



ENGINEERS  
&  
CONTRACTORS

# **R. J. SHAH & COMPANY LIMITED**

CIN No. L45202MH1957PLC010986

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## **59TH ANNUAL REPORT**

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### **2016 - 2017**

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**59<sup>th</sup> ANNUAL REPORT**

**2016-2017**

**R J SHAH AND COMPANY LIMITED**

REGD. OFFICE: Mahul Road, Antop Hill, Mumbai - 400037

CIN: L45202MH1957PLC010986

Tel No: 91-24148081/82

Email ID: [rjshah\\_191@hotmail.com](mailto:rjshah_191@hotmail.com)

**BOARD OF DIRECTORS:**

Ms. Kalindi Shah (DIN-00402482)	: Chairperson & Managing Director
Ms. Tejaswini Shah (DIN- 00402478)	: Joint Managing Director
Dr. Manubhai Patel (DIN- 00909485)	: Director.
Mr. Raghavendra Raichur (DIN- 06926975)	: Independent Non-Executive Director
Mrs. Swati Agrawal (DIN- 00402476)	: Independent Non-Executive Director
Mr. Sunil Masand (DIN- 00371211)	: Independent Non-Executive Director

**AUDITORS:**

**N. S. Bhatt & Associates**  
Chartered Accountants

**LISTING OF EQUITY SHARES:**

**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001

**AUDIT COMMITTEE**

Mr. Sunil Masand  
Mr. Raghavendra Raichur  
Ms. Swati Agrawal

**SECTERIAL AUDITOR**

M/s Deepak Rane

**BANKERS:**

Union Bank of India  
State Bank of India



## NOTICE

NOTICE is hereby given that 59<sup>TH</sup> ANNUAL GENERAL MEETING of the members of **R. J. SHAH & COMPANY LIMITED** will be held on Tuesday the 26<sup>th</sup> September, 2017 at 4.00 p.m. at the Registered Office of the Company at Mahul Road, Antop Hill, Mumbai – 400 037. to transact the following business:-

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the audited financial statement of the Company for the financial year ended 31<sup>st</sup> March, 2017, and report of the Board of Directors and Auditors thereon.
2. To declare dividend on equity share capital for the financial year ended March 31, 2017
3. To appoint a Director in place of Dr. Manubhai Patel. (Din No. 00909485), who retires by rotation, and being eligible offers himself for re-appointment
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, and to fix their remuneration.

**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Brijesh Dutt & Associates, Chartered Accountants (ICAI Firm Registration No. 144568W), Mumbai be and is hereby appointed as the Statutory Auditors of the Company in place of M/s. N. S. Bhatt & Associates, Chartered Accountants, Mumbai (FRN: 130891W), the retiring Statutory Auditors, to hold office for a term of five consecutive years from the conclusion of this Annual General Meeting until the conclusion of the 64<sup>th</sup> Annual General Meeting of the Company, subject to ratification of their appointment by the Members at every Annual General Meeting till the 63<sup>rd</sup> Annual General Meeting, at such remuneration plus such taxes as may be applicable and reimbursement of out-of pocket expenses in connection with the audit as the Board of Directors/ Audit Committee may fix in this behalf."

### **SPECIAL BUSINESS**

5. To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V (as may be or amended from time to time) and all other applicable provisions if any, of the Companies Act, 2013, ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the relevant provisions of the Articles of Association of the Company, and in accordance with the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors granted in this regard, approval of the members of the Company be and is hereby accorded to the Re-appointment of Miss. Tejaswini Shah (DIN: 00402478) as "Joint Managing Director" of the Company for a further period of 5(Five) years w.e.f 09<sup>th</sup> May, 2017 on the terms and conditions including remuneration payable to her for a period of 3(Three) years, liable to retire by rotation, on the terms and conditions (including remuneration payable in the event of loss or inadequacy of profits in any financial year during the tenure of her appointment) as set out in the draft agreement, a copy of which initiated by the Managing Director, Miss. Kalindi R. Shah for the purpose of identification, is now placed before this meeting for approval, and in particular, on the remuneration and perquisites, benefits and amenities, as mentioned below, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall deem to include any Committee of the Board constituted to exercise its powers including the powers conferred by this resolution) to determine, alter and vary the terms and conditions of the said appointment, including the remuneration, and tenure, within the overall limits set out in this resolution:

Basic Salary:

10,80,000/- p.a. in the grade of 90,000/- per month.

a) There may be one or more increment(s) in a year, which will be granted on merits, at the absolute discretion of the Nomination and Remuneration Committee/Board of Directors, depending upon the performance of the Company and the Managing Director.

b) Commission: As a percentage of Net Profits of the Company for any financial year, calculated pursuant to the provisions of the Act, subject to the overall ceiling on remuneration to managerial personnel as may be prescribed under the Act from time to time. Such remuneration by way of commission in addition to salary, perquisites and allowances payable, Calculated with reference to the net profits of the Company in a particular financial year during the tenure of this agreement, subject to the overall ceiling stipulated in section 197 read with Schedule V of the Companies Act, 2013. The specific amount payable to Miss Tejaswini Shah will be decided by the Board/ Nomination and Remuneration Committee of the Board and will be payable annually after the annual accounts of the Company have been approved by the Board of Directors and adopted by the shareholders.



c) Others Benefits and Perquisites: Use of car and telephone at residence, or reimbursement of expenses in lieu thereof, medical reimbursement, coverage under Key Managerial Personnel insurance policy or equivalent other insurance policy taken by the Company and personal accident insurance policy, leave and leave travel concession, leave encashment, club fees, education benefits, provident fund, superannuation fund, gratuity, in accordance with the scheme(s) and rule(s) of the Company framed/made for the Executive Directors/Senior Executives of the Company, or any modification(s) thereto from time to time. The perquisites and allowances, wherever applicable, shall be valued as per the Income Tax Rules, 1962. "Family" for the purpose above shall mean the spouse, dependent children and dependent parents of Miss Tejaswini R. Shah.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any Financial Year, subject to the provisions of Schedule V of the Act and such other approvals as may be required, Miss Tejaswini Shah, be paid the same remuneration as mentioned above as minimum remuneration.

RESOLVED FURTHER THAT in order to give effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things, as the Board may in its absolute discretion, consider, necessary, expedient or desirable"

6. To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 197 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules made thereunder, as amended from time to time, a sum not exceeding 1% of the net profits of the Company per annum, calculated in accordance with the provisions of Section 198 of the Act, be paid and distributed amongst the Directors of the Company including the Managing Director and Whole-time Directors) in such amounts or proportions and in such manner and in all respects as may be decided by the Board of Directors and such payments shall be made with respect to the profits of the Company for the year ended 31<sup>st</sup> March, 2017."

#### 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 / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE FORM OF PROXY FOR THE ANNUAL GENERAL MEETING IS ENCLOSED. PROXY IN ORDER TO BE VALID MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING
2. Dividend @ Rs. 10/- per share as recommended by the Board of Directors for the year ended 31<sup>st</sup> March, 2017 and subject to the approval of the shareholders at the ensuing Annual General Meeting, is proposed to be paid on or dispatched before 25<sup>th</sup> October, 2017 to those members whose names appear in the Register of Members of the company as of the close of business hours as on 15<sup>th</sup> September, 2017.
3. The Register of Members and Share Transfer Books of the Company will remain closed from the Friday 15<sup>th</sup> September, 2017 to Tuesday 26<sup>th</sup> September, 2017 (both days inclusive)
4. The Company has transferred unpaid dividend for the year ended 31<sup>st</sup> March, 2009 to the Investor Education & Protection Fund as per the Rules of Central Government.
5. Unpaid Dividend payable to the Shareholders in respect of the 52<sup>nd</sup> Dividend for the year ended 31<sup>st</sup> March, 2010 onwards shall be transferred to the Investor Education and Protection Fund under the amended provisions of the Companies Act, 2013 on the expiry of the 7<sup>th</sup> year from the date of such transfer to unpaid dividend account and hence unpaid dividend for the year 2009-2010 declared on 29<sup>th</sup> September, 2010 will be transferred to the said Account of Central Government before 28-10-2017. The details of unclaimed dividend lying with the Company as on September 28, 2016 (date of last Annual General Meeting) has been uploaded on Ministry of Corporate Affairs website [www.mca.gov.in](http://www.mca.gov.in) in accordance with the requirements of relevant Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012
6. Since the shares of the Company are not dematerialised, Voting through Electronic mode is not possible and hence facilities of Ballot Papers are being provided alongwith Annual Report.
7. Members are requested to notify immediately any change in their address to the Company alongwith any change in their bank details already registered with the company.

MUMBAI  
DATED: 15/05/2017  
REGISTERED OFFICE  
Mahul Road, Antop Hill,  
Mumbai – 400 037.

By Order of the Board

K. R. SHAH  
Chairperson & Managing Director  
Din No. 0402482



## Explanatory Statement

### Item No. 5

The existing tenure of Miss. Tejaswini R. Shah as Joint Managing Director re-appointed for a period of Five years with effect from May 9, 2017. It is proposed to re-appoint Miss. Tejaswini Shah as Joint Managing Director for a tenure of 5(Five) years with effect from May 9, 2017, on the terms and conditions as detailed in the special resolutions proposing their respective re-appointments.

The said re-appointments and their terms (including the terms of remuneration) have been approved by the Board of Directors at its meeting held on February 10, 2017 and the Nomination and Remuneration Committee of the Directors has also approved their terms of remuneration at its meeting held on the same date. The proposed appointments would be in accordance with the applicable provisions of the Companies Act, 2013, and Rules made thereunder.

The special resolutions under item nos. 5 together with this explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 197 of the Companies Act, 2013.

The details of remuneration payable to Miss. Tejaswini Shah and the terms and conditions of their respective appointments are given in resolution at item no. 5 of the Notice of this Annual General Meeting.

The information required under the Sub-clause B of Section II, Part II, of the Schedule V to the Companies Act 2013 is given here below:

I	1)	Nature of Industry	Engineers & Contractors
	2)	Date of expected date of commencement of commercial production	Not applicable because it is a running company
	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	As at 31st March 2017
		Total Income	Rs.15,71,57,596/-
		Profit/ (Loss) before tax	Rs.6,89,63,351/-
		Net profit/ (Loss) after tax	Rs.4,60,85,363/-
		Dividend recommended per share	Rs.10/-
		Earning per share	Rs.164.53/-
	5)	Foreign investments or collaborations, if any	NIL
		<b>INFORMATION ABOUT MS. TEJASWINI SHAH</b>	
	1)	Background details	Ms. Tejaswini Shah is M.Sc. from University of Bombay and has been Joint Managing Director of the company having more than 30 years' experience in the business
	2)	Past Remuneration	
		2013-14	Rs. 10,80,000/-
		2014-15	Rs. 10,80,000/-
		2015-16	Rs. 10,80,000/-
	3)	Recognition and Awards	NIL
	4)	Job profile and her suitability	She has vast experience on number of Company's Project for Irrigation Atomic Power Plant – Railways – Hydro Electric Project and has wide experience in claims, arbitration & court matters. Since last more than thirty years with management of Company Officers and related issues of the Company.
	5)	Remuneration proposed	As per the details given above
	6)	Comparative remuneration profile with respect to industry, size of company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his/her origin)	The remuneration paid to Tejaswini R. Shah is lower than the industry for a similar sized firm.
	7)	Pecuniary relationship, directly or indirectly with the company or relationship with the managerial personnel, if any	She is already director in Rajendra Shipping Private Limited & Kalindi Engineering Industries Private Limited undertaking job work
		Other information:	
	1)	Reasons for loss or inadequate profits	The Company is Earning profits
	2)	Steps taken or proposed to be taken for improvement	The company's profitability would be dependent on the orders from the Government Sector/ Semi Government / Private Sector etc.
	3)	Expected increase in productivity and profits in measurable terms	The company expects an increase in productivity and profits in line with the economic growth, investment aptitude, market demand etc.
		<b>DISCLOSURES</b>	



1)	The remuneration package of the managerial person is given in the explanatory statement above.
2)	Since the corporate governance is not applicable to the company, additional information required to be given in the corporate governance report of the annual report is not furnished.
3)	The company has not made any default in repayment of any of its debts (including public deposits, if any) or debentures or interest payable thereon for a continuous period of thirty days in the preceding financial year before the date of re-appointment of the Joint Managing Director.
4)	The Board of Directors of the company had four non-executive independent directors, to constitute a Remuneration Committee. The decision to re-appoint and payment of remuneration to Ms. Tejaswini R. Shah was taken by the Board in which she did not take part in the deliberations. The Board while considering the remuneration, took into account the financial position of the company, trend in the industry, Ms. Tejaswini R. Shah's qualifications, past performance, past remuneration etc.

The re-appointment of Ms. Tejaswini R. Shah as Joint Managing Director requires the consent of the shareholders at a general meeting by way of special resolution. The Board of Directors commend the resolution for approval of the shareholders at the ensuing annual general meeting.

The related documents are kept at the registered office of the company open for inspection during 11.00 a.m. to 1.00 p.m. on all working days up to the date of the annual general meeting. Apart from Ms. Kalindi R. Shah, her Sister, none of the Directors are concerned or interested in the said resolution.

Yours Directors recommended the aforesaid resolution for your approval.

#### **Item no. 6**

Section 197 of the Companies Act, 2013 permits payment of remuneration to Non-Executive Directors of a Company by way of commission, if the Company authorised such payment by way of a resolution of members.

The remuneration payable to Executive & Non-Executive Directors of the Company including the Managing Director and Whole-time Directors by way of commission not exceeding one per cent of the net profits of the Company for the year ended 31<sup>st</sup> March, 2017. Considering the rich experience and expertise brought to the Board by the Non-Executive Directors, it is proposed that, remuneration not exceeding one per cent of the net profits of the Company calculated in accordance with provisions of the Act, be continued to be paid and distributed amongst the Executive & Non-Executive Directors including the Managing Director and Whole-time Directors of the Company in accordance with the recommendations of the Nomination and Remuneration Committee of the Board and approval by the Board of Directors of the Company, for the year ended 31<sup>st</sup> March, 2017. Such payment will be in addition to the sitting fees for attending Board/Committee meetings.

None of the Directors, Key Managerial Personnel or their respective relatives, except all of the Non-Executive Directors of the Company to whom the resolution relates are concerned or interested in the Resolution mentioned at Item No. 6 of the notice. The Board recommends the resolution set forth in Item No. 6 for the approval of the Members.

**MUMBAI**  
**DATED: 15/05/2017**  
**REGISTERED OFFICE**  
**Mahul Road, Antop Hill,**  
**Mumbai – 400 037.**

**By Order of the Board**

**K. R. SHAH**  
**Chairperson & Managing Director**  
**Din No. 0402482**

**Information relating to the re-appointment of Director(s) at the 59<sup>th</sup> Annual General Meeting**  
[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

**Item No. 3: Re-appointment of Dr. Manubhai Patel as a Director of the Company, liable to retire by rotation**  
Dr. Manubhai Patel Non Executive Director of the Company retire on ensuing annual general meeting on and eligible for reappointed.

Dr Manubhai Patel B.E. (Civil), Michigan State University, USA, A.M.I.E. & Technical Consultation for all types of engineering works since last 45 years

<u>Name of the Director</u>	<u>Dr Manubhai Patel</u>
<u>Date of Birth</u>	<u>08<sup>th</sup> June, 1927</u>
<u>Date of Appointment</u>	<u>31<sup>st</sup> May, 2016</u>
<u>Qualification</u>	<u>B.E. (Civil), Michigan State University, USA, A.M.I.E.</u>
<u>Expertise in Specific Functional Areas</u>	<u>Technical Consultation for all types of engineering works since last 45 years</u>
<u>Directorship held in other Public Company</u>	<u>Nil</u>
<u>Membership/ Chairmanship of Committees of other Public Company</u>	<u>Nil</u>
<u>Number of shares held in the company</u>	<u>1100</u>
<u>Relationship between directors inter-se</u>	<u>N.A.</u>



**DIRECTORS' REPORT**  
2016-2017

To,  
The Members,  
R. J. Shah & Co. Ltd.

The Directors have pleasure in submitting their 59<sup>th</sup> ANNUAL REPORT along with the Audited Balance Sheet and Profit & Loss Account for the year ended 31<sup>st</sup> March, 2017.

**FINANCIAL RESULTS**

	Current Year ended 31.03.2017 (Rs.)	Previous Year ended 31.03.2016 (Rs.)
<b>Income</b>		
Revenue from operations	14,53,59,554	81,30,520
Other Income	1,17,98,042	68,00,667
<b>Total Revenue</b>	<b>15,71,57,596</b>	<b>1,49,31,187</b>
Less : Total Expenses (Excluding Depreciation)	8,67,85,581	1,17,56,596
<b>Profit Before Depreciation &amp; Taxation</b>	<b>7,03,72,015</b>	<b>31,74,591</b>
# (-) Depreciation	14,08,664	17,78,511
<b>Profit Before Taxation</b>	<b>6,89,63,351</b>	<b>13,96,080</b>
(-) Provision for Taxation		8,30,000
(i) Current Tax	2,32,15,000	
(ii) Deferred Tax	(3,37,312)	(4,11,425)
<b>Profit for the year</b>	<b>4,60,85,663</b>	<b>9,77,505</b>

**OPERATIONAL REVIEW:**

Gross revenues for the year ended 31<sup>st</sup> March, 2017 is Rs. 15,71,57,596/-, as against Rs. 1,49,31,187/- in the previous year. Profit before depreciation and taxation is Rs. 7,03,72,015/- as against Rs. 31,74,591/- in the previous year. The net profit of the Company for the year under review was placed is Rs. 4,60,85,663/- as against Rs. 9,77,505/- in the previous year.

**DIVIDEND**

The Board of Directors are pleased to recommend dividend @100% i.e. Rs. 10/- per share on 2,80,100 Equity shares of Re.10/- each for the year under review subject to the approval of members at the ensuing Annual General Meeting of the Company.

The dividend, if approved by the Shareholders at the Annual General Meeting, shall entail a payout of Rs.28,01,000/- and Dividend Distribution Tax (DDT) of Rs.570284/-.

**SHARE CAPITAL**

The paid up equity capital as on March 31, 2017 was Rs.28,01,000/-. During the year under review, the Company has not issued any shares.

**CHANGES IN THE NATURE OF BUSINESS**

There is no change in the nature of business of the Company during the year.

**MATERIAL CHANGES AND COMMITMENTS**

There have not been any material changes and commitments affecting the financial position of the Company between the end of the financial year of the Company as on March 31, 2017 and the date of this report i.e. May 15, 2017.

**GENERAL**

During the financial year 2016-17, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 and rules made there under.

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

The Company has in place policy as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year, no case was reported to the Committee constituted under the said Act.

#### **DIRECTOR & KMP**

Dr. Manubhai Patel (DIN 00909485) shall be the Director liable to retire by rotation at the ensuing Annual General Meeting in accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company; and being eligible, offers himself for re-appointment.

#### **DECLARATION OF INDEPENDENT DIRECTORS**

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

#### **Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit,

#### **DIRECTOR'S RESPONSIBILITY STATEMENT:**

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- iii) The directors have 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) The directors have prepared the annual accounts on a going concern basis.
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

#### **SUBSIDIARY COMPANIES:**

The Company does not have any subsidiary.

#### **Meetings**

Minimum four prescheduled Board meetings are held every year. Additional meetings are held to address specific needs of the Company. In case of any exigency/ emergency, resolutions are passed by circulation. During the Financial Year 2016-17 the Board of Directors met four times on- 30/05/2016, 11/08/2016, 11/11/2016 and 10/02/2017. The maximum gap between any two meetings was less than one hundred and twenty days, as stipulated under Regulation 17 of the Listing Regulations and Secretarial Standards.

#### **RELATED PARTY TRANSACTIONS:**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013.

The detail of the investments made by company is given in the notes to the financial statements.



## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the Chairman & Managing Director.

The Accounts Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies.

Based on the report of internal audit function, corrective action is taken and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

## **NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee has been constituted as per the section 178(1) of the Companies Act, 2013. One Meeting of the Nomination & Remuneration Committee Held during the Year

## **REMUNERATION POLICY**

### **Remuneration to Executive Directors:**

The remuneration paid to Executive Directors is recommended by the Nomination and Remuneration Committee and approved by Board in Board meeting, subject to the subsequent approval of the shareholders at the General Meeting and such other authorities, as may be required. The remuneration is decided after considering various factors such as qualification, experience, performance, responsibilities shouldered, industry standards as well as financial position of the Company.

### **Remuneration to Non- Executive Directors:**

The Board decides the payment of commission within the limits in ensuing Annual General Meeting not exceeding 1% of its net profit to Non-executive Directors shall be applicable subject to approval by members of the Company in general meeting. During the year no commission was paid to the nonexecutive Directors of the

Remuneration by way of sitting fees for attending Board meetings, are paid to Non-executive Director per meeting Rs. 5,000/- per person

## **AUDIT COMMITTEE**

The Company's Audit Committee has been constituted as per section 177 of the Companies Act, 2013. Four meetings of the Audit Committee were held during the financial year 2016-17.

## **STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Company's Stakeholders Relationship Committee has been constituted as per section 177 of the Companies Act, 2013, two meeting of the Stakeholder Relationship Committee During the year

## **VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

The Company has a vigil mechanism named Fraud and Risk Management Policy to deal with instance of fraud and mismanagement, if any.

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Company has a Fraud Risk and Management Policy to deal with instances of fraud and mismanagement, if any.

The FRM Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

A high level Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board.



## **BUSINESS RISK MANAGEMENT:**

Pursuant to section 134 (3) (n) of the Companies Act, 2013 the company has constituted a business risk management committee. The details of the committee and its terms of reference are set out in the corporate governance report forming part of the Boards report.

At present the company has not identified any element of risk which may threaten the existence of the company.

## **AUDITORS & REPORT thereon**

Pursuant to the provisions of Section 139 of the Companies Act, 2013, the term of Statutory Auditors of the Company M/s. N S Bhatt & Associates (FRN:130891W), ends at the conclusion of the ensuing Annual General Meeting and not eligible for re-appointment. The Audit Committee has recommended the appointment of M/s. Brijesh Dutt & Associates. (FRN: 144568W), in place of retiring Statutory Auditors. M/s. Brijesh Dutt & Associates. have furnished a certificate that their appointment, if made, will be within the limits prescribed under the Companies Act. The Directors recommend their appointment as the Statutory Auditors for a period of five years for approval of the Members. Members are requested to approve their appointment as Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the 64th Annual General Meeting of the Company, subject to the ratification of their appointment by the Members at every Annual General Meeting till the 63rd Annual General Meeting.

There are no qualifications or adverse remarks in the Auditors' Report which require any clarification/ explanation. The Notes on financial statements are self-explanatory, and needs no further explanation.

## **INTERNAL AUDITOR**

As per section 138 of the Companies Act, 2013, the Company has appointed M/s. Ravindra B. Shah & Co. , internal auditors for the year to 2016-2017 to conduct the internal audit and to ensure adequacy of the Internal controls, adherence to Company's policies and ensure statutory and other compliance through, periodical checks and internal audit.

## **COST AUDITORS**

As per Section 148 read with Companies (Audit & Auditors) Rules, applicable to cost auditors, the company was not liable to appoint Cost auditors for the financial year 2016-17.

## **SECRETARIAL AUDITOR:**

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed M/s Deepak Rane a Practising Company Secretaries in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit report is annexed herewith

## **REPLY ON SECRETARIAL AUDITOR OBSERVATION**

(i) The company's paid up capital is only Rs. 28 lacs with Bombay Stock Exchange (BSE) listed and the shares are in physical mode with no trading place. The Company is enjoying the services of Practising Company Secretary (PCS) since last so many years for observance and compliance as per the Companies Act, 2013 & other applicable corporate laws. The Companies Act, 2013 mandates the appointment but since the company's sole purpose of continuation is to recover its outstanding and no further orders have been executed for the last few years, the appointment looks very difficult and un viable

(iii) e-voting Facility AS the Company's shares are in physical mode with no activity taking place and further the linkage of electronic mode has not been availed by the Company, the e-voting facility has not been granted by the Company to the shareholder but the ballot paper options has been given in its place

(iii) The company's paid up capital is only Rs. 28 lacs with Bombay Stock Exchange (BSE) listed and the shares are in physical mode with no trading place. Company's sole purpose of continuation is to recover its outstanding and no further orders have been executed for the last few years so the company has not maintain functional website

## **TRANSFER OF SHARES TO INVESTOR EDUCATION AND PROTECTION FUND**

In pursuance of the provisions of Section 124(6) of the Companies Act, 2013 and the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 notified on 7th September, 2016, in addition to the transfer of amounts of unclaimed/ unpaid dividend for 2008-09, the underlying shares are also due for transfer to the IEPF Authority in case the dividend of further 7 (Seven) continuous years.

This was in pursuance of the recent enforcement of section 124(6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 which requires every Company to mandatorily transfer to IEPF, the underlying shares in respect of which unpaid/ unclaimed dividend has been transferred to IEPF and for which the dividend has still remained unpaid or unclaimed for a consecutive period of next 7 (seven) years.