign exchange collaborations	00	00	00	00	00
(6) Foreign investments or collaborators, if any.	NIL				

<b>II. Information about the appointee:</b>	
(1) Background details	
Name	Vinda Warhadpande
Designation	Director HR & Systems
Husband's Name	Madhav Warhadpande
Nationality	Indian
Date of Birth	19/03/1965
Qualification	PG diploma in HR and Computer Application and Systems
Experience	20 years Experience in HR and Computer Application and Systems

(2) Past remuneration	The consolidated remuneration to be paid to appointees in the financial year 2015-2016 was Rs. 0.25 Lacs per month. (No remuneration was paid to both appointees during the last financial year)
(3) Recognition or awards	NIL
(4) Job profile and her suitability	The appointee shall be responsible for the management of the whole of the affairs of the Company and to do all acts and things, which, in the ordinary course of business, he considers necessary or proper or in the interest of the Company. Considering the above and having regard to age, qualifications, ability and experience and looking to the business requirement the proposed remuneration is in the interest of the Company.
(5) Remuneration proposed	A gross remuneration of Rs. 25,000/- Per Month (consolidated) based on monetary value of perquisites plus yearly increments, including Performance Incentive.
(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w. r. t. the country of her origin)	Compared to the remuneration with respect to the industry, size of the Company etc. the remuneration proposed to be paid to appointee is very low.
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	The appointee was ex employee of the Company and not a promoter or associate with the Company.
<b>III. Other information:</b>	
(1) Reasons of loss or inadequate profits	Due to shortage of Raw Material, in-adequate fund availability and workers' unrest.
(2) Steps taken or proposed to be taken for improvement	Management is taking steps to arrange funds for settlement of its dues and for restart of operations.
(3) Expected increase in productivity and profits in measurable terms.	It is expected that, the company will arrange the funds in the financial year 2017-18 to restart operations in 2018-19.

**IV. Disclosures:**

The remuneration package of Smt.Vinda Warhadpande and other details such as service contract, notice period etc. have been disclosed above and also in the Corporate Governance Report. The Company does not have any scheme for grant of stock options.

Except Smt. Vinda Warhadpande being appointee, no other Director of the Company is interested in the resolution given in item No.

The Board recommends to pass the resolution mentioned in item No. 4 of the Notice as an Ordinary Resolution.

**Item No. 5:**

As required under the Companies Act, the Listed Company has to appoint an independent non-executive Director on the Board of Directors. The Company has received proposal from member for the appointment of Shri Ishwar Raka

(DIN 08005159) as an independent non-executive Director. Considering the business and management skill of the appointee, and on the recommendation of Nomination and Remuneration committee, the Board of Directors proposed to appoint Shri Ishwar Raka as an Independent and Non-Executive Director for the term of five years from the date of appointment.

Shri Ishwar Raka is the young businessmen in the Beed having its start up activity and having 5 years of experience in the administration and management. In view of having some benefit of his experience and skill to the Company, it was proposed by the Board of Directors to appoint him as an Independent and non-executive Director of the Company.

Directors have recommended the members to appoint Shri Ishwar Raka as an Independent Non-Executive Director on the Board by passing the resolution given in item No. 5 unanimously.

None of the Directors are interested in the resolution.

Place: Nagpur  
Date: 13<sup>th</sup> November 2017

By order of the Board of Directors  
Sd/-  
T. C. Kothari  
**Chairman and Executive Director**

**NOBLE EXPLOCHEM LIMITED**  
**54/B SHREE TOWERS, SHANKAR NAGAR (EAST),**  
**WEST HIGH COURT ROAD, NAGPUR – 440010**  
**DIRECTORS' REPORT**

To  
The Members

The Directors present herewith the Thirty Fifth Annual Report together with the Statement of Accounts for the year ended 31<sup>st</sup> March, 2017

**Financial Results:**

(Rs. in lakhs)

<b>Particulars</b>	<b>2015 – 2016</b>	<b>2016 – 2017</b>
<b>Income:</b>		
Other Income	22.59	3.87
Less: Expenses	86.61	90.79
<b>Gross Profit/(Loss) before depreciation/ Interest and Tax</b>	<b>(64.02)</b>	<b>(86.91)</b>
Less : Interest and Finance Charges	0	0
Profit/ (loss) before Tax	<b>(64.02)</b>	<b>(86.91)</b>
Add/Less: prior period adjustment	0	0
Less : Extra Ordinary Items	0	0
Less: Provision for Income tax /Def. Tax release	0	0
<b>Net Profit/(Loss) for the year</b>	<b>(64.02)</b>	<b>(86.91)</b>

**Dividend**

In view of incurring of losses, no dividend is proposed for the year under report.

**Transfer to General Reserves:**

The Company's production is held up this financial year also. There was no turnover hence company is incurring losses. Therefore, it is not proposed to transfer any amount to General Reserves.

**Material Changes during the period of Financial Statements and Board's Report Date:**

There is no any material change in the financial position of the Company during the period from the date of financial Statement and date of this Directors' Report.

**Directors**

Smt. Vinda Warhadpande, Director, retires by rotation at the end of this Annual General Meeting and being eligible offers herself for re-appointment. The Board of Directors recommend the members for re-appointment of Smt. Vinda Warhadpande on the Board of the Company. It is also proposed that Smt. Vinda Warhadpande, be appointed as Whole Time Director of the Company as her pervious term as Whole Time Director is ending on the Conclusion of this Annual General Meeting. Brief resume of the appointee Director is given in the Corporate Governance report which is part of this Annual Report.

The Company has received the notice for appointment of Shri Ishwar Raka as an Independent Non-executive Director on the Board. The Board recommends the member to appoint Shri Ishwar Raka on the Board as an Independent Director by passing necessary resolution. The brief profile of the appointee is given in the Corporate Governance report.

**Declaration by Independent Directors:**

The Independent Directors have submitted their disclosure to the Board that they fulfil all requirements as to qualify for their appointment as an Independent Director under the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

**Board Meetings:**

During the year under review the Board meets four times, the details of which are given in the Corporate Governance Report, which forms part of this report.

**Policy on Appointment and Remuneration to Directors**

The current policy of the Company on appointment and remuneration of Directors is to have an appropriate mix of Executives, non-executives and Independent Directors on the Board of the Company. As on 31<sup>st</sup> March 2017, the Company has 6 Directors on the Board of Directors of which, 3 are executive Directors and three are Independent Directors. More details are given in the Corporate Governance Report which is part of this Report.

**Directors' Responsibility Statement**

Pursuant to the provisions of Section 134 (5) of the Companies, Act, 2013, the Board confirm and submit-

- (i) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) That 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 loss of the Company for that period;
- (iii) That 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;
- (iv) That the Directors had prepared the annual accounts on a going concern basis.
- (v) That being the listed Company, the directors, had laid down the internal financial controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating efficiently.
- (vi) That the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating efficiently.

**Listing:**

The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited (BSE).

**Corporate Governance**

Pursuant to Rule 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Reports on Management Discussion & Analysis and on Corporate Governance along with a certificate from the Auditors and CEO / CFO are attached hereto and form part of this report.

**Share Capital:**

There was no change in the authorised share capital or Paid Up Share Capital of the company during the year under review.

The Company **has not** announced any scheme of following issues

1. Employees Stock Option Scheme
2. Issue of Bonus Shares
3. Issue of Rights Shares
4. Issue of Securities by Private Placement
5. Issue of any other securities

**Statutory Auditors:**

M/s Amar Bafna & Associates, Mumbai, were re-appointed as Statutory Auditors of the Company in the 34<sup>th</sup> Annual General Meeting of the Company held on 28<sup>th</sup> September 2016 for the next term of five years i. e. for the financial year 2016-17 and 2020-21.

As per the provisions of Companies Act, 2013, the members of the Company have to ratify the appointment of Auditors each year in the Annual General Meeting. The Audit Committee and the Board of Directors have given approval and recommended the members for the ratification of appointment of Auditors for the next financial year. The Company has also received the consent letter from the Auditors in this behalf. Members are requested to ratify the appointment of auditor Auditors and to fix their remuneration.

**Auditor's Report**

The Auditor's Report is self-explanatory except the following qualifications mentioned in the report:

The Auditor's Report is self-explanatory except the following qualifications mentioned in the report:

1. *We draw your attention that by Notification No. S.O. 3569(E) issued by the Ministry of Finance, Central Government dated November 25, 2016, Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) stand repealed with effect from 1st December, 2016. As a consequence, the proceedings of the Company on reference under SICA before Board for Industrial and Financial Reconstruction (BIFR) abated and came to an end.*
2. *As explained in Note No.16 of Notes to Accounts the expenses/liabilities aggregating Rs. 201.58 lacs for the Year 2016-2017 have not been provided due to which current year loss and accumulated losses are under stated by Rs 201.58 lacs*
3. *As explained in Note No. 24 of Notes to Accounts, calls in arrears is unreconciled to the extent of Rs 2.25 lacs.*
4. *As explained in Note No. 21 of Notes to Accounts, no provision has been made for loans and advances amounting to Rs. 110.51 lacs, which are prima facie doubtful of recovery and in our opinion current year's loss and accumulated losses of the company are under stated by provision of such doubtful advances*

5. *As explained in Note No. 22 of the Notes to Accounts, Depreciation of tangible and intangible assets (as per Schedule II of the Companies Act, 2013) has not been provided.*
6. *As explained in Note No. 25, the liability on account of non-fulfillment of export obligation has not been considered, since the same is not ascertained.*
7. *Attention is also invited in respect of the share application money received by the Company which is pending for allotment, in terms of Section 73 read with Companies (Acceptance of Deposits) Amendment Rules, 2015.*

**On these points the Board submit the following explanation:**

1. The company had made a reference to the Board for Industrial and Financial Reconstruction (BIFR) in pursuance to the provisions of Section 15 (1) of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) based on its audited Balance Sheet as at March 31, 2008. BIFR vide its order dated July 14, 2011 declared the company as a sick industrial company in terms of Section 3 (1) (o) of the said Act and appointed IDBI Bank (IDBI) as the Operating Agency (OA) under Section 17 (3) of SICA to formulate a rehabilitation scheme. The DRS envisaged various reliefs and concessions from various stakeholders, and induction of strategic investors to fulfill the fund requirements to restart production activities. DRS had accordingly been finalized by the OA and submitted to the BIFR for its consideration. While awaiting sanction of the DRS by the BIFR, the BIFR repeal act of 2003 was notified in December 2016 and thus all matters before the BIFR now stand abated. The management has accordingly revised its fund requirements and is scouting for investors to bring in the required funds for restart of its production activities and is hopeful to conclude same in the financial year 2017-18. The management may also consider approaching the NCLT to rehabilitate the company.
2. In respect of Liability of Rs. 201.58 Lacs, it is related to Local tax including previous years. Since the company's production is completed stopped since 2006 and there is no other source of Income, the company could not pay the same. The Management shall approach to local statutory authorities for settlements.
3. The Call in arrears for Rs. 2.25 Lacs remains to be un-reconciled due to non- availability of requisite old data from Registrar and Share Transfer Agents.
4. No provision for Depreciation on fixed assets has been made after discontinuing operation of the company since December 2006 as the relevant assets are not in use.
5. No provision has been made for loans and advances amounting to Rs. 110.71 Lacs representing advances given to suppliers, deposit with statutory authorities. TDS payments as the same are considered to be good and either receivable or adjustable in near future
6. In respect of non-fulfilment of export obligation, the Management Of the Company had made an application to the Export Department, for the extension of time of 5 years from the date of sanction of Rehabilitation Scheme by the BIFR for fulfilment of export Obligation promised.
7. The Share Application Monies were received from the Strategic Investor and Promoters as per the scheme finalised and submitted by the OA to the BIFR. As per the DRS, the Promoters and Strategic Investors would have held certain number of shares and percentage holding in the Company, subject to the approval of scheme by the BIFR. Now that the BIFR repeal act has been notified and the Company's matter before the BIFR stands abated and a fresh rehabilitation scheme has to be finalised, the management is accordingly under discussions for allotment of shares, subject to the necessary approvals.

**Secretarial Audit:**

The Company has appointed M/s P. S. Channe & Associates, Company Secretaries, Nagpur, as Secretarial Auditors to conduct the Secretarial Audit and Report thereon. Accordingly the Company has received the said report and the said Report is being attached with this Directors' Report which is self-explanatory except the following qualifications mentioned in the report:

1. *That Company has not appointed Internal Auditor for the financial year under review.*
2. *That the Company has not appointed Cost Auditor for the financial year under review.*
3. *That the Company has not filed MGT 14 for the Financial Results taken on records in the Board Meeting of the Company.*
4. *That the Company has received notice from BSE Ltd. for delayed/non-payment of listing Fees to the Stock exchange for the financial year 2016-17.*
5. *That the Balance Sheet for the financial year 2016-17 shows Share Application money of Rs. 6,22,50,000/-. There was no public offer or private placement announcement during the year under review.*
6. *That the Company has not appointed KMP in form of Company Secretary in whole time in employment and Chief Financial Officer.*
7. *That the Company has not maintained Common Seal Register as required u/s 12 of the Companies Act, 2013.*
8. *The Company has not published the notice of Board meeting and Unaudited Financial results for the quarter March 2016 June, 2016, September 2016 and December 2016.*
9. *That the Factory License under Factories Act, has not been renewed and it has been withheld by the concerned Authorities.*
10. *That the Company has not renewed its licenses in respect of Explosives, Chemicals and Boilers.*